



CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, July 15, 2014 at 6:00 PM
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

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 §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

6:30 P.M. SPECIAL SESSION

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

PLEDGE OF ALLEGIANCE

REPORT FROM CLOSED SESSION

ANNOUNCEMENTS

S1. Consider approval of the Terms of an Agreement between the City of Menlo Park and the Service Employees International Union, Local 521 ([Staff report #14-121](#))

Item D. CONSENT CALENDAR will be called out of order.

Public Comment on Consent Calendar items (if any)

D. CONSENT CALENDAR

D1. Adopt a resolution authorizing the City Manager to execute a contract with the State of California Department of Education to reimburse the City up to \$630,501 for child care services at the Belle Haven Child Development Center for fiscal year 2014-15 ([Staff report #14-120](#))

D2. Adopt a Resolution of Intention to abandon public utility easements within the property at 721 - 851 Hamilton Avenue (Greenheart Apartments) ([Staff report #14-123](#))

- D3.** Adopt a resolution accepting the on-site and off-site improvements and authorizing the release of the bonds for The Artisan subdivision located at 389 El Camino Real ([Staff report #14-122](#))

7:00 P.M. REGULAR SESSION

A. PRESENTATIONS AND PROCLAMATIONS

- A1.** Proclamation recognizing the 1964 Civil Rights Act
- A2.** Proclamation recognizing Tom Gibboney - Retiring Editor of the Almanac
- A3.** Proclamation declaring July 2014 as Parks and Recreation Month
- A4.** Proclamation declaring August 11 as National Safe-Digging Day
- A5.** Update on El Camino Corridor Study and Right-turn Lane at Ravenswood Avenue

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

- B1.** Parks and Recreation Commission quarterly report on the status of their 2 Year Work Plan ([Attachment](#))

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.

E. PUBLIC HEARING - None

F. REGULAR BUSINESS

- F1.** An Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits

(a) Approve a Resolution accepting the certification of the City Clerk as to the sufficiency of the initiative petition entitled "An Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits" ([Staff report #14-125](#))

(b) Receive report from Lisa Wise Consulting, Inc. regarding the analysis of potential impacts of the initiative petition entitled “An Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits” and determine if further analysis is necessary ([Staff report #14-128](#))

(c) Adopt an Ordinance Approving an Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits; OR

Adopt a Resolution Calling and Giving Notice of a Municipal Election to Be Held on November 4, 2014 as Required by the Provisions of the Laws of the State of California to General Law Cities and Submitting to the Voters a Question Relating to an Initiative Measure; Directing Special Counsel to Prepare an Impartial Analysis; Directing Special Counsel and the City Clerk to Prepare the Documents Necessary to Place the Initiative on the Ballot; and Requesting the County of San Mateo to Consolidate a Municipal Election to be Held with the General Statewide Election on November 4, 2014 Pursuant to Elections Code Section 10403 ([Staff report #14-127](#))

F2. Approve Option B for City Hall Improvements and authorize the City Manager to execute any necessary contracts associated with the City Hall Improvements and the Carpet Replacement Project, including any contract that exceeds the City Manager’s current authority (*continued from 6/17*) ([Staff report #14-124](#))

G. CITY MANAGER’S REPORT

G1. Update regarding the Menlo Park Fire District

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS

I1. Menlo Movie Series ([Staff report #14-129](#))

J. COUNCILMEMBER REPORTS

J1. Confirm attendance and delegates for the LCC Annual Conference September 3-5 ([Attachment](#))

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](http://www.menlopark.org/notifyme) 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: 07/10/2014)

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>.

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



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: July 15, 2014
Staff Report #: 14-121S

Agenda Item #: S-1

REGULAR BUSINESS: Consideration of Approval of the Terms of an Agreement between the City of Menlo Park and the Service Employees International Union, Local 521

SUPPLEMENT TO STAFF REPORT

BACKGROUND

The purpose of this supplement to the Staff Report 14-121, is to correct an error discovered in the chart provided on page 2 of the original staff report. The chart below includes the corrected City and employee contribution rates for Tier 3/PEPRA (2%@62) for Fiscal Year 14-2015.

			City Rate	Employee Rate
Tier 1 (2.7%@55)	Contribution Rates		18.7380%	8.0000%
	Cost Shifting to Employees	2.0705%		
	Actual Rates		16.6675%	10.0705%

			City Rate	Employee Rate
Tier 2 (2%@60)	Contribution Rates		18.7380%	7.0000%
	Cost Shifting to Employees	2.0705%		
	Actual Rates		16.6675%	9.0705%

			City Rate	Employee Rate
Tier 3 /PEPRA (2%@62)	Contribution Rates		18.7380%	6.2500%
	Cost Shifting to Employees	2.0705%		
	Actual Rates		16.6675%	8.3205%

PUBLIC NOTICE

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

Report prepared by:
Gina Donnelly
Human Resources Director

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: July 15, 2014
Staff Report #: 14-121

Agenda Item #: S-1

REGULAR BUSINESS: **Consideration of Approval of the Terms of an Agreement between the City of Menlo Park and the Service Employees International Union, Local 521**

RECOMMENDATION

Approve the terms of a collective bargaining agreement between the City of Menlo Park and the Service Employees International Union, Local 521 (SEIU), and authorize the City Manager to execute a Memorandum of Understanding (MOU) with a term of July 13, 2014 through June 30, 2015.

BACKGROUND

On April 2, 2013, in accordance with Council's Public Input and Outreach Regarding Labor Negotiations policy, a staff report was agendized providing an opportunity for public comment prior to the commencement of labor negotiations. The staff report provided a summary of background information related to labor negotiations, a summary of bargaining unit information, personnel cost information, and the methodology used to determine a competitive compensation package.

At the request of City Council, a special meeting was held to provide a second opportunity for public input and comment on April 23, 2013, during which 12 members of the public provided input to the City Council.

SEIU represents approximately 134 non-sworn employees throughout the City. The last negotiated wage increase of 2% was received almost six years ago in October 2008. While pay rates remained static during this period of time, in 2011, employees became responsible for a greater share of the cost increases for healthcare and retirement benefits.

In 2014, healthcare rates changes for available HMO-type plans ranged from a 5.04% to an 11.08% increase. The healthcare rate changes for available PPO-type plans ranged from a 33.52% reduction to a 35.78% increase. The City's cost to provide healthcare remained static and employees who did not elect to switch to a lower cost plan bore 100% of these increased costs.

In Fiscal Year 2011-12, in addition to the full employee contribution, employees became responsible for 50% of the cost for any increases to the City's contributions towards retirement benefits. The charts below demonstrate the shifting of City contributions to be paid by employees for Fiscal Year 2014-15. Retirement contributions are calculated as a percentage of the employees' pay.

			City Rate	Employee Rate
Tier 1 (2.7% @55)	Contribution Rates		18.7380%	8.0000%
	Cost Shifting to Employees	2.0705%		
	Actual Rates		16.6675%	10.0705%

			City Rate	Employee Rate
Tier 2 (2% @60)	Contribution Rates		18.7380%	7.0000%
	Cost Shifting to Employees	2.0705%		
	Actual Rates		16.6675%	9.0705%

			City Rate	Employee Rate
Tier 3 /PEPRA (2% @62)	Contribution Rates		16.8210%	6.2500%
	Cost Shifting to Employees	1.1120%		
	Actual Rates		15.7090%	7.3620%

The City's and SEIU's negotiation teams commenced negotiations on October 25, 2013. The City and SEIU teams met approximately 14 times over the next seven months. During that same period of time the City's lead negotiator met with City Council in Closed Session regarding these negotiations approximately 12 times. The City and SEIU reached a Tentative Agreement (TA) on June 10, 2014, for a successor MOU to the previous Agreement which expired October 31, 2013, and the extension agreement which expired January 31, 2014. SEIU notified the City that the TA was ratified by the membership on June 18, 2014.

ANALYSIS

A complete copy of the Tentative Agreement is attached. The Tentative Agreement is on a full MOU, between the City and SEIU. The following is a summary of key provisions and/or changes from the previous MOU.

Term July 13, 2014 - June 30, 2015

Pay Rates Effective July 13, 2014, the pay rates for employees in this representation unit shall be increased by Three and One Half Percent (3.5%) inclusive of the conversion of the annual special adjustment of One and One Half Percent (1.5%) from a lump sum to be included in the employees' hourly rate.

Pay Rates (cont'd) Effective the beginning of the first full pay period in August 2014, the pay rates for employees in this representation unit shall be increased by Two and One Half Percent (2.5%).

Annual Special Adjustment The annual One and One Half Percent (1.5%) special salary adjustment distributed each December shall cease as a lump sum and the value included in employees hourly rate on a go-forward basis.

Floating Holiday Time Reduce the annual allotment of Floating Holiday Time from 34 to 30 hours per year.

Vacation Cashout Incorporation into the MOU of a previously agreed upon side letter regarding changes to the Vacation Cashout program.

Medical Benefits Effective the beginning of the first full month after ratification of this Agreement by the membership, each active employee shall be allocated an amount to be used to purchase medical benefits. The amount shall be allocated to each employee according to the medical benefits plan selected, as follows:

- \$1,931.07 per month - family coverage
- \$1,485.44 per month - two-person coverage
- \$742.72 per month - single coverage
- \$324.00 per month - no coverage

Effective with the implementation of plan year 2015 each active employee shall be allocated an amount to be used to purchase medical benefits. The amount shall be allocated to each employee according to the medical benefits plan selected, as follows:

- \$2,085.56 per month - family coverage
- \$1,604.28 per month - two-person coverage
- \$802.14 per month - single coverage
- \$349.00 per month - no coverage

Healthcare Cost Offset In recognition of the considerable healthcare cost increase paid by unit members beginning in January 2014, each full time unit member who was employed by the City and represented by this bargaining unit as of January 1, 2014, shall receive a one-time payment of \$850. A prorated amount shall be provided to part-time employees. This means that any unit member whose employment began on or after January 2, 2014, shall not be eligible for this payment.

- Retirement** Incorporation of State mandated pension reforms under the Public Employees' Pension Reform Act (PEPRA).
- Effective as soon as practicable and after December 1, 2014, the employee contribution towards the employer's contribution to the Public Employees' Retirement System (CalPERS) shall be taken as a pre-tax deduction from the employees' paycheck each payroll period. The City and the Union agree that the employee contribution towards the employer's contribution will continue past the expiration of the MOU. If for any reason the City is precluded from making this deduction or the deduction cannot be made on a pre-tax basis, the parties agree to meet and confer regarding ways to cure the defect.
- Labor Management Committee** Effective for the term of this agreement, the City and SEIU agree to the establishment of a Labor Management Committee (LMC) to serve as an advisory committee and to facilitate employee education and involvement in issues regarding CalPERS retirement benefits, including but not limited to, potential future cost increases and the impacts of said cost increases to the financial stability of the City. The LMC shall meet regularly and not less than once per quarter.
- Grievance Procedure** Revisions to clarify and streamline the existing grievance procedures utilized to resolve disputes over alleged violations, misinterpretations or misapplications of the MOU or policy/procedure manuals affecting the working conditions of employees.
- Discipline Appeals** New section bifurcating the existing discipline appeal process from the grievance procedure and amending the process by which an arbitrator is selected to include the option that either party may request the Superior Court of the County of San Mateo appoint an arbitrator be a retired judge of the Superior Court of the County of San Mateo.

IMPACT ON CITY RESOURCES

This Tentative Agreement results in a budgetary impact to the City of approximately \$904,000 for the term of the agreement. Sufficient funding is available in the City's Fiscal Year 2014-15 Adopted Budget for this cost.

POLICY ISSUES

This recommendation aligns with the City's goals of balancing continued fiscal prudence in planning for potential impacts of employee retirement benefits, while also beginning to align the City as a competitive employer in the increasingly robust job market of the Silicon Valley. Even with these wage adjustments, many employees continue to lag behind the wages of other cities.

ENVIRONMENTAL REVIEW

No environmental review is 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. Tentative Agreement City/SEIU Successor MOU
- B. City/SEIU Successor MOU Appendix "B"
- C. Tentative Agreement-Article 6.3
- D. Tentative Agreement-Article 7.9
- E. Tentative Agreement-Article 9.2
- F. Tentative Agreement-Appendix "D"
- G. Tentative Agreement-Article 7.1.2
- H. Tentative Agreement-Article 6.6
- I. Tentative Agreement-Article 17
- J. Side Letter Agreement-Article 11.6

Report prepared by:

Gina Donnelly
Human Resources Director

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**CITY OF MENLO PARK
AND
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521
TENTATIVE AGREEMENT**

This Agreement is on an overall settlement on the terms of a successor Memorandum of Understanding between the City of Menlo Park ("City") and Service Employees International Union, Local 521 ("SEIU").


This Agreement is considered tentative and shall not be considered final or binding until ratified by the SEIU Membership and approved by City Council.

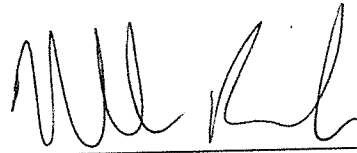
This document sets forth the full agreements of the parties reached during these negotiations. Anything that is not included in this Agreement is not part of the Tentative Agreement.

The parties understand that in the event either party rejects this Agreement, each party reserves the right to modify, amend and/or add proposals.

FOR CITY:

FOR SEIU:


Gina Donnelly
Human Resources Director
Date 6/10/14


Nick Raisch
SEIU Lead worksite Organizer
Date 6/10/14

**CITY OF MENLO PARK
AND
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521
TENTATIVE AGREEMENT**

Term:

- Twelve months (expiring June 30, 2015)

Recognition:

- Please see attached

Representation:

- Please see attached

Personnel Actions:

- Please see attached

Personnel Files:

- Please see attached

Promotional Opportunities:

- Please see attached

Pay Rates:

- Overall Wage Adjustment
- Elimination of Special Adjustment

Hours and Overtime:

- Please see attached

Floating Holiday Time:

- Reduce annual allotment
- Change expiration to 26th pay period

Vacation Cashout:

- Updated to reflect side letter agreement

**CITY OF MENLO PARK
AND
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521
TENTATIVE AGREEMENT**

Sick Leave:

- Please see attached

Long Term Disability:

- Please see attached

Personal Business Leave:

- Please see attached

Bereavement Leave:

- Eliminate six month waiting period
- Clarify eligible family members (revised 06/06/14)

Maternity Leave:

- Please see attached

Benefit Programs:

- Please see attached

Retirement:

- Update current language to reflect effective date of PEPRA
- Conversion of employee contribution towards City's contribution from post-tax to pre-tax

Grievance Procedure:

- Modify current language

Discipline Appeals:

- Modify current language/new section

Management Rights:

- Please see attached

**CITY OF MENLO PARK
AND
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521
TENTATIVE AGREEMENT**

Disciplinary Action:

- Please see attached

Various language corrections/changes:

- Please see attached

All Individual Tentative Agreements:

- Article 6.3-Performance Improvement Plans
- Article 7.9-Advance of Vacation Pay
- Article 9.2-Uniform Allowance
- Appendix D-CalPERS Labor Management Committee
- Article 7.1.2-Salary Surveys
- Article 6.6-Reclassification Requests
- Article 17-Nondiscrimination

MEMORANDUM OF UNDERSTANDING

BETWEEN

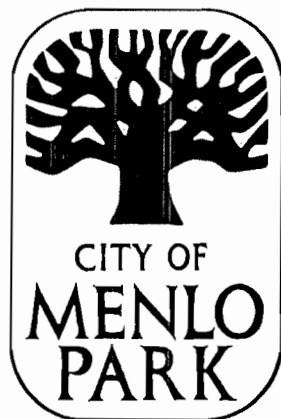
LOCAL 521

SERVICE EMPLOYEES INTERNATIONAL UNION,

CTW, CLC

AND

THE CITY OF MENLO PARK



**March 25, 2012TBD through October-June 3130,
20132015**

PREAMBLE

This Memorandum of Understanding is entered into by and between Service Employees' International Union, Local 521, CTW, CLC (hereinafter "Union") and the City of Menlo Park (hereinafter "City"). This Memorandum of Understanding is entered into pursuant to the Meyers-Milias-Brown Act (Government Code Sections 3500-3510) and has been jointly prepared by the parties.

ARTICLE 1: RECOGNITION

1.1 The Union is recognized as the exclusive representative ~~of~~ for the classifications ~~for~~ of City workers as listed in Appendix "A" to this Agreement. Nothing herein shall be construed to discriminate against any individual who chooses to exercise his/her right of self-representation under Section 3502 of the Government Code.

1.2 Each newly established job classification shall be assigned to an appropriate representation unit by the Human Resources Director, after consultation with recognized employee organizations, if they find that there is an appropriate unit to which such job classifications may be assigned. An employee organization may appeal in writing from such assignment to the Human Resources Director within thirty (30) calendar days of said determination. If the Union is unsatisfied with the results of said appeal, the Union may invoke impasse procedures in accordance with Government Code 3500. Whenever, during the term of this Agreement, a worker is hired or reclassified to a position not contained in Appendix "A" and not contained in any other bargaining unit, his/her eligibility for inclusion in the bargaining unit shall be governed by the satisfaction of any of the following criteria:

In general the City shall adhere to objectives which require that the appropriate unit shall be the broadest feasible grouping of positions that share an identifiable community of interests. Factors to be considered may include:

- a. Similarity of the general kinds of work performed, types of qualifications required and the general working conditions.
- b. History of representation in the City and similar environment.
- c. Consistency with the organizational patterns of the City of Menlo Park.
- d. Number of employees and classifications, and the effect on the administration of employer-employee relations created by the fragmentation of classifications and proliferation of units.

- e. Effect on the classification structure and impact on the stability of employer-employee relationship of dividing single or related classifications among two or more units.

~~The meet and confer process shall be used to determine whether newly created positions shall be in the bargaining unit.~~

~~1.2.1 — The worker is hired as an employee on a full time basis of twelve (12) months or more.~~

~~1.2.2 — The worker is employed on a permanent part time basis and works an average greater than or equal to twenty (20) hours per week, six (6) months or more out of twelve (12) months.~~

~~1.2.3 — The worker is not classified as a permanent part time employee, but works at least twenty (20) hours per week for an average of twelve (12) months.~~

~~1.2.4 — The worker is a provisional employee.~~

~~1.2.5 — Successive contracts with same worker shall be totaled in order to determine the applicable twelve (12) or six (6) months period.~~

- ~~1.2.6~~ — When a position is filled by successive contracts with different workers, but otherwise meets the criteria for inclusion in an SEIU bargaining unit as defined by this Article, the position shall be included in the bargaining unit.
- ~~1.3~~ — Section 1.2 shall not apply to any person who is an independent contractor.
- ~~1.4~~ — The following groups of workers are not eligible for representation by this bargaining unit:
- ~~1.4.1~~ — All police and police management classifications which are contained in other bargaining units;
 - ~~1.4.2~~ — Members of the Management Team who are not subject to merit system employment procedures or protection;
 - ~~1.4.3~~ — Supervisory classifications where the worker supervises one or more permanent positions and signs job evaluations;
 - ~~1.4.4~~ — Seasonal and part time workers who work less than twenty (20) hours per week and/or whose duration of employment is less than twelve (12) months;
 - ~~1.4.5~~ — Independent contractors;
 - ~~1.4.6~~ — Student interns who carry a course load of twelve semester units or more during the regular school year;
 - ~~1.4.7~~ — Graduate students who, as part of an accredited program lasting up to two years, are engaged in a cooperative work program.
- ~~1.5~~ — On a monthly basis the City shall provide the Union with a listing of all temporary workers on the City payroll. Such listing shall include each temporary worker's department, rate of pay, classification, number of hours worked during the month, and cumulative hours worked.
- ~~1.6~~ — The City shall notify the Union whenever it establishes a new non-bargaining unit classification which impacts negotiable terms or conditions of employment for bargaining unit workers. Upon request by the Union, the City shall meet and confer over the negotiable effects of its decision to create the new classification.

ARTICLE 2: UNION SECURITY

(Note: Sections 2.1 through 2.5 were previously modified by Side Letter 2001-1, dated January 18, 2001)

2.1 Agency Shop

2.1.1 Duty of Fair Representation. The Union has the duty to provide fair and non-discriminatory representation to all workers covered by this Memorandum of Understanding, regardless of whether they are members of the Union.

2.1.2 Implementation. Effective March 11, 2001, all unit members, as a condition of initial and continued employment, for the duration of this Agreement, shall either (a) become a member of the Union, or (b) pay a service fee to the Union in lieu of membership, or (c) claim religious exemption as a member of a bona fide religion, body or sect that has historically held conscientious objections to joining or financially supporting public employee organizations, as provided in Section 3502.5(c) of the Government Code.

When a person is hired in any of the covered job classifications, the City shall notify that person that the Union is the recognized bargaining representative for the worker's representation unit, that the Union and the City have entered into an Agency shop agreement requiring payment listed above as a condition of employment, provide an enrollment card (furnished by the Union) and give the worker a current copy of the Memorandum of Understanding.

Workers shall be free to become a member of the Union or to refrain from becoming a member of the Union. Workers who voluntarily become Union members shall maintain their membership in the Union for the duration of this Memorandum of Understanding, provided, however, that workers may resign Union membership during the first five business days of September of any year, by notifying the Union and the Personnel Division in writing by registered mail, postmarked within the withdrawal period.

If an individual employee becomes delinquent in paying fees required under this Section due to a clerical error or the fact that the employee was not paid by the City during the pay period, the City shall not be responsible for paying such fees. However, once the City has been notified of the error, the City will make the correction within that pay period. In cases where a worker is not paid for a portion of the pay period and their salary is insufficient to cover part or all of the withholding of union dues or service fees, or their statutory withholding obligations exceed the withholding of union

dues or service fees, there shall be no withholding. All legal, statutory and required deductions shall have priority over fees.

Each regular pay period, the City shall provide the Union with a list of the names, addresses, classifications, and membership status of all unit workers except those who file written notice with the Personnel Division objecting to the release of addresses, in which case information will be transmitted without address. Once a month, the City shall supply the Union with a list of representation unit new hires, terminations and retirements that occurred during the previous month.

The Union shall indemnify and hold the City, it's officers and employees, harmless from any and all claims of any nature whatsoever, and against any claim or suit instituted against or involving the City arising from the execution of the City's obligations contained in this Article or from the use of the monies remitted to the Union, including the costs of defending against such actions or claims.

- 2.1.3 Dues Deduction. The City will deduct Union membership dues, agency fees, insurance fees, and any other mutually agreed upon payroll deduction from the biweekly pay of the worker, effective with the first pay period the worker is employed, subject to the provisions contained in Section 2.1.2. The worker must authorize deduction of membership dues in writing on an enrollment card acceptable to the City and the Union. In cases where an enrollment card has not been returned, the mandatory service fee shall be deducted from the biweekly pay of the worker. The City shall remit the deducted dues and other fees to the Union as soon as possible after deduction. The membership status report and dues deduction report shall be electronically transmitted to the Union via e-mail or other mutually agreeable method.

In cases where, for whatever reason, (e.g., the City being enjoined from collecting dues or service fees), a worker is delinquent in the payment of such dues or service fees, the Union shall utilize the judicial process to compel payment.

- 2.1.4 Establishment of Service Fee. The Union shall demonstrate to the City that it has complied with applicable law by (a) having disseminated to the bargaining unit adequate information about its expenditures for the preceding fiscal year, including information regarding its "chargeable" and "nonchargeable" activities in the prior fiscal year, broken down in adequate and reasonable detail between the chargeable and nonchargeable activities; (b) having established a full, fair and prompt procedure whereby objecting nonmembers are

able to challenge allegedly objectionable expenditures; and (c) having established a procedure for escrowing the amount reasonably in dispute in connection with any challenge by an objecting non-member. The Union shall demonstrate its compliance with this Section before implementation of agency shop provisions, and on an annual basis thereafter.

- 2.1.5 Religious Exemption. Any worker occupying a position covered by this Memorandum of Understanding, who is a member of a bona fide religion, body or sect that has historically held conscientious objections to joining or financially supporting a public employee organization will, upon presentation of a written declaration to the Union and the City of active membership, notarized by an official representative of such religion, body or sect, be permitted to make a charitable contribution to one of the charities available through payroll deduction, equal to the service fee in lieu of Union membership or service fee payment.

The Union will have thirty days after receipt of a declaration of religious exemption to challenge any exemption that the City grants. If challenged, the deduction to the charity of the employee's choice will commence but will be held in escrow pending resolution of the challenge. Charitable contributions will be by regular payroll deduction only. For purposes of this Section, charitable deduction means a contribution to a non-religious, non-labor charitable organization available through the City's United Way or Combined Health Agencies payroll deduction slot, exempt from taxation under Section 501 of the IRS Code.

- 2.1.6 Financial Reports. The Union shall comply with Government Code §3502.5(d), which addresses the financial reporting requirements to agencies with negotiated agency shop provisions.

- 2.2 Except in cases of emergency, the Union shall be informed sufficiently in advance in writing by Management before any proposed changes not covered by this Memorandum of Understanding are made in benefits, working conditions, or other terms and conditions of employment which require the meet and confer or meet and consult process.

- 2.3 C.O.P.E. Checkoff. All workers who choose to do so may request an additional deduction from their paychecks to be forwarded to the Union and accounted for in a separate notation. Such additional deduction shall be used for political campaign purposes and shall be totally voluntary. The C.O.P.E. checkoff report shall be electronically transmitted to the Union via e-mail or other mutually agreeable method.

- 2.4 Bulletin Boards. The City shall furnish and maintain bulletin board space for use by the Union of a size and location mutually agreeable to the City and the Union. The bulletin board space provided shall be clearly identified as Union bulletin board space. The board may be used for the following subjects:
- (a) Information on Union elections, reports, newsletters and notices;
 - (b) Reports of official business of the Union, including reports of committees or the governing boards thereof;
 - (c) Scheduled membership benefits, programs and promotions;
 - (d) Any other written material pertaining to the official business of the Union, the Santa Clara County or San Mateo County Central Labor Council or the Committee on Political Education (COPE).

ARTICLE 3: REPRESENTATION

- 3.1 It is agreed that, as long as there is no disruption of work, five (5) Union representatives shall be allowed reasonable release time away from their work duties, without loss of pay, to act in representing a unit worker or workers on grievances or matters requiring representation. The Union shall designate the five (5) representatives under this section. The Union shall notify the City in writing of the names of the officers and representatives. Upon request, the City may approve release time for other bargaining unit members to represent a unit worker or workers under this Section. Only one (1) representative shall be entitled to release time under this section for any one (1) grievance or group of related grievances. Subject to the provisions of Section 3.2, release time shall be granted for the following types of activities:
- 3.1.1 A meeting of the representative and a worker or workers in the unit related to a grievance.
 - 3.1.2 A meeting with Management
- 3.2 The Union agrees that the representative shall give advance notification to his/her supervisor before leaving the work location except in those cases involving emergencies where advance notice cannot be given. Release time is subject to the legitimate scheduling needs of the department.
- 3.3 Seven (7) Union representatives who are City employees, up to a maximum of two (2) employees from any department, shall be allowed a reasonable amount of time off without loss of pay for formal negotiation purposes. Preparation time for negotiations shall not be on release time without approval of the ~~Personnel Officer~~ Human Resources Director.

- 3.4 Nine (9) Union representatives shall be allocated up to one (1) hour per month time off without loss of pay for purposes of meeting and consulting on matters within the scope of representation, other than formal negotiations. Workers shall normally be allowed to adjust their lunch period adjacent to this time.

ARTICLE 4: DEFINITIONS

4.1 Definitions

- 4.1.1 A “temporary” or “contract” employee is a worker employed for a definite term of up to six months, although such temporary employee may be held over for up to three (3) additional months when the temporary employee is filling a vacancy created by leave without pay and the leave is extended beyond the initial fixed period.

A student intern may also be considered a temporary employee, provided he/she is not otherwise eligible for inclusion in the bargaining unit under the criteria listed in Article 1.

Recreation leaders and other recreation workers who commonly perform work at a level below a Recreation Supervisor may remain temporarily employed indefinitely. A temporary employee is not eligible for benefits provided in this agreement.

- 4.1.2 A “provisional” employee is a worker employed for a definite term of more than six (6) months, although such provisional employee may be held over beyond the initial term of employment as specified in Section 12.4.1. A provisional employee shall be employed and treated in all respects for the entire term of employment as a provisional employee, the same as a probationary employee.
- 4.1.3 A “probationary” employee is a worker who has not yet completed the probationary period, or any extension(s) thereof, as provided in this Agreement. A probationary employee is eligible for benefits provided in this Agreement, except as limited by Sections 6.1.5 and 6.1.8 of this Agreement.
- 4.1.4 A “permanent” employee is a worker who has satisfactorily completed the probationary period, or any extension(s) thereof. A permanent employee is eligible for benefits provided in this Agreement.

ARTICLE 5: LAYOFF AND RE-EMPLOYMENT

5.1 Layoff

- 5.1.1 Whenever in the judgment of the City Council it becomes necessary in the interests of economy or because the position no longer exists, the City Council may abolish any position or employment in the competitive service, or may reduce the hours of any position. The decision to abolish a position or reduce the hours of any position shall not be subject to the grievance procedure contained in this Agreement.
- 5.1.2 It is agreed between the parties that attrition is the preferred method of accomplishing any necessary reduction in the work force.
- 5.1.3 If a permanent reduction of hours is proposed for a particular classified position, the incumbent has the right to exercise any and all of the rights set forth in this Article. The incumbent may also choose to be laid off and receive the benefits contained in this article.

5.2 Notification of Layoff

- 5.2.1 Workers being laid off shall be given written notice from the City's Personnel Officer at least forty-five (45) calendar days prior to the effective dates of layoff. The layoff notice shall contain a statement of the effective date of layoff, a statement of "bumping rights" including the specific positions into which the worker may bump, and a statement of re-employment rights. Notice of layoff shall be given by personal service and the worker shall sign an acknowledgment of personal service; or by certified mail, return receipt, postage prepaid. The Union shall receive concurrent notice of individual layoff notices.
- 5.2.2 Upon request, the Union shall be afforded an opportunity to meet with the City to discuss the circumstances requiring the layoff and any proposed alternatives.

5.3 Seniority

- 5.3.1. For the limited purposes of this Article 5, "length of service" means all hours in paid status including holiday, vacation, and paid leave, but does not include any hours compensated for overtime or standby, ~~military leave~~, unpaid illness, unpaid industrial accident leave, or hours served as a temporary or contract employee in classifications other than the classification in which the worker is being laid off.

- 5.3.2 In the event a worker reverts to a previously held classification, seniority shall include all time accrued previously in the lower classification, as well as all time accrued in the higher classification.
- 5.3.3 No seniority credit shall be earned during periods of separation from service with the City, including suspension without pay as a result of disciplinary action.

5.4 Order of Layoff

- 5.4.1 All temporary employees in a particular classification will be laid off before any provisional, probationary or permanent employee in the classification.
- 5.4.2 All provisional employees in a particular classification will be laid off before any probationary or permanent employee in the classification.
- 5.4.3 All probationary employees in a particular classification will be laid off before any permanent employee in the classification.

5.5 Layoff Procedures

- 5.5.1 Except as otherwise provided, layoffs will be made in reverse order of seniority. The workers with the least time served in a classification shall be laid off first, with ensuing layoffs occurring in reverse order of length of service in the classification. If two workers have served the same time in the classification, then as between those two workers, the layoff will be based on total time of service with the City. If total time of service with the City is the same, then, as between those two workers, the layoff will be determined by a lottery.

5.6 Bumping Rights

- 5.6.1 A permanent employee who is designated for layoff, including a worker on probation following reclassification, transfer, or promotion from a permanent position, may elect, in lieu of layoff, to be reassigned to a position in a lateral or lower related classification within his/her department, or another department, provided that in order to displace the worker with less service the laid off worker must have held permanent status in the classification into which he/she is bumping.

- 5.6.2 When a senior employee chooses to bump into a position in a lateral or lower, related classification, said worker must accept the salary, hours, and working conditions of the position to which return is requested.
- 5.6.3 A bargaining unit worker requesting to bump into a classification as provided herein, must make such request to the Personnel Officer in writing within seven (7) calendar days of his/her receipt of written notice of layoff. Failure to comply with the deadline provided herein shall be deemed a waiver of the bumping rights provided in this Section 5.6.
- 5.6.4 Nothing herein shall preclude bumping between AFSCME and this bargaining unit.

5.7 Re-employment

- 5.7.1 The names of workers laid off shall be placed on a re-employment list in inverse order of seniority for a period of two (2) years from the date of layoff. The worker with the greatest seniority on the re-employment list shall be offered reinstatement when a vacancy occurs in a classification in which the worker held permanent status.
- 5.7.2 A laid off worker may refuse an offer of re-employment to a position for which he/she is qualified, however, refusal of two (2) offers of re-employment to the classification from which laid off shall automatically cause removal of the worker's name from the re-employment list and loss of any re-employment rights.
- 5.7.3 Any worker who accepts an offer of re-employment shall have his/her name removed from the re-employment list.
- 5.7.4 A worker who has been laid off and has been placed on a re-employment list shall be eligible, during the time the worker is on the re-employment list, to take promotional exams.
- 5.7.5 Offers of re-employment shall be made via the U.S. Mail Service, Certified Return Receipt, and shall include the specific position and/or hours being offered, the rate of pay, level of benefits, a current job description, a mechanism for acceptance or refusal of the offer of re-employment within the prescribed time limit, and a place for the laid off worker's signature. Failure to respond within ten (10) days from the date of service of offer of re-employment shall be deemed a refusal of that offer of re-employment.

The Union shall receive concurrent notice of each re-employment offer. Date of service is defined as the date marked on the certified mail return card, or the date the notice is returned by the postal service as undeliverable.

5.8 Miscellaneous Provisions

- 5.8.1 For the limited purpose of Article 5, permanent employees, including workers on probation following reclassification, re-employment, reinstatement, transfer, promotion, or demotion from a permanent position who are laid off shall be entitled to one (1) month severance pay and three (3) months of paid health insurance.
- 5.8.2 Workers appointed from a re-employment eligibility list shall have all rights accrued at the time of layoff restored including accrued sick leave, rate of vacation accrual and seniority, but excluding benefits to the extent compensation therefore has been received prior to re-employment. Severance pay, if any, shall not be repaid.

ARTICLE 6: PERSONNEL ACTIONS

6.1 Probation

- 6.1.1 The probationary period shall be regarded as part of the testing process and shall be utilized for closely observing the worker's work, for securing the most effective adjustment of a new worker to a prospective position, and for rejecting any probationary worker whose performance is not satisfactory.
- 6.1.2 During the seventh pay period following employment, the worker shall receive a performance evaluation. ~~Personnel~~ Human Resources shall send a reminder notice of this deadline to the appropriate supervisor, with copies to the worker and City Manager.
- 6.1.3 All original appointments shall be subject to a probationary period of twelve (12) months for unit members. All promotional appointments shall be subject to a probationary period of six (6) months except for Police Department Communications Officers, who shall be subject to a probationary period of twelve (12) months. The ~~Personnel Officer~~ Human Resources Director may, based upon the recommendation of the worker's supervisor, extend the probationary period not to exceed six (6) months if the worker marginally performed the necessary job functions and needs an additional six (6) months to bring performance to a satisfactory level. Total cumulative absences ~~lasting of fourtwo~~ -(42) weeks or more shall extend the review period by the corresponding duration of the absence.

6.1.4 At least one month prior to permanent appointment the City shall begin to review the work of the probationary employee to determine the following:

- a. certify him/her for the position;
or
- b. extend the probation;
or
- c. reject him/her for the position.

The City shall take action on this determination by the last day of the probation period by notifying the worker in writing. If the notification is delayed by more than five working days following the last day of probation, the worker shall become permanent.

6.1.5 If the service of a probationary employee is unsatisfactory, the worker will be notified in writing that he/she has been rejected for the permanent position. Said notice shall contain the reasons for rejection. The ~~Personnel Officer~~ Human Resources Director shall, upon request, afford an interview in a timely fashion to the terminated worker for discussion of the reasons for termination. The worker may, upon request, be accompanied by a Union representative. The interview shall not be deemed a hearing nor shall it obligate the City to reconsider or alter the termination action.

6.1.6 A worker deemed unsatisfactory for a position shall return to his/her prior classification and non-probationary status in that classification and to the pay step he/she would have had if not promoted, transferred or voluntarily demoted.

6.1.7 Departments may not shift job assignments as a reason in itself for placing a worker on probationary status.

6.1.8 The parties agree that probationary employees shall have the same rights as other workers under this Memorandum of Understanding, including full and complete access to the grievance procedure, except that workers who do not hold prior permanent status with the City shall have no right to review any disciplinary action or decision to unfavorably terminate the probation.

Workers who do hold prior permanent status shall have the right to appeal any disciplinary action, but not the decision to unfavorably terminate the probation.

6.1.9 A probationary period begins on the first day of work when the worker is selected to fill a permanent position.

6.2 Performance Evaluation

6.2.1 The City may, from time to time, develop reasonable guidelines that enable the supervisor to adequately evaluate the worker as to satisfactory job performance. Job performance reviews shall be conducted pursuant to regularly established and announced policies. The guidelines shall be in accordance with the job specifications for the position being reviewed.

6.2.2 ~~Personnel-Performance~~ evaluations will be given to workers at least annually, but normally no more than twice a year, as scheduled by Management. Additional evaluations may be scheduled where there is documented evidence in preceding evaluations of the worker's inability to perform significant duties of the position. Management must complete performance evaluations by the date stated on the job performance form. After signing the evaluation to acknowledge receipt, the worker will have ten (10) working days in which to write a response. Signature of the evaluation will not constitute agreement with its contents.

~~Personnel-Performance~~ evaluations are not appealable through the grievance procedure but, in the event of disagreement over content, the worker may request a review of the evaluation with the next higher level of Management, in consultation with the ~~Personnel-Officer~~Human Resources Director. For purposes of this review, the worker may be represented by the Union. Decisions regarding evaluation appeal shall be made in writing within ten (10) working days following the meeting.

6.3 Performance Improvement Plans (TA'd 02/13/14)

When the performance of a worker falls below the minimum standards established for a position as set forth in the job performance standards (JPS), a performance improvement plan may be developed. The worker has the right to have a Union representative present during the development of the performance improvement plan. Performance improvement plans must describe in detail the areas of deficiency, and contain a reasonable plan for improvement.

When used, Performance Improvement Plans shall be an integral extension of the job performance review process, and shall not be used, by themselves, for disciplinary actions.

6.4 Personnel Files

6.4.1 ~~The Personnel-Officer~~Human Resources shall maintain personnel records for each worker in the service of the City showing the name,

title of position held, the department to which assigned, salary, changes in employment status, attendance records and such other information as may be considered pertinent. A worker is entitled to review his/her personnel file upon written request or may authorize, in writing, review by his/her Union representatives, with the exception of information obtained confidentially in response to reference inquiries. Upon written request by the worker, a worker or the Union shall be allowed copies of materials in a worker's personnel file relating to a grievance.

- 6.4.2 The City shall notify a worker of any adverse material placed in his/her personnel file if that material is or has not previously been reviewed with the worker. The worker shall have a reasonable time and opportunity to comment thereon.

~~Before any adverse memorandum is placed in a worker's file the worker shall be given a copy of the memorandum and adequate time to respond. The Union shall also be given a copy unless the worker has filed a form stating he/she does not want the Union to receive copies of adverse memorandum or has requested in writing that a particular adverse memorandum not be forwarded to the Union.~~

~~A joint letter from the Union and the City shall be given to new workers hired after the execution of this agreement. This letter shall inform him/her of the agreement between the City and the Union to provide copies of all adverse memorandum to the Union. This joint letter shall also contain a form to be completed and signed by a worker if he/she does not want copies of adverse memorandum sent to the Union.~~

- 6.4.3 In any disciplinary action the City may not rely upon any previous written warnings, notice of suspension or demotion, or written evaluation not contained in said file as justification for any personnel action which adversely affects the worker in question, but may rely on oral warnings not made a part of the file and issued within the preceding six (6) months. In the event a worker who has received written warnings or reprimands has completed twenty-four (24) months of work without further disciplinary action, his/her prior disciplinary record of similar instances, except for sustained findings of violations of the City's Anti-Harassment and Non-Discrimination Policy, shall no longer be relied upon in any determination which in any manner affects his/her employment status ~~and such disciplinary record shall be sealed~~ and shall be removed from the worker's personnel file upon request from the worker. In cases where a worker is suspended or demoted and such discipline is sustained, a record of such action shall be kept in the personnel file and any such

documentation supporting such action shall be kept in a separate file in the ~~Personnel Office~~Human Resources Department.

6.4.4 Personnel files of individual workers are confidential information and shall be used or exhibited only for administrative purposes or in connection with official proceedings before the City Council. The City will only release information to creditors or other persons upon proper identification of the inquirer and acceptable reasons for the inquiry. Information then given from personnel files is limited to verification of employment, length of employment, any individual salary and benefit information, and any other information requested under the freedom of information act and deemed to be public information. Release of more specific information may be authorized in writing.

6.5 Promotional Opportunities

6.5.1 Promotional opportunities for classifications within the representation unit will be posted for at least ten (10) working days (Monday through Friday) prior to closing applications. Such postings shall include a description of the type of examination and screening process that will be used in filling the position. Any test given shall relate to the skills, knowledge, and abilities necessary to perform the job. ~~Where an interview panel is used as part of the examination process, at least one member of that panel shall be a person who is not employed by the City, unless there is a compelling organizational reason why such a person cannot be on the panel.~~

6.5.2 The top ~~three~~two (2) permanent bargaining unit members applying for promotional opportunities for classifications within the representation unit and who meet the minimum qualifications for the position will be interviewed regardless of the number of interviewees otherwise requested by the hiring department. When possible, the top two (2) permanent bargaining unit members applying for promotional opportunities outside of the representation unit and who meet the minimum qualifications for the position will be interviewed.

6.5.3 The City shall notify the worker applying for the promotion, in writing, of the City's decision to grant or deny the promotion upon request of the worker.

~~6.5.4 In the event a temporary employee is appointed to the position being temporarily occupied, the date of hire as a temporary employee will be recognized for purposes of seniority, vacation, and salary advancements.~~

6.6 Reclassification

6.6.1 During the term of this Agreement, the City shall notify the worker concerned in case of contemplated change in job content as contained in the classification descriptions which were in effect at the beginning of the Agreement. The Union shall be notified in advance of any contemplated changes in classification descriptions and such changes shall be discussed with the Union, provided that the City shall have the final decision regarding job content. The Union shall be given a reasonable opportunity to meet and confer on the impact of any such changes on matters within the scope of representation.

6.6.2 (TA'd 04/14/14) Once each year, during the month of January, a worker may request in writing a re-evaluation of his/her joba Classification based on significant changes in job content or significant discrepancies between job content and the classification description. The request must contain justification. A statement by Management that a job re-evaluation request will be submitted with the department budget does not relieve a worker from the responsibility of submitting his/her own request in a timely manner. If meetings are held, the worker may request representation by the Union. The City will process the request and issue a recommendation within ninety (90) days. The City shall not agree to a change in the appropriate pay level for a job description until the Union has received a copy of the proposed change and has been given the opportunity to meet and confer with the City. Reclassifications shall become effective after City Council approval of the budget, retroactive to the first pay period of the fiscal year. ~~The Personnel-Officer~~Human Resources shall notify the Union at least ten (10) days prior to recommending a reclassification. Upon request, the ~~Personnel-Officer~~Human Resources Director will meet and confer with the Union to determine whether the worker shall be subject to a probationary period. In cases where there is a dispute regarding the recommendation of the ~~Personnel-Officer~~Human Resources Director, the recommendation may be appealed to the City Manager, whose decision shall be final and not subject to the arbitration provisions of Article 15, Grievance Procedure.

~~If the worker receives a favorable recommendation for reclassification prior to the first pay period of the fiscal year, and the City determines that the worker is currently performing the duties of the new classification, he or she will receive pay for working out of classification under Section 7.8.~~

~~There shall be no reclassifications during the term of this Agreement.~~

- 6.6.3 In conducting classification studies, the compensation figure calculated for each City shall consist of the following components: base salary, employer paid employee contributions to the retirement system, and deferred compensation contributions made by the employer on behalf of the employee, ~~and the special adjustment.~~
- 6.6.4 The reclassification procedure shall not be used for the purpose of avoiding use of the promotion or demotion procedures.
- 6.6.5 Salary step placement upon reclassification shall be in accordance with Article 7.4.1 (Effect of Promotion on Salaries).

6.7 Flexible Staffing

6.7.1 The term “flexibly staffed” position refers to those specifically designated positions within a classification series containing an entry level (I) classification and journey level (II) classification and which can be filled at either of those two levels.

The currently identified flexibly staffed positions are:

Accounting Assistant I/II
Maintenance I/II (Building Maintenance, Parks, Streets, Trees)

The City may post and fill the position at either the I or II level. If the City fills the position at the I level, promotion to the II level shall be considered after two years of service at the I level, and after the most recent performance review reflects that acquired skills and experience have advanced to the journey level.

ARTICLE 7: PAY RATES AND PRACTICES

7.1 Overall Wage Adjustments

7.1.1 Effective the beginning of the first full pay period after the latter of 1) ratification of this Agreement by the membership, or 2) July 13, 2014, the pay rates for workers in this representation unit shall be increased by Three and One Half Percent (3.5%). This includes the conversion of the special adjustment referenced in paragraph 7.1.2. There shall be no adjustment to the salary schedule during the term of this Agreement.

7.1.2 Effective the beginning of the first full pay period after the latter of 1) ratification of this Agreement by the membership, or 2) July 13, 2014, the Annual One and One Half Percent (1.5%) Special Adjustment for workers in this representation unit shall cease.

7.1.3 Effective the latter of (1) ratification of this Agreement by the membership, or (2) August 10, 2014, the pay rates for workers in this representation unit shall be increased by Two and One Half Percent (2.5%).

7.2 One Time Payment

7.2.1 In recognition of the considerable healthcare cost increase paid by workers in this representation unit beginning in January 2014, current active fulltime workers who were employed by the City and represented by this bargaining unit as of January 1, 2014, shall

receive a one-time payment of Eight Hundred Fifty Dollars (\$850.) Current active part-time workers who were employed by the City and represented by this bargaining unit as of January 1, 2014, shall receive a pro-rated payment based on the assigned number of hours worked per week. Said payment shall be distributed to current active eligible workers the first pay date subsequent to the first full pay period after ratification of this Agreement by the membership and approval by City Council.

7.2 Step Increases

Merit advances from the first salary step and subsequent steps shall be granted at one (1) year intervals if the affected worker has demonstrated continued competent service. For the purpose of determining step time requirements, time will commence on the first day of the month coinciding with or following entrance onto a salary step. Step increases shall be effective on the first day of the payroll period in which the time requirements have been met.

7.3 Application of Rates

7.3.1 Workers occupying a position in the competitive service shall be paid a salary or wage within the range established for that position's class under the pay plan as provided. The minimum rate for the class shall normally apply to beginning workers. However, subject to the approval of the Personnel Officer, the department head may hire beginning workers who are especially qualified by their training or by their previous experience at any step in the range.

7.3.2 In the event that a newly hired worker is placed above Step A on the salary schedule due to recruitment problems, as opposed to the conditions in 7.3.1 above, incumbents in that classification who have been placed on a lower step of the salary schedule will be moved to the same step on the salary schedule as the newly hired worker, and all such workers will be allowed to move to the next step in six months.

7.4 Effect of Promotion, Demotion or Transfer on Salaries

7.4.1 Promotion

Upon promotion, a worker's salary shall be adjusted as follows:

7.4.1.1 If the first step in the salary range for the worker's new position is at least five percent (5%) greater than the worker's current salary range, the worker shall be moved to the first step of the new salary range.

7.4.1.2 If the first step in the salary range for the worker's new position is less than five percent (5%) greater than the worker's current salary range, the worker shall be moved to the step which would provide at least a five percent (5%) increase in salary.

7.4.1.3 If no step in the salary range for the new position would provide the worker with at least a five percent (5%) salary adjustment, the worker shall be moved to the top step of the new salary range.

7.4.2 Demotion

Upon demotion of a worker with permanent status in his/her current class, his/her salary shall be adjusted to the highest step in the new class not exceeding the salary received in the former class.

7.4.3 Transfer

Upon transfer, the salary shall remain unchanged.

7.5 Bilingual Differential

7.5.1 Workers who are assigned to job duties requiring bilingual skills are eligible to receive Sixty-Five Dollars (\$65.00) each pay period for the use of bilingual skills in job duties arising during the normal course of work.

- 7.5.2 Eligibility for the bilingual pay differential shall be determined by the Personnel Officer on the basis of a proficiency test developed and administered by the City.
- 7.5.3 Bilingual skills shall not be a condition of employment except for workers who are hired specifically with that requirement. If a worker is hired under this provision, that requirement shall be included in the initial appointment letter.
- 7.5.4 The City retains the right to discontinue the bilingual differential for any individual worker when bilingual services are no longer required, provided the City gives the exclusive representative ten (10) days notice prior to such revocation, in order to allow the opportunity for the parties to meet and ~~confer~~consult.
- 7.5.5 No employee shall be required to use bilingual skills who is not compensated under this section.

7.6 Call Back Pay

- 7.6.1 Any worker who is required by the City to work on a day when the worker has not been scheduled, or any worker called back to work after the worker has completed his or her regular work day and left the worksite, shall be entitled to a minimum of two (2) hours of compensation at the flat rate of Twenty-Five Dollars and Thirty-Five Cents (\$25.35) per hour or one and one-half times their regular rate of pay, whichever is greater. Call back pay shall not apply where the City requires a worker to remain at the worksite after the completion of his or her regular work shift.
- 7.6.2 Payment for call back may be at the cash rate specified in Section 7.6.1 above or in compensatory time off at the rate of one and one-half hours for each hour worked, at the worker's option. Prior to the end of the pay period, the worker shall designate, on the appropriate City form, his/her choice of either compensation at the flat dollar rate or one and one-half times their regular rate of pay, whichever is greater or compensatory time off.

7.7 Standby Pay

- 7.7.1 A worker performing standby duty outside the worker's regular work shift shall be compensated at the rate of Two Dollars and Seventy-Five Cents (\$2.75) per hour for each hour the worker is assigned to standby duty.

7.8 Working Out of Classification

7.8.1 The term “working out of classification” is defined as a Management authorized assignment to perform work on a temporary basis wherein significant duties are performed by a worker holding a classification within a lower compensation range. The employer shall notify workers in advance of making such assignments. Pay for working out of classification shall be as follows:

7.8.1.1 A worker performing duties associated with a higher position, whether filled or unfilled, on an out of classification basis will receive acting pay of five percent (5%) for the hours worked in that capacity.

When the Department Head anticipates that the out of classification assignment will be for a period of 240 hours or more, the worker will receive the pay rate of the higher classification beginning with the start of the assignment. If such a determination has not been made by the end of the 240 cumulative hours worked in the higher classification, the worker shall receive the pay rate of the higher classification, retroactive to the first hour of work.

~~7.8.1.2 The step within the range of the higher classification will generally be step A, but in no event less than five percent (5%).~~

7.8.2 Out of classification provisions do not apply to work assignments performed in connection with declared conditions of public peril and/or disaster.

~~7.9 Advance of Vacation Pay (TA'd 02/13/14)~~

~~7.9.1 Vacation pay shall be made available in advance of regular pay day provided that the worker requests such advance in writing to the Personnel Officer at least one (1) week prior to his/her vacation date. The worker's supervisor must verify the vacation date upon request.~~

~~7.9.2 Vacation pay for the period shall be one hundred percent (100%) of the worker's regular pay due, less premiums.~~

7.10 — Special Adjustment

~~7.10.1 — Each December, on the First Friday in the month not falling on a pay date, each worker in the represented unit shall receive, in addition to the salary prescribed herein, a special salary adjustment equal to one and one half percent (1.5%) of the worker's current annual salary. Special adjustments shall be prorated to reflect appointment made during the year, or interrupted service during the year.~~

~~— The special adjustment is considered special compensation and will not be included in future retirement calculations, as determined by the Public Employees' Retirement System.~~

7.11 Night and Weekend Differential

Workers in the Library assigned to work hours between 5:00 P.M. and 8:00 A.M. weekdays or between Friday from 5:00 P.M. to Monday 8:00 A.M. shall be compensated for night and weekend differential at five percent (5%) above the worker's base pay.

Workers in the Police Department assigned swing, midnight, relief or day shift on the weekend shall be compensated for night and weekend differential at five percent (5%) above the worker's base pay. Overtime hours shall not be used to qualify for weekend or night shift differential.

7.12 Court Appearances

Workers required to appear in Court during off-duty hours to testify regarding matters arising out of the worker's employment with the City, shall receive a minimum of four (4) hours pay at time and one-half (1.5). The City reserves the right to require the worker to wait to testify at their work location and perform duties as assigned while waiting to testify, provided the Court consents. If the Court requirement expires prior to the expiration of the four (4) hour minimum, the employee shall be released.

This section does not apply in situations where the worker is held over after or called in prior to his or her regular shift as long as the period is adjacent to the normal work shift. In these situations, standard overtime provisions shall apply.

~~The City reserves the right to provide a beeper to employees required to standby for court appearances.~~

ARTICLE 8: HOURS AND OVERTIME

8.1 Hours of Work

8.1.1 Regular Work Schedules

- ~~a.~~ The regular work schedule for all workers except those on a flexible schedule such as a 4/10, or 9/80 ~~or 12-hour~~
- ~~b.~~ schedule, shall consist of forty (40) hours within a seven (7) day work week and is five consecutive days served in units of eight (8) hours. For this schedule, the workweek begins Sunday midnight and ends Saturday at 11:59 P.M.
- b. A 4/10 work schedule shall be four (4) days served in units of ten (10) hours within a seven (7) day workweek. For this schedule, the workweek begins Sunday midnight and ends Saturday at 11:59 P.M.
- ~~dc.~~ A 9/80 work schedule shall be nine (9) days served in one (1) unit of eight (8) hours and eight (8) units of nine (9) hours over a two week pay period. For this schedule, the workweek shall begin exactly four (4) hours after the start time of the day of the week which is each employee's regular alternate day ~~off. consists of a consecutive, one hundred sixty-eight (168) hour period, the start of which can vary per worker based on their assigned schedule.~~
- ~~e.~~ A twelve hour schedule shall be seven (7) days served in six (6) units of twelve (12) hours and one (1) unit of eight (8) hours over a pay period. For this schedule, the workweek conforms to a 7(b) schedule under the Fair Labor Standards Act.

8.1.2 Part-time Workers. Workers who work less than the regular week and day as set forth above shall be designated as part-time and shall have hours scheduled by the appropriate supervisor and approved by the City's ~~Personnel Officer~~ Human Resources Director.

8.1.3 Lunch Periods. All workers working a regular work week, except Communications Officers, City Service Officers assigned to patrol or daytime parking enforcement, and Code Enforcement Officers shall observe an unpaid lunch period of not less than thirty (30) minutes nor more than sixty (60) minutes. Lunch periods shall be scheduled with the approval of the department ~~head~~ director. When required by the needs of the department, or requested by the worker and authorized by the Department, Communications Officers, City Service Officers assigned to patrol or daytime parking enforcement,

and Code Enforcement Officers shall take an “on duty” lunch period which shall be counted as time worked.

8.1.4 Rest Periods. One (1) fifteen (15) minute rest break with pay shall be provided to ~~unit members~~workers for each four (4) hours of service. Rest periods and lunch periods may not be aggregated and used to extend the lunch period or shorten the work day.

8.2 Overtime

8.2.1 Definition.

- a. Overtime for workers ~~who are not working on a flexible time schedule~~ is defined as any time worked in excess of forty (40) paid hours in any work week as defined in section 8.1.1.
- b. ~~Overtime for workers on a 4/10 work schedule is any time worked in excess of forty (40) paid hours in any work week.~~
- c. ~~Overtime for workers on a 9/80 work schedule is any time worked in excess of eighty (80) paid hours in a pay period.~~
- d. ~~Overtime for workers on a twelve hour work schedule is any time worked in excess of eighty (80) paid hours in a pay period.~~
- eb. For Communications Officers, overtime shall also include any hours worked outside their normally assigned shift.

Overtime shall be compensated pursuant to Section 8.2.3. All overtime must be authorized and approved in advance by the department ~~head~~director or designee.

8.2.2 Modified Schedules. At the request of either the worker or department ~~head~~director, the department ~~head~~director may approve a schedule of more than eight (8) hours per day without overtime compensation. Such a work schedule must be consistent with the regular work schedules defined in Section 8.1.1.

8.2.3 Overtime. Overtime may be assigned on a required basis or requested by the worker and approved by the department ~~head~~director. Overtime shall be compensated at the rate of one and one-half (1.5) times the worker’s regular rate of pay or in the form of compensatory time at the rate of one and one-half (1.5) hours for each hour worked, at the worker’s option except when the worker’s choice of compensatory time would interfere with a department’s ability to recover the cost of the overtime.

8.2.4 Compensatory Time. A worker may accumulate a maximum of eighty (80) hours of compensatory time, except that Public Works Department workers on the call back list may accumulate one hundred twenty (120) hours of compensatory time and Communications Officers may accumulate one hundred sixty (160) hours of compensatory time. Compensatory time may be used when the services of a worker are not needed for the efficient functioning of his/her department, and must be approved in advance by the department head. Once a worker has reached the limits of compensatory time in this section he/she shall receive cash at the overtime rate for all overtime worked.

Upon termination, all unused compensatory time shall be paid off at the final rate of pay received by the worker, or the average regular rate received during the last three (3) years of the worker's employment, whichever is higher.

8.3 Work Schedule

All work schedule and flexible time work schedule arrangements presently in effect shall continue. If the City proposes to change the work schedule of a classification the Union shall be notified at least ten (10) working days in advance and given an opportunity to meet and confer-consult over such proposed changes prior to implementation.

8.4 Library Work Schedule

~~The City and the Union will meet and confer to explore a revised work schedule for permanent employees to try and provide two consecutive days off per week.~~

ARTICLE 9: UNIFORMS (TA'd 02/13/14)

9.1 The City will provide uniforms, raingear, coveralls or shop coats when necessary for all Public Works, Engineering, and applicable Building and Planning Department workers, consistent with existing practice.

9.2 Communications Officers, Lead Communications Officers and Records Supervisors, Records Personnel and City Service Officers shall upon initial appointment be provided required uniforms as determined by the Chief of Police, and thereafter receive Six Hundred Dollars (\$600) per year uniform allowance. As soon as practicable, payment shall be made in the amount of \$23.077 per biweekly pay period. If an employee is on unpaid leave for a period of one (1) full pay period or more, the employee will not receive uniform allowance for that period.

The City will provide uniform jackets for City Service Workers whose work is primarily outdoors. Jackets that are worn or damaged in the course of work will be routinely replaced by the City. It will be the employee's obligation to replace lost or misplaced jackets.

If any other worker is required to wear a uniform during the life of this Memorandum of Understanding, the City will meet and confer with the Union concerning the establishment of an equitable uniform allowance.

- 9.3 On presentation of appropriate receipts, the City shall reimburse workers who are required by the City to wear safety shoes/boots for up to Two Hundred Fifty Dollars (\$250.00) toward the cost of no more than three (3) pairs of OSHA approved safety shoes/boots per year. Workers in the Public Works Department assigned to the tree crew shall be reimbursed for up to Three Hundred Dollars (\$300.00) toward the cost of no more than three (3) pairs of OSHA approved safety shoes/boots per year. Shoe repair and resoling are reimbursable under this provision. Shoes/boots purchased under this provision are for the use of the worker exclusively.
- 9.4 Employee clothing seriously damaged or destroyed in conjunction with employment duties will be reasonably replaced by the City.
- 9.5 Workers in the Public Works Department shall be permitted to wear shorts, provided that supervisory approval has been given as to their appropriateness in terms of style, location and safety.
- 9.6 The City shall reimburse Equipment Mechanics in the Maintenance Division who, as a condition of employment, are required to provide their own tools and equipment. Reimbursement will be made for tools that the worker selects to purchase, or for tools required to be added to the inventory in order to carry out his or her duties. Reimbursement will be made on submission of receipts, but no more than twice per fiscal year. The City shall reimburse a maximum of one thousand dollars (\$1,000) per fiscal year. The reimbursement shall be administered in accordance with Maintenance Division policy.

ARTICLE 10: HOLIDAYS

10.1 Fixed Holidays

Except as otherwise provided, workers within the representation unit shall have the following fixed holidays with pay:

New Year's Day	January 1
Martin Luther King Day	Third Monday in January
Washington's Birthday	Third Monday in February
Memorial Day	Last Monday in May

Independence Day	July 4
Labor Day	First Monday in September
Veterans Day	November 11
Thanksgiving	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Christmas Eve	December 24
Christmas Day	December 25

- 10.1.1 Except for Communications Officers and Lead Communications Officers, in the event that any of the aforementioned days, except December 24, falls on a Sunday, the following Monday shall be considered a holiday. In the event that any of the aforementioned days falls on a Saturday, the preceding Friday shall be considered a holiday. In the event that December 24 falls on a Sunday, then the preceding Friday shall be considered a holiday.

Bargaining unit members in the Communications Officer and Lead Communications Officer classifications shall observe Independence Day, Veterans Day, Christmas Day, Christmas Eve and New Year's Day on the actual date of the holiday.

- 10.1.2 Pay for Fixed Holidays. All workers shall be paid a full day's pay at their regular straight time base hourly rate for all fixed holidays as defined herein.

- 10.1.3 Work on Fixed Holidays. Any worker required to work on a fixed holiday and in addition to regular hours shall be paid time and one-half for such work in addition to his/her holiday pay. Work on a fixed holiday beyond the number of hours in a regular shift shall be compensated at double time.

Any part-time worker required to work on a fixed holiday and in addition to regular hours shall be paid time and one-half for such work in addition to his or her holiday pay. Work on a fixed holiday beyond the number of hours in a regular shift shall be compensated at time and one-half.

10.2 Floating Holiday Time

Workers shall annually receive thirty-four (304) floating holiday hours off with pay, credited on the first pay period of the year. Workers hired after the first pay period of the year shall receive a pro-rated amount of floating holiday hours for the remainder of the calendar year.

The following conditions will apply to such floating days off:

- 10.2.1 Workers shall request a floating day off in accordance with normal vacation time off request procedure. ~~In cases of conflicting requests for the same day made at the same time, length of service shall govern who receives the day off.~~

- 10.2.2 Floating days off must be used during or prior to the end of the twenty-sixth (26th) pay period received prior to November 14, 1993 ~~which cannot be scheduled shall be converted to compensatory time off and used in accordance with the provisions of 8.2.4 herein.~~ Floating days off received after November 14, 1993 may not be converted to compensatory time off and must be used during or prior to the end of the first pay period of the following year in which it was credited or be forfeited.
- 10.2.3 If a worker fails to take a day off as scheduled, the day off so scheduled will be forfeited, unless a mutually agreeable alternative day off is arranged.
- 10.2.4 Any floating day off for workers who work less than full-time or less than a full year shall be prorated on the basis of hours worked as compared to full-time employment.
- 10.2.5 Floating holiday balances remaining at the time of separation will be forfeited.

ARTICLE 11: VACATIONS

- 11.1 Each worker shall be entitled to an annual paid vacation, accrued as follows:
- 11.1.1 For full-time workers:
- Less than three (3) years of service - 88 hours per year.
- Three (3) years of service through five (5) years of service - 104 hours per year.
- Six (6) years of service through ten (10) years of service - 136 hours per year.
- Eleven (11) years of service through fifteen (15) years of service - 152 hours per year.
- Over fifteen (15) years of service - 176 hours per year.
- 11.1.2 For permanent part-time workers: a proportional equivalent based on the assigned number of hours worked per week as compared to those worked by a full-time worker.

~~11.2~~ ~~Effect of Probationary Period~~

~~Vacations cannot be taken during the first six (6) months of employment; however, the probationary period counts for purposes of vacation accrual.~~

11.32 Maximum Accrual

Vacation may be accrued up to a maximum of three hundred thirty-six (336) hours. The maximum accrual for part time employees shall be a proportional equivalent. After reaching said maximum, the worker must take time off or accrual will be frozen. Upon separation, there will be no payment for hours in excess of the maximum accrual.

11.43 Scheduling

The department head shall determine the vacation schedule considering the needs of the department, specifically with regard to the worker's assigned duties and the worker's desires. Use of vacation is subject to the advanced approval of the Department Director or designee. Any and all vacation granted pursuant to this Article shall be granted at time or times as will not reduce the number of employees below that which is reasonably necessary for the efficient conduct of the public business of such department, division or work group. Vacation time requested shall not be unreasonably denied.

11.54 ~~Payment on Separation or Leave~~

~~Accrued vacation time up to the maximums described in Section 11.3 above shall be paid to a worker permanently separated from City service, or, at the request of the worker, when granted a leave of absence.~~

11.65 Vacation Cashout Provision

A worker may cash out vacation leave in accordance with the Vacation Cashout Policy. When a worker schedules three (3) but less than five (5) paid days off, he/she may cash in up to eighty (80) hours of accrued vacation time. When a worker schedules five (5) or more paid days off, he/she may cash in up to one hundred twenty (120) hours of accrued vacation time. No more than one hundred twenty (120) hours of vacation time may be cashed in during any one calendar year. The cashout check shall be made available one week before vacation commences provided the worker gives two weeks notice of his/her request in writing to the Personnel Division.

~~Should the scheduled vacation be canceled or not taken within six months of the date of the cashout, the cashed out funds shall be refunded to the City in accordance with a repayment schedule worked out with the Personnel Division.~~

11.76 Illness During Scheduled Vacation

A worker who, during a scheduled vacation period, becomes ill or injured, shall be entitled to have the remaining time off coded as sick leave, under the following conditions:

- a. The worker otherwise qualifies for sick leave as provided by this Agreement and has sufficient sick leave to cover the period; and,
- b. The worker's illness or injury is verified by a statement from an accredited medical doctor for each such day of illness for which leave is requested.

If vacation time has been deducted for the period covered under this Section, and the use of sick leave has been approved, the time will be credited back and sick leave used in its place.

ARTICLE 12: LEAVE PROVISIONS

12.1 Sick Leave

12.1.1 Accrual Rates. The City shall provide each worker with paid sick leave at the rate of eight hours per month, earned on a biweekly basis and computed as follows:

12.1.1.1 Full-time workers may accrue up to a maximum of one thousand four hundred forty (1,440) hours for full time workers, and a proportional equivalent for part-time employees.

12.1.2 Use of Sick Leave. Sick leave shall be allowed and used in cases of actual personal sickness or disability, medical or dental treatment, or as authorized for other necessary health reasons. Up to six (6) days per year of sick leave may be used in cases of actual sickness or disability, medical or dental treatment of members of the worker's immediate family. ~~Such usage is in addition to personal business leave as described in Section 12.3 of this Agreement, and shall apply towards the provisions of Section 12.1.4.~~

~~If a worker is scheduled to work on a designated City holiday, and subsequently calls in sick, the worker shall not receive holiday pay. Sick leave shall not be coded on a day which is designated a City holiday. On these days, the employee shall receive credit for the holiday. Holidays shall be considered a work day for purposes of Article 12.2.1.~~

12.1.3 Abuse Enforcement. The City shall be obligated to monitor all sick leave use, and shall take appropriate actions to ~~insure~~ ensure that benefits are paid out only for ~~actual illness or injury~~ use as authorized in Section 12.1.2.

12.1.3.1 Any worker who does not have an accrued sick leave balance and who does not otherwise qualify under the provisions of this Article 12, shall not be paid for any day of sick leave called in, whether genuine or not.

12.1.3.2 Management has the authority to monitor potential sick leave abuse and patterns of abuse, and when there is a reasonable basis for suspecting such abuse, may require medical verification as a condition for payment of sick leave. ~~A sick leave incident policy is an acceptable means of detection and abuse enforcement as long as such policy is uniformly administered by the Personnel Division.~~

~~12.1.3.3 Abusive sick leave patterns automatically forfeit the worker's right to a merit increase, and may adversely affect transfers and promotions. Chronic abuse may result in severe disciplinary action, such as suspension, demotion or dismissal.~~

12.1.4 Compensation for Accumulated Sick Leave.

12.1.4.1 Resignation. A resigning worker, who was hired into the unit prior to May 4, 2010 and who has fifteen (15) or more years of continuous service shall receive compensation for up to fifteen percent (15%) of his/her accumulated sick leave balance up to a maximum of five hundred (500) hours. Such compensation shall be based on the worker's rate of pay on his/her last day paid service to the City.

12.1.4.2 Retirement. A worker who was hired into the unit prior to May 4, 2010 and who retires under PERS from the City may elect to receive cash compensation for fifteen percent (15%) of his or her accumulated sick leave balance, up to a maximum of one thousand three hundred sixty (1,360) hours, based upon the worker's rate of pay on his or her last day of paid service to the City, or may convert their sick leave balance, up to a maximum of one thousand three hundred sixty (1,360) hours, to retirement health credits at the rate prescribed in Section 12.1.4.3. Workers may combine any of the above two options.

12.1.4.3 Retirement Health Credit Conversion. A worker who was hired into the unit prior to May 4, 2010 and who has a minimum of five (5) years of continuous service who elects to convert accumulated sick leave to retirement health credits upon retirement from the City may do so under the following schedule:

Five (5) years of service to fifteen (15) years of service: eight (8) hours of sick leave for each retirement health credit, with any remainder being rounded to the next higher credit;

Fifteen (15) years of service to twenty (20) years of service: six (6) hours of sick leave for each retirement health credit, with any remainder being rounded to the next higher credit;

Over twenty (20) years of service three (3) hours of sick leave for each retirement health credit, with any remainder being rounded to the next higher credit.

If this election is made, the retirement health credit calculated shall not exceed the highest HMO health plan premium as may be in effect at such time such credit is applied. Election shall be made at the time of retirement.

12.1.4.4 Layoff. A worker who was hired into the unit prior to May 4, 2010 and who has been laid off may select as compensation for accumulated sick leave one month of paid health insurance for each unit of retirement health credit. After the health insurance benefit paid under Section 5.8.1 has been exhausted, up to a maximum of forty-eight (48) hours of the accrued sick leave balance may be converted to retirement health credits at the rate of one (1) unit for every eight (8) hours of accumulated sick leave with any remainder being rounded to the next higher credit.

12.1.5 Double Coverage. Workers who qualify for the retirement health credit conversion may elect double coverage at the rate of two (2) units for every month of paid health insurance.

12.1.6 Family Coverage. Workers who qualify for the retirement health credit conversion may elect family coverage at the rate of three (3) units for every month of paid health insurance.

- 12.1.7 Transfer of Sick Leave for Catastrophic Illness. Transfer of sick leave for catastrophic illness is designed to assist workers who have exhausted sick leave due to a catastrophic illness, injury or condition of the worker. This policy allows other workers to make voluntary grants of time to that worker so that he/she can remain in a paid status for a longer period of time, this partially ameliorating the financial impact of the illness, injury or condition.

A catastrophic illness is defined as an illness which has been diagnosed by a competent physician, requiring an extended period of treatment or recuperation, and which has a significant risk to life or life expectancy. Confirmation of the condition and prognosis by a health care provider chosen by the City may be required.

~~The Personnel Division~~Human Resources will discuss with the Union or their designated representative an appropriate method of soliciting contributions from coworkers. The contributions shall be submitted to ~~the Personnel Division~~ Human Resources and Human Resources~~Personnel~~ will process the contribution list in the order established. Any worker shall be allowed to contribute a maximum of eighty (80) hours of sick leave from their accrued sick leave balance to another full-time or permanent part-time worker in the City who is suffering from a catastrophic illness and has exhausted his or her own sick leave, provided, however, they have maintained a positive sick leave balance of forty (40) hours or more following the donation. Once the contribution is made it cannot be rescinded.

Upon return to work, a worker may bank any remaining hours that have been contributed up to a maximum of forty (40) hours. If the contribution list has not been exhausted, the contributing workers will be notified that their contribution was not required and the balance restored.

Determination of employees eligible for the program shall be made by the ~~Personnel~~Human Resources Director, whose decision shall be final.

12.2 Long Term Disability

- 12.2.1 Should any illness or injury extend beyond thirty working (30) days, the City will ~~insure~~ensure continued payment to the worker at 66.67 percent of salary, up to a maximum as provided in the long-term disability policy. The amounts paid shall be less any payments received from either Workers' Compensation or retirement. During the first year of disability and so long as no retirement determination has been made by the City, the worker will be entitled to continued City paid health insurance, AD&D, dental and life insurance

benefits, providing that the employee continues to pay the worker share of the benefit cost, where applicable. Accrued leave earned shall only continue for periods during which the worker is utilizing accrued leave time, and to the accrual of vacation time. At the end of 365 calendar days from the date of illness or injury or unless previously retired, should the not be able to return to work, the worker will be permitted to continue to participate in City paid health insurance, AD&D, dental and life insurance benefits. However, the worker will be required to pay 100% of any premiums.~~would officially cease being an employee and receive no further entitlements beyond the 66.67 percent salary requirement as provided in this Section 12.2.~~

12.2.2 ~~If a worker terminated after 365 calendar days from the date of illness or injury in compliance with 12.2.1 above, is medically certified to return to work within twenty four (24) months of the termination date, the worker may request re-employment with the City. The worker's request for re-employment shall be accompanied by a physician's statement certifying the types of duties the worker is able to perform. This re-employment situation shall be conducted in accordance with Section 5.7. However, this re-employment status does not take precedence over workers on a re-employment list due to layoffs.~~

12.2.32 Workers who have a sufficient amount of sick leave time may, at the worker's option, use sick leave on a hour-for-hour basis to delay the start of the long term disability plan. The long term disability plan would start upon the exhaustion of sick leave. The City procedures which allow for follow-up of a worker who has been out on an extended disability shall apply to workers under this section.

12.3 Personal Business Leave

12.3.1 A worker shall be entitled to a maximum of three (3) days per calendar year for Personal Business Leave without loss of pay. Such leave shall be deducted from accrued sick leave, ~~and shall apply toward Section 12.1.4 Award for Non Use.~~

12.3.2 Personal Business is defined as business of urgent and compelling importance which cannot be taken care of outside of normal working hours and which is not covered under other leave provisions of this Memorandum of Understanding ~~or leave to care for a member of the immediate family who is ill or injured.~~

12.3.3 A worker shall notify the department head two (2) days before taking this leave, unless an emergency exists which prohibits the worker from providing such advance notice.

12.3.4 Workers shall complete an absence affidavit which shall verify that the worker's use of leave was for personal business of urgent and compelling importance ~~or leave to care for a family member as defined above~~, and that such leave has not been used for recreational purposes, extension of holidays or vacation, work stoppages, or for matters of purely personal convenience.

