



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

**Tuesday, August 19, 2014 at 6:00 PM
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025**

The agenda has been amended to indicate the meeting start time will be at 6:00 p.m. and the addition of item J1.

6:00 P.M. STUDY SESSION

SS1. Discuss implementing the State Water Resources Control Board's Emergency Mandatory Regulations for Water Conservation ([Staff report #14-147](#))

7:00 P.M. REGULAR SESSION

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

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation honoring the Menlo Park Historical Association

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

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

B2. Consider applicants for appointment to fill two vacancies on the Library Commission ([Staff report #14-135](#))

B3. Consider applicants for appointment to fill three at-large positions, six Commissioner positions and two City Council positions to serve on the General Plan Advisory Committee ([Staff report #14-144](#))

B4. Appointments to the Stanford Parcel Negotiation Subcommittee relating to the Specific Plan

B5. Report from Mayor regarding request to rename portion of Hamilton Avenue in recognition of Hattie Bostic

B6. Report from Mayor regarding follow up to request to remove train maintenance supplies from Dumbarton Rail Spur

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

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

D. CONSENT CALENDAR

- D1.** Adopt a resolution to authorize the Bay Area Water Supply & Conservation Agency to initiate, defend, and settle arbitration to the Water Supply Agreement between San Francisco and the Wholesale Customers ([Staff report #14-138](#))
- D2.** Award a construction contract for the 2013-14 Water Main Replacement Project to Casey Construction, Inc. in the amount of \$1,225,505 and authorize a total construction budget of \$1,409,505 for construction and contingencies ([Staff report #14-146](#))
- D3.** Accept and appropriate \$427,000 from the Metropolitan Transportation Commission Surface Transportation Program Funding for the 2014-2015 Resurfacing of Federal Aid Routes Project STPL 5273(023), award a construction contract to C.F. Archibald Paving, Inc. in the amount of \$704,525 and authorize a total construction budget of \$904,525 for construction, construction engineering and contingencies by utilizing the approved Street Resurfacing Project Budget ([Staff report #14-126](#))
- D4.** Adopt a resolution authorizing the installation of stop signs on Monte Rosa Drive at Eastridge Avenue ([Staff report #14-137](#))
- D5.** Authorize the City Manager to approve expenditures of up to \$172,000 for labor and employee relations consulting services to the Law Office of Renne, Sloan, Holtzman, and Sakai ([Staff report #14-142](#))
- D6.** Adoption of amended salary schedule for Fiscal Year 2014-15 ([Staff report #14-143](#))
- D7.** Adopt a resolution establishing the employee share of the employer pension contribution as a pre-tax contribution ([Staff report #14-145](#))
- D8.** Adopt a resolution approving the revised investment policy for the City and the former Community Development Agency of Menlo Park ([Staff report #14-133](#))

D9. Approve an appropriation of an additional \$15,000 and authorize the City Manager to amend the agreement, not to exceed a total of \$165,000, with Lisa Wise Consulting, Inc. for additional analysis of the potential impacts related to the Ballot Initiative to amend the Menlo Park El Camino Real/Downtown Specific Plan ([Staff report #14-148](#))

D10. Accept minutes for the Council meetings of June 3, June 17, July 15 and August 6, 2014 ([Attachment](#))

E. PUBLIC HEARING

E1. Consider the land use entitlements for the Commonwealth Corporate Center Project located at 151 Commonwealth Drive and 164 Jefferson Drive, including a request for a rezoning, conditional development permit, tentative parcel map, heritage tree removal permits, tentative parcel map, heritage tree removal permits, Below Market Rate agreement, Environmental Impact Report, and authorize the City Manager to execute a funding agreement to share in the cost of replacing a water main ([Staff report #14-140](#))

F. REGULAR BUSINESS

F1. Consider and introduce an Ordinance to amend Chapter 8.04 [Nuisances] of Title 8 [Peace, Safety and Morals] of the Menlo Park Municipal Code, to include payday lenders and auto title lenders as added nuisances ([Staff report #14-130](#))

F2. Presentation of information regarding employee compensation and receipt of public comment relating to upcoming labor negotiations with all units ([Staff report #14-141](#))

F3. Provide direction regarding the resolution to be voted on at the League of California Cities Annual Conference ([Staff report #14-136](#))

G. CITY MANAGER'S REPORT

H. WRITTEN COMMUNICATION

I. INFORMATIONAL ITEMS

I1. Quarterly financial review of General Fund operations as of June 30, 2014 ([Staff report #14-139](#))

I2. Review of the City's investment portfolio as of June 30, 2014 ([Staff report #14-134](#))

I3. Pending Council-directed amendments to the El Camino Real/Downtown Specific Plan ([Staff report #14-149](#))

I4. Update on the San Mateo County Mosquito & Vector Control District's recent mosquito fogging in Menlo Park ([Staff report #14-150](#))

J. COUNCILMEMBER REPORTS

- J1. Mayor Mueller's report regarding presentation given at 5:00 p.m. this evening on Silicon Valley delegation's trip to China

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. (Amended Agenda Posted: 08/18/2014)

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>.

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 19, 2014

Staff Report #: 14-147

Agenda Item #: SS-1

STUDY SESSION: **Discuss Implementing the State Water Resources Control Board's Emergency Mandatory Regulations for Water Conservation**

RECOMMENDATION

Discuss implementing the State Water Resources Control Board's emergency mandatory regulations for water conservation considering the following staff suggestions:

1. Adopt an urgency ordinance to
 - a. Enact chapter 7.35 of the Menlo Park Municipal Code allowing City Council to adopt by resolution a Water Conservation Plan consistent with any emergency water regulations adopted by the SWRCB or drought-related actions imposed by the SFPUC.
 - b. Suspend Chapter 7.34 on Water Rationing (Ordinance 821) to the extent it is inconsistent with Chapter 7.35.
 - c. Suspend Chapter 7.38 on Water Conservation (Ordinance 849) to the extent it is inconsistent with Chapter 7.35.
2. Adopt a resolution to establish a Water Conservation Plan that will implement Stage 3 of the City's WSCP and the additional requirements of the new SWRCB regulations.
3. Introduce an ordinance to continue implementing the SWRCB's regulations upon expiration of the urgency ordinance.

BACKGROUND

State Water Resources Control Board (SWRCB) Emergency Mandatory Regulations

On January 17, 2014, in response to the ongoing dry conditions, Governor Brown issued a drought emergency proclamation and asked for all Californians to reduce water use by 20%.

On January 31, 2014, the San Francisco Public Utilities Commission (SFPUC) asked its retail and wholesale customers, including the Menlo Park Municipal Water District (City),

to voluntarily curtail water consumption by 10%. The City responded to the voluntary request and has reduced consumption by approximately 10.3% between February and June 2014, as compared to the same period in 2013. The City has a long standing commitment to water conservation and recently stepped up efforts in response to the dry year conditions.

Some examples include:

1. Notified restaurants asking them to serve water to customers only upon request and provided free tabletop tent cards.
2. Adjusted the City's irrigation controllers to reduce watering by 10%.
3. Replaced old sprinkler heads around the Civic Center with new more efficient heads.
4. Placed electronic board signs on Santa Cruz Avenue and Willow Road informing drivers to conserve water.
5. Turned off all City decorative fountains.
6. Stopped all power washing of sidewalks.
7. Expanded the High-Efficiency Toilet (HET) rebate program to provide two rebates.
8. Provided information on the City's Water Conservation programs in the quarterly water bill inserts.
9. Implemented Conserve-A-Scape, a new landscape design assistance program to support Lawn Be Gone participants in designing a water-efficient landscape.
10. Provided free monthly water budget reports to the large landscape irrigation customers through the Large Landscape Program.
11. Offered the Landscape Audit/Analysis program for commercial and multi-family water customers.

On April 25, 2014, Governor Brown issued an Executive Order directing the SWRCB to adopt emergency drought regulations, as it deems necessary. On July 15, 2014, the SWRCB passed a resolution adopting emergency regulations adding new sections to Title 23 of the California Code of Regulations (Attachment A, and a Fact Sheet is Attachment B). The Office of Administrative Law adopted the emergency regulations, and the new law became effective on July 28, 2014, and will remain in effect for up to 270 days, up to April 25, 2015. The SWRCB can determine if these regulations are no longer necessary due to changed conditions and they can renew the regulations if drought conditions continue.

The emergency regulations prohibit the following activities, except where necessary to address an immediate health and safety need, or to comply with a term or condition in a permit issued by a state or federal agency. It also enables local agencies to fine violators up to \$500 a day.

Prohibited Activities
1. Applying potable water to any driveway or sidewalk.
2. Using potable water to water outdoor landscapes in a manner that causes runoff onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
3. Using a hose that dispenses potable water to wash a motor vehicle,

Prohibited Activities
unless the hose is fitted with a shut-off nozzle.
4. Using potable water in a fountain or decorative water feature, unless the water is recirculated. Recycled water is not mandated, but encouraged for fountain use.