12.3.5 At the discretion of the supervisor, a worker may also use vacation, compensatory time off or floating holiday time to cover absences of an emergency nature. No request shall be unreasonably denied.

12.4 Leave Without Pay

12.4.1 Vacancies created as a result of leave without pay may be filled in the following manner:

- a) By temporary employees for a maximum of six (6) months;
- b) By provisional employees.

If a leave is extended beyond the initial fixed period, temporary employees may be held over for up to three (3) months (for a total term of employment of nine (9) months) in a temporary capacity. Provisional employees may be held over if a leave is extended, or, in cases where the position is vacated, for the duration of the recruitment period.

12.4.2 Leaves of absence without pay may be granted in cases of personal emergency or when such absences would not be contrary to the best interest of the City.

12.4.3 Requests for leaves of absence without pay must be written and submitted to the department ~~head-director~~ and ~~Personnel-Officer~~Human Resources. The ~~Personnel-Officer~~Human Resources Director may grant a permanent employee leave of absence without pay for a period not to exceed one (1) year, during which time no benefits and no seniority credit will accrue. Approval shall be in writing and a copy filed with the ~~Personnel-Division~~Human Resources. Upon expiration of a regularly approved leave, or within five (5) working days after notice to return to duty, the worker shall be reinstated in the position held at the time the leave was granted. Failure on the part of a worker on leave to report promptly at its expiration, or within three (3) working days after notice to report to duty, may be deemed notice of resignation and/or cause for disciplinary action.

~~12.4.4 During unpaid leaves of absence, the worker may elect to use accrued vacation time.~~

12.5 Jury Duty and Subpoenas

12.5.1 A worker required to report for jury duty or to answer a subpoena as a witness on behalf of the City, provided the witness has no financial interest in the outcome of the case, shall be granted a leave of absence with pay from his/her assigned duties until released by the court, provided the worker remits to the City all fees received from such duties other than mileage or subsistence allowances within thirty (30) days from the termination of jury service.

12.5.2 This leave of absence with pay shall extend to workers' whose regular shift is a shift outside of the hours of 8:00 A.M. to 5:00 P.M., so that such workers shall not be required to work their regular shift on a day in which they perform jury duty or respond to a subpoena.

12.5.3 When a worker returns to complete a regular shift following time served on jury duty or as a witness, such time falling within work shift shall be considered as time worked for purposes of shift completion and overtime computation. In determining whether or not a worker shall return to his/her regular shift following performance of the duties above, reasonable consideration shall be given to such factors as travel time and a period of rest.

12.6 Military Leave

Military leave of absence shall be granted and compensated in accordance with all applicable laws. Workers entitled to military leave shall give the appointing power an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

12.7 Bereavement Leave

A worker ~~with six (6) months or more service~~ shall be allowed regular pay for not more than three (3) working days when absent because a death has occurred in the immediate family. For purpose of bereavement leave, members of the immediate family shall be limited to mother, stepmother, father, stepfather, mother-in-law, father-in-law, grandmother, grandfather or grandchild of the worker, or spouse, brother, stepbrother, sister, stepsister, domestic partner or dependent of the worker.

To qualify for bereavement leave in the event of the death of a domestic partner, a declaration of domestic partnership must have been filed by the worker with ~~the Personnel Division~~ Human Resources ~~not less than six (6) months prior to the death of the domestic partner~~ request to utilize such leave.

Employees may use ~~personal~~ other appropriate leave for bereavement purposes for relations not included above provided such leave is approved in advance by the Department ~~head~~ Director.

12.8 Maternity Leave of Absence Without Pay

12.8.1 Maternity leave of absence without pay or benefits may be granted upon request to non-disabled probationary and permanent female workers for that period of time necessary for the worker to prepare for and recover from the effects of childbirth.

~~12.8.2 Maternity leave shall be granted when the following conditions have been met:~~

~~12.8.2.1 The worker shall notify her department head in writing accompanied by her physician's certificate of pregnancy as soon as possible after pregnancy has definitely been determined, but no later than ninety (90) days prior to tentative date on which the leave is to begin. Such notice shall include the tentative dates on which the leave shall begin and end.~~

~~12.8.2.2 Within thirty (30) days of the beginning of the maternity leave, the worker shall submit to the Personnel Officer the specific date she intends to begin the leave, accompanied by her physician's written statement attesting to the worker's ability to continue performing the full schedule of her duties and responsibilities. She shall continue on active duty until the specific date providing she performs the full duties and responsibilities of her position and furnishes additional health statements from her physician upon reasonable request.~~

~~12.8.2.3 Prior to the establishment of a specific date for return to duty, the worker shall submit to the Personnel Officer a notice of intention to return to duty, accompanied by her physician's statement certifying that the worker is medically qualified to assume full duties and responsibilities.~~

12.8.2.4 The ~~Personnel Officer~~ Human Resources Director or his/her designee may designate the specific beginning and ending dates to meet the needs of the worker and the City.

12.8.3 The worker on leave shall be returned to an equivalent position within her classification.

~~12.8.4 A maternity leave, absent physical disability, is granted without pay for the duration of the leave. The worker may elect to continue medical and dental insurance coverage for up to one (1) year during this leave at her own expense.~~

12.9 Leave for Pregnancy Disability

12.9.1 Workers who are working are entitled to use personal illness and injury leave for disabilities caused or contributed to by pregnancy, miscarriage, childbirth, and recovery there from on the same terms and conditions governing leaves of absence for other illness or medical disability. Such leave shall not be used for child care, child rearing, or preparation for childbearing, but shall be limited to those disabilities as set forth above. The length of such disability leave, including the date on which the leave shall commence and the date on which the duties are to be resumed, shall be determined by the worker and worker's physician; however, the ~~Personnel Officer~~ Human Resources Director or designee may require a verification of the extent of disability, ~~through a physical examination of the worker by a physician appointed by the City at City expense.~~

~~12.9.2 Workers are entitled to leave without pay or other benefits for disabilities because of pregnancy, miscarriage, childbirth, or recovery there from when sick leave had been exhausted. The date on which the worker shall resume duties shall be determined by the worker on leave and the worker's physician; however, the Personnel Officer may require a verification of the extent of disability through a physical examination of the unit member by a physician appointed by the City.~~

12.9.3 The worker on leave for pregnancy disability shall be entitled to return to an equivalent position within her classification.

12.10 Parental Leave

A worker/parent of either sex may be granted a leave of absence without pay for the purpose of fulfilling parenting responsibilities during the period of one (1) year following the birth of a child or the filing of application for adoption and actual arrival of child in the home. Such leave is to be for a maximum period of six months.

12.11 Miscellaneous Leave Provisions

12.11.1 Leaves of absence without pay which exceed four (4) weeks and are for leaves other than military, ~~or job related disability~~ shall not be included in determining seniority.

12.11.2 At the conclusion of a leave of absence a worker shall be returned to an equivalent position within his/her classification.

- 12.11.3 For any unpaid leave of absence the worker may elect to continue insurance coverage for up to the duration of his/her leave of absence at his/her own expense.
- 12.11.4 For any paid leave of absence, all benefits continue to accrue.
- 12.11.5 The ~~Personnel Officer and his/her~~ Human Resources Director or designee will designate the specific beginning and ending dates to meet the needs of the worker and the City, which shall not be less than four weeks nor exceed one unpaid year.
- ~~12.11.6 At the specified date for return to duty from unpaid leave, if the worker has been disabled, the worker's notice of intention to return to duty shall be accompanied by a physician's statement certifying that the worker is medically qualified to assume full duties and responsibilities. If a worker is not medically qualified to assume full duties, on the date specified in Section 12.11.5, he/she shall be granted leave accumulated in accordance with Section 12.1.1 but shall not be entitled to any other benefits.~~
- 12.11.7 At the conclusion of a leave of absence for any disability the worker may be required to submit a physician's statement certifying that he/she is medically qualified to resume work.
- 12.11.8 Use of unpaid leave is subject to the advanced approval of the Department Director or designee and Human Resources. Any and all unpaid leave granted pursuant to this Article shall be granted at time or times as will not reduce the number of employees below that which is reasonably necessary for the efficient conduct of the public business of such department, division or work group. Leaves shall not be unreasonably denied.
- 12.11.9 All provisions of this Article shall be administered in conformance with ~~the Family and Medical Leave Act~~ all Federal and State Laws.

12.12 Educational Leave and Tuition Reimbursement

- 12.12.1 The City shall contribute Eleven Thousand Two Hundred Dollars (\$11,200.00) annually on July 1st of each year to an educational leave and tuition reimbursement fund. The City will reimburse expenses for tuition, books and curriculum fees incurred by a worker, to a maximum of One Thousand Dollars (\$1,000.00) per fiscal year, for classes completed in accredited institutions of learning or approved specialized training groups leading to an academic degree or improved job related skills. Programs must be approved in advance. Workers wishing to engage in educational programs involving work time may be granted rescheduled time if

departmental operations permit. Payment from this fund shall be made on a tax-exempt basis only where the expenses are from educational expenses directly related to the worker's current employment, as defined by IRS law.

12.12.2 Workers may request an advance of funds subject to the approval of the ~~Personnel Officer~~ Human Resources Director. Advances may be granted for tuition, books and other curriculum fees in exchange for a repayment agreement in the event advances are not supported or courses are not satisfactorily completed as indicated by a grade of "C" or better. The worker may not elect to take a "pass-fail" grade if the letter system of grading is offered.

12.12.3 All workers assigned by the City to attend meetings, workshops, or conventions shall have their dues and reasonable expenses paid by the City and shall be allowed to attend such workshops, meeting and conventions on paid City time. Such required educational functions shall be reimbursed from departmental training funds and shall not be counted against the worker's allowance or the annual tuition reimbursement.

Workers may under the tuition reimbursement fund request reimbursement for trade publications, technical books, and printed materials related to the worker's employment.

12.12.4 In the event that there are unused funds remaining in the city-wide educational leave and tuition reimbursement fund on June 30 of any year, workers who present appropriate receipts verifying expenditures in excess of One Thousand Dollars (\$1,000.00), for items which are reimbursable under this Section 12.12, shall receive a pro rata share of those remaining funds not to exceed the actual amount of the difference between the actual expenditure and One Thousand Dollars (\$1,000.00) up to a maximum of Four Thousand Dollars (\$4,000.00). These requests for additional reimbursement must be received by the City no later than July 15 of that year.

12.12.5 The City will reimburse expenses for fees incurred by a worker, for courses completed in stress management, self defense, conflict resolution, and time management from this fund. Participation would be limited to One Hundred Fifty Dollars (\$150.00) per worker, or a total of Two Thousand Dollars (\$2,000.00) during the fiscal year.

12.12.6 Any unused balance in the fund shall be transferred to the City's self insured dental and vision fund.

ARTICLE 13: BENEFIT PROGRAMS

13.1 Medical

13.1.1 The City shall continue ~~the existing coverage~~to contract with CalPERS for medical insurance plans for workers through the term of this Agreement.

13.1.2 Each active and each retired worker shall receive a City contribution equal to the minimum employer contribution for agencies participating in the Public Employees Medical and Hospital Care Act (PEMHCA).

13.1.3 Each active worker shall be allocated an amount, inclusive of the City contribution specified in Section 13.1.2 to be used to purchase qualified benefits as described in this Section. The amount shall be allocated to each worker according to the health benefits selected, as follows:

\$1,681.50 per month	family coverage
\$1,296.55 per month	two person coverage
\$648.26 per month	single person coverage
\$186.88 per month	no coverage

13.1.4 Effective the latter of (1) ratification of this Agreement by the membership, or (2) July 1, 2014, each active worker shall be allocated an amount, inclusive of the City contribution specified in Section 13.1.2, to be used to purchase qualified benefits as described in this Section. The amount shall be allocated to each worker according to the health benefits selected, as follows:

<u>\$1,931.07 per month</u>	<u>- family coverage</u>
<u>\$1,485.44 per month</u>	<u>- two-person coverage</u>
<u>\$742.72 per month</u>	<u>- single coverage</u>
<u>\$324.00 per month</u>	<u>- no coverage</u>

13.1.5 Effective the latter of (1) ratification of this Agreement by the membership, or (2) the implementation of plan year 2015 and thereafter, each active worker shall be allocated an amount, inclusive of the City contribution specified in Section 13.1.2, to be used to purchase qualified benefits as described in this Section. The amount shall be allocated to each worker according to the health benefits selected, as follows:

<u>\$2,085.56 per month</u>	<u>- family coverage</u>
<u>\$1,604.28 per month</u>	<u>- two-person coverage</u>
<u>\$802.14 per month</u>	<u>- single coverage</u>

\$349.00 per month

- no coverage

13.1.4 Consistent with applicable laws and regulations, Each worker may use his/her allocated amount for:

- a. Health insurance in accordance with PERS regulations and Federal law;
- b. Additional life insurance, provided by the City's insurance carrier, up to the maximum allowed by the City's carrier;
- c. Child care expenses not otherwise reimbursed by the City;
- d. Any personal medical, dental and vision care expenses not covered by the City's plans, including but not limited to deductibles, co-payments, medication and medical equipment.
- e. If any worker expends less than the total of his/her allocated amount above the minimum employer contribution contained in 13.1.2, then that worker will be entitled to receive 80% of such unused amount in cash, subject to appropriate tax withholding.

13.1.5 ~~Employees~~ Workers hired into the unit prior to May 4, 2010, who have at least ten (10) continuous years of permanent service with the City and who retire under PERS shall be reimbursed by the City at the rate of one hundred dollars (\$100.00) per month (in addition to the minimum employer contribution contained in 13.1.2) toward the retiree's worker only health care premium once the employee has exhausted the sick leave conversion to retiree health credits under Section 12.1.5.3.

In order to be eligible for the reimbursement in this Section, the worker must be enrolled in an available PEMHCA health insurance plan.

13.1.6 The City will continue to pay flexible compensation in the amount of Thirty-One Dollars (\$31.00) per month and cash in lieu of medical benefits of Five Hundred Forty-Four Dollars and Seventy-Seven Cents (\$544.77) to those workers hired prior to July 1, 1983 who qualify pursuant to the current programs. Workers hired on July 1, 1983, and thereafter, shall not be entitled to these options. Workers who discontinue flexible compensation or cash in lieu of medical coverage after June 30, 1983, shall not be entitled to re-enroll in these programs.

- 13.1.7 For part-time workers who are a member of the unit, the City shall prorate the dollar amount allocated under Sections 13.1.3, 13.1.5, and 13.1.6.
- 13.1.8 Workers whose medical insurance premium costs exceed the combined allocation available through the cafeteria plan and Section 13.1.2 shall have the excess cost of their medical premiums paid with before-tax compensation through a premium conversion plan.
- 13.1.9 Each full-time worker must enroll in an available health insurance plan or demonstrate that he/she has health insurance coverage in order to receive cash back under Section 13.1.4 (e).
- 13.1.10 Workers who wish to have domestic partners covered under the cafeteria plan may do so after filing the “Declaration of Domestic Partnership” form with the California Secretary of State and complying with any other requirements necessary to qualify for domestic partner health benefits under the PEMHCA plans. It is understood that the premiums and benefits provided as a result of covering domestic partners may be taxable, and that the City will administer the program in accordance with State and Federal Tax regulations.
- 13.1.11 The parties share an interest in addressing the increase in the cost of PEMHCA benefits. The City shall meet and confer with the Union prior to contracting with the alternative provider, consortia or group. However, the Union will have the option to remain in the PEMHCA program.

13.2 Dental and Vision

- 13.2.1 ~~The City shall contribute One Hundred Twenty Dollars (\$120.00) per worker per month to the City’s self insured dental and vision program.~~
Effective March 25, 2012, the City shall contribute One Hundred Forty Dollars (\$140.00) per worker per month to the City’s self insured dental and vision program.
- 13.2.2 For purposes of dental reimbursement, the dental claims periods shall run from January 1 to June 30 and from July 1 to December 31. The maximum reimbursement for any claims period shall not exceed One Thousand Five Hundred Dollars (\$1,500.00) for a worker and Seven Hundred Fifty Dollars (\$750.00) for a worker’s dependents or domestic partners. The maximum claim for vision shall not exceed Six Hundred Dollars (\$600.00) annually for any worker and Three Hundred Dollars (\$300.00) annually for a worker’s dependents or domestic partners.

The maximum reimbursement for vision shall be separate from the maximum reimbursement for dental.

13.2.3 On presentation of the City's Dental and Vision Reimbursement Forms accompanied by appropriate receipts, workers will be reimbursed for dental and vision care expenses not covered by other insurance plans up to the maximums set forth in Section 13.2.2 above. Worker reimbursement requests shall be processed upon receipt. At the midpoint between each claims period, workers may submit dependent or domestic partner reimbursement requests and the City will pay fifty percent (50%) of such request. The balance of any dependent or domestic partner adjustments will be made at the end of the normal claims period, provided funds are available. If the quarterly payments result in the fund having a negative balance, the negative amount will be adjusted during the next claims period. In that case, the parties will meet and discuss ways of eliminating future negative balances.

13.2.4 Any excess of funds shall be rolled over to the next period.

13.2.5 Domestic partner dental benefits may be taxable to the employee and the benefit will be administered in accordance with State and Federal Tax regulations.

13.3 Plan Descriptions

Descriptions of the insurance plans provided herein are contained in the PERS Basic Health Plan Book. The descriptions are for informational purposes only and do not affect the obligations hereunder.

13.4 City Recreation Programs

- 13.4.1 The City shall contribute Ten Thousand Eight Hundred Dollars (\$10,800.00) annually on July 1 each year to this recreation reimbursement fund. The worker may request a recreation voucher from the Personnel Division for fees incurred by the worker and/or his/her dependents for participation in recreation programs run by the City's Community Services Department. The processing of the voucher shall be on a first come first served basis. Vouchers must be submitted to the Personnel Division during the fiscal year the expense was incurred. Such payments shall be made on a tax-exempt basis only where the employee and/or the dependent is enrolled on a space available basis, as defined by IRS law.
- 13.4.2 In the event that there are unused funds remaining in the recreation reimbursement fund on June 30 of any year, the remaining monies shall be added to the City's self insured dental program for this unit.
- 13.4.3 Employees may charge up to \$250.00 per year for recreation room rentals to this fund.

13.5 City Child Care Programs

The City shall contribute Sixteen Thousand Dollars (\$16,000) on July 1 of each year to the Child Care reimbursement fund, and there shall be a One Thousand Twenty Dollar (\$1,020.00) maximum amount available to any individual employee, reimbursable at the rate of Eighty-Five Dollars (\$85.00) per month for as long as funds are available. These funds may be used to reimburse a worker for child care provided by any licensed child care provider. Workers shall be eligible to encumber Eighty-Five Dollars (\$85.00) per month toward the cost of any City run child care program in advance of actual enrollment in that program.

Such payments shall be made on a tax-exempt basis only were the employee and/or dependent is enrolled on a space available basis, as defined by IRS law.

In the event that there are unused funds remaining in the City Child Care Fund on June 30 of any year, the remaining money shall be added to the City's self insured dental program.

13.6 Employee Assistance Program

The City shall continue to provide an employee assistance program to workers as currently provided.

13.7 Life Insurance

The City will provide to all workers life insurance at the rate of 1-1/2 times each worker's regular yearly wage.

ARTICLE 14: RETIREMENT

14.1 The City will continue the retirement program and benefits currently provided under contract with the Public Employees' Retirement System.

14.2 Retirement benefits for employees hired by the City prior to February 12, 2012 shall be those established by the Public Employees' Retirement System (CalPERS) for local miscellaneous members 2.7% at age 55 formula, single highest year.

14.3 Retirement benefits for employees hired by the City on or after February 12, 2012, who are not new members as defined by CalPERS, shall be those established by the Public Employees' Retirement System (CalPERS) for local miscellaneous members 2.0% at age 60 formula, highest three years.

14.4 For new employees, as defined by CalPERS, hired on or after January 1, 2013, retirement benefits shall be those established by the California Public Employees' Retirement System (CalPERS) for Miscellaneous Members 2.0% at age 62 formula, highest three years.

14.45 The full unit member's contribution shall be deducted from the unit member's pay by the City and forwarded to the Public Employees' Retirement System in accordance with the rules and regulations governing such contributions.

14.56 Should the employer rate rise above 14.597%, the increase shall be shared equally between the employee and the employer. As an example, if the employer rate for 2011-12 is 15.597%, the City shall pay 15.097% and the employee shall pay 8.500% (inclusive of the 8.000% fixed employee contribution).

14.7 Effective as soon as practicable and after December 1, 2014, the employee contribution towards the employer's contribution to the Public Employees' Retirement System (CalPERS) shall be taken as a pre-tax deduction from the employees' paycheck each payroll period. The City and the Union agree that the employee contribution towards the employer's contribution will continue past the expiration of the MOU. If for any reason the City is precluded from making this deduction or the deduction cannot be made on a pre-tax basis, the parties agree to meet and confer regarding ways to cure the defect.

ARTICLE 15: GRIEVANCE PROCEDURE

15.1 Definitions

15.1.1 A grievance is ~~defined as:~~

~~15.1.1.1 An alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding, Personnel Rules, or other City ordinances, resolutions, policy and/or procedure manuals affecting the working conditions of the workers covered by this Agreement; or~~

15.1.2 A “Disciplinary appeal” is an appeal from a disciplinary action of a Letter of Reprimand or higher, against an employee covered by this Memorandum of Understanding.

~~15.1.1.2 An appeal from a disciplinary action of any kind against a worker covered by this Memorandum of Understanding.~~

15.1.23 A “grievant” is any worker adversely affected by an alleged violation of the specific provision of this Memorandum, or the Union.

15.1.34 A “day” is any day in which the City Hall of Menlo Park is open for business.

15.1.45 The “immediate supervisor” is the lowest level administrator who has been designated to adjust grievances and who has immediate jurisdiction over the grievant.

15.2 General Provisions

15.2.1 Every effort will be made by the parties to settle grievances at the lowest possible level.

15.2.2 All documents dealing with the processing of a grievance shall be filed separately from the personnel files of the participants, ~~except that this provision shall not apply to grievances challenging discipline imposed by the City under Article 21 of this Memorandum.~~

15.2.3 No party to a grievance shall take any reprisals against the other party to the grievance because the party participated in an orderly manner in the grievance procedure.

15.2.4 Failure of the grievant to adhere to the time deadlines shall mean that the grievance is settled. The grievant and the City may extend any time deadline by mutual agreement.

- 15.2.5 Every effort will be made to schedule meetings for the processing of grievances at times which will not interfere with the regular work day of the participants.
- 15.2.6 Either the City or the Grievant may be represented at any step of the grievance procedure by an individual of the party's choice.
- 15.2.7 Any unit member may at any time present grievances to the City and have such grievances adjusted without the intervention of the Union, as long as the adjustment is reached prior to arbitration and is not inconsistent with the terms of this Memorandum; provided that the City shall not agree to a resolution of the grievance until the Union has received a copy of the grievance and the proposed resolution and has been given the opportunity to file a response. Upon request of the grievant, the grievant may be represented at any stage of the grievance procedure by a representative of the Union.
- 15.2.8 Failure of a unit member to file a grievance over an adverse action which constitutes a "grievance" as defined herein shall not constitute a waiver of other unit members' rights to file future grievances involving the same or similar adverse actions.
- 15.2.9 The City and Union may agree to consolidate grievances at Level III and beyond.
- 15.2.10 All written responses by Management regarding a grievance shall be sent to the grievant, designated union steward, and the Union.

15.3 Grievance Procedure (for grievances as defined in 15.1.1)

~~Grievances will be processed in accordance with the following procedures. The City and the Union agree that a written appeal by a permanent employee of discipline imposed by the City under Article 21 of this Memorandum shall proceed directly to Level III, except that grievances of written reprimands and suspensions of one (1) day or less shall begin with Level I.~~

15.3.1 Level I - Informal Resolution/Immediate Supervisor

15.3.1.1 Any unit member who believes he/she has a grievance shall present the grievance orally to the immediate supervisor within ten (10) days after the grievant knew, or reasonably should have known, of the circumstances which form the basis for the grievance. Failure to do so will render the grievance null and void. The immediate supervisor shall hold discussions and attempt to resolve the matter within ten (10) days after the presentation of the grievance. It is the intent of this informal meeting that at

least one (1) personal conference be held between the aggrieved unit member and the immediate supervisor.

15.3.2 ~~Level II - Formal Written Grievance~~ Department Director

15.3.2.1 If the grievance is not ~~settled during the informal conference resolved at Level I~~ and the grievant wishes to press the matter, the grievant shall present the grievance in writing on the appropriate form to ~~the immediate supervisor~~ Department Director within ten (10) days after the ~~informal conference~~ oral decision of the immediate supervisor. The written information shall include:

- a) a description of the specific grounds of the grievance including names, dates, and places necessary for a complete understanding of the grievance;
- b) a listing of the provisions of this Memorandum which are alleged to have been violated;
- c) a listing of the reasons why the immediate supervisor's proposed resolution of the problem is unacceptable; and
- d) a listing of specific actions requested by the grievant of the City which will remedy the grievance.

15.3.2.2 The ~~immediate supervisor~~ Department Director or designee shall communicate the decision to the grievant in writing within ten (10) days after ~~receiving receipt of the grievance~~. If the Department Director or designee ~~immediate supervisor~~ does not respond within the time limits, the grievant may appeal to the next level.

15.3.2.3 With the concurrence of the City, a worker or the Union may choose to file the formal grievance initially at Level III (the ~~Department Head~~ Director) instead of Level II.

15.3.2.4 Within the above time limits either party may request a personal conference.

~~15.3.3~~ ~~Level III~~ ~~Appeal to Department Head~~

~~15.3.3.1~~ If the grievant is not satisfied with the decision at Level II, the grievant may within ten (10) days of the receipt of the decision at Level II appeal the decision on the appropriate form to the department head. This statement shall include

~~a copy of the original grievance and appeal, and a clear, concise statement of the reasons for the appeal.~~

~~15.3.3.2 Grievances initially filed at this level challenging discipline imposed by the City under Article 21 of this Memorandum shall be filed in written form and shall include:~~

- ~~a) name, classification, and supervisor of grievant;~~
- ~~b) a description of the specific grounds of the grievance including names, dates, and places necessary for a complete understanding of the grievance; and~~
- ~~e) a listing of specific actions requested by the grievant of the City which will remedy the grievance.~~

~~15.3.3.3 The department head shall communicate the decision to the grievant within ten (10) days. If the department head does not respond within the time limits provided, the grievant may appeal to the next level.~~

~~15.3.3.4 Within the above time limits either party may request a personal conference.~~

15.3.4 Level ~~III~~^V - Appeal to City Manager

15.3.4.1 If the grievant is not satisfied with the decision at Level III, the grievant may, within ten (10) days of the receipt of the decision at Level III, appeal the decision to the City Manager. The statement shall include a copy of the original grievance, all decisions rendered and a clear and concise statement of the reasons for the appeal.

15.3.4.2 The City Manager or designee shall respond to the grievance in writing within ten (10) days of receipt of the written appeal.

15.3.~~54~~ Level ~~IV~~ - Arbitration

15.3.~~54~~.1 If the grievant is not satisfied with the decision at Level IV, the grievant may within five (5) days of the receipt of the decision submit a request in writing to the Union for arbitration of the dispute. Within fifteen (15) days of the grievant's receipt of the decision at Level ~~III~~^V, the Union shall inform the City of its intent as to whether or not the grievance will be arbitrated. The Union and the City shall

attempt to agree upon an arbitrator. If no agreement can be reached, they shall request that the State Mediation and Conciliation Service supply a panel of five (5) names of persons experienced in hearing grievances involving City ~~workers~~employees and who are members of the National Academy of Arbitrators (NAA). Each party shall alternately strike a name until only one (1) name remains. The remaining panel member shall be the arbitrator. The order of striking shall be determined by lot.

15.3.54.2 If either the City or the Union so requests, a separate arbitrator shall be selected to hear the merits of any issue raised regarding the arbitrability of a grievance. No hearing on the merits of the grievance will be conducted until the issue of arbitrability has been decided. The process to be used in selecting an arbitrator shall be as set forth in 15.3.5.1.

15.3.54.3 The arbitrator shall, as soon as possible, hear evidence and render a decision on the issue or issues submitted to him. If the parties cannot agree upon a submission agreement, the arbitrator shall determine the issues by referring to the written grievance and the answers thereto at each step.

15.3.54.4 The City and the Union agree that the jurisdiction and authority of the arbitrator so selected and the opinions the arbitrator expresses will be confined exclusively to the interpretation of the express provision or provisions of this Memorandum at issue between the parties. The arbitrator shall have no authority to add to, subtract from, alter, amend, or modify any provisions of this Memorandum or impose any limitations or obligations not specifically provided for under the terms of this Memorandum. The arbitrator shall be without power or authority to make any decision that requires the City or the administration to do an act prohibited by law.

15.3.54.5 After a hearing and after both parties have had an opportunity to make written arguments, the arbitrator shall submit in writing to all parties his/her findings and award.

15.3.54.6 The arbitrator shall make a final and binding determination.

15.3.54.7 The fees and expenses of the arbitrator shall be shared equally by the City and the Union (including the cost of any list of arbitrators requested pursuant to Section

15.3.4.1). All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire arbitration hearing. The cost of the services of such court reporter shall be paid by the party requesting the reporter or shared by the parties if they both mutually agree. If the arbitrator requests a court reporter, then the costs shall be shared by both parties.

15.4 Disciplinary Appeals

15.4.1 A “disciplinary appeal” is a formal written appeal of a Notice of Disciplinary Action (post-Skelly) of any punitive disciplinary action including dismissal, demotion, suspension, reduction in salary, letters of reprimand, or transfer for purposes of punishment. However, letters of reprimand are not subject to the arbitration provisions of this procedure. This procedure also shall not apply to the rejection or termination of at will employees, including those in probationary status. Any reduction in pay for change of assignments which occurs in the course of regular rotation and is not punitive shall not be subject to this procedure.

15.4.2 Persons on probationary status (entry-level or promotional) may not appeal under this agreement rejection on probation. Letters of Reprimand may be appealed under this section only to the City Manager level (Section 15.4.4).

15.4.3 Any appeal to any punitive disciplinary action (as defined in Section 15.1.2) shall be presented in writing to the City Manager within ten (10) days after receipt of the Notice of Disciplinary Action. Failure to do so will be deemed a waiver of any appeal. The City Manager or designee shall hold a meeting to hear the appeal within ten (10) days after the presentation of the appeal and shall issue a decision on the appeal within ten (10) days of the presentation of the appeal. For letters of reprimand, the City Manager’s decision shall be final. However the employee may write a response and have that response included in his or her personnel file.

15.4.4 For appeals from dismissal, demotion, suspension, or reduction in salary, if the employee is not satisfied with the decision of the City Manager, the employee may, within ten (10) days of the receipt of the decision, submit a request in writing to the Union for arbitration of the dispute. Within twenty (20) days of the City Manager’s decision, the Union shall inform the City of its intent as

to whether or not the disciplinary matter will be arbitrated. The Union must be the party taking the matter to arbitration.

15.4.5 The parties shall attempt to agree to the selection of an arbitrator and may agree to strike names from a list provided by an outside agency such as the State Mediation and Conciliation Service. However, in the event that the City and the Union cannot agree upon the selection of an arbitrator within forty-five (45) days from the sate that Union has notified the City of its intent to proceed to Arbitration, either party may request the Superior Court of the County of San Mateo appoint an arbitrator who shall be a retired judge of the Superior Court of San Mateo County.

15.4.6 The City and the Union agree that the arbitrator shall prepare a written decision containing findings of fact, determinations of issues and a disposition either affirming, modifying or overruling the disciplinary action being appealed. The parties expressly agree that the arbitrator may only order as remedies those personnel actions which the City may lawfully impose.

15.4.7 The fees and expenses of the arbitrator (including the cost of any list of arbitrators) shall be shared equally by the City and Union. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire arbitration hearing. By mutual agreement, the cost of the services of such court reporter shall be shared equally by the parties. However, each party shall be responsible for the cost of transcripts that they order.

15.4.8 Nothing herein constitutes a waiver of City or employee rights otherwise granted by law.

ARTICLE 16: EFFECT ON EXISTING PRACTICES

16.1 Changes in Personnel Rules and Department Regulations

During the term of this Memorandum of Understanding, the parties hereto will meet and confer regarding changes proposed by the City in the City's Personnel Rules and Department Rules and Regulations.

16.2 Effect of Agreement

This Agreement completely supersedes any prior agreements between the parties. It also supersedes any conflicting provision in the City's Personnel Rules.

16.3 Existing Practices

Existing practices and/or benefits which are not referenced in this Memorandum and which are subject to the meet and confer process shall continue without change unless modified subject to the meet and confer process.

16.4 Waiver Clause

Except as provided in Section 16.3, Existing Practices, the workers waive their right to meet and confer during the term of this Agreement on any matter raised during the meeting and conferring which preceded this Agreement.

ARTICLE 17: NONDISCRIMINATION (TA'd 04/01/14)

~~The City agrees that there shall be no discrimination against any worker in regard to any of the terms and conditions of employment on account of that worker's race, religion, national origin, cohabitation, political activities, age, disability, sex, sexual orientation, Union membership or legitimate Union activities under this Agreement.~~

17.1 The parties agree that they, and each of them, shall not discriminate against any employee on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual orientation, medical condition or disability. The parties further agree that this Section shall not be subject to the Grievance Procedure provided in this Agreement. However, any individual, including a representative of the Union, may bring forth a complaint of discrimination and/or harassment on behalf of a worker.

17.2 The parties agree that they, and each of them, shall not discriminate against any employee because of membership or lack of membership in the Union, or because of any authorized activity on behalf of the Union. The parties further agree that this Section may be subject to the Grievance Procedure provided in this Agreement.

ARTICLE 18: MANAGEMENT RIGHTS

18.1 Except to the extent that the rights are specifically limited by the provisions of this Agreement, the City retains all rights, powers, and authority granted to it or which it has pursuant to any law, including, but not limited to: The right to direct the work force; increase, decrease or re-assign the work force; hire, promote, demote; discharge or discipline for cause; transfer or reclassify employees; assign employees days of work, shifts, overtime and special work requirements, and to determine the necessity, merits, mission and organization

of any service or activity of the City or of any City Department, Agency or Unit.

18.2 The City has the sole and absolute right to determine the nature and type of, assign, reassign, revoke assignments of or withdraw assignments of, City equipment, including motor vehicles, to or from employees during, after or before hours of duty. The City hereby retains and reserves unto itself, without limitation, all powers, rights, authority, duties and responsibilities conferred upon and vested in it by the laws of the Constitution of the State of California, and of the United States, including, but not limiting the generality of the foregoing, the right:

~~18.1.1~~ — To set standards and levels of service;

~~18.1.2~~ — To determine the procedures and standards of selection for employment and promotions;

~~18.1.3~~ — To assign workers, including bargaining unit members, to do station maintenance, repair, painting and similar work;

~~18.1.4~~ — To direct its workers;

~~18.1.5~~ — To determine the methods and means to relieve its workers from duty because lack of funds or other lawful reasons;

18.1.63 The City has the sole and absolute right ~~To~~ determine the methods, means and numbers and kinds of personnel by which City operations are to be conducted, including the right to contract or subcontract bargaining unit work provided that the City will meet and confer in advance on the impact of subcontracting on work load and safety and any other matter within the scope of representation;

~~18.1.74~~ The City has the sole and absolute right ~~To~~ determine methods of financing;

~~18.1.85~~ The City has the sole and absolute right ~~To~~ determine size and composition of the work force and allocate and assign work by which the City operations are to be conducted;

~~18.1.96~~ The City has the sole and absolute right ~~To~~ determine and change the number of locations, relocations and types of operations, processes and materials to be used in carrying out all City functions;

~~18.1.107~~ The City has the sole and absolute right ~~To~~ make all decision relating to merit, necessity or organization of City Service;

- | 18.4.118 The City has the sole and absolute right ~~To~~ discharge, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline workers in accordance with applicable laws;
- | 18.4.129 The City has the sole and absolute right ~~To~~ establish employee performance standards including, but not limited to, quality and standards, and to require compliance therewith;
- | 18.4.1310 The City has the sole and absolute right ~~To~~ take necessary actions to carry out its mission in emergencies; and
- | 18.4.1411 The City has the sole and absolute right ~~To~~ exercise complete control and discretion over its organization and the technology of performing its work.
- | 18.4.1512 The City has the sole and absolute right ~~To~~ take any and all steps necessary to discharge the City's responsibilities to provide for the safety of the public it serves and to provide employees with a safe working environment; provided, however, nothing herein shall preclude the Union from providing input, consulting and/or meeting and conferring with the City as required by law on such safety issues so long as such actions do not prevent the City from discharging these responsibilities.

- 18.2 The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the City, the adoption of policies, rules, regulations and practices in furtherance thereof, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this Memorandum and then only to the extent such specific and express terms hereof are in conformance with the Constitution and laws of the United States and the Constitution and laws of the State of California.
- 18.3 The exercise by the City through its Council and management representatives of its rights hereunder shall not in any way, directly or indirectly, be subject to any grievance procedure nor subject to meeting and conferring.

ARTICLE 19: CONCERTED ACTIVITIES

- 19.1 As used in this Article 19, “strike or work stoppage” means the concerted failure to report for duty, the willful absence from one’s position, the stoppage of work, or the abstinence in whole or in part from the full, faithful performance of the duties of employment for the purpose of inducing, influencing or coercing a change in the conditions of compensation, or the rights, privileges or obligations of employment.
- 19.2 It is agreed and understood that there will be no strike, work stoppage, slowdown, or refusal to fully and faithfully perform job functions with responsibilities, or any interference with the operations of the City, or any concerted effort designed to improve its bargaining position which interferes with, impedes, or impairs City operations by the Union or by its officers, agents or members. The Union agrees that neither the Union nor its officers, agents or members will, in any manner whatsoever, honor, assist or participate in any picketing activities, sanctions or any other form of interference with City operations by any other non-unit employees or members of other employee associations or groups.
- 19.3 Furthermore, the Union agrees that the provisions in this Article 19 are enforceable by the City in a Court of law. The City may, upon its own election, initiate such court action as it deems appropriate to enjoin or impose damages on the Union, its officers, agents or members for activities referred to herein.
- 19.4 It is further agreed and understood that neither the Union nor its officers, agents, or members shall engage in any boycott, picketing or any other concerted attempts to discourage, impair or negatively affect the businesses of members of the City Council.
- 19.5 Nothing herein shall be deemed to limit the remedies available to the City in dealing with concerted activities as described hereinabove.

ARTICLE 20: SEPARABILITY

If any provision of this Agreement shall be declared void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect, except that either party to the Agreement may request the other party to meet and confer in regard to amending the Agreement to replace the provisions declared void or unenforceable. However, there will be no obligation on either party to agree on a replacement provision.

ARTICLE 21: DISCIPLINARY ACTION

21.1 For just cause, the City has the right to discipline, including suspend, demote, or discharge permanent workers for unsatisfactory work or conduct. ~~Disciplinary action, if taken must be acted upon within forty five (45) days of the date of discovery of the basis for the discipline unless the City demonstrates that at the end of the forty five (45) day period, it was engaged in an active, ongoing investigation of the allegations. In such cases, disciplinary action must be taken within ten (10) days of the completion of the investigation.~~

21.2 Non-probationary workers whose work or conduct is unsatisfactory but not sufficiently deficient to warrant discipline, demotion, or discharge will be given a written notification of unsatisfactory work or conduct and an opportunity to improve. Failure to correct deficiencies and improve to meet standards may result in discipline, demotion or discharge. Reprimands shall not be subject to the arbitration provisions of Article 15, Grievance Procedure ~~Disciplinary Appeals~~.

21.3 A Notice of Intended Discipline (NOID) must be in writing and served on the worker, the Chief Steward of the Chapter, and the Union, in person or by registered mail prior to the disciplinary action becoming effective. The Chief Steward of the Chapter and the Union shall also be given a copy unless the worker submits a written request to Human Resources that the Notice of Intended Discipline not be forwarded to the Union. The notice ~~Notice of Intended Discipline~~ must be filed on a timely basis with the Personnel Officer ~~Human Resources Department~~ and included in the worker's personnel file. ~~The notice~~ Notice of Intended Discipline ~~disciplinary action~~ shall include:

21.3.1 Statement of the nature of the disciplinary action;

21.3.2 ~~Effective date of the action;~~

21.3.3 Statement of the reasons for the proposed action;

- 21.3.4 Statement in ordinary and concise language of the act or the omissions upon which the reasons for the proposed disciplinary action are based; and
- 21.3.5 Copies of any documents or other items of evidence upon which the intended disciplinary action was fully or in part based.
- ~~21.3.6 In all cases of disciplinary action, the notice shall include a statement advising the worker of his/her right to grieve such action and the right to Union representation.~~
- 21.3.76 In cases of demotion, discharge, or suspension of workers in permanent status at the time of the discipline, the ~~notice~~Notice of Intended Discipline shall include a statement of the worker's right to respond, either orally, at a meeting requested by the worker, or in writing. The opportunity to respond shall be afforded prior to the action becoming effective, but the worker must respond no later than five (5) days after receipt of notice of intended disciplinary action. ~~If the worker has been removed from the job during such five (5) days period, the worker must contact the Personnel Division daily. A hearing conference, if requested, shall be scheduled and held as soon as possible but in no event later than thirty (30) days after receipt of notice of~~ intended disciplinary action.

ARTICLE 22: TRANSFER

22.1 Definition

- 22.1.1 For purposes of this Article, a "transfer" shall consist of a change in work location of a worker from one work site to another work site within the City. Such a transfer does not encompass the process of assignment of a specific position and responsibilities within the department or work location. A worker assigned to more than one work site shall be considered as being transferred only when moved from one City-wide program to another program. A transfer may be initiated by a worker ("voluntary") or by the City ("administrative").

22.2 Voluntary Transfers as a Result of Posting and Filling Vacancies

- 22.2.1 A "vacancy" is a new position, an opening arising from a resignation, retirement, or termination, any position to which a worker is not assigned or which is not committed for purposes of leaves, unresolved administrative transfers or layoffs.
- 22.2.2 Notices of vacancies shall be posted for at least five (5) working days on the bulletin board in the City's administrative offices. Such

notices shall be posted as soon as the City determines that a vacancy exists and shall include the position description, location, and other special requirements. A copy of the vacancy notice shall be forwarded to the Union President and a second copy shall be forwarded to the Union office.

- 22.2.3 The request for transfer will be sent to the ~~Personnel Officer~~Human Resources with a copy to the Department ~~Head~~Director. A conference shall be held at the request of the worker or ~~the Personnel Officer~~Human Resources in order to discuss the request.
- 22.2.4 For purposes of selection between two or more workers requesting transfer to a vacant position, the City shall consider the training experience, competencies, length of service in the City, past evaluations, and qualifications of each worker.
- 22.2.5 When the City has considered two or more workers requesting a transfer to a vacant position to be relatively equal on the basis of training, experience, competence, past evaluations, and qualifications, the worker with the most City-wide seniority shall be selected for transfer to the vacant position.
- 22.2.6 The City shall notify the worker requesting transfer, in writing, of the City's acceptance or denial of the request. The City shall provide written reasons for not granting the transfer request upon the request of the worker. Transfer requests shall be acted upon prior to filling positions by promotion or outside applicants.
- ~~22.2.7 Only one (1) voluntary transfer may be granted per worker in any one (1) year period.~~

22.3 Administrative Transfers

- 22.3.1 An administrative transfer may be initiated by the ~~Personnel Officer~~Human Resources Director or his/her designee and shall be based exclusively on the work related special needs of the City and/or welfare of the workers involved and will not be for punitive or capricious reasons.
- 22.3.2 In the event that circumstances require that a worker be transferred on an administrative basis, the worker and the Union shall be informed of the reason(s) in writing prior to such action and shall be afforded an opportunity to meet with the ~~Personnel Officer~~Human Resources Director regarding the proposed transfer.
- 22.3.3 For purposes of selecting which worker shall be administratively transferred in order to meet the needs of the City, the City shall consider the training, experience, competencies, length of service in the City, past evaluations, qualifications, and current classification of each worker considered. All things being relatively equal, the worker with the least City-wide seniority will be transferred.

22.3.4 If total time of service with the City for two (2) or more workers considered equal is the same, then, as between those workers, the transfer will be determined by a lottery.

22.4 Length of Service Defined

22.4.1 For the purpose of this Article, "length of service" means all hours in paid status including holiday, vacation, and paid leave, but does not include any hours compensated for overtime or standby, ~~military leave~~, unpaid illness, unpaid industrial accident leave, or hours served as temporary or contract employee in classification other than the classification from which the worker is being transferred.

22.4.2 No seniority credit shall be earned during periods of separation from service with the City, including suspension without pay as a result of disciplinary action.

ARTICLE 23: SAFETY

23.1 It is the City's intention to provide the safest possible equipment and working conditions to the workforce of the City of Menlo Park. Toward that end, the City is committed to making the necessary expenditures to purchase this equipment.

23.2 The Union and the City agree to continue to participate in the City Safety Committee.

ARTICLE 24: CONTRACTING SERVICES

The City shall notify the Union at least sixty days in advance of the effective date of the proposed action to contract services and shall, upon request, meet and confer with the Union regarding the contracting out of any work to an independent contractor which results in the elimination of a filled bargaining unit position, layoff, or permanently reduces the hours worked by a member of the unit. This provision would also apply if a position was frozen and contract services used to fill the position for more than one annual budget cycle. This provision is not intended to expand upon or contract any rights or obligations already granted or imposed by law. This provision does not mean that the Union is agreeing in advance to anything other than to meet and confer.

ARTICLE 25: FURLOUGHS

The City Council may require up to twenty-one (21) unpaid furlough hours in each fiscal year. Furloughs for employees who work less than full-time or less than a full year shall be prorated on the basis of hours worked as compared to full-time employment. The furloughs shall be implemented in a fair and equitable manner and with sufficient flexibility to accommodate different operational needs which, in turn, may aid in minimizing the impact on employees.

ARTICLE 26: TERM OF AGREEMENT

This Agreement shall remain in full force and effect up to and including ~~October-June 30, 2013~~2015, and thereafter shall continue in effect year by year unless one of the parties notifies the other in writing no earlier than ~~August~~January 30 of any year, and no later than ~~September~~March 2230 of any year, of its request to modify, amend, or terminate the Agreement. If the parties enter into subsequent meeting and conferring regarding a successor agreement, the terms and conditions of this Agreement shall remain in effect until a successor Agreement is reached, or until meeting and conferring is concluded.

The terms of this Agreement shall be effective upon the adoption of this Agreement by the City Council except as otherwise provided by specific sections of this Agreement.

Dated _____

City of Menlo Park

Local 521, S.E.I.U., CTW, CLC

MEMORANDUM OF AGREEMENT

In addition to the modifications to the Memorandum of Understanding between Local 521, Service Employees International Union, CTW, CLC and the City of Menlo Park, the parties, having met and conferred agree as follows:

~~1. To apply for all Departments, except for urgent and compelling reasons, workers who are ill will not be called at home when calling in absent. They shall call daily unless they have submitted a doctors note stating length of absence. They may call in early and leave word with any supervisor stating the following:~~

~~A. Non detailed nature of illness.~~

~~B. Estimated length of absence.~~

~~C. Any necessary information about work which needs attention during the workers' absence.~~

~~————— This paragraph does not modify the provisions of Section 12.1.3.~~

~~2. The parties agree to the following in the Menlo Park Police Department.~~

~~A. Communication Officers and Police Records Officers will wear uniforms in accordance with the Department's Uniform Policy.~~

~~3. The parties agree to the Menlo Park Labor Management Committee as outlined in Appendix D.~~

~~4. For workers performing light duty assignments of less than a full work day, a full day of vacation and sick leave will be charged when not related to disability. Informal scheduling accommodation of doctor's appointments/therapy to continue as is.~~

~~5. The City agrees to meet and confer with the Union over the job specifications on all unit positions impacted by the need for water distribution and treatment certification and appropriate compensation for such duties.~~

Dated _____

City of Menlo Park

Local 521, S.E.I.U., CTW, CLC

APPENDIX "A"

CLASSIFICATIONS REPRESENTED BY
LOCAL 521, SERVICE EMPLOYEES INTERNATIONAL UNION, CTW, CLC

ACCOUNTANT
ACCOUNTING ASSISTANT I
ACCOUNTING ASSISTANT II
ADMINISTRATIVE ASSISTANT
ASSISTANT ENGINEER
ASSISTANT PLANNER
ASSOCIATE ENGINEER
ASSOCIATE PLANNER
BUILDING CUSTODIAN I
BUILDING CUSTODIAN II
BUILDING INSPECTOR
BUSINESS DEVELOPMENT SPECIALIST
CHILD CARE TEACHER/TITLE 22
CHILD CARE TEACHER/TITLE 5
CITY SERVICE OFFICER
CODE ENFORCEMENT OFFICER
COMMUNICATIONS OFFICER
COMMUNICATIONS TRAINING OFFICER
COMMUNITY DEVELOPMENT TECHNICIAN
COMMUNITY SERVICE OFFICER
COMPUTER SUPPORT TECHNICIAN
CONSTRUCTION INSPECTOR
DEVELOPMENT SERVICES TECHNICIAN
ENGINEERING TECHNICIAN I
ENGINEERING TECHNICIAN II
ENVIRONMENTAL PROGRAMS COORDINATOR
EQUIPMENT MECHANIC
FINANCIAL ANALYST
GYMNASTICS INSTRUCTOR
LEAD COMMUNICATIONS OFFICER
LIBRARIAN I
LIBRARIAN II
LIBRARY ASSISTANT I
LIBRARY ASSISTANT II
LIBRARY ASSISTANT III
LIBRARY CLERK
LIBRARY PAGE
LITERACY ASSISTANT

Classifications

Page 2

MAINTENANCE I-BUILDING MAINTENANCE
MAINTENANCE WORKER I-PARKS
MAINTENANCE WORKER I-STREETS
MAINTENANCE WORKER I-TREES
MAINTENANCE I-WATER
MAINTENANCE II-BUILDING MAINTENANCE
MAINTENANCE WORKER II-PARKS
MAINTENANCE WORKER II-STREETS
MAINTENANCE WORKER II-TREES
MAINTENANCE III-BUILDING MAINTENANCE
MAINTENANCE WORKER III-PARKS
MAINTENANCE WORKER III-STREETS
MAINTENANCE WORKER III-TREES
MAINTENANCE III-WATER
MANAGEMENT ANALYST
NIGHT CLERK
OFFICE ASSISTANT I
OFFICE ASSISTANT II
OFFICE ASSISTANT III
PLAN CHECKER
POLICE RECORDS OFFICER
POLICE RECORDS TRAINING OFFICER
PROGRAM ASSISTANT
PROPERTY AND COURT OFFICER
RECREATION AIDE
RECREATION LEADER
RED LIGHT PHOTO ENFORCEMENT FACILITATOR
SECRETARY
SENIOR ENGINEERING TECHNICIAN
SENIOR LIBRARY PAGE
SENIOR PLANNER
SENIOR RECREATION LEADER
TEACHER'S AIDE
TRAFFIC ENGINEERING TECHNICIAN I
TRAFFIC ENGINEERING TECHNICIAN II
TRANSPORTATION DRIVER
TRANSPORTATION ENGINEER
TRANSPORTATION MANAGEMENT COORDINATOR
WATER QUALITY TECHNICIAN
WATER SERVICE WORKER

APPENDIX “C-1”

CITY OF MENLO PARK
DENTAL PLAN

ELIGIBLE EMPLOYEES:

All present full-time salaried employees are eligible to participate in the plan.

Newly hired employees are eligible to participate in the plan following six months of continuous employment.

DEPENDENTS:

Dependents will be covered by the plan only if there should be sufficient funds to pay 100% of allowable employees claims.

Dependents shall be defined under this program as the employee’s spouse and his/her children up to the age to 26 provided they are more than 50% dependent upon the employee for support.

DOMESTIC PARTNERS:

Workers who wish to have domestic partners covered under the dental plan may do so after filing the “Declaration of Domestic Partnership” form with the California Secretary of State and complying with any other requirement necessary to qualify for domestic partner health benefits under the CalPERS health program. It is understood that the benefits provided as a result of covering domestic partners may be taxable, and that the City will administer the program in accordance with State and Federal Tax regulations.

MAXIMUM COVERAGE:

For each six-month period the employee shall be limited to a maximum coverage of \$1,500.00 and each dependent or domestic partner shall be limited to \$750.00 coverage. Payments on claims will be based upon standard fees as determined by the dental committee.

REQUEST FOR REIMBURSEMENT:

A City of Menlo Park Dental Reimbursement Form must be completed by the employee’s dentist indicating the type of service before the claim will be approved for reimbursement by the City. These forms are available through the Personnel Division. The forms should be returned to Personnel at the completion of treatment.

TERMINATION OF INSURANCE:

When the employee terminates with the City, his/her dental insurance ceases. Any outstanding claims up to the date of termination will be considered for payment.

COVERAGE

- Routine office visits and oral examinations, but not including more than one such examination of the same Covered Person in any six-month period.
- Fluoride or other prophylaxis treatments
- Dental X-Rays
- Extraction
- Teeth cleaning
- Oral surgery, including excision of impacted teeth
- Crown, bridges, except as specified under “exclusions and limitations”
- Orthodontic care, treatment, services and supplies
- Anesthetics administered in connection with oral surgery or other covered dental services
- Fillings
- Treatment of periodontal and other diseases of the gums and tissues of the mouth
- Endodontic treatment, including root canal therapy
- Initial installation of full or partial dentures or fixed bridgework to replace one or more natural teeth extracted while insured
- Replacement of an existing partial or full removable denture or fixed bridgework to replace extracted natural teeth; but only if evidence satisfactory to the City is presented that:
 - a. The replacement or addition of teeth is required to replace one or more additional natural teeth extracted while insured under the plan; or

- b. The existing denture or bridgework was installed at least 5 years prior to its replacement and that the existing denture or bridgework cannot be made serviceable; or
 - c. The existing denture is an immediate temporary denture and replacement by a permanent denture is required, and takes place within 12 months from the date of installation of the temporary denture
- Replacement of a lost or stolen prosthetic device or bridgework
 - Repair or recementing of crowns, inlays and fixed bridgework
 - Repair or relining of dentures
 - Other covered charges as determined by the Dental Committee

EXCLUSIONS AND LIMITATIONS

Covered dental expenses will not include charges:

- For any dental work covered under a Major Medical Expense Plan
- Incurred because of an accidental bodily injury which arises out of or in the course of employment, or a sickness entitling to the insured to benefits under the Workers' Compensation Act or similar legislation
- Incurred in a Veteran's Hospital by the hospital or by a dentist employed by the hospital
- Which are primarily for cosmetic purposes
- Incurred as a result or act of war, declared or undeclared
- Incurred for the initial installation of dentures and bridgework when such charges are incurred for replacement of congenitally missing teeth, or for replacement of natural teeth all of which were lost when the employee was not insured under the plan
- For space maintainers
- Incurred as a result of a need for prosthetic devices including bridges and crowns and the fitting thereof which were ordered while the employee was not insured under the plan, or which were delivered after termination of insurance
- Not found to be valid upon verification with the dentist rendering the service

HOW IT WORKS

The City of Menlo Park has agreed to contribute to a dental fund a monthly amount per employee. Accumulated funds will be used to reimburse employees for dental expenses they have incurred during a particular six month period. Any excess of funds shall be rolled over to the next period.

Example: If the fund contribution during the six-month period exceeds the claims received

7-1-2007	Fund	Claims
to	Contribution	Received
12-31-2007	\$40,000	\$30,000

then the employee will be reimbursed 100% of his dental bill and his dependents' coverage will be as follows:

Remaining in Fund	Claims Received
\$10,000	\$30,000

then the employee will be reimbursed 33% of the total bill for his dependents or domestic partner.

Example: If the fund contribution does not exceed the claims received

7-1-2007	Fund	Claims
to	Contribution	Received
12-31-2007	\$40,000	\$60,000

then the employee will be reimbursed 66% of his total dental bills and would not be reimbursed for any of his dependents' or domestic partners' bills.

In both examples above, the amount and nature of claims by an employee and his dependents will be subject to limitations covered in the plan outline.

FORMS PROCEDURE

1. Obtain dental forms from the Personnel Division.
2. Submit the form to your dentist for his completion.
3. At the completion of your dental work or near the end of the reimbursement period, sign the form for that work which has been completed. Your dentist will also need to sign the form. Please return the form to the Personnel Division.

APPENDIX "C-2"

CITY OF MENLO PARK VISION PLAN

ELIGIBLE EMPLOYEES:

All present full-time or part-time permanent employees who are represented by S.E.I.U. and their dependents or domestic partners are eligible to participate in the vision plan.

Newly hired employees are eligible to participate in the vision plan after six months of continuous employment.

MAXIMUM COVERAGE:

For each one year period the employee shall be limited to a maximum coverage of \$600.00 for full-time, \$450.00 for three-quarter time and \$300.00 for half-time employees. For each one year period the worker's dependent or domestic partner shall be limited to a maximum coverage of \$300.00 for a full-time worker's dependent or domestic partner, \$225.00 for a three-quarter worker's dependent or domestic partner, and \$150.00 for a half-time worker's dependent or domestic partner. The maximum coverage shall be in addition to the maximum coverage contained in the Dental Plan. Payments on claims will be based upon standard fees.

REQUEST FOR REIMBURSEMENT:

A City of Menlo Park S.E.I.U. Employees' Vision Claim Form must be completed by the employee indicating the type of service before the claim will be approved for reimbursement by the City. These forms are available through the Personnel Division. The forms should be returned to Personnel at the completion of treatment, and accompanied by a receipt from a qualified optometrist, ophthalmologist or optician. An accepted and properly completed request for reimbursement form will be eligible for prorated reimbursement within the one year period in which the vision care was performed.

TERMINATION OF INSURANCE:

When the employee terminates with the City, his/her vision insurance ceases. Any outstanding claims up to the date of termination will be considered for payment.

COVERAGE

- Routine eye examinations by an optometrist or ophthalmologist, but not including more than one such examination of the same Covered Person in any six-month period

- Eyeglasses, including lenses and frames
- Hard or soft contact lenses
- Other covered charges as determined appropriate

EXCLUSIONS AND LIMITATIONS

Covered vision expenses will not include charges:

- For any eye care covered under the employee's regular medical or health plan
- For noncorrective sunglasses, unless required for medical reasons
- For industrial and athletic safety frames and lenses
- For lens adornment, such as engraving and jewelry
- Incurred because of an accidental bodily injury which arises out of or in the course of employment, or a sickness entitling the insured to benefits under the Workers' Compensation Act or similar legislation
- Incurred in a Veteran's Hospital by the hospital or by an optometrist or ophthalmologist employed by the hospital
- Incurred as a result of act of war, declared or undeclared
- Not found to be valid upon verification with the optometrist, ophthalmologist or optician rendering the service

FORMS PROCEDURE

1. Obtain a Vision Claim form from the Personnel Division.
2. Complete the form and submit it with receipts to the Personnel Division.

APPENDIX "D"

Menlo Park Labor Management Committee Goal

GOAL

The Union and Management have a sincere desire to maintain and improve their progressive, mature and cooperative labor relations/personnel relationship throughout the length of the contract.

MEETINGS

In order to facilitate this, the parties agree to meet as necessary to discuss work and personnel/labor relations related issues of interest to either the workers or management. These meetings shall not replace informal grievance meetings nor the responsibilities of the parties to meet and confer pursuant to the law and the agreement. However topics may include preliminary discussions of matters which may later develop into more formal concerns to be dealt with in official forums.

PARTICULARS

In attendance will be representatives from the City of Menlo Park, as determined by the issues to be discussed. A Union staff person and three members selected by the union shall represent the workers. Additional department heads, members or consultants may be included as necessary.

Agenda shall be set in advance and mutually agreed to except that there shall be a regular item for either party to confirm or dispel rumors in labor relations/personnel topics since the last meeting.

Additional meetings may be set with mutual agreement.

Minutes shall be taken with each side alternately taking responsibility for taking and reproducing them. Confidential personal issues shall be discussed off the record and summarized in the minutes.

CALPERS LABOR MANAGEMENT COMMITTEE (TA'd 02/13/14)

Effective for the term of this agreement, the City and Union agree to the establishment of a Labor Management Committee (LMC) to serve as an advisory committee and to facilitate employee education and involvement in issues regarding CalPERS retirement benefits, including but not limited to, potential future costs increases and the impacts of said cost increases to the financial stability of the City.

The City and the Union shall each select their own representatives and in equal number, with no more than three (3) on each side. Each side is encouraged to propose issues for discussion, and

the committee will jointly set priorities. Decision making within this forum will be by consensus. The LMC will set up regular meetings to occur not less than once per quarter and a means for calling additional meetings to handle issues on an ad hoc basis.

The LMC is not authorized to meet and confer or create contractual obligations nor are they to change the MOU to authorize any practice in conflict with existing contracts or rules.

SPECIAL LABOR MANAGEMENT SUB-COMMITTEES

Effective for the term of this agreement, the City and Union agree to the use of a special Labor Management Sub-Committee to serve as an advisory committee and to facilitate employee education and involvement regarding the performance appraisal program and the City of Menlo Park Dental and Vision Plan.

The City and the Union shall each select their own representatives and in equal number, with no more than two (2) on each side. The sub-committee will jointly set priorities. Decision making within this forum will be by consensus. The sub-committee will set up regular meetings to occur not less than once per quarter.

The LMC is not authorized to meet and confer or create contractual obligations nor are they to change the MOU to authorize any practice in conflict with existing contracts or rules.

APPENDIX "E"

[FMLA, CFRA Notices]

APPENDIX "B - 1"
SEIU SALARY RANGES
EFFECTIVE 07/13/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Library Page	Annual	\$23,620.74	\$24,689.39	\$25,806.47	\$26,974.37	\$28,194.79
	Hourly	\$11.3561	\$11.8699	\$12.4070	\$12.9684	\$13.5552
Recreation Leader	Annual	\$23,620.74	\$24,689.39	\$25,806.47	\$26,974.37	28,194.79
	Hourly	\$11.3561	\$11.8699	\$12.4070	\$12.9684	\$13.5552
Senior Recreation Leader	Annual	\$28,194.79	\$29,470.54	\$30,804.42	\$32,198.14	33,654.94
	Hourly	\$13.5552	\$14.1685	\$14.8098	\$15.4799	\$16.1803
Recreation Aide	Annual	\$30,173.51	\$31,539.16	\$32,966.47	\$34,457.93	\$36,188.84
	Hourly	\$14.5067	\$15.1631	\$15.8493	\$16.5663	\$17.3159
Transportation Driver	Annual	\$31,539.16	\$32,966.47	\$34,457.93	\$36,016.99	\$37,630.30
	Hourly	\$15.1631	\$15.8493	\$16.5663	\$17.3159	\$18.0915
Library Clerk	Annual	\$32,198.14	\$33,654.94	\$35,177.61	\$36,769.61	\$38,429.85
	Hourly	\$15.4799	\$16.1803	\$16.9123	\$17.6777	\$18.4759
Senior Library Page	Annual	\$32,198.14	\$33,654.94	\$35,177.61	\$36,769.61	\$38,429.85
	Hourly	\$15.4799	\$16.1803	\$16.9123	\$17.6777	\$18.4759
Teacher's Aide	Annual	\$32,966.47	\$34,457.93	\$36,016.99	\$37,630.30	\$39,291.39
	Hourly	\$15.8493	\$16.5663	\$17.3159	\$18.0915	\$18.8901
Night Clerk	Annual	\$34,457.93	\$36,016.99	\$37,630.30	\$39,291.39	\$41,091.35
	Hourly	\$16.5663	\$17.3159	\$18.0915	\$18.8901	\$19.7555
Gymnastics Instructor	Annual	\$35,177.61	\$36,769.61	\$38,429.85	\$40,144.56	\$41,991.22
	Hourly	\$16.9123	\$17.6777	\$18.4759	\$19.3003	\$20.1881
Literacy Assistant	Annual	\$40,144.56	\$41,991.22	\$43,939.08	\$45,932.36	\$48,011.96
	Hourly	\$19.3003	\$20.1881	\$21.1246	\$22.0829	\$23.0827
Office Assistant I	Annual	\$40,144.56	\$41,991.22	\$43,939.08	\$45,932.36	\$48,011.96
	Hourly	\$19.3003	\$20.1881	\$21.1246	\$22.0829	\$23.0827
Child Care Teacher - Title 22	Annual	\$43,939.08	\$45,932.36	\$48,011.96	\$50,200.07	\$52,574.61
	Hourly	\$21.1246	\$22.0829	\$23.0827	\$24.1346	\$25.2763
Office Assistant II	Annual	\$44,931.73	\$46,980.34	\$49,106.23	\$51,433.84	\$53,808.38
	Hourly	\$21.6018	\$22.5867	\$23.6088	\$24.7278	\$25.8694

APPENDIX "B - 1"
SEIU SALARY RANGES
EFFECTIVE 07/13/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Program Assistant	Annual	\$44,931.73	\$46,980.34	\$49,106.23	\$51,433.84	\$53,808.38
	Hourly	\$21.6018	\$22.5867	\$23.6088	\$24.7278	\$25.8694
Library Assistant I	Annual	\$45,932.36	\$48,011.96	\$50,200.07	\$52,574.61	\$54,994.99
	Hourly	\$22.0829	\$23.0827	\$24.1346	\$25.2763	\$26.4399
Accounting Assistant I	Annual	\$49,106.23	\$51,433.84	\$53,808.38	\$56,322.41	\$58,929.03
	Hourly	\$23.6088	\$24.7278	\$25.8694	\$27.0781	\$28.3313
Building Custodian I	Annual	\$49,106.23	\$51,433.84	\$53,808.38	\$56,322.41	\$58,929.03
	Hourly	\$23.6088	\$24.7278	\$25.8694	\$27.0781	\$28.3313
Child Care Teacher - Title 5	Annual	\$49,106.23	\$51,433.84	\$53,808.38	\$56,322.41	\$58,929.03
	Hourly	\$23.6088	\$24.7278	\$25.8694	\$27.0781	\$28.3313
Office Assistant III	Annual	\$49,106.23	\$51,433.84	\$53,808.38	\$56,322.41	\$58,929.03
	Hourly	\$23.6088	\$24.7278	\$25.8694	\$27.0781	\$28.3313
City Service Officer	Annual	\$50,200.07	\$52,574.61	\$54,994.99	\$57,602.03	\$60,310.91
	Hourly	\$24.1346	\$25.2763	\$26.4049	\$27.6933	\$28.9956
Library Assistant II	Annual	\$50,200.07	\$52,574.61	\$54,994.99	\$57,602.03	\$60,310.91
	Hourly	\$24.1346	\$25.2763	\$26.4049	\$27.6933	\$28.9956
Maintenance I - Community Services	Annual	\$50,200.07	\$52,574.61	\$54,994.99	\$57,602.03	\$60,310.91
	Hourly	\$24.1346	\$25.2763	\$26.4049	\$27.6933	\$28.9956
Maintenance I - Parks	Annual	\$50,200.07	\$52,574.61	\$54,994.99	\$57,602.03	\$60,310.91
	Hourly	\$24.1346	\$25.2763	\$26.4049	\$27.6933	\$28.9956
Maintenance I - Streets	Annual	\$50,200.07	\$52,574.61	\$54,994.99	\$57,602.03	\$60,310.91
	Hourly	\$24.1346	\$25.2763	\$26.4049	\$27.6933	\$28.9956
Maintenance I - Trees	Annual	\$50,200.07	\$52,574.61	\$54,994.99	\$57,602.03	\$60,310.91
	Hourly	\$24.1346	\$25.2763	\$26.4049	\$27.6933	\$28.9956
Maintenance I - Water	Annual	\$50,200.07	\$52,574.61	\$54,994.99	\$57,602.03	\$60,310.91
	Hourly	\$24.1346	\$25.2763	\$26.4049	\$27.6933	\$28.9956
Maintenance I - Building Maintenance	Annual	\$52,574.61	\$54,994.99	\$57,602.03	\$60,310.91	\$63,103.52
	Hourly	\$25.2763	\$26.4399	\$27.6933	\$28.9956	\$30.3382

APPENDIX "B - 1"
SEIU SALARY RANGES
EFFECTIVE 07/13/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Accounting Assistant II	Annual	\$53,808.38	\$56,322.41	\$58,929.03	\$61,683.32	64,577.32
	Hourly	\$25.8694	\$27.0781	\$28.3313	\$29.6554	\$31.0468
Building Custodian II	Annual	\$53,808.38	\$56,322.41	\$58,929.03	\$61,683.32	64,577.32
	Hourly	\$25.8694	\$27.0781	\$28.3313	\$29.6554	\$31.0468
Secretary	Annual	\$53,808.38	\$56,322.41	\$58,929.03	\$61,683.32	64,577.32
	Hourly	\$25.8694	\$27.0781	\$28.3313	\$29.6554	\$31.0468
Library Assistant III	Annual	\$54,994.99	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71
	Hourly	\$26.4049	\$27.6933	\$28.9956	\$30.3382	\$31.7782
Maintenance II - Parks	Annual	\$54,994.99	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71
	Hourly	\$26.4049	\$27.6933	\$28.9956	\$30.3382	\$31.7782
Maintenance II - Streets	Annual	\$54,994.99	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71
	Hourly	\$26.4049	\$27.6933	\$28.9956	\$30.3382	\$31.7782
Maintenance II - Trees	Annual	\$54,994.99	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71
	Hourly	\$26.4049	\$27.6933	\$28.9956	\$30.3382	\$31.7782
Police Records Officer	Annual	\$54,994.99	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71
	Hourly	\$26.4049	\$27.6933	\$28.9956	\$30.3382	\$31.7782
Community Development Technician	Annual	\$56,322.41	\$58,929.03	\$61,683.32	\$64,577.32	\$67,611.48
	Hourly	\$27.0781	\$28.3313	\$29.6554	\$31.0468	\$32.5055
Development Services Technician	Annual	\$56,322.41	\$58,929.03	\$61,683.32	\$64,577.32	\$67,611.48
	Hourly	\$27.0781	\$28.3313	\$29.6554	\$31.0468	\$32.5055
Water Service Worker	Annual	\$56,322.41	\$58,929.03	\$61,683.32	\$64,577.32	\$67,611.48
	Hourly	\$27.0781	\$28.3313	\$29.6554	\$31.0468	\$32.5055
Community Services Officer	Annual	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71	\$69,271.50
	Hourly	\$27.6933	\$28.9956	\$30.3382	\$31.7782	\$33.3036
Contract Specialist	Annual	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71	\$69,271.50
	Hourly	\$27.6933	\$28.9956	\$30.3382	\$31.7782	\$33.3036
Maintenance II - Building Maintenance	Annual	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71	\$69,271.50
	Hourly	\$27.6933	\$28.9956	\$30.3382	\$31.7782	\$33.3036

APPENDIX "B - 1"
SEIU SALARY RANGES
EFFECTIVE 07/13/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Police Records Training Officer	Annual	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71	\$69,271.50
	Hourly	\$27.6933	\$28.9956	\$30.3382	\$31.7782	\$33.3036
Property and Court Officer	Annual	\$57,602.03	\$60,310.91	\$63,103.52	\$66,098.71	\$69,271.50
	Hourly	\$27.6933	\$28.9956	\$30.3382	\$31.7782	\$33.3036
Environmental Programs Specialist	Annual	\$58,929.03	\$61,683.32	\$64,577.32	\$67,611.48	\$70,792.24
	Hourly	\$28.3313	\$29.6554	\$31.0468	\$32.5055	\$34.0347
Librarian I	Annual	\$58,929.03	\$61,683.32	\$64,577.32	\$67,611.48	\$70,792.24
	Hourly	\$28.3313	\$29.6554	\$31.0468	\$32.5055	\$34.0347
Engineer Technician I	Annual	\$60,310.91	\$63,103.52	\$64,577.32	\$69,271.50	\$72,546.13
	Hourly	\$28.9956	\$30.3382	\$31.7782	\$33.3036	\$34.8779
Traffic Engineering Technician I	Annual	\$60,310.91	\$63,103.52	\$64,577.32	\$69,271.50	\$72,546.13
	Hourly	\$28.9956	\$30.3382	\$31.7782	\$33.3036	\$34.8779
Administrative Assistant	Annual	\$61,683.32	\$64,577.32	\$67,611.48	\$70,792.24	\$74,121.34
	Hourly	\$29.6554	\$31.0468	\$32.5055	\$34.0347	\$35.6353
Deputy City Clerk	Annual	\$63,103.52	\$66,098.71	\$69,271.50	\$72,546.13	\$75,968.44
	Hourly	\$30.3348	\$31.7782	\$33.3036	\$34.8779	\$36.5233
Equipment Mechanic	Annual	\$63,103.52	\$66,098.71	\$69,271.50	\$72,546.13	\$75,968.44
	Hourly	\$30.3348	\$31.7782	\$33.3036	\$34.8779	\$36.5233
Maintenance III - Building Maintenance	Annual	\$63,103.52	\$66,098.71	\$69,271.50	\$72,546.13	\$75,968.44
	Hourly	\$30.3348	\$31.7782	\$33.3036	\$34.8779	\$36.5233
Maintenance III - Parks	Annual	\$63,103.52	\$66,098.71	\$69,271.50	\$72,546.13	\$75,968.44
	Hourly	\$30.3348	\$31.7782	\$33.3036	\$34.8779	\$36.5233
Maintenance III - Streets	Annual	\$63,103.52	\$66,098.71	\$69,271.50	\$72,546.13	\$75,968.44
	Hourly	\$30.3348	\$31.7782	\$33.3036	\$34.8779	\$36.5233
Maintenance III - Trees	Annual	\$63,103.52	\$66,098.71	\$69,271.50	\$72,546.13	\$75,968.44
	Hourly	\$30.3348	\$31.7782	\$33.3036	\$34.8779	\$36.5233
Maintenance III - Water	Annual	\$63,103.52	\$66,098.71	\$69,271.50	\$72,546.13	\$75,968.44
	Hourly	\$30.3348	\$31.7782	\$33.3036	\$34.8779	\$36.5233

APPENDIX "B - 1"
SEIU SALARY RANGES
EFFECTIVE 07/13/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Computer Support Technician	Annual	\$64,577.32	\$67,611.48	\$70,792.24	\$74,121.34	\$77,674.96
	Hourly	\$31.0468	\$32.5054	\$34.0347	\$44.6353	\$37.3437
Red Light Photo Enforcement Facilitator	Annual	\$64,577.32	\$67,611.48	\$70,792.24	\$74,121.34	\$77,674.96
	Hourly	\$31.0468	\$32.5054	\$34.0347	\$44.6353	\$37.3437
Librarian II	Annual	\$66,098.71	\$69,271.50	\$72,546.13	\$75,968.44	\$79,621.95
	Hourly	\$31.7782	\$33.3036	\$34.8779	\$36.5233	\$38.2798
Engineering Technician II	Annual	\$67,611.48	\$70,792.24	\$74,121.34	\$77,674.96	\$81,375.84
	Hourly	\$32.5055	\$34.0347	\$35.6353	\$37.3437	\$39.1230
Traffic Engineering Technician II	Annual	\$67,611.48	\$70,792.24	\$74,121.34	\$77,674.96	\$81,375.84
	Hourly	\$32.5055	\$34.0347	\$35.6353	\$37.3437	\$39.1230
Water Quality Technician	Annual	\$67,611.48	\$70,792.24	\$74,121.34	\$77,674.96	\$81,375.84
	Hourly	\$32.5055	\$34.0347	\$35.6353	\$37.3437	\$39.1230
Accountant	Annual	\$69,271.50	\$72,546.13	\$75,968.44	\$79,621.95	\$83,416.69
	Hourly	\$33.3036	\$34.8779	\$36.5233	\$38.2798	\$40.1042
Code Enforcement Officer	Annual	\$69,271.50	\$72,546.13	\$75,968.44	\$79,621.95	\$83,416.69
	Hourly	\$33.3036	\$34.8779	\$36.5233	\$38.2798	\$40.1042
Communications Officer	Annual	\$69,271.50	\$72,546.13	\$75,968.44	\$79,621.95	\$83,416.69
	Hourly	\$33.3036	\$34.8779	\$36.5233	\$38.2798	\$40.1042
Assistant Planner	Annual	\$70,792.24	\$74,121.34	\$77,674.74	\$81,375.84	\$85,263.80
	Hourly	\$34.0347	\$35.6353	\$37.3436	\$39.1230	\$40.9922
Communications Training Officer	Annual	\$72,546.13	\$75,968.44	\$79,621.95	\$83,416.69	\$87,404.97
	Hourly	\$34.8779	\$36.5233	\$38.2798	\$40.1042	\$42.0216
Senior Engineering Technician	Annual	\$72,546.13	\$75,968.44	\$79,621.95	\$83,416.69	\$87,404.97
	Hourly	\$34.8779	\$36.5233	\$38.2798	\$40.1042	\$42.0216
Economic Development Specialist	Annual	\$75,968.44	\$79,621.95	\$83,416.69	\$87,404.97	\$91,577.96
	Hourly	\$36.5233	\$38.2798	\$40.1042	\$42.0216	\$44.0279
Building Inspector	Annual	\$75,968.44	\$79,621.95	\$83,416.69	\$87,404.97	\$91,577.96
	Hourly	\$36.5233	\$38.2798	\$40.1042	\$42.0216	\$44.0279

APPENDIX "B - 1"
SEIU SALARY RANGES
EFFECTIVE 07/13/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Construction Inspector	Annual	\$75,968.44	\$79,621.95	\$83,416.69	\$87,404.97	\$91,577.96
	Hourly	\$36.5233	\$38.2798	\$40.1042	\$42.0216	\$44.0279
Financial Analyst	Annual	\$75,968.44	\$79,621.95	\$83,416.69	\$87,404.97	\$91,577.96
	Hourly	\$36.5233	\$38.2798	\$40.1042	\$42.0216	\$44.0279
Lead Communications Officer	Annual	\$75,968.44	\$79,621.95	\$83,416.69	\$87,404.97	\$91,577.96
	Hourly	\$36.5233	\$38.2798	\$40.1042	\$42.0216	\$44.0279
Management Analyst	Annual	\$75,968.44	\$79,621.95	\$83,416.69	\$87,404.97	\$91,577.96
	Hourly	\$36.5233	\$38.2798	\$40.1042	\$42.0216	\$44.0279
Associate Planner	Annual	\$77,674.96	\$81,375.84	\$85,263.80	\$89,342.92	\$93,619.46
	Hourly	\$37.3437	\$39.1230	\$40.9922	\$42.9533	\$45.0094
Transportation Management Coordinator	Annual	\$77,674.96	\$81,375.84	\$85,263.80	\$89,342.92	\$93,619.46
	Hourly	\$37.3437	\$39.1230	\$40.9922	\$42.9533	\$45.0094
Assistant Engineer	Annual	\$79,621.95	\$83,766.69	\$87,404.97	\$91,577.96	\$95,939.97
	Hourly	\$38.2798	\$40.1042	\$42.0216	\$44.0279	\$46.1250
Senior Building Inspector	Annual	\$85,263.80	\$89,342.92	\$93,619.46	\$98,082.00	\$102,820.52
	Hourly	\$40.9922	\$42.9533	\$45.0094	\$47.1548	\$49.4329
Senior Planner	Annual	\$85,263.80	\$89,342.92	\$93,619.46	\$98,082.00	\$102,820.52
	Hourly	\$40.9922	\$42.9533	\$45.0094	\$47.1548	\$49.4329
Transportation Planner	Annual	\$85,263.80	\$89,342.92	\$93,619.46	\$98,082.00	\$102,820.52
	Hourly	\$40.9922	\$42.9533	\$45.0094	\$47.1548	\$49.4329
Associate Engineer	Annual	\$89,342.92	\$93,619.46	\$98,082.00	\$102,820.52	\$107,801.89
	Hourly	\$42.9533	\$45.0094	\$47.1548	\$49.4329	\$51.8278
Plan Checker	Annual	\$89,342.92	\$93,619.46	\$98,082.00	\$102,820.52	\$107,801.89
	Hourly	\$42.9533	\$45.0094	\$47.1548	\$49.4329	\$51.8278
Transportation Engineer	Annual	\$93,619.46	\$98,082.00	\$102,820.52	\$107,801.89	\$113,024.79
	Hourly	\$45.0094	\$47.1548	\$49.4329	\$51.8278	\$54.3388

APPENDIX "B - 2"
SEIU SALARY RANGES
EFFECTIVE 08/10/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Library Page	Annual	\$24,211.26	\$25,306.62	\$26,451.63	\$27,648.73	\$28,899.66
	Hourly	\$11.6400	\$12.1666	\$12.7171	\$13.2927	\$13.8941
Recreation Leader	Annual	\$24,211.26	\$25,306.62	\$26,451.63	\$27,648.73	\$28,899.66
	Hourly	\$11.6400	\$12.1666	\$12.7171	\$13.2927	\$13.8941
Senior Recreation Leader	Annual	\$28,899.66	\$30,207.30	\$31,574.53	\$33,003.09	\$34,496.31
	Hourly	\$13.8941	\$14.5227	\$15.1801	\$15.8669	\$16.5848
Recreation Aide	Annual	\$30,927.85	\$32,327.64	\$33,790.63	\$35,319.38	\$37,093.56
	Hourly	\$14.8693	\$15.5421	\$16.2455	\$16.9805	\$17.7488
Transportation Driver	Annual	\$32,327.64	\$33,790.63	\$35,319.38	\$36,917.41	\$38,571.06
	Hourly	\$15.5421	\$16.2455	\$16.9805	\$17.7488	\$18.5438
Library Clerk	Annual	\$33,003.09	\$34,496.31	\$36,057.05	\$37,688.85	\$39,390.60
	Hourly	\$15.8669	\$16.5848	\$17.3351	\$18.1196	\$18.9378
Senior Library Page	Annual	\$33,003.09	\$34,496.31	\$36,057.05	\$37,688.85	\$39,390.60
	Hourly	\$15.8669	\$16.5848	\$17.3351	\$18.1196	\$18.9378
Teacher's Aide	Annual	\$33,790.63	\$35,319.38	\$36,917.41	\$38,571.06	\$40,273.68
	Hourly	\$16.2455	\$16.9805	\$17.7488	\$18.5438	\$19.3623
Night Clerk	Annual	\$35,319.38	\$36,917.41	\$38,571.06	\$40,273.68	\$42,118.64
	Hourly	\$16.9805	\$17.7488	\$18.5438	\$19.3623	\$20.2493
Gymnastics Instructor	Annual	\$36,057.05	\$37,688.85	\$39,390.60	\$41,148.17	\$43,041.00
	Hourly	\$17.3351	\$18.1196	\$18.9378	\$19.7828	\$20.6928
Literacy Assistant	Annual	\$41,148.17	\$43,041.00	\$45,037.56	\$47,080.67	\$49,212.26
	Hourly	\$19.7828	\$20.6928	\$21.6527	\$22.6349	\$23.6597
Office Assistant I	Annual	\$41,148.17	\$43,041.00	\$45,037.56	\$47,080.67	\$49,212.26
	Hourly	\$19.7828	\$20.6928	\$21.6527	\$22.6349	\$23.6597
Child Care Teacher - Title 22	Annual	\$45,037.56	\$47,080.67	\$49,212.26	\$51,455.07	\$53,888.97
	Hourly	\$21.6527	\$22.6349	\$23.6597	\$24.7380	\$25.9082
Office Assistant II	Annual	\$46,055.02	\$48,154.85	\$50,333.88	\$52,719.68	\$55,153.59
	Hourly	\$22.1418	\$23.1514	\$24.1990	\$25.3460	\$26.5161

APPENDIX "B - 2"
SEIU SALARY RANGES
EFFECTIVE 08/10/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Program Assistant	Annual	\$46,055.02	\$48,154.85	\$50,333.88	\$52,719.68	\$55,153.59
	Hourly	\$22.1418	\$23.1514	\$24.1990	\$25.3460	\$26.5161
Library Assistant I	Annual	\$47,080.67	\$49,212.26	\$51,455.07	\$53,888.97	\$56,369.87
	Hourly	\$22.6349	\$23.6597	\$24.7380	\$25.9082	\$27.1009
Accounting Assistant I	Annual	\$50,333.88	\$52,719.68	\$55,153.59	\$57,730.47	\$60,402.25
	Hourly	\$24.1990	\$25.3460	\$26.5161	\$27.7550	\$29.0395
Building Custodian I	Annual	\$50,333.88	\$52,719.68	\$55,153.59	\$57,730.47	\$60,402.25
	Hourly	\$24.1990	\$25.3460	\$26.5161	\$27.7550	\$29.0395
Child Care Teacher - Title 5	Annual	\$50,333.88	\$52,719.68	\$55,153.59	\$57,730.47	\$60,402.25
	Hourly	\$24.1990	\$25.3460	\$26.5161	\$27.7550	\$29.0395
Office Assistant III	Annual	\$50,333.88	\$52,719.68	\$55,153.59	\$57,730.47	\$60,402.25
	Hourly	\$24.1990	\$25.3460	\$26.5161	\$27.7550	\$29.0395
City Service Officer	Annual	\$51,455.07	\$53,888.97	\$56,369.87	\$59,042.09	\$61,818.68
	Hourly	\$24.7380	\$25.9082	\$27.0650	\$28.3856	\$29.7205
Library Assistant II	Annual	\$51,455.07	\$53,888.97	\$56,369.87	\$59,042.09	\$61,818.68
	Hourly	\$24.7380	\$25.9082	\$27.0650	\$28.3856	\$29.7205
Maintenance I - Community Services	Annual	\$51,455.07	\$53,888.97	\$56,369.87	\$59,042.09	\$61,818.68
	Hourly	\$24.7380	\$25.9082	\$27.0650	\$28.3856	\$29.7205
Maintenance I - Parks	Annual	\$51,455.07	\$53,888.97	\$56,369.87	\$59,042.09	\$61,818.68
	Hourly	\$24.7380	\$25.9082	\$27.0650	\$28.3856	\$29.7205
Maintenance I - Streets	Annual	\$51,455.07	\$53,888.97	\$56,369.87	\$59,042.09	\$61,818.68
	Hourly	\$24.7380	\$25.9082	\$27.0650	\$28.3856	\$29.7205
Maintenance I - Trees	Annual	\$51,455.07	\$53,888.97	\$56,369.87	\$59,042.09	\$61,818.68
	Hourly	\$24.7380	\$25.9082	\$27.0650	\$28.3856	\$29.7205
Maintenance I - Water	Annual	\$51,455.07	\$53,888.97	\$56,369.87	\$59,042.09	\$61,818.68
	Hourly	\$24.7380	\$25.9082	\$27.0650	\$28.3856	\$29.7205
Maintenance I - Building Maintenance	Annual	\$53,888.97	\$56,369.87	\$59,042.09	\$61,818.68	\$64,681.10
	Hourly	\$25.9082	\$27.1009	\$28.3856	\$29.7205	\$31.0967

APPENDIX "B - 2"
SEIU SALARY RANGES
EFFECTIVE 08/10/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Accounting Assistant II	Annual	\$55,153.59	\$57,730.47	\$60,402.25	\$63,225.40	\$66,191.76
	Hourly	\$26.5161	\$27.7550	\$29.0395	\$30.3968	\$31.8230
Building Custodian II	Annual	\$55,153.59	\$57,730.47	\$60,402.25	\$63,225.40	\$66,191.76
	Hourly	\$26.5161	\$27.7550	\$29.0395	\$30.3968	\$31.8230
Secretary	Annual	\$55,153.59	\$57,730.47	\$60,402.25	\$63,225.40	\$66,191.76
	Hourly	\$26.5161	\$27.7550	\$29.0395	\$30.3968	\$31.8230
Library Assistant III	Annual	\$56,369.87	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18
	Hourly	\$27.0650	\$28.3856	\$29.7205	\$31.0967	\$32.5727
Maintenance II - Parks	Annual	\$56,369.87	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18
	Hourly	\$27.0650	\$28.3856	\$29.7205	\$31.0967	\$32.5727
Maintenance II - Streets	Annual	\$56,369.87	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18
	Hourly	\$27.0650	\$28.3856	\$29.7205	\$31.0967	\$32.5727
Maintenance II - Trees	Annual	\$56,369.87	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18
	Hourly	\$27.0650	\$28.3856	\$29.7205	\$31.0967	\$32.5727
Police Records Officer	Annual	\$56,369.87	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18
	Hourly	\$27.0650	\$28.3856	\$29.7205	\$31.0967	\$32.5727
Community Development Technician	Annual	\$57,730.47	\$60,402.25	\$63,225.40	\$66,191.76	\$69,301.77
	Hourly	\$27.7550	\$29.0395	\$30.3968	\$31.8230	\$33.3182
Development Services Technician	Annual	\$57,730.47	\$60,402.25	\$63,225.40	\$66,191.76	\$69,301.77
	Hourly	\$27.7550	\$29.0395	\$30.3968	\$31.8230	\$33.3182
Water Service Worker	Annual	\$57,730.47	\$60,402.25	\$63,225.40	\$66,191.76	\$69,301.77
	Hourly	\$27.7550	\$29.0395	\$30.3968	\$31.8230	\$33.3182
Community Services Officer	Annual	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18	\$71,003.29
	Hourly	\$28.3856	\$29.7205	\$31.0967	\$32.5727	\$34.1362
Contract Specialist	Annual	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18	\$71,003.29
	Hourly	\$28.3856	\$29.7205	\$31.0967	\$32.5727	\$34.1362
Maintenance II - Building Maintenance	Annual	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18	\$71,003.29
	Hourly	\$28.3856	\$29.7205	\$31.0967	\$32.5727	\$34.1362

APPENDIX "B - 2"
SEIU SALARY RANGES
EFFECTIVE 08/10/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Police Records Training Officer	Annual	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18	\$71,003.29
	Hourly	\$28.3856	\$29.7205	\$31.0967	\$32.5727	\$34.1362
Property and Court Officer	Annual	\$59,042.09	\$61,818.68	\$64,681.10	\$67,751.18	\$71,003.29
	Hourly	\$28.3856	\$29.7205	\$31.0967	\$32.5727	\$34.1362
Environmental Programs Specialist	Annual	\$60,402.25	\$63,225.40	\$66,191.76	\$69,301.77	\$72,562.05
	Hourly	\$29.0395	\$30.3968	\$31.8230	\$33.3182	\$34.8856
Librarian I	Annual	\$60,402.25	\$63,225.40	\$66,191.76	\$69,301.77	\$72,562.05
	Hourly	\$29.0395	\$30.3968	\$31.8230	\$33.3182	\$34.8856
Engineer Technician I	Annual	\$61,818.68	\$64,681.10	\$66,191.76	\$71,003.29	\$74,359.78
	Hourly	\$29.7205	\$31.0967	\$32.5727	\$34.1362	\$35.7499
Traffic Engineering Technician I	Annual	\$61,818.68	\$64,681.10	\$66,191.76	\$71,003.29	\$74,359.78
	Hourly	\$29.7205	\$31.0967	\$32.5727	\$34.1362	\$35.7499
Administrative Assistant	Annual	\$63,225.40	\$66,191.76	\$69,301.77	\$72,562.05	\$75,974.37
	Hourly	\$30.3968	\$31.8230	\$33.3182	\$34.8856	\$36.5261
Deputy City Clerk	Annual	\$64,681.10	\$67,751.18	\$71,003.29	\$74,359.78	\$77,867.65
	Hourly	\$31.0931	\$32.5727	\$34.1362	\$35.7499	\$37.4364
Equipment Mechanic	Annual	\$64,681.10	\$67,751.18	\$71,003.29	\$74,359.78	\$77,867.65
	Hourly	\$31.0931	\$32.5727	\$34.1362	\$35.7499	\$37.4364
Maintenance III - Building Maintenance	Annual	\$64,681.10	\$67,751.18	\$71,003.29	\$74,359.78	\$77,867.65
	Hourly	\$31.0931	\$32.5727	\$34.1362	\$35.7499	\$37.4364
Maintenance III - Parks	Annual	\$64,681.10	\$67,751.18	\$71,003.29	\$74,359.78	\$77,867.65
	Hourly	\$31.0931	\$32.5727	\$34.1362	\$35.7499	\$37.4364
Maintenance III - Streets	Annual	\$64,681.10	\$67,751.18	\$71,003.29	\$74,359.78	\$77,867.65
	Hourly	\$31.0931	\$32.5727	\$34.1362	\$35.7499	\$37.4364
Maintenance III - Trees	Annual	\$64,681.10	\$67,751.18	\$71,003.29	\$74,359.78	\$77,867.65
	Hourly	\$31.0931	\$32.5727	\$34.1362	\$35.7499	\$37.4364
Maintenance III - Water	Annual	\$64,681.10	\$67,751.18	\$71,003.29	\$74,359.78	\$77,867.65
	Hourly	\$31.0931	\$32.5727	\$34.1362	\$35.7499	\$37.4364

APPENDIX "B - 2"
SEIU SALARY RANGES
EFFECTIVE 08/10/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Computer Support Technician	Annual	\$66,191.76	\$69,301.77	\$72,562.05	\$75,974.37	\$79,616.83
	Hourly	\$31.8230	\$33.3181	\$34.8856	\$45.7511	\$38.2773
Red Light Photo Enforcement Facilitator	Annual	\$66,191.76	\$69,301.77	\$72,562.05	\$75,974.37	\$79,616.83
	Hourly	\$31.8230	\$33.3181	\$34.8856	\$45.7511	\$38.2773
Librarian II	Annual	\$67,751.18	\$71,003.29	\$74,359.78	\$77,867.65	\$81,612.50
	Hourly	\$32.5727	\$34.1362	\$35.7499	\$37.4364	\$39.2368
Engineering Technician II	Annual	\$69,301.77	\$72,562.05	\$75,974.37	\$79,616.83	\$83,410.24
	Hourly	\$33.3182	\$34.8856	\$36.5261	\$38.2773	\$40.1011
Traffic Engineering Technician II	Annual	\$69,301.77	\$72,562.05	\$75,974.37	\$79,616.83	\$83,410.24
	Hourly	\$33.3182	\$34.8856	\$36.5261	\$38.2773	\$40.1011
Water Quality Technician	Annual	\$69,301.77	\$72,562.05	\$75,974.37	\$79,616.83	\$83,410.24
	Hourly	\$33.3182	\$34.8856	\$36.5261	\$38.2773	\$40.1011
Accountant	Annual	\$71,003.29	\$74,359.78	\$77,867.65	\$81,612.50	\$85,502.11
	Hourly	\$34.1362	\$35.7499	\$37.4364	\$39.2368	\$41.1068
Code Enforcement Officer	Annual	\$71,003.29	\$74,359.78	\$77,867.65	\$81,612.50	\$85,502.11
	Hourly	\$34.1362	\$35.7499	\$37.4364	\$39.2368	\$41.1068
Communications Officer	Annual	\$71,003.29	\$74,359.78	\$77,867.65	\$81,612.50	\$85,502.11
	Hourly	\$34.1362	\$35.7499	\$37.4364	\$39.2368	\$41.1068
Assistant Planner	Annual	\$72,562.05	\$75,974.37	\$79,616.61	\$83,410.24	\$87,395.39
	Hourly	\$34.8856	\$36.5261	\$38.2772	\$40.1011	\$42.0170
Communications Training Officer	Annual	\$74,359.78	\$77,867.65	\$81,612.50	\$85,502.11	\$89,590.10
	Hourly	\$35.7499	\$37.4364	\$39.2368	\$41.1068	\$43.0722
Senior Engineering Technician	Annual	\$74,359.78	\$77,867.65	\$81,612.50	\$85,502.11	\$89,590.10
	Hourly	\$35.7499	\$37.4364	\$39.2368	\$41.1068	\$43.0722
Economic Development Specialist	Annual	\$77,867.65	\$81,612.50	\$85,502.11	\$89,590.10	\$93,867.41
	Hourly	\$37.4364	\$39.2368	\$41.1068	\$43.0722	\$45.1286
Building Inspector	Annual	\$77,867.65	\$81,612.50	\$85,502.11	\$89,590.10	\$93,867.41
	Hourly	\$37.4364	\$39.2368	\$41.1068	\$43.0722	\$45.1286

APPENDIX "B - 2"
SEIU SALARY RANGES
EFFECTIVE 08/10/14

Job Title	Rate	Step A	Step B	Step C	Step D	Step E
Construction Inspector	Annual	\$77,867.65	\$81,612.50	\$85,502.11	\$89,590.10	\$93,867.41
	Hourly	\$37.4364	\$39.2368	\$41.1068	\$43.0722	\$45.1286
Financial Analyst	Annual	\$77,867.65	\$81,612.50	\$85,502.11	\$89,590.10	\$93,867.41
	Hourly	\$37.4364	\$39.2368	\$41.1068	\$43.0722	\$45.1286
Lead Communications Officer	Annual	\$77,867.65	\$81,612.50	\$85,502.11	\$89,590.10	\$93,867.41
	Hourly	\$37.4364	\$39.2368	\$41.1068	\$43.0722	\$45.1286
Management Analyst	Annual	\$77,867.65	\$81,612.50	\$85,502.11	\$89,590.10	\$93,867.41
	Hourly	\$37.4364	\$39.2368	\$41.1068	\$43.0722	\$45.1286
Associate Planner	Annual	\$79,616.83	\$83,410.24	\$87,395.39	\$91,576.49	\$95,959.94
	Hourly	\$38.2773	\$40.1011	\$42.0170	\$44.0272	\$46.1346
Transportation Management Coordinator	Annual	\$79,616.83	\$83,410.24	\$87,395.39	\$91,576.49	\$95,959.94
	Hourly	\$38.2773	\$40.1011	\$42.0170	\$44.0272	\$46.1346
Assistant Engineer	Annual	\$81,612.50	\$85,860.86	\$89,590.10	\$93,867.41	\$98,338.47
	Hourly	\$39.2368	\$41.1068	\$43.0722	\$45.1286	\$47.2781
Senior Building Inspector	Annual	\$87,395.39	\$91,576.49	\$95,959.94	\$100,534.05	\$105,391.04
	Hourly	\$42.0170	\$44.0272	\$46.1346	\$48.3337	\$50.6688
Senior Planner	Annual	\$87,395.39	\$91,576.49	\$95,959.94	\$100,534.05	\$105,391.04
	Hourly	\$42.0170	\$44.0272	\$46.1346	\$48.3337	\$50.6688
Transportation Planner	Annual	\$87,395.39	\$91,576.49	\$95,959.94	\$100,534.05	\$105,391.04
	Hourly	\$42.0170	\$44.0272	\$46.1346	\$48.3337	\$50.6688
Associate Engineer	Annual	\$91,576.49	\$95,959.94	\$100,534.05	\$105,391.04	\$110,496.94
	Hourly	\$44.0272	\$46.1346	\$48.3337	\$50.6688	\$53.1235
Plan Checker	Annual	\$91,576.49	\$95,959.94	\$100,534.05	\$105,391.04	\$110,496.94
	Hourly	\$44.0272	\$46.1346	\$48.3337	\$50.6688	\$53.1235
Transportation Engineer	Annual	\$95,959.94	\$100,534.05	\$105,391.04	\$110,496.94	\$115,850.41
	Hourly	\$46.1346	\$48.3337	\$50.6688	\$53.1235	\$55.6973

TENTATIVE AGREEMENT-ARTICLE 6.3

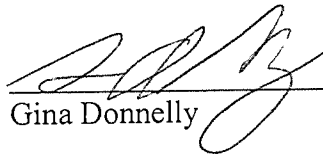
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This Agreement is considered tentative and shall not be considered final or binding until ratified by the SEIU Membership and approved by City Council.

The parties understand that in the event either party rejects this Agreement, each party reserves the right to modify, amend and/or add proposals.

FOR CITY:

FOR SEIU:


Gina Donnelly
Date 02/13/14


Nick Raisch
Date 2/13/14

6.3 Performance Improvement Plans

When the performance of a worker falls below ~~the minimum standards established for a position as set forth in the job performance standards (JPS)~~, a performance improvement plan may be developed. The worker has the right to have a Union representative present during the development of the performance improvement plan. Performance improvement plans must describe in detail the areas of deficiency, and contain a reasonable plan for improvement.

When used, Performance Improvement Plans shall be an integral extension of the job performance review process, and shall not be used, by themselves, for disciplinary actions.

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TENTATIVE AGREEMENT-ARTICLE 7.9

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FOR CITY:

FOR SEIU:


Gina Donnelly
Date 02/13/14


Nick Raisch
Date 2/13/14

~~7.9 — Advance of Vacation Pay~~

~~7.9.1 — Vacation pay shall be made available in advance of regular pay day provided that the worker requests such advance in writing to the Personnel Officer at least one (1) week prior to his/her vacation date. The worker's supervisor must verify the vacation date upon request.~~

~~7.9.2 — Vacation pay for the period shall be one hundred percent (100%) of the worker's regular pay due, less premiums.~~

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TENTATIVE AGREEMENT-ARTICLE 9.2

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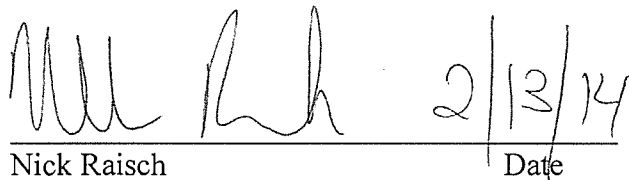
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FOR CITY:

FOR SEIU:


Gina Donnelly Date


Nick Raisch Date

9.2 Communications Officers, Lead Communications Officers and Records Supervisors, Records Personnel and City Service Officers shall upon initial appointment be provided required uniforms as determined by the Chief of Police, and thereafter receive Six Hundred Dollars (\$600) per year uniform allowance. As soon as practicable, payment shall be made in the amount of \$23.077 per biweekly pay period. If an employee is on unpaid leave for a period of one (1) full pay period or more, the employee will not receive uniform allowance for that period.

The City will provide uniform jackets for City Service Workers whose work is primarily outdoors. Jackets that are worn or damaged in the course of work will be routinely replaced by the City. It will be the employee's obligation to replace lost or misplaced jackets.

If any other worker is required to wear a uniform during the life of this Memorandum of Understanding, the City will meet and confer with the Union concerning the establishment of an equitable uniform allowance.

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TENTATIVE AGREEMENT-APPENDIX D

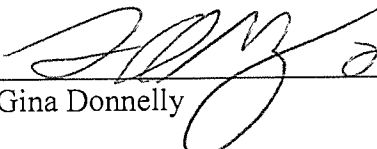
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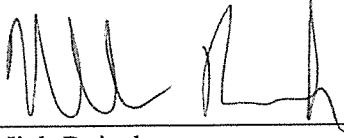
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FOR CITY:

FOR SEIU:



Gina Donnelly Date

 2/13/14

Nick Raisch Date

APPENDIX "D"

Menlo Park Labor Management Committee Goal

GOAL

The Union and Management have a sincere desire to maintain and improve their progressive, mature and cooperative labor relations/personnel relationship throughout the length of the contract.

MEETINGS

In order to facilitate this, the parties agree to meet as necessary to discuss work and personnel/labor relations related issues of interest to either the workers or management. These meetings shall not replace informal grievance meetings nor the responsibilities of the parties to meet and confer pursuant to the law and the agreement. However topics may include preliminary discussions of matters which may later develop into more formal concerns to be dealt with in official forums.

PARTICULARS

In attendance will be representatives from the City of Menlo Park, as determined by the issues to be discussed. A Union staff person and three members selected by the union

shall represent the workers. Additional department heads, members or consultants may be included as necessary.

Agenda shall be set in advance and mutually agreed to except that there shall be a regular item for either party to confirm or dispel rumors in labor relations/personnel topics since the last meeting.

Additional meetings may be set with mutual agreement.

Minutes shall be taken with each side alternately taking responsibility for taking and reproducing them. Confidential personal issues shall be discussed off the record and summarized in the minutes.

CALPERS LABOR MANAGEMENT COMMITTEE

Effective for the term of this agreement, the City and Union agree to the establishment of a Labor Management Committee (LMC) to serve as an advisory committee and to facilitate employee education and involvement in issues regarding CalPERS retirement benefits, including but not limited to, potential future costs increases and the impacts of said cost increases to the financial stability of the City.

The City and the Union shall each select their own representatives and in equal number, with no more than three (3) on each side. Each side is encouraged to propose issued for discussion, and the committee will jointly set priorities. Decision making within this forum will be by consensus. The LMC will set up regular meetings to occur not less than once per quarter and a means for calling additional meetings to handle issues on an ad hoc basis.

The LMC is not authorized to meet and confer or create contractual obligations nor are they to change the MOU to authorize any practice in conflict with existing contracts or rules.

TENTATIVE AGREEMENT-ARTICLE 7

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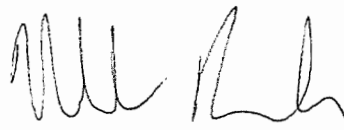
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FOR CITY:

FOR SEIU:

 04/01/14
Gina Donnelly Date

 4/1/14
Nick Raisch Date

7.1.2 At least ninety (90) days prior to the expiration of the MOU, the City and the Union shall each conduct a salary survey of eight (8) comparable benchmark classifications utilizing the 14 traditional comparison cities (Belmont, Burlingame, Campbell, Cupertino, Foster City, Los Altos, Los Gatos, Millbrae, Pacifica, Palo Alto, Redwood City, San Bruno, San Carlos, and Saratoga.) The Union and the City shall meet in advance to discuss which eight (8) benchmark classifications shall be surveyed for comparison and the elements of compensation to be included in the survey. The results of the survey shall be informational only and shall be considered during contract negotiations.

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4/1/14

TENTATIVE AGREEMENT-ARTICLE 6.6

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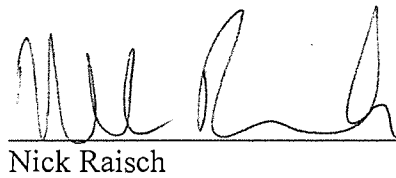
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FOR CITY:

FOR SEIU:


Gina Donnelly
Date 01/01/14


Nick Raisch
Date 4/1/14

6.6.2 Once each year, during the month of January, a worker may request in writing a re-evaluation of his/her job classification based on significant changes in job content or significant discrepancies between job content and the classification description. The request must contain justification. A statement by Management that a job re-evaluation request will be submitted with the department budget does not relieve a worker from the responsibility of submitting his/her own request in a timely manner. If meetings are held, the worker may request representation by the Union. The City will process the request and issue a recommendation within ninety (90) days. The City shall not agree to a change in the appropriate pay level for a job description until the Union has received a copy of the proposed change and has been given the opportunity to meet and confer with the City. Reclassifications shall become effective after City Council approval of the budget, retroactive to the first pay period of the fiscal year. ~~The Personnel Officer~~ Human Resources shall notify the Union at least ten (10) days prior to recommending a reclassification. Upon request, the ~~Personnel Officer~~ Human Resources Director will meet and confer with the Union to determine whether the worker shall be subject to a probationary period. In cases where there is a dispute regarding the recommendation of the ~~Personnel Officer~~ Human Resources Director, the recommendation may be appealed to the City Manager, whose decision shall be final and not subject to the arbitration provisions of Article 15, Grievance Procedure.

4/1/14

If the worker receives a favorable recommendation for reclassification prior to the first pay period of the fiscal year, and the City determines that the worker is currently performing the duties of the new classification, he or she will receive pay for working out of classification under Section 7.8.

There shall be no reclassifications during the term of this Agreement.

TENTATIVE AGREEMENT-ARTICLE 17

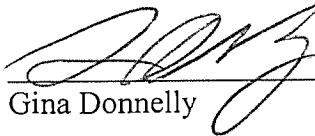
This document sets forth the full agreement of the parties reached during these negotiations. Anything that is not included in this Agreement is not part of this Tentative Agreement.

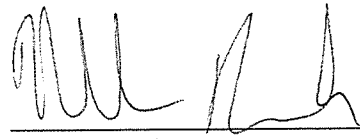
This Agreement is considered tentative and shall not be considered final or binding until ratified by the SEIU Membership and approved by City Council.

The parties understand that in the event either party rejects this Agreement, each party reserves the right to modify, amend and/or add proposals.

FOR CITY:

FOR SEIU:

 04/01/14
Gina Donnelly Date

 4/1/14
Nick Raisch Date

~~The City agrees that there shall be no discrimination against any worker in regard to any of the terms and conditions of employment on account of that worker's race, religion, national origin, cohabitation, political activities, age, disability, sex, sexual orientation, Union membership or legitimate Union activities under this Agreement.~~

17.1 The parties agree that they, and each of them, shall not discriminate against any employee on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual orientation, medical condition or disability. The parties further agree that this Section shall not be subject to the Grievance Procedure provided in this Agreement. However, any individual, including a representative of the Union, may bring forth a complaint of discrimination and/or harassment on behalf of a worker.

17.2 The parties agree that they, and each of them, shall not discriminate against any employee because of membership or lack of membership in the Union, or because of any authorized activity on behalf of the Union. The parties further agree that this Section may be subject to the Grievance Procedure provided in this Agreement.

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SIDE LETTER AGREEMENT
BETWEEN
CITY OF MENLO PARK
AND
SERVICE EMPLOYEES' INTERNATIONAL UNION, LOCAL 521

Purpose

To amend Subsection 11.6, Cashout Provision, of the current Memorandum of Understanding (MOU) between the parties in order to ensure compliance with IRS guidelines.

Agreement

The parties agree to implement and abide by the policy and procedures, attached hereto as Exhibit A, beginning the 2014 Calendar Year.

This Agreement shall be effective upon the date all signatures are obtained below.

FOR THE CITY:

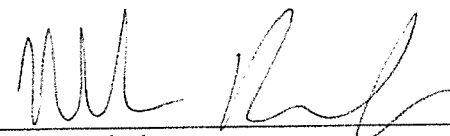


Gina Donnelly

12/10/13

Date

FOR SEIU:



Nick Raisch

12/10/13

Date

ANNUAL VACATION LEAVE CASHOUTPURPOSE

To establish a streamlined policy and procedure for eligible employees to receive the cash value of Vacation upon “selling” that Vacation time back to the City, otherwise known as the “Cashout” of Vacation accruals.

SCOPE

The Vacation “Cashout” program is available to all eligible employees represented by the Service Employees International Union (SEIU).

POLICY

Eligibility for participating in “Cashout” shall be determined by the following:

1. Employees must be Fulltime or Part-time with benefits.
2. Employees must have taken at least twenty-four (24) hours of Vacation Leave and/or Compensatory Time in the twelve (12) months immediately preceding the request for “Cashout” to be eligible to “Cashout” up to eighty (80) hours of Vacation. Employees must have taken at least forty (40) hours of Vacation Leave and/or Compensatory Time in the twelve (12) months immediately preceding the request for “Cashout” to be eligible to “Cashout” up to one hundred twenty (120) hours of Vacation.
3. Employee must pre-elect the number of Vacation Leave hours they will “Cashout” during the following calendar year up to maximum of 120 hours, prior to the start of that calendar year. The election will apply only to Vacation Leave hours accrued in the next tax year and eligible for “Cashout”.
4. The election to “Cashout” Vacation Leave hours in each designated year will be irrevocable. This means that employees who elect to “Cashout” Vacation Leave hours must cash out the number of accrued hours pre-designated on the election form provided by the City.
5. Employees who do not pre-designate or decline a “Cashout” amount by the annual deadline established by the City will be deemed to have waived the right to “Cashout” any leave in the following tax year and will not be eligible to “Cashout” Vacation Leave hours in the next tax year.
6. Employees who pre-designate “Cashout” amounts may request a “Cashout” at any time in the designated tax year by submitting a “Cashout” Request Form to Payroll. Payroll will complete the “Cashout” upon request, provided the requested “Cashout” amount has accrued and is consistent with the amount the employee pre-designated. If the full amount of hours designated for cash out is not available at the time of “Cashout” request, the maximum available will be paid.

7. For employees who have not requested payment of the elected "Cashout" amount by November 1 of each Calendar Year, Payroll will automatically "Cashout" the pre-designated amount in a paycheck issued on or after the payroll date including November 1.

PROCEDURES

<i>Employee:</i>	<ol style="list-style-type: none"> 1. Verify eligibility for participation. 2. Complete the "Cashout" Election Form and submit to Human Resources Department prior to the annual deadline.
<i>Human Resources Department:</i>	<ol style="list-style-type: none"> 1. Communicate list of Employee elections to Finance/Payroll Division.
<i>Finance Department/Payroll Division:</i>	<ol style="list-style-type: none"> 1. Verify eligibility for "Cashout" when requested by confirming election and available annual accruals. 2. Process payment for cash value of "Cashout" requests minus withholdings required by State and IRS, to be distributed with regular payroll check in the next available payroll cycle. 3. Adjust employee records to deduct Vacation Leave time paid off from available accruals.

Approved:

/s/ Alex D. McIntyre
City Manager

December 10, 2013
Date

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COMMUNITY SERVICES DEPARTMENT

Council Meeting Date: July 15, 2014
Staff Report #: 14-120

Agenda Item #: D-1

CONSENT CALENDAR: **Adopt a Resolution Authorizing the City Manager to Execute a Contract with the State of California Department of Education to Reimburse the City up to \$630,501 for Child Care Services at the Belle Haven Child Development Center for Fiscal Year 2014-15**

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution (Attachment A) executing a contract with the State of California Department of Education for reimbursement to the City for up to \$630,501 for the delivery of child care services at the Belle Haven Child Development Center for Fiscal Year 2014-15.

BACKGROUND

The City of Menlo Park has operated the Belle Haven Child Development Center (BHCDC) for over 30 years. The BHCDC is licensed by the State Department of Social Services to provide quality child development services to families in Menlo Park and surrounding cities. The program receives funding from the State Department of Education, USDA Child and Adult Care Food Program, user fees, and the City of Menlo Park. The program seeks to build children's self-esteem by offering developmentally appropriate materials and activities supporting social, emotional, physical, and cognitive abilities. Children are provided breakfast, lunch, and snacks daily. The teacher to child ratio is 1:8. Until 2010-11, a highly trained and committed staff taught approximately 96 children, 3-5 years of age. Cuts in state funding for 2011-12 required a decrease in program participation and in 2012-13 just 72 children were enrolled. However, in 2013-14, with the increase in State funding, the program increased enrollment to 84 children. The additional 12 children were enrolled in a new part-day program that was offered in the vacant classroom that had been closed in 2012.

Currently, the eighty-four (84) program enrollees are subsidized under the California Department of Education Child Development Division (CDD) State Preschool Program. State funding restrictions require all parents of children enrolled in the CDC's subsidized slots to be working, in school, in training, seeking permanent housing, actively seeking employment, or incapacitated. All families of children enrolled in the CDC must meet strict income eligibility requirements. The State contract also provides funding for additional resource materials, such as classroom supplies and small equipment to support these families.

A resolution must be adopted annually in order to certify the approval of the funding by the Governing Board of the jurisdiction receiving the reimbursement and to authorize

designated personnel to enter into the contract with the California Department of Education. The City Manager has been identified as the Executive Director or the Authorizing Agent for the City of Menlo Park for the purpose of signing the contract. A copy of the contract is included as Attachment B.

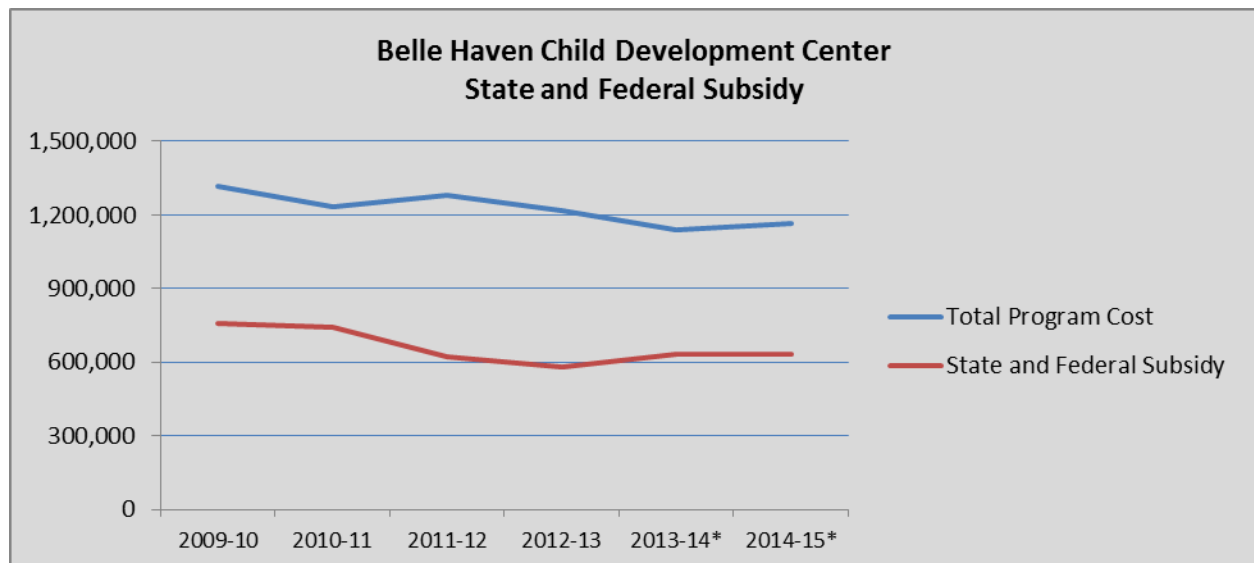
ANALYSIS

Under the terms of the contract, the City agrees to expend contract funds on reimbursable costs necessary to provide child care services for eligible children. The City is also required to meet all reporting requirements and other standard contract provisions. The contract specifies a Minimum Days of Operation (MDO) requirement of 246 days during the fiscal year and 16,985 Minimum Child Days of Enrollment (CDE). The reimbursement rate is \$37.12 per child per day, up to a maximum of \$630,501 based on the minimum service requirements.

Due to California’s financial crisis in the 2012-13 fiscal year, CDE contract requirements were reduced from 16,708 to 15,555 equivalent child care days (the 2010-11 requirement was 21,587). This translates, roughly, to a capacity of 66 subsidized slots, a further reduction from the 96 slots available in 2009-10. However, in the 2013-14 fiscal year CDE contract requirements increased back up from 15,555 to 16,985. This increased the capacity of full day and part day subsidized slots to 84. In 2014-15 there is no reduction in the CDE requirement of 16,985 child care days, allowing the BHDCD to continue serving 84 families with full time and part time care. Over 60 families still remain on the program’s waiting list.

Fiscal Year	Total program budget	State subsidy	Percent of State decrease or increase	Number subsidized slots
2009-10	\$1,316,010	\$759,338	-----	96
2010-11	\$1,233,398	\$742,162	- 2.26%	96
2011-12	\$1,278,872	\$620,207	-14.43%	78
2012-13	\$1,217,385	\$577,412	- 6.9%	72
2013-14*	\$1,136,479	\$630,501	+ 8.5%	84
2014-15*	\$1,167,599	\$630,501	-----	84

*Budgeted amount



IMPACT ON CITY RESOURCES

The City will receive up to \$630,501 to support the Belle Haven Child Development Center through the State contract proposed for authorization. The City anticipates receiving additional revenues from parent fees, small grants, food reimbursements and other small revenue sources. The City's budgeted direct cost to operate the Belle Haven Child Development Center is \$1,167,599. The net cost to the City for the BHDC program for fiscal year 2014-15 is \$462,902.

POLICY ISSUES

The recommendation does not represent any change to existing City policy. As the State budget is finalized, the requirements of this particular program may change, which would require further consideration by the City Council. Staff will present additional information as it becomes available if necessary.

ENVIRONMENTAL REVIEW

Approval of the contract is not deemed a project under 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 Authorizing the City Manager to Execute a Contract
- B. Contract with State of California Department of Educatio

Report prepared by:
Natalie Bonham
Program Supervisory - BHDC

Cherise Brandell
Director of Community Services

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RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF EDUCATION TO RECEIVE THE SUBSIDY FOR CHILD CARE AND DEVELOPMENT SERVICES FOR FISCAL YEAR 2014-15

The City of Menlo Park, acting through its City Council, having considered and been fully advised in the matter and good cause appearing therefore.

BE IT AND IT IS HEREBY RESOLVED that the City Council of the City of Menlo Park authorizes entering into local agreement number CSPP-4390 reimbursing the City up to \$630,501 for child care services at the Belle Haven Child Development Center for fiscal year 2014-15, and that the person who is listed below is authorized to sign the transaction for the City Council.

Alex McIntyre
Name

City Manager
Title

I, Pamela Aguilar, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Menlo Park at a meeting thereof held at a regular public place of meeting on 15th day of July, 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 fifteenth day of July, 2014.

Pamela Aguilar
City Clerk

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CALIFORNIA DEPARTMENT OF EDUCATION

1430 N Street

Sacramento, CA 95814-5901

F.Y. 14 - 15

DATE: July 01, 2014

CONTRACT NUMBER: CSP-4490

PROGRAM TYPE: CALIFORNIA STATE PRESCHOOL PROGRAM

PROJECT NUMBER: 41-2184-00-4

LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES

CONTRACTOR'S NAME: CITY OF MENLO PARK

By signing this contract and returning it to the State, the contractor is agreeing to provide services in accordance with the FUNDING TERMS AND CONDITIONS (FT&C), the GENERAL TERMS AND CONDITIONS (GTC-610) (both available online at <http://www.cde.ca.gov/fg/aa/cd/>) and the CURRENT APPLICATION which by this reference are incorporated into this contract. The contractor's signature certifies compliance with the Funding Terms and Conditions, the Current Application and the General Terms and Conditions.

Funding of this contract is contingent upon appropriation and availability of sufficient funds. This contract may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this contract.

The period of performance for this contract is July 01, 2014 through June 30, 2015. For satisfactory performance of the required services, the contractor shall be reimbursed in accordance with the Determination of Reimbursable Amount Section of the FT&C, at a rate not to exceed \$37.12 per child per day of full-time enrollment and a Maximum Reimbursable Amount (MRA) of \$630,501.00.

SERVICE REQUIREMENTS

Minimum Child Days of Enrollment (CDE) Requirement	16,985.0
Minimum Days of Operation (MDO) Requirement	246

Any provision of this contract found to be in violation of Federal and State statute or regulation shall be invalid, but such a finding shall not affect the remaining provisions of this contract.

STATE OF CALIFORNIA		CONTRACTOR	
BY (AUTHORIZED SIGNATURE)		BY (AUTHORIZED SIGNATURE)	
PRINTED NAME OF PERSON SIGNING Sueshil Chandra, Manager		PRINTED NAME AND TITLE OF PERSON SIGNING <i>Alex McIntyre - City Manager</i>	
TITLE Contracts, Purchasing and Conference Services		ADDRESS <i>City of Menlo Park - 701 Laurel St. Menlo Park CA, 94025</i>	
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 630,501	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE Department of General Services use only	
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ 0	(OPTIONAL USE) See Attached		
TOTAL AMOUNT ENCUMBERED TO DATE \$ 630,501	ITEM See Attached	CHAPTER	STATUTE
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702	FISCAL YEAR	
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER See Attached		DATE	

CONTRACTOR'S NAME: CITY OF MENLO PARK

CONTRACT NUMBER: CSPP-4490

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 108,468	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE Federal		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 13609-2184	FC# 93.596	PC# 000321	
TOTAL AMOUNT ENCUMBERED TO DATE \$ 108,468	ITEM 30.10.020.001 6110-194-0890	CHAPTER B/A	STATUTE 2014	FISCAL YEAR 2014-2015
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-5025 Rev-8290			

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 51,745	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE Federal		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 15136-2184	FC# 93.575	PC# 000324	
TOTAL AMOUNT ENCUMBERED TO DATE \$ 51,745	ITEM 30.10.020.001 6110-194-0890	CHAPTER B/A	STATUTE 2014	FISCAL YEAR 2014-2015
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-5025 Rev-8290			

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 295,026	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE General		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 23038-2184			
TOTAL AMOUNT ENCUMBERED TO DATE \$ 295,026	ITEM 30.10.010. 6110-196-0001	CHAPTER B/A	STATUTE 2014	FISCAL YEAR 2014-2015
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-6105 Rev-8590			

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 175,262	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE General		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 23254-2184			
TOTAL AMOUNT ENCUMBERED TO DATE \$ 175,262	ITEM 30.10.020.001 6110-194-0001	CHAPTER B/A	STATUTE 2014	FISCAL YEAR 2014-2015
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-6105 Rev-8590			

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.	T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER PAGE 136	DATE	



CALIFORNIA DEPARTMENT OF EDUCATION

1430 N Street

Sacramento, CA 95814-5901

F.Y. 14 - 15

DATE: July 01, 2014

CONTRACT NUMBER: CSPP-4490

PROGRAM TYPE: CALIFORNIA STATE PRESCHOOL PROGRAM

PROJECT NUMBER: 41-2184-00-4

LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES

CONTRACTOR'S NAME: CITY OF MENLO PARK

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Minimum Days of Operation (MDO) Requirement	246

Any provision of this contract found to be in violation of Federal and State statute or regulation shall be invalid, but such a finding shall not affect the remaining provisions of this contract.

STATE OF CALIFORNIA		CONTRACTOR	
BY (AUTHORIZED SIGNATURE)		BY (AUTHORIZED SIGNATURE)	
PRINTED NAME OF PERSON SIGNING Sueshil Chandra, Manager		PRINTED NAME AND TITLE OF PERSON SIGNING <i>Alex McIntyre - City Manager</i>	
TITLE Contracts, Purchasing and Conference Services		ADDRESS <i>City of Menlo Park - 701 Laurel St. Menlo Park, CA</i>	
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 630,501	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE Department of General Services use only <i>94025</i>	
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ 0	(OPTIONAL USE) See Attached		
TOTAL AMOUNT ENCUMBERED TO DATE \$ 630,501	ITEM See Attached	CHAPTER	STATUTE
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702	FISCAL YEAR	
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER See Attached		DATE	

CONTRACTOR'S NAME: CITY OF MENLO PARK

CONTRACT NUMBER: CSPP-4490

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	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-6105 Rev-8590			

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above. SIGNATURE OF ACCOUNTING OFFICER	T.B.A. NO.	B.R. NO.
	DATE	

CCC-307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i> City of Menlo Park		<i>Federal ID Number</i> 946000370
<i>By (Authorized Signature)</i> 		
<i>Printed Name and Title of Person Signing</i> Alex McIntyre - City Manager		
<i>Date Executed</i> 	<i>Executed in the County of</i> San Mateo	

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs;
- and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department

determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued

pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

to: Director, Grants, and Contracts Service, U.S. Department of Education, 400 Maryland Avenue, S.W., (Room 3124, GSA Regional Office Building No. 3), Washington, DC 20202-4571.

Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d) (2), with respect to any employee who is so convicted:

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency:

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee must insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

City of Menlo Park

701 Laurel Street

Menlo Park, CA 94025

Check if there is a separate sheet attached listing all workplaces.

DRUG-FREE WORKPLACE (GRANTEES WHO ARE INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 45 CFR Part 76, Subpart F, for grantees, as defined at 45 CFR Part 76, Sections 76.605 and 76.610-

a. As a condition of the grant, I certify that I will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant, and

b. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, I will report the conviction, in writing, within 10 calendar days of the conviction, to: Director, Grants and contracts Service, U.S. department of Education, 400 Maryland Avenue, S.W. (Room 3124, GSA Regional Office Building No. 3) Washington, DC 20202-4571. Notice shall include the identification numbers(s) of each affected grant.

ENVIRONMENTAL TOBACCO SMOKE ACT

As required by the Pro-Children Act of 1994, (also known as Environmental Tobacco Smoke), and implemented at Public Law 103-277, Part C requires that:

The applicant certifies that smoking is not permitted in any portion of any indoor facility owned or leased or contracted and used routinely or regularly for the provision of health care services, day care, and education to children under the age of 18. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day. (The law does not apply to children's services provided in private residence, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for in-patient drug and alcohol treatment.)

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

NAME OF APPLICANT (CONTRACT AGENCY) City of Menlo Park	CONTRACT # CSP-4490
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE Alex McIntyre	
SIGNATURE	DATE

FEDERAL CERTIFICATIONS**CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS**

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 45 CFR Part 93, "New restrictions on Lobbying," and 45 CFR Part 76, "Government-wide Debarment and Suspension (Non procurement) and Government-wide requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Education determines to award the covered transaction, grant, or cooperative agreement.

1. LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 45 CFR Part 93, for persons entering into a grant or cooperative agreement over \$100,000 as defined at 45 CFR Part 93, Sections 93.105 and 93.110, the applicant certifies that:

(a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress in connection with the making of any federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement:

(b) If any funds other than federal appropriated funds have been or will be paid to any person for influencing or attempting to influence an employee of Congress, or any employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," in accordance with this instruction;

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

As required by executive Order 12549, Debarment and Suspension, and other responsibilities implemented at 45 CFR Part 76, for prospective participants in primary or a lower tier covered transactions, as defined at 45 CFR Part 76, Sections 76.105 and 76.110.

A. The applicant certifies that it and its principals:

(a) Are not presently debarred, suspended proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency:

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3. DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 45 CFR Part 76, Subpart F, for grantees, as defined at 45 CFR Part 76, Sections 76.605 and 76.610-

A. The applicant certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

(b) Establishing an on-going drug-free awareness program to inform employees about-

(1) The danger of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation;

(e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title,

RESOLUTION

This resolution must be adopted in order to certify the approval of the Governing Board to enter into this transaction with the California Department of Education for the purpose of providing child care and development services and to authorize the designated personnel to sign contract documents for Fiscal Year 2014-15.

RESOLUTION

BE IT RESOLVED that the Governing Board of _____

authorizes entering into local agreement number/s _____ and that the person/s who is/are listed below, is/are authorized to sign the transaction for the Governing Board.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

PASSED AND ADOPTED THIS _____ day of _____ 2014, by the Governing Board of _____ of _____ County, California.

I, _____, Clerk of the Governing Board of _____, of _____, County,

California, certify that the foregoing is a full, true and correct copy of a resolution adopted by the said Board at a _____ meeting thereof held at a regular public place of meeting and the resolution is on file in the office of said Board.

(Clerk's signature)

(Date)



PUBLIC WORKS DEPARTMENT

Council Meeting Date: July 15, 2014
Staff Report #: 14-123

Agenda Item #: D-2

CONSENT CALENDAR: **Adopt a Resolution of Intention to Abandon Public Utility and Emergency Access Easements Within the Property at 721 - 851 Hamilton Avenue**

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution of Intention (Attachment A) to abandon the public utility and emergency access easements within the property at 721 - 851 Hamilton Avenue.

BACKGROUND

On June 3, 2014, the Greenheart Land Company, property owners of 721 - 851 Hamilton Avenue, applied for the abandonment and vacation of multiple Public Utility Easements (PUE) and an Emergency Access Easement (EAE) within their property (Attachment B). This request comes after several actions taken by the City of Menlo Park which include:

- In 1986, the City approved the abandonment of Hollyburne Avenue and Sevier Avenue within the applicant's property, reserving a PUE over each abandoned street segment. The abandonment was not recorded until the year 2000, after the City Council approved the abandonment of the remaining portion of Sevier Avenue in 1999 and the adjacent property owners recorded a mutual agreement dedicating the PUE and EAE over the entire abandoned portion of Sevier Avenue.
- In 2000, the City approved the abandonment of Windermere Avenue within the applicant's property, reserving a PUE over the abandoned street segment.
- In 2012, the City, as part of the Housing Element, rezoned the applicant's property to R-4-S to allow for the development of high-density housing.
- On February 10, 2014, the applicant submitted an application to redevelop the properties at 721 - 851 Hamilton Avenue into one large, multi-family residential complex consisting of 195 dwelling units amongst seven three-story buildings (Attachment C).

- On May 12, 2014, the City Engineer approved the Lot Merger for the project consolidating all of the individual parcels into one larger parcel.
- On May 19, 2014, the Planning Commission held a study session as part of the R-4-S compliance review process to allow the Planning Commission and members of the public an opportunity to provide feedback on the proposal's compliance with the R-4-S development regulations and design standards.
- On June 11, 2014, the Community Development Director determined that the proposed residential development at 721-851 Hamilton Avenue is in compliance with the R-4-S development regulations and design standards.

ANALYSIS

The Applicant's Development Plan and Lot Merger of the properties eliminates the need for the PUE's and EAE created in the past. The applicant's project as proposed is dependent on the PUE's being abandoned, and the existing EAE no longer makes sense in its current configuration given the new site plan. As can be seen in Attachments B and C, should the PUE's remain, they would conflict with the proposed buildings and stormwater treatment facilities.

All of the utility companies with an interest in the public utility easements have provided letters indicating that they have no objections to the proposed abandonment. Most of the utility companies have no facilities within the existing PUE's, however PG&E has an existing high-pressure gas line in the former Sevier Avenue segment that serves the Facebook West Campus property and the TE Connectivity property (formerly known as Tyco Electronics). The Applicant has provided a replacement easement to PG&E for continued use of this gas line. The Applicant also granted an easement over the former Windermere Avenue segment directly to the West Bay Sanitary District for potential future extension of their sewer lines. With these replacement easements in place, West Bay Sanitary District and PG&E have indicated that they have no objection to the proposed Abandonment of the Public Utility Easements. Once the Resolution of Intention is adopted, Staff will work with the applicant to coordinate the abandonment of the EAE with the Menlo Park Police Department and the Menlo Park Fire Protection District.

Abandonment Procedure

This action first requires that Council adopt a Resolution of Intention to abandon a public easement. The Resolution of Intention forwards the abandonment request to the Planning Commission for its consideration and recommendation at its August 18, 2014 meeting and sets the time and date for the public hearing for September 23, 2014 at 7:00 p.m. The Planning Commission will review the abandonment to determine if it is compatible with the City's General Plan. The Planning Commission will forward its recommendation to the City Council for approval of the abandonment at a public hearing. The Engineering Division will post notices of the public hearing in The Daily

News and at the site in accordance with the requirements of the Streets & Highways Code. An affidavit of posting will then be filed with the City Clerk. Should the utility agencies, affected parties, Planning Commission and City Council consider the abandonment favorably, a Resolution ordering the vacation and abandonment of the public utility and emergency access easements at 721 - 851 Hamilton Avenue will be recorded.

IMPACT ON CITY RESOURCES

There is no direct impact on City resources associated with the actions in this staff report. The fee for staff time to review and process the abandonment has been paid by the applicants.

POLICY ISSUES

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

ENVIRONMENTAL REVIEW

The proposed street abandonment is Categorically Exempt under Class 5, minor alterations in land use, of the current State of California Environmental Quality Act (CEQA) Guidelines.

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 of Intention to Vacate and Abandon Public Utility Easements
- B. Exhibit showing Public Utility Easements proposed for Abandonment
- C. Exhibit showing proposed Development Plan

Report prepared by:
Roger Storz
Senior Civil Engineer

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RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK DECLARING THE INTENTION OF SAID CITY TO ABANDON PUBLIC UTILITY AND EMERGENCY ACCESS EASEMENTS WITHIN THE PROPERTY AT 721 - 851 HAMILTON AVENUE

WHEREAS, the City Council of the City of Menlo Park has considered the abandonment of Public Utility and Emergency Access Easements within the property at 721 - 851 Hamilton Avenue as shown in Exhibit A, which is attached and made apart thereto; and

WHEREAS, the Planning Commission will hold a Public Hearing on this subject on August 18, 2014, as required by law to notify property owners and to find out whether the proposed abandonment is consistent with the City's General Plan; and

WHEREAS, the City Council will hold a Public Hearing on September 23, 2014 at approximately 7:00 p.m. as required by law to determine whether said easements shall be abandoned.

NOW, THEREFORE, BE IT RESOLVED that a Resolution of Intention of the City Council of the City of Menlo Park, is hereby established, to consider the abandonment of Public Utility and Emergency Access Easements within the property at 721 - 851 Hamilton Avenue.

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 fifteenth day of July, 2014 by the following votes:

AYES:

NOES:

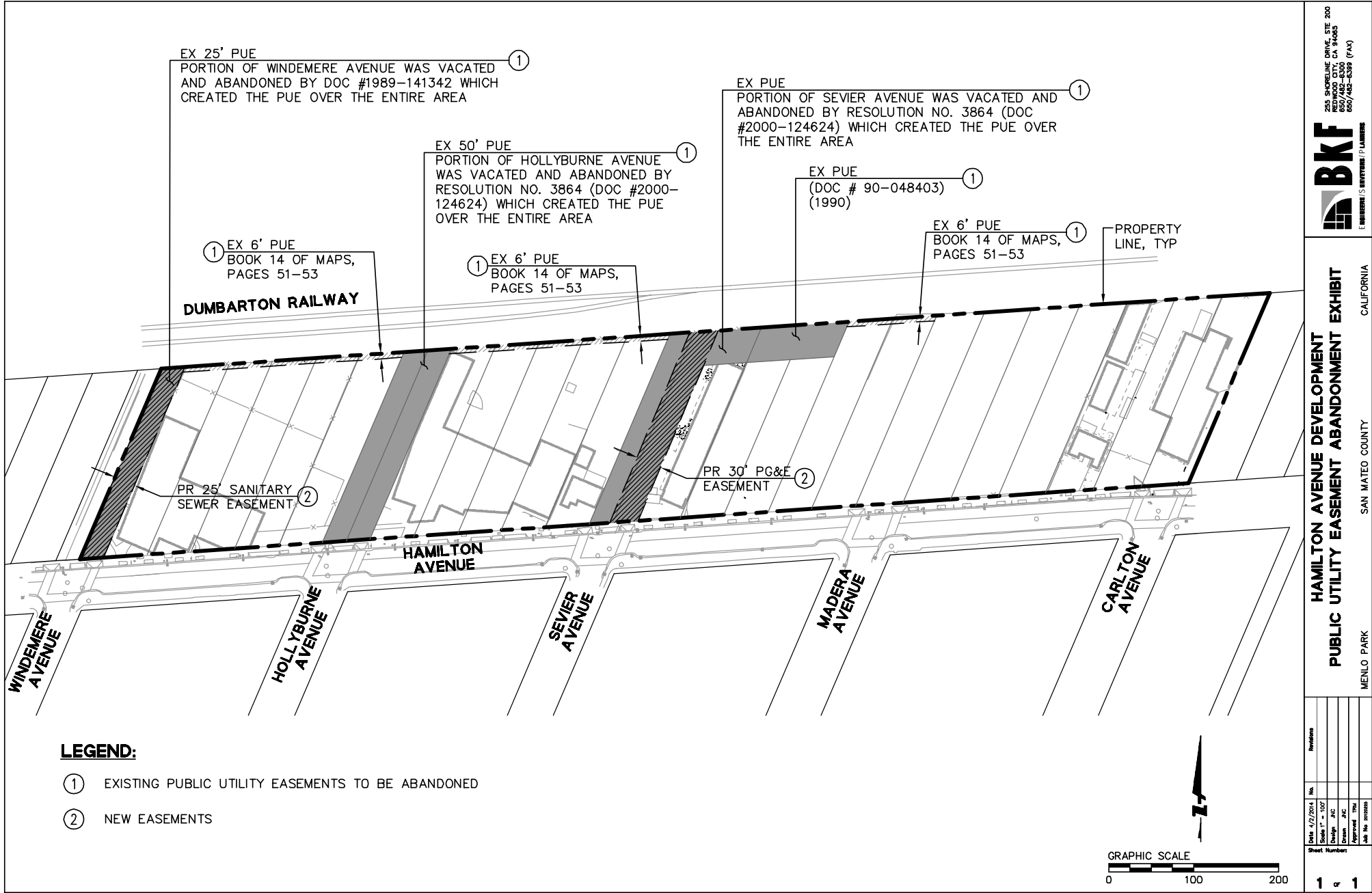
ABSENT:

ABSTAIN:

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

Pamela I. Aguilar
City Clerk

Exhibit A



DRAWING NAME: I:\ENR\12\2024\WORKSHEETS\14\REV\4_0810-PUE_Abandonment Exhibit A.dwg
 PLOT DATE: 08-10-14
 PLOTTED BY: Kurk

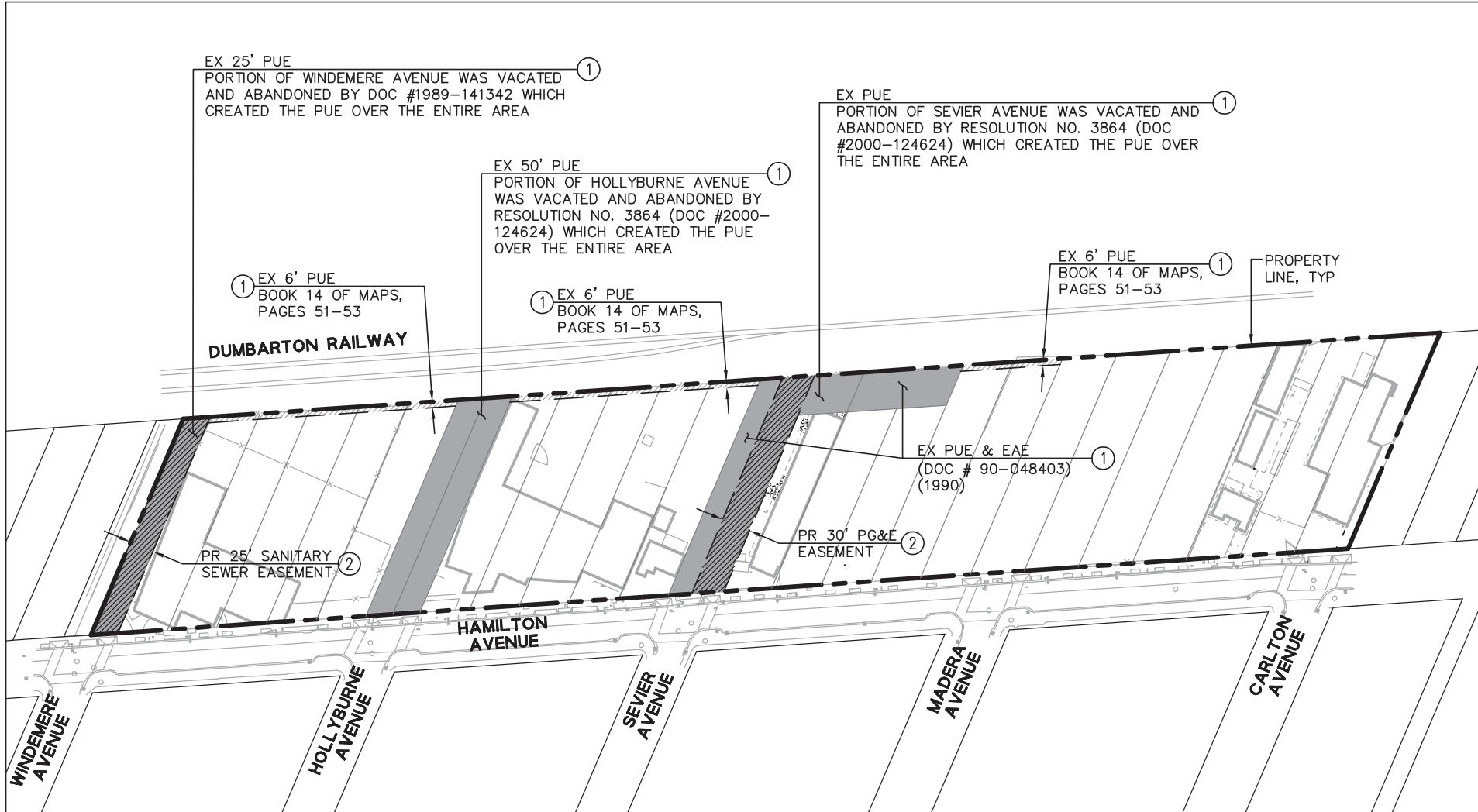
265 SHORELINE DRIVE, STE 200
 BAYVIEW, CA 94025
 (415) 882-8200
 (415) 882-8399 (FAX)



HAMILTON AVENUE DEVELOPMENT
PUBLIC UTILITY EASEMENT ABANDONMENT EXHIBIT
 SAN MATEO COUNTY
 CALIFORNIA

Revision	Date	By	Check	Appr

1 of 1



LEGEND:

- ① EXISTING PUBLIC EASEMENTS TO BE ABANDONED
- ② NEW EASEMENTS

PUE – PUBLIC UTILITY EASEMENT
 EAE – EMERGENCY ACCESS EASEMENT



DRAWING NAME: I:\Projects\2023\KNOX\CONTRACT\KNOX\REV\A_0810-PUE Abandonment Exhibit.dwg
 PLOT DATE: 08-28-14 PLOTTED BY: KURK

255 SHORELINE DRIVE, STE 200
 SAN MATEO, CA 94065
 650/482-6300 (PHONE)
 650/482-6399 (FAX)

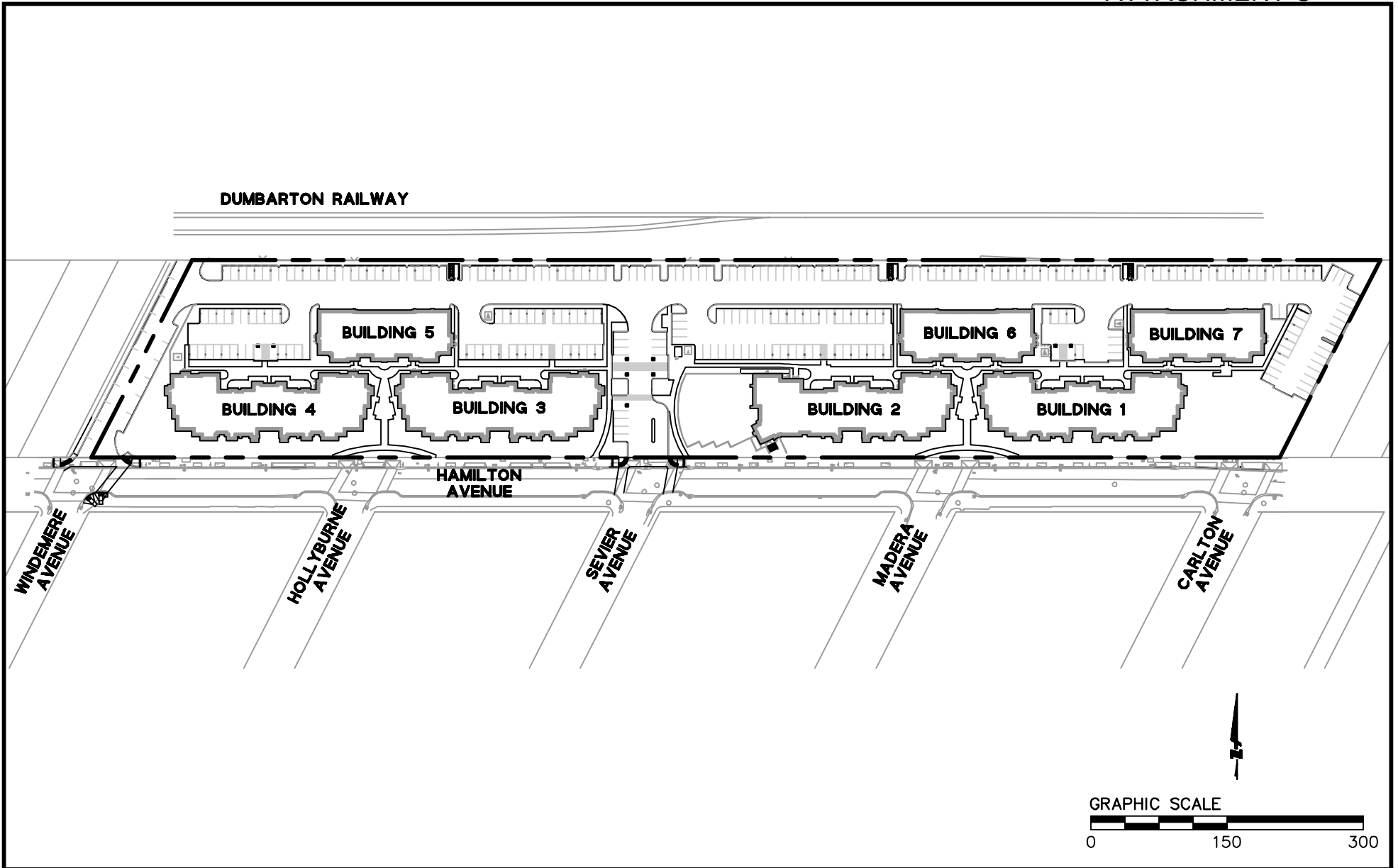


HAMILTON AVENUE DEVELOPMENT
 PUBLIC EASEMENT ABANDONMENT EXHIBIT
 SAN MATEO COUNTY
 CALIFORNIA

Revisions	No.	Date	By	Check	Appr.	Job No.

Sheet Number: 1 of 1

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ENGINEERS / SURVEYORS / PLANNERS

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

777 HAMILTON AVENUE SITE PLAN

Drawn
Job No. 20120225

Checked
Date 06/24/2014

Approved
Sheet 1 of 1

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: July 15, 2014
Staff Report #: 14-122

Agenda Item #: D-3

CONSENT CALENDAR: **Adopt a Resolution Accepting the On-Site and Off-Site Improvements and Authorizing the Release of the Bonds for The Artisan Subdivision Located at 389 El Camino Real**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution accepting the on-site and off-site improvements and authorizing the release of the bonds for The Artisan subdivision located at 389 El Camino Real.

BACKGROUND

The Artisan subdivision consists of 26 residential condominium units and common areas. On March 26, 2013, Council approved the final map for the subdivision and authorized the City Manager to execute a subdivision improvement agreement with the applicant to guarantee completion of the work. To ensure construction of the improvements, the applicant, D.R. Horton Bay Inc., provided the City with performance bonds for both the on-site and off-site improvements for the subdivision project.

The applicant has completed on-site and off-site improvements in accordance with the approved plans, and has met all other conditions of approval for the Artisan Subdivision project.

ANALYSIS

Staff has inspected the completed improvements and found them to be satisfactorily constructed and in compliance with City Standards. In accordance with Section 66499.7 of the California Government Code, the improvements must be accepted by the City Council and substitute bonds as warranty for the completed work for a period of one year must be provided by the applicant before the performance bonds may be released.

The applicant has provided substitute bonds as the warranty bonds for the on-site and off-site improvements associated with The Artisan subdivision project. The warranty bonds are in the amount of 50% of the cost of the improvements in order to warranty them against any defects in materials or workmanship for a period of one year after the

date of Council's acceptance. Staff will release the existing performance bonds to the developer following Council adoption of the attached Resolution.

IMPACT ON CITY RESOURCES

The staff time costs associated with managing and inspecting the project is fully recoverable through fees collected from the applicant.

POLICY ISSUES

This recommendation is consistent with the requirements of Section 66499.7 of the California Government Code.

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.

ATTACHMENTS

- A. Resolution of the City Council of the City of Menlo Park Accepting the On-Site and Off-Site Improvements and Authorizing the Release of the Bonds for The Artisan Subdivision Located at 389 El Camino Real

Report prepared by:
Roger K. Storz
Senior Civil Engineer

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
ACCEPTING THE ON-SITE AND OFF-SITE IMPROVEMENTS AND
AUTHORIZING THE RELEASE OF THE BONDS FOR THE ARTISAN
SUBDIVISION LOCATED AT 389 EL CAMINO REAL**

WHEREAS, the City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause appearing therefore; and

WHEREAS, the on-site and off-site improvements required as part of the Subdivision Agreement for the Artisan Subdivision located at 389 El Camino Real have been properly constructed in accordance with the approved plans and are complete; and

WHEREAS, the completed improvements will be warranted by the applicant for a period of one year from the date of this acceptance against any defects in materials or workmanship.

BE IT NOW, THEREFORE, RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby accept the improvements constructed by the Artisan Subdivision located at 389 El Camino Real and authorizes the release of the performance bonds for the project.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Pamela Aguilar
City Clerk

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Date: July 15, 2014
 To: Menlo Park City Council
 From: Kristin Cox, Parks and Recreation Commission Chair
 Marianne Palefsky, Vice-Chair
 Re: Quarterly Report to City Council on 2-Year Work Plan



The month of July is National “Parks and Recreation Month”

Update on current work plan goals for 2014-2016

1. Research and evaluate the social services and recreation opportunities in the Belle Haven neighborhood in support of the Belle Haven Visioning and Neighborhood Action Plan resulting in diverse, high quality programs meeting the needs of neighborhood residents. Ongoing to January 1, 2016.
 - The Commission received a presentation from Brenda Villa from Menlo Swim and Sport who introduced some of children in her youth water polo teams and to announce that the Belle Haven Pool will host a Junior Olympics Water Polo Qualifier event. Brenda mentioned she would like the City to look at adding lighting at the pool to allow for extended hours of operation. This program is one of many programs and endeavors that Menlo Swim is undertaking in the Belle Haven community.

2. Research and evaluate opportunities to support and increase arts program offerings for the community resulting in residents having a greater exposure to the arts and improved partnerships with new and existing arts groups and venues. Ongoing to January 1, 2016.
 - At their April meeting, the Commission discussed the defunct Arts Commission scope of work in helping them determine their next steps in addressing their goal of supporting and helping to promote public art and increase arts programs. The Commission received public feedback on the issue and as a result the Commission agreed to form an Arts Sub-Committee to take a closer look at this goal and propose a scope of work for the Commission and determine their next steps.
 - The Commission received a presentation from Jean at Kepler’s Arts and Lectures, who received a grant from the City’s Grant for the Arts Program which helped to sponsor their event at the Menlo-Atherton Performing Arts Center. One of on-going challenges for this group and others is the amount of time it takes to get the school district to confirm available dates at the PAC. The Commission advised her to collaborate with MA staff, City staff, and the parent committee to come up with ideas in addressing this challenge.
 - At their June meeting, the Commission discussed ways it could support and increase the Arts in Menlo Park after it was determined that reviving the former Arts Commission was not a viable option given the lack of staff capacity and interest in doing so. The Arts Sub-Committee was formed comprised of Tucker Stanwood and James Cebrian who will convene and prepare a proposal on ways the Commission can support the Arts, as well as by reaching out to existing arts groups for their input and potential partnerships.

3. Study and evaluate City operated parks to ensure their short and long term vitality resulting in park structures and flora being properly maintained; parks being utilized by the community with greater frequency; and ensuring a proper balance of park usage and long term conservation. Ongoing to January 1, 2016.
 - The Commission received a presentation from the Friends of Bedwell-Bayfront Park. This was a follow-up to the Commission's tour of the park last July. The Friends expressed concern about overall maintenance and the sink fund which is allocated for maintenance which is nearly depleted. The Friends recommended some enhancements including appropriate placement of signage, garbage cans and benches, pathways for disabled, off-leash dog rules enforcement, sanitation, and RC Aircraft regulation and rules enforcement. Also discussed by the Commission was the idea of taking a look at the current Utility User Tax (UTT) as a replacement to current funding to help address ongoing maintenance. The Commission agreed to form a sub-committee and to work with the Friends to develop a proposal to go to the City Council

Other areas and issues addressed by the Commission:

- The Commission reviewed and provided general direction on the City's Non-Resident Fee Policy as it relates to unincorporated areas of Menlo Park. The Commission received public feedback from non-residents interested in having the City take a look at the issue and consider making changes to the existing non-resident fee as well as priority registration period afforded to residents currently. A number of commissioners were in support of the non-resident fee surcharge but the Commission agreed to table the issue until the Commission received additional information which included:
 - a. The Commission would like to know the history and background for providing Menlo Park residents a priority registration period for Community Services classes and programs.
 - b. The Commission would like information on current or past practices of the City to treat residents in unincorporated MP any different than non-residents in other cities. Has the issue been brought the City's attention previously and how was it handled.
 - c. The Commission wanted to know if it was possible to determine how much it would cost for residents in unincorporated MP to make up the difference in what residents pay through their taxes to support Community Services programs and facilities. This would include annual property tax contribution as well as Measure T bonds which go toward the construction of Parks and Recreation facilities.

The Commission is scheduled to take up this issue again in the fall.

- The Commission reviewed and considered a proposal from the Menlo Park City School District to partner with the City on the development of a sports field at the new Laurel School off O'Connor Drive. After a lengthy discussion, the Commission agreed that it is not imperative to enter the agreement with MPCSD until more information on its design, construction and purpose are available. There were concerns about current irrigation and drainage of the field as well as the significant investment by the City. The Commission voted to decline the request of \$600,000 for the installation upgrade to a synthetic turf field, while

agreeing to take no action at this time on a joint-use agreement until further information is available.

- In support of the City Council's goal of increasing community events in the downtown area and in testing some of the proposed public space amenities included in the Downtown Specific Plan, Community Services staff are proposing Movies on the Paseo Friday nights during late summer. The family-oriented events will take place on the site of the proposed pedestrian paseo on Chestnut Street between Santa Cruz and the parking lot driveways closest to the Wells Fargo on one side and Accent on Eyes / The Hair Mill (Duca and Hanley Building) on the other. A request for permit to create the temporary paseo for these events will be coming to the Council at their August 19 meeting and Parks and Recreation Commission supports this proposal.
- In June, the Commission was presented the City's budget for FY 14-15 which includes a proposal to review four City programs for alternative service delivery. One of the proposed programs up for review is the Gymnastics Program. The Commission is requesting that it be involved in the review process and allowed the opportunity to provide feedback to the Council on the matter.

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OFFICE OF THE CITY CLERK

Council Meeting Date: July 15, 2014
Staff Report #: 14-125

Agenda Item #: F-1(a)

REGULAR BUSINESS:

Approve a Resolution Accepting the Certification of the City Clerk as to the Sufficiency of the Initiative Petition Entitled “An Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits”

RECOMMENDATION

Staff recommends approval of a resolution accepting the certification of the City Clerk as to the sufficiency of the initiative petition entitled “The El Camino Real/Downtown Specific Plan Area Livable, Walkable Community Development Standards Act”.

BACKGROUND

On February 19, 2014, proponents Patti Fry and Mike Lanza submitted a Notice of Intent to the Menlo Park City Clerk’s office to circulate an initiative petition entitled “The El Camino Real/Downtown Specific Plan Area Livable, Walkable Community Development Standards Act” (Attachment A).

Under the California Elections Code, the Elections Official shall immediately transmit a copy of the proposed measure to the City Attorney. For the purposes of this resolution, the Elections Official is the Menlo Park City Clerk.

City Attorney Bill McClure is recused from advising the City in this matter due to a conflict of interest that the location of his place of business is within the area that is the subject of the petition. The City retained Special Counsel Greg Stepanicich to advise the City regarding the proposed initiative petition. Pursuant to Elections Code section 9203, Special Counsel prepared an official Ballot Title and Summary for the proposed initiative petition which was provided to the proponents on March 6, 2014 (Attachment B).

On March 17, 2014, as required, the proponents submitted an Affidavit of Publication of Notice of Intent and Ballot Title and Summary and under the Elections Code were allowed 180 days to gather signatures.

If petitions are filed within 180 days from the receipt of the Ballot Title and Summary and are determined to have been signed by at least ten percent of the registered voters in

the City, the City Clerk is required to certify the results to the City Council at its next regular meeting.

ANALYSIS

On May 12, 2014, the proponents filed the petition consisting of approximately 617 sections and containing a raw count of approximately 2,545 signatures with the City Clerk. The petition was submitted on May 13, 2014 to the San Mateo County Elections Office in order to conduct a random sampling of signatures for verification pursuant to Elections Code section 9211. A random sampling requires verification of 3% (76) or 500 signatures, whichever is greater. In this case, 500 signatures were examined for verification.

Based on the last official report of registration by the San Mateo County Elections Office to the Secretary of State in December 2013, Menlo Park had 17,803 registered voters; therefore, any initiative petition requires at least 1,703 (or 10%) valid signatures to be sufficient to qualify for a regular election and at least 2,670 (or 15%) valid signatures to qualify for a special election.

On June 18, 2014, the County Elections Office notified the City Clerk that, based on its random sampling of 500 signatures, the petition contained 447 valid signatures or 94.8 percent (Attachment C). This percentage was then applied to the total raw count by the County of 2,524 signatures for a yield of 2,392 valid signatures. This number exceeds 10% of the registered voters of the City therefore deeming the petition sufficient.

IMPACT ON CITY RESOURCES

According to the San Mateo County Elections Office, the estimated cost of consolidated election services for the three City Council seats is approximately \$30,000. If a Measure is added to the ballot, the estimated total cost of the election is approximately \$40,000. Funds are included in the FY 2014-15 budget.

POLICY ISSUES

N/A

ENVIRONMENTAL REVIEW

A report regarding the potential impacts of the initiative petition will be presented to the City Council at its July 15, 2014 meeting.

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. Notice of Intent to Circulate Petition
- B. Ballot Title and Summary
- C. San Mateo County Elections Office Signature Verification Results
- D. Resolution Accepting Certification of the City Clerk as to the Sufficiency of the Initiative Petition

Report prepared by:
Pamela Aguilar
City Clerk

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RECEIVED

FEB 19 2014

City Clerk's Office
City of Menlo Park

February 19, 2014

Pamela Aguilar, City Clerk
City of Menlo Park

Dear Ms. Aguilar,

We hereby submit and request the preparation of a ballot title and summary for the enclosed voter initiative measure titled the El Camino Real/ Downtown Specific Plan Area Livable, Walkable Community Development Standards Act.

Also enclosed is the required Notice of Intent to Circulate Petition signed by me as the measure's proponent, and the required \$200 deposit. It is our understanding the \$200 deposit will be refunded if, within one year, the sufficiency of the petition is certified.

If there are any questions, please contact me at 415-641-1985 or at mike@lanza.net.

Thank you for your assistance,

A handwritten signature in black ink, consisting of a stylized 'M' followed by a horizontal line that curves slightly upwards at the end.

Mike Lanza

NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Menlo Park for the purpose of amending the City's General Plan and El Camino Real/Downtown Specific Plan to promote the revitalization of the El Camino Real corridor and downtown by encouraging livable and walkable development of a vibrant mix of uses while improving safe connectivity for families on foot and on bikes, enhancing and ensuring adequate public space, and promoting healthy living and sustainability. A statement of the reasons of the proposed action as contemplated in the petition is as follows:

- Achieving the vision of the original public vision for the El Camino Real/Downtown area, which was developed through a 6 year community engagement process costing approximately \$1.7 million.
- Promoting projects in the El Camino Real corridor and Downtown that emphasize mixed-use development at a human scale and neighborhood retail, while protecting residents from harmful effects of excessive development.
- Changing the Plan's definition of open space so that only spaces at ground floor level (e.g., not upper level balconies or decks) count toward a development project's minimum open space requirements. This will help to encourage ground level public plazas, gardens and walkways and distinguish, separate and provide greater visual relief from the mass of adjacent structures.
- Defining and limiting uses constituting "Office Space" in the El Camino Real/Downtown area to no more than 100,000 square feet per individual proposed development project, or 240,820 square feet in total (the maximum amount conceptually disclosed and analyzed in the 2012 Specific Plan EIR), to ensure that such uses are not approved to the exclusion of a healthy balance of neighborhood-serving retail, restaurants, hotels, businesses, and housing near transit.
- Adopting controls requiring voter approval of any proposal to allow new Office Space in the Specific Plan area to exceed 240,820 square feet, or to allow all combined new non-residential development in the Specific Plan area to exceed 474,000 square feet.



Mike Lanza
226 Yale Road
Menlo Park, CA 94025



Patti Fry
1045 Wallea Drive
Menlo Park, CA 94025

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The city attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

[Title and summary prepared by the city attorney to be reproduced here, once provided by the City Attorney, per Elections Code section 9203]

THE PEOPLE OF THE CITY OF MENLO PARK DO ORDAIN AS FOLLOWS:

Section 1. TITLE.

- 1.1. This initiative measure shall be known and cited as the “El Camino Real/Downtown Specific Plan Area Livable, Walkable Community Development Standards Act.”

Section 2. PLANNING POLICY DOCUMENTS COVERED.

- 2.1. This initiative measure enacts certain development definitions and standards within the City of Menlo Park General Plan and the Menlo Park El Camino Real/Downtown Specific Plan (“ECR Specific Plan”).
- 2.2. In this initiative measure the above two documents are referred to collectively as the “Planning Policy Documents.”
- 2.3. Within 30 days of this measure’s effective date, the City shall cause the entire text of this measure to be incorporated into the electronic version of each of the Planning Policy Documents posted at the City’s website, and all subsequently distributed electronic or printed copies of the Planning Policy Documents, which incorporation shall appear immediately following the table of contents of each such document.

Section 3. ECR SPECIFIC PLAN AREA VOTER-ADOPTED DEVELOPMENT DEFINITIONS AND STANDARDS.

- 3.1. **ECR SPECIFIC PLAN AREA DEFINED.** When referring to the “ECR Specific Plan Area,” this initiative measure is referring to the bounded area within the Vision Plan Area Map located at Page 2, Figure I, of the El Camino Real/Downtown Vision Plan, accepted by the Menlo Park city Council on July 15, 2008, which is attached as Exhibit 1 to this measure and hereby adopted by the voters as an integral part of this initiative measure.

3.2. OPEN SPACE DEFINITIONS AND STANDARDS; ABOVE GROUND LEVEL OPEN SPACE EXCLUDED FROM CALCULATIONS OF MINIMUM OPEN SPACE REQUIREMENTS FOR DEVELOPMENT PROJECTS WITHIN THE ECR SPECIFIC PLAN AREA.

- 3.2.1. As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following definition of "Open Space": "The portion of the building site that is open, unobstructed and unoccupied, and otherwise preserved from development, and used for public or private use, including plazas, parks, walkways, landscaping, patios and balconies. It is inclusive of Common Outdoor Open Space, Private Open Space and Public Open Space as defined in this glossary. It is typically located at ground level, though it includes open space atop a podium, if provided, and upper story balconies. Open space is also land that is essentially unimproved and devoted to the conservation of natural resources." The foregoing definition is hereby amended, restated and adopted by the voters to instead read: "The portion of the building site that is open, unobstructed and unoccupied, and otherwise preserved from development, and used for public or private use, including plazas, parks, walkways, landscaping, patios, balconies, and roof decks. It is inclusive of Common Outdoor Open Space, Private Open Space and Public Open Space as defined in this glossary. Open space up to 4 feet in height associated with ground floor level development or atop a podium up to 4 feet high, if provided, shall count toward the minimum open space requirement for proposed development. Open space greater than 4 feet in height, whether associated with upper story balconies, patios or roof decks, or atop a podium, if provided, shall not count toward the minimum open space requirement for proposed development. Open space is also land that is essentially unimproved and devoted to the conservation of natural resources."
- 3.2.2. As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following definition of "Private Open Space": "An area connected or immediately adjacent to a dwelling unit. The space can be a balcony, porch, ground or above grade patio or roof deck used exclusively by the occupants of the dwelling unit and their guests." The foregoing definition is hereby adopted by the voters.
- 3.2.3. As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following definition of "Common Outdoor Open Space": "Usable outdoor space commonly accessible to all residents and users of the building for the purpose of passive or

active recreation.” The foregoing definition is hereby adopted by the voters.

- 3.2.4. As adopted on July 12, 2012, ECR Specific Plan Standard E.3.6.01 states: “Residential developments or Mixed Use developments with residential use shall have a minimum of 100 square feet of open space per unit created as common open space or a minimum of 80 square feet of open space per unit created as private open space, where private open space shall have a minimum dimension of 6 feet by 6 feet. In case of a mix of private and common open space, such common open space shall be provided at a ratio equal to 1.25 square feet for each one square foot of private open space that is not provided.” The foregoing standard is hereby adopted by the voters.
- 3.2.5. As adopted on July 12, 2012, ECR Specific Plan Standard E.3.6.02 states: “Residential open space (whether in common or private areas) and accessible open space above parking podiums up to 16 feet high shall count towards the minimum open space requirement for the development.” The foregoing Standard is hereby amended, restated and adopted by the voters to instead read: “Ground floor open space up to 4 feet high (whether in common or private areas) and accessible open space above parking podiums up to 4 feet high shall count towards the minimum open space requirement for the development. Open space exceeding 4 feet in height (regardless of whether in common or private areas or associated with podiums) shall not count towards the minimum open space requirement for the development.”
- 3.2.6. After this measure becomes effective, Tables E6, E7, E8, E9, E10, E11, E12, E13, E14, E15, in the ECR Specific Plan, which, as adopted on July 12, 2012, state that “residential open space, whether in common or private areas, shall count toward the minimum open space requirement for the development” are each hereby amended, restated and adopted by the voters to instead read at the places where the foregoing statement appears: “only ground floor level residential open space in common or private areas up to 4 feet high and accessible open space above parking podiums up to 4 feet high shall count toward the minimum open space requirement for the development; residential open space in common or private areas exceeding 4 feet in height and open space above parking podiums exceeding 4 feet in height shall not.”

3.3. OFFICE SPACE DEFINED; MAXIMUM OFFICE SPACE ALLOWED FOR INDIVIDUAL OR PHASED DEVELOPMENT PROJECTS WITHIN THE ECR SPECIFIC PLAN AREA.

- 3.3.1. As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following Commercial Use Classification for "Offices, Business and Professional": "Offices of firms or organizations providing professional, executive, management, or administrative services, such as accounting, advertising, architectural, computer software design, engineering, graphic design, insurance, interior design, investment, and legal offices. This classification excludes hospitals, banks, and savings and loan associations." The foregoing Commercial Use Classification is hereby adopted by the voters.
- 3.3.2. As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following Commercial Use Classification for "Offices, Medical and Dental": "Offices for a physician, dentist, or chiropractor, including medical/dental laboratories incidental to the medical office use. This classification excludes medical marijuana dispensing facilities, as defined in the California Health and Safety Code." The foregoing Commercial Use Classification is hereby adopted by the voters.
- 3.3.3. As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following Commercial Use Classification for "Banks and Other Financial Institutions": "Financial institutions providing retail banking services. This classification includes only those institutions engaged in the on-site circulation of money, including credit unions." The foregoing Commercial Use Classification is hereby adopted by the voters.
- 3.3.4. The foregoing, voter-adopted Commercial Use Classifications are hereby collectively referred to in this measure as "Office Space."
- 3.3.5. After this measure becomes effective, the maximum amount of Office Space that any individual development project proposal within the ECR Specific Plan area may contain is 100,000 square feet. No City elected or appointed official or body, agency, staff member or officer may take, or permit to be taken, any action to permit any individual development project proposal located within the ECR Specific Plan area that would exceed the foregoing limit.
- 3.3.6. For purposes of this provision, all phases of a multi-phased project proposal shall be collectively considered an individual project.

- 3.3.7. The foregoing limitation is in addition to applicable Floor Area Ratio (FAR) limitations, including Public Benefit Bonuses, that may apply to a proposed development project.
- 3.3.8. Any authorization, permit, entitlement or other approval issued for a proposed development project by the City after the effective date of this measure is limited by the foregoing provisions, and any claimed “vested right” to develop under any such authorization, permit, entitlement or other approval shall be and is conditioned on the foregoing 100,000 square foot limitation on Office Space, whether or not such condition is expressly called out or stated in the authorization, permit, entitlement or other approval.

3.4. ECR SPECIFIC PLAN AREA MAXIMUM TOTAL NON-RESIDENTIAL AND OFFICE SPACE DEVELOPMENT ALLOWED.

- 3.4.1. This Section 3.4 of this measure hereby incorporates the voter adopted Commercial Use Classifications and definition of “Office Space” stated within Section 3.3 above.
- 3.4.2. The Final Environmental Impact Report (EIR) for the ECR Specific Plan, as certified by the City on June 5, 2012, at page 3-11, states that it conceptually analyzes net, new development of 240,820 square feet of Commercial Space. After this measure becomes effective, the maximum square footage of all net, new Office Space that may be approved, entitled, permitted or otherwise authorized by the City in the aggregate within the ECR Specific Plan Area after the ECR Specific Plan’s adoption on July 12, 2012 shall not exceed the 240,820 square feet of Commercial Space disclosed and analyzed in the ECR Specific Plan EIR.
- 3.4.3. As adopted on July 12, 2012, the ECR Specific Plan at page G16, states as follows:

“The Specific Plan establishes the maximum allowable net new development as follows:

- Residential uses: 680 units; and
- Non-residential uses, including retail, office and hotel: 474,000 Square Feet.

The Specific Plan divides the maximum allowable development between residential and non-residential uses as shown, recognizing the particular impacts from

residential development (e.g., on schools and parks) while otherwise allowing market forces to determine the final combination of development types over time.

The Planning Division shall at all times maintain a publicly available record of:

- The total amount of allowable residential units and non-residential square footage under the Specific Plan, as provided above;**
- The total number of residential units and nonresidential square footage for which entitlements and building permits have been granted;**
- The total number of residential units and nonresidential square footage removed due to building demolition; and**
- The total allowable number of residential units and non-residential square footage remaining available.”**

The foregoing passage of the Specific Plan is hereby amended, restated and adopted by the voters to instead read as follows:

“The Specific Plan establishes the maximum allowable net new development as follows:

- Residential uses: 680 units; and**
- Non-residential uses, including retail, office and hotel: 474,000 Square Feet, with uses qualifying as Office Space under Section 3.3, above, constituting no more than 240,820 Square Feet.**

The Specific Plan divides the maximum allowable development between residential and non-residential uses as shown, recognizing the particular impacts from residential development (e.g., on schools and parks) while otherwise allowing market forces to determine the final combination of development types over time, subject to the Square Footage limitations stated above.

The Planning Division shall at all times maintain a publicly available record of:

- The total amount of allowable residential units, non-residential square footage, and Office Space square footage allowed under the Specific Plan, as provided above;
- The total number of residential units for which any vesting entitlement or building permit has been granted after the ECR Specific Plan's adoption on July 12, 2012;
- The total nonresidential square footage for which any vesting entitlement or building permit has been granted after the ECR Specific Plan's adoption on July 12, 2012;
- The total Office Space square footage for which any vesting entitlement or building permit has been granted after the ECR Specific Plan's adoption on July 12, 2012;
- The total number of unconstructed residential units, nonresidential square footage, or Office Space square footage for which any vesting entitlement or building permit has been issued after the ECR Specific Plan's adoption on July 12, 2012, but that have subsequently been credited back toward the calculation due to the irrevocable expiration, abandonment, rescission or invalidation of such vesting entitlement or building permit prior to construction;
- The total number of residential units, nonresidential square footage, or Office Space square footage that have been credited back toward the net calculation due to building demolition completed after the ECR Specific Plan's adoption on July 12, 2012; and
- The total allowable number of residential units, non-residential square footage, and Office Space square footage remaining available.

For purposes of the foregoing provisions ‘vesting entitlement’ means any ministerial or discretionary action, decision, agreement, approval or other affirmative action of any City elected or appointed official or body, agency, staff member or officer (including, but not limited to, the adoption of a development agreement or approval of a vesting tentative map), that confers a vested right upon the developer to proceed with the development project.”

- 3.4.4. As adopted on July 12, 2012, The ECR Specific Plan, at page G16, states: “Any development proposal that would result in either more residences or more commercial development than permitted by the Specific Plan would be required to apply for an amendment to the Specific Plan and complete the necessary environmental review.” The foregoing passage of the Specific Plan is hereby amended, restated and adopted by the voters to instead read as follows: “Any development proposal that would result in more net, new residential units, non-residential square footage (474,000 square feet maximum) or Office Space square footage (240,820 square feet maximum) than permitted by the Specific Plan as restated and amended at Section 3.4.3, above, would be required to apply for an amendment to the Specific Plan and complete the necessary environmental review. Voter approval shall not be required to amend the Specific Plan to increase the number of net, new residential units allowed beyond the limit stated in this measure. Voter approval shall be required to increase the amount of net, new non-residential or Office Space square footage allowed beyond the limits stated in this measure.”
- 3.4.5. The foregoing limitations are in addition to applicable Floor Area Ratio (FAR) limitations, including Public Benefit Bonuses, that may apply to a proposed development project.
- 3.4.6. Any authorization, permit, entitlement or other approval issued for a proposed development project by the City after the effective date of this measure is limited by the foregoing provisions, and any claimed “vested right” to develop under any such authorization, permit, entitlement or other approval shall be and is conditioned on the foregoing aggregate limits on net, new residential, non-residential and Office Space development, whether or not such condition is expressly called out or stated in the authorization, permit, entitlement or other approval.

Section 4. NO AMENDMENTS OR REPEAL WITHOUT VOTER APPROVAL.

- 4.1. Except for as provided at Section 3.4.4 above regarding the City's ability to approve without voter ratification an amendment to the Specific Plan to accommodate development proposals that would call for an increase in the allowable number of residential units under the Specific Plan, the voter-adopted development standards and definitions set forth in Section 3, above, may be repealed or amended only by a majority vote of the electorate of the City of Menlo Park voting "YES" on a ballot measure proposing such repeal or amendment at a regular or special election. The entire text of the proposed definition or standard to be repealed, or the amendment proposed to any such definition or standard, shall be included in the sample ballot materials mailed to registered voters prior to any such election.
- 4.2. Consistent with the Planning and Zoning Law and applicable case law, the City shall not adopt any other new provisions or amendments to the Policy Planning Documents that would be inconsistent with or frustrate the implementation of the voter-adopted development standards and definitions set forth in Section 3, above, absent voter approval of a conforming amendment to those voter-adopted provisions.

Section 5. PRIORITY.

- 5.1. After this measure becomes effective, its provision shall prevail over and supersede all provisions of the municipal code, ordinances, resolutions, and administrative policies of the City of Menlo Park which are inferior to the Planning Policy Documents and in conflict with any provisions of this measure.

Section 6. SEVERABILITY.

- 6.1. In the event a final judgment of a court of proper jurisdiction determines that any provision, phrase or word of this initiative measure, or a particular application of any such provision, phrase or word, is invalid or unenforceable pursuant to state or federal law, the invalid or unenforceable provision, phrase, word or particular application shall be severed from the remainder of this measure, and the remaining portions of this measure shall remain in full force and effect without the invalid or unenforceable provision, phrase, word or particular application.

Section 7. CONFLICT WITH OTHER BALLOT MEASURES.

- 7.1. In the event that any other ballot measure is proposed for voter approval on the same election ballot as this initiative measure, and that other measure contains provisions which deal with the same or similar subjects, it is the intent of the voters in adopting this measure that this measure shall prevail over any such other ballot measure in its entirety to the extent that this measure is approved and receives a greater number of votes for approval than the other measure. In such case, the other measure is null and void and no provision of the other measure shall become effective.

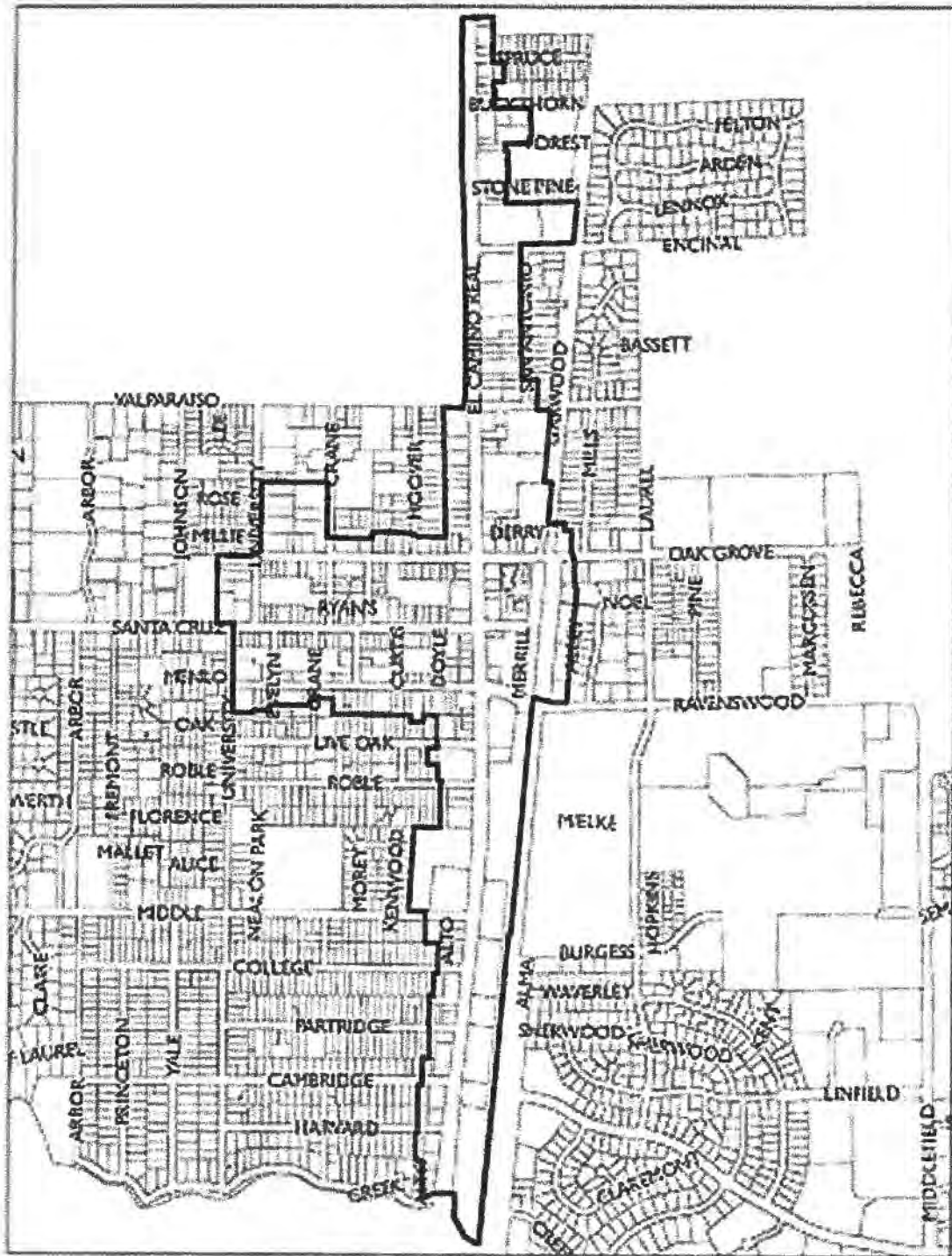
Section 8. EXEMPTION FOR CERTAIN PROJECTS.

- 8.1. To the extent any particular development project or other ongoing activity has, prior to the effective date of this measure, obtained a legally valid, vested right under state or local law to proceed in a manner inconsistent with one or more of the voter-adopted development definitions and standards at Section 3 of this measure, the specific, inconsistent definitions and standards shall not be interpreted as applying to or affecting the project or activity. If other definitions or standards in Section 3 are not inconsistent with such vested rights, those other definitions or standards shall continue to apply to the project or activity. Projects or activities that may, themselves, be exempt from Section 3.4 of this measure by virtue of the foregoing provision, shall, to the extent the building permit for the project post-dates the ECR Specific Plan's adoption on July 12, 2012, still be counted toward the calculation of net, new amount of pre-existing approved residential units, non-residential square footage or Office Space square footage within the ECR Specific Plan area called for by Section 3.4.3, above, when assessing whether the City may approve, entitle, permit or otherwise authorize a different project or proposal to proceed under Section 3.4 of this measure.
- 8.2. To the extent that one or more of the development definitions and standards in Section 3 of this measure, if applied to any particular land use or development project or proposal would, under state or federal law, be beyond the initiative powers of the City's voters under the California Constitution, the specific, inconsistent definitions and standards shall not be interpreted as applying to that particular project or proposal. If other definitions or standards in Section 3, as applied to any such project or proposal, would not be beyond the initiative powers of the City's voters under the California Constitution, those definitions or standards shall continue to apply to the project or proposal. Projects or activities that may, themselves, be exempt from Section 3.4 of this measure by virtue of the foregoing provision, shall, to the extent the building permit for the project post-dates the ECR Specific Plan's adoption on July 12, 2012, still be counted toward the calculation of net, new amount of pre-existing

approved residential units, non-residential square footage or Office Space square footage within the ECR Specific Plan area called for by Section 3.4.3, above, when assessing whether the City may approve, entitle, permit or otherwise authorize a different project or proposal to proceed under Section 3.4 of this measure.

EXHIBIT 1

ECR Specific Plan Area



Ballot Title and Summary Prepared Pursuant to Elections Code Section 9203

AN INITIATIVE MEASURE PROPOSING AMENDMENTS TO THE CITY OF MENLO PARK GENERAL PLAN AND MENLO PARK 2012 EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN LIMITING OFFICE DEVELOPMENT, MODIFYING OPEN SPACE REQUIREMENTS, AND REQUIRING VOTER APPROVAL FOR NEW NON-RESIDENTIAL PROJECTS THAT EXCEED SPECIFIED DEVELOPMENT LIMITS

The initiative measure proposed by this petition (“measure”) would amend the City of Menlo Park General Plan and Menlo Park El Camino Real/Downtown Specific Plan (“ECR/Downtown Specific Plan”) adopted by the Menlo Park City Council on July 12, 2012 by imposing more restrictive development standards in the area of the City governed by the ECR/Downtown Specific Plan than currently imposed.

The measure includes revised definitions and standards for open space requiring that only open space areas that do not exceed four (4) feet in height shall be calculated for meeting the minimum open space requirements. The measure mandates that office space in any individual development not exceed 100,000 square feet, caps the total net, new office space approved after July 12, 2012 at 240,820 square feet and retains the overall cap of 474,000 square feet for all net, new non-residential development in the ECR/Downtown Specific Plan area. The measure also would adopt specified definitions and standards in the current ECR/Downtown Specific Plan relating to open space and office space.

Under the measure, the City Council cannot amend the definitions and development standards set forth in the measure as these provisions can be amended only with voter approval. In addition, voter approval is required to exceed the office space and non-residential square footage limits. Voter approval would not be required to exceed the 680 residential unit limit.

The measure exempts projects with vested rights to build that were obtained before the effective date of the measure from any conflicting definitions or standards set forth in the measure, but such projects would count against the square footage limits imposed by the measure if such projects received a building permit after the adoption of the ECR/Downtown Specific Plan on July 12, 2012.

The proposed measure includes a severability clause so that if portions of the measure are deemed invalid, the remaining portions would remain in effect. A priority clause states that this measure would prevail over all conflicting City ordinances, resolutions and administrative policies. A conflicts provision provides that any competing measures on the same ballot as this measure are null and void if this measure receives more votes.

The proposed measure requires approval by a majority of the voters in Menlo Park voting on the measure to become effective.

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Mark Church

Chief Elections Officer & Assessor-County Clerk-Recorder

ATTACHMENT C

40 Tower Road
San Mateo, CA 94402-1665
phone 650.312.5222 fax 650.312.5348
email registrar@smcare.org
web www.shapefuture.org

June 18, 2014

Ms. Pamela Aguilar
City Clerk, City of Menlo Park
701 Laurel St
Menlo Park, CA 94025

Dear Ms. Aguilar:


We have completed the review of signatures on the "ECR/Downtown Specific Plan" requested by you on May 13, 2014. Of the 2,524 signatures submitted, 500 signatures were verified pursuant to California Elections Code §9211 and §9115(a), and 474 were found to be valid and 26 to be invalid.

Enclosed is the Petition Results Breakdown of our findings. Please arrange to have the petition sections picked up from our office at your convenience. Billing for our services will be sent separately.

If you have any questions regarding this matter, please feel free to call me at (650) 312-5301.

MARK CHURCH
Chief Elections Officer &
Assessor-County Clerk-Recorder

By: _____


David Tom, Deputy

Encl: Petition Results Breakdown



Petition Result Breakdown

Menlo Park/EI Camino Real Development Plan

Menlo Park/EI Camino Real Development Plan

Signatures Required	500		
Raw Count	2,524		
Sample Size	500	<i>Percent of</i>	<i>Percent of</i>
Sigs Checked	500	<i>Sigs Checked</i>	<i>Sample Size</i>
Sigs Not Checked	0		0.0 %
Sigs Valid	474	94.8 %	94.8 %
Sigs Invalid	26	5.2 %	5.2 %
Duplicated	0	0.0 %	0.0 %
Non-duplicate Invalids	26	5.0 %	5.2 %

RESULT ABBR	RESULT DESCRIPTION		
Approved	Approved	474	94.8 %
1 - NotReg	Not Registered	5	1.0 %
7-RegDiffAdd	Registered at a Different Address	2	0.4 %
3 - OutOfDist	Out of District	3	0.6 %
2-CantIdentfy	Cannot Identify	3	0.6 %
9 - NoSig	No Signature	1	0.2 %
6-SigNoMatch	Signatures Don't Match	12	2.4 %

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ACCEPTING THE CERTIFICATION OF THE CITY CLERK AS TO THE SUFFICIENCY OF THE INITIATIVE PETITION ENTITLED “AN INITIATIVE MEASURE PROPOSING AMENDMENTS TO THE CITY OF MENLO PARK EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN LIMITING OFFICE DEVELOPMENT, MODIFYING OPEN SPACE REQUIREMENTS, AND REQUIRING VOTER APPROVAL FOR NEW NON-RESIDENTIAL PROJECTS THAT EXCEED SPECIFIED DEVELOPMENT LIMITS”

WHEREAS, On February 19, 2014, proponents of an initiative measure entitled “The El Camino Real/Downtown Specific Plan Area Livable, Walkable Community Development Standards Act” (“Initiative”) submitted a Notice of Intention and written text of the measure and requested that a title and summary be prepared for the measure in order to circulate the petition; and

WHEREAS, Special Counsel prepared and provided an official ballot title and summary for the proposed Initiative for use by the proponents for publication and circulation of the petition; and

WHEREAS, the petitions regarding the initiative were filed with the elections official on May 12, 2014, and were submitted to the San Mateo County Elections Office on May 13, 2014 for signature verification; and

WHEREAS, in order to qualify to be placed on the November 4, 2014, ballot, proponents were required to obtain signatures in the amount of ten percent (10%) of the number of registered voters in the City; and

WHEREAS, the City Clerk conducted a prima facie review of the petition as to form and found it complies with the provisions of the Election Code; and

WHEREAS, the certified results of the signature verification are attached to the Resolution as Exhibit “A”.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Menlo Park hereby accepts the City Clerk’s Certificate of Sufficiency regarding the initiative petition.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Pamela Aguilar
City Clerk

EXHIBIT A

**CLERK'S CERTIFICATE OF SUFFICIENCY
REGARDING INITIATIVE PETITION**

I, Pamela Aguilar, City Clerk of the City of Menlo Park, County of San Mateo, State of California, hereby certify:

That the Initiative Petition entitled: **An Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits** was filed with the Menlo Park City Clerk within the statutory time limit on May 12, 2014; and

In accordance with California Elections Code section 9237 it has been determined that the County Elections Office's last official report of registered voters reported to the Secretary of State was 17,803 and that 10% of said registration would require not less than 1,780 valid signatures to qualify; and

That said petition consists of approximately: **617** sections; and

That each section contains signatures purporting to be the signatures of qualified electors of this **city**; and

The petition contained **2524 unverified** signatures; and

I have examined, or caused to be examined a 500 random sampling of signatures on the petition pursuant to California Elections Code sections 9211 and 9115; and

Based on this examination have determined and is hereby acknowledged that the petition contained **474 Sufficient** (verified) signatures of qualified registered voters in the City of Menlo Park based on the random sample examination set forth in section 9115 and the formula prescribed by the California Secretary of State; and

That this number represents **134.35%** of the total number of signatures needed to qualify the initiative; therefore

The petition is found to be sufficient to require the City Council of the City of Menlo Park to take appropriate action specified in the California Elections Code.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this fifteenth day of July 2014.

Pamela Aguilar, City Clerk

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OFFICE OF THE CITY MANAGER

Council Meeting Date: July 15, 2014
Staff Report #: 14-128

Agenda Item #: F-1(b)

REGULAR BUSINESS:

Receive the Report from Lisa Wise Consulting, Inc. Regarding the Analysis of Potential Impacts of the Initiative Petition Entitled “An Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits” and Determine if Further Analysis is Needed

RECOMMENDATION

It is recommended that the City Council receive the report from Lisa Wise Consulting, Inc. on the initiative petition entitled “An Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits” and authorize staff to proceed with further analysis as deemed appropriate

BACKGROUND

On March 18, 2014, the City Council approved an appropriation of \$150,000 and authorized the City Manager to execute agreements to provide professional and objective analyses of the potential impacts related to the proposed Ballot Initiative. This action was taken in compliance with California Elections Code Section 9212, which allows the City Council to “refer the proposed initiative measure to any city agency or agencies for a report on any or all of the [impacts]” of the proposed initiative.

The Elections Code also requires that “[t]he report shall be presented to the legislative body within the time prescribed by the legislative body, but no later than 30 days after the elections official certifies to the legislative body the sufficiency of the petition.”

Staff and the City Council agreed that in order to maintain the objectivity of this review, it must be conducted by a consultant or consultant team without prior experience working in Menlo Park. The City Council assigned a Subcommittee, consisting of Mayor Ray

in Menlo Park. The City Council assigned a Subcommittee, consisting of Mayor Ray Mueller and Council Member Rich Cline, to aid Staff in scoping the review and selection of the consultant. Finding a consultant with the appropriate qualifications without experience working in Menlo Park proved to be a greater challenge than originally anticipated.

Staff and the Subcommittee met to develop the scope for the review and selected Lisa Wise Consulting, Inc. (LWC) as the appropriate consultant to perform the ballot initiative review. The City executed an agreement with LWC on Monday, May 12th. In the following 8 weeks, LWC has reviewed dozens of documents including the Proposed Ballot Initiative, the Specific Plan with all of its supporting studies, such as the Vision Plan, fiscal impact analyses and environmental impact report. Throughout their review, Staff has limited contact with LWC to providing documentation they were not able to find on the City website or through other research in order to ensure the independence of their review. Staff responded to requests for information, but did not offer unsolicited feedback. Staff met with LWC to clarify factual information and review the consultant's report, but has not suggested any substantive changes to their conclusions.

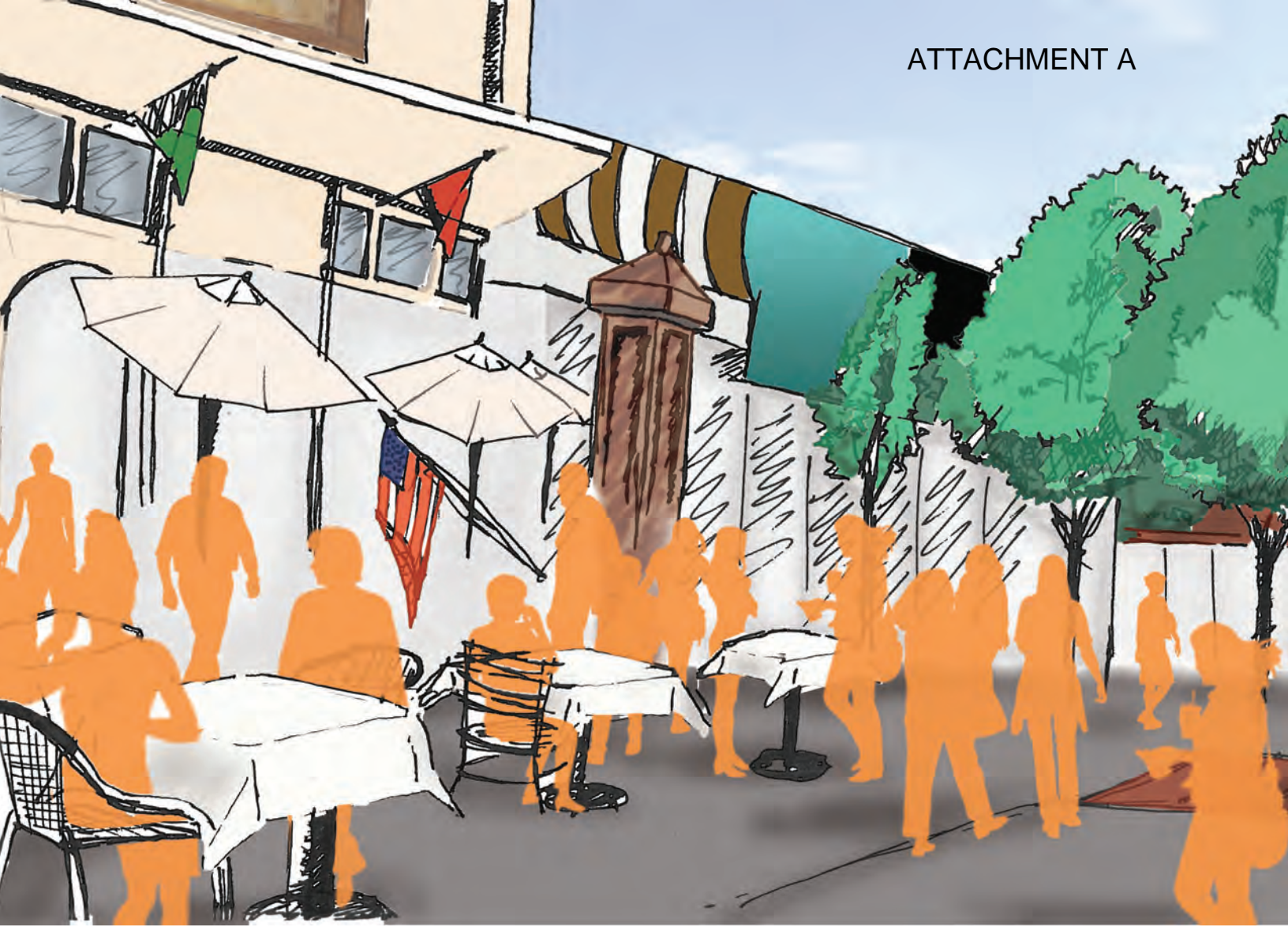
The analysis staff is providing to Council in Attachment A is the work product of LWC. While staff generally agrees with the methodology and findings of the report, the limited time allowed to prepare it leaves open the opportunity for further assessment. The report before the Council provides the consultant's best efforts to answer the question of the feasibility of downtown development scenarios and their impacts should the Specific Plan be modified by the Proposed Ballot Initiative, but does not provide insight into the likelihood of those or other development scenarios. Answering the question of likelihood requires a comprehensive market analysis, which was not part of the Council's scope of work, due to time and budget constraints.

The attached report is presented to the City Council in compliance with California Elections Code Section 9212 and completes the scope of work and authorized funding. Should the City Council be interested in LWC providing further analysis, the City Council needs to take action to authorize the City Manager to extend their contract.

ATTACHMENT

A. Ballot Measure Impact Analysis

Report prepared by:
Alex D. McIntyre
City Manager



CITY OF MENLO PARK

BALLOT MEASURE IMPACT ANALYSIS

July 10, 2014

PREPARED BY:

Lisa Wise Consulting, Inc.

LWC

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Menlo Park Ballot Measure Impact Analysis

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Menlo Park Ballot Measure Impact Analysis

Executive Summary

Background

In response to requests for site-specific General Plan and Zoning Ordinance amendments, the City undertook a more comprehensive, long-range planning approach in the Menlo Park 2012 El Camino Real/Downtown Specific Plan (“ECR/D Specific Plan”). Through the ECR/D Specific Plan, the City proposed a deliberate and transparent process aimed at gathering community input and developing a community vision rather than planning on a transaction-by-transaction basis. The five-year ECR/D Specific Plan project included over 90 public meetings, was adopted by the City on June 12, 2012, and became effective July 12, 2012.

On February 19, 2014, the City received a Notice of Intent to place a measure on the fall 2014 election ballot (“Ballot Measure” or “Measure”) for voter consideration that would modify the ECR/D Specific Plan. Per California Elections Code Section 9203, the City prepared the following title for the Ballot Measure:

“AN INITIATIVE MEASURE PROPOSING AMENDMENTS TO THE CITY OF MENLO PARK GENERAL PLAN AND MENLO PARK 2012 EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN LIMITING OFFICE DEVELOPMENT, MODIFYING OPEN SPACE REQUIREMENTS, AND REQUIRING VOTER APPROVAL FOR NEW NON-RESIDENTIAL PROJECTS THAT EXCEED SPECIFIED DEVELOPMENT LIMITS”

Generally, the Measure would amend the ECR/D Specific Plan to change open space regulations, introduce restrictions on office space development, and require voter approval to change a series of ECR/D Specific Plan components.

Purpose

Within the scope prescribed by the City, the purpose of this Report is to provide a professional and objective analysis of the potential impacts of the Ballot Measure to the ECR/D Specific Plan and the City of Menlo Park. The Report answers the following three questions:

- What amendments to the ECR/D Specific Plan does the Measure propose?

Menlo Park Ballot Measure Impact Analysis

- Is the Measure consistent with governing City policy and important regional plans?
- If passed, how would the Measure impact the following in the ECR/D Specific Plan area: housing, vacant and underutilized land development, business and employment attraction and retention, fiscal matters, and infrastructure?

Amendments Proposed by the Ballot Measure

The Ballot Measure would amend the ECR/D Specific Plan in the following areas:

- Open space regulations
- Office space restrictions
- Mechanism for amending the ECR/D Specific Plan (voter control)

Change in Open Space Regulations

Unlike the ECR/D Specific Plan, the Ballot Measure prohibits Open Space located more than 4 feet above the ground floor from counting toward minimum open space requirements for proposed developments (Sections 3.2.1, 3.2.5, 3.2.6).

Cap on Ballot-defined Office Space Development

Definition of Office Space

Whereas the ECR/D Specific Plan does not expressly define “Office Space,” the Ballot Measure defines “Office Space” by aggregating three commercial classifications found in the ECR/D Specific Plan’s appendix—“Offices, Business and Professional;” “Offices, Medical and Dental;” and “Banks and Other Financial Institutions” (Sections 3.3.1, 3.3.2, 3.3.3, 3.3.4).¹

¹ The Ballot-Measure definition of Office Space brings two additional changes:

1. The ECR/D Specific Plan expressly excludes “banks and savings and loan institutions” from its classification of Business and Professional offices. The Ballot Measure would incorporate this classification of Business and Professional offices, exclusions of banks and all savings and loan institutions, as well as the ECR/D Specific Plan’s classification of Banks and Other Financial Institutions into its new Office Space definition.
2. As explained in Chapter 1, this new definition of Office Space creates a misalignment with the use classifications included in the ECR/D Specific Plan project description studied in the Environmental Impact Report (EIR).

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Cap on Net New Non-residential Development and Office Space in the Plan Area

The ECR/D Specific Plan places maximum development caps for the Specific Plan area at 680 units of net new residential uses and 474,000 square feet of net new non-residential uses from July 12, 2012 when it became effective, without a Specific Plan amendment (p. G16).

The Ballot Measure retains the overall cap of 474,000 square feet of net new non-residential development and introduces a cap of 240,820 square feet of net new office space in the Plan Area (Sections 3.4.2, 3.4.3). These caps can only be increased through voter approval.² The Ballot Measure also introduces record keeping requirements associated with the new Office Cap (Section 3.4.3).

Cap on Office Space per Project

As adopted, the ECR/D Specific Plan imposes the following restrictions on office development per project:

- Standard E.3.1.01: “Business and Professional office (inclusive of medical and dental office) shall not exceed one half of the base FAR or public benefit bonus FAR, whichever is applicable” (p. E16).³
- Standard E.3.1.02: “Medical and Dental office shall not exceed one third of the base FAR or public benefit bonus FAR, whichever is applicable” (p. E16).
- Medical and Dental office “is additionally limited to a absolute maximum of 33,333 square feet per development project.”⁴

² This is not the only provision subject to voter control under the Ballot Measure. See the “Voter Controls” section in this Executive Summary and Section 1.2.3 in Chapter 1 for further discussion of the voter control requirement under the Ballot Measure.

³ Should the Ballot Measure pass, the existing FAR and square foot per project restrictions in the ECR/D Specific Plan for office development likely would not apply to Banks and Other Financial Institutions for two reasons:

1. These limitations in the ECR/D Specific Plan expressly apply to Business and Professional office (which excludes Banks) and Medical and Dental office, not just office space generally.
2. The Ballot Measure adopts and does not change the definitions of Business and Professional office or Medical and Dental office.

However, it is possible that the Ballot Measure’s inclusion of Banks and Other Financial Institutions into its definition of Office Space could foster ambiguity concerning regulations applicable to the Bank and Other Financial Institutions classification.

⁴ See Change #3 in City of Menlo Park City Council. (2013). *El Camino Real/Downtown Specific Plan: City Council-Directed Changes*, November 19, 2013. Retrieved from <http://www.menlopark.org/documentcenter/view/3688>

Menlo Park Ballot Measure Impact Analysis

The Ballot Measure places an additional 100,000 square foot cap on its defined Office Space⁵ per individual development project (Section 3.3.5). The Measure considers all phases of a multi-phase project collectively as an individual project (Section 3.3.6).

Voter Controls

As adopted, the ECR/D Specific Plan does not require voter approval for amendments to the Specific Plan. The Ballot Measure requires voter approval for changes to ECR/D Specific Plan provisions that are expressly identified in the Measure, but expressly excludes the City's ability to raise the 680 unit cap on net new residential uses (Section 3.4.4, 4.1).⁶ ECR/D Specific Plan provisions that would be subject to voter control, if proposed for change, can be categorized in two groups: (1) those specifically amended by the Ballot Measure, and (2) those adopted, but textually unchanged by the Ballot Measure.

Amended and Voter-Adopted (Specifically Amended by the Ballot Measure)

This category includes all changes discussed above under open space regulations and office space restrictions. These amendments are all subject to voter control under the Measure.

Further, the Ballot Measure adopts the Vision Plan Area Map on Page 2 of the 2008 El Camino Real/Downtown Vision Plan as the "ECR/D Specific Plan Area" (Section 3.1). This provision of the Ballot Measure that addresses the ECR/D Specific Plan Area boundaries would be subject to voter control under the Ballot Measure. Note that the 2008 map shown in the Ballot Measure precedes the 2012 ECR/D Specific Plan area map.⁷ The boundaries of the two maps appear similar with no significant differences.

Unchanged and Voter-Adopted (Textually Unchanged by the Ballot Measure)

The following provisions were textually unchanged, but would be subject to voter approval, if amended, under the Ballot Measure:

⁵ As noted earlier, the Ballot Measure defines office space as "Offices, Business and Professional;" "Offices, Medical and Dental;" and "Banks and Other Financial Institutions" (Sections 3.3.1, 3.3.2, 3.3.3, 3.3.4).

⁶ Section 4.1 states: "Except for as provided in Section 3.4.4 above [the City's ability to raise the 680 units of net new residential uses cap under the ECR/D Specific Plan], the voter-adopted development standards and definitions set forth in Section 3 [emphasis added], above, may be repealed or amended only by a majority vote of the electorate of the City of Menlo Park voting 'YES' on a ballot measure proposing such repeal or amendment at a regular or special election." Therefore, a provision, whether textually changed or unchanged under the Ballot Measure, is subject to voter control if it is (1) set forth in Section 3 and (2) adopted by the voters, (3) except for the City's ability to raise the 680 units of net new residential uses cap.

⁷ The adopted ECR/D Specific Plan boundary map can be found on pg. A7, Figure A3 "Plan Area Map", of the ECR/D Specific Plan.

Menlo Park Ballot Measure Impact Analysis

- The definition of “Private Open Space” in the ECR/D Specific Plan’s appendix (Section 3.2.2).
- The definition of “Common Outdoor Open Space” in the ECR/D Specific Plan’s appendix (Section 3.2.3).
- ECR/D Specific Plan Standard E.3.6.01 setting open space requirements for residential and mixed-use developments (Section 3.2.4).
- The Commercial Use Classification for “Offices, Business and Professional” in the ECR/D Specific Plan’s appendix (Section 3.3.1).
- The Commercial Use Classification for “Offices, Medical and Dental” in the ECR/D Specific Plan’s appendix (Section 3.3.2).
- The Commercial Use Classification for “Banks and Other Financial Institutions” in the ECR/D Specific Plan’s appendix (Section 3.3.3).

Consistency with Governing City Policy and Important Regional Plans

The Ballot Measure’s consistency with the following governing policy and important regional plans was considered and is detailed further in Chapter 2, “Policy Consistency Analysis”:

- Governing policy: The Menlo Park General Plan and Zoning Ordinance (Municipal Code Title 16)
- Important regional plans: Plan Bay Area and the Grand Boulevard Initiative

The Menlo Park General Plan and Zoning Ordinance

Per Government Code Section 65454, no specific plan may be adopted or amended unless the proposed plan or amendment is consistent with the jurisdiction’s general plan. Both Menlo Park’s General Plan and Zoning Ordinance were amended to accommodate the ECR/D Specific Plan⁹ and, by effect, certain amendments to the ECR/D Specific Plan. According to the staff report for a City Council meeting on April

⁹ Chapter 16.58 “SP-ECR/D El Camino Real/Downtown Specific Plan”, section 16.58.020 “El Camino Real/Downtown specific plan,” states “Uses, development regulations, guidelines, definitions, off-street parking requirements, and other parameters for public and private development are established through the El Camino Real/Downtown specific plan...” The Menlo Park General Plan describes the El Camino Real / Downtown Specific Plan land use designation as, “This designation provides for a variety of retail, office, residential, personal services, and public and semi public uses, as specified in detail in the El Camino Real / Downtown Specific Plan...”

Menlo Park Ballot Measure Impact Analysis

30, 2012, this action was taken to ensure the ECR/D Specific Plan will serve as an “‘all-inclusive’ document,” meaning that project applicants could refer to the Plan “to understand the goals, standards, guidelines, and other regulations that apply, and would not need to also frequently cross-reference the Zoning Ordinance, General Plan, or other City document.”

For the ECR/D Specific Plan to serve as an “all-inclusive” document, the City amended its General Plan to create the El Camino Real/Downtown Specific Plan land use designation. The General Plan defers to the ECR/D Specific Plan to set development standards within its area, except as to particular floor area ratios (“FAR”) and residential intensity limits.¹⁰ Therefore, an amendment to the ECR/D Specific Plan is likely consistent with the General Plan so long as it is limited to the area governed by the ECR/D Specific Plan and does not change the above-stated FAR or residential intensity limits.

The City also so amended its Zoning Ordinance, found in Title 16 of its Municipal Code. Section 16.58 of the Zoning Ordinance establishes the SP-ECR/D EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN zoning category and similarly defers to the ECR/D Specific Plan for guidelines and regulations concerning uses in the area.¹¹

Given the City’s amendments to the General Plan and Zoning Code to accommodate the ECR/D Specific Plan, and that the Ballot Measure does not alter the General Plan’s FAR or residential intensity limits, the changes proposed by the Ballot measure are consistent with the General Plan.¹²

¹⁰ “This [The El Camino Real/Downtown Specific Plan] designation provides for a variety of retail, office, residential, personal services, and public and semipublic uses, as specified in detail in the El Camino Real/Downtown Specific Plan. The maximum FAR shall be in the range of 85 percent to 200 percent (base-level maximum) or 100 percent to 225 percent (public benefit bonus-level maximum). Office (inclusive of medical and dental offices) FAR is limited to one-half of the appropriate total FAR, and medical and dental office FAR is limited to one-third of the appropriate total FAR. Residential intensity shall be in the range of between 18.5 to 50 units per net acre (base-level maximum) or 25 to 60 units per net acre (public benefit bonus-level maximum)” (General Plan, p. II-3).

¹¹ “Uses, development regulations, guidelines, definitions, off-street parking requirements, and other parameters for public and private development are established through the El Camino Real/Downtown Specific Plan. All modifications to this chapter or to the El Camino Real/Downtown Specific Plan require review and recommendation by the Planning Commission and review and approval by the City Council through public hearings in accordance with Chapter 16.88 and applicable law. (Ord. 979 § 6 (part), 2012)” (Municipal Code Section 16.58.020).

¹² As discussed later in this Executive Summary and further in Chapters 1 and 2, the Ballot Measure adopts the Vision Plan Area Map on Page 2 of the 2008 El Camino Real/Downtown Vision Plan as the “ECR/D Specific Plan Area” (Section 3.1). Although the 2008 map shown in the Ballot Measure precedes the 2012 ECR/D Specific Plan area map, the boundaries of the two maps appear similar.

Menlo Park Ballot Measure Impact Analysis

Important Regional Plans

Plan Bay Area

On April 22, 2010, the San Francisco Bay Area's four regional government agencies—the Association of Bay Area Governments (“ABAG”), the Bay Area Air Quality Management District (“BAAQMD”), the Bay Conservation and Development Commission (“BCDC”) and the Metropolitan Transportation Commission (“MTC”)—launched One Bay Area to address issues such as transportation infrastructure, housing, and clean air, among others. One Bay Area aims to “coordinate efforts among the Bay Area’s nine counties and 101 towns and cities to create a more sustainable future,” (<http://www.onebayarea.org>.) In July 2013, One Bay Area adopted Plan Bay Area, a “long-range integrated transportation and land-use/housing strategy through 2040 for the San Francisco Bay Area” (<http://www.onebayarea.org>).

Designed to meet the goals of the California Sustainable Communities and Climate Protection Act of 2008 (SB 375), Plan Bay Area identifies areas for focused, intensified development surrounding transportation corridors and employment hubs among other variables. The Menlo Park El Camino Real corridor is identified as one such area, and by further limiting the amount of net new office space¹³, the Ballot Measure shifts the burden of accommodating demand for new office space to surrounding areas that may or may not be farther away from transit hubs and corridors.

Grand Boulevard Initiative

Adopted in 1996, the Grand Boulevard Initiative (“GBI”) presents a collaborative effort among local and regional Bay Area agencies and the 19 cities in which the El Camino Real Corridor is found. GBI proposes Guiding Principles that address focusing job and housing growth along the El Camino Real Corridor, creating an improved pedestrian-oriented environment with increased bicycle connectivity, and encouraging compact, mixed-use development, among other topics.

The Ballot Measure’s restrictions on Office Space may further limit ability of the ECR/D Specific Plan area to maximize job provision in new development. The Ballot Measure proposes open space revisions that have the potential to improve the pedestrian environment, but it falls short of ensuring open space within four feet of ground level is situated in such a way that it would contribute to the pedestrian realm.

¹³ Office uses are generally considered one of the most intense uses in terms of the employee per square foot measure.

Menlo Park Ballot Measure Impact Analysis

Ballot Measure Impacts

As stated above, one of the key questions this report looks to answer is, “If passed, how would the Measure impact housing, vacant and underutilized land development, business and employment attraction and retention, fiscal matters, and infrastructure development in the ECR/D Specific Plan area?” A summary of these impacts is provided in table format below. The tables are organized according to the key topic areas in Chapters 2 through 6 of this Report.

Land Use & Zoning Consistency (See Chapter 2)

Land Use & Zoning Consistency	Findings
General Plan Policies	<p><i>No Impact</i></p> <p>Adoption of the Ballot Measure’s open space regulations, office space caps, or “voter control” language would not lead to inconsistencies between the ECR/D Specific Plan and the City’s General Plan policies, as the General Plan adopts the ECR/D Specific Plan in its entirety as its own land use designation category. (See Section 2.2 in this Report for further discussion.)</p>
Zoning Ordinance	<p><i>No Impact</i></p> <p>Adoption of the Ballot Measure’s open space regulations, office space caps, or “voter control” language would not lead to inconsistencies between the ECR/D Specific Plan and the City’s Zoning Ordinance, as the Zoning Ordinance adopts the ECR/D Specific Plan in its entirety as its own zoning designation. (See Section 2.3 in this Report for further discussion.)</p>
Regional Implications	<p><i>Impact</i></p> <p>Adoption of the Ballot Measure’s Open Space regulations, office space caps, or “voter control” language would not lead to inconsistencies between the ECR/D Specific Plan and Regional Planning Documents.</p> <p>However, the limitation on office space introduced by the Ballot Measure could discourage job growth in the Plan Area and shift this growth to other areas in the City or to other jurisdictions. These shifts would impact transportation patterns and the daytime-nighttime balance in uses. (See Section 2.4 in this Report for further discussion.)</p>

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Housing Impacts (See Chapter 3)

Housing Impacts	Findings
Change in Open Space Regulations	
	<p><i>Impact</i></p> <p>Maximum residential build-out in both the highest intensity (ECR SA-W) and lowest (ECR NE-L) ECR/D Specific Plan zoning designations is possible under the Ballot Measure’s Open Space requirements. However, the Open Space revisions may lead to competing demands with other required land uses, including parking. Consequently, adoption of the Ballot Measure’s Open Space requirements may:</p> <ul style="list-style-type: none"> • Reduce the likelihood that residential development occurs in zoning districts that have open space requirements only for residential uses. • Reduce provision of private open space in residential developments. <p>(See Section 3.2 in this Report for further discussion.)</p>
Cap on Ballot Measure-defined Office Space Development	
Jobs:Housing Ratio	<p><i>No Impact</i></p> <p>Adoption of the Ballot Measure’s Office Space development cap would not directly impact the number of net new jobs expected in the ECR/D SP area, and the maximum number of dwelling units, 680, allowed in the Plan area is not changed by the Ballot Measure. Therefore, the Jobs:Housing ratio would not be impacted by the Ballot Measure.</p> <p>There does remain the possibility that Ballot Measure voter approval requirements stymies future development. If this were to occur, the Jobs:Housing ratio could be impacted. Since the Ballot Measure impacts residential and nonresidential development differently, it is difficult to estimate if the impact would be positive or negative in the aggregate.</p> <p>(See Section 3.3.1 in this Report for further discussion.)</p>
Voter Controls	
	<p><i>No Impact</i></p> <p>The Ballot Measure does not impact the maximum number of dwelling units, 680, allowed in the Plan area. (See Section 3.4 in this Report for further discussion.)</p>
Consistency with Housing Element	
	<p><i>No Impact</i></p> <p>Adoption of the Ballot Measure would not lead to inconsistencies between the ECR/D Specific Plan and the Housing Element.</p> <p>The Ballot Measure does not directly reduce potential housing development and maintains ECR/D Specific Plan zoning densities, which meet and/or exceed the State Department of Housing and Community Development requirements for affordable housing (minimum 30 du/ac). NOTE: Housing Affordability is addressed in the next section.</p> <p>(See Section 3.5 in this Report for further discussion.)</p>

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Impacts to Private Development and Business (See Chapter 4)

Impacts to Private Develop. & Bus.	Findings
Change in Open Space Regulations	
Achieving Maximum Build-out	<p><i>No Impact</i></p> <p>Adoption of the Ballot Measure’s Open Space requirements, likely does not hinder development of maximum residential build-out in both the highest intensity (ECR SA-W) and lowest (ECR NE-L) ECR/D Specific Plan area zoning designations. However, the Open Space revisions lead to competing demands with other required land uses at or near ground level, including parking. (See Section 4.2.1 in this Report for further discussion.)</p>
Financial Feasibility of Development	<p><i>Impact</i></p> <p>Soft costs and financing costs will generally remain the same (until the development caps are met and the voter controls kick in); however, hard costs will increase as a result of the open space requirements and competing demands for ground level uses. Therefore the most likely capital cost category to decrease would be acquisition (land) costs. It is also likely that the Measure could have upward pressure on rents.</p> <p>The market may not bear the higher rents (or increases in parking or other ancillary fees) the project would need to command to maintain feasibility and, as a result, businesses may locate elsewhere.</p> <p>Another potential outcome is that land owners may decide to not sell property to the developer at the lower land price point supported by the project. (See Section 4.2.2 for further discussion.)</p>
Housing Affordability & BMR Production	<p><i>Impact.</i></p> <p>The Ballot Measure open space requirements could decrease overall housing affordability and increase the difficulty of executing affordable housing projects (a key source of BMR production).</p>
Cap on Ballot Measure-defined Office Space Development	
Make-up of Pending Development	<p><i>Impact</i></p> <p>The Ballot Measure’s restrictions on office space may significantly alter the shape and state of pending development in the area. Passage of the Ballot Measure will likely (1) change the character of mixed-use development, (2) render major pending projects unfeasible as currently proposed, and (3) diminish advantages associated with the Stanford-owned property identified as an opportunity site in the ECR/D Specific Plan. (See Section 4.3.1 in this Report for further discussion.)</p>
Competition for Entitlements	<p><i>Impact</i></p> <p>Voter approval of the Ballot Measure could create a rush of applications for Office Space project entitlements. Increased competition driven by a cap placed below market demand could strengthen the City’s power to negotiate with developers and generate greater public benefits.</p> <p>However, the City currently does not have a mechanism in place to capture potential benefits from increased competition for entitlements (See Section 4.3.2 in this Report for further discussion.)</p>

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<p>Cost of Doing Business</p>	<p><i>Impact</i> Voter approval of the Ballot Measure could lead to a supply/demand imbalance. The demand for office space may outpace the supply of office space, increasing the value of office space and corresponding rents. As a result, businesses may choose to relocate outside of the ECR/D Specific Plan area. (See Section 4.3.3 in this Report for further discussion.)</p>
<p>Monitoring Development Caps</p>	<p><i>Impact</i> The Ballot Measure will likely complicate the City’s process of monitoring development caps. Unintended consequences include (1) expending greater City resources, (2) diminishing clarity in the development entitlement process and enforcement policies, and (3) exposing the City to escalated disputes and litigation. (See Section 4.3.4 in this Report for further discussion.)</p>
<p>Voter Controls</p>	
<p>Uncertainty in the Entitlement Process</p>	<p><i>Impact</i> Approval of the Ballot Measure would create an “open-ended” political process of voter approval (once the development caps are met) that increases investment risk and would greatly reduce the overall feasibility and attractiveness of development projects in the ECR/D Specific Plan area. (See Section 4.4.1 in this Report for further discussion.)</p>
<p>Cost to Developers</p>	<p><i>Impact</i> Approval of the Ballot Measure’s “voter approval” requirement will add development costs that go beyond conventional planning review (once the development caps are met) and will reduce the willingness of developers to risk capital investment. This will particularly impact small landowners or developers that would be put at a disadvantage because of the cost of elections. (See Section 4.4.2 in this Report for further discussion.)</p>
<p>Business-friendliness</p>	<p><i>Impact</i> The lack of “voter approval” in competing markets could make Menlo Park’s ECR/D Specific Plan area less attractive to development (once the development caps are met). The result may be a dampening or complete stoppage of future non-residential development in the ECR/D Specific Plan area as developers invest elsewhere. (See Section 4.4.3 for further discussion.)</p>

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Fiscal Impacts (See Chapter 5)

Fiscal Impacts	Findings
Change in Open Space Regulations	
	<p><i>No Impact</i></p> <p>Adoption of the Ballot Measure’s Open Space regulations should not have a measurable fiscal impact on the City’s General Fund or Special Districts’ revenues. (See Chapter 5 in this Report for further discussion.)</p>
Cap on Ballot Measure-defined Office Space Development	
	<p><i>Impact</i></p> <p>The ECR/D Specific Plan revenue is heavily dependent upon transient-occupancy tax (“TOT”). Without adequate non-residential square foot space to accommodate hotels/motels (i.e. office space consumes much of the development cap), the lack of TOT revenue would most likely result in negative fiscal impacts to the General Fund.</p> <p>Special Districts are more dependent upon property tax revenue or are driven by the number of household residents. As a result, approval of the Ballot Measure should not have a substantial impact on Special Districts as compared to the ECR/D Specific Plan. (See Chapter 5 in this Report for further discussion.)</p>

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Infrastructure Impacts (See Chapter 6)

Infrastructure Impacts	Findings
Traffic	<p><i>No Impact</i></p> <p>The Ballot Measure would not uniquely create more additional trips than the ECR/D Specific Plan Baseline scenario.</p> <p>However, in that the Ballot Measure would preclude net new office build-out in excess of 240,820 square feet, the Ballot Measure would preclude some traffic scenarios that could entail fewer trips than the ECR/D Specific Plan Base scenario (because office uses produce lower trip generation rates than other uses such as retail, but more than uses such as hotels.) (See Section 6.2 in this Report for further discussion.)</p>
Greenhouse Gas Emissions	<p><i>No Impact</i></p> <p>Approval of the Ballot Measure would not lead to substantial increases in GHG emissions as compared to the ECR/D Specific Plan. The City can provide mitigation options that offset GHG emissions to a developer during the entitlement process. (See Section 6.3 in this Report for further discussion.)</p>
Water Usage and Systems	<p><i>No Impact</i></p> <p>Approval of the Ballot Measure should not increase water demand beyond the capacity of the existing water systems. (See Section 6.4 in this Report for further discussion.)</p>
Funding for Future Projects	<p><i>No Impact</i></p> <p>The Ballot Measure would not affect the City’s ability to consider a range of infrastructure funding alternatives identified in the ECR/D Specific Plan. In the short and medium-term, the Ballot Measure office limitations may increase entitlements competition and increase developer contribution and Public Amenity Fund financing of infrastructure improvements.</p> <p>In the long term, the impacts of the development caps and voter controls on City funding are difficult to estimate. For instance, to the extent that the Ballot Measure would not allow for an all-office non-residential build-out, as would be allowed under the ECR/D Specific Plan, the Ballot Measure could yield a greater debt capacity than the ECR/D Specific Plan. On the other hand, Ballot Measure caps limit future development and, consequently, the City’s revenue streams.</p> <p>(See Section 6.5 for further discussion.)</p>

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1.1 Background, Purpose, and Use of This Report

1.1.1 Background

In response to requests for site-specific General Plan and Zoning Ordinance amendments, the City undertook a comprehensive, long-range planning approach in the Menlo Park 2012 El Camino Real/Downtown Specific Plan (“ECR/D Specific Plan”). Through the ECR/D Specific Plan, the City proposed a deliberate and transparent process aimed at gathering community input and developing a community vision rather than planning on a transaction-by-transaction basis. The five-year ECR/D Specific Plan project included over 90 public meetings, was adopted by the City on June 12, 2012, and became effective July 12, 2012.

The ECR/D Specific Plan set a maximum allowable development limit at 680 units of residential uses and 474,000 square feet of non-residential uses (p. G16). Before the Plan’s adoption, a Final Environmental Review (“EIR”) was certified on June 5, 2012. As prescribed by the California Environmental Quality Act (“CEQA”), the EIR studied the ECR/D Specific Plan’s environmental impacts and possible mitigation measures across a number of areas (CEQA Guidelines Section 15121(a)). The study was based on the ECR/D Specific Plan project description shown in Table 1-1 below.¹

Table 1-1 ECR/D Specific Plan Project Description Studied in the Final EIR

Residences	680 dwelling units
Retail Space	91,800 square feet
Commercial Space	240,820 square feet
Hotel	380 rooms
Parking Spaces	3,670 spaces (public and private)
Resident Population	1,537 people
Employment	1,357 jobs
Source: Environmental Science Associates (2012). <i>Menlo Park El Camino Real and Downtown Specific Plan: Final Environmental Impact Report</i> . City of Menlo Park, p. 3-11.	

¹ Aside from serving as the project description studied in the EIR, this build-out is also presented as an “Illustrative Plan” in the ECR/D Specific Plan document (p. C20). The Plan provides the following qualification for this build-out:

“It is important to emphasize that the Illustrative Plan indicates only one potential development concept and that the actual build-out will likely vary from the initial projection over 20 to 30 years” (p. C20).

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Figure 1-1 ECR/D Specific Plan Area Map



Source: Menlo Park El Camino Real/Downtown Specific Plan, Figure A3.

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On February 19, 2014, the City received a Notice of Intent to place a measure on the ballot (“Ballot Measure” or “Measure”) for voter consideration that would modify the ECR/D Specific Plan. Generally, the Measure would amend the ECR/D Specific Plan to change open space regulations, introduce restrictions on office space development, and require voter approval to change a series of items within the Plan.

As permitted by California Election Code Section 9212, the City Council requested a report on the impacts of the Ballot Measure. Under Section 9212(a), the City Council may refer a ballot measure to an agency for a report on any of the following:

- “Its effect on the internal consistency of the city’s general and specific plans...and zoning” (Section 9212(a)(2))
- “Its effect on the use of land, the impact on availability and location of housing, and the ability of the city to meet its regional housing needs” (Section 9212(a)(3))
- “Its impacts on uses of vacant parcels of land” (Section 9212(a)(6))
- “Its impacts on the community’s ability to attract and retain business and employment” (Section 9212(a)(5))
- “Its fiscal impacts” (Section 9212(a)(1))
- “Its impact on infrastructure of all types” (Section 9212(a)(4))
- “Any other matters the legislative body [here, the City Council] requests to be in the report” (Section 9212(a)(8))

1.1.2 Purpose

Within the scope prescribed by the City, the purpose of this Report is to provide a professional and objective analysis of the potential impacts of the Ballot Measure to the ECR/D Specific Plan and the City of Menlo Park. This Report answers the following three questions:

- What amendments to the ECR/D Specific Plan and other changes does the Measure propose?
- Is the Measure consistent with governing policy and important regional plans?

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- If passed, how would the Measure impact the following in the ECR/D Specific Plan area: housing, vacant and underutilized land development, business and employment attraction and retention, fiscal matters, and infrastructure?

1.1.3 Use of this Report

This Report was developed to assess the Ballot Measure’s impacts as set forth by the City. The findings in this Report reflect the professional opinion of the Lisa Wise Consulting, Inc. based on information available at the time of drafting.

This Report is not an endorsement either for or against the Ballot Measure.

This Report is not a substitute for an Environmental Impact Report consistent with requirements under the California Environmental Quality Act (“CEQA”).

This Report is not a replacement of or supplement to any fiscal, market, or technical study conducted for the ECR/D Specific Plan. Further, no hypothetical scenario presented in this Report is intended to convey an opinion as to the actual or optimal market, fiscal, or infrastructure conditions in which the ECR/D Specific Plan may operate. As explained later, the build-out scenarios modeled in this Report were designed to represent the high and low ranges of possible outcomes.

1.2 The Proposed Ballot Measure

Per California Elections Code Section 9203, the City prepared the following title for the Ballot Measure:

“AN INITIATIVE MEASURE PROPOSING AMENDMENTS TO THE CITY OF MENLO PARK GENERAL PLAN AND MENLO PARK 2012 EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN LIMITING OFFICE DEVELOPMENT, MODIFYING OPEN SPACE REQUIREMENTS, AND REQUIRING VOTER APPROVAL FOR NEW NON-RESIDENTIAL PROJECTS THAT EXCEED SPECIFIED DEVELOPMENT LIMITS”

Generally, the Measure would amend the ECR/D Specific Plan to change open space regulations, introduce restrictions on office space development, and require voter approval to change a series of ECR/D Specific Plan components (“voter control”).

The Measure is organized into eight sections, three of which carry important relevance to assessing the Measure’s impact:

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- **Section 3. ECR/D SPECIFIC PLAN AREA VOTER-ADOPTED DEVELOPMENT DEFINITIONS AND STANDARDS:** Section 3 serves two key functions: First, it details the Measure’s amendments to the ECR/D Specific Plan. Second, it lists a number of provisions existing in the ECR/D Specific Plan that, while textually unchanged by the Measure, are to be “adopted by the voters” upon passage of the Measure. This second function is integral to understanding the extent of voter control established in Section 4.
- **Section 4. NO AMENDMENTS OR REPEAL WITHOUT VOTER APPROVAL:** Section 4 sets the parameters for which items under the Ballot Measure and the ECR/D Specific Plan will be subject to change only via voter approval, which include those expressly “adopted by the voters.”
- **Section 8. EXEMPTIONS FOR CERTAIN PROJECTS:** Section 8 establishes the conditions by which development projects will be exempt from the requirements established by the Measure. This section is discussed further in Chapter 4 of this Report.

Because key aspects of the Measure are interwoven throughout the following sections, the changes to the ECR/D Specific Plan proposed by the Measure are presented by type of change.

1.2.1 Change in Open Space Regulations

Section 3.2 of the Ballot Measure focuses on the definition and regulation of open space and is summarized in the table below. Additional detail follows.

Table 1-2 Ballot Measure Proposed Changes in Open Space Regulations to the ECR/D Specific Plan

Topic	Changes to the ECR/D Specific Plan (Reference to Ballot Measure Sections)
Location of Open Space Counted toward Minimum Requirements	Unlike the ECR/D Specific Plan, the Ballot Measure prohibits Open Space located more than 4 feet above the ground floor from counting toward minimum open space requirements for proposed developments (Sections 3.2.1, 3.2.5, 3.2.6).

As Adopted in the ECR/D Specific Plan

The ECR/D Specific Plan’s glossary defines open space generally as quoted below. For purposes of this Report, the ECR/D Specific Plan’s definition of open space is composed

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of three parts—(Part 1) what form open space may take, (Part 2) where open space may be located, and (Part 3) other open space characteristics.

“Open Space (general): [Part 1:] The portion of the building site that is open, unobstructed and unoccupied, and otherwise preserved from development, and used for public or private use, including plazas, parks, walkways, landscaping, patios and balconies. It is inclusive of Common Outdoor Open Space, Private Open Space and Public Open Space . . . [Part 2:] It is typically located at ground level, though it includes open space atop a podium, if provided, and upper story balconies. [Part 3:] Open space is also land that is essentially unimproved and devoted to the conservation of natural resources” (p. H10).

Further, as stated in Part 1 of the definition above, the ECR/D Specific Plan identifies three subtypes of open space—common outdoor open space, private open space, and public open space. These definitions are stated in the ECR/D Specific Plan as:

- Common Outdoor Open Space: “Usable outdoor space commonly accessible to all residents and users of the building for the purpose of passive or active recreation” (p. H8).
- Private Open Space: “An area connected or immediately adjacent to a dwelling unit. The space can be a balcony, porch, ground or above grade patio or roof deck used exclusively by the occupants of the dwelling unit and their guests” (p. H11).
- Public Open Space: “The open space, both green space and paved civic space, to which there is public access on a constant or regular basis, or for designated daily periods” (p. H11).

Amended by the Ballot Measure

The Ballot Measure would amend the ECR/D Specific Plan’s definition of general open space by changing Part 2 from above—where open space may be located—to include a new regulatory provision. Whereas the ECR/D Specific Plan allows open space to be located “atop a podium” and “upper story balconies,” the Measure would limit such application to no higher than 4 feet above ground level when counted towards minimum open space requirements. Section 3.2.1 of the Measure reads:

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“Open space up to 4 feet in height associated with ground floor level development or atop a podium up to 4 feet high, if provided, shall count toward the minimum open space requirement for proposed development. Open space greater than 4 feet in height, whether associated with upper story balconies, patios or roof decks, or atop a podium, if provided, shall not count toward the minimum open space requirement for proposed development.”

The Ballot Measure would not textually change Parts 1 or 3 of the ECR/D Specific Plan open space definition shown above. As shown in the previous section, Part 1 states that open space is “inclusive of Common Outdoor Open Space, Private Open Space and Public Open Space [its three subtypes].” Since Part 1 remains textually unchanged, the Measure’s 4-foot height regulation would apply to general open space and its three subtypes.

Along with the above definition amendment, the Measure expressly makes the same change in open space application in two other parts of the ECR/D Specific Plan— Measure Section 3.2.5 amends the ECR/D Specific Plan’s residential open space requirement in Standard E.3.6.02 and Measure Section 3.2.6 amends Tables E6 through E15.

1.2.2 Cap on Ballot Measure-defined Office Space Development

Section 3.3 of the Ballot Measure focuses on the definition of office space and introduces regulations limiting “Office Space” uses within the Specific Plan area. Section 3.4 of the Ballot Measure focuses on limitations on the total amount of “Office Space” uses within the Specific Plan area. Measure Sections 3.3 and 3.4 are summarized in the table below. Additional detail follows.

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Table 1-3 Ballot Measure Proposed Changes in Office Space Restrictions to the ECR/D Specific Plan

Topic	Changes to the ECR/D Specific Plan (Reference to Ballot Measure Sections)
Definition of Office Space	Whereas the ECR/D Specific Plan does not expressly define “Office Space,” the Ballot Measure defines “Office Space” by aggregating three commercial classifications found in the ECR/D Specific Plan’s appendix—“Offices, Business and Professional;” “Offices, Medical and Dental;” and “Banks and Other Financial Institutions” (Sections 3.3.1, 3.3.2, 3.3.3, 3.3.4).
Cap on Office Space Per Project	The ECR/D Specific Plan restricts office development per development project by imposing three limitations—two Floor Area Ratio (“FAR”) limitations originally adopted in the ECR/D Specific Plan and one square foot limitation added by a City Council-directed change ² . The Ballot Measure places an additional 100,000 square foot cap on Ballot Measure-defined office space per individual development project (Section 3.3.5).
	The Measure considers all phases of a multi-phase project collectively as an individual project (Section 3.3.6).
Cap on Net New Office Space in the Plan Area	The ECR/D Specific Plan places maximum development caps for the Specific Plan area at 680 units of net new residential uses and 474,000 square feet of net new non-residential uses from the date it became effective on July 12, 2012, without a Specific Plan amendment (p. G16). The Ballot Measure introduces a cap of 240,820 square feet of net new office space effective from July 12, 2012 (Sections 3.4.2, 3.4.3). The Ballot Measure also introduces record keeping requirements associated with the new Office Cap (Section 3.4.3).
	The Ballot Measure requires voter approval to increase the allowable number of net new non-residential or office space development square feet, but not to increase the allowable number of net new residential units (Section 3.4.4). Please note that this is not the only provision subject to voter control under the Ballot Measure. See Table 1.4 and Section 1.2.3 in this Chapter for further discussion of voter control requirements under the Ballot Measure.

As Adopted in the ECR/D Specific Plan

The ECR/D Specific Plan establishes the following standards for maximum allowable development in its area (ECR/D Specific Plan p. G16):

- 680 units of net new residential uses; and

² The ECR/D Specific Plan limits the use category “Office, Business and Professional” to “no greater than one half the base or public benefit bonus FAR” (ECR/D Specific Plan p. E6). The ECR/D Specific Plan limits the use category “Office, Medical and Dental” to “no greater than one third the base or public benefit bonus FAR” (ECR/D Specific Plan p. E6). On November 19, 2013, the City Council amended the ECR/D Specific Plan to also include a 33,333 square foot per-project cap on the “Office, Medical and Dental” use in the El Camino Real Mixed Use and El Camino Real Mixed Use/Residential land use designations.

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- 474,000 square feet of net new non-residential uses (including retail, office, and hotel)

The ECR/D Specific Plan makes clear the purpose behind the delineation between residential and non-residential uses:

“The Specific Plan divides the maximum allowable development between residential and non-residential uses as shown, recognizing the particular impacts from residential development (e.g., on schools and parks) while otherwise allowing market forces to determine the final combination of development types over time” (ECR/D Specific Plan p. G16).

Although the ECR/D Specific Plan does not distinguish uses beyond residential and non-residential for purposes of the maximum development cap, it does classify commercial uses for definitional purposes. The ECR/D Specific Plan refers to “office space” at several points, but does not provide a direct definition of the term. It does define the following related uses:

- Offices, Business and Professional: “Offices of firms or organizations providing professional, executive, management, or administrative services, such as accounting, advertising, architectural, computer software design, engineering, graphic design, insurance, interior design, investment, and legal offices. This classification excludes hospitals, banks, and savings and loan associations” (ECR/D Specific Plan p. H5).
- Offices, Medical and Dental: “Offices for a physician, dentist, or chiropractor, including medical/dental laboratories incidental to the medical office use. This classification excludes medical marijuana dispensing facilities, as defined in the California Health and Safety Code” (ECR/D Specific Plan p. H5).
- Banks and Other Financial Institutions: “Financial institutions providing retail banking services. This classification includes only those institutions engaged in the on-site circulation of money, including credit unions” (ECR/D Specific Plan p. H4).

The ECR/D Specific Plan restricts Office development per development project by imposing three limitations—two Floor Area Ratio (“FAR”) limitations originally adopted in the ECR/D Specific Plan and one square foot limitation added by a City Council-directed change:

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- Standard E.3.1.01: “Business and Professional office (inclusive of medical and dental office) shall not exceed one half of the base FAR or public benefit bonus FAR, whichever is applicable” (p. E16).
- Standard E.3.1.02: “Medical and Dental office shall not exceed one third of the base FAR or public benefit bonus FAR, whichever is applicable” (p. E16).
- Medical and Dental office “is additionally limited to a absolute maximum of 33,333 square feet per development project.”³

As provided in the ECR/D Specific Plan definitions, Business and Professional office excludes “hospitals, banks, and savings and loan associations” and Medical and Dental office excludes “medical marijuana dispensing facilities, as defined in the California Health and Safety Code.” The limitations above do not apply to these excluded uses.

Amended by the Ballot Measure

The Ballot Measure would amend the ECR/D Specific Plan’s maximum allowable development to include added restrictions for office space development. In setting these restrictions, the Measure (1) establishes its meaning of “office space,” (2) caps office space at 100,000 square feet per individual project, and (3) caps net new office space at 240,820 square feet for the ECR/D Specific Plan area.

The Definition of Office Space

Although the Measure does not add a new definition of office space to the text of the ECR/D Specific Plan, it does create and incorporate its own definition. There are two parts to this process. First, the Measure’s voters adopt the ECR/D Specific Plan’s above “Commercial Use Classifications” of “Offices, Business and Professional;” “Offices, Medical and Dental;” and “Banks and Other Financial Institutions” (Measure Sections 3.3.1, 3.3.2, 3.3.3). Second, these “voter-adopted Commercial Use Classifications are hereby collectively referred to in this measure as ‘Office Space’” (Measure Section 3.3.4).

The Ballot-Measure definition of Office Space brings two additional changes: (1) inclusion of the “Banks and Other Financial Institutions” classification in the definition of Office Space and (2) a misalignment with the use classifications studied in the EIR.

³ See Change #3 in City of Menlo Park City Council. (2013). *El Camino Real/Downtown Specific Plan: City Council-Directed Changes*, November 19, 2013. Retrieved from <http://www.menlopark.org/documentcenter/view/3688>

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Inclusion of the “Banks and Other Financial Institutions”

The ECR/D Specific Plan expressly excludes “banks and savings and loan institutions” from its classification of Business and Professional office. The Ballot Measure would incorporate this classification of Business and Professional office, exclusions of banks and all, as well as the ECR/D Specific Plan’s classification of Banks and Other Financial Institutions into its new Office Space definition.

Misalignment of Use Classifications

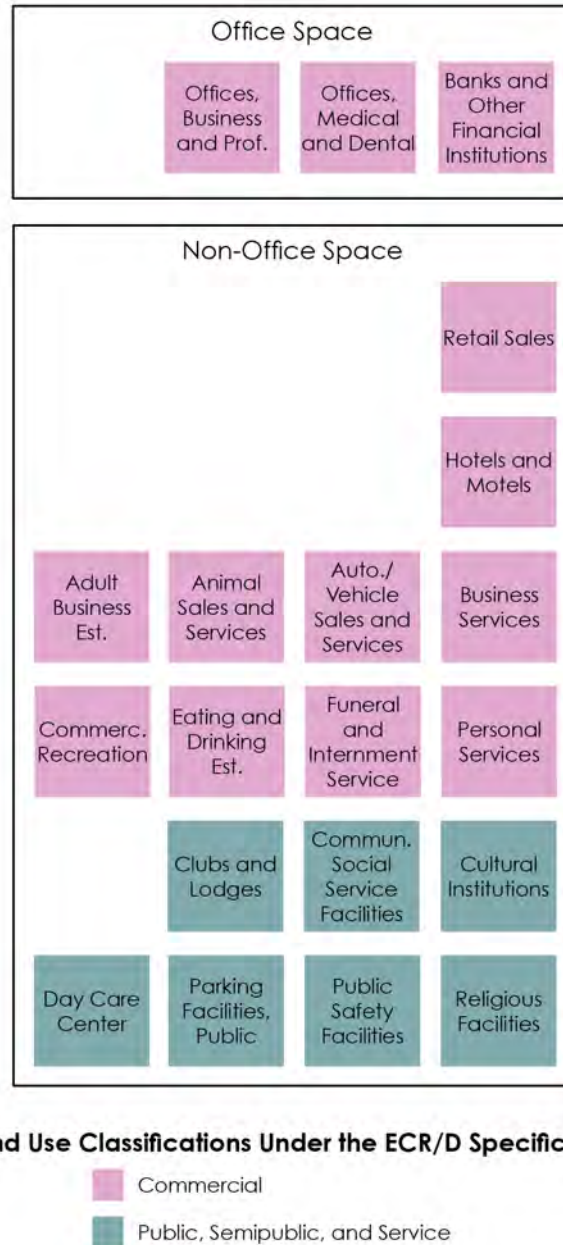
As discussed in the next section, the Ballot Measure enacts two caps on Office development as described below—a cap on Office Space per project and a cap on net new Office Space in the ECR/D Specific Plan area. Concerning the second cap, the Ballot Measure implies equivalence between its definition of Office Space and the Commercial Space studied in the EIR. Section 3.4.2 of the Ballot Measure states:

“The Final Environmental Impact Report (EIR) for the ECR Specific Plan, as certified by the City on June 5 2012, at page 3-11, states that it conceptually analyzes net, new development of 240,820 square feet of Commercial Space. After this measure becomes effective, the maximum square footage of all net, new Office Space that may be approved, entitled, permitted, or otherwise authorized by the City in the aggregate within the ECR Specific Plan Area after the ECR Specific Plan’s adoption on July 12, 2012 shall not exceed the 240,820 square feet of Commercial Space disclosed and analyzed in the ECR Specific Plan EIR.”

However, Office Space as defined in the Ballot Measure is a subset of classifications comprising Commercial Space in the ECR/D Specific Plan. In addition to the three commercial use classifications above making up the Ballot Measure’s definition of Office Space, the ECR/D Specific Plan’s defines ten other commercial use classifications and seven use classifications under public, semipublic, and service. By exclusion, these 17 additional uses would be examples of non-office space under the Ballot Initiative (ECR/D Specific Plan p. H3-H6). Figure 1-2 below illustrates land use classifications defined in the ECR/D Specific Plan that constitute “Office Space” under the Ballot Measure and those that do not.

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Figure 1-2 ECR/D Specific Plan Classifications Constituting Office Space under the Ballot Measure



Cap on Office Space per Project

If passed, the Measure would cap office space per individual project at 100,000 square feet. There are two elements to this cap—the cap itself and a related enforcement provision.

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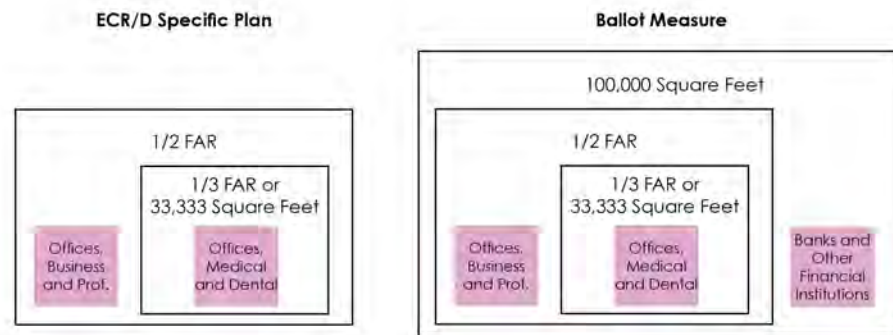
Concerning the cap itself, Ballot Measure Section 3.3.5 states:

“After this measure becomes effective, the maximum amount of office Space that any individual development project proposal within the ECR/D Specific Plan area may contain is 100,000 square feet. No City elected or appointed official, or body, agency, staff member or officer may take, or permit to be taken, an action to permit any individual development project proposal located within the ECR/D Specific Plan Area that would exceed the foregoing limit.”

The related enforcement provision pertains to the term “individual development project.” Section 3.3.6 of the Measure states that, for purposes of the per project office space cap, “all phases of a multi-phased project proposal shall be collectively considered an individual project.”

As discussed earlier, the ECR/D Specific Plan already applies three restrictions to office development per project. The Ballot Measures’ 100,00 square foot cap and inclusion of Banks and Other Financial Institutions⁴ in the definition of Office Space adds new considerations to per project restrictions as illustrated below:

Figure 1-3 Caps on Office Development per Project Under ECR/D Specific Plan and the Ballot Measure



⁴ Should the Ballot Measure pass, the existing FAR and square foot per project restrictions in the ECR/D Specific Plan for office space would likely not apply to Banks and Other Financial Institutions for two reasons:

1. These limitations in the ECR/D Specific Plan expressly apply to Business and Professional office (which excludes Banks) and Medical and Dental office, not just office space generally.
2. The Ballot Measure adopts and does not change the definitions of Business and Professional office or Medical and Dental office.

However, it is possible that the Ballot Measure’s inclusion of Banks and Other Financial Institutions into its definition of Office Space could foster ambiguity concerning regulations applicable to the Bank and Other Financial Institutions classification.

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Cap on Net New Office Space in the Plan Area

If passed, the measure would make three key changes to the limits under the ECR/D Specific Plan's maximum allowable net new non-residential development—(1) establish a 240,820 square foot cap on net new office space, (2) change the statement concerning market forces⁵ to include the new square foot limitations, and (3) require the Planning Division to keep records of net new residential, non-residential, and office⁶ space development since the ECR/D Specific Plan effective date of July 12, 2012. These changes are made in Section 3.4.3 of the Measure.

First, Ballot Measure Section 3.4.3 amends the development caps on page G16 of the ECR/D Specific Plan to read:

"The Specific Plan establishes the maximum allowable net new development as follows:

Residential uses: 680 units; and

Non-residential uses including retail, office, and hotel: 474,000 Square Feet, with uses qualifying as Office Space under Section 3.3, above [referring to the Measure, and not the ECR/D Specific Plan], constituting no more than 240,820 Square Feet."

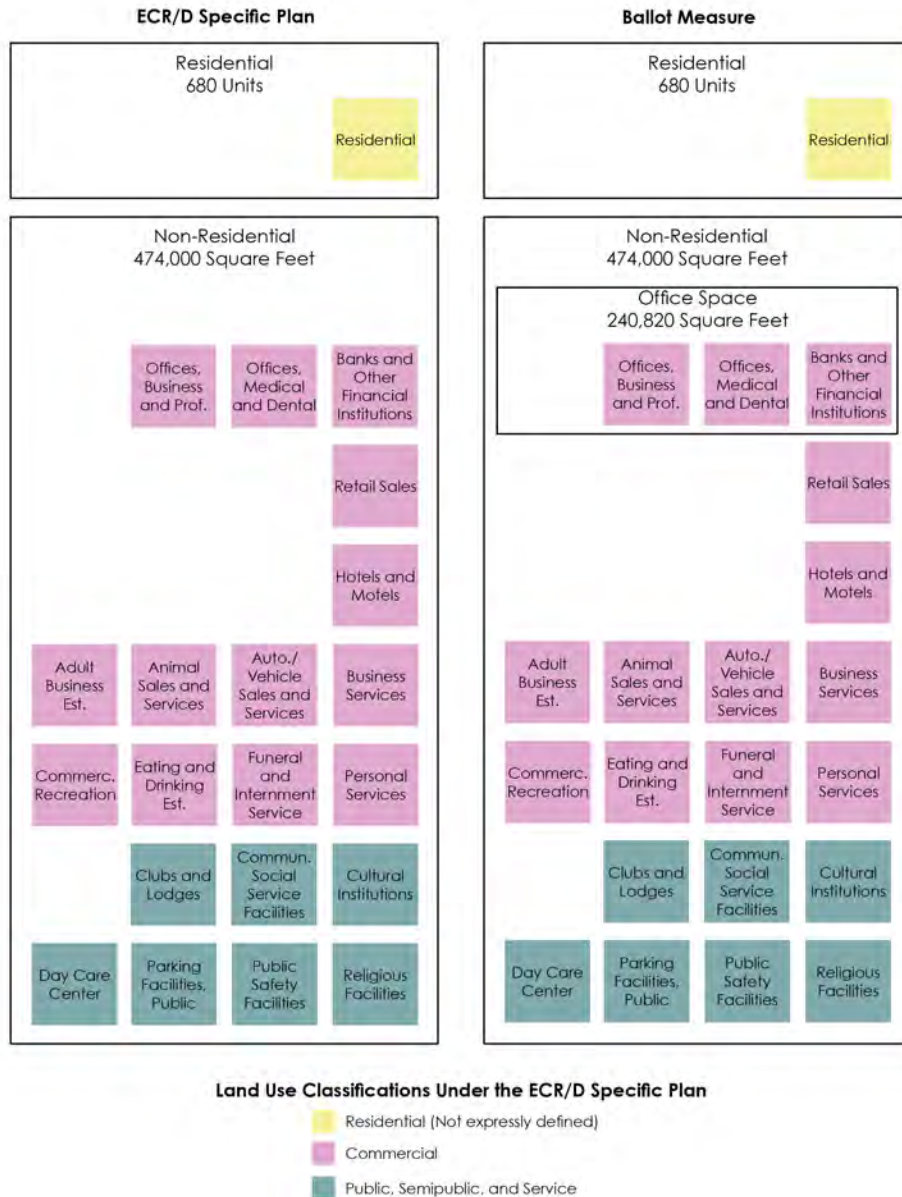
As discussed earlier, the Measure does not amend the ECR/D Specific Plan to define "Office Space," but does incorporate its own definition by referring to Measure Section 3.3. Figure 1-4 below illustrates how land use classifications defined in the ECR/D Specific Plan would apply to the development caps under both the Plan and the Ballot Measure, respectively.

⁵ "The Specific Plan divides the maximum allowable development between residential and non-residential uses . . . recognizing the particular impacts from residential development (e.g., on schools and parks) while otherwise allowing market forces to determine the final combination of development types over time" (ECR/D Specific Plan p. G16).

⁶ The ECR/D Specific Plan does not explicitly require the City to record and track net new office space development in the Specific Plan Area. As will be discussed later in this Report, the defining and tracking of net new office space may pose certain challenges to the City.

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Figure 1-4 Net New Development Restrictions under the ECR/D Specific Plan and the Ballot Measure



According to Section 3.4.2 of the Measure, this office cap would be effective dating back to July 12, 2012 (the ECR/D Specific Plan was adopted on June 12, 2012 and became effective on July 12, 2012.)

Second, Measure Section 3.4.3 amends the ECR/D Specific Plan’s statement concerning market forces determining the make-up non-residential uses. The Measure

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would add the following statement, emphasized below, referencing the net new office space cap:

“The Specific Plan divides the maximum allowable development between residential and non-residential uses as shown, recognizing the particular impacts from residential development (e.g., on schools and parks) while otherwise allowing market forces to determine the final combination of development types over time, *subject to the Square Footage initiations stated above [emphasis added].*”

Third, Measure Section 3.4.3 would require the Planning Division to “at all times maintain a publically available record” of items including the total number of residential units, non-residential square footage, and office space square footage approved for development since the ECR/D Specific Plan’s effective date of July 12, 2012, and the amount of room available under the cap.

As explained in the next section, the cap on net new Office Space, and other voter adoption provisions can only be changed by voter approval should the Ballot Measure pass.

1.2.3 Voter Controls

Under Section 4.1, a series of provisions of the Ballot Measure, if passed, could only be changed via voter approval. As will be explained in detail below, there are four categories of provisions related to voter control: (1) expressly exempted, (2) amended and voter-adopted, (3) unchanged and voter-adopted, (4) no statement of voter adoption.

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Table 1-4 Ballot Measure Proposed Voter Controls

Category	Provisions (Reference to Ballot Measure Sections)
Expressly Exempted (Not Subject to Voter Control)	The 680 units of net new residential uses cap under the ECR/D Specific Plan (Sections 3.4.4, 4.1).
Amended and Voter-Adopted (Subject to Voter Control)	<p>Open Space located more than 4 feet above the ground floor cannot count toward minimum open space requirements for proposed developments (Sections 3.2.1, 3.2.5, 3.2.6).</p> <p>Definition of "Office Space," created by aggregating three commercial classifications found in the ECR/D Specific Plan's appendix—"Offices, Business and Professional;" "Offices, Medical and Dental;" and "Banks and Other Financial Institutions" (Section 3.3.4).</p> <p>Cap on Office Space per individual project at 100,000 square feet (Section 3.3.5).</p> <p>Counting all phases of a multi-phase project collectively as an individual project (Section 3.3.6).</p> <p>The cap on net new office space development at 240,820 square feet effective July 12, 2012, the change to the statement concerning market forces to include the new Office Space square foot limitations, and the modification of record keeping requirements associated with the new Office Cap (Sections 3.3.2, 3.3.4).</p> <p>Requirement of voter approval to increase the allowable number of net new non-residential or office space development square feet, but not to increase the allowable number of net new residential units (Section 3.4.4).</p> <p>The Ballot Measure adopts the Vision Plan Area Map on Page 2 of the 2008 El Camino Real/Downtown Vision Plan as the "ECR/D Specific Plan Area" (Section 3.1). This provision of the Ballot Measure that addresses the ECR/D SP Plan Area boundaries would be subject to voter control under the Ballot Measure.</p> <p>Note that the 2008 map shown in the Ballot Measure precedes the 2012 ECR/D Specific Plan area map. The boundaries of the two maps appear similar.</p>
Unchanged and Voter-Adopted (Subject to Voter Control)	<p>The definition of "Private Open Space" in the ECR/D Specific Plan's appendix (Section 3.2.2).</p> <p>The definition of "Common Outdoor Open Space" in the ECR/D Specific Plan's appendix (Section 3.2.3).</p> <p>ECR/D Specific Plan Standard E.3.6.01 setting open space requirements for residential and mixed-use developments (Section 3.2.4).</p> <p>The Commercial Use Classification for "Offices, Business and Professional" in the ECR/D Specific Plan's appendix (Section 3.3.1).</p> <p>The Commercial Use Classification for "Offices, Medical and Dental" in the ECR/D Specific Plan's appendix (Section 3.3.2).</p> <p>The Commercial Use Classification for "Banks and Other Financial Institutions" in the ECR/D Specific Plan's appendix (Section 3.3.3).</p>
No Statement of Voter Adoption (Likely Not Subject to Voter Control)	The Ballot Measure states that the 100,000 square foot cap on office space per project is in addition to "the applicable Floor Area Ratio (FAR) limitations, including Public Benefit Bonuses, which may apply to a proposed development" (Section 3.3.7). This is not expressly voter adopted.

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As Adopted in the ECR/D Specific Plan

As adopted, the ECR/D Specific Plan does not require voter approval for amendments. The Plan does recommend that the City “conduct an ongoing review every two years after the initial review” and that these reviews should be performed by “both the Planning Commission and the City Council, and should incorporate public input” (ECR/D Specific Plan p. G16).

Amended by the Ballot Measure

If passed, the Ballot Measure would place a series of items related to the ECR/D Specific Plan under voter control, including those amended by the Measure and some that the Measure would not textually amend. Section 4.1 of the Measure sets the parameters for which items will be subject to voter control:

“Except for as provided in Section 3.4.4 above [the City’s ability to raise the 680 units of net new residential uses cap under the ECR/D Specific Plan], the voter-adopted development standards and definitions set forth in Section 3 [emphasis added], above, may be repealed or amended only by a majority vote of the electorate of the City of Menlo Park voting ‘YES’ on a ballot measure proposing such repeal or amendment at a regular or special election.”

A review of Ballot Measure Section 3 shows that the Measure took some definitions and standards from the ECR/D Specific Plan, printed them as adopted in the ECR/D Specific Plan, and then expressly stated that they are “hereby adopted by the voters.”⁷

Based on parameters set in Measure Section 4.1 and language used in Measure Section 3, provisions in Measure Section 3 can be organized into four categories concerning voter control: (1) expressly exempted, (2) amended and voter-adopted, (3) unchanged and voter-adopted, (4) no statement of voter adoption.

⁷ For example, Section 3.2.2 adopts but does not change the definition of “Private Open Space:”

“As adopted on July 12, 2012, the ECR/D Specific Plan’s Appendix includes the following definition of ‘Private Open Space’: ‘An area connected or immediately adjacent to a dwelling unit. The space can be a balcony, porch, ground or above grade patio or roof deck used exclusively by the occupants of the dwelling unit and their guests.’ The foregoing definition is hereby adopted by the voters [emphasis added].”

Because the “Private Open Space” definition falls under Section 3 and is expressly “adopted by the voters,” Section 4.1 requires that it can be amended only by the voters.

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Expressly Exempted

One provision is expressly exempted from the voter control requirement—ECR/D Specific Plan’s cap of 680 units of net new residential uses.

Measure Section 3.4.4 states that “[v]oter approval shall not be required to amend the Specific Plan to increase the number of net, new residential units allowed beyond the limit stated in this measure.” Measure Section 4.1 reinforces this exemption stating that its standard applies “[e]xcept as provided for at Section 3.4.4 above regarding the City’s ability to approve without ratification an amendment to the Specific plan to accommodate development proposals that would call for an increase in the allowable number of residential units under the Specific Plan.”

Amended and Voter-Adopted

Below are voter-adopted changes the Ballot Measure would make to the ECR/D Specific Plan. These changes include the open space regulations and office space restrictions discussed above. These provisions would be subject to voter control under Section 4.1:

- Section 3.2.1: Open Space located more than 4 feet above the ground floor cannot count toward minimum open space requirements for proposed developments.
- Section 3.3.4: Definition of “Office Space,” created by aggregating three commercial classifications found in the ECR/D Specific Plan’s appendix—“Offices, Business and Professional;” “Offices, Medical and Dental;” and “Banks and Other Financial Institutions.”
- Section 3.3.5: Cap on office space per individual project at 100,000 square feet.
- Section 3.3.6: Counting all phases of a multi-phased project proposal collectively as an individual project for purposes of the 100,000 square feet per project office space cap.
- Section 3.4.2: Introducing a cap on net new office space development at 240,820 square feet effective from July 12, 2012 (the ECR/D Specific Plan was adopted on June 12, 2012 and became effective on July 12, 2012.)
- Section 3.4.3: Amending the ECR/D Specific Plan’s maximum allowable net new development to (1) include the 240,820 square foot cap on net new office

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space, (2) change the statement concerning market forces to include the new square foot limitations, and (3) require the Planning Division to keep records of net new residential, non-residential, and office space development since the ECR/D Specific Plan's effective date of July 12, 2012.

- Section 3.4.4: Amending the ECR/D Specific Plan to require voter approval to increase the allowable number of net new non-residential or office space development square feet, but not to increase the allowable number of net new residential units.

Along with the changes above, Section 3.1 of the Measure states the following concerning the area governed by ECR/D Specific Plan:

"When referring to the 'ECR/D Specific Plan Area,' this measure is referring to the bounded area within the Vision Plan Area Map located at Page 2, Figure I, of the El Camino Real/Downtown Vision Plan, accepted by the Menlo Park city [sic.] Council on July 15, 2008, which is attached as Exhibit 1 to this measure and hereby adopted by the voters as an integral part of this initiative measure [emphasis added]."

The ECR/D Specific Plan presents a Plan Area Map as Figure A3 on page A7. The Measure's map and the ECR/D Specific Plan's map appear similar. The provision does not appear to adopt changes to the Specific Plan boundaries, however adoption of the Ballot Measure boundary map that precedes the ECR/D Specific Plan Area Map constitutes a change in and of itself. By affixing the phrase "hereby adopted by the voters as in integral part of this initiative measure," the area under the Specific Plan would likely be subject to voter control pursuant to Section 4.1 of the Ballot Measure.

Unchanged and Voter-Adopted

The following definitions and standards from the ECR/D Specific Plan addressed in Measure Section 3 were printed as adopted, but expressly "adopted by the voters" under the Measure. Accordingly, each of the following would be subject to voter control under Section 4.1:

- Section 3.2.2: Definition of "Private Open Space" in the ECR/D Specific Plan's appendix.
- Section 3.2.3: Definition of "Common Outdoor Open Space" in the ECR/D Specific Plan's appendix.

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- Section 3.2.4: ECR/D Specific Plan Standard E.3.6.01 setting open space requirements for residential and mixed-use developments.
- Section 3.3.1: Commercial Use Classification for “Offices, Business and Professional” in the ECR/D Specific Plan’s appendix.
- Section 3.3.2: Commercial Use Classification for “Offices, Medical and Dental” in the ECR/D Specific Plan’s appendix.
- Section 3.3.3: Commercial Use Classification for “Banks and Other Financial Institutions” in the ECR/D Specific Plan’s appendix.

No Statement of Voter Adoption

Section 3.3.7 of the Ballot Measure reads as follows:

“The foregoing limitation [capping office space per individual project at 100,000 square feet] is in addition to the applicable Floor Area Ratio (FAR) limitations, including Public Benefit Bonuses that may apply to a proposed development.”

Because this provision does not include a statement of voter adoption, it is likely that voter control does not apply to the mentioned “Floor Area Ratio (FAR) limitations” and “Public Benefit Bonuses.”

1.3 Structure and Methodology of Analysis

This Report proceeds by first presenting a policy consistency analysis of the Ballot Measure with other land use documents in Chapter 2. The impact of the Ballot Measure is discussed in Chapters 3 through 6 of this Report:

- Chapter 3. Housing Impacts
- Chapter 4. Impacts to Private Development and Business
- Chapter 5. Fiscal Impacts
- Chapter 6. Infrastructure Impacts

In evaluating the Ballot Measure’s potential impact in areas of interest to the City, two guiding principals were employed concerning (1) organization of the analysis and (2) quantitative methods.

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1.3.1 Organization of Analysis

To the extent possible, the impact analysis for each area was organized according to the major changes to the ECR/D Specific Plan proposed by the Ballot Measure—open space regulations, office space restrictions, and voter control.

1.3.2 Quantitative Methods

In some areas, quantitative methods were used to demonstrate impacts from the Ballot Measure using two types of models—parcel and build-out. The parcel model concerns parcels' physical dimensions and the build-out model concerns combinations of uses in the ECR/D Specific Plan Area. There are nearly an infinite number of models possible for each. A parcel can be of most any size and shape and the build-outs may consist of an array of arrangements of residential, office, retail, and hotel uses. In order to ensure the models are operable for purposes of this Report, the characteristics of the models were designed to show a range of high and low impacts should the Ballot Measure pass.

Parcel Models

As part of the housing and vacant land impact analyses, this Report constructed hypothetical parcel models to assess the possibility and feasibility of maximum development in the ECR/D Specific Plan area (680 units of net new residential, 474,000 square feet of net new non-residential) under the Ballot Measure's open space regulations and office space restrictions. Generally, the parcel models constructed are 200-foot by 240-foot parcel (48,000 square feet) which other characteristics dependent on their application to districts in the ECR/D Specific Plan.⁸

Build-Out Model

For fiscal and infrastructure impact analysis, this Report constructed a build-out model to show a range of missed outcomes should the Ballot Measure pass (i.e. the Ballot Measure's opportunity costs).⁹ The build-out model addresses the question "What is the

⁸ This parcel model's dimensions were determined through a review of existing parcels within the ECR/D Specific Plan area. This review showed that the size and shape of existing properties varied considerably across and within zones. For purposes of comparison, a parcel near in size to one acre with even-sided lengths was selected for clearer conceptualization of site area relative to the building masses presented across scenarios in this Report.

⁹ Several combinations of uses possible should the Ballot Measure pass are also possible should the Ballot Measure fail. For example, the ECR/D Specific Plan project description studied in the EIR is achievable under either the ECR/D Specific Plan or the Ballot Measure. Such combinations are less helpful in showing the impact of the Ballot Measure, as it would be a speculative exercise to credit the outcomes to either the

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City missing out on, for better or worse, should the Ballot Measure pass?" To show a high and low range of impacts, the build-out model provides three categories of use combinations (i.e. the make-up of residential, office, retail, and hotel) to serve as data points—the Baseline; Scenarios 1, 2, and 3; and Scenarios 4, 5, and 6.

The Baseline: Derived from the EIR-studied ECR/D Specific Plan Project Description

The ECR/D Specific Plan project description studied in the EIR¹⁰ is used to form the Baseline for determining high and low ranges of impacts from a particular combination of residential, office,¹¹ retail,¹² and hotel uses.¹³ The Baseline reaches, but does not

Ballot Measure passing or failing. However, given the nature of restrictions proposed by the Ballot Measure, there is a set of outcomes possible only if the Ballot Measure fails, but not possible if it passes. These combinations, made impossible by the Ballot Measure passing, are more helpful to show a high and low range of impacts.

¹⁰ The ECR/D Specific Plan project description studied in the EIR included the following non-residential uses: commercial, retail, and hotels. However, these uses do not cleanly align with those defined in the ECR/D Specific Plan's land use classifications.

¹¹ As discussed earlier, Section 3.4.2 of the Ballot Measure implies equivalence between its definition of Office Space and the Commercial Space studied in the EIR. However, as shown in Figure 1-2, "Office Space" defined in the Ballot Measure is a subset of "Commercial Use" under the ECR/D Specific Plan. The ECR/D Specific Plan project description included 240,820 square feet of commercial space, while the Ballot Measure proposes a 240,820 square foot cap on net new office space. Although the square foot allotment is the same, Figure 1-2 shows that the uses are not.

¹² Figure 1-2 shows that "Retail Sales" and "Hotels and Motels" are also subsets of "Commercial Use" under the ECR/D Specific Plan. However, retail and hotel uses as defined in the ECR/D Specific Plan were studied separately from commercial uses in the EIR.

¹³ The ECR/D Specific Plan project description included 380 hotel rooms, but did not account for the square footage per room or the total square footage of the use. There are three options to determine hotel square footage for the use combinations in this Report:

1. Remaining cap room (141,380 net new square feet, 372 square feet per room with shared space): The ECR/D Specific Plan project description allots 240,820 square feet of net new office and 91,800 square feet of net new retail. The remaining 141,380 square feet under the 474,000 square foot cap on net new non-residential can then be allotted to the 380 rooms of net new hotel. Including shared space, the average hotel room size here is 372 square feet.
2. Strategic Economics' 2011 report (200,500 net new square feet, 528 square feet per room with shared space): Strategic Economics' ECR/D Draft Specific Plan Fiscal Impact Analysis dated August 31, 2011 ("SE FIA 2011") estimated revenue generation for the 380 hotel rooms from the project description by assuming two hotels with dimensions comparable to those in neighboring cities to Menlo Park—a boutique hotel of 38,000 square feet with 80 rooms and a full-service hotel of 162,500 square feet with 300 rooms (p. 9). Together, the two hotel rooms total 200,500 square feet. With the allotted office and retail uses (240,820 and 91,800 square feet, respectively), this total would exceed 474,000 square foot cap on net new non-residential by 59,120 square feet. The SE FIA 2011 assumed an average room size of 475 square feet for each hotel room. Including the shared space, the average room size is 528 square feet.
3. Net New Square Footage for Development (301,672 net new square feet, 794 square feet per room with shared space): According to the Community Development Department's Staff Report #13-

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exceed, the maximum net new development caps under the ECR/D Specific Plan and the Ballot Measure.

Table 1-5 Baseline for Build-Out Model

	Residential		Non-Residential				
	Residential	Cap Room Remaining	Office	Retail	Hotel		Cap Room Remaining
	Units	Units	Square Feet	Square Feet	Rooms	Square Feet	Square Feet
Baseline	680	0	240,820	91,800	380	N/A	N/A

Scenarios 1, 2, and 3: The Bookends

Scenarios 1, 2, and 3 serve as the model's bookends—use combinations devised to mark high and low ranges of outcomes missed out on should the Ballot Measure pass.¹⁴

176, the City Council has approved two developments under the ECR/D Specific Plan—555 Glenwood Avenue and 727 El Camino Real—both hotel projects. As approved, the 555 Glenwood would convert an existing senior citizens retirement living center into a Residence Inn by Marriott (a limited-service, business-oriented hotel) with 138 rooms. The City calculated the net new non-residential square footage for the project by considering the net new vehicle trips associated with the conversion. Using this method, the City determined the project's net new development was equivalent to a new hotel with 87 rooms accounting for 71,921 non-residential square feet (p. 13). As approved the 727 El Camino Real Project would renovate the existing Mermaid Inn, adding eight hotel rooms. The City determined the net new development for this project to be 3,497 square feet (p. 9). Together, the two projects would account for 95 new hotel rooms and 75,418 square feet of net new non-residential development, making the average hotel room 794 square feet with shared space. Applying these numbers to the 380 hotel rooms in the baseline, the space allotted for hotel use would be 301,672 net new square feet. With the other non-residential uses, this would exceed the cap by 160,292 square feet.

For purposes of this Report, the baseline will state that hotel square footage is "Not Applicable." The bookends will use the SE FIA 2011 figures (528 square feet per hotel room with shared space). As explained in Chapter 3, the SE report applied its numbers to 380 hotel rooms in the context of full build-out under the ECR/D Specific Plan project description. The scenarios incorporate existing development (the two hotel projects above) and begin with the City's net new development figures of 75,418 square feet across 95 net new hotel rooms. Any additional hotel use in the scenarios will default to the assumed hotel development figures from the SE FIA 2011 (528 square feet per hotel room with shared space).

¹⁴ As explained above, the bookends were developed to show the missed outcomes should the Ballot Measure pass. Other sets of use combinations would not serve the same purpose, including the following:

1. Single-use non-residential build-outs: Only one of the low bookends involves a combination with a total non-residential build-out of one use (office). Of the three non-residential uses, only a full-office

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The bookends are not intended to be reflective of the market or existing conditions, but to set potential ranges of impacts and opportunity costs dependent on the area of interest. The high-end combination includes 240,821 square feet of net new office (exceeding the Ballot Measure cap by 1 square foot¹⁵) with the remaining 233,179 square feet under the net new non-residential cap allotted to hotel use¹⁶ for fiscal analysis in Scenario 1 (as the highest revenue generator) and retail for infrastructure analysis in Scenario 2 (the highest trip and water demand generator). Scenario 3, low-end combination for fiscal and infrastructure analysis, includes all office at 474,000 square feet.

Table 1-6 Scenarios 1, 2, and 3: Bookends for Build-Out Model

	Residential		Non-Residential				
	Residential	Cap Room Remaining	Office	Retail	Hotel		Cap Room Remaining
	Units	Units	Square Feet	Square Feet	Rooms	Square Feet (528/Room)	Square Feet
Scenario 1 (High for Infrastructure)	680	0	240,821	233,179	0	0	0
Scenario 2 (High for Fiscal)	680	0	240,821	0	442	233,179	0
Scenario 3 (Low)	680	0	474,000	0	0	0	0

build-out is precluded by the Ballot Measure. Although full-hotel would be a higher revenue generator and full-retail would be a higher trip and water demand generator, these build-outs are possible under the ECR/D Specific Plan or the Ballot Measure. As explained in Footnote 2, they are then less helpful in measuring the Ballot Measure's impact.

- EIR reduction alternatives: As required by CEQA, the EIR studied four alternatives to the ECR/D Specific Plan project description. These four alternatives included various levels of reductions of uses below the project description build-out (Vol. 2, p. 5-4). Like the full-hotel and full-retail build out, the four reduction alternatives are all possible under the ECR/D Specific Plan or the Ballot Measure. Further, these alternatives have already been fully evaluated under the EIR.

¹⁵ The 240,821 sq. ft. office figure is presented to illustrate cases not possible under the Ballot Measure. If the Ballot Measure caps office space at 240,821 sq. ft., then any scenario with a greater amount of office space would be precluded unless otherwise approved by voters.

¹⁶ See Footnote 13 for discussion on hotel use square footage.

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Scenarios 4, 5 and 6: Representation of Approved Net New Development

For the fiscal and infrastructure impact analysis, certain use combination scenarios were applied to the build-out model for illustrative purposes. Unlike Scenarios 1,2, and 3, which represent the bookended extremes, Scenarios 4, 5, and 6 depict existing approved development under the ECR/D Specific Plan. The City Council has approved two developments under the ECR/D Specific Plan—555 Glenwood Avenue and 727 El Camino Real—both hotel projects. According to the Community Development Department’s Staff Report #13-176, the City has determined that these two projects will total 75,418 square feet of net new non-residential development across 95 net new hotel rooms.¹⁷ Also unlike the bookend scenarios 1-3, scenarios 4-6 are possible under the ECR/D Specific Plan or the Ballot Measure.¹⁸

Table 1-7 Scenarios 4, 5, and 6: Representation of Approved Net New Hotel Development

	Residential		Non-Residential				
	Residential	Cap Room Remaining	Office	Retail	Hotel ^(a)		Cap Room Remaining
	Units	Units	Square Feet	Square Feet	Rooms	Square Feet	Square Feet
Scenario 4	680	0	240,820	157,762	95	75,418	0
Scenario 5	680	0	240,820	0	394 ^(b)	233,179	0
Scenario 6	680	0	0	0	95	75,418	398,582

(a) As explained in Footnote 13, the scenarios incorporate existing development (the two hotel projects) and begin with the City’s net new development figures of 75,418 square feet across 95 net new hotel rooms. Any additional hotel use in the scenarios will default to the assumed hotel development figures from the SE report (528 square feet per hotel room with shared space).

(b) Using methods explained in the comment above, Scenario 5 includes 394 hotel rooms for 233,179 square feet. The first 75,418 square feet amounts to 95 hotel rooms (793 square feet per room with shared space) under the City’s net new development figures for the two approved projects. For the next 157,761 square feet, SE’s figure of 528 square feet per room with shared space was used, which amounts to 299 hotel rooms.

¹⁷ See Footnote 13 for discussion of hotel use square footage.

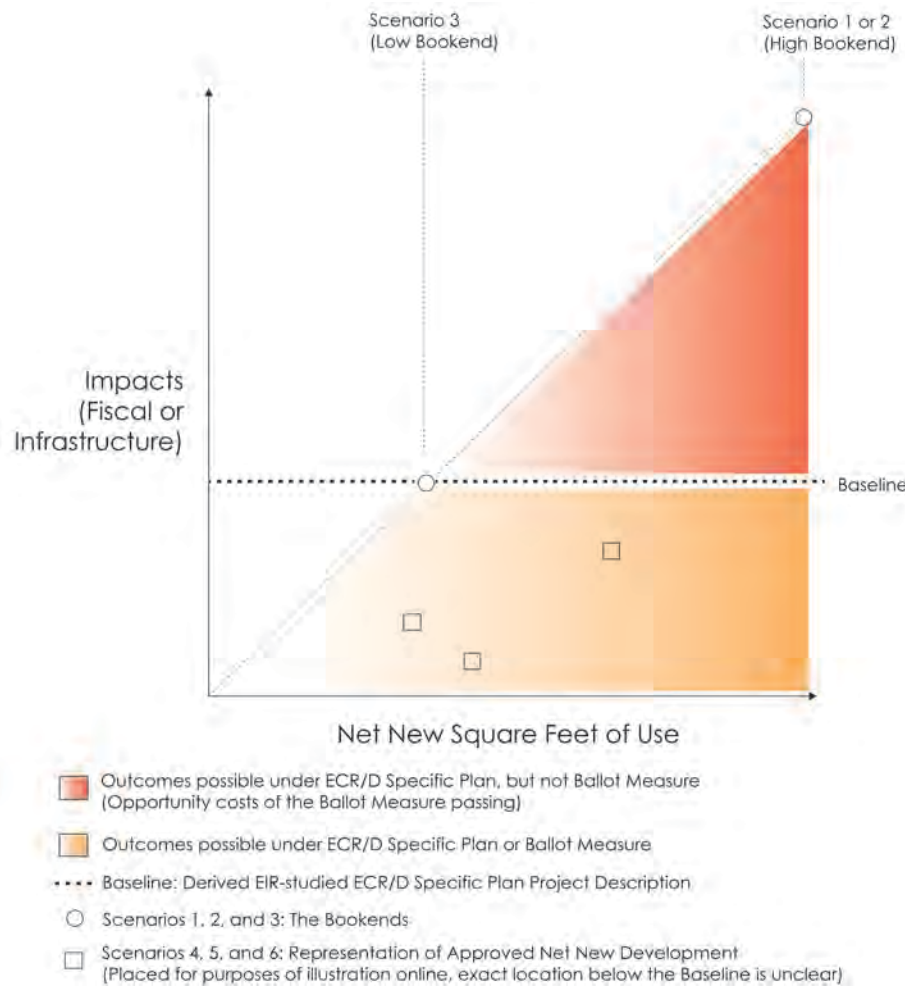
¹⁸ See Footnote 9 for discussion of the relative helpfulness of use combinations possible under the ECR/D Specific Plan or the Ballot Measure.

Menlo Park Ballot Measure Impact Analysis

Build-Out Model Diagrammed

Figure 1-5 shows how the Baseline and Scenarios 1, 2, and 3 (the bookends) provide a context for analysis. The impact of the Ballot Measure is studied in the area above the Baseline. Use combinations under the ECR/D Specific Plan and the Ballot Measure, like Scenarios 4, 5, and 6, fall in the area below the Baseline. However, it is unclear exactly where Scenarios 4, 5, and 6 fall below the Baseline. Use combinations possible under the ECR/D Specific Plan, but not possible under the Ballot Measure lie in the area above the baseline. This area represents the missed outcomes of the ECR/D Specific Plan should the Ballot Measure pass that are the focus of analysis under the build-out model.

Figure 1-5 Diagram of Build-Out Model



Menlo Park Ballot Measure Impact Analysis

In conducting an impact analysis of the Ballot Measure, a separate market study was not performed. Much technical, design, financial, and economic analysis was completed to support the extensive process of drafting and adopting the ECR/D Specific Plan. The ECR/D Specific Plan and associated support analyses represent a snapshot of a given property market(s)¹⁹ at a specific point in time. The real estate markets of the ECR/D Specific Plan have changed since ECR/D Specific Plan adoption, and will continue to change throughout time and across property sectors. The Ballot Measure Impacts Analysis uses the ECR/D Specific Plan and related support analyses as the basis for conclusions on impacts of the Ballot Measure while acknowledging that area real estate markets have changed and will continue to change.

For further information on the cyclical nature of real estate markets and development projects in the ECR/D Specific Plan Area, please see Appendices 1 and 2.

¹⁹ There typically exist separate property markets within a single area. For instance, the Menlo Park residential market would be considered separate from the Menlo Park office market. As the section “Cyclical Nature of Real Estate Markets” relays, dynamics of the housing market in Menlo Park could be related to dynamics of the office market in Menlo Park.

2.1 Purpose of the Policy Consistency Analysis

Generally, the proposed Ballot Measure would amend the ECR/D Specific Plan to change open space regulations, introduce restrictions on office space development, and require voter approval to change a series of ECR/D Specific Plan components. Please see Chapter 1 for a more detailed explanation of the issues and implications of the three proposed changes.

This Chapter addresses the consistency of the Ballot Measure with existing policies and land use regulations in the General Plan, Zoning Ordinance (Municipal Code Title 16), and relevant regional planning documents. (Please see Chapter 3 for a more detailed review of the Housing Element.)

The Ballot Measure's consistency with the policies and plans was considered:

- The Menlo Park General Plan
- The Menlo Park Zoning Ordinance (Municipal Code Title 16)
- Important regional plans, including Plan Bay Area and the Grand Boulevard Initiative

2.2 The Menlo Park General Plan

2.2.1 General Plan Incorporation of the ECR/D Specific Plan

Per Government Code Section 65454, no Specific Plan may be adopted or amended unless the proposed plan or amendment is consistent with the general plan. As discussed below, the General Plan was amended to accommodate the ECR/D Specific Plan and, by effect, certain amendments to the ECR/D Specific Plan.

According to the staff report for a City Council meeting on April 30, 2012, the ECR/D Specific Plan was designed to be an "all-inclusive" document," meaning that it was tailored to suit the following purpose:

"[A] property owner wishing to develop a piece of property would use the Specific Plan to understand the goals, standards, guidelines, and other regulations that apply, and would not need to also frequently cross-reference the Zoning Ordinance, General Plan, or other City document. Similarly, anyone wanting to understand how a particular public improvement would be implemented would primarily consult the Specific Plan" (p. 3).

Menlo Park Ballot Measure Impact Analysis

In order for the ECR/D Specific Plan to serve as an “all-inclusive” document and satisfy state law concerning consistency with the General Plan, the City amended its General Plan to adopt the ECR/D Specific Plan as a new land use designation and changed the corresponding area parcels to that designation. In the General Plan’s Land Use and Circulation Element, the “El Camino Real/Downtown Specific Plan” designation is established as follows:

“This designation provides for a variety of retail, office, residential, personal services, and public and semipublic uses, as specified in detail in the El Camino Real/Downtown Specific Plan. The maximum FAR shall be in the range of 85 percent to 200 percent (base-level maximum) or 100 percent to 225 percent (public benefit bonus-level maximum). Office (inclusive of medical and dental offices) FAR is limited to one-half of the appropriate total FAR, and medical and dental office FAR is limited to one-third of the appropriate total FAR. Residential intensity shall be in the range of between 18.5 to 50 units per net acre (base-level maximum) or 25 to 60 units per net acre (public benefit bonus-level maximum)” (p. II-3).

The General Plan defers to the ECR/D Specific Plan to set standards within its area, except as to the FAR and residential intensity limits described above. Therefore, an amendment to the ECR/D Specific Plan is likely consistent with the General Plan so long as it is limited to the area governed by the ECR/D Specific Plan and does not change the above-stated FAR or residential intensity limits.

Given the City’s amendments to the General Plan and Zoning Code to accommodate the ECR/D Specific Plan, and that the Ballot Measure does not alter the General Plan’s FAR or residential intensity limits, the changes proposed by the Ballot measure are consistent with the General Plan.¹

2.2.2 General Plan Consistency Detail

Table 2-1 below select General Plan goals and policies relevant to amendments to the ECR/D Specific Plan proposed by the Ballot Measure. The table is based on the General Plan consistency analysis presented in Table G1 in the ECR/D Specific Plan.²

¹ As discussed later in this Executive Summary and further in Chapters 1 and 2, the Ballot Measure adopts the Vision Plan Area Map on Page 2 of the 2008 El Camino Real/Downtown Vision Plan as the “ECR/D Specific Plan Area” (Section 3.1). Although the 2008 map shown in the Ballot Measure precedes the 2012 ECR/D Specific Plan area map, the boundaries of the two maps appear similar and are considered consistent for the purposes of this analysis.

² Since the adoption of the ECR/D SP on June 12, 2012, the City has updated the Housing and Open Space & Conservation elements to its General Plan (All Elements adopted May 21, 2013). To remain consistent with the analysis performed for the ECR/D SP, this Chapter assessed the General Plan Elements prior to the 2013 update.

Menlo Park Ballot Measure Impact Analysis

Table 2-1 Ballot Measure-General Plan Consistency

GP Policy	Description	Ballot Measure Consistency with General Plan
Goal A	To maintain and improve the character and stability of Menlo Park's existing residential neighborhoods while providing for the development of a variety of housing types. The preservation of open space shall be encouraged.	
I-A-3	Quality design and usable open space shall be encouraged in the design of all new residential developments.	See Chapter 4 "Impacts to Private Development and Business" Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
I-A-4	Residential uses may be combined with commercial uses in a mixed-use project, if the project is designed to avoid conflicts between the uses, such as traffic, parking, noise, dust and odors.	See Section 4.3.1 "Make-up of Pending Development" in this Report. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
I-A-5	Development of housing, including housing for smaller households, is encouraged in commercially-zoned areas in and near Downtown. (Downtown is defined as the area bounded by Alma Street, Ravenswood Avenue / Menlo Avenue, University Drive and Oak Grove Avenue.) Provisions for adequate off-street parking must be assured.	The Ballot Measure does not directly address development of housing in commercially-zoned areas in and near Downtown or off-street parking provisions for such housing. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
Goal B	To strengthen Downtown as a vital and competitive shopping area while encouraging the preservation and enhancement of Downtown's historic atmosphere and character.	
I-B-5	New development with offices as the sole use that is located outside of the boundary of the downtown area along the south side of Menlo Avenue and the north side of Oak Grove Avenue shall not create a traffic impact that would exceed that of a housing project on the same site.	Though the Ballot Measure further restricts Office Space in the ECR/D Specific Plan area, it does not directly address the trade off between a project that is solely office versus a residential project. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
Goal C	To encourage creativity in development of the El Camino Real Corridor	
I-C-1	New and upgraded retail development shall be encouraged along El Camino Real near downtown, especially stores that will complement the retail mix of Downtown. Adequate parking must be provided and the density, location, and site design must not aggravate traffic at congested intersections. The livability of adjacent residential areas east and west of El Camino Real and north and south of Downtown must be projected.	By maintaining the ECR/D Specific Plan's cap on net new non-residential uses at 474,000 square feet while adding a cap on the net new Office Space at 240,820 square feet, the Ballot Measure allows for new and upgraded retail development in the ECR/D Specific Plan area. Ballot Measure language does not address specific location of retail along ECR. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.

Menlo Park Ballot Measure Impact Analysis

GP Policy	Description	Ballot Measure Consistency with General Plan
I-C-2	Small-scale offices shall be allowed along most of El Camino Real in a balanced pattern with residential or retail development.	See Section 4.3.1 "Make-up of Pending Development" in this Report. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
Goal E	To promote the development and retention of commercial uses, which provide significant revenue to the City and/or goods and services needed by the community and which have low environmental and traffic impacts.	
I-E-1	All proposed commercial development shall be evaluated for its fiscal impact on the City as well as its potential to provide goods or services needed by the community.	See Chapter 3 "Fiscal Impacts" for an analysis of the potential fiscal impacts of the Ballot Measure. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
I-E-4	Any new or expanded office use must include provisions for adequate off-street parking, mitigating traffic impacts, and developing effective alternatives to auto commuting, must adhere to acceptable architectural standards, and must protect adjacent residential uses from adverse impacts.	Though the Ballot Measure introduces a cap on net new Office Space in the ECR/D Specific Plan area, it would not amend off-street parking, traffic impact mitigations, auto commuting alternatives, or architectural standards of new or expanded office uses. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
I-E-5	The City shall consider attaching performance standards to projects requiring conditional use permits.	The Ballot Measure does not address performance standards in context of projects that would require conditional use permits. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
Goal G	To promote the preservation of open-space lands for recreation, protection of natural resources, the production of managed resources, protection of health and safety, and/or the enhancement of scenic qualities.	
I-G-1	The City shall develop and maintain a parks and recreation system that provides areas and facilities conveniently located and properly designed to serve the recreation needs of all Menlo Park residents.	The Ballot Measure addresses changes to Open Space in such a way that could add to public realm amenities, but does not directly address parks and recreation systems. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
I-G-2	The community should contain an ample supply of specialized open space in the form of squares, greens, and parks whose frequent use is encouraged through placement and design.	The Ballot Measure addresses changes to Open Space in such a way that could add to public realm amenities, but does not directly address parks and recreation systems. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
I-G-3	Public spaces should be designed to encourage the attention and presence of people at all hours of the day and appropriate hours of the night.	See Section 4.3.1 "Make-up of Pending Development" in this Report. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.

Menlo Park Ballot Measure Impact Analysis

GP Policy	Description	Ballot Measure Consistency with General Plan
I-G-4	Dedication of land, or payment of fees in lieu thereof, for park and recreation purposes shall be required of all new residential development.	The Ballot Measure addresses changes to Open Space, but does not directly address dedication of land, or payment of fees in lieu thereof, for park and recreation purposes. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
Goal III-A	To promote the development of a balanced range of housing types and densities for all economic segments and all geographic areas of the community.	
III-A-5	The City will promote development of mixed medium or high-density residential and commercial projects in the Central Business District and along El Camino Real as a means of providing more housing on job sites to help offset the impact of new employment on the regional housing market.	See Chapter 3 "Housing Impacts." Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
III-A-11	The City will promote the distribution of new, higher-density residential developments throughout the city, taking into consideration compatibility with surrounding existing residential uses, particularly near public transit and major transportation corridors in the city.	The Ballot Measure does not directly address high-density residential development. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
1973 Open Space and Conservation Policies (Included in the General Plan)		
Policy 3	Require dedication of improved land, or payment of fee in lieu of, for park and recreation land for all residential uses involving five or more dwelling units.	The Ballot Measure does not address dedication of improved land, or payment of fee in lieu of, for park and recreation land for residential subdivision uses involving five or more dwelling units. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.
Policy 12	Provide a program of incentives and rewards to encourage provision of additional open space.	The Ballot Measure changes the location of open space that can be counted towards minimum requirements. See Chapter 4 "Impacts to Private Development and Business." The ECR/D Specific Plan would achieve Quimby Act implementing ordinance and policy goals of the General Plan whether the Ballot Measure passes or fails. See "Quimby Act Consistency" in Section 2.2.1 below. Should the Ballot Measure pass, ECR/D Specific Plan-General Plan consistency in this matter would remain.

Menlo Park Ballot Measure Impact Analysis

The Quimby Act

Another context in which to analyze Ballot Measure changes to the Open Space standards is consistency with the Quimby Act (See Table 2-1, General Plan Policies: I-G-1, I-G-4, and Policy 3). The State of California adopted the “Quimby Act” in 1965, as Section 66477 of the California Government Code. The Quimby Act sets forth provisions for the dedication of parkland, or the payment of fees in lieu of dedication of land, as a condition of approval of residential subdivisions. The underlying principle of the Quimby Act was that new residents would strain an existing, limited network of parks and open space, thus it was reasonable to seek resources to mitigate population growth impacts from development projects.

In defining its Quimby Act implementing ordinances and policies, the City of Menlo Park set forth in its General Plan a goal of five acres of developed parkland per 1,000 residents. Based on 219.66 acres of City parkland (ECR/D Specific Plan, Table 4.12-2) and an estimated 32,185 City residents in 2010 (ECR/D Specific Plan, page 4.11-2), the City currently exceeds this goal by providing 6.8 acres of parkland per 1,000 residents. The estimated ECR/D Specific Plan-related residential population growth at build out would reduce this ratio to 6.5 acres per 1,000 residents (assuming no additional parks related to ECR/D Specific Plan development), still well above the General Plan goal of 5 acres of parks per 1,000 residents. The ECR/D Specific Plan promotes new pocket parks, a Santa Cruz Avenue Central Plaza, and Chestnut Street Paseo in downtown. While exact measurements of these spaces will not be available until precise designs are completed, the conceptual diagrams in the ECR/D Specific Plan indicate that approximately two acres of new public parks, plazas, and other open spaces could be added. The 2030 City population forecast of 36,980³ results in a parks-to-resident ratio of 6.0 acres per 1,000 residents, well above the General Plan goal⁴. As the ECR/D Specific Plan would likely result in a build-out program that well exceeds the City’s parkland goals, there is no immediate need to require additional ground-level Open Space (4 feet or lower in height) as put forth in the Ballot Measure.

2.3 Ballot Measure Consistency with the Menlo Park Zoning Ordinance (Title 16)

Chapter 16.58 of the Menlo Park Zoning Ordinance (Zoning Ordinance) addresses the SP-ECR/D EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN zoning category. This zoning category applies to the ECR Specific Plan area.

³ Assumes 14.9% growth from 2010 to 2030 for City of Menlo Park (ECR/D Specific Plan EIR, Table 4.11-1). Forecasted growth rate applied to California Department of Finance population data estimates that the City of Menlo Park’s jurisdictional population was 32,185 in January 2010.

⁴ Assumes only ECR/D Specific Plan proposed parks are added to the City. Does not assume development of additional parks related to future development.

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Chapter 16.58 Section 010, “Purpose”, of the Menlo Park Zoning Ordinance states:

The purpose and intent of the El Camino Real/Downtown Specific Plan District is to preserve and enhance community life, character and vitality through public space improvements, mixed use infill projects sensitive to the small-town character of Menlo Park and improved connectivity. (Ord. 979 § 6 (part), 2012).

Chapter 16.58 Section 020, “El Camino Real/Downtown Specific Plan”, of the Menlo Park Zoning Ordinance puts forth:

Uses, development regulations, guidelines, definitions, off-street parking requirements, and other parameters for public and private development are established through the El Camino Real/Downtown Specific Plan. All modifications to this chapter or to the ECR/D Specific Plan require review and recommendation by the Planning Commission and review and approval by the City Council through public hearings in accordance with Chapter 16.88 and applicable law. (Ord. 979 § 6 (part), 2012).

As the Zoning Ordinance references uses, development regulations, guidelines, definitions, off-street parking requirements, and other development parameters set forth in the ECR/D Specific Plan, any modifications made to the ECR/D Specific Plan by the Ballot Measure and in accordance with Chapter 16.58 would remain consistent with the Zoning Ordinance.

2.4 Ballot Measure Consistency with Important Regional Plans

This Section discusses two regional plans that are relevant to the Ballot Measure: the Plan Bay Area Plan and the Grand Boulevard Plan.

2.4.1 Plan Bay Area

On April 22, 2010, the San Francisco Bay Area’s four regional government agencies—the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), the Bay Conservation and Development Commission (BCDC) and the Metropolitan Transportation Commission (MTC)—launched One Bay Area to address issues such as transportation infrastructure, housing, and clean air, among others. One Bay Area aims to “coordinate efforts among the Bay Area’s nine counties and 101 towns and cities to create a more sustainable future,” (<http://www.onebayarea.org>.) In July 2013, One Bay Area adopted Plan Bay Area, a “long-range integrated transportation and land-use/housing strategy through 2040 for the San Francisco Bay Area” (<http://www.onebayarea.org>). Designed to meet the goals of the California Sustainable Communities and Climate Protection Act of 2008 (SB

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375), Plan Bay Area identifies areas for focused, intensified development surrounding transportation corridors and employment hubs among other variables.

Plan Bay Area identifies Menlo Park as an area that is “medium” in relative strength of locations for knowledge-sector job growth (Plan Bay Area, Map 4, Chapter 3, “Where We Live, Where We Work”). Such growth could potentially produce demand for new office space. As the Ballot Measure would further limit office development from the ECR Specific Plan scenario, demand for office space that cannot be met within the ECR Specific Plan area would likely move to nearby areas or jurisdictions. Future planning efforts would need to consider ways in which the unmet demand for office development in the ECR/D Specific Plan area could be met, possibly resulting in shifts in transportation patterns and daytime-nighttime use balance among other impacts.

2.4.2 Grand Boulevard Initiative

Adopted in 1996, the Grand Boulevard Initiative (GBI) presents a collaborative effort among local and regional Bay Area agencies and the 19 cities in which the El Camino Real Corridor is found. Guiding Principles within the GBI are relevant to land use objectives and development standards found in the ECR/D Specific Plan and are potentially affected by the Ballot Measure. They include:

- Target housing and job growth in strategic areas along the El Camino Real Corridor
- Encourage compact mixed-use development and high-quality urban design and construction
- Create a pedestrian-oriented environment and improve streetscapes, ensuring full access to and between public areas and private developments
- Provide vibrant public spaces and gathering places
- Strengthen pedestrian and bicycle connections with the El Camino Real Corridor

The GBI characterizes Palo Alto/Menlo Park as an employment center, with the majority of jobs falling within one half mile of El Camino Real. As discussed in the context of One Bay Area, a significant portion of job growth along the corridor will likely be fueled by demand for office space. The limitation on office space introduced by the Ballot Measure could influence job growth moving to other areas, on or off the ECR corridor or to other jurisdictions. Impacts from potential resulting shifts in transportation patterns and the daytime-nighttime use balance should be considered.

The majority of projects that have been built or approved in cities across the El Camino Real Corridor since 2007 are single-use or mixed-use residential, with the exception of

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several smaller commercial, smaller hotel projects, and the planned Kaiser Medical Center in Redwood City (885,000 square feet).⁵ While, one of the GBI's Guiding Principles is to encourage more compact development, a clear definition of what constitutes compact development is lacking. This lack of conclusion allows for a wide range of project types and sizes.

⁵ Cities with projects across the El Camino Real Corridor include Belmont, Burlingame, Daly City, Los Altos, Menlo Park, Millbrae, Palo Alto, Redwood City, San Bruno, San Carlos, San Jose, San Mateo, Santa Clara, South San Francisco, and Sunnyvale. For a complete listing of projects, see *Grand Boulevard Initiative*. (2010). *Economic & housing opportunities assessment*, p. 13. Retrieved from http://www.grandboulevard.net/images/stories/documents/echo_final%20report_12-20-2010.pdf

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3.1 Purpose of the Housing Analysis

Generally, the proposed Ballot Measure would amend the ECR/D Specific Plan to change open space regulations, introduce restrictions on office space development, and require voter approval to change a series of ECR/D Specific Plan components. Please see Chapter 1 for a more detailed explanation of the issues and implications of the three proposed changes.

The Ballot Measure would not directly impact housing either through development limitations, zoning, or application of a revised definition of open space. Therefore, the analysis in this Chapter is focused on the indirect impacts that the Ballot Measure may have on residential development. Specifically, this Chapter addresses the impact of the Measure on residential development feasibility, the jobs and housing balance, and existing policies in the City's Housing Element. Impact of the Ballot Measure on housing affordability and below market rate ("BMR") production is discussed in context of project feasibility in Chapter 4 "Impacts to Private Development and Business."

The Chapter is organized as follows:

- Housing Impacts: Change in Open Space Regulations
- Housing Impacts: Cap on Ballot Measure-defined Office Space Development
 - Jobs to Housing Ratio
 - Household Affordability
- Housing Impacts: Voter Controls
- Ballot Measure Consistency with Housing Element

3.2 Housing Impacts: Change in Open Space Regulations

The Ballot Measure would call for the minimum Open Space required to be located at ground level or within four feet of ground level, as outlined further in Chapter 1. This Section discusses whether the change in Open Space regulations would limit the ability of a site in the ECR/D Specific Plan boundary to maximize the number of dwelling units allowed in the ECR/D Specific Plan.

The proposed revisions could produce ground-level open space that if well designed and placed, would constitute a pedestrian amenity. However, ground level open

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space would compete with other ground-level uses such as parking. Reducing at-grade area available for parking could increase overall project hard costs, which in turn could place upward pressure on project revenues (e.g., residential rents or sale values) or downward pressure on acquisition costs (i.e., land costs) if an acceptable project financial return is to be maintained. Project feasibility is discussed further in Chapter 4, “Impacts to Private Development and Businesses.”

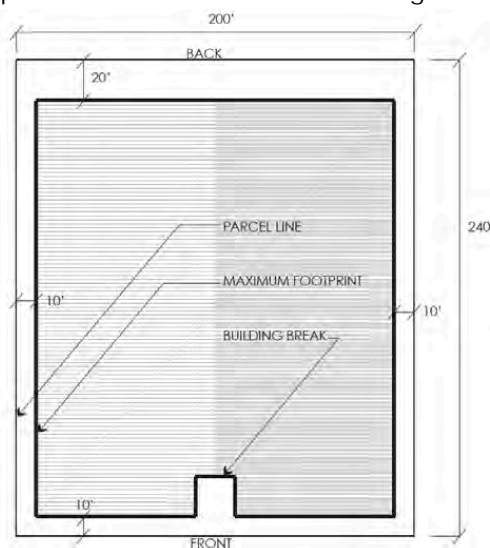
Residential build-out scenarios were developed and analyzed for two ECR/D Specific Plan zoning districts (ECR NE-L and SA-W). As these two districts represent the lowest and highest intensity zoning districts in the ECR/D Specific Plan, the scenarios illustrate the potential range of outcomes resulting from the Ballot Measure’s proposed Open Space language.

The number of possible build-out scenarios is unlimited, and it is not possible to analyze all such scenarios. The purpose of these analyses is only to determine whether a possible scenario exists in which the developer could maximize residential unit build-out while meeting Ballot Measure Open Space requirements.

3.2.1 ECR-NE-L (Low Density Mixed-Use) Zoning District

Consider a sample 200-foot by 240-foot (48,000 square feet) site located in the low intensity ECR-NE-L (mixed-use) zoning district. Minimum setbacks and the maximum building envelope are shown and described in Figure 3-1¹ and Table 3-1 below.

Figure 3-1 Sample ECR-NE-L Site: Maximum Building Envelope Analysis



¹ Setbacks vary per zoning district. Setbacks shown in Figure 3-1 are specific to the ECR-NE-L zoning district.

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Table 3-1 Sample ECR-NE-L Site: Maximum Build-out Analysis

		Unit/Description	ECR/D SP Standard	Amount (SF)
1.	Parcel Size	200' x 240'		48,000
2.	Max Development (Line 1 x .75)	Floor Area Ratio	0.75 (w/o public benefit bonus)	36,000
3.	Ground-floor Non-Residential Square Feet (retail assumed)	% of Square Feet (33% assumed)		11,880
4.	Residential Square Feet (spread across two floors) ²	% of Square Feet (67% assumed)		24,120
5.	Square Feet / Unit @ Maximum Permissible Residential Unit Count (Line 4 / 22 Units) ³	Total Residential Units	20 max per acre	1,096
Open Space				
6.	Residential Open Space–Common (22 units x 100)	Square Feet/Unit	100	2,200
7.	Residential Open Space–Private (22 units x 80)	Square Feet/Unit	80	1,760
8.	Open Space Required (30% x Line 1)	% of Square Feet	30%	14,400
9.	Total Required Open Space within 4ft. Ground Level (Line 8)			14,400 ⁴
Parking				
10.	Min. Off Street Residential Parking Required (22 units x 1.85)	per Unit	1.85	41 (spaces)
11.	Min. Non-Residential (assumes retail) Parking Spaces Required (Line 3 ÷ 1000 x 4)	per 1000 Square Feet Gross Leasable Area	4	48 (spaces)
12.	Total Parking Spaces Req. (Line 10+Line 11)			89 (spaces)
13.	Total Parking Square Footage Required (Line 12 x 250)	per Space	250 ⁵	22,250
14.	Total Square Feet – Building, Open Space, & Parking (Line 2 + Line 9 + Line 13)	Square Feet		72,650 ⁶
15.	Total Square Feet at Ground Level – Building, Open Space & Parking (Line 3+Line 9+Line 13)	Square Feet		48,530 ⁷

² The maximum stories allowed for a building in the ECR-NE-L zoning designation is 3. This scenario assumes one level of non-residential with two levels of residential uses above.

³ A 48,000 sq. ft. site equals 1.1 acres (48,000 / 43,560 = 1.1). If 20 residential units are allowed per acre, the site may yield up to 22 units (1.1 x 20 = 22).

⁴ The project has the option to provide either 2,200 sq. ft. of common open space or 1,760 sq. ft. of private open space. Residential Open Space is treated as a sub-set of Total Required Open Space (Line 9).

⁵ Includes internal circulation.

⁶ Line 14 (Total Square Feet = 72,650 sq. ft.) is larger than Line 2 (Max. Development = 36,000 sq. ft.) Line 14 may exceed Line 2 because FAR excludes covered parking as defined in 16.04.325 of the Menlo Park Zoning Ordinance: "(3) All areas devoted to covered parking and related circulation for automobiles and bicycles, including garages, carports, below grade parking structures, and above grade parking structures;" (Note: The Specific Plan uses the FAR definition in Section 16.04.325 (p. E 13).)

⁷ Line 15 highlights the fact that ground floor open space competes with parking in such a way that increased use of structured or underground parking may be required. In other words, if the open space requirement and building footprint are subtracted from the lot size, some but not all parking will fit on site:

Lot Size (48,000 sq. ft.) - Open Space (14,400 sq. ft.) – Building Footprint (11,880 sq. ft.) = 21,720 sq. ft. (not enough space to accommodate 22,250 sq. ft. of parking). As discussed further in Chapter 4, an increase in structured or underground parking would increase hard costs which in turn has implications for project feasibility.

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The scenario illustrated in Table 3-1 assumes ground floor non-residential space with residential above. (No public benefit was considered and the scenario assumes intensity below that threshold.) The scenario also assumes a developer would maximize the permitted residential unit count. The building square footage per unit (including circulation) is adequate (approx. 1,096 square feet) to accommodate a legal residential unit. While a developer could opt to reduce the square footage of non-residential space and increase the size of residential units, a maximum of twenty units per acre is allowed according to the ECR/D Specific Plan. The analysis shows that there exists a possible scenario where maximum residential build-out can be achieved.

Under the ECR/D Specific Plan, the 14,400 square feet of required open space could be provided on a roof deck or other above-ground structure (See Table 3.1) in addition to at ground floor. The Ballot Measure would no longer allow provision of the open space above four feet, leading to competing demands for ground floor uses, such as parking. Absent a parking reduction, as might be present in a mixed-use shared-parking scheme, it is likely that developments would need to increasingly incorporate underground or structured parking to meet the parking requirements. This may or may not be feasible given other variables impacting project viability⁸.

3.2.2 SA-W Zoning District

A second site development scenario, following the same assumptions and standards as presented in the ECR NE-L scenario (Section 3.2.1 above), was developed for the SA-W zoning designation. In contrast to the ECR NE-L scenario, the SA-W scenario assumes provision of a public benefit. The SA-W zoning designation under the public benefit scenario illustrates the highest intensity build-out scenario allowed in the ECR/D Specific Plan area.

As shown in Table 3.2, assuming the developer would maximize the permitted residential unit count, the building square footage per unit (including circulation) would be considered adequate (approx. 1,227 square feet) to accommodate the allowed maximum residential density. As previously stated, there exist any number of possible build-out scenarios, and a developer could choose to increase non-residential square footage at the expense of residential square footage or vice versa.

The analysis in Table 3-2 illustrates it is possible to maximize residential unit build-out while meeting Ballot Measure open space requirements in the highest intensity ECR/D Specific Plan area zoning designation (SA-W). However, as stated above, requiring

⁸ Project feasibility is discussed in greater detail in Chapter 4 "Impacts to Private Development and Businesses."

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open space at or near ground level (i.e., 4 feet or below) competes with other potential ground floor uses, including parking.

Table 3-2 Sample SA-W Site: Maximum Build-out Analysis

	Unit/Description	ECR/D SP Standard	Amount (SF)
1.	Parcel Size	200' x 240'	48,000
2.	Max Development (Line 1 x 2.25)	Floor Area Ratio	2.25
3.	Ground-floor Non-Residential Square Feet (retail assumed)	% of Square Feet (25% assumed)	27,000
4.	Residential Square Feet (spread across 3 floors) ⁹	% of Square Feet (75% assumed)	81,000
5.	Square Feet / Unit @ Maximum Permissible Residential Unit Count (Line 4 / 66 Units) ¹⁰	Total Residential Units	60 max per acre
Open Space			
6.	Res. Open Space–Common (66 units x 100)	Square Feet /Unit	100
7.	Residential Open Space–Private (66 units x 80)	Square Feet /Unit	80
8.	Open Space Required	% of Square Feet	0%
9.	Total Required Open Space within 4ft. Ground Level	Pub Residential + Non Residential	NA
Parking			
10.	Off Street Res. Parking Required (66 units x 1.5) ¹²	per Unit	1.5 (max)
11.	Min. Non-Residential (assume retail) Parking Spaces Required (Line 3 ÷ 1000 x 4)	per 1000 SF Gross Leasable Area	4
12.	Total Parking Spaces Required (Line 10 +Line 11)		207 (spaces) ¹³
13.	Total Parking Required (Line 12 x 250)	per Space	250
14.	Total Square Feet – Building, Open Space, & Parking (Line 2 + Line 9 + Line 13)	Square Feet	166,350 ¹⁴
15.	Total Square Feet at Ground Level – Building, Open Space & Parking (Line 3 + Line 9 + Line 13)	Square Feet	85,350 ¹⁵

⁹ The maximum stories allowed for a building in the ECR-SA-W zoning designation is 4. This scenario assumes one floor of non-residential uses with three stories of residential uses above.

¹⁰ A 48,000 sq. ft. site equals 1.1 acres (48,000 / 43,560 = 1.1). If 60 residential units are allowed per acre, the site may yield up to 66 units (1.1 x 60 = 66).

¹¹ The project has the option to provide either 6,600 sq. ft. of common open space or 5,280 sq. ft. of private open space. There is no requirement for open space in the SA-W zone, except for residential uses. ECR/D Specific Plan Guideline E.3.6.05 states, "For residential developments, private open space should be designed as an extension of the indoor living area, providing an area that is usable and has some degree of privacy" (ECR/D Specific Plan, p. E35). This guideline implies private open space may need to accommodate direct access to the residential units. Therefore, the Ballot Measure requirement to locate open space at or near ground level makes provision of private open space impractical for all but ground-floor units. This analysis takes a conservative approach and assumes the larger square footage associated with residential common open space will be provided across the development.

¹² Required parking "Rates for residential developments in the Station Area reflect MTC recommendations with a minimum rate of 1.0 space per unit and a maximum rate of 1.5 spaces per unit." (ECR/D Specific Plan, p. F18). This analysis takes a conservative approach and assumes 1.5 spaces per unit.

¹³ The ECR-SA-W zone is in the Downtown Shared/Unbundled Parking Area. Downtown parking standards in the ECR/D Specific Plan allow required parking for the first 1.0 FAR to be accommodated in public parking plazas. This analysis took a conservative approach and assumes all required parking will be on-site.

¹⁴ Please see Footnote 6.

¹⁵ Please see Footnote 7.

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Conclusion: Adoption of the Ballot Measure's Open Space requirements does not preclude the possibility to develop the maximum residential density allowed in both the highest intensity (ECR SA-W) and lowest (ECR NE-L) ECR/D Specific Plan area zoning designations.

Adoption of the Ballot Measure's Open Space requirements may reduce the likelihood that residential development occurs in zoning districts that have open space requirements only for residential uses (such as the SA-W district analyzed in Table 3-2 above). For these zoning districts, the Ballot Measure requirement to locate open space within four feet of ground level further increases competition for ground floor uses (such as parking) for projects that contain residential components. This increases the need for structured parking, which in turn increases project hard costs and reduce financial feasibility of such projects in such zones. See Chapter 4 "Impacts to Private Development and Businesses" for added discussion on project feasibility.

Adoption of the Ballot Measure's Open Space requirements may reduce provision of private open space in residential developments. ECR/D Specific Plan Guideline E.3.6.05 states, "For residential developments, private open space should be designed as an extension of the indoor living area, providing an area that is usable and has some degree of privacy" (p. E35). This guideline implies private open space may need to accommodate direct access to the residential units. Therefore, the Ballot Measure requirement to locate open space at or near ground level makes provision of private open space impractical for all but ground-floor units.

3.3 Housing Impacts: Cap on Ballot Measure-defined Office Space Development

In this Section the Ballot Measure's office development restrictions on housing are analyzed using: (1) a jobs to housing ratio, and (2) housing affordability.

3.3.1 Jobs-to-Housing Ratio

The Jobs to Housing ratio ("Jobs:Housing") expresses quantitatively the relationship between where people work (the "jobs" side) and where they live (the "housing" side). An excess of the number of jobs (housing demand) without sufficient housing stock (housing supply) can lead to an increase in housing costs and housing cost burden for lower-income residents. Alternatively, excess housing without adequate local job supply can lead to residents commuting outside of the City for work; impacting regional traffic, air quality, and residents' quality of life.

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For the ECR/D Specific Plan, the Jobs:Housing ratio is measured based on the number of jobs per resident employee. This measure counts the employed residents (i.e., those in the labor force who are currently working) as a substitute for households or housing units in the denominator of the ratio. This analysis is isolated to the ECR/D Specific Plan area, and it is assumed the maximum number of allowable housing units, as identified in the ECR/D Specific Plan at build-out (i.e., 680 units), would be developed.

The following assumptions, as provided in ECR/D Specific Plan’s Final Environmental Impact Report (“EIR”) and Strategic Economics’ ECR/D Draft Specific Plan Fiscal Impact Analysis dated August 31, 2011 (“SE FIA 2011”) were used to determine the Jobs:Housing balance.

Table 3-3: Jobs: Housing Assumptions

Residential Use	Units	Employed Residents per Household
Total	680	1.28
Non-residential Use	Square footage	Square Feet/Job
Retail	91,800 Square Feet	400 Square Feet/retail job
Commercial	240,820 Square Feet	300 Square Feet/commercial (office) job
Hotel (380 rooms)	141,380 Square Feet	1.25 employees/hotel room
Total	474,000 Square Feet	1,357 jobs
Source: ESA, 2011; Strategic Economics, 2011		

A build-out assumption of 1,357 new jobs and 870 new employed residents, leads to a Jobs:Housing ratio of 1.56 jobs per employed resident.

The Ballot Measure does not change the 680 residential unit cap or total net new non-residential square footage of 474,000 square feet allowed by the ECR/D Specific Plan. The scenario analyzed in the EIR and SE FIA 2011 assumed a commercial build-out of 240,820 square feet. As stated earlier, the Ballot Measure establishes this as a cap on Office Space (240,820 square feet), which can only be increased through voter approval.

Described in greater detail in Chapter 1, Ballot Measure-defined Office Space is a subset of commercial (one type of non-residential land uses). However, there is no impact of this differentiation between office and commercial land use types, as both generate an equal number of employees (under the assumption the employee per square foot is the same). As a result, the Ballot Measure does not have a direct impact on the number of net new jobs.

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Conclusion: Because the number of jobs the ECR/D Specific Plan area is anticipated to produce under the Ballot Measure does not differ from the ECR/D Specific Plan scenario, and because the Ballot Measure does not amend the maximum 680 residential unit cap of the ECR/D Specific Plan, the Ballot Measure poses no impact to the ECR/D Specific Plan area Jobs:Housing ratio. There does remain the possibility that Ballot Measure voter approval requirements stymies future development. If this were to occur, the Jobs:Housing ratio could be impacted.

Jobs: Housing Balance: EIR Interpretation

As required by the California Environmental Quality Act ("CEQA"), the EIR for the ECR/D Specific Plan analyzed the impact of the proposed project (i.e., ECR/D Specific Plan) on population and housing. In the EIR, the following impacts were analyzed:

- *Impact POP-2:* The project would not induce substantial population growth, either directly by proposing new housing, or indirectly through infrastructure improvements and job growth.
- *Impact POP-3:* Implementation of the Menlo Park El Camino Real/Downtown Specific Plan, in combination with other past, present, and reasonably foreseeable future plans and projects would not result in cumulatively considerable impacts to population and housing.

The EIR determined there was a less than significant impact for both POP-2 and POP-3.

Conclusion: Adoption of the Ballot Measure would likely not result in any additional CEQA impacts to housing within the ECR/D Specific Plan boundary.

3.4 Housing Impacts: Voter Controls

The Ballot Measure does not require voter approval of an ECR Specific Plan Amendment to increase the number of housing units above the 680 units.

Conclusion: Adoption of the Ballot Measure's "voter control" language would not lead to inconsistencies with the ECR/D Specific Plan in regard to housing development beyond the ECR/D Specific Plan residential cap.

3.5 Consistency with the Housing Element

The Ballot Measure does not reduce potential housing development and maintains ECR/D Specific Plan zoning densities, which meet and/or exceed the State Department

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of Housing and Community Development requirements for affordable housing
(minimum 30 du/ac).

Conclusion: Adoption of the Ballot Measure language would not cause inconsistency with the City's Housing Element or General Plan Land Use policies.

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4.1 Purpose of the Impacts to Private Development and Businesses Analysis

Generally, the proposed Ballot Measure would amend the ECR/D Specific Plan to change open space regulations, introduce restrictions on office space development, and require voter approval to change a series of ECR/D Specific Plan components. Please see Chapter 1 for a more detailed explanation of the issues and implications of the three proposed changes.

This Chapter addresses the Ballot Measure's impact on the viability of private development of vacant and underutilized land within the ECR/D Specific Plan area, and the City's ability to attract and retain businesses.

The Chapter is organized as follows:

- Private Development Impacts: Change in Open Space Regulations
- Private Development Impacts: Cap on Ballot Measure-defined Office Space Development
- Private Development Impacts: Voter Controls

4.2 Private Development Impacts: Changes in Open Space Regulations

The Ballot Measure language related to open space impacts two key areas, presented in detail below, in the context of vacant and underutilized land and employment: maximum development build-out and development financial feasibility.

4.2.1 Achieving Maximum Build-out

As identified in Chapter 1, the Ballot Measure would mandate the required minimum open space be located at or within four feet of ground level. This Section discusses whether or not the Ballot Measure's change in open space regulations would limit the ability of a site in the ECR/D Specific Plan area to produce the maximum non-residential build-out allowed under the current ECR/D Specific Plan. The analysis presents two build-out scenarios, one in the low intensity ECR-NE-L zone and one in the high intensity SA-W zone areas in the ECR/D Specific Plan. These two zones were selected in order to present possible bookend development scenarios (low and high). It is not possible to present and analyze all possible development scenarios; this analysis is intended to

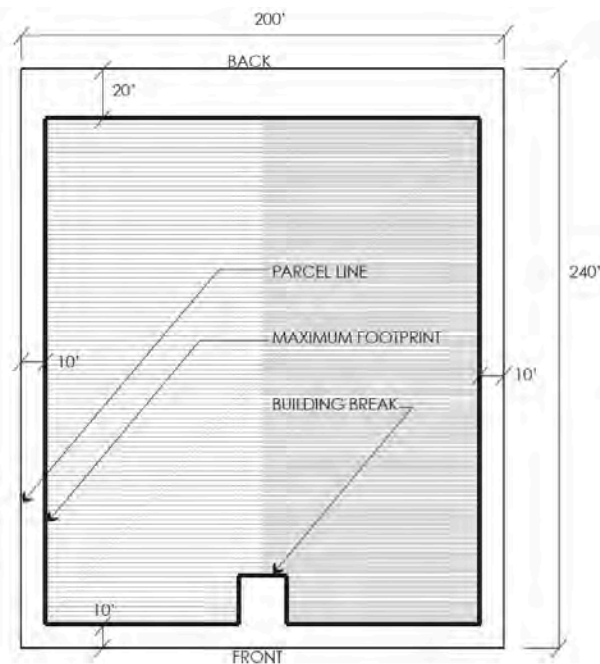
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illustrate a scenario where maximum build-out is feasible while still meeting Ballot Measure open space requirements, and from which one may infer the parameters affecting other potential developments.

As with the mixed-use residential scenarios discussed in Chapter 3, the following analysis shows that maximum non-residential build-out is not likely hindered by the Ballot Measure's change in open space requirements. Similarly, the proposed revisions could produce ground-level open space that could¹ constitute a pedestrian amenity, though the type of open space typically provided for non-residential projects could differ from that of other mixed-use residential projects and vary significantly according to individual designs. Still, ground level open space would compete with other ground-level uses, namely parking, which could increase overall project hard costs.

The two scenarios assume the same prototype, 200-foot by 240-foot (48,000 square feet) site presented in Chapter 3. Minimum setbacks and the maximum building envelope for the ECR-NE-L zone are shown and described in Figure 4-1 and Table 4-1 below. There are no ground level setback requirements in the SA-W zone, as discussed further below.

Figure 4-1 Sample ECR-NE-L Site: Maximum Building Envelope Analysis



¹ As design standards largely do not address design of the required open space, it is not possible to assume open space will be designed in such a way as to constitute a pedestrian amenity.

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ECR-NE-L Low Density Office Zoning District

Table 4-1 Sample ECR-NE-L Site: Maximum Building Envelope Analysis

		Unit/ Description	ECR SP Development Standard	Amount (Square Feet)
1.	Parcel Size	Square Feet	200' X 240'	48,000
2.	Max Development (Line 1 x .75) ²	Floor Area Ratio	0.75	36,000
3.	Setback Area Based on Minimum Requirements (See setback on Fig. 4-1) ³	Square Feet		10,200 ⁴
4.	Max Allowed Building Footprint (Line 1 - Line 3)	Square Feet		37,800
5.	Ground Floor Square Feet	Square Feet		13,600
6.	Second Floor Square Feet	Square Feet		13,600
7.	Third Floor Square Feet (Maximum 3 stories allowed)	SF less 45° Setback @ Front and Rear		8,800
8.	Open Space Required (Line 1 x 30%)	% of Parcel Size	30%	14,400
Parking				
9.	Min. Off Street Non-Residential Parking Required (Assumed Retail and Personal Service) (Line 2 ÷ 1000 x 4)	Per 1,000 SF Gross Floor Area	4.0	144 (spaces)
10.	Total Parking Square Footage Required (144 spaces x 250 sf)	Per space	250	36,000
11.	Total Square Feet at Ground Level – Building, Open Space, and Parking (Line 5 + Line 8 + Line 10)	Square Feet		64,000 ⁵

² No additional public benefit FAR allowance was assumed in order to present the lowest possible intensity.

³ Setback requirements vary per zoning district.

⁴ Accommodates a building break of approximately 400 sq. ft.

⁵ Line 11 (Total Square Feet = 64,000 sq. ft.) is larger than Line 4 (Max. Development = 36,000 sq. ft.) Line 11 may exceed Line 4 because FAR excludes covered parking as defined in 16.04.325 of the Menlo Park Zoning Ordinance. Also, Line 11 highlights the fact that ground floor open space competes with parking in such a way that increased use of structured or underground parking may be required. In other words, if the open space requirement and building footprint are subtracted from the lot size, some but not all parking will fit on site at ground level: Lot Size (48,000 sq. ft.) – Open Space (14,400 sq. ft.) – Building Footprint (13,600 sq. ft.) = 20,000 sq. ft. (not enough space to accommodate 36,000 sq. ft. of parking). As discussed further in Section 4.2.2 of this Chapter, an increase in structured or underground parking would increase hard costs which in turn has implications on project feasibility.

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The amount of open space required is 14,400 square feet, and can fit at the ground level adjacent to an assumed 13,600 square foot building footprint. As there would only be 20,000 square feet of parcel remaining ($48,000 - 13,600 - 14,400$), a portion of the 36,000 square feet of parking required in this example would need to be accommodated via underground/structured parking or other shared parking agreement with the City.

A two story non-residential development that reaches the full build-out potential is also feasible. Assuming each story would be half of the total allowed 36,000 square feet, an 18,000 square foot building footprint plus 14,400 square feet of open space at ground level is also possible in this scenario. Still, less space would be available for parking, additional underground parking would likely be necessary. This would impact the feasibility of a given project.

A one story development that allows maximum build-out is not feasible with ground floor open space, as the building footprint and open space would exceed the parcel size.

SA-W High Density Office Zoning District

In the context of the bookend impact analysis approach (providing the high- and low-end impacts to inform how all other innumerable scenarios may come forward⁶) the SA-W zoning category presents the highest development intensity designation allowed in the ECR/D Specific Plan. As no open space is required for non-residential uses in the SA-W zone, the Ballot Measure would not impact enabling a non-residential project to maximize allowable FAR on a given SA-W site.

Conclusion: While the maximum allowed non-residential development could be achieved, the Ballot Measure's open space regulations increase competition among ground floor uses such as open space and parking, and increase the need for structured parking. Increases in structured parking would increase project hard costs, which in turn could impact project financial feasibility as discussed in Section 4.2.2 of this Chapter. The Ballot Measure's open space regulations also lessen the ability of a project to maximize the allowed build-out in a reduced-story structure (e.g.: constructing the maximum FAR a site will permit in one or two stories when three stories are allowed).

⁶ Refer to Chapter 1 "Introduction" for added detail on the bookend impact analysis approach.

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4.2.2 Financial Feasibility of Development

This Section addresses how development feasibility may be affected by Ballot Measure language related to open space. Developers often use a feasibility analysis in determining whether or not to go forward (the “go decision”) with a given development. A summary of components used in feasibility analysis is outlined to provide better understanding of the “go decision”.

A development feasibility analysis produces a return measure, and can be broken into several general categories: acquisition costs, hard costs, soft costs, financing and other costs, and revenue. Acquisition costs generally include land costs. Hard costs generally include construction costs. Soft costs generally include design, environmental review, permitting, and other costs related to project entitlements. Financing and other costs incorporate cost of capital (debt and equity and associated interest, fees, etc.) to fund the project (through pre-development, construction, and beyond, if applicable) in addition to legal, sales, and project marketing costs among others. Revenue, in the simplest terms, takes the form of rent, sales values, and ancillary income such as parking, storage, signage, etc. Total revenues offset total costs to produce a project return.

A sample feasibility analysis is shown in Table 4-2 on following page for illustrative purposes only. The figures shown are not related to any specific site, project, or market condition and are provided only to illustrate the relationship among analysis components. The sample feasibility analysis is simplistic in that it does not account for multiple capital sources⁷ or time value of money⁸, and though the minimum return required to go forward with a project varies⁹, the returns shown in Table 4-2 are held constant to demonstrate relationship among other feasibility analysis components.

⁷ Capital sources include debt and equity. Debt could take the form of a short- or long-term loan. Equity could take the form of out-of-pocket cash from the developer. Other sources and types of debt and equity exist.

⁸ Time value of money is the basic concept that value of a dollar today is different than value of a dollar in the future. The concept is important in context of a development feasibility analysis because development project costs and revenues are spread across time.

⁹ A required return reflects risk of the project and developer goals, among other variables.

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Table 4-2 Illustrative Feasibility Analysis

		Base Case	Alternative 1	Alternative 2
1	Project Revenues	\$10,200,000	\$10,780,000	\$10,200,000
2	Less: Acquisition Costs	\$2,200,000	\$2,200,000	\$1,700,000
3	Less: Hard Costs	\$4,700,000	\$5,200,000	\$5,200,000
4	Less: Soft Costs	\$800,000	\$800,000	\$800,000
5	Less: Financing and Other Costs	\$1,100,000	\$1,100,000	\$1,100,000
6	Total Costs	\$9,300,000	\$9,300,000	\$8,800,000
7	Potential Net Profit (Project Revenues - Total Costs)	\$1,480,000	\$1,480,000	\$1,480,000
8	Return on Total Costs (Potential Net Profit ÷ Total Costs)	15.9%	15.9%	15.9%

By requiring open space to occur within four (4) feet of ground level, the Ballot Measure creates a competition between open space and other ground floor uses such as parking and structures (see Section 4.2.1 above for a discussion of potential build out). For example, reducing the ground floor space available for parking could require added use of underground or structured parking to enable a development to comply with ECR/D Specific Plan parking standards. At grade parking costs less to build than structured or underground parking. Therefore, increasing the amount of non-at-grade parking increases the cost of construction, or hard cost, of a project. If a given project return is to be maintained, project revenues (rent, sales prices, and ancillary income) would need to increase (see "Alternative 1" Table 4-2) or project costs would need to decrease (see "Alternative 2" Table 4-2).¹⁰ Soft costs and financing (and other) costs generally increase or remain constant (until the development caps are met and the voter controls kick in); therefore, the most likely cost category to decrease would be acquisition (land) costs in Alternative 2.

The market may not bear the higher rents or sales prices (or increases in parking or other ancillary fees) the project would need to command to maintain feasibility, and, as a result, businesses would locate elsewhere. Another potential outcome is that land

¹⁰ Assume a minimum given return is maintained so as to incentivize a developer to go forward with the development.

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owners may decide against selling property to the developer at the lower land price point supported by the project.

Conclusion: By requiring open space to occur within four (4) feet of ground level, the Ballot Measure creates a competition between open space and other ground floor uses, such as parking, and puts pressure on the project pro forma (by increasing costs associated with structured parking) to maintain financial feasibility and a required project return measure.

4.2.3 Housing Affordability & BMR Production

Section 4.2.2 above discusses project level increases in hard costs that would result from an increased use of structured parking that would likely result from the Ballot Measure open space requirements. The Section also relays that project revenues would need to increase if project costs cannot be reduced/controlled to maintain a minimum return that would incentivize a developer to move forward. In the context of a housing project, the required project revenue increase (referred to in section 4.2.2 above) would produce higher home rents or sale prices. If the market proves it would bear the increase in home pricing, overall home affordability in the ECR/D Specific Plan would be reduced.

In terms of Below Market Rate residential unit (“BMR”) production, it is helpful to consider two ways in which BMR’s are produced: (1) incorporated into a larger market rate housing project in accordance with requirements of Chapter 16.96 “Below Market Rate Housing Program” of the City’s Zoning Ordinance, and (2) through stand-alone affordable housing projects. As discussed in Chapter 3 “Housing Impacts,” overall housing production in the ECR/D Specific Plan area is likely not hindered by the Ballot Measure. Therefore the number of BMR units produced as part of larger market rate projects would not be affected by the Ballot Measure. (However, in zones that do not require open space for nonresidential uses (e.g. SA-W) developers may choose to forgo a residential component because of the difficulty of accommodating residential open space at/near ground level.)

The Ballot Measure open space requirements could however make development of BMR’s in stand-alone affordable housing projects more difficult to execute. As discussed in the sections above, the Ballot Measure would likely increase project hard costs by increasing the amount of structured parking that would be required. Affordable housing projects are typically funded through a combination of traditional and specialized funding (such as grants and tax credit equity). The increase in project hard costs resulting from an increased use of structured parking would increase the “gap” that

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specialized funding would need to fill to maintain a financially feasible project. Specialized funding is often distributed through competition and can be difficult to attain. While increased project hard costs attributed to more structured parking may not render an affordable housing project infeasible, they would exacerbate the challenge of piecing together specialized funding to execute the project.

Conclusion: The Ballot Measure open space requirements could decrease overall housing affordability and increase the difficulty of executing affordable housing projects (a key source of BMR production).

4.3 Private Development Impacts: Cap on Ballot Measure-defined Office Space Development

As outlined in the Introduction, the Ballot Measure would restrict the amount of office space that could be developed in the ECR/D Specific Plan area. This Section looks at the following potential outcomes that could result, if the measure is passed:

- Make-up of pending development could change
- Increased competition for entitlements
- Increased cost of doing business
- Greater complexity monitoring development caps

4.3.1 Make-up of Pending Development

The Ballot Measure's restrictions on office space may significantly alter the shape and state of pending development in the area. Passage of the Ballot Measure will likely (1) change the character of mixed-use development, and (2) render major pending projects unfeasible as currently proposed.

Change in Character of Mixed-use Development

According to the ECR/D Specific Plan, "[v]ibrancy is achieved by a rich mix of uses, including residential and public amenities, arranged in a compact manner, in close proximity to transit" (p. B11). Presently, unless the ECR/D Specific Plan is amended, the Plan limits net new development in its jurisdiction to 680 residential units and 474,000 square feet of non-residential uses (p. G16). The ECR/D Specific Plan explains that these development limits are not further delineated beyond residential and non-residential so as to allow "market forces to determine the final combination of development types over time" (p. G16).

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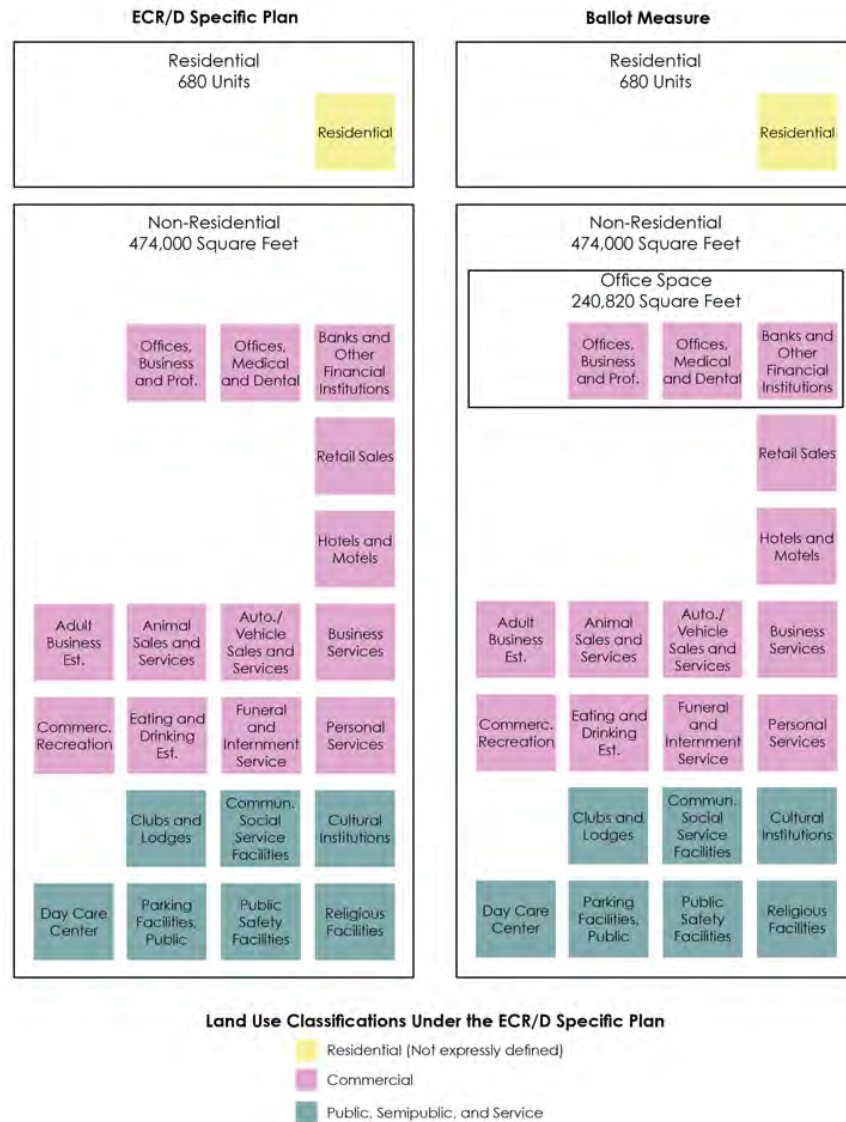
Unlike the ECR/D Specific Plan, which calls for market forces to determine the composition of uses (i.e., office, retail, hotel) within the 474,000 square feet of net new non-residential allotment, the Ballot Measure caps net new office space at 240,820 square feet total and 100,000 per individual development.

The degree to which the character would be different under the Ballot Measure turns on the Ballot Measure's definition of Office Space. As discussed in Chapter 1, the Ballot Measure's definition of Office Space is an aggregate of the "Office, Business and Professional;" "Offices, Medical and Dental;" and "Banks and Other Financial Institutions" as defined in the ECR/D Specific Plan. Accordingly, the other 10 commercial classifications defined in the ECR/D Specific Plan would not constitute Office Space under the Measure. Figure 4-2 on the following page shows the land use classifications in the Plan in comparison to the office uses that would be regulated under the Ballot Measure.

While the Ballot Measure impacts the flexibility of the Plan to react to market demands, it may not significantly alter the make-up of mixed-use development as the Plan provides for a wide range of uses. (Additionally, the ECR/D Specific Plan already places FAR and square footage limits on office development per project. See Section 1.2.2 of this Report for further discussion.)

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Figure 4-2 Net New Development Restrictions under the ECR/D Specific Plan and the Ballot Measure



Pending Projects

The Ballot Measure’s potential impact on the character of development can be illustrated by its application to existing proposed projects. Presently two pending development projects are within the ECR/D Specific Plan area— Stanford University’s at 500 El Camino Real and Greenheart Land Company’s at 1300 El Camino Real. As proposed, both projects would likely be rendered infeasible by passage of the Measure. (For more information on the background and history of these projects, see

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Appendix 2: Approved and Pending Development Projects Under the ECR/D Specific Plan.)

If approved in their current form, these two projects would consist of uses as shown in Table 4-3 below:

Table 4-3 Make-up of Pending Projects under the ECR/D Specific Plan

	Residential Units		Non-Residential SQFT		Office SQFT	
	Total	Net New	Total	Net New ^(a)	Total	Net New ^(b)
Stanford 500 El Camino Real	170	170	209,500	181,568	199,500	172,901
Greenheart 1300 El Camino Real	216	216	210,000	110,046	194,000	101,662
Total	386	316	419,500	291,614	393,500	274,562

(a) In a staff report for a November 19, 2013 City Council meeting, the square footage counted towards the ECR/D Specific Plan's 474,000 square foot cap on net new non-residential development was presented for the 500 El Camino Real Project and the 1300 El Camino Real Project, respectively.

(b) The City did not distinguish uses in the accounting of net new non-residential square feet for the projects. As proposed, office space constitutes more than 90% of net new non-residential for both projects (95.23% for 500 El Camino Real and 92.38% for 1300 El Camino Real). Given this proportion of office space in each project, an estimate for net new office space was calculated by multiplying the percentage of total office in total non-residential by the net new non-residential. Other methods of calculating net new square footage may be used. For example, the City has recently used trip generation as the basis for establishing net new square footage for a project (555 Glenwood) in the ECR/SP area. The calculation method of net new square feet in and of itself provides uncertainty to a project developer in the ECR/D Specific Plan area.

Sources:

City of Menlo Park Community Development Department (n.d.). 500 El Camino Real Project. Retrieved June 5, 2014, from <http://www.menlopark.org/172/500-El-Camino-Real-Project>

City of Menlo Park Community Development Department (n.d.). Project description: 1300 El Camino Real. Retrieved from <http://www.menlopark.org/DocumentCenter/Home/View/3553>

City of Menlo Park Community Development Department (2013). Review of the El Camino Real/Downtown Specific Plan, including potential direction for changes, (Staff Report #13-176, Council Meeting November 19, 2013). Retrieved from <http://www.menlopark.org/AgendaCenter/ViewFile/Agenda/11192013-1489>

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Both projects exceed the Ballot Measure's cap of 100,000 square feet of office space per project. Together, and depending on net new square feet calculation methods, the two projects' estimated combined 274,562 square feet of net new Office Space would also exceed the Ballot Measure's cap of 240,820 net new square feet.

4.3.2 Competition for Entitlements

As mentioned in Chapter 1 and discussed further in Appendix 1, demand for different sectors of the real estate market (i.e. office, retail, hotel) do not move in concert. Accordingly, as discussed in this Chapter, the ECR/D Specific Plan does not delineate among uses in its cap of net new non-residential square feet, instead allowing for the market to determine the combination of uses over time. Given the cyclical nature of real estate markets,, the demand for net new office space could exceed the 240,820 square foot cap under the Ballot Measure.

This dynamic could create a rush of applications for Office Space project entitlements, where developers compete for space under the cap by offering the City more public benefits attached to their projects. Projects with the most public amenities would presumably be selected for entitlement under the office cap while those projects with fewer amenities would be pushed out. While the Ballot Measure may cost the City certain public benefits, such as the Stanford's pedestrian and bicycle linkage, the increased competition driven by a cap placed below market demand could strengthen the City's power to negotiate with developers and generate greater public benefits.

However, the City currently does not have a mechanism in place to capture potential benefits from increased competition for entitlements.

Conclusion: If the Ballot Measure passes and the market for office space exceeds the Measure's 240,820 square foot cap of net new office development, the resulting increased competition for entitlements could strengthen the City's power to negotiate with developers and generate greater public benefits, should the City adopt a mechanism to capture the benefits.

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4.3.3 Cost of Doing Business

Passage of the Ballot Measure could bring increased costs of doing business in Menlo Park, in particular for businesses leasing office space in the ECR/D Specific Plan area. As discussed above, the demand for net new office space may exceed the cap set in the Measure. If this situation, in which demand for office space outpaces supply of office space, were to occur, the value of office space would likely increase, allowing owners of existing and newly constructed office space to charge more for rent. Such increased costs of doing business could in turn create headwinds for Menlo Park's economic development efforts in the Plan area.

Conclusion: If the Ballot Measure passes and demand for office space outpaces supply of office space, the value of office space would likely increase, allowing owners of existing and newly constructed office space to charge more for rent.

4.3.4 Monitoring Development Caps

The Ballot Measure will likely complicate the City's enforcement of development standards under the ECR/D Specific Plan. Along with the per-project and total net-new office space caps, Section 3.3.6 of the Measure states that, for purposes of per-project net new office space cap, "all phases of a multi-phased project proposal shall be collectively considered an individual project." These provisions likely carry with them a number of unintended consequences, including (1) expending greater City resources, (2) diminishing clarity in enforcement policies, and (3) exposing the City to escalated disputes and litigation.

Expenditure of City Resources

Given that the Ballot Measure adds a new cap on net new office development, the City will be required to expend additional resources for each development proposal that involves office space. With each application, the City would have to conduct an accounting of net-new office space, and as discussed further below, may have to regularly monitor use of built and occupied space post-project approval.

Diminished Clarity in Enforcement Policy

The Ballot Measure's office space restrictions will likely present two enforcement challenges for the City—(1) the net new office space cap may create timeframe inconsistencies, and (2) the Ballot Measure's definition of office space is difficult to operationalize for purposes of the per project office space cap.

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Timeframe Inconsistencies

Because the ECR/D Specific Plan was adopted in July 2012 and the Measure would take effect when passed by the voters, the City could be saddled with enforcing two interdependent development caps—the cap on net-new non-residential and the cap on net-new office space—based on two different time frames.

The Ballot Measure does provide some clarification on this matter. First, Section 3.4.2 of the Measure states that the net new office space restriction will be effective retroactively dating back to July 12, 2012 when the ECR/D Specific Plan became effective. Second, Section 8.1 of the Measure explains that development projects that obtained vested rights after adoption of the ECR/D Specific Plan, but prior to the passage of the Measure, will not be subject to the Ballot Measure’s provisions conflicting with those vested rights. However, Ballot Measure Section 8.1 also states that the net new square footage from such projects will still be counted toward the Measure’s cap of 248,820 square feet of net new office space for consideration of future projects.

Operationalizing the Definition of Office Space

As discussed in Chapter 1, the Ballot Measure creates its own definition of office space, without directly amending the text of the ECR/D Specific Plan. As expressed in Sections 3.3.1 through 3.3.4, the Measure’s definition of office space is comprised of three commercial use classifications found in the ECR/D Specific Plan’s appendix:

- Offices, Business and Professional
- Offices, Medical and Dental
- Banks and Other Financial Institutions

However, as illustrated earlier in this Chapter, the ECR/D Specific Plan also classifies a number of other commercial uses that, while similar to office uses above, would not constitute office space under the Ballot Measure. Among these uses are:

- Business Services: “Establishments that primarily provide goods and services to other businesses on a fee or contract basis, including printing and copying, blueprint services, advertising and mailing, office equipment rental and leasing, office security, photo finishing, and model building” (ECR/D Specific Plan, p. H4).
- Personal Improvement Services: “Provision of instructional services or related facilities, including photography, fine arts, crafts, dance, or music studios; driving

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schools; and diet centers, reducing salons, spas, and single-purpose fitness studios, such as yoga studios or aerobics studios. This classification is intended for more small-scale storefront locations and is distinguishable from small-scale commercial recreation uses that tend to occupy larger sites and generate more noise” (ECR/D Specific Plan, p. H5).

This presents two problems particular to enforcement of allowable land use within the ECR/D Specific Plan land use designations—(1) identifying Office Space uses under the Ballot Measure, and (2) obtaining the requisite information to make such determinations from development project proposals.

As to the first problem, consider as an example the relatively similar office space uses of a graphic design firm and an advertising firm. Based on the similarity of work product, a firm might be able to claim its use as graphic design or advertising. Graphic Design is expressly “Office, Business and Professional” under the ECR/D Specific Plan definition and is therefore counted as Office Space according to the Ballot Measure. An advertising firm is expressly “Business Services” under the ECR/D Specific Plan definition, which is a category not counted as Office Space under the Ballot Measure. A graphic design firm may conduct business in a space similar to an advertising firm (i.e., similar uses of desks, cubicles, conference rooms, etc.), but the graphic design would count towards the Ballot Measure’s office space restrictions and the advertising firm would not.

As to the second problem, developers do not always know precise uses when submitting project proposals (e.g., professional office versus business support services). Unless the developer has pre-leased/sold 100% of the available space prior to project submittal, the proposal cannot fully define the exact nature of business conducted throughout the project. It will be increasingly difficult for the City to enforce the 100,000 square foot cap on office space per project proposal allowing for market variability. Using the first example: Once a City approves a proposal as meeting the per project office space cap, it will by necessity be required to regularly monitor the built-space to ensure that space set to be occupied by an advertising firm is not instead leased by a graphic design firm in excess of the office cap.

Exposure to Disputes and Litigation

The uncertainty arising from the application of the Ballot Measure’s Office Space definition along with the phased development enforcement provision may also invite increased disputes and litigation in two ways:

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First, prospective developers whose proposals are charged with exceeding the cap may challenge the City's definition and application of the terms "office," "phases," and "multi-phased project." A developer looking to avoid the Ballot Measure's office space restrictions may argue that their project falls under one of the many commercial classifications in the ECR/D Specific Plan not considered Office Space under the Measure.

Second, developers with projects advancing through the approval process that could be rendered infeasible by the Ballot Measure may seek declaration that their rights in the project vested before passage of the Ballot Measure. This may further complicate the City's tracking of the development caps.

Conclusion: The office space restrictions will likely carry with them a number of unintended consequences, including limiting transparency in the development process, expending greater City resources, diminishing clarity in enforcement policies, and exposing the City to escalated disputes and litigation.

4.4 Private Development Impacts: Voter Controls¹¹

As outlined in Chapter 1, the Ballot Measure would require that a series of items in the ECR/D Specific plan be changed only by voter approval. This mechanism for decision-making is commonly referred to as "Ballot Box Planning" or "Ballot Box Zoning"—"subjecting land use decisions to a popular vote, usually at the local level" (Staley, 2001, p. 26). As described below, ballot box planning can add levels of uncertainty in the development process that can discourage investment, increase development costs, and create perceptions that Menlo Park is unfriendly to business. The Ballot Measure language related to voter approval requirements will most likely discourage developer investment beyond the non-residential cap thresholds and ultimately stifle economic growth in the ECR/D Specific Plan area.

¹¹ Sources for this section include:

Badger, E. (2014, June 4). Wonkblog: Voters in one of America's most expensive cities just came up with another way to block new housing. *Washington Post*. Retrieved from <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/06/04/voters-in-one-of-americas-most-expensive-cities-just-came-up-with-another-way-to-block-new-housing/>

Fulton, W., Nguyen, M., Williamson, C., Shigley, P., Kancler, E., Diethofer, J., & Sourial, J. (2002). *Ballot box planning and growth management*. Ventura, CA: Solimar Research Group.

Staley, S. (2001). Ballot-box zoning transaction costs, and urban growth. *American Planning Association. Journal of the American Planning Association*, 67(1), 25-37

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4.4.1 Uncertainty in the Entitlement Process

There is inherent risk and uncertainty in the land development process. Regulations define the expectations and obligations of the involved parties (i.e., developers and the municipality) and thereby reduce the level of uncertainty. A well-defined regulatory process can facilitate development while mitigating unintended consequences of the market. However, if the regulatory process imposes additional obstacles and costs without improving the quality, the impacts can be negative (Staley, 2001).

The ECR/D Specific Plan sets caps on net, new residential and non-residential development. The caps can be exceeded following a formalized regulatory process. The ECR/D Specific Plan states:

“Any development proposal that would result in either more residences or more commercial development than permitted by the [ECR/D] Specific Plan would be required to apply for an amendment to the [ECR/D] Specific Plan and complete the necessary environmental review” (p. G16).

Under the Specific Plan, a developer will incur additional time and costs to amend the ECR/D Specific Plan and perform the corresponding environmental review (i.e., CEQA). While the amendment alone may increase the financial risk to development (e.g., reduce the return on investment), it does not necessarily introduce uncertainty in the approval process.

The Ballot Measure increases entitlement uncertainty by requiring voter approval to amend the ECR/D Specific Plan and, as outlined in Chapter 1 “Introduction”, to approve any project that deviates from the many voter-adopted components of the ECR/D Specific Plan. The Ballot Measure essentially proposes an open-ended political process of voter approval that increases investment risk and could reduce the overall feasibility and attractiveness of development projects in the ECR/D Specific Plan area.

Conclusion: Should the Ballot Measure pass, its voter control provisions would increase uncertainty in the entitlement process for developers.

4.4.2 Cost to Developers

The Ballot Measure’s “voter approval process” will increase costs for developers and reduce incentives to build non-residential projects in the ECR/D Specific Plan area beyond the caps currently stated or to build projects that require deviation from the voter-adopted components of the ECR/D Specific Plan. Developers will have to invest more money in the form of ballot campaigns to promote their projects and gain public

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support (Badger, 2014). These increased costs will come in the form of marketing, advertising, and public outreach events. Even with ballot campaigns, there is no guarantee of approval of the project by the public.

In strong markets, developers may be willing to subject their projects to lengthy (i.e., costly) reviews by a planning board because higher market demand may allow them to recover costs through higher prices (Staley, 2001). However, the Ballot Measure's "voter approval" requirement will add development costs that go beyond conventional planning review and may reduce the willingness of developers to risk capital investment. This will particularly impact small landowners or developers who may be put at a disadvantage because of the cost of elections (Fulton, et al, 2002).

Conclusion: The Ballot Measure's voter controls would add costs to development beyond the conventional planning process. Developers looking to develop beyond the cap would have to finance a voter-outreach effort to amend the ECR/D Specific Plan.

4.4.3 Business-friendliness

Voter approval requirements for increases in development or for individual projects can hinder the ability of the ECR/D Specific Plan to:

"Increase downtown activity, foot traffic and transit use through enhanced public spaces, mixed-use infill projects (including residential uses) and higher intensities of development near the commuter rail station" (ECR/D Specific Plan, pg. A2).

If Menlo Park voters restrict development inside the ECR/D Specific Plan boundary, they will reduce the attractiveness of Menlo Park to new businesses or existing firms looking to expand, that rely on a mix of uses to support their development (e.g., small retail relies on local offices to support daytime demand). As a result, Menlo Park's ECR/D Specific Plan area may appear less amenable to development than other areas in the city or surrounding jurisdictions. New growth may leapfrog over the ECR/D Specific Plan boundary to different parts of Menlo Park or to another jurisdiction altogether (Fulton, et al, 2002).

To provide a context for Menlo Park's competitive climate, a brief summary of nearby-jurisdiction land regulation approaches is here presented. Cities adjacent to Menlo Park with downtown comprehensive plans do not have maximum allowable development limits or do not require voter approval of comprehensive plan amendments if the maximum limit is attained. For example:

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- The City of Mountain View’s Downtown Precise Plan (2004) does not set maximum allowable development limits (i.e., maximum total square footage of development by land use).
- Redwood City’s Downtown Precise Plan (2011) sets a Maximum Allowable Development (MAD) limit. Similar to Menlo Park, when the MAD is reached in any category (expressed either in housing units or square footage) “no further development in that category may be permitted without an amendment to the MAD provisions of the Precise Plan by the City Council” (pg. 29)
- The City of San Mateo’s Downtown Area Plan (2009) does not set maximum allowable development limits (i.e., maximum total square footage of development by land use)..

The lack of voter approval could make areas outside of the Menlo Park ECR/D Specific Plan more attractive to development. For Menlo Park, the result may be a dampening or complete stoppage of future non-residential development in the ECR/D Specific Plan area as developers invest elsewhere.

Conclusion: If the voter controls of the Ballot Measure are adopted, Menlo Park may be considered less attractive to developers than neighboring cities without such requirements.

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5.1 Purpose of the Fiscal Impact Analysis

Generally, the proposed Ballot Measure would amend the ECR/D Specific Plan to change open space regulations, introduce restrictions on office space development, and require voter approval to change a series of ECR/D Specific Plan components (“voter control”). This Chapter addresses the fiscal impacts resulting from approval of the Ballot Measure and the amendment of language within the ECR/D Specific Plan. The purpose of the analysis is to illustrate possible gains or losses to Menlo Park’s General Fund and Special Districts’ revenues and expenditures, as a direct result of the proposed Ballot Measure.

As discussed in Chapter 1, the ECR/D Specific Plan project description studied in the EIR was used to create a baseline for this Report’s build-out model. The purpose of the build-out model is to illustrate the missed outcomes, positive or negative, should the Ballot Measure pass. See Section 1.3.2 in Chapter 1 for a detailed explanation of the build-out model. For this Chapter’s fiscal impact analysis, the following use combinations were developed as Scenarios to illustrate high and low “Bookends” for comparison to the Baseline:

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Table 5-1 Baseline and Bookends for Fiscal Impact Build-Out Model

	Residential		Non-Residential				
	Residential	Cap Room Remaining	Office	Retail	Hotel		Cap Room Remaining
	Units	Units	Square Feet	Square Feet	Rooms	Square Feet	Square Feet
Baseline (Derived from the EIR)	680	0	240,821	91,800	380	N/A	N/A
Scenario 1 (High Bookend for Infrastructure)	680	0	240,821	233,179	0	0	0
Scenario 2 (High Bookend for Fiscal)	680	0	240,821		442 ^(a)	233,179	0
Scenario 3 (Low Bookend)	680	0	474,000	0	0	0	0
(a) Using hotel square footage figures from the Strategic Economics for the ECR/D Draft Specific Plan Fiscal Impact Analysis dated August 31, 2011 ("SE FIA 2011") (528 square feet per room with shared space), 233,179 square feet of hotel use amounts to 442 hotel rooms. See Footnote 13 in Chapter 1 for discussion.							

A fiscal impact analysis was also conducted using a second set of land use combinations—Scenarios 4, 5, and 6—also described in Chapter 1. The results for the second set of analyses can be found in Appendix 3.

For the fiscal impact analyses, these were used in the build-out models to illustrate:

- The direct fiscal impacts to the General Fund and Special Districts from adoption of the Ballot Measure, and
- The financial opportunity costs of amending (e.g., applying development constraints) to the ECR/D Specific Plan.

5.2 Fiscal Impacts: General Fund Revenue and Expenses

This FIA General Fund analysis follows the methodology and assumptions developed by Strategic Economics for the ECR/D Draft Specific Plan Fiscal Impact Analysis dated

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August 31, 2011 (“SE FIA 2011”). Appendix 3 contains three additional case studies illustrating possible scenarios under current development conditions.

5.2.1 Methodology and Assumptions

The SE FIA 2011 for the Draft ECR/D Specific Plan estimated the annual Menlo Park General Fund expenses and revenues that could be generated by build-out of the plan’s selected development program over time (“Baseline”). The SE FIA 2011 was a dynamic fiscal impact analysis (i.e., reported annual gains and losses) that considered the annual fiscal impact throughout the period in which new development is expected to occur, with assumed build-out of the ECR/D Specific Plan occurring by 2030.

Following the methodology outlined in the SE FIA 2011 report, a fiscal impact model was developed with the intent of first replicating the SE FIA 2011 results, then applying new values corresponding with the Scenarios described in Chapter 1. This FIA model followed the SE FIA 2011 dynamic model where possible and a static model where necessary. Where information was not available, assumptions were applied following standard fiscal impact analytical approaches. Outputs and methodologies inconsistent with the SE FIA 2011 have been noted in Section A3-5 in the Appendix 3.

Note: This assessment is not intended as a peer review of the SE FIA 2011. The intent is to evaluate the impact of the proposed Ballot Measure.

5.2.2 Fiscal Impacts: Change in Open Space Regulations

Changes to the definition of Open Space resulting from adoption of the Ballot Measure should not have a measurable fiscal impact on the City’s General Fund revenues.

5.2.3 Fiscal Impacts: Cap on Ballot Measure-defined Office Space Development

The following Sections describe the results of the analysis for the Bookends in contrast to the Baseline. As previously stated, the Bookends were developed following the methodology and assumptions provided within the SE FIA 2011. Please see the SE FIA 2011 for a detailed description of model constraints and assumptions.

Table 5-1 summarizes the net fiscal impact to the City General Fund on an annual basis for the Baseline (Derived from the EIR) and the Bookends. As shown below, the primary revenue generators for the City’s General Fund come from property tax (residential and non-residential properties), Sales Tax (from retail sales), Transient-occupancy tax (visitors staying in hotels), and per capita fees paid by residents and businesses (utility use, franchise fees, etc.) This analysis did not incorporate revenues generated by Development Impact Fees (e.g., Menlo Park’s Transportation Impact Fee), as they were

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not specifically assessed in the SE FIA 2011 document. The primary General Fund expenditures relate to per capita costs (municipal administrative costs, library operations, general community services, and community development personnel) and public works (public parking structures and parks). The three largest revenue generators for the General Fun are property tax, transient-occupancy tax, and per capita revenue.

Table 5-2 Fiscal Impacts to General Fund Revenues and Expenditures^(a)

	Baseline (Derived from the EIR)	Scenario 1 (High Bookend for Infrastructure)	Scenario 2 (High Bookend for Fiscal)	Scenario 3 (Low Bookend)
Property Tax ^(b)	\$741,000	\$754,000	\$696,000	\$775,000
Sales Tax ^(d)	\$133,000	\$332,000	\$-	\$-
Transient Occupancy Tax	\$2,337,000	\$-	\$2,721,000	\$-
Property Transfer Tax	\$47,000	\$47,000	\$42,000	\$47,000
Vehicle License Fee ^(d)	\$151,000	\$156,000	\$145,000	\$160,000
Per Capita Revenue	\$477,000	\$456,000	\$453,000	\$475,000
Total Revenues	\$3,886,000	\$1,746,000	\$4,057,000	\$1,458,000
Per Capita Operating Expenditures	\$(973,000)	\$(963,000)	\$(961,000)	\$(979,000)
Public Works Operating Expenditures ^(e)	\$(760,000)	\$(760,000)	\$(760,000)	\$(760,000)
Total Expenditures	\$(1,733,000)	\$(1,723,000)	\$(1,721,000)	\$(1,739,000)
Net Impact on General Fund	\$2,153,000	\$23,000	\$2,337,000	\$(282,000)

Source: SE FIA 2011; LWC 2014

- (a) Totals may not equal due to rounding.
- (b) Property Tax Revenues for all Scenarios assume full build-out of the 680 residential units.
- (c) Consistent with the SE FIA 2011, this analysis assumes a one percent sales tax. According to the State Board of Equalization ("SBOE"), the City receives sales tax revenues equal to 0.95 percent of local taxable expenditures that occur within the City limits.
- (d) Vehicle License Fees calculations are highly dependent on property values. Please see Section A3-5 in Appendix 3 for issues regarding property tax calculations.
- (e) Public Works expenditures were assumed to remain constant regardless of scenario. Please see SE FIA 2011 for further detail.

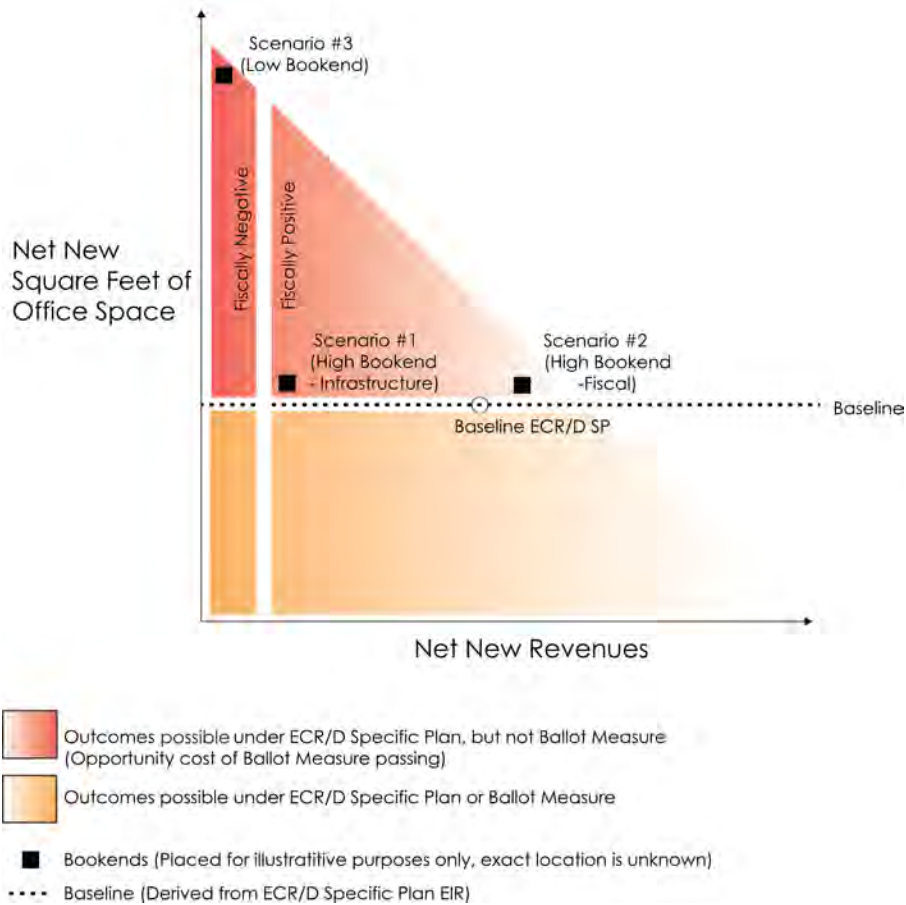
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5.2.4 Fiscal Impacts: General Fund Summary

Of the three scenarios presented in Table 5-1 (excluding the EIR Baseline) two may have potential for positive fiscal impacts to the City’s General Fund: Scenario 1 (the Office/Retail development mix) and Scenario 2 (the Office/Hotel Mix). One scenario has potential for negative fiscal impacts to the City’s General Fund: Scenario 3 (all Office development).

As shown in Figure 5-1, because office uses produce lower revenue generation rates to the City than other uses (i.e., hotel or retail), as office space increases, the revenue generation potential decreases compared to all other development use combinations. At a certain point, a developed build out scenario that includes large amounts of office could have a negative fiscal impact on the General Fund. As illustrated in Figure 5-1, the fiscal impacts are closely tied to the inclusion of TOT and Sales Tax revenue.

Figure 5-1 Net New Office Space Impacts on Revenue



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Conclusion: This analysis confirms the original SE FIA 2011 findings: The ECR/D Specific Plan is heavily dependent upon transient-occupancy tax; and to a lesser degree, retail sales tax. As a result, the ECR/D Specific Plan could result in a negative impact to the General Fund without the inclusion of a hotel and/or a large amount of retail development. The Ballot Measure's constraint on Office Space development could hedge the possibility of negative fiscal impacts to the General Fund by limiting the Office Development. The Ballot Measure should not lead to a negative fiscal impact on the ECR/D Specific Plan as long as there is market demand for a non-residential development mix that is revenue generating positive.

5.3 Fiscal Impact: Special Districts

The Special Districts fiscal impact analysis follows the methodology and assumptions developed by BAE Urban Economics for the ECR/D Specific Plan Special Districts Fiscal Impact Analysis dated August 16, 2011 ("BAE FIA 2011"). This Section evaluates the potential impact on revenues and expenses of Special Districts that provide services to residents and businesses within Menlo Park, resulting from passage of the Ballot Measure. Special Districts impacts illustrated in this analysis, consistent with the BAE definition, are local governmental entities independent of the City of Menlo Park, with their own sources of revenue (including a share of property taxes paid by Menlo Park property owners), and with responsibility for providing services pursuant to the legislation that authorized their creation.

5.3.1 Methodology and Assumptions

The BAE FIA 2011 for the Draft ECR/D Specific Plan estimated the annual Special District expenses and revenues that could be generated by build-out of the plan's selected development program over time ("Baseline Scenario"). The BAE FIA 2011 assumed build out of the ECR/D Specific Plan occurring by 2030. Consistent with the BAE FIA 2011, all dollar amounts are in 2011 dollars.

Following the methodology outlined in the BAE FIA 2011 report, a fiscal impact model was developed with the intent of first replicating the results, then applying new values corresponding with the Scenarios described in Chapter 1. While every attempt was made to follow the methodology as provided in the BAE FIA 2011, where information was not available, assumptions were applied following standard fiscal impact analytical approaches. Outputs inconsistent with the BAE FIA 2011 are noted in Section A3-5 in the full analysis located in Appendix 3.

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5.3.2 Fiscal Impacts: Change in Open Space Regulations

Changes to the definition of Open Space resulting from adoption of the Ballot Measure should not have a measurable fiscal impact on the City's Special Districts' revenues.

5.3.3 Fiscal Impacts: Cap on Ballot Measure-defined Office Space Development

The build out scenarios analyzed for the Special Districts fiscal impacts are the same as those described in Table 5-1.

The distribution of property taxes varies by Tax Rate Area ("TRA"). The TRA for Menlo Park is a combination of Special Districts as well as other assessments, bonded indebtedness, or obligations that are paid from surcharges in addition to the base one percent property tax. The ECR/D Specific Plan area falls within the City of Menlo Park's 08-001 TRA. The San Mateo County Auditor-Controller calculates the distribution of the one-percent base property tax revenue allocation, identifying the amount that each of the Special Districts receive after accounting distributions to education ("ERAF").

Applying the TRA distribution to the projected new assessed value gives the Bookends property tax revenues by Special District. Table 5-3 shows the projected property tax revenue distributions by City, County, and Special District for each scenario.

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Table 5-3 Projected Property Tax Revenues

Estimated Assessed Value	Baseline (Derived from the EIR)	Scenario 1 (High Bookend for Infrastructure)	Scenario 2 (High Bookend for Fiscal)	Scenario 3 (Low Bookend)
Net New Assessed Value	\$744,800,800	\$761,923,800	\$703,517,000	\$782,910,000
1% Basic Property Tax	\$7,448,000	\$7,619,200	\$7,035,200	\$7,829,100
Base 1.0% Tax (Post-ERAF Distribution)				
City of Menlo Park ^(a)	\$756,000	\$773,400	\$714,000	\$794,700
San Mateo County	\$1,079,200	\$1,104,000	\$1,019,400	\$1,134,400
Menlo Park City Elementary District	\$1,263,900	\$1,293,000	\$1,193,900	\$1,328,600
Sequoia High School	\$1,182,000	\$1,209,200	\$1,116,500	\$1,242,500
San Mateo Community College District	\$513,200	\$525,000	\$484,700	\$539,400
Menlo Park Fire District	\$1,059,900	\$1,084,200	\$1,001,100	\$1,114,100
San Fransquito Creek Flood Zone 2	\$14,900	\$15,200	\$14,000	\$15,700
Midpeninsula Regional Open Space District	\$139,300	\$142,500	\$131,600	\$146,400
Bay Area Air Quality Management District	\$15,600	\$16,000	\$14,800	\$16,400
County Harbor District	\$20,900	\$21,300	\$19,700	\$21,900
Mosquito Abatement	\$11,900	\$12,200	\$11,300	\$12,500
Sequoia Healthcare District	\$111,000	\$113,500	\$104,900	\$116,700
County Office of Education	\$267,400	\$273,500	\$252,600	\$281,100
Basic Property Tax Revenues	\$6,434,600	\$6,583,000	\$6,078,400	\$6,764,400
Supplemental Taxes				
Menlo Park & Recreation Board	\$1,300	\$1,300	\$1,200	\$1,300
Menlo Park City Elementary School Bonds	\$3,000	\$3,100	\$2,900	\$3,200
Sequoia High School Bonds	\$2,300	\$2,400	\$2,200	\$2,400
San Mateo Community College Bonds	\$1,400	\$1,400	\$1,300	\$1,500
Supplemental Property Tax Revenue	\$8,100	\$8,200	\$7,600	\$8,500
Source: BAE FIA 2011; LWC 2014				
(a) The BAE FIA 2011 used a distribution rate of 10.15% for Menlo Park. The SE FIA 2011 used a distribution rate of 9.9%.				

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Scenarios 1 and 2 are estimated to have total property tax revenues greater than those projected for the ECR/D Specific Plan. Scenario 3, lacking TOT or sales tax revenue, is estimated to have property tax revenues lower than those projected for the ECR/D Specific Plan.

The following sections provide a brief summary of the significant fiscal impacts to Special Districts previously analyzed in the BAE FIA 2011 report. For a more detailed analysis, please see the Appendix 3.

Menlo Park Fire Protection District

As noted in the BAE FIA 2011 report, the Menlo Park Fire District will review the service standard including cost estimates for future services. This work needs to be completed before it is possible to fully estimate the expenditures that would result from the ECR/D Specific Plan. This means that it is not possible at this time to estimate the net impact on the Fire District from the Ballot Measure beyond calculating a range of service revenues. However, based on the initial results, the fiscal impact of implementation of the Ballot Measure should not substantially impact Menlo Park Fire District as compared with the ECR/D Specific Plan scenario.

School Districts

School district enrollment, and corresponding expenditures, is driven by residential development. As the Ballot Measure language does not make changes to residential development, it is assumed that full residential build out would occur by 2030. Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for the school districts.

Water and Sanitary Districts

Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for the Water and Sanitary Districts.

San Mateo Community College District

School enrollment, and corresponding expenditures, is driven by residential development. As the Ballot Measure language does not make changes to residential development, it is assumed that full residential build out would occur by 2030. Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for SMCCCD.

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County Office of Education

School enrollment, and corresponding expenditures, is driven by residential development. As the Ballot Measure language does not make changes to residential development, it is assumed that full residential build out would occur by 2030. Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for the County Office of Education.

Midpeninsula Regional Open Space District

While the service population could increase or decrease based on different development scenarios, the Midpeninsula Open Space District anticipates similar revenue under all Bookends. As a result, approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan.

Sequoia Healthcare District

As the Ballot Measure language does not make changes to residential development; it is assumed that full residential build out would occur by 2030. Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for Sequoia Healthcare District.

5.3.4 Fiscal Impacts: Special Districts Summary

The scenarios do not deviate broadly from the Baseline Scenario (ECR/D Specific Plan). Two cases—Scenario 2 and Scenario 4 (shown in Appendix 3)—result in an increase to property tax and service charge revenues. Overall, none of the three illustrative scenarios show a substantial fiscal impact on Special Districts. This is especially true for school districts that account for expenditures based upon the number of residents, not employees. The Ballot Measure should have less than substantial fiscal impacts on the revenues and expenditures for Special Districts.

6.1 Purpose of Infrastructure Impact Analysis

Generally, the proposed Ballot Measure would amend the ECR/D Specific Plan to change open space regulations, introduce restrictions on Office Space development, and require voter approval to change a series of ECR/D Specific Plan components (“voter control”). Please see Chapter 1 for a more detailed explanation of the issues and implications of the three proposed changes.

This Chapter assesses the impact the Ballot Measure may have on physical infrastructure and the environment within the ECR/D Specific Plan area. Unlike Chapters 3 and 4, which are each organized by the Ballot Measure’s key amendments, this Chapter organizes the impact analysis by the following elements of infrastructure and the environment potentially affected by the Ballot Measure:

- Traffic
- Greenhouse gas emissions
- Water usage and systems
- Funding for future projects

The ECR/D Specific Plan’s final Environmental Impact Review (“EIR”) (certified June 5, 2012) serves as the basis for the Ballot Measure infrastructure impact analysis. As prescribed by the California Environmental Quality Act (“CEQA”), the EIR studied the ECR/D Specific Plan’s environmental impacts across a number of areas, identified measures to mitigate significant impacts, and considered reasonable alternatives (CEQA Guidelines Section 15121(a)). This Chapter reviews only a subset (listed above) of the EIR’s environmental analyses as many impact areas will be unaffected by the proposed Ballot Measure (e.g., cultural) or are covered elsewhere in this Impact Analysis (e.g., population and housing is in Chapter 3: “Housing Impacts”).

As discussed in Chapter 1, the ECR/D Specific Plan project description studied in the EIR was used to create a baseline for this Report’s build-out model.¹ The purpose of the build-out model is to illustrate the missed outcomes², positive or negative, should the Ballot Measure pass. See Section 1.3.2 in Chapter 1 for a detailed explanation of the

¹ See Section 1.3.2 and Footnotes 2-5 in Chapter 1 for a detailed explanation of the build-out model.

² The key missed outcome in terms of use and square footage is provision of office space above the 240,820 sq. ft. cap proposed by the Ballot Measure.

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build-out model. For this Chapter’s infrastructure impact analysis, the following use combinations were developed as Scenarios to illustrate high and low “Bookends” for comparison to the Baseline:

Table 6-1 Baseline and Bookends for Infrastructure Impact Build-Out Model

	Residential		Non-Residential				
	Residential	Cap Room Remaining	Office	Retail	Hotel		Cap Room Remaining
	Units	Units	Square Feet	Square Feet	Rooms	Square Feet	Square Feet
Baseline (Derived from the EIR)	680	0	240,821	91,800	380	N/A	N/A
Scenario 1 (High Bookend for Infrastructure)	680	0	240,821	233,179	0	0	0
Scenario 2 (High Bookend for Fiscal)	680	0	240,821		442 ^(a)	233,179	0
Scenario 3 (Low Bookend)	680	0	474,000	0	0	0	0
(a) Using hotel square footage figures from the Strategic Economics for the ECR/D Draft Specific Plan Fiscal Impact Analysis dated August 31, 2011 (“SE FIA 2011”) (528 square feet per room with shared space), 233,179 square feet of hotel use amounts to 442 hotel rooms. See Footnote 13 in Chapter 1 for discussion.							

An infrastructure impact analysis specific to traffic was also conducted using a second set of use combinations, Scenarios 4, 5 and 6, that represent approved net new hotel development, and that are described in Chapter 1. The results for the second set of analyses can be found in Appendix 4.

This Chapter employs some data, models, and standards presented in the EIR to assess the Ballot Measure’s impact on infrastructure development and funding. This Chapter is not intended to serve as a substitute for an Environmental Impact analysis consistent with requirements under the California Environmental Quality Act (“CEQA”).

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6.2 Traffic

Under the bookend use combinations, Scenarios 1, 2 and 3, in Table 6-1, there is a range of possible additional vehicle trips that could occur under the Ballot Measure.³ For this study, a trip is generated if it originated from or reached its destination within the ECR/D Specific Plan area. Given the Baseline build-out, the EIR calculated that the ECR/D Specific Plan would generate an additional 13,385 vehicle trips (p. 4.13-38). To derive this number, the EIR employed three key factors in modeling trip generation:

- **By Use:** Trip generation by use (residential, office, retail, and hotel) was calculated using rates and equations from *Institute of Transportation Engineer ("ITE") Trip Generation*.⁴
- **Mixed-Use Reduction:** A trip reduction factor of 10% associated with mixed-use development was used in the EIR calculations.⁵ This reduction is based on the concept of internal capture – that mixed-used development promotes biking, walking, and other non-vehicular travel within a development. For example, an office-worker can walk to nearby retail or to home in residential units above.
- **Transit Reductions:** Trip reductions that reflect use of public transit were factored into the calculations. Similar to the EIR, this Chapter accounts for this reduction by use: 5% for residential, 3% for office, 1% for retail, and 1% for hotel.⁶ This reduction is based on the assumption that people will at times use public transit in place of cars if public transit options are available.
- Using these factors, Table 6-2 shows the total trips estimated for baseline and bookend use combinations. Since this build-out occurs on properties that have a use that already generates trips (3,326),⁷ these existing trips are backed out of the total trips. Table 6-3 shows the net new trip generation per scenario after subtracting the trips generated by existing conditions from the total trip generation.

³ Please see Appendix 4 for a detailed report on traffic analysis.

⁴ As explained in Appendix 4, the EIR used the 8th edition of this manual, which was determined to be substantially similar to the more recent 9th edition. The models for bookends relied on the 8th edition for purposes of consistency.

⁵ Appendix 4 suggests that a 10% reduction from mixed-use is conservative and a greater reduction could have still produced valid estimates. The analysis in Appendix 4 and in this chapter assumes a 10% reduction factor for purposes of consistency.

⁶ The EIR calculated transit reduction in vehicle trips on a parcel-by-parcel basis. Because the EIR did not publish the data used in this calculation on a parcel-by-parcel level, the analysis in this Chapter uses the overall transit reduction per use calculated in the EIR across the ECR/D Specific Plan area.

⁷ The EIR calculated 3,326 trips associated with ECR/D Specific Plan existing conditions.

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Table 6-2 Total Trip Generation using Build-out Model Bookends

	Residential Units	Office Square Feet	Retail Square Feet	Hotel Rooms	Avg. Daily Trips	Mixed-use Reduction	Transit Reduction	Total Trips
Baseline (Derived from the EIR)	680	240,820	91,800	380	NA ^(a)	NA ^(a)	NA ^(a)	16,771
Scenario 1	680	240,821	233,199	0	19,034	-851	-85	18,098
Scenario 2	680	240,821	0	442	10,842	-274	-79	10,490
Scenario 3	680	474,000	0	0	9,758	-250	-75	9,433
(a) These individual values were not published as part of the EIR. (However, as stated above they were taken into account in the traffic modeling.)								
Source: See Appendix 4 for a detailed explanation of calculations.								

Table 6-3 Net New Trip Generation per Baseline and Bookend

	Total Trips	Less Trips from Existing Uses	Net New Trips
Baseline (Derived from the EIR)	16,771	-3,326	13,385
Scenario 1	18,098	-3,326	14,772
Scenario 2	10,490	-3,326	7,164
Scenario 3	9,433	-3,326	6,107
Source: See Appendix 4 for a detailed explanation of calculations.			

Of the non-residential uses, retail is the greatest generator of trips, followed by office and hotel, respectively.⁸ Accordingly, Scenario 1 (High Bookend for Infrastructure: office and retail) generated the most net new trips at 14,772, followed by the High Bookend for Fiscal (office and hotel) at 7,164, and Scenario 3 (Low Bookend: all office) at 6,107.

Conclusion: Passage of the Ballot Measure potentially could impact traffic. However, the Ballot Measure would not uniquely create more additional trips than the ECR/D Specific Plan Baseline scenario. Although, in that the Ballot Measure would preclude net new office build-out in excess of 240,820 square feet, the Ballot Measure would

⁸ See Table 2 in Appendix 4 for a break down of trip generation per use.

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preclude some traffic scenarios that could entail fewer trips than the ECR/D Specific Plan Base scenario (because office uses produce lower trip generation rates than other uses such as retail, but more than uses such as hotels.)

6.3 Greenhouse Gas Emissions

Greenhouse Gas Emissions (“GHG”) are studied in detail in the ECR/D Specific Plan EIR. The Ballot Measure would not increase development intensity beyond that put forth in the ECR/D Specific Plan, or significantly change the make-up of development project types envisioned in the ECR/D Specific Plan. The Ballot Measure voter control measures could in fact have the effect of stymieing development beyond what has already been approved since ECR/D Specific Plan adoption (see Chapter 4 for added detail.) The Ballot Measure therefore has a low likelihood of resulting in GHG emission levels beyond those anticipated for the ECR/D Specific Plan. The City would retain the right to require GHG emissions mitigation measures for individual developments under the ECR/D Specific Plan and the Ballot Measure.

Conclusion: As the Ballot Measure could have the effect of stymieing private development, it is unknown whether approval of the Ballot Measure would lead to increases in GHG emissions as compared to the ECR/D Specific Plan. However, the City can provide GHG emissions mitigation measures to a developer during the entitlement process.

6.4 Water Usage and Systems

The Ballot Measure would not appear to add to the water demand in a manner that overburdens existing water systems. The EIR modeled additional water demand under the Baseline by using the following factors:

Table 6-4 Water Demand Factor by Use

Land Uses	Units	Water Demand Factor (Gallons per Day)
Residential	Dwelling Units	112.00
Retail	Square Feet	0.53
Office	Square Feet	0.10
Hotel	Rooms	130.00
Source: Environmental Science Associates (2012). Menlo Park El Camino Real and Downtown Specific Plan: Final Environmental Impact Report. City of Menlo Park, p. 4.12-33.		

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The water demand factors used by the EIR were applied to the build-out model as shown in Table 6-5 below:

Table 6-5 Water Demand Factor Applied to Build-Out Model

	Res. Units (112)	Office SF (0.1)	Retail SF (0.53)	Hotel Rooms (130)	Net New Demand	Million Gallons per Day (MGD)
Baseline	76,160	24,082	48,654	49,400	198,296	0.20
Scenario 1	76,160	24,082	123,585	0	223,827	0.22
Scenario 2	76,160	24,082	0	57,460	157,702	0.16
Scenario 3	76,160	47,400	0	0	123,560	0.12

Source: Environmental Science Associates (2012). Menlo Park El Camino Real and Downtown Specific Plan: Final Environmental Impact Report. City of Menlo Park, p. 4.12-33.

Based on the two particular standards discussed in the EIR, Scenario 1 above would not exceed the City’s capacity to distribute or maintain its water supply. First, the EIR presents the following range for expected additional water demand:

- Low: 0.20 mgd, from the ECR/D Specific Plan’s estimated build-out (“Baseline”)
- High: 0.34 mgd, from the Association of Bay Area Government’s (“ABAG”) maximum density projection (p. 4.12-34)

Second, the EIR explains that this range of additional water demand can be satisfied by the San Francisco Public Utility Commission’s (“SFPUC”) water treatment plant, which is a major regional source of water. According to the EIR, this source can “reliably deliver 655 mgd, which is well in excess of [regional water] demands” (p. 4.12-34).

Conclusion: It is unlikely that the Ballot Measure passing or failing would lead to a level of water demand beyond the City’s and region’s capacity for supply.

6.5 Funding for Future Projects

The ECR/D Specific Plan discusses two primary approaches in funding public improvements and infrastructure: pay-as-you-go and debt financing. Both funding approaches, along with additional, specific funding sources identified in the ECR/D Specific Plan are discussed below in context of Ballot Measure changes to the ECR/D Specific Plan.

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6.5.1 Pay-As-You-Go

The pay-as-you-go approach depends on development to fund infrastructure improvements. The ECR/D Specific Plan puts forth, “the improvement would only be made once a sufficient amount of revenue is collected to fund the improvement. For example, the City currently collects development impact fees that are used to make improvements to infrastructure such as recreation, transportation and other public facilities” (ECR/D Specific Plan, p. G20).

As discussed in Chapter 4 of this Report, “Impacts to Private Development and Business,” the Ballot Measure’s office thresholds may create an entitlements competition among developers that results in an influx of applications for Office space projects and a corresponding increase in public amenity or infrastructure contributions. Developers would be in the position of having to increasingly compete for room under the Ballot Measure office caps by offering the City greater public amenities or infrastructure contributions. The projects with the greatest amount of contributions would presumably be pushed forward for approval. However, the City currently does not have a mechanism in place to capture potential benefits from increased competition for entitlements. (See Section 4.3.2 in this Report for further discussion.)

Conclusion: The entitlements competition that may result from Ballot Measure office limitations could increase pay-as-you-go infrastructure funds in the short term. However, in the longer term the voter controls will put a drag on new development and slow or stop this funding source.

6.5.2 Debt Financing

The debt financing approach to infrastructure funding is less reliant on direct developer contributions, as in the pay-as-you-go approach, and more reliant on City revenues that could be produced from a single large development or collective developments in a given area. “Under the debt financing approach, the money for an improvement is borrowed now through a financing method such as issuing bonds; the improvement is made now, and is paid for over time by revenue collected (such as taxes or fees).” (ECR/D Specific Plan, p. G20). The amount of debt funding that can be supported is tied to the amount of revenue that can be collected. As discussed in Chapter 5, “Fiscal Impacts” revenue collected under the Ballot Measure could be less than or greater than revenue collected under the ECR/D Specific Plan depending on a given build-out scenario. The Ballot Measure maximum debt capacity may therefore be less or greater than the ECR/D Specific Plan maximum debt capacity.

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Conclusion: To the extent that the Ballot Measure would not allow for an all-office non-residential build-out, as would be allowed under the ECR/D Specific Plan, the Ballot Measure could yield a greater debt capacity than the ECR/D Specific Plan⁹. (Note: Due to the uncertainty of the voter controls on future revenue streams, municipal bond underwriters limit the potential revenue streams to the caps set in the Ballot Measure, if it passes. Thus, the total bond amount to fund infrastructure would be reduced.)

6.5.3 Specific Financing Sources

The ECR/D Specific Plan outlines several specific funding sources that could be considered for infrastructure improvement implementation: benefit assessment districts; Mello-Roos community facilities districts; development impact and in-lieu parking fees; parking fees; grants; developer contributions, public benefits and public amenity fund; private use of publicly-owned properties; general capital improvement project (“CIP”) fund; and shuttle funding (p. G.20). These funding sources are discussed below in context of the Ballot Measure changes to the ECR/D Specific Plan. Funding sources are dynamic in nature and number. For purposes of consistency, this analysis focuses on funding sources that were presented in the ECR/D Specific Plan. The Ballot Measure has no component that would open the ECR/D Specific Plan area to a funding source that would be unique to provisions of the Ballot Measure in and of itself.

- Benefit Assessment Districts: No component of the Ballot Measure would prohibit formation of a benefit assessment district.
- Mello-Roos Community Facilities Districts: No component of the Ballot Measure would prohibit formation of a Mello-Roos community facilities district.
- Development Impact and In-Lieu Parking Fees: No component of the Ballot Measure would prohibit the City from establishing development impact fees allowed under the Mitigation Fee Act or in-lieu parking fees.
- Parking Fees: No component of the Ballot Measure would prohibit the City from establishing parking fees.
- Grants: No component of the Ballot Measure would limit ability of the City or ECR/D Specific Plan area developers to seek grant funding.
- Developer Contributions, Public Benefits and Public Amenity Fund: The ECR/D Specific Plan “establishes an individual developer negotiation approach for

⁹ See Chapter 5, “Fiscal Impacts”, Section 5.2.4 “Fiscal Impacts using Scenarios.”

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obtaining public benefits from increased development above the base intensity” (ECR/D Specific Plan, p. G24). To achieve a public benefit bonus (increased FAR or height limits as outlined in ECR/D Specific Plan Chapter E.3.1) developers could also propose contributions be made to a ‘public amenity fund’ that could be used to fund public improvements (ECR/D Specific Plan, p. G24). As addressed in Chapter 4, “Impacts to Private Development and Business,” the Ballot Measure would likely not hinder a developer from achieving the maximum build-out permissible with granting of public benefit FAR and height bonuses. The Ballot Measure therefore keeps open the possibility of using developer contributions, public benefits and a public amenity fund to pay for infrastructure improvements. Furthermore, as outlined in section 6.5.1 above, in creating a reduced supply of office space entitlements, the Ballot Measure may result in an entitlements competition that would incentivize developers to propose projects with maximum public benefits or financial contributions. However, as developers bump up against the Ballot Measure caps on individual projects and the overall cap, developer contributions to public amenities would be impacted. Furthermore, the City currently does not have a mechanism in place to capture potential benefits from increased competition for entitlements (See Section 4.3.2 in this Report for further discussion.)

- Private Use of Publicly-Owned Properties: No component of the Ballot Measure would limit the City’s ability to allow private use of publicly-owned properties or to use revenue from such uses to fund infrastructure improvements.
- General Capital Improvement Project (“CIP”) Fund: No component of the Ballot Measure would limit the City’s ability to use General Fund revenue to fund infrastructure improvements¹⁰.
- Shuttle Funding: The City currently assesses an annual shuttle fee of 10.5 cents per square foot on new development to help fund the shuttle program. No component of the Ballot Measure would prohibit the City from continuing or revising the shuttle fee. However, as developers bump up against the Ballot Measure caps on individual projects and the overall cap, collection of these fees would be impacted.

Conclusion: The Ballot Measure would not affect the City’s ability to consider a range of infrastructure funding alternatives identified in the ECR/D Specific Plan. In the short and medium-term, the Ballot Measure office limitations may increase entitlements competition and increase developer contribution and Public Amenity Fund financing of

¹⁰ See Chapter 5, “Fiscal Impacts” for detail on Ballot Measure impacts to the City’s General Fund.

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infrastructure improvements. However, as stated above, Ballot Measure caps could impact developer contributions to public amenities and reduce collections of shuttle fees in the longer term.

APPENDIX 1

CYCLICAL NATURE OF THE REAL ESTATE MARKET

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Appendix 1. Cyclical Nature of Real Estate Markets

This appendix outlines how and why real estate markets rise and fall over time. As explained in Chapter 1, much technical, design, financial, and economic analysis was completed to support the extensive process of drafting and adopting the ECR/D Specific Plan. The ECR/D Specific Plan and associated support analyses represent a snapshot of a given property market(s)¹ at a specific point in time. The real estate markets of the ECR/D Specific Plan have changed since ECR/D Specific Plan adoption, and will continue to change throughout time and across property sectors. The Ballot Measure Impacts Analysis uses the ECR/D Specific Plan and related support analyses as the basis for present conclusions on impacts of the Ballot Measure while acknowledging that area real estate markets have changed and will continue to change.

Historically, real estate markets rise and fall over time across geography and property sectors (retail, industrial, hotel, residential, etc.). Cycles among property types and locations do not rise and fall in parallel. While the office sector may be strong at one point in time, a different property sector (such as retail, industrial, hotel, residential, etc.) may be weak at that same point in time. The housing market in one area may be strong while the housing market in another area may be weak at any given point in time.

The real estate market is understood to be cyclical, meaning it has certain characteristics and events that will repeat over given periods of time (Grover & Grover, 2013; Lee, 2013). At the same time, the real estate market is also understood to consist of seemingly unending interdependencies making it difficult to identify or predict where one cycle ends and another begins (Lee 2013). Two elements of the real estate market, in particular complicate forecasting demand for development: First, the real estate market has several sectors—residential, office, retail, hotels, industrial, etc.—with their own cycles that do not necessarily act in concert with each other (Wheaton, 1999). Second, the real estate market has many different drivers that contribute to its growth and turning points (Grover & Grover, 2013).

¹ There typically exist separate property markets within a single area. For instance, the Menlo Park residential market would be considered separate from the Menlo Park office market. As the section “Cyclical Nature of Real Estate Markets” relays, dynamics of the housing market in Menlo Park could be related to dynamics of the office market in Menlo Park.

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When the real estate market is booming, the boom isn't likely across all types of real estate in all locations. The same is true during times of downturn. Different types of real estate respond differently to changes in the economy. For example, historically the markets for residential and industrial property have grown and collapsed with increases and decreases in national employment numbers, while the office and retail space markets were less sensitive (Wheaton, 1999). This also means that if one city experiences more unemployment than another, the two cities might have varying demand levels for different types of real estate. One city could experience heightened demand for housing while another faces a downturn.

Beyond employment trends, the real estate market has many other drivers that have varied in source and impact over time (Grover & Grover, 2013; Lee, 2013). Turning points in the real estate cycle—transitioning from prosperity, to recession, to depression, to recovery, and back to prosperity—can be caused and accelerated by a series of outside factors such as natural disasters, shifts in national or local economic policy, and changes in demand for investment and consumer goods (Grover & Grover, 2013). Over the last 30 years, growth in the real estate market was spurred by, among other things, capital surplus in the 1980s, technological innovation in the 1990s, readily available low-cost debt in the 2000s, and generational shifts in the 2010s (Lee, 2013, pp. 9-10).

Given that demand in each sector of the real estate market may move up or down at different times, at different rates, and in different locations as well as the myriad of outside factors that may help or hurt the market, forecasting the what, when, and where of real estate demand is difficult.

Sources

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APPENDIX 2

APPROVED AND PENDING DEVELOPMENT PROJECTS
UNDER THE ECR/D SPECIFIC PLAN

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Appendix 2. Approved and Pending Development Projects Under the ECR/D Specific Plan

The following is a review of approved and pending development projects within the area covered by the Menlo Park El Camino Real/Downtown Specific Plan (Specific Plan). The City has approved two projects under the ECR/D Specific Plan—555 Glenwood Avenue and 727 El Camino Real—and is considering two proposals for major projects that would be governed by the ECR/D Specific Plan—500 El Camino Real and 1300 El Camino Real.

Approved Projects

The projects discussed below have been approved under the ECR/D Specific Plan.

555 Glenwood Avenue

The 555 Glenwood Avenue Project, proposed by Sand Hill Property Company, will convert an existing senior citizens retirement living center into a limited-service, business-oriented hotel with 138 suites. As approved by the City Council on March 26, 2013, the project includes a Public Benefit Bonus for a Floor Area Ratio (FAR) of 1.16. According to the Community Development Department's Staff Report #13-176, the project is expected to account for 71,921 net new non-residential square feet towards the ECR/D Specific Plan's 474,000 square foot cap on net new non-residential development. The report explains that this figure was calculated by considering net new vehicle trips associated with the conversion:

"The 555 Glenwood Avenue proposal would not create any new square footage in order to convert the existing senior citizens retirement living center into a new 138-room hotel. However, the net new vehicle trips associated with the conversion, which is of direct relevance to traffic analysis and affects other impact categories (e.g., air quality and noise), can be considered equivalent to a new 87-room hotel, which can be approximated as a net increase of 71,921 square feet of commercial square footage. As such, the 555 Glenwood Avenue proposal would

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represent 15 percent of the non-residential uses for the overall Specific Plan (note: per Section G.3, the non-residential development is not segmented by use). If the project is approved and implemented, this amount would be deducted from the Maximum Allowable Development in the Plan area" (p. 13-14).

727 El Camino Real

In September 2013, the Planning Commission approved the renovation of the Mermaid Inn at 727 El Camino Real. The project is will add eight new hotel rooms and is expected to add 3,497 net new non-residential square feet.

Pending Projects

The two proposed major projects discussed below—Stanford University's 500 El Camino Real Project and Greenheart Land Company's 1300 El Camino Real Project—are still pending approval from the City. Consequently, these projects could be shaped by enforcement of the ECR/D Specific Plan and passing of the Ballot Measure.

500 El Camino Real

Located at the southeastern portion of the El Camino Real Corridor, the 500 El Camino Real Project encompasses an 8.43-acre site, which includes the parcels addressed 300 El Camino Real through 550 El Camino Real and two adjacent unaddressed parcels. In November 2012, Stanford University submitted a project application to the City of Menlo Park to develop this site. Stanford's initial proposal was revised and the City Council has approved the scope of work for the project's traffic analysis, but the final project has yet to be ratified.

Existing structures on the site would be replaced with a mixed-use development consisting of offices, housing, and retail. Two five-story residential buildings, containing retail spaces, would border the north end of development while office space would occupy the middle and southern sections of the development. Both the residential structures and office buildings will be equipped with underground as well as at-grade parking.

Section B.3 of the ECR/D Specific Plan identified this site as an opportunity for Menlo Park, describing it as "suitable multi-family residential, commercial and mixed-use development" (ECR/D Specific Plan, p. B10). Further the Specific Plan explains that Stanford's "single ownership allows for a comprehensive approach to this portion of El Camino Real, which is currently underutilized" (ECR/D Specific Plan, p. B10). According to the Community Development Department's Staff Report #13-066, Stanford University

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regularly participated in public meetings during development of the Specific Plan and openly expressed its intent to submit a comprehensive mixed-use redevelopment proposal for the site (p. 130). However, as stated in a city staff report, neither the Planning Commission nor the City Council determined their own actions in adopting the Specific Plan to be “based on any particular assumption of what the applicant [Stanford University] might propose on this site” (p. 130).

As submitted to the City on January 18, 2013, the proposed mixed-use development is to be comprised of the following:

Table A2-1 Proposed Make-up of the 500 El Camino Real Project

500 El Camino Real Project	
Uses	Square Footage
Total	413,200 to 459,013
Residential (170 units)	203,700 to 249,513
Non-Residential	209,500
Office	199,500
Non-Medical	174,500
Medical/Non-Medical Flex	25,000
Retail	10,000
Source: City of Menlo Park Community Development Department (n.d.). 500 El Camino Real Project. Retrieved June 5, 2014, from http://www.menlopark.org/172/500-El-Camino-Real-Project	

The project proposed by Stanford is expected to add 170 net new residential units and 181,568 net new non-residential square feet. Further, as stated on the City’s webpage describing the project, Stanford “would also be required to provide a 120-foot-wide, publicly accessible frontage break at Middle Avenue. This ‘Burgess Park Linkage / Open Space Plaza’ would lead to a future grade-separated pedestrian/bicycle crossing of the Caltrain tracks.”

1300 El Camino Real

Greenheart Land Company’s presently proposed project for 1300 El Camino Real is not the first for the site. On October 9, 2009, the City Council approved a proposal from Sand Hill Property Company to develop 3.37 acres at 1300 El Camino Real. As approved, the project would construct 110,065 square feet of commercial space composed of a grocery store with alcohol sales (51,365 square feet) and non-medical

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office space (58,700 square feet). On November 9, 2009, an unincorporated group known as the Concerned Citizens of Menlo Park (Plaintiffs) filed a lawsuit seeking an injunction against continuation of the project. The Plaintiffs claimed that the City Council relied on erroneous environmental reviews and failed to consider consistency with the general plan when approving the project.

On July 20, 2010, the City Council entered into a settlement with the Plaintiffs specific to the 1300 El Camino Real project site that included the following agreements:

- The project site may include one grocery store up to 32,000 square feet of net rentable floor area.
- In addition to the one grocery store, no other tenant may dedicate more than 15% of its retail sales floor space to the sale of non-taxable food or other non-taxable items. This limitation does not apply to small-scale, food retail stores dedicated to selling prepared non-alcoholic beverages or bakery items.
- Self-checkout of alcohol sales shall be prohibited.

Greenheart submitted its proposal after it purchased Sand Hill’s property and the neighboring property that included the Derry Mixed-Use Project. Greenheart’s proposal covers 6.4 acres on the site and includes 210,000 square feet of residential space (216 units) and 210,000 square feet of non-residential space.

As proposed, the Greenheart’s project would be composed of the following:

Table A2-2 Proposed Make-up of the 1300 El Camino Real Project

1300 El Camino Real Project	
Uses	Square Footage
Total	410,000
Residential (216 units)	210,000
Residential	203,000
Potential Retail	7,000
Non-Residential	210,000
Office	194,000
Potential Retail	10,000
Source: City of Menlo Park Community Development Department (n.d.). Project description: 1300 El Camino Real. Retrieved from http://www.menlopark.org/DocumentCenter/Home/View/3553	

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Given that the City Council granted approval for Sand Hill's project in 2009 prior to the adoption of the Specific Plan in 2012, not all of Greenheart's proposed non-residential square footage will count towards the Specific Plan's cap. As the City's webpage for the 1300 El Camino Real Project explains:

"The project site encompasses an earlier development proposal that was fully approved by the City Council for 110,065 new square feet of commercial uses. As a result, the current proposal would result in 110,046 (= 210,000 - 110,065) net new square feet of non-residential uses. The project site does not currently contain any existing or approved dwelling units, so all of the project's proposed 216 dwelling units would be net new residences. As a result, the project as currently proposed is projected to account for the following shares of the the [sic.] Specific Plan's Maximum Allowable Development cap:

Residential uses: 31.8% (= 216/680)

Non-residential uses: 23.2% (= 110,046/474,000)"

Other Proposed Projects

Aside from the two major projects discussed above, there are other projects proposed for development under the ECR/D Specific Plan. According to information provided by the City, these other projects include:

- 612 College Avenue
- 840 Menlo Avenue
- 1295 El Camino Real

Sources

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APPENDIX 3

DETAILED FISCAL IMPACT ANALYSIS

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Appendix 3. Detailed Fiscal Impact Analysis

A3-1 Purpose of the Fiscal Impact Analysis

This Chapter addresses the fiscal impacts resulting from approval of the Ballot Measure (“Ballot Measure”) and the amendment of language within the ECR/D Specific Plan. The purpose of the analysis is to illustrate possible gains or losses to Menlo Park’s General Fund and Special Districts’ revenues and expenditures, as a direct result of the proposed Ballot Measure.

As discussed in Chapter 1, the ECR/D Specific Plan project description studied in the EIR was used to create a baseline for this Report’s build-out model. The purpose of the build-out model is to illustrate the missed outcomes, positive or negative, should the Ballot Measure pass. See Section 1.3.2 in Chapter 1 for a detailed explanation of the build-out model.

Two different analyses are performed: The first only evaluates net new potential development opportunities lost resulting from passage of the Ballot Measure. The second evaluates new potential development and also considers existing proposed and approved projects in the ECR/D Specific Plan area. Potential impacts are measured through the assessment of the development scenarios. The theoretical scenarios were designed to illustrate:

- The direct fiscal impacts to the General Fund and Special Districts from adoption of the Ballot Measure, and
- The financial opportunity costs of amending (e.g., applying development constraints) the ECR/D Specific Plan.

Viewed in aggregate, the scenarios illustrate a range of impacts through a “sliding scale” approach. The scenarios are intended to illustrate the opportunity cost of the Ballot Measure passing. Or, put differently, the scenarios show what cannot be attained if the Ballot Measure is approved. Please see Chapter 1: Introduction for a description of the different scenarios.

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A3-1.1 Scenario Assumptions

The first three scenarios assume: 1) Full residential build out (i.e., 680 units) and 2) Only two of three possible non-residential types are developed at build out: Office, Retail, and/or Hotel. All scenarios assume the full build out of non-residential development up to the 474,000 square foot limit as provided in the ECR/D Specific Plan. By assuming maximum possible build out for each non-residential development type, the introduction of assumptions and/or biases necessary to select other non-residential build out mixes is reduced. In addition, the assumption of maximum build out with limited development types will help to illustrate the total possible impacts from “smallest” to “greatest”. There is no assumption made regarding the timing of development. Actual build out will likely vary based on market conditions.

Please see Section A3-4 for a more detailed description of the alternative development scenarios.

A3-2 Fiscal Impact: General Fund Revenue and Expenses

This FIA General Fund analysis follows the methodology and assumptions developed by Strategic Economics for the ECR/D Draft Specific Plan Fiscal Impact Analysis dated August 31, 2011 (“SE FIA 2011”). See Section 1.3.2 in Chapter 1 for a detailed explanation of the build-out model.

A3-2.1 Methodology and Assumptions

The SE FIA 2011 for the Draft ECR/D Specific Plan estimated the annual Menlo Park General Fund expenses and revenues that could be generated by build-out of the plan’s selected development program over time (“Baseline Scenario”). The SE FIA 2011 was a dynamic fiscal impact analysis that considered the annual fiscal impact throughout the period in which new development is expected to occur, with assumed build-out of the ECR/D Specific Plan occurring by 2030.

Following the methodology outlined in the SE FIA 2011 report, a fiscal impact model was developed with the intent of first replicating the SE FIA 2011 results, then applying new values corresponding with the Scenarios described in Chapter 1. This FIA model followed the SE FIA 2011 dynamic model where possible and a static model where necessary. Where information was not available, assumptions were applied following standard fiscal impact analytical approaches. Outputs and methodologies inconsistent with the SE FIA 2011 have been noted in Section A3-5.

Note: This assessment is not intended as a peer review of the SE FIA 2011. The intent is to evaluate the impact of the proposed Ballot Measure.

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A3-2.3 Fiscal Impacts: Change in Open Space Regulations

The Ballot Measure's Open Space definition would require non-vested development to design projects with greater amounts of open space. The City's General Fund revenues could be reduced if the reallocation of square footage from structure to open space leads to a loss in the value (e.g., reduced sales price), thereby reducing property taxes.

Conclusion: Changes to the definition of Open Space resulting from approval of the Ballot Measure should not have a measurable fiscal impact on the City's General Fund revenues.

A3-2.4 Fiscal Impacts: Cap on Ballot Measure-defined Office Space Development

The following sections describe the results of the analysis for the three illustrative scenarios in contrast to the Baseline Scenario. As previously stated, the three scenarios were developed following the methodology and assumptions provided within the SE FIA 2011. Please see the SE FIA 2011 for a detailed description of model constraints and assumptions.

Table 1 summarizes the net fiscal impact to the City General Fund on an annual basis for the Baseline Scenario (ECR/D Specific Plan) and the three illustrative scenarios. As shown below, the primary revenue generators for the City's General Fund come from property tax (9.9 % of the one percent property tax for residential and non-residential properties), Sales Tax (one percent from retail sales), Transient-occupancy tax (10 percent of visitor spending revenue), and per capita fees paid by residents and businesses (utility use, franchise fees, etc.) This analysis did not incorporate revenues generated by Development Impact Fees (e.g., Menlo Park's Transportation Impact Fee) as they were not specifically assessed in the SE FIA 2011 document. The primary General Fund expenditures relate to per capita costs (municipal administrative costs, library operations, general community services, and community development personnel) and public works (public parking structures and parks). The three largest revenue generators for the General Fund are property tax, transient-occupancy tax, and per capita revenue.

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Table A3-1 Fiscal Impacts of Scenarios on General Fund Revenues and Expenditures

	Baseline (Derived from the EIR)	Scenario #1 (High Bookend for Infrastructure)	Scenario #2 (High Bookend for Fiscal)	Scenario #3 (Low Bookend)
Property Tax ^(b)	\$741,000	\$754,000	\$696,000	\$775,000
Sales Tax ^(c)	\$133,000	\$332,000	\$-	\$-
Transient Occupancy Tax ^(d)	\$2,337,000	\$-	\$2,721,000	\$-
Property Transfer Tax	\$47,000	\$47,000	\$42,000	\$47,000
Vehicle License Fee ^(e)	\$151,000	\$156,000	\$145,000	\$160,000
Per Capita Revenue	\$477,000	\$456,000	\$453,000	\$475,000
Total Revenues	\$3,886,000	\$1,746,000	\$4,057,000	\$1,458,000
Per Capita Operating Expenditures	\$(973,000)	\$(963,000)	\$(961,000)	\$(979,000)
Public Works Operating Expenditures ^(f)	\$(760,000)	\$(760,000)	\$(760,000)	\$(760,000)
Total Expenditures	\$(1,733,000)	\$(1,723,000)	\$(1,721,000)	\$(1,739,000)
Net Impact on General Fund	\$2,153,000	\$23,000	\$2,337,000	\$(282,000)

Source: SE FIA 2011; LWC 2014

(a) Totals may not equal due to rounding.

(b) Property Tax Revenues for all Scenarios assume full build-out of the 680 residential units.

(c) Consistent with the SE FIA 2011, this analysis assumes a one percent sales tax. According to the State Board of Equalization (“SBOE”), the City receives sales tax revenues equal to 0.95 percent of local taxable expenditures that occur within the City limits.

(d) Vehicle License Fees calculations are highly dependent on property values. Please see Section A3-5 for issues regarding property tax calculations.

(e) Public Works expenditures were assumed to remain constant regardless of scenario. Please see SE FIA 2011 for further detail.

Scenario #1: Exceed Ballot Measure’s Maximum Office Build Out/ Remaining Non-Residential Square Footage is Retail Only

Passage of the Ballot Measure would limit Office Space development to 240,820 square feet. Scenario #1 assumes build out of Office Space up to one square foot beyond the Ballot Measure cap with all remaining available non-residential allocated for Retail development. The intent of Scenario #1 is to illustrate the fiscal impact to the City of increased revenues from sales tax (Retail uses), without any transient occupancy tax

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revenue (Hotel uses). It should be noted that Scenario #1 is a possible development under the current ECR/D Specific Plan, but not under the Ballot Measure.

Theoretical development of Scenario #1 would result in a positive fiscal impact to the City's General Fund. Annual City General Fund revenues would be increased by \$1,746,000, approximately 4.7 percent over the City's 2009-2010 Budget. Annual City General Fund expenditures would be increased by \$1,723,000 approximately 4.7 percent over the City's 2009-2010 Budget.

Under Scenario #1, revenues would be more than 18 percent greater than expenses, resulting in an increase of \$23,000 of new General Fund net revenue on an annual basis.

Compared to the ECR/D Specific Plan, the Scenario #1 revenues gained are sales tax (\$332,000) and property tax (\$13,000). The Scenario #1 reductions in revenue are from transient occupancy tax (-\$2,337,000) and per capita revenue (-\$21,000). Total revenue lost compared to possible development under the ECR/D Specific Plan is estimated at \$2,130,000.

The ECR/D Specific Plan General Fund revenue is heavily dependent upon transient-occupancy tax (TOT). Scenario #1, even lacking TOT revenue could result in small positive impacts to the General Fund.

Scenario #2: Exceed Ballot Measure's Maximum Office Build Out/ Remaining Non-Residential Square Footage is Hotel Only

Passage of the Ballot Measure would limit Office Space development to 240,820 square feet. Scenario #2 assumes build out of Office Space up to one square foot beyond the Ballot Measure cap with all remaining available non-residential allocated for Hotel development. The intent of Scenario #2 is to illustrate the fiscal impact to the City of gains in only transient occupancy tax (Hotel uses), without the inclusion of sales tax (Retail). It should be noted that Scenario #2 is a possible development under the current ECR/D Specific Plan.

Theoretical development of Scenario #2 would result in a positive fiscal impact to the City's General Fund. Annual City General Fund revenues would be increased by \$4,057,000, approximately 11 percent over the City's 2009-2010 Budget. Annual City General Fund expenditures would be increased by \$1,721,000, approximately 4.7 percent over the City's 2009-2010 Budget.

Under Scenario #1, expenses would be approximately 43 percent of revenues, resulting in an increase of \$2,337,000 of new General Fund net revenue on an annual basis.

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Compared to the ECR/D Specific Plan, the Scenario #2 revenues increases occur from the larger impact of transient occupancy tax (\$384,000). Scenario #1 loses revenues from sales tax (-\$133,000), property tax (-\$45,000), per capita revenue (-\$24,000), vehicle license fee (-\$6,000) and property transfer tax (-\$5,000). Total revenues gained compared to the ECR/D Specific Plan is estimated at \$184,000.

The ECR/D Specific Plan revenue is heavily dependent upon transient-occupancy tax ("TOT"). Scenario #2, relying heavily on TOT revenue could lead to large positive fiscal impacts to the General Fund.

Scenario #3: ECR/D Specific Plan Maximum Allowable Office Build Out

Passage of the Ballot Measure would limit Office Space development to 240,820 square feet. Scenario #3 assumes full build out of Office Space up to the non-residential cap (474,000 square feet) as illustrated in the ECR/D Specific Plan. The intent of Scenario #3 is to illustrate the fiscal impact to the City of allowing full Office Space development, up to the 474,000 square foot cap. It should be noted that Scenario #3 is a possible development under the current ECR/D Specific Plan.

Theoretical development of Scenario #3 would result in a negative fiscal impact to the City's General Fund. Annual City General Fund revenues would be increased by \$1,458,000, approximately 3.9 percent over the City's 2009-2010 Budget. Annual City General Fund expenditures would be increased by \$1,739,000, approximately 4.7 percent over the City's 2009-2010 Budget.

Under Scenario #3, revenues would be 84 percent of expenses, resulting in the addition of \$282,000 net new General Fund expenses on an annual basis. The model projects that the ECR/D Specific Plan will be fiscally negative starting in 2015 and continuing to build out.

Compared to the ECR/D Specific Plan, the Scenario #3 reductions in revenues occur from transient occupancy tax (-\$2,337,000) and sales tax (-\$133,000). Scenario #3 would lose revenue in property tax (-\$34,000) and vehicle license fee (-\$9,000). Total revenues lost compared to the ECR/D Specific Plan is estimated at \$2,435,000.

The ECR/D Specific Plan revenue is heavily dependent upon transient-occupancy tax ("TOT"). Scenario #3, lacking TOT revenue and sales tax revenue (from retail) would result in negative fiscal impacts to the General Fund.

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A3-2.5 Voter Controls

As discussed previously in Chapter 4, ballot box planning can add levels of uncertainty in the development process that can discourage investment, increase development costs, and create perceptions that Menlo Park is unfriendly to business. If there is an increased demand for Office Space beyond the Ballot Measures' proposed square foot threshold (i.e., 240,820) instead of other non-residential development types, then any amount of the remaining non-residential square footage available for development under the cap (i.e., 233,180 square feet) could go undeveloped. Under this scenario, implementation of voter controls could cause the City to lose out on potential revenues associated with gains in property tax and vehicle license fees.

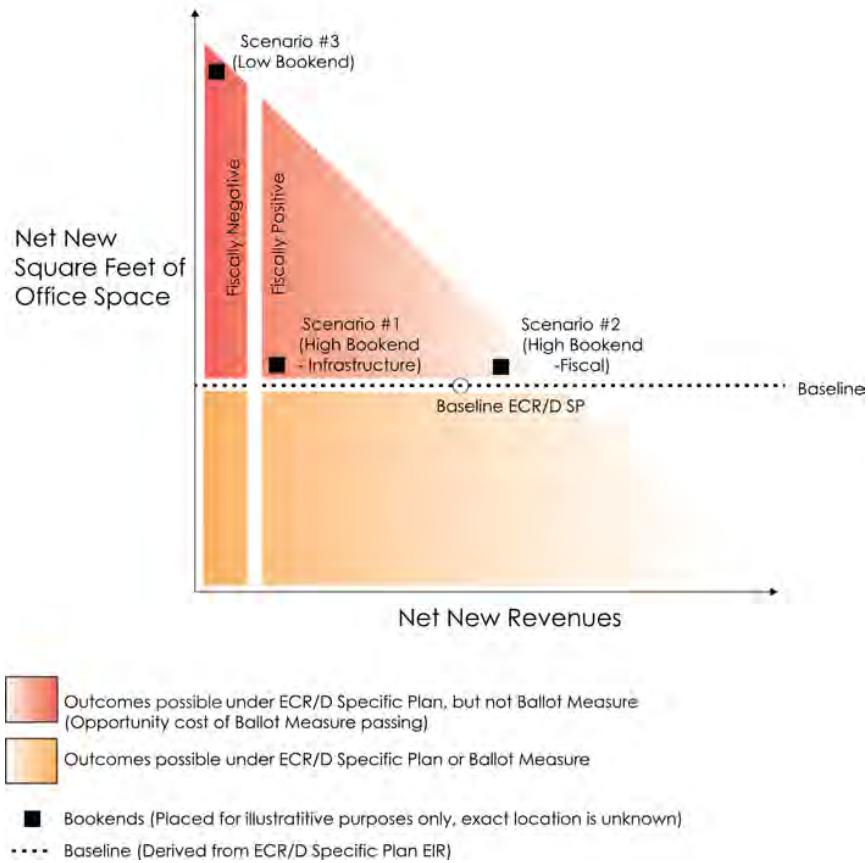
A3-2.6 Fiscal Impacts: General Fund Summary

Of the three scenarios presented in Table 5-1 in Chapter 5 (excluding the EIR Baseline), two may have potential for positive fiscal impacts to the City's General Fund: Scenario #1, the Office/Retail development mix and Scenario #2, the Office/Hotel Mix. One scenario has potential for negative fiscal impacts to the City's General Fund: Scenario #3, the all Office development.

As shown in Figure A3-1, because office uses produce lower revenue generation rates to the City than other uses (i.e., hotel or retail), as office space increases, the revenue generation potential decreases—compared to all other development use combinations. At a certain point, a developed build out scenario that includes large amounts of office could have a negative fiscal impact on the General Fund. As illustrated in Figure A3-1, the fiscal impacts are closely tied to the inclusion of TOT and Sales Tax revenue.

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Figure A3-1 Net New Office Space Impacts on Revenue



Conclusion: This analysis confirms the original SE FIA 2011 findings: The ECR/D Specific Plan is heavily dependent upon transient-occupancy tax; and to a lesser degree, retail sales tax. As a result, the ECR/D Specific Plan could result in a negative impact to the General Fund without the inclusion of a hotel and/or a large amount of retail development. The Ballot Measure’s constraint on Office Space development could hedge the possibility of negative fiscal impacts to the General Fund by limiting the Office Development. Therefore, passage of the Ballot Measure should not lead to a negative fiscal impact on the ECR/D Specific Plan as long as there is market demand for a non-residential development mix that generates positive revenue.

A3-3 Fiscal Impact: Special Districts

The Special Districts fiscal impact analysis follows the methodology and assumptions developed by BAE Urban Economics for the ECR/D Specific Plan Special Districts Fiscal Impact Analysis dated August 16, 2011 (“BAE FIA 2011”). This section evaluates the

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potential impact on revenues and expenses of Special Districts that provide services to residents and businesses within Menlo Park, resulting from passage of the Ballot Measure. Special Districts impacts illustrated in this analysis, consistent with BAE definition, are local governmental entities independent of the City of Menlo Park, with their own sources of revenue (including a share of property taxes paid by Menlo Park property owners), and with responsibility for providing services pursuant to the legislation that authorized their creation.

A3-3.1 Methodology and Assumptions

The BAE FIA 2011 for the Draft ECR/D Specific Plan estimated the annual Special District expenses and revenues that could be generated by build-out of the plan's selected development program over time ("Baseline Scenario"). The BAE FIA 2011 assumed build out of the ECR/D Specific Plan occurring by 2030. Consistent with the BAE FIA 2011, all dollar amounts are in 2011 dollars.

Following the methodology outlined in the BAE FIA 2011 report, a fiscal impact model for Special Districts was developed with the intent of first replicating the results, then applying new values corresponding with the Scenarios described in Chapter 1. Where information was not available, assumptions were applied following standard fiscal impact analytical approaches. Outputs inconsistent with the BAE FIA 2011 are noted in Section A3-5.

Note: This assessment is not intended as a peer review of the BAE FIA 2011. The intent is to evaluate the impact of the proposed Ballot Measure.

A3-3.2 Fiscal Impacts: Change in Open Space Regulations

The Ballot Measure's Open Space definition would require non-vested development to design projects with greater amounts open space. The City's Special District revenues could be reduced if the reallocation of square footage from structure to open space leads to a loss in the value (e.g., reduced sales price), thereby reducing property taxes.

Conclusion: Changes to the definition of Open Space resulting from approval of the Ballot Measure should not have a measurable fiscal impact on the City's Special Districts' revenues.

A3-3.3 Fiscal Impacts: Cap on Ballot Measure-defined Office Space Development

The build out scenarios analyzed for the Special Districts fiscal impacts are the same as those described in Table 5-1 in Chapter 5.

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The distribution of property taxes varies by Tax Rate Area ("TRA"). The TRA for Menlo Park is a combination of Special Districts as well as other assessments, bonded indebtedness, or obligations that are paid from surcharges in addition to the base one percent property tax. The ECR/D Specific Plan area falls within the City of Menlo Park's 08-001 TRA. The San Mateo County Auditor-Controller calculates the distribution of the one-percent base property tax revenue allocation, identifying the amount that each of the Special Districts receive after accounting distributions to education ("ERAF").

Applying the TRA distribution to the projected new assessed value gives the scenarios property tax revenues by Special District. Table A3-2 shows the projected property tax revenue distributions by City, County, and Special District for each scenario.

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Table A3-2 Projected Property Tax Revenues

Estimated Assessed Value	Baseline (Derived from the EIR)	Scenario #1 (High Bookend for Infrastructure)	Scenario #2 (High Bookend for Fiscal)	Scenario #3 (Low Bookend)
Net New Assessed Value	\$744,800,800	\$761,923,800	\$703,517,000	\$782,910,000
1% Basic Property Tax	\$7,448,000	\$7,619,200	\$7,035,200	\$7,829,100
Base 1.0% Tax (Post-ERAF Distribution)				
City of Menlo Park ^(a)	\$756,000	\$773,400	\$714,000	\$794,700
San Mateo County	\$1,079,200	\$1,104,000	\$1,019,400	\$1,134,400
Menlo Park City Elementary District	\$1,263,900	\$1,293,000	\$1,193,900	\$1,328,600
Sequoia High School	\$1,182,000	\$1,209,200	\$1,116,500	\$1,242,500
San Mateo Community College District	\$513,200	\$525,000	\$484,700	\$539,400
Menlo Park Fire District	\$1,059,900	\$1,084,200	\$1,001,100	\$1,114,100
San Fransquito Creek Flood Zone 2	\$14,900	\$15,200	\$14,000	\$15,700
Midpeninsula Regional Open Space District	\$139,300	\$142,500	\$131,600	\$146,400
Bay Area Air Quality Management District	\$15,600	\$16,000	\$14,800	\$16,400
County Harbor District	\$20,900	\$21,300	\$19,700	\$21,900
Mosquito Abatement	\$11,900	\$12,200	\$11,300	\$12,500
Sequoia Healthcare District	\$111,000	\$113,500	\$104,900	\$116,700
County Office of Education	\$267,400	\$273,500	\$252,600	\$281,100
Basic Property Tax Revenues	\$6,434,600	\$6,583,000	\$6,078,400	\$6,764,400
Supplemental Taxes				
Menlo Park & Recreation Board	\$1,300	\$1,300	\$1,200	\$1,300
Menlo Park City Elementary School Bonds	\$3,000	\$3,100	\$2,900	\$3,200
Sequoia High School Bonds	\$2,300	\$2,400	\$2,200	\$2,400
San Mateo Community College Bonds	\$1,400	\$1,400	\$1,300	\$1,500
Supplemental Property Tax Revenue	\$8,100	\$8,200	\$7,600	\$8,500
Source: BAE FIA 2011; LWC 2014				
(a) The BAE FIA 2011 used a distribution rate of 10.15% for Menlo Park. The SE FIA 2011 used a distribution rate of 9.9%.				

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Scenarios #1 and #3 are estimated to have total property tax revenues greater than those projected for the ECR/D Specific Plan, leading to increased revenues for Special Districts. Scenario #2 is estimated to have property tax revenues approximately 5.5 percent lower than those projected for the ECR/D Specific Plan. This would result in Special Districts receiving a slightly smaller amount of revenue as compared to the ECR/D Specific Plan. It is important to note that Special District fees are typically based on new service population and/or new residents. As a result, the corresponding expenditures would also fluctuate with revenues potentially voiding drops in revenue.

The following sections illustrate the fiscal impacts to Special Districts previously analyzed in the BAE FIA 2011 report.

A3-3.3.1 Menlo Park Fire Protection District

The major source of revenue for the Fire District is property taxes. Based on the projected changes in service population from the Ballot Measure scenarios, it is estimated that the revenues would deviate from the ECR/D Specific Plan by as much as 18% annually.

Table A3-3 Projected Fiscal Impact on Menlo Park Fire Protection District

	Baseline	Scenario #1	Scenario #2	Scenario #3
New Net Service Population	1,989	1,944	1,953	2,011
Projected Property Tax Revenue (Fire)	\$1,059,700	\$1,001,100	\$1,084,200	\$1,114,100
Projected Licenses, Permits, & Service Charges Revenue ^(a)	\$12,000	\$11,700	\$11,800	\$12,100
Subtotal: Projected Revenues	\$1,071,700	\$1,012,800	\$1,096,000	\$1,126,200
(a) Calculated as \$6.03 multiplied by New Net Service Population				
Source: BAE FIA 2011; LWC 2014				

Conclusion: As noted in the BAE FIA 2011 report, the Menlo Park Fire District will review the service standard including cost estimates for future services. This work needs to be completed before it is possible to fully estimate the expenditures that would result from the ECR/D Specific Plan. This means that it is not possible at this time to estimate the net impact on the Fire District from the Ballot Measure beyond calculating a range of

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service revenues. However, based on the initial results, the fiscal impact of implementation of the Ballot Measure should not substantially impact Menlo Park Fire District as compared with the ECR/D Specific Plan scenario.

A3-3.3.2 School Districts

According to the ECR/D Specific Plan EIR, the Menlo Park City School District (“MPCSD”) uses a student yield factor of 0.5 students per dwelling unit for kindergarten through eighth grade. Using this rate, the ECR/D Specific Plan would generate approximately 340 students per year at full residential build out. However, the MPCSD’s noted that while student yields can approach 0.5 students per dwelling unit for detached single-family housing, newer attached housing (the type most likely to be constructed in the Plan area) can be estimated at 0.12 students per dwelling unit. At this rate, the 680 new housing units in the Plan area would be expected to generate 82 students per year at full build out (ECR/D Specific Plan EIR, p. 4.12-28). The rate of 0.12 students per dwelling was used for the fiscal analysis in this document.

The Sequoia Union High School District uses a student generation rate of 0.357 students per residential unit to project future student enrollment. Using this rate, the Specific Plan would generate approximately 243 new students per year in the Sequoia High School District when all 680 housing units are constructed and occupied.

As stated in the BAE FIA 2011, the ECR/D Specific Plan would generate net fiscal surpluses for both the Menlo Park City Elementary School District and Sequoia Union High School District based on enrollment growth through 2019. (Enrollment projections used in the ECR/D Specific Plan EIR are not available past 2019, due to the fact that projections are based primarily on existing enrollments and birth data, which do not permit longer-range estimates.) [BAE FIA 2011, p. 16]

Conclusion: School district enrollment, and corresponding expenditures, is driven by residential development. As the Ballot Measure language does not make changes to residential development, it is assumed that full residential build out would occur by 2030. Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for the school districts.

A3-3.3.3 Water and Sanitary Districts

Bear Gulch Water District

Bear Gulch Water District is a private firm, not a Special District. As a result, BAE did not consider the impacts from new development for this water district. The analysis within this document will also not evaluate impacts.

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West Bay Sanitary District

As noted in the BAE FIA 2011, as the West Bay Sanitary District operates on a cost recovery basis; the ECR/D Specific Plan is not anticipated to have an ongoing fiscal impact on West Bay’s budget. This analysis follows that assumption.

Conclusion: Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for the Water and Sanitary Districts.

A3-3.3.4 San Mateo Community College District

San Mateo Community College District (“SMCCCD”) does not anticipate increasing its current load or accepting more students. As a result, staff does not anticipate any increased expenditures resulting from new development. As shown in Table A3-4, the Ballot Measure illustrative scenarios, along with the ECR/D Specific Plan Baseline Scenario, would all result in net fiscal surpluses for SMCCCD.

Table A3-4 Projected Fiscal Impact on San Mateo Community College District

	Baseline	Scenario #1	Scenario #2	Scenario #3
Projected Property Tax Revenue	\$513,200	\$484,700	\$525,000	\$539,400
Projected Costs	\$0	\$0	\$0	\$0
Net Projected Fiscal Surplus	\$513,200	\$484,700	\$525,000	\$539,400
Source: BAE FIA 2011; LWC 2014				

Conclusion: School enrollment, and corresponding expenditures, is driven by residential development. As the Ballot Measure language does not make changes to residential development, it is assumed that full residential build out would occur by 2030. Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for SMCCCD.

A3- 3.3.3.5 County Office of Education

As noted in the BEA FIA 2011 report, after receipt of per student revenues, the County Office of Education can anticipate receiving an annual net fiscal deficit of approximately \$13,800 from implementation of the ECR/D Specific Plan’s developments. The District operates as a “Revenue Limit District”, meaning that increases in local property taxes do not translate into new District revenues. It should be

Menlo Park Ballot Measure Impact Analysis

noted that this is a very small proportion of its annual \$23.4 million budget (6/100ths of one percent), and that variances in other budget items may well exceed this amount (BEA FIA 2011, p. 21).

Conclusion: School enrollment, and corresponding expenditures, is driven by residential development. As the Ballot Measure language does not make changes to residential development, it is assumed that full residential build out would occur by 2030. Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for the County Office of Education.

A3-3.3.6 Midpeninsula Regional Open Space District

Table A3-5 Projected Fiscal Impact on Midpeninsula Regional Open Space District

	Baseline	Scenario #1	Scenario #2	Scenario #3
New Net Service Population	1,989	1,944	1,953	2,011
Projected Property Tax Revenue	\$139,000	\$131,600	\$142,500	\$146,400
Other Service Revenues ^(a)	\$1,400	\$1,400	\$1,400	\$1,400
Subtotal: Projected Revenues	\$140,700	\$133,000	\$143,900	\$147,800
LESS: Projected Costs ^(b)	\$41,700	\$40,700	\$40,900	\$42,200
Net Projected Fiscal Surplus	\$98,700	\$92,300	\$103,000	\$105,600
Source: BAE FIA 2011; LWC 2014				
(a) Calculated as \$0,71 per New Net Service Population				
(b) Calculated as \$20.96 per New Net Service Population				

Conclusion: While the service population could increase or decrease based on different development scenarios, the Midpeninsula Open Space District anticipates a revenue surplus under all scenario. As a result, approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan.

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A3-3.3.7 Sequoia Healthcare District

According to the Sequoia Healthcare District, the District primarily serves residents. Thus, the analysis estimated the costs on a per resident basis. Excluding expenses not expected to increase with new development (e.g., investment fees, etc.), the District spends approximately \$15.21 per resident to provide health care services. After receiving its share of property tax revenues, the District can expect that the proposed Project would result in an annual fiscal surplus of approximately \$87,400 (pg., 23, BEA FIA 2011).

Conclusion: As the Ballot Measure language does not make changes to residential development; it is assumed that full residential build out would occur by 2030. Approval of the Ballot Measure should not lead to increased expenditures or a loss of revenue as compared to the ECR/D Specific Plan for Sequoia Healthcare District.

A3-3.4 Fiscal Impacts: Voter Approval

As discussed previously in Chapter 4, ballot box planning can add levels of uncertainty in the development process that can discourage investment, increase development costs, and create perceptions that Menlo Park is unfriendly to business. If there is an increased demand for Office Space beyond the Ballot Measures' proposed square foot threshold (i.e., 240,820) instead of other non-residential development types, then any amount of the remaining non-residential square footage available for development under the cap (i.e., 233,180 square feet) could go undeveloped. Under this scenario, implementation of voter controls could cause the City to lose out on potential revenues for Special Districts.

A3-3.5 Fiscal Impacts: Special Districts Summary

The scenarios do not deviate broadly from the Baseline Scenario (ECR/D Specific Plan) or in two cases (Scenarios #2 and #4), result in an increase to property tax and service charge revenues. Overall, none of the three illustrative scenarios show a substantial fiscal impact on Special Districts. This is especially true for school districts that account for expenditures based upon the number of residents, not employees. The Ballot Measure should have less than substantial fiscal impacts on the revenues and expenditures for Special Districts.

A3-4 Alternative Development Scenarios

The following section describes the results of the analysis for the three additional alternative scenarios in contrast to the Baseline Scenario. The intent of these three scenarios, #4, 5, and 6, is to analyze scenarios incorporating projects currently under

Menlo Park Ballot Measure Impact Analysis

development (e.g., hotels) in the ECR/D Specific Plan area. As previously stated, the three scenarios were developed following the methodology and assumptions provided within the SE FIA 2011. Please see the SE FIA 2011 for a detailed description of model constraints and assumptions.

A3- 4.1 Fiscal Impact: General Fund Revenue and Expenses

Table A3-6 summarizes the net fiscal impact to the City General Fund on an annual basis for the Baseline Scenario (ECR/D Specific Plan) and the three alternative development scenarios.

Table A3-6 Fiscal Impacts of Alt. Development Scenarios on General Fund Revenues and Expenditures^(a)

	Baseline	Scenario #4	Scenario #5	Scenario #6
Property Tax	\$741,000	\$736,000	\$688,700	\$493,700
Sales Tax	\$133,000	\$224,700	\$-	\$-
Transient Occupancy Tax	\$2,337,000	\$898,800	\$2,425,400	\$898,800
Property Transfer Tax	\$47,000	\$45,500	\$42,300	\$37,300
Vehicle License Fee ^(b)	\$151,000	\$152,600	\$143,100	\$104,100
Per Capita Revenue	\$477,000	\$455,500	\$447,300	\$338,200
Total Revenues	\$3,886,000	\$2,513,100	\$3,746,700	\$1,872,000
Per Capital Operating Expenditures	\$973,000	\$(962,800)	\$(956,000)	\$(864,800)
Public Works Operating Expenditures ^(c)	\$760,000	\$(760,100)	\$(760,000)	\$(760,100)
Total Expenditures	\$1,733,000	\$(1,723,000)	\$(1,716,000)	\$(1,625,000)
Net Impact on General Fund	\$2,153,000	\$790,200	\$2,031,000	\$247,000

Source: SE FIA 2011; LWC 2014

(a) Totals may not equal due to rounding

(b) Vehicle License Fees calculations are highly dependent on property values. Please see section A3-5 for issues regarding property tax calculations.

(c) Public Works expenditures were assumed to remain constant regardless of scenario. Please see SE FIA 2011 for further detail.

Scenario #4: Maximum Ballot Measure Office Build Out/Existing Hotel/Remaining Non-residential is Retail Only

Passage of the Ballot Measure would limit Office Space development to 240,820 square feet. Scenario #4 assumes build out of Office Space up to the Ballot Measure cap, the 146 hotel rooms under development, and all remaining available non-residential allocated for Retail development. The intent of Scenario #4 is to illustrate the fiscal

Menlo Park Ballot Measure Impact Analysis

impact to the City of increased revenues from sales tax (Retail uses), without any additional transient occupancy tax revenue (Hotel uses) beyond what is currently under development. It should be noted that Scenario #4 is a possible development under the current ECR/D Specific Plan and the Ballot Measure.

Theoretical development of Scenario #4 would result in a positive fiscal impact to the City's General Fund. Annual City General Fund revenues would be increased by \$2,513,100 approximately 6.9 percent over the City's 2009-2010 Budget. Annual City General Fund expenditures would be increased by \$1,718,000 approximately 4.6 percent over the City's 2009-2010 Budget.

Under Scenario #4, revenues would be more than 46 percent greater than expenses, resulting in an increase of \$790,000 of new General Fund net revenue on an annual basis.

Compared to the ECR/D Specific Plan, the Scenario #4 revenues gained are in sales tax (\$92,000). The Scenario #4 reductions in revenue are from transient occupancy tax (-\$1,438,000), per capita revenue (-\$22,000), and property tax (-\$5,000). Total revenue lost compared to possible development under the ECR/D Specific Plan is estimated at \$1,363,000.

The ECR/D Specific Plan General Fund revenue is heavily dependent upon transient-occupancy tax ("TOT"). Scenario #4, with TOT and sales tax revenue results in positive impact to the General Fund.

Scenario #5: Ballot Measure's Maximum Office Build Out/ Remaining Non-Residential Square Footage is Hotel Only

Passage of the Ballot Measure would limit Office Space development to 240,820 square feet. Scenario #5 assumes build out of Office Space up to the Ballot Measure cap, the 146 hotel rooms under development with all remaining available non-residential allocated for Hotel development (394 total rooms). Please see Section 1.3.2 in Chapter 1 for greater detail regarding Scenario #5.

The intent of Scenario #5 is to illustrate the fiscal impact to the City of gains in only transient occupancy tax (Hotel uses), without the inclusion of sales tax (Retail). It should be noted that Scenario #5 is a possible development under the current ECR/D Specific Plan and the Ballot Measure.

Theoretical development of Scenario #5 would result in a positive fiscal impact to the City's General Fund. Annual City General Fund revenues would be increased by \$3,746,000, approximately 9.7 percent over the City's 2009-2010 Budget. Annual City

Menlo Park Ballot Measure Impact Analysis

General Fund expenditures would be increased by \$1,716,000, approximately 4.6 percent over the City's 2009-2010 Budget.

Under Scenario #5, expenses would be approximately 46 percent of revenues, resulting in an increase of \$2,031,000 of new General Fund net revenue on an annual basis.

Compared to the ECR/D Specific Plan, Scenario #5 gains revenues from TOT (\$88,000), but loses from property tax (-\$52,000), sales tax (-\$133,000), per capita revenue (-\$30,000), vehicle license fee (-\$8,000), and property transfer tax (-\$5,000). Total revenues lost compared to the ECR/D Specific Plan is estimated at \$406,000.

The ECR/D Specific Plan revenue is heavily dependent upon TOT. Scenario #5, relying heavily on TOT revenue could lead to large positive fiscal impacts to the General Fund.

Scenario #6: Only Currently Developed Hotel

Scenario #6 assumes only build out of the current 146 net new hotel rooms. The intent of Scenario #6 is to illustrate the fiscal impact to the City of only this development, with the assumption that no other development would occur. It should be noted that Scenario #6 is a possible development under the current ECR/D Specific Plan and the Ballot Measure.

Theoretical development of Scenario #6 would result in a positive fiscal impact to the City's General Fund. Annual City General Fund revenues would be increased by \$1,872,000, approximately 5 percent over the City's 2009-2010 Budget. Annual City General Fund expenditures would be increased by \$1,620,000, approximately 4.4 percent over the City's 2009-2010 Budget.

Under Scenario #6, revenues would exceed expenses by 15 percent, resulting in the addition of \$247,000 net new General Fund revenue on an annual basis.

Compared to the ECR/D Specific Plan, Scenario #5 loses revenues from transient occupancy tax (-1,438,000), property tax (-\$247,000), sales tax (-\$133,000), per capita revenue (-\$139,000), vehicle license fee (-\$47,000), and property transfer tax (-\$10,000). Total revenues lost compared to the ECR/D Specific Plan is estimated at \$1,906,000.

The ECR/D Specific Plan revenue is heavily dependent upon TOT. Scenario #6, lacking TOT revenue and sales tax revenue (from retail) would result in negative fiscal impacts to the General Fund.

Menlo Park Ballot Measure Impact Analysis

A3-4.1.1 Fiscal Impacts: General Fund Summary

All three scenarios presented may have potential for positive fiscal impacts to the City's General Fund.

Conclusion: This analysis confirms the findings as described in Section A3-2.6: The ECR/D Specific Plan is heavily dependent upon transient-occupancy tax; and to a lesser degree, retail sales tax.

A3-4.2 Fiscal Impacts: Special Districts

The Special Districts fiscal impact analysis follows the methodology and assumptions following Scenarios 4, 5, and 6 described Section 1.3.2 in Chapter 1

Table A3-7 shows the projected property tax revenue distributions by City, County, and Special District for each alternative development scenario.

Menlo Park Ballot Measure Impact Analysis

Table A3-7 Projected Property Tax Revenues

Estimated Assessed Value	Baseline	Scenario #4	Scenario #5	Scenario #6
Net New Assessed Value	\$744,800,800	\$743,530,600	\$695,678,900	\$498,650,200
1% Basic Property Tax	\$7,448,000	\$7,435,300	\$6,956,800	\$4,986,500
Base 1.0% Tax (Post-ERAF Distribution)				
City of Menlo Park ^(a)	\$756,000	\$754,700	\$706,100	\$506,100
San Mateo County	\$1,079,200	\$1,077,400	\$1,008,000	\$722,500
Menlo Park City Elementary District	\$1,263,900	\$1,261,800	\$1,180,600	\$846,200
Sequoia High School	\$1,182,000	\$1,180,000	\$1,104,000	\$791,400
San Mateo Community College District	\$513,200	\$512,300	\$479,300	\$343,600
Menlo Park Fire District	\$1,059,900	\$1,058,000	\$990,000	\$709,600
San Fransquito Creek Flood Zone 2	\$14,900	\$14,900	\$14,000	\$10,000
Midpeninsula Regional Open Space District	\$139,300	\$139,000	\$130,100	\$93,200
Bay Area Air Quality Management District	\$15,600	\$15,600	\$14,600	\$10,500
County Harbor District	\$20,900	\$20,800	\$19,500	\$14,000
Mosquito Abatement	\$11,900	\$11,900	\$11,100	\$8,000
Sequoia Healthcare District	\$111,000	\$110,800	\$103,700	\$74,300
County Office of Education	\$267,400	\$267,000	\$249,700	\$179,000
Basic Property Tax Revenues	\$6,434,600	\$6,424,000	\$6,010,700	\$506,100
Supplemental Taxes				
Menlo Park & Recreation Board	\$1,300	\$1,300	\$1,200	\$900
Menlo Park City Elementary School Bonds	\$3,000	\$3,000	\$2,900	\$2,000
Sequoia High School Bonds	\$2,300	\$2,300	\$2,200	\$1,500
San Mateo Community College Bonds	\$1,400	\$1,400	\$1,300	\$900
Supplemental Property Tax Revenue	\$8,100	\$8,000	\$7,600	\$5,400
Source: BAE FIA 2011; LWC 2014				
(a) The BAE FIA 2011 used a distribution rate of 10.15% for Menlo Park. The SE FIA 2011 used a distribution rate of 9.9%.				
All three alternative development scenarios are estimated to have total property tax revenues lower than those projected for the ECR/D Specific Plan.				

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A3- 4.2.1 Fiscal Impacts: Special Districts Summary

Scenarios #4 and #5 do not deviate broadly from the Baseline Scenario (ECR/D Specific Plan) and should not result in any measurable impacts to Special District revenues. Scenario #6, with limited development beyond the currently constructed 146 hotel rooms, provides more limited property tax revenue. However, the impact would still be relatively small to the Special Districts as only the Fire District and Midpeninsula Open Space District receive fees based on service population. All other Special Districts account for expenditures based upon the number of residents, not employees. As a result, approval of the Ballot Measure should have less than substantial fiscal impacts on the revenues and expenditures for Special Districts.

A3-5 Fiscal Impact: Assumptions

Every attempt was made to develop an FIA model that would replicate the output provided by the SE FIA 2011. The intent of this section is to explain the assumptions used in conducting the Ballot Measure Fiscal Impact Analysis.

1. Hotel Square Footage

The hotel room sizes and corresponding total hotel square footage modeled do not equal the non-residential square footage set aside for Hotel development in the ECR/D Specific Plan. Assuming full build out of Office and Retail square footage as provided in the ECR/D Specific Plan, there would not be enough non-residential square footage available to build 380 hotel rooms.

Property tax revenue for Hotel rooms modeled in the SE FIA 2011 report is based on 475 sq. ft. rooms with allowance for shared spaced (e.g., corridors, lobbies). Shared space allowance per room under the Conference Hotel is 66 sq. ft. (the Boutique hotel did not account for shared space). The total square footage modeled in the SE FIA 2011 analysis was 200,500 sq. ft. for Hotels or 528 square feet per room. This is the development type incorporated into the Draft ECR/D Specific Plan. Accounting for the modeled hotel square footage would increase the total non-residential square footage provided for in the ECR/D Specific Plan beyond the non-residential cap by 48,620 sq. ft.

Table A3-8 Net Difference in Hotel Square Footage

	Office	Retail	Hotel	Total
ECR/D Specific Plan	240,820	91,800	380 Rooms (141,380 SF)	474,000
SE FIA 2011	240,820	91,800	380 Rooms (200,640SF)	522,620
ECR/D Specific Plan vs. Modeled: Net Difference Square Footage				(-48,620)

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The SE FIA 2011 is based the 528 square feet per room on local, comparable comps.

Following the assumption that the same size rooms would be demanded in the future for a hotel operator to be competitive, to build 380 hotel rooms would require a reduction in Office and/or Retail development by 48,620 square feet as modeled under the ECR/D Specific Plan scenario.

Model adjustments: The scenarios illustrated in this document assume an average hotel room size, including shared space, is 528 square feet.

2. Hotel Occupancy Rates

In an attempt to recreate the SE FIA 2011 results, LWC modeled the fiscal impact analysis by “backing out” of the SE FIA 2011 numbers. The SE FIA 2011 text states:

“A hotel market generally approaches a shortfall of supply when overall occupancy rates reach 65 to 70 percent, so a healthy 65 percent average occupancy rate is assumed for future stable operating conditions. Note that the previously-described occupancy rate of 90 percent was applied for the purposes of estimating hotel employment since it more accurately reflects the fixed staffing needs of a hotel based on number of rooms” (p. 12, SE FIA 2011).

Following the methodology provided by the SE FIA 2011 produced TOT revenue inconsistent with the results than appears in the SE FIA 2011’ Table 2: Net Fiscal Impact to the City General Fund at Build=Out (in 2009 dollars). The ECR/D Specific Plan TOT calculation may have used a 90 percent occupancy rate, not 65 percent as specified in methodology.

Model adjustments: For consistency, the three scenarios illustrated in this document also assume a 90 percent occupancy rate.

3. Property Tax Revenue Appreciation

The property tax revenue calculation does not appear to apply an appreciation/inflation factor. According to the assumptions:

The value of the project would be almost \$745 million. Following the SE FIS 2011 assumption that Menlo Park receives 9.9 percent of the 1 percent property tax distribution, the City would receive \$737,000. The SE FIA 2011 model applies an appreciation rate of 4 percent for new homes and re-sales, an appreciation rate of 2 percent of all other homes, and an overall discount rate of 3 percent to bring property tax revenue down to 2009 dollars. Assuming an even distribution of development, the

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property tax revenue in 2030 should be less than current value in 2009 dollars. However, it is greater.

Model adjustments: For consistency, the scenarios illustrated in this document assume no appreciation/inflation in property tax revenues.

4. Property Tax Revenues and Assessed Values

The SE FIA 2011 analysis used current housing and commercial market values and did not account for the existing assessed value of the land. As a result, the estimates of increased assessed value from development under the ECR/D Specific Plan Baseline development scenario may overestimate the marginal increase in property tax revenues from new development.

Model adjustments: For consistency, the scenarios illustrated in this document also assumed the same housing and commercial market values.

5. Discount Rate Application

The SE FIA 2011 did not appear to consistently apply the 3 percent discount to account for inflation. From the text, the SE FIA 2011 states:

“All projected costs and revenues were adjusted to 2009 constant dollars – current at the time of analysis – using a discount rate of three percent to be consistent with the long-term rate of inflation” (p. 11).

For example, the Per Capita Revenues appeared to apply the 3 percent discount rate, where as the Per Capita Expenditures did not.

Model adjustments: For consistency, the three scenarios illustrated in this document also applied a 3 percent discount rate to Per Capita Revenues, but not to Per Capita Expenditures.

APPENDIX 4

TRANSPORTATION IMPACT ANALYSIS

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Transportation Impact Analysis

To: Lisa Wise, Lisa Wise Consulting

From: William Riggs, PhD, AICP, LEED AP

CC: Menka Sethi, Lisa Wise Consulting
Dennis Larson, Lisa Wise Consulting
David Pierucci, Lisa Wise Consulting
Henry Pontarrel, Lisa Wise Consulting

Date: 7.1.2014

Re: Menlo Park Specific Plan Traffic Analysis

Summary

This memo assesses the traffic impacts of a change of uses within the El Camino Real / Downtown (ECR/D) Specific Plan (SP) area for the City of Menlo Park. The analysis from the Specific Plan Environmental Impact Report (SP EIR) for the area estimated a total of 13,385 trips generated after netting out 3,326 trips from existing uses. This provides a baseline for additional options to be explored.

In this memo, we evaluate the plan area based on Institute of Transportation Engineers (ITE) standards and estimate the total traffic volume using a bookend approach. Based on this analysis we find that the impacts would range from 6,107 average daily trips (ADT) at the low end for an all office use and 14,772 at the high end if there were a larger retail component – approximately 1,400 more daily trips than what the EIR estimated.

Study Area

The area of analysis is presented in Figure 1. The area is well-connected by multiple modes of transportation. It has high-capacity streets, accessible transit and connector shuttles (SamTrans & CalTrain shuttles), and an increasing amount of bike and pedestrian infrastructure. The City of Menlo Park, *Comprehensive Bicycle Development Plan*,¹ sets goals of Class II bikeways throughout the City, and the *Sidewalk Masterplan*² prioritizes sidewalk improvements citywide, including some in the Specific Plan area and the Circulation Element of the City's General Plan.

¹ City of Menlo Park, *Comprehensive Bicycle Development Plan* (January, 2005).

² City of Menlo Park, *Sidewalk Masterplan* (January, 2009)

<http://www.menlopark.org/DocumentCenter/View/475>

The Circulation Element of the Menlo Park General Plan³ addresses multiple modes and areas of transportation including: roadway network, public transit, transportation demand management, bicycles, pedestrians, and parking. For example, Goal II-D of the Circulation Element of the Menlo Park General Plan is “to promote the safe use of bicycles as a commute alternative and for recreation” Policies for this goal include completing a network of bikeways within Menlo Park, considering the effect of street cross section and intersection design, and requiring development projects to include on-site bicycle storage. Likewise, Goal II-E is “to promote walking as a commute alternative and for short trips.” Policies supporting this goal include traffic control and street lighting within street improvement projects, and support for pedestrian access across all signalized intersections along the El Camino Real.

This multi-modal transportation perspective is reinforced by regional documents published after the 2011 SP EIR and the *El Camino Real & Downtown Vision Plan*⁴ process. This includes the new *One Bay Area* plan, which supports a complete streets perspective in priority development areas (PDAs) throughout the region consistent with regional Sustainable Community Strategies. The City endorsed these regional goals in 2011 with specific mention of the housing targets stemming from the SP EIR.⁵

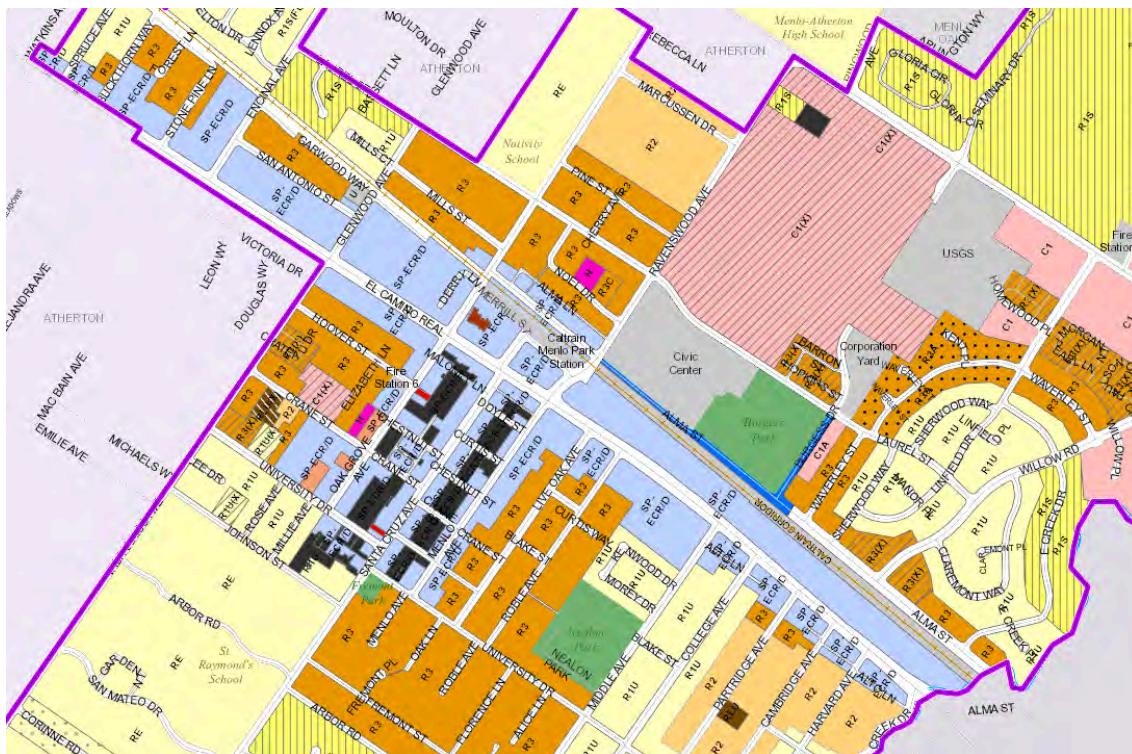


Figure 1: Specific Plan Area
Source: Menlo Park Parcel Viewer

³ City of Menlo Park, Circulation Element, (adopted 2004; revised 2013)
<http://www.menlopark.org/146/General-Plan>

⁴ City of Menlo Park, El Camino Real & Downtown Vision Plan (July, 2008)
<http://www.menlopark.org/183/El-Camino-Real-Downtown-Vision-Plan>

⁵ Letter from Mayor Rich Cline to ABAG and MTC, May 9, 2011
<http://www.menlopark.org/DocumentCenter/Home/View/1916>

The transportation section of the SP EIR focuses on the estimated trips that new uses in this area would bring. These new uses would generate approximately 16,000 additional new trips. This was based on a breakdown of the following key uses:

- 680 multi-family dwelling units (apartments, condominiums, and townhouses);
- 91,800 square feet of retail space;
- 240,820 square feet of commercial (office) space; and
- 380 hotel rooms

We use these uses and square footage as a baseline starting point in our evaluation of proposed changes to the land use breakdown in line with the potential build out options articulated in Table 1.

Table 1: Proposed Build-Out Scenarios

	Net New Development by Use Type			
	Office (SF)	Retail (SF)	Hotel (Rooms)	Apartment (DU)
SP EIR Baseline	240,820	91,800	380 Rooms	680
Scenario 1¹	240,821 ²	233,179	0	680
Scenario 2	240,821 ²	0	442 ³	680
Scenario 3	474,000 ²	0	0	680

¹ Assumes trips from existing uses remain since parcels do not change land use.

² Scenarios that include more than 240,820 SF of office space would not be possible if the proposed ballot measure were to pass. Given this, Scenarios 1 through 3 represent the broadest range of potential impact scenarios that would be precluded if the Ballot Measure were to pass.

³ The 380 hotel rooms assumed in the ECR/D Specific Plan EIR project description. For the purposes of generating additional scenarios, this study maintains consistency with ECR/D Specific Plan technical analyses, and uses the Strategic Economics metric of 528 SF per hotel room. In Scenario 2, 233,179 SF of hotel use would result in 442 hotel rooms (233,179 SF / 528 SF per room = 442 hotel rooms.)

The evaluation involves the following assumptions:

- No change in development mix aside from Office, Retail and Hotel;
- No change in residential, auto dealership and motel uses in the SP area;
- Reductions for transit and mixed use development (MXD) consistent with the SP EIR;
- Existing land uses not redeveloped remain the same and trips they generate do not change.

Trip Generation Rates

As a first step of analysis, the estimated travel generated by potential land use changes is calculated using rates and equations from *Institute of Transportation Engineers (ITE) Trip Generation, 8th edition*.⁶ We also validate these numbers against the more recently released 9th Edition of the manual to ensure that there are no substantive changes in trip generation rates.

The resulting trip generation rates based on this calculation are presented in Table 2. As seen in columns 4 and 5 every trip generation factor used is within a range of 1 or fewer total trips per unit. The most substantive change is highlighted with an asterisk below. The ITE land use

⁶ SP EIR used Institute of Transportation Engineers, Trip Generation, 8th Edition (2008); the 9th Edition was published in 2012.

code 841 was previously called 'New Car Sales' but is now classified with the title 'Automotive Sales'.

Table 2: Trip Generation Rates

Land Use	ITE Land Use & Code		Unit	Daily 8 th	Daily 9 th	Rates					
						AM Peak Hour			PM Peak Hour		
						In	Out	Total	In	Out	Total
Residential	Apartment	220	DU	6.07-.10	6.06	0.1595	0.3905	0.55	0.4087	0.2613	0.67
Retail	Shopping Center	820	sf	42.9	42.7	0.5952	0.3648	0.96	1.7808	1.9292	3.71
Auto Dealership	Automobile Sales*	841	sf	33.3	32.3	1.221	0.999	2.22	1.316	1.484	2.8
Commercial	Office	710	sf	11.01-.17	11.03	1.3728	0.1872	1.56	0.2533	1.2367	1.49
Motel	Motel	320	Rms	5.63	5.63	0.1716	0.2684	0.44	0.3024	0.2576	0.56
Hotel	Hotel	310	Rms	7.71-8.17	8.17	0.2808	0.2392	0.52	0.3538	0.2562	0.61

Source: Institute of Transportation Engineers; note naming convention change delineated by asterisk

Based on this validation, we confirm that using the 8th Edition is still appropriate. Both the equations and rates of trip generation remain consistent. As always, when looking at such numbers, it is important to remember that these rates are reflective of respective land uses in plan area and not specific projects in that area. It is also important to note that recent literature suggests that trip generation rates from the ITE manual can dramatically overstate the number of trips in locations such as the San Francisco Bay Area. This is based on the fact that these trip generation numbers are highly aggregated and, many times, based on more suburban locations throughout the United States (Schneider, Shafizadeh and Handy 2012).⁷

Mixed Use & Transit Reduction Factors

Within this trip generation framework we take a second step using trip reduction techniques for mixed-use (MXD) and transit-connected environments consistent with best practice methods established in the ITE Trip Generation Handbook⁸ and in more recent publications by Ewing et al (2011)⁹ and National Cooperative Highway Research Program (NCHRP) Report 684.¹⁰ The SP EIR used reductions for both mixed use and for transit, and we keep with this methodology. It is typical that transportation planners do this for the same reasons referenced earlier. Most ITE rates do not reflect locations that are dense, urban and have rich transportation amenities. For example, the retail rate might reflect a more suburban strip-mall use prevalent in some mid-western states. This would not be completely representative of many corridors throughout California which mix retail with residential uses and therefore cut down on the number of times people have to take a trip via auto.

⁷ Schneider, R., K. Shafizadeh & S. Handy (2012). Methodology for Adjusting ITE Trip Generation Estimates for Smart-Growth Projects. Transportation Research Record http://downloads.ice.ucdavis.edu/ultrans/smartgrowthtripgen/Appendix_F_Adjustment_Method.pdf

⁸ Institute of Transportation Engineers (ITE), Trip Generation Handbook, 2nd Edition (March, 2004).

⁹ Ewing, Reid, Michael Greenwald, Ming Zhang, Jerry Walters, et. al., Traffic Generated by Mixed-Use Developments –

A Six-Region Study Using Built Environmental Measures, Journal of Urban Planning & Development (2011) [http://ascelibrary.org/doi/abs/10.1061/\(ASCE\)UP.1943-5444.0000068](http://ascelibrary.org/doi/abs/10.1061/(ASCE)UP.1943-5444.0000068).

¹⁰ NCHRP 684, Enhancing Internal Trip Capture Estimation for Mixed-Use Developments (2011) http://onlinepubs.trb.org/onlinepubs/nchrp/nchrp_rpt_684.pdf.

Mixed Use

The SP EIR “determined that a 10 percent reduction was appropriate to account for the infill and mixed-use nature of the land use plan; where vehicle trips would be linked and/or replaced with walk and bicycle trips to nearby land uses.”¹¹ In our opinion, this may have been a fairly conservative estimate and it could have been higher. This is based in part on the ITE Trip Generation Handbook, which provides for a reduction factor range of 0 percent to 13 percent for MXD characteristics. It also comes from the mentioned study by Ewing and NCHRP 684 which shows support for a MXD reduction factor ranging from 10 percent to 16 percent in locations such as Menlo Park. This is a match up by a very recent meta-study that compiles data showing that actual trips could be reduced on the order of 25 to 50 percent lower than ITE rates in smart growth areas like the Bay Area (Schneider, Shafizadeh & Handy 2014).¹²

This mixed-use reduction is based on the idea of internal capture and trip chaining that occurs in a mixed office and retail environment. Internal capture rate is a term used to describe a mixed-use development’s ability to capture people on-site for a task when they would otherwise go off-site to complete that task. An example of internal capture is where an office worker eats lunch from a deli in the same development instead of driving to lunch. A downtown area with a grid network of sidewalks and a higher density of development will typically result in a higher internal capture rate than a development in a lower density suburban environment.

Trip chaining is a term used to describe the act of combing multiple tasks in a single trip. An example of trip chaining is doing multiple errands on a single driving trip, such as picking up dry cleaning and buying groceries or an office worker dropping off a package at the post office during a lunch break. A downtown area typically makes it easier to chain trips because of the diverse mix of land uses and the higher density of development.

Transit

For the transit reductions we employ a similar strategy as used in the ECR/D Specific Plan EIR using an area-wide approach. The SP EIR addressed the transit reduction on a parcel-by-parcel basis, however since our lens focuses on the entire plan area we employ average reductions for the entire SP area. These are derived from the ECR/D SP EIR parcel-by-parcel analysis and illustrated according to the bulleted list below.

- Residential 5%
- Office 3%
- Retail 1%
- Hotel 1%

The rationale for this is based on a large body of published research indicating much larger reductions actually occur in transit-connected areas. Work by Dill (2003) and Cervero & Duncan (2006) would suggest a range of 7 to 10 percent based on proximity. By focusing on an area-wide reduction we take into account the variability with regard to changing land uses and smooth out reductions, by providing normative rates across the plan area. This straightforward approach balances locations with high proximity to transit with others that are less close.

¹¹ SP EIR 4.13-37.

¹² Schneider, R., K. Shafizadeh, & S. Handy (2014). TRB Innovations in Travel Modeling Conference. <http://onlinepubs.trb.org/onlinepubs/conferences/2014/ITM/Presentations/Tuesday/OldDatawithaNewTwist/Schneider.pdf>

Traffic Volumes

Table 3 shows the anticipated traffic volumes for the SP area 1) given the anticipated land uses and 2) factoring in the previously discussed reductions. We show the breakdown of Average Daily Trips (ADT) for the specified uses and then walk through each reduction. Using these thresholds we back out existing uses in Table 4, which shows total net new trips.

Table 3: Trip Generation Options – Bookend Approach

Daily Trips	Office SF	Retail SF	Hotel Rooms	Apartment DU	ADT	MXD Trips Reduced ²	Transit Reduction ²	Total Trips
EIR Scenario¹	240,820	91,800	380	680				16,711
Scenario 1	240,821	233,179	-	680	19,034	(851)	(85)	18,098
Scenario 2	240,821	-	442	680	10,842	(274)	(79)	10,490
Scenario 3	474,000	-	-	680	9,758	(250)	(75)	9,433

¹ Unadjusted ADT and reduction values were not published as a part of the SP EIR.

² Reduction applies only to land use changes from EIR; reductions are otherwise accounted-for in the EIR baseline.

Table 4: Net New Trips

	Trips		
	From New Uses	Less Existing	Net New Trips
SP EIR Baseline	16,711	-3,326	13,385
Scenario 1: Office + Retail	18,098	-3,326	14,772
Scenario 2: Office + Hotel	10,490	-3,326	7,164
Scenario 3: All Office	9,433	-3,326	6,107

Scenarios 1 and 3 provide maximum and minimum trip calculations. Retail is the most trip-intensive land use. Scenario 1 therefore represents what the maximum number of additional trips for the SP area could possibly be. Office is a less trip intensive land use. Scenario 3 therefore represents what the minimum number of additional trips for the SP area could be. Scenario 2 has a mix of existing land uses, with varying trip generation rates. Hotel uses generate very few trips (just slightly more than residential). This, therefore, generates a number of trips that is between scenarios 1 and 3.

As alluded to in our discussion of MXD reduction, it is likely that these traffic volumes would decrease more if the City continues with their plans to support biking and walking and disincentivize single auto trips. This is well-supported in recent literature¹³ and could be viable if Menlo Park were to fully realize the goals of the *General Plan*, *Bicycle Development Plan*, and *Sidewalk Masterplan*. Once again, it should be emphasized that these numbers represent plan uses and not specific developments.

¹³ Marlon G. Boarnet, Kenneth Joh, Walter Siembab, William Fulton, and Mai Thi Nguyen. Retrofitting the Suburbs to Increase Walking: Evidence from a Land-use-Travel Study. *Urban Studies* January 2011 48: 129-159, first published on August 23, 2010. doi:10.1177/0042098010364859

Additional Possible Scenarios

While the previous tables provide a bookend approach to model the potential impacts of the ballot measure, there are an inordinate number of development possibilities under the existing SP entitlements. Given this, we also model additional hypothetical scenarios to provide representative examples in Tables 5 and 6. These scenarios incorporate the constructed (or in-construction) 95 net new hotel rooms (associated with 75,418 net new SF of non-residential development) that have been produced in the SP area since ECR/D SP adoption.

Table 5: Trip Generation – Hypothetical Development Scenarios

Daily Trips	Office SF	Retail SF	Hotel Rooms	Apartment DU	ADT	MXD Trips Reduced ²	Transit Reduction ²	Total Trips
EIR Scenario¹	240,820	91,800	380	680				16,711
Scenario 4	240,820	157,762	95	680	16,870	(518)	(52)	16,300
Scenario 5	240,820	-	394	680	10,413	(231)	(74)	10,107 ³
Scenario 6	-	-	95	680	4,621	-	-	4,621

¹ Unadjusted ADT and reduction values were not published as a part of the SP EIR.

² Reduction applies only to land use changes from EIR; reductions are otherwise accounted-for in the EIR baseline.

³ Note change in Office (240,820 vs.240,821).

Table 6: Net New Trips

	Trips		
	From New Uses	Less Existing	Net New Trips
SP EIR Baseline	16,711	-3,326	13,385
Scenario 4	16,300	-3,326	12,974
Scenario 5	10,107	-3,326	6,781
Scenario 6	4,621	NA ¹	4,621

¹ Existing uses and related trips maintained

Scenario 6 addresses one possibility if the Ballot Measure were to pass where non-residential development do not continue beyond the net new non-residential square footage currently under construction or recently constructed. The remaining developable or redevelopable parcels in the SP stay as the existing uses. *Trips stemming from existing uses are not subtracted from this scenario because this scenario assumes these uses are not redeveloped; therefore their traffic impact remains the same.* The existing land use trips are subtracted in Scenarios 4 and 5 because retail and office land uses respectively replace the existing land uses. The existing generated trips are replaced by trips produced by retail or office land uses.

Comparisons & Conclusions

Given the data analysis conducted as a part of this assessment we find the following:

1. ITE Trip Generation rates have not undergone substantive change in the 9th edition and we can reasonably analyze the SP EIR using 8th Edition standards;
2. Scenario 1 represents the highest trip generation impact. The Retail Land Use generates the greatest number of trips per square foot out of all the land uses in the SP EIR;
3. Scenario 3 represents the lowest impact from a trip generation standpoint. Commercial (Office) Land Use generates the least number of trips per square foot out of all the land uses in the SP EIR;
4. Scenario 2 represents a scenario where there is only a market for Office and Hotel land uses and is bounded by a maximum number of trips in Scenario 1 and a minimum number of trips in Scenario 3.
5. Scenarios 1, 2, and 3 represent scenarios that are possible under the ECR/D SP but are precluded if the Ballot Measure passes.
6. Various other hypothetical scenarios within the entitled SP limits yield similar trip generation results to the bookended options with the exception of one possibility in which development in Menlo Parks comes to a standstill as a result of the Ballot Measure.

In sum, passage of the ballot measure could impact traffic, however the ballot measure would not uniquely create more additional trips than the El Camino Real / Downtown Specific Plan baseline scenario. That said, in that the ballot measure would preclude net new office built-out in excess of 240,820 SF, the ballot measure would preclude some traffic scenarios that could result in fewer trips than the SP baseline. This is based on the fact that office uses have lower trip generation rates than other uses such as retail, but more than uses such as hotels.

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OFFICE OF THE CITY MANAGER

Council Meeting Date: July 15, 2014
Staff Report #: 14-127

Agenda Item #: F-1(c)

REGULAR BUSINESS:

Adopt an Ordinance Approving an Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits; OR

Adopt a Resolution Calling and Giving Notice of a Municipal Election to Be Held on November 4, 2014 as Required by the Provisions of the Laws of the State of California to General Law Cities and Submitting to the Voters a Question Relating to an Initiative Measure; Directing Special Counsel to Prepare an Impartial Analysis; Directing Special Counsel and the City Clerk to Prepare the Documents Necessary to Place the Initiative on the Ballot; and Requesting the County of San Mateo to Consolidate a Municipal Election to be Held with the General Statewide Election on November 4, 2014 Pursuant to Elections Code Section 10403

RECOMMENDATION

Staff recommends that the City Council either adopt an ordinance approving an initiative measure proposing amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan limiting office development, modifying open space requirements, and requiring voter approval for new non-residential projects that exceed specified development limits; OR adopt a resolution calling and giving notice of a municipal election to be held on November 4, 2014 as required by the provisions of the laws of the State of California to General Law Cities and for the submission to the voters of a question relating to an initiative measure; directing Special Counsel to prepare an impartial analysis; directing Special Counsel and the City Clerk to prepare the documents necessary to place the initiative on the ballot; and requesting the County of San Mateo to consolidate a municipal election to be held with the General Statewide Election on November 4, 2014 pursuant to Elections Code Section 10403.

BACKGROUND

On February 19, 2014, proponents Patti Fry and Mike Lanza submitted a Notice of Intent to the Menlo Park City Clerk's office to circulate an initiative petition entitled "The El Camino Real/Downtown Specific Plan Area Livable, Walkable Community Development Standards Act"

The initiative measure proposed by this petition ("measure") would amend the City of Menlo Park General Plan and Menlo Park El Camino Real/Downtown Specific Plan ("ECR/Downtown Specific Plan") adopted by the Menlo Park City Council on July 12, 2012 by imposing more restrictive development standards in the area of the City governed by the ECR/Downtown Specific Plan than currently imposed.

At its March 18, 2014 meeting, the City Council approved an appropriation of \$150,000 and authorized the City Manager to execute agreements, not to exceed a total of \$150,000, with consultants to provide professional analyses of the potential impacts related to the proposed ballot initiative which would amend the Menlo Park/El Camino Real Downtown Specific Plan. The report will be presented to the City Council on July 15, 2014.

ANALYSIS

After accepting certification regarding the sufficiency of the initiative petition and receiving a report analyzing the potential impacts related to the proposed initiative, pursuant to Elections Code Section 9215, the City Council is now required to take one of the following two actions:

1. Adopt the ordinance, without alteration, at the regular meeting at which the certificate of the petition is presented, or within ten (10) days after it is presented.
2. Submit the initiative to the voters at the next regular municipal election since the petition was signed by 10% of the voters but less than 15% of the voters, and there is a general municipal election within 180 days. The election date would be November 4, 2014.

If the City Council selects Option 1:

The Council should adopt the ordinance presented with this report. The ordinance adopts without alteration the initiative measure submitted to the City by the petitioners. Although under the Government Code, ordinances normally must be introduced and adopted at two separate meetings held at least 5 days apart, Elections Code Section 9215 prescribes the manner of adopting ordinances proposed by initiative and provides that this type of ordinance is adopted immediately with just one reading. The ordinance would become effective immediately upon adoption (Attachment A).

If the City Council selects Option 2:

At its June 17, 2014 meeting, the City Council called for the election of three City Council members at a general municipal election on November 4, 2014. If Council adopts the resolution presented with this report, the measure would be added to the ballot on November 4, 2014 (Attachment B).

Elections Code section 9280 allows the City Council to direct the City Attorney, or in this case Special Counsel, to prepare an impartial analysis of the measure showing the effect of the measure on the existing law and on the operation of the measure. The impartial analysis would be printed preceding the arguments for and against the measure in the voter pamphlet and shall not exceed 500 words in length. Section 3 of the resolution authorizes the City Council to designate any and all of its members to file a written argument against the measure. If approved, staff recommends that, as part of its action, Council designate the member(s) who will prepare the written argument. The filing deadline for the impartial analysis is the same as the date for filing primary arguments. The City must submit the impartial analysis to San Mateo County Elections Office by no later than 5:00 p.m. on August 15, 2014.

In addition, Elections Code section 9282 provides for the submission of written arguments in favor of, and in opposition to, the initiative. For measures placed on the ballot by petition, the person filing an initiative petition may file a written argument in favor of the measure and the City Council may submit an argument against the measure. If more than one argument for or against the measure is submitted, the elections official shall select one of the arguments using specific criteria as outlined in Elections Code section 9287.

The City must submit the written primary arguments to the San Mateo County Elections Office by no later than 5:00 p.m. on August 15, 2014 and the rebuttal arguments by no later than 5:00 p.m. on August 25, 2010. With these deadlines, if approved, staff requests the City Council to set a submittal deadline to the City of Menlo Park for the impartial analysis and the primary arguments of August 4, 2014 and the rebuttal arguments by August 14, 2014. This will provide the City enough time to meet the County's due dates.

IMPACT ON CITY RESOURCES

According to the San Mateo County Elections Office, the estimated cost of consolidated election services for the three City Council seats is approximately \$30,000. If a Measure is added to the ballot, the estimated total cost of the election is approximately \$40,000. Funds are included in the FY 2014-15 budget.

POLICY ISSUES

The policy issue presented to the Council is whether the Council should adopt the proposed ordinance or whether this matter should be put to the voters for consideration.

ENVIRONMENTAL REVIEW

A report regarding the impacts of the initiative petition will be presented to the City Council at its July 15, 2014 meeting.

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 Approving an Initiative Measure Proposing Amendments to the City of Menlo Park El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits
- B. Resolution Calling and Giving Notice of an Election Regarding an Initiative Measure and approving related actions

Report prepared by:
Alex D. McIntyre
City Manager

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADOPTING PURSUANT TO ELECTIONS CODE SECTION 9215(a) THE PROVISIONS OF AN INITIATIVE MEASURE AMENDING THE CITY OF MENLO PARK GENERAL PLAN AND MENLO PARK 2012 EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN BY LIMITING OFFICE DEVELOPMENT, MODIFYING OPEN SPACE REQUIREMENTS, AND REQUIRING VOTER APPROVAL FOR NEW NON-RESIDENTIAL PROJECTS THAT EXCEED SPECIFIED DEVELOPMENT LIMITS

THE CITY COUNCIL OF THE CITY OF MENLO PARK DOES ORDAIN AS FOLLOWS:

Section 1. TITLE.

- 1.1 This ordinance shall be known and cited as the “El Camino Real/ Downtown Specific Plan Area Livable, Walkable Community Development Standards Act.”

Section 2. PLANNING POLICY DOCUMENTS COVERED.

- 2.1 This ordinance enacts certain development definitions and standards within the City of Menlo Park General Plan and the Menlo Park El Camino Real/Downtown Specific Plan (“ECR Specific Plan”).
- 2.2 In this ordinance the above two documents are referred to collectively as the “Planning Policy Documents.”
- 2.3 Within 30 days of this ordinance’s effective date, the City shall cause the entire text of this ordinance to be incorporated into the electronic version of each of the Planning Policy Documents posted at the City’s website, and all subsequently distributed electronic or printed copies of the Planning Policy Documents, which incorporation shall appear immediately following the table of contents of each such document.

Section 3. ECR SPECIFIC PLAN AREA DEVELOPMENT DEFINITIONS AND STANDARDS.

- 3.1 **ECR SPECIFIC PLAN AREA DEFINED.** When referring to the “ECR Specific Plan Area,” this ordinance is referring to the bounded area within the Vision Plan Area Map located at Page 2, Figure I, of the El Camino Real/Downtown Vision Plan, accepted by the Menlo Park City Council on July 15, 2008, which is attached as Exhibit 1 to this ordinance and hereby readopted by the City Council as an integral part of this ordinance.

3.2 OPEN SPACE DEFINITIONS AND STANDARDS; ABOVE GROUND LEVEL OPEN SPACE EXCLUDED FROM CALCULATIONS OF MINIMUM OPEN SPACE REQUIREMENTS FOR DEVELOPMENT PROJECTS WITHIN THE ECR SPECIFIC PLAN AREA.

3.2.1 As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following definition of "Open Space": "The portion of the building site that is open, unobstructed and unoccupied, and otherwise preserved from development, and used for public or private use, including plazas, parks, walkways, landscaping, patios and balconies. It is inclusive of Common Outdoor Open Space, Private Open Space and Public Open Space as defined in this glossary. It is typically located at ground level, though it includes open space atop a podium, if provided, and upper story balconies. Open space is also land that is essentially unimproved and devoted to the conservation of natural resources." The foregoing definition is hereby amended, restated and adopted by the City Council to instead read: "The portion of the building site that is open, unobstructed and unoccupied, and otherwise preserved from development, and used for public or private use, including plazas, parks, walkways, landscaping, patios, balconies, and roof decks. It is inclusive of Common Outdoor Open Space, Private Open Space and Public Open Space as defined in this glossary. Open space up to 4 feet in height associated with ground floor level development or atop a podium up to 4 feet high, if provided, shall count toward the minimum open space requirement for proposed development. Open space greater than 4 feet in height, whether associated with upper story balconies, patios or roof decks, or atop a podium, if provided, shall not count toward the minimum open space requirement for proposed development. Open space is also land that is essentially unimproved and devoted to the conservation of natural resources."

3.2.2 As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following definition of "Private Open Space": "An area connected or immediately adjacent to a dwelling unit. The space can be a balcony, porch, ground or above grade patio or roof deck used exclusively by the occupants of the dwelling unit and their guests." The foregoing definition is hereby readopted by the City Council.

3.2.3 As adopted on July 12, 2012, the ECR Specific Plan's Appendix includes the following definition of "Common Outdoor Open Space": "Usable outdoor space commonly accessible to all residents and users of the building for the purpose of passive or active recreation." The foregoing definition is hereby readopted by the City Council.

3.2.4 As adopted on July 12, 2012, ECR Specific Plan Standard E.3.6.01 states: “Residential developments or Mixed Use developments with residential use shall have a minimum of 100 square feet of open space per unit created as common open space or a minimum of 80 square feet of open space per unit created as private open space, where private open space shall have a minimum dimension of 6 feet by 6 feet. In case of a mix of private and common open space, such common open space shall be provided at a ratio equal to 1.25 square feet for each one square foot of private open space that is not provided.” The foregoing standard is hereby readopted by the City Council.

3.2.5 As adopted on July 12, 2012, ECR Specific Plan Standard E.3.6.02 states: “Residential open space (whether in common or private areas) and accessible open space above parking podiums up to 16 feet high shall count towards the minimum open space requirement for the development.” The foregoing Standard is hereby amended, restated and adopted by the City Council to instead read: “Ground floor open space up to 4 feet high (whether in common or private areas) and accessible open space above parking podiums up to 4 feet high shall count towards the minimum open space requirement for the development. Open space exceeding 4 feet in height (regardless of whether in common or private areas or associated with podiums) shall not count towards the minimum open space requirement for the development.”

3.2.6 After this ordinance becomes effective, Tables E6, E7, E8, E9, E10, E11, E12, E13, E14, E15, in the ECR Specific Plan, which, as adopted on July 12, 2012, state that “residential open space, whether in common or private areas, shall count toward the minimum open space requirement for the development” are each hereby amended, restated and adopted by the City Council to instead read at the places where the foregoing statement appears: “only ground floor level residential open space in common or private areas up to 4 feet high and accessible open space above parking podiums up to 4 feet high shall count toward the minimum open space requirement for the development; residential open space in common or private areas exceeding 4 feet in height and open space above parking podiums exceeding 4 feet in height shall not.”

3.3 OFFICE SPACE DEFINED; MAXIMUM OFFICE SPACE ALLOWED FOR INDIVIDUAL OR PHASED DEVELOPMENT PROJECTS WITHIN THE ECR SPECIFIC PLAN AREA.

3.3.1 As adopted on July 12, 2012, the ECR Specific Plan’s Appendix includes the following Commercial Use Classification for “Offices,

Business and Professional”: “Offices of firms or organizations providing professional, executive, management, or administrative services, such as accounting, advertising, architectural, computer software design, engineering, graphic design, insurance, interior design, investment, and legal offices. This classification excludes hospitals, banks, and savings and loan associations.” The foregoing Commercial Use Classification is hereby readopted by the City Council.

- 3.3.2 As adopted on July 12, 2012, the ECR Specific Plan’s Appendix includes the following Commercial Use Classification for “Offices, Medical and Dental”: “Offices for a physician, dentist, or chiropractor, including medical/dental laboratories incidental to the medical office use. This classification excludes medical marijuana dispensing facilities, as defined in the California Health and Safety Code.” The foregoing Commercial Use Classification is hereby readopted by the City Council.
- 3.3.3 As adopted on July 12, 2012, the ECR Specific Plan’s Appendix includes the following Commercial Use Classification for “Banks and Other Financial Institutions”: “Financial institutions providing retail banking services. This classification includes only those institutions engaged in the on-site circulation of money, including credit unions.” The foregoing Commercial Use Classification is hereby readopted by the City Council.
- 3.3.4 The foregoing Commercial Use Classifications are hereby collectively referred to in this ordinance as “Office Space.”
- 3.3.5 After this ordinance becomes effective, the maximum amount of Office Space that any individual development project proposal within the ECR Specific Plan area may contain is 100,000 square feet. No City elected or appointed official or body, agency, staff member or officer may take, or permit to be taken, any action to permit any individual development project proposal located within the ECR Specific Plan area that would exceed the foregoing limit.
- 3.3.6 For the purposes of this provision, all phases of a multi-phased project proposal shall be collectively considered an individual project.
- 3.3.7 The foregoing limitation is in addition to applicable Floor Area Ratio (FAR) limitations, including Public Benefit Bonuses, that may apply to a proposed development project.
- 3.3.8 Any authorization, permit, entitlement or other approval issued for a proposed development project by the City after the effective date of

this ordinance is limited by the foregoing provisions, and any claimed “vested right” to develop under any such authorization, permit, entitlement or other approval shall be and is conditioned on the foregoing 100,000 square foot limitation on Office Space, whether or not such condition is expressly called out or stated in the authorization, permit, entitlement or other approval.

3.4 ECR SPECIFIC PLAN AREA MAXIMUM TOTAL NON-RESIDENTIAL AND OFFICE SPACE DEVELOPMENT ALLOWED.

3.4.1 This Section 3.4 of this ordinance hereby incorporates the Commercial Use Classifications and definition of “Office Space” stated within Section 3.3 above.

3.4.2 The Final Environmental Impact Report (EIR) for the ECR Specific Plan, as certified by the City on June 5, 2012, at page 3-11, states that it conceptually analyzes net, new development of 240,820 square feet of Commercial Space. After this ordinance becomes effective, the maximum square footage of all net, new Office Space that may be approved, entitled, permitted or otherwise authorized by the City in the aggregate within the ECR Specific Plan Area after the ECR Specific Plan’s adoption on July 12, 2012 shall not exceed the 240,820 square feet of Commercial Space disclosed and analyzed in the ECR Specific Plan EIR.

3.4.3 As adopted on July 12, 2012, the ECR Specific Plan at page G16, states as follows:

“The Specific Plan establishes the maximum allowable net new development as follows:

- Residential uses: 680 units; and
- Non-residential uses, including retail, office and hotel: 474,000 Square Feet.

The Specific Plan divides the maximum allowable development between residential and non-residential uses as shown, recognizing the particular impacts from residential development (e.g., on schools and parks) while otherwise allowing market forces to determine the final combination of development types over time.

The Planning Division shall at all times maintain a publicly available record of:

- The total amount of allowable residential units and non-residential square footage under the Specific Plan, as provided above;
- The total number of residential units and nonresidential square footage for which entitlements and building permits have been granted;
- The total number of residential units and nonresidential square footage removed due to building demolition; and
- The total allowable number of residential units and non-residential square footage remaining available.”

The foregoing passage of the Specific Plan is hereby amended, restated and adopted by the City Council to instead read as follows:

“The Specific Plan establishes the maximum allowable net new development as follows:

- Residential uses: 680 units; and
- Non-residential uses, including retail, office and hotel: 474,000 Square Feet, with uses qualifying as Office Space under Section 3.3, above, constituting no more than 240,820 Square Feet.

The Specific Plan divides the maximum allowable development between residential and non-residential uses as shown, recognizing the particular impacts from residential development (e.g., on schools and parks) while otherwise allowing market forces to determine the final combination of development types over time, subject to the Square Footage limitations stated above.

The Planning Division shall at all times maintain a publicly available record of:

- The total amount of allowable residential units, non-residential square footage, and Office Space square footage allowed under the Specific Plan, as provided above;
- The total number of residential units for which any vesting entitlement or building permit has been granted after the ECR Specific Plan’s adoption on July 12, 2012;

- The total nonresidential square footage for which any vesting entitlement or building permit has been granted after the ECR Specific Plan's adoption on July 12, 2012;
- The total Office Space square footage for which any vesting entitlement or building permit has been granted after the ECR Specific Plan's adoption on July 12, 2012;
- The total number of unconstructed residential units, nonresidential square footage, or Office Space square footage for which any vesting entitlement or building permit has been issued after the ECR Specific Plan's adoption on July 12, 2012, but that have subsequently been credited back toward the calculation due to the irrevocable expiration, abandonment, rescission or invalidation of such vesting entitlement or building permit prior to construction;
- The total number of residential units, nonresidential square footage, or Office Space square footage that have been credited back toward the net calculation due to building demolition completed after the ECR Specific Plan's adoption on July 12, 2012; and
- The total allowable number of residential units, non-residential square footage, and Office Space square footage remaining available.

For purposes of the foregoing provisions 'vesting entitlement' means any ministerial or discretionary action, decision, agreement, approval or other affirmative action of any City elected or appointed official or body, agency, staff member or officer (including, but not limited to, the adoption of a development agreement or approval of a vesting tentative map), that confers a vested right upon the developer to proceed with the development project."

- 3.4.4 As adopted on July 12, 2012, The ECR Specific Plan, at page G16, states: "Any development proposal that would result in either more residences or more commercial development than permitted by the Specific Plan would be required to apply for an amendment to the Specific Plan and complete the necessary environmental review." The foregoing passage of the Specific Plan is hereby amended, restated and adopted by the City Council to instead read as follows: "Any development proposal that would result in more net, new residential units, non-residential square footage (474,000 square feet maximum) or Office Space square footage (240,820 square

feet maximum) than permitted by the Specific Plan as restated and amended at Section 3.4.3, above, would be required to apply for an amendment to the Specific Plan and complete the necessary environmental review. Voter approval shall not be required to amend the Specific Plan to increase the number of net, new residential units allowed beyond the limit stated in this ordinance. Voter approval shall be required to increase the amount of net, new non-residential or Office Space square footage allowed beyond the limits stated in this ordinance.”

3.4.5 The foregoing limitations are in addition to applicable Floor Area Ratio (FAR) limitations, including Public Benefit Bonuses, that may apply to a proposed development project.

3.4.6 Any authorization, permit, entitlement or other approval issued for a proposed development project by the City after the effective date of this ordinance is limited by the foregoing provisions, and any claimed “vested right” to develop under any such authorization, permit, entitlement or other approval shall be and is conditioned on the foregoing aggregate limits on net, new residential, non-residential and Office Space development, whether or not such condition is expressly called out or stated in the authorization, permit, entitlement or other approval.

Section 4. NO AMENDMENTS OR REPEAL WITHOUT VOTER APPROVAL

4.1 Except for as provided at Section 3.4.4 above regarding the City’s ability to approve without voter ratification an amendment to the Specific Plan to accommodate development proposals that would call for an increase in the allowable number of residential units under the Specific Plan, the development standards and definitions set forth in Section 3, above, may be repealed or amended only by a majority vote of the electorate of the City of Menlo Park voting “YES” on a ballot measure proposing such repeal or amendment at a regular or special election. The entire text of the proposed definition or standard to be repealed, or the amendment proposed to any such definition or standard, shall be included in the sample ballot materials mailed to registered voters prior to any such election.

4.2 Consistent with the Planning and Zoning Law and applicable case law, the City shall not adopt any other new provisions or amendments to the Policy Planning Documents that would be inconsistent with or frustrate the implementation of the development standards and definitions set forth in Section 3, above, absent voter approval of a conforming amendment to those provisions.

Section 5. PRIORITY.

- 5.1 After this ordinance becomes effective, its provision shall prevail over and supersede all provisions of the municipal code, ordinances, resolutions, and administrative policies of the City of Menlo Park which are inferior to the Planning Policy Documents and in conflict with any provisions of this ordinance.

Section 6. SEVERABILITY.

- 6.1 In the event a final judgment of a court of proper jurisdiction determines that any provision, phrase or word of this ordinance, or a particular application of any such provision, phrase or word, is invalid or unenforceable pursuant to state or federal law, the invalid or unenforceable provision, phrase, word or particular application shall be severed from the remainder of this ordinance, and the remaining portions of this ordinance shall remain in full force and effect without the invalid or unenforceable provision, phrase, word or particular application.

Section 7. EXEMPTION FOR CERTAIN PROJECTS.

- 7.1 To the extent any particular development project or other ongoing activity has, prior to the effective date of this ordinance, obtained a legally valid, vested right under state or local law to proceed in a manner inconsistent with one or more of the development definitions and standards at Section 3 of this ordinance, the specific, inconsistent definitions and standards shall not be interpreted as applying to or affecting the project or activity. If other definitions or standards in Section 3 are not inconsistent with such vested rights, those other definitions or standards shall continue to apply to the project or activity. Projects or activities that may, themselves, be exempt from Section 3.4 of this ordinance by virtue of the foregoing provision, shall, to the extent the building permit for the project post-dates the ECR Specific Plan's adoption on July 12, 2012, still be counted toward the calculation of net, new amount of pre-existing approved residential units, non-residential square footage or Office Space square footage within the ECR Specific Plan area called for by Section 3.4.3, above, when assessing whether the City may approve, entitle, permit or otherwise authorize a different project or proposal to proceed under Section 3.4 of this ordinance.

- 7.2 To the extent that one or more of the development definitions and standards in Section 3 of this ordinance, if applied to any particular land use or development project or proposal would, under state or federal law, be beyond the initiative powers of the City's voters under the California Constitution, the specific, inconsistent definitions and standards shall not be interpreted as applying to that particular project or proposal. If other definitions or standards in Section 3, as applied to any such project or

proposal, would not be beyond the initiative powers of the City's voters under the California Constitution, those definitions or standards shall continue to apply to the project or proposal. Projects or activities that may, themselves, be exempt from Section 3.4 of this ordinance by virtue of the foregoing provision, shall, to the extent the building permit for the project post-dates the ECR Specific Plan's adoption on July 12, 2012, still be counted toward the calculation of net, new amount of pre-existing approved residential units, non-residential square footage or Office Space square footage within the ECR Specific Plan area called for by Section 3.4.3, above, when assessing whether the City may approve, entitle, permit or otherwise authorize a different project or proposal to proceed under Section 3.4 of this ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Menlo Park on the 15th day of June, 2014, by the following vote:

AYES: Councilmembers: _____
NOES: Councilmembers: _____
ABSENT: Councilmembers: _____
ABSTAIN: Councilmembers: _____

MAYOR

ATTEST:

CITY CLERK

EXHIBIT 1
ECR Specific Plan Area

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK CALLING AND GIVING NOTICE OF A MUNICIPAL ELECTION TO BE HELD NOVEMBER 4, 2014 AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES AND SUBMITTING TO THE VOTERS A QUESTION RELATING TO AN INITIATIVE PETITION; DIRECTING SPECIAL COUNSEL TO PREPARE AN IMPARTIAL ANALYSIS; DIRECTING SPECIAL COUNSEL AND THE CITY CLERK TO PREPARE THE NECESSARY DOCUMENTS TO PLACE THE INITIATIVE ON THE BALLOT; AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN MATEO TO CONSOLIDATE A MUNICIPAL ELECTION TO BE HELD WITH THE GUBERNATORIAL GENERAL ELECTION ON NOVEMBER 4, 2014 PURSUANT TO §10403 OF THE ELECTION CODE

WHEREAS, on February 19, 2014, proponents of an initiative measure entitled "The El Camino Real/Downtown Specific Plan Area Livable, Walkable Community Development Standards Act" ("Initiative") submitted a Notice of Intention and written text of the measure and requested that a title and summary be prepared for the measure in order to circulate the petition; and

WHEREAS, Special Counsel prepared and provided an official ballot title and summary for the proposed Initiative for use by the proponents for publication and circulation of the petition; and

WHEREAS, the petitions regarding the Initiative were filed with the elections official on May 12, 2014, and were submitted to the County of San Mateo on May 13, 2014 for signature verification; and

WHEREAS, in order to qualify to be placed on the November 4, 2014, ballot, proponents were required to obtain signatures in the amount of ten percent (10%) of the number of registered voters in the City; and

WHEREAS, the City Clerk conducted a prima facie review of the petition and found it complies with the provisions of the Election Code; and

WHEREAS, the certified results of the signature verification were presented by the City Clerk and accepted by the City Council; and

WHEREAS, it is desirable that the Municipal Election be consolidated with the Gubernatorial General Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same; and that the County Election Department of County of San Mateo canvass the returns of the Municipal Election; and that the election be held in all respects as if there were only one election;

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF MENLO PARK DOES DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Pursuant to the laws of the State of California relating to general law cities there is called and ordered to be held in the City of Menlo Park, California, on Tuesday, November 4, 2014, a Municipal Election.

SECTION 2: Pursuant to Election Code 9214 (b) the City Council hereby orders the Initiative to be placed on the ballot without alteration and does order submitted to the voters at the Municipal Election the following question:

Shall an Ordinance entitled "An Initiative Measure Proposing Amendments to the City of Menlo Park General Plan and Menlo Park 2012 El Camino Real/Downtown Specific Plan Limiting Office Development, Modifying Open Space Requirements, and Requiring Voter Approval for New Non-Residential Projects that Exceed Specified Development Limits" be adopted?	YES	
	NO	

SECTION 3. The proponents of the initiative may file a written argument in favor of the measure, and the City Council authorizes any and all members of the City Council to file a written argument against the measure and any individual voter who is eligible to vote on the measure or bona fide association of citizens or combination of voters and associations may also submit a written argument for or against the measure. Such argument, whether in favor or against, shall not exceed 300 words and be accompanied by the printed names(s) and signature(s) of the person(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers, in accordance with Article 4, Chapter 3, Division 9 of the Election Code of the State of California. Primary arguments in favor or against the measure must be submitted to the City Clerk by 5:30 p.m. on August 4, 2014. In the event that more than one written argument is filed in favor or against the measure, the City Clerk shall select one of the multiple arguments in accordance with the provisions of Elections Code section 9287. Rebuttal arguments must be submitted to the City Clerk by 5:30 p.m. on August 14, 2014 and shall not exceed 250 words.

SECTION 4. The City Council directs the City Clerk to transmit a copy of the measure to Special Counsel, and directs the Special Counsel to prepare an impartial analysis of the measure showing the effect of the measure on existing law and the operation of the measure. The analysis shall be printed preceding the arguments In Favor and Against the measure. The analysis shall not exceed 500 words in length. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 5. The boundaries of the City have not changed since the City of Menlo Park's previous election held November 4, 2014.

SECTION 6. The measure requires a simple majority of the voters voting on the initiative petition to pass.

SECTION 7. Pursuant to the requirements of §10403 of the Elections Code, the Board of Supervisors of the County of San Mateo is hereby requested to consent and agree to the consolidation of a Municipal Election with the Gubernatorial General Election on Tuesday, November 4, 2014.

SECTION 8. The County Elections Office is authorized to canvass the returns of the Municipal Election. The election shall be held in all respects as if there were only one election and only one form of ballot shall be used.

SECTION 9. The Board of Supervisors is requested to issue instructions to the County Elections Office to take any and all steps necessary for the holding of the consolidated election.

SECTION 10. The City of Menlo Park recognizes that the additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs associated with the election.

SECTION 11. The City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County Elections Office of the County of San Mateo.

SECTION 12. The ballots to be used at the election shall be in form and content as required by law.

SECTION 13. The full text of the Measure shall not be printed in the Voter Information Pamphlet, but a statement shall appear under the Impartial Analysis informing voters that a copy of the measure may be obtained from the City Clerk's office and the City's website.

SECTION 14. The City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices and printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election and to take all other necessary actions to place the measure on the November 4, 2014 ballot.

SECTION 15. The polls for the election shall be open at seven o'clock a.m. on the day of the election and shall remain open continuously from that time until eight o'clock p.m. on the same day when the polls shall be closed.

SECTION 16. In all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 17. The notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 18. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of resolutions.

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 fifteenth day of July 15, 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 fifteenth day of July, 2014.

Pamela Aguilar
City Clerk



PUBLIC WORKS DEPARTMENT

Council Meeting Date: July 15, 2014
Staff Report #: 14-124

Agenda Item #: F-2

REGULAR BUSINESS: Approve Option B for City Hall Improvements and Authorize the City Manager to Execute Any Necessary Contracts Associated with the City Hall Improvements and the Carpet Replacement Project, Including Any Contract that Exceeds the City Manager's Current Authority

RECOMMENDATION

Staff recommends that the City Council approve Option B for City Hall Improvements, and authorize the City Manager to execute any necessary contracts associated with the City Hall Improvements and the Carpet Replacement Project, including any contract that exceeds the City Managers current authority.

BACKGROUND

On February 12, 2013, staff presented the need for additional staffing in Planning, Building and Public Works due to the work load demand created by an unprecedented number of large and highly complex development projects in queue for processing through the City. Staff was concerned on how to provide efficient and quality customer service to development projects, while maintaining basic quality service. Staff presented plans to augment existing staff and make improvements to City Hall. The City Council appropriated \$300,000 and authorized a new capital improvement project for City Hall improvements to create efficiencies and accommodate the additional staff. This requires re-designing the 1st and 2nd floors of the Administration Building to improve existing work stations and increase the number of work stations.

Project key goals will provide:

- strategic location of departments to foster inter and intra department communication,
- better public service through efficiencies, and
- improved work spaces for employees

Staff hired Group 4 Architecture, Research + Planning (Group 4) who specialize in space planning. Group 4 was the architect who designed the remodel of the

Administration building in 1998. The key phases and tasks performed by Group 4 were needs assessment, building program, conceptual options and recommendations.

On February 25, 2014, the outcome of the report by Group 4 was presented by Staff to the City Council at a study session. Attachment A is the study session staff report.

As part of the approved 2014-15 budget, eight additional positions are included in Community Development and Public Works. These positions will support development activity reviews and Climate Action Plan initiatives. Due to a current lack of flexible workspace for additional staff in these departments, the proposed improvements are critical.

During the study session, the City Council commented that Option B provided the needed flexibility in the first floor staff area that was not included in Option A. However, the City Council also expressed concern on the cost of improvements specifically the replacement of the carpet. The City Council had questions regarding the project budget and requested additional details to better understand the scope of the work needed to make these improvements. On June 17, 2014, staff presented to the City Council a report responding to the questions raised during the study session. Due to the presence of only three Councilmembers at this meeting, the Council requested the item be moved to the next meeting when the full Council was present. Attachment B is the staff report.

ANALYSIS

On February 12, 2013, when the City Council approved a \$300,000 budget, the amount was just a place holder and no analysis was done to figure out the cost of making improvements to address the key goals of the project. It was not until Group 4 performed their study did we have an estimated cost of City Hall improvements.

Staff is recommending option B because it met the goals of the project in meeting the space needs, adjacencies, and efficiencies of all City departments and incorporates optimal flexibility for projected staff needs as City Hall continues to grow and evolve to provide excellent service now and for years to come.

In addition to the recommended Option B, Group 4 had presented staff other options that were more expensive some of which included reconfiguring the central counter and Council conference room, and relocating the Council office from the second floor to the area presently occupied by human resources. This option also adds two new conference rooms. There were other options that staff considered, but staff did not recommend these options due to the cost and plan B met other goals. The cost of these other options would of required an increase to the budget in the range of \$700,000 to \$1,100,000.

The cost of Option B will require an increase to the budget in the amount of \$500,000, all of which is available in the CIP due to cost savings of other projects.

The total project cost of option B including the carpet is as follows:

Approved budget City Hall Improvements 2013	\$300,000
Carpet Budget 2014-15	\$400,000
Additional Funding Option B	<u>\$500,000</u>
Total Project Cost	\$1,200,000

IMPACT ON CITY RESOURCES

Sufficient funds are available in the CIP to cover these costs.

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. Staff Report dated February 25, 2014
- B. Staff Report dated June 17, 2014

Report prepared by:
Ruben Niño
Assistant Director of Public Works

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: February 25, 2014
Staff Report #: 14-030

Agenda Item #: SS-2

STUDY SESSION: Provide Direction on Proposed City Hall Improvements

RECOMMENDATION

Staff is seeking City Council direction on how to proceed with proposed City Hall Improvements.

BACKGROUND

On February 12, 2013, staff presented the outlook of having an unprecedented number of large and highly complex development projects being processed through the City. Staff was concerned on how to provide efficient and quality customer service to development projects, while maintaining basic quality service. Staff presented plans to augment existing staff and make improvements to City Hall. The City Council appropriated \$300,000 and authorized a new capital improvement project for City Hall improvements to create efficiencies and staff augmentation. The City Council also authorized the City Manager to award any contracts associated with City Hall improvements not to exceed the budgeted amount. Based on City Council priorities it is necessary to increase staff resources (contract/provisional/temp) to meet the needs related to increases in building and development. This requires re-designing the 1st and 2nd floors of the Administration Building to improve existing work stations and increase the number of work stations.

The key goals of the project are to provide

- quality work space for employees,
- strategic location of departments to foster inter and intra department communication, and
- to provide better public service through efficiencies.

Staff hired Group 4 Architecture, Research + Planning who specialize in space planning. Group 4 was the architect who designed the remodel of the Administration building in 1998. The key phases and tasks performed by Group 4 are summarized below:

Needs Assessment. The Needs Assessment, or information gathering phase of the project, was a multi-pronged approach that included an existing facility analysis, department surveys, and technical meetings with each City department.

The purpose of this phase was to quantify current and projected staff and space needs and identify opportunities to improve staff workflow, collaboration, department adjacencies, and customer service. The process was highly participatory, with key personnel from each department providing valuable input on both the needs of their department and also the holistic, long-term needs of City Hall.

Building Program. From the information gathered in the Needs Assessment, Group 4 synthesized the data into a draft building program and adjacency diagrams that were reviewed in a staff workshop with department heads and key staff. In the building program, Group 4 also included opportunities to incorporate standard best practices for City facilities and operations, from collaboration spaces and public/staff interaction to staff work stations and storage/equipment needs. Group 4 further refined the building program based on the input from City staff.

Conceptual Options. From the building program, Group 4 developed multiple conceptual floor plan options for both the first and second floors, and a budget range for each option. Meetings were held with each department to determine the conceptual option that best fit the need and aligned with the budget.

Recommendations. Group 4 refined the conceptual floor options into a base option "A" that meets with the targeted budget and also additional "B" and "C" options that better meet the needs of City staff, align with industry standards, and improve customer service and other goals identified during the Needs Assessment and goal-setting phase.

Carpet Replacement

Included in the 2014-15 Capital Improvement Plan (CIP) is a budget to replace the existing carpet in the Administration Building. The existing carpet is over 15 years old and travel paths are wearing into the carpet and stains have occurred which are not removable. The normal life of carpet is 10-15 years. Staff plans to purchase tile carpets similar to tiles placed in the library and the police area. The carpet tiles provide greater flexibility to maintain and repair carpet stains. Carpet tiles are also easier to install in sections, creating less overall disruption to staff workflow than traditional broadloom carpet. However, the replacement of the carpet is a significant and disruptive undertaking in that it includes numerous contractors that need to be coordinated and requires staff support in packing/unpacking their workstations. The process includes employees boxing up all their office supplies, movers moving boxes and partitioned office furniture, disconnecting electrical connections, MIS removing computer equipment, existing carpet being removed and new carpet installed. Then, partitions are reinstalled and employees' boxes are returned to each work station before the following day. This project is time consuming and takes significant amount of coordination. Linking these projects together provides better economies of scale and increased efficiency.

ANALYSIS

The key outcomes from the space need analysis are as follows:

- The print shop should be relocated to the Administration Building in order to improve accessibility and staff efficiency in developing Council and Commission packets and public noticing.
- Human Resources should be moved to 2nd floor closer to the Administration Department to improve the communication within the department.
- Existing space allocations for Community Development and Public Works are inadequate and impact staff functionality due to adjacency and acoustical conflicts.
- Additional conference rooms are needed on the first and second floors in order to accommodate customers at the counter and employee meetings.
- The central counter needs to be updated to improve efficiencies and incorporate new technologies for optimum customer service and staff workflow.

Given the above objectives, Group 4 developed four to six floor plans for each floor. Staff reviewed the plans and narrowed the plans down to two floor plans for each floor. Group 4 further developed and prepared cost estimates. One plan for each floor met the city budget. The second plan, although not the most expensive, was the plan that better met the needs of each department on each of the floors and improved customer service interaction and efficiency. The floor plans for Option A and Option B are included as attachments.

Option A – First Floor

- Relocate Human Resources to the second floor.
- Relocate Building staff to Human Resources space.
- Add a small conference room in the public counter area that can be used for staff/public interactions.
- Expand Planning into space presently occupied by Building staff.

Pros

- Improves space for Planning and Building divisions.
- Adds a small conference room.

Cons

- Separates Building from Planning.
- Space needs of all departments not met.
- First floor counter staff space not improved.
- Provides limited surge spaces for additional contract staff for Planning (one) and Public Works (two).

Option A – Second Floor

- Relocate print shop (currently off-site) to space previously occupied by Economic Development (which was originally designed to be a Print Shop in 1998).
- Relocate Economic Development to an area in Finance.
- Expand MIS space into mail processing area.
- Relocate Human Resources to the second floor and add an office and small conference room.
- Divide City Council office to create a second office space.
- Remove partition wall and counter between City Clerk area and Finance department for improved access and flow between the spaces.

Pros

- Human Resources adjacent to other Administrative functions (such as the Finance Department).
- Increased space for MIS and to allow for a secure staging area.
- Print shop more accessible to departments.
- Adds a small conference room.

Cons

- Space needs of all departments not met.

Option B – First Floor

- Relocate Human Resources to the second floor.
- Remove hallway walls between Public Works and current Human Resources area for improved flow between divisions and more efficient staff workspace.
- Add a small conference room in the public counter area that can be used for staff/public interactions.
- Add a public access service-point with a gate at reception counter.
- Expand Planning and Building into the space presently occupied by Transportation. Relocate Transportation to the area presently occupied by Human Resources.
- Expand the lobby area and add kiosks for customer self-service.

Pros

- Space needs are mostly met by departments.
- Good adjacencies within departments.
- More efficient use of space for workstations by removing walls.
- Added conference room adjacent to counter area to improve customer service interactions.
- Central public access service-point provides improved public interface.
- Kiosks provide self-service, empower public, and allows staff to focus on public interactions that provide the most value to the customer.

Cons

- Cost

Option B – Second Floor

- Relocate print shop (currently off-site) to space previously occupied by Economic Development.
- Relocate Economic Development to an area in Finance.
- Expand MIS space into mail processing area.
- Relocate Human Resources to the second floor and add an office and small conference room.
- Divide City Council office to create a second office space.
- Remove partition wall and counter between City Clerk area and Finance department for improved access and flow between the spaces.
- Remove the counters in the Finance areas and reallocate the reclaimed space for staff workstations. Reduce the counter in the Administration area and reallocate the reclaimed space for workstations. Enclose part of the lobby at the second floor. (Since the first floor will include a central service counter and serve as the single public service point for the entire facility, the majority of the counters on the second floor are no longer necessary).

Pros

- Human Resources adjacent to Administration.
- Increased space for MIS.
- Print shop more accessible to departments.
- Adds a small conference room.
- Updated service model and reallocated space for Administration and Finance.

Cons

- Cost

The cost of Option A is within the \$300,000 budget. The cost of Option B will require an increase to the budget in the amount of \$500,000.

The most recent remodel of City Hall was fifteen years ago and reflected the service model of that era. Since that time, the City has downsized and the City's service model, as well as standard best practice, has evolved with changing times to the point where the facility no longer supports the current operations. Major advances in technology, such as the transition to online forms and payments, as well as consolidated service points and cross-trained staff, render multiple service points obsolete. With the City no longer operating with multiple public service counters, there is a great opportunity to reclaim valuable space to meet current staff needs and to better delineate staff and public zones. With a central service point, self-service kiosks, and an adjacent conference room, staff can focus on public interactions that add significant value to the customer.

Although Option B would require additional funds, this concept best supports a design that provides an improved customer service experience with clear wayfinding, a central service point, and better efficiencies for staff and addresses long term needs. In addition the coordination of the carpet project into the City hall improvement project is a significant effort and now would be the time to remodel for the long term.

Implementation of Improvements

Based upon City Council direction, staff will return to the City Council with an implementation plan. The plan would be to move forward the funding planned for FY 14-15 for the carpet replacement project to this fiscal year in order to incorporate the carpet project with the City Hall improvement project and authorize the City Manager to award any contracts associated with City Hall improvements not to exceed the budgeted amount.

Staff has already began the moving of the print shop to the administration building by April 1st. This is due to the end of the lease on the print shop copier and staff plans to lease a new printer.

IMPACT ON CITY RESOURCES

Staff is seeking direction and there is no impact to City resources.

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. Option A floor plan
- B. Option B floor plan

Report prepared by:
Ruben Niño
Assistant Director of Public Works



PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 17, 2014
Staff Report #: 14-119

Agenda Item #: F-4

REGULAR BUSINESS: Approve Option B for City Hall Improvements and Authorize the City Manager to Execute Any Necessary Contracts Associated with the City Hall Improvements and the Carpet Replacement Project

RECOMMENDATION

Staff recommends that the City Council approve Option B for City Hall Improvements, and authorize the City Manager to execute any necessary contracts associated with the City Hall Improvements and the Carpet Replacement Project.

BACKGROUND

On February 12, 2013, staff presented the outlook of having an unprecedented number of large and highly complex development projects processed through the City. Staff was concerned on how to provide efficient and quality customer service to development projects, while maintaining basic quality service. Staff presented plans to augment existing staff and make improvements to City Hall. The City Council appropriated \$300,000 and authorized a new capital improvement project for City Hall improvements to create efficiencies and to accommodate the additional staff. This requires re-designing the 1st and 2nd floors of the Administration Building to improve existing work stations and increase the number of work stations.

Project key goals will provide:

- strategic location of departments to foster inter and intra department communication,
- better public service through efficiencies, and
- improved work spaces for employees

Staff hired Group 4 Architecture, Research + Planning (Group 4) who specialize in space planning. Group 4 was the architect who designed the remodel of the Administration building in 1998. The key phases and tasks performed by Group 4 were needs assessment, building program, conceptual options and recommendations.

On February 25, 2014, staff presented to the City Council the outcome of the report by Group 4 at a study session. Attachment A is the Study Session staff report.

Key findings of Group 4 report are that:

- City Hall's outdated facility does not reflect current building operations or technology, leading to inefficient space usage.
- Customer service is inefficient and crowded. Public wayfinding is non-intuitive.
- Existing workspaces are crowded and inefficient. In particular, workspace for planning staff are significantly undersized. Community Development and Public Works staff perform review of plans that are as large as 36"x42' which requires larger office space needs than other department employees.
- Department adjacencies are not being met. In particular, the direct adjacency of Community Development and Public Works is critical to improving efficiencies for development activity and customer service.

As part of the 2014-15 budget, eight additional limited term positions are included in Community Development and Public Works. These positions will support development activity reviews and Climate Action Plan initiatives. Due to a current lack of flexible workspace for staff growth in these departments, the proposed improvements are critical for these additional positions.

ANALYSIS

During the study session, the City Council commented that Option B provided the needed flexibility in the first floor staff area that was not included in Option A. However, the City Council also expressed concern on the cost of improvements specifically the replacement of the carpet. The City Council had questions regarding the project budget and requested additional details to better understand the scope of the work needed to make these improvements. Additional budgeting information has been provided for the City Council's reference.

Cost

The City Hall renovation project is currently in the schematic design phase and cost estimates have been prepared that reflect the current detail of the project at this early stage for budgeting purposes.

The preliminary budget prepared for this project is based on cost per square foot breakdowns comparable to *Saylor Publications Current Construction Costs*, a national estimating database and industry best practice based in the San Francisco Area. The preliminary budget includes allowances for:

Hard Costs

- Demolition
- New interior construction
- Finishes
- Building equipment and specialties
- HVAC

- Fire protection system
- Electrical
- Furniture, fixtures and equipment
- Phasing
- Design contingency
- General conditions
- Contract overhead and profit
- Construction contingency

Soft Costs

- Professional fees
- Relocation and moving
- Soft Cost contingencies

Administration Building Carpet Replacement Project

In order to estimate a budget for the purchase and installation of carpet for the Administration Building (City Hall), staff reviewed the recent carpet projects at the Library and the Police Department. In both projects, the type of carpet used was changed from a rolled (broadloom) to a tile carpet for improved maintenance and future spot replacements. The carpet used for these buildings is a very durable, commercial grade carpet. The Police Department project in 2009 was installed in 11 different phases in order to minimize office disruption and provide for continuous Police operations. In 2012, the Library was closed for a month in order to renovate the circulation counter and replace the carpet. The Library carpet was approximately \$10/sq.ft. and since the Library was closed during the project, the contractor had the freedom to install as much carpet in a day as the crews could manage with little disruption since there was minimal furniture to move (tall book shelves were not removed) and they did not have to re-mobilize every day.

For estimating the Administration Building carpet, staff used a figure of \$13/sq.ft. Staff included \$3/sq.ft. higher than the estimate since this project will need to be phased in a similar manner to the Police Carpet replacement project. The preliminary budget includes allowances for:

- Material cost of carpet
- Carpet installation
- Moving contractor (move staff's boxed supplies, files, cabinets, plans, equipment, etc.)
- Partition contractor to remove and reinstall workstation partitions (different than the moving contractor)
- Electrician to disconnect and reinstall electrical connections for workstation partitions
- Rental of storage containers to place the furniture and staff office equipment while work is being done.
- MIS staff (remove and reinstall networked computers and special equipment)

- Project Management (overtime to work weekends and night work)
- Contingency

The project is estimated to take six to eight months to complete once started. Staff has researched other carpet projects awarded around the Bay Area; most recent carpet projects were either completed as part of major remodeling efforts or only included hallway/non-staff area re-carpeting.

However, the City of Pleasant Hill's City Hall carpet replacement project in 2009 offers a reasonable means of comparison (attachment B). The total cost was \$104,000 with 1,200 sq.yds (10,800 sq.ft) of replaced carpet. This equates to \$9.60/ sq.ft. Based on the staff report, it does not appear that costs were included for inspection and project management which can be an additional 20% due to the overtime in working after hours and on weekends.

The first and second floors of the Administration Building are approximately 30,000 sq.ft. and at \$13/sq.ft. this equates to \$390,000, which was rounded to \$400,000 for contingency and budgeting purposes.

In order to minimize cost, staff will purchase the carpet directly, which eliminates the overhead that contractors would add when ordering the carpet. In addition, the coordinating of the City Hall Improvements with the carpet project saves significant costs of moving expenses, staff down time of packing up and unpacking and staff administration. Not including the carpet project with the City Hall Improvements would result in patched carpet that does not match the existing pattern where the existing walls are removed.

OPTION B

Option B meets the space needs, adjacencies, and efficiencies of all City departments and incorporates optimal flexibility for projected staff needs as City Hall continues to grow and evolve its service model to provide excellent service now and for years to come. By opening up and reconfiguring staff space on the 1st and 2nd floors, Option B creates functional work environments that promote productivity and collaboration, and support efficient operations. Option B provides improved customer experience and security through a welcoming single central service point and intuitive wayfinding; with these enhancements, the public can easily find the assistance they need and staff can focus on value-added interactions. For improved customer service, Option B also includes a conference room adjacent to the permit counter, providing the additional flexibility of an enclosed environment for lengthy or privacy-sensitive meetings.

Below is a detailed summary of the Option B improvements:

Option B – First Floor

- Relocate Human Resources to the second floor. Adjacent to the other Administration Services functions.

- Remove hallway walls between Public Works and current Human Resources area for improved flow between divisions and more efficient staff workspace.
- Add a small conference room in the public counter area that can be used for staff/public interactions and collaborations.
- Add a public access service-point with a gate at reception counter.
- Expand Planning and Building into the space presently occupied by Transportation. Relocate Transportation to the area presently occupied by Human Resources.
- Expand the lobby area.

Option B – Second Floor

- Relocate Economic Development to an area in Finance.
- Expand MIS space into mail processing area.
- Relocate Human Resources to the second floor and add an office and small conference room.
- Divide City Council office to create a second office space.
- Remove partition wall and counter between City Clerk area and Finance department for improved access and flow between the spaces.
- Remove the counters in the Finance areas and reallocate the reclaimed space for staff workstations. Reduce the counter in the Administration area and reallocate the reclaimed space for workstations.
- Enclose part of the lobby at the second floor. (Since the first floor will include a central service counter and serve as the single public service point for the entire facility, the majority of the counters on the second floor are no longer necessary).

The cost of Option B will require an increase to the budget in the amount of \$500,000.

The total project cost of option B including the carpet is as follows:

Approved budget City Hall Improvements 2013	\$300,000
Carpet Budget 2014-15	\$400,000
Additional Funding Option B	\$500,000
Total Project Cost	\$1,200,000

IMPACT ON CITY RESOURCES

Sufficient funds are available in the CIP to cover these costs.

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. Staff Report dated February 25, 2014
- B. City of Pleasant Hill Staff report
- C. Option B floor plan

Report prepared by:

Ruben Niño

Assistant Director of Public Works



OFFICE OF THE CITY MANAGER

Council Meeting Date: July 15, 2014
Staff Report #: 14-129

Agenda Item #: I-1

INFORMATIONAL ITEM: Menlo Movie Series

RECOMMENDATION

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

BACKGROUND

During the 2014 goal setting meeting, the City Council directed staff to hold more community events. In order to create another Downtown attraction, Staff is planning a "Menlo Movie Series", which will take place every Friday in September from 7:30pm – 9:00 pm on Chestnut Street south of Santa Cruz Avenue. The events will feature family friendly films.

Staff has worked aggressively to partner with private business to develop programs and a mix of regular events aimed at generating foot traffic. The Off the Grid Food truck market, which debuted on February 19th, has successfully drawn roughly 800 patrons a week to the downtown area, causing some local restaurants to add wait staff on Wednesday nights. Since April, 100 OCT has been operating high performance car shows on the first Saturday of the month, drawing approximately 400 patrons from all over the Bay Area to downtown on the weekends. In addition, staff is partnering with local businesses to host a Downtown Family Fitness Extravaganza on Wednesday August 13th.

On May 13th, Council approved the implementation of the Santa Cruz Avenue Enhanced Side-Walk Seating Pilot Program at Left Bank Brasseries, which is expected to debut at the end of July. During the Council's discussion of the Program, it was suggested that Staff bring forward other amenities envisioned by the El Camino Real/Downtown Specific Plan. The location for the Menlo Movie Series was chosen in part to provide residents and merchants with an example of how the Chestnut Paseo might enhance the vibrancy of Downtown Menlo Park.

ANALYSIS

Originally, the Menlo Movie Series was approved under the Special Event permitting process for Fremont Park, but after receiving input from neighbors, Staff decided Chestnut Street would be a more appropriate location, if closed to auto-mobile traffic.

The El Camino Real/Downtown Specific Plan identifies Chestnut Street south of Santa Cruz Avenue as a “pedestrian paseo” that works synergistically with adjacent ground floor retail and offers a unique environment away from motor vehicles. The Plan allows for public improvement pilot programs as “the basis for review and consideration of a permanent installment,” and will provide the City with the opportunity to assess the level of public interest in similar permanent improvements on Santa Cruz Avenue, while also supporting the City Council’s goals of generating foot-traffic Downtown.

The pilot program will close Chestnut Street between Santa Cruz Avenue and parking lots 1 and 8; resulting in a temporary loss of only six, one-hour parallel parking spaces. The effect on traffic circulation will be *de minimis* since Santa Cruz Avenue will remain open to through traffic and ingress and egress to the adjacent parking plazas will remain unaltered. Similar to the Concert in the Park, participants are expected either walk or ride their bicycles to the event, or drive and park their vehicles in the existing downtown parking lots.

A projector screen and two speakers will be set up in front of Santa Cruz Avenue facing south. Light music will be played between 7:00pm and 7:30pm, with the movie beginning at 7:30 pm and ending at 9:30pm.

Staff has reached out to Wells Fargo, the property owner of a portion of the adjacent parking lot, and they have expressed support for the event. Additionally, Staff will personally conduct outreach to all property owners directly affected by the closure of Chestnut prior to the event.

ATTACHMENTS

None

Report prepared by:

Jim Cogan

Economic Development Manager

Council Action Advised by July 31, 2014

May 1, 2014

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – September 3 - 5, Los Angeles**

The League's 2014 Annual Conference is scheduled for September 3 - 5 in Los Angeles. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, September 5, at the Los Angeles Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, August 15, 2014. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates must be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

-over-

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Los Angeles Convention Center, will be open at the following times: Wednesday, September 3, 9:00 a.m. – 5:30 p.m.; Thursday, September 4, 7:00 a.m. – 4:00 p.m.; and Friday, September 5, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, August 15. If you have questions, please call Karen Durham at (916) 658-8262.

Attachments:

- 2014 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

Annual Conference Voting Procedures 2014 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

2014 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to the League office by Friday, August 15, 2014. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail _____

Mayor or City Clerk _____ Phone: _____
(circle one) (signature)

Date: _____

Please complete and return by Friday, August 15, 2014

League of California Cities
ATTN: Karen Durham
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Sacramento, CA 95814

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(916) 658-8262