In addition, urban water suppliers, including the City of Menlo Park, must also implement the following:

Urban Water Suppliers
<p>Conservation</p> <p>Implement all requirements and actions of the stage of its Water Shortage Contingency Plan (WSCP) that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water.</p> <p>Or, as an alternative, submit a request to the SWRCB’s Executive Director to approve an alternate allocation-based rate structure that would achieve a level of water conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days/week.</p> <p>Water suppliers that do not have a WSCP, or that have been notified by the Department of Water Resources that its WSCP does not meet the requirements of Water Code Section 10632, must within 30 days of when the emergency regulations became effective limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week or implement other mandatory use restrictions that provide a comparable level of savings.</p> <p>Monthly Reporting Requirement</p> <p>To promote water conservation, each urban water supplier shall prepare and submit monthly reports to the SWRCB. The SWRCB is in the process of preparing templates for monthly reports that urban water suppliers must submit by the 15th of each month. At a minimum, the reports will likely include the items below:</p> <ol style="list-style-type: none"> 1. The amount of potable water produced or purchased from wholesalers in the preceding calendar month with a comparison to the same calendar month in 2013. 2. Beginning October 15, 2014, an estimate of the gallons of water per person per day used by residential customers.

The SWRCB can issue cease and desist orders against water agencies that don’t impose mandatory conservation measures upon their retail customers. Water agencies that violate cease and desist orders are subject to civil liability of up to \$10,000 a day.

Menlo Park Municipal Water District

The Menlo Park Municipal Water District (City) is an urban water supplier that purchases 100% of its water from SFPUC and supplies water to approximately 4,300

homes and businesses in the City through two service areas: the eastern service area and the western service area. California Water Service (CalWater) provides water to the middle area of the City. Other smaller water suppliers within City boundaries include O'Connor Tract Cooperative Water District (approximately 300 connections in the Willows neighborhood), and the Palo Alto Mutual Water Company (approximately 500 connection in Menlo Park and East Palo Alto).

Menlo Park Municipal Code

The Menlo Park Municipal Code contains two chapters that address water conservation. The chapters contradict each other and neither conforms to the new SWRCB regulations.

Chapter 7.34 Water Rationing (Ordinance 821), adopted by City Council on March 26, 1991, implemented a Water Rationing Plan during the 1998-1993 drought which included allotments and banking for each water user, excess use charges if users went above their allotments, flow restrictor installations if necessary, and an appeals process (Attachment C).

On April 21, 1993, the City Council adopted an ordinance suspending Chapter 7.34 and adding Chapter 7.38, Water Conservation (Ordinance 849) to provide regulations and restrictions on water use (Attachment D). It lists prohibited activities that correlate to the City's Water Shortage Contingency Plan (WSCP) Stage 1 voluntary actions. The WSCP is described in Attachment E.

ANALYSIS

State Regulations Implementation

Pursuant to the SWRCB's emergency regulations, the City must either implement all requirements and actions of the stage of its WSCP that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water (Stage 3), or submit a request to the SWRCB Executive Director to approve an alternate allocation-based rate structure that would achieve a level of water conservation that exceeds a two days/week watering schedule.

Staff is recommending implementing Stage 3 of the WSCP in lieu of the option to create an allocation-based rate structure. Implementing Stage 3 appears to be the best alternative for the following reasons:

1. Compliance with the SWRCB can be achieved by implementing Stage 3 of the WSCP.
2. During the 1988-1993 drought the City created an allocation-based rate structure which included allotments for each customer, banking provisions, excess use charges if allotments were exceeded, and an appeals process. Creating these processes were time consuming and impacted staff resources significantly. This increases the administration cost which further increases the rate payers cost.

3. Creation of such a structure as an alternative to implementing the WSCP would require application to and approval by the SWRCB Executive Director.
4. The new SWRCB regulations are already in effect, and the City must be in compliance as soon as possible.

For all of the foregoing reasons, staff is recommending implementing stage 3 of the WSCP. Additionally, staff is recommending the deletion of Chapter 7.34 of the Menlo Park Municipal Code which codified the 1988-1993 drought allocations, which is discussed later in this report.

Water Shortage Contingency Plan - Stage 3

	Prohibited Activities	Clarification
1	No new or expanded irrigation systems	New irrigation systems cannot be installed. Existing irrigation systems cannot be expanded.
2	Prohibition against noncommercial vehicle washing	Prohibits noncommercial vehicle washing unless the hose is fitted with a shut-off nozzle or the vehicle is washed at a car wash facility that utilizes a water recirculating system.
3	Prohibition against filling swimming pools and using ornamental fountains	Prohibits filling new swimming pools. Prohibits using ornamental fountains or decorative water features, unless the water is recirculated.
4	Limited new water service connections	On a case-by-case basis, the Public Works Director, or his designee, shall determine if a new water service connection shall be allowed.
5	Prohibition against use of potable water for construction dust control	Prohibits using potable water for construction dust control.
6	Controls on groundwater use	The Public Works Director, or his designee, shall establish an outreach program for customers with private wells to educate on water conservation.

In addition, the City must implement the following:

	Action	Clarification
7	30% reduction for residential, commercial, industrial & public customers	Residential, commercial, industrial, and public water customers shall reduce their water use by 30% from the same period during a previous year (as determined by the Public Works Director, or his designee).
8	45% reducing in dedicated irrigation accounts	Customers with dedicated irrigation accounts shall reduce their irrigation water use by 45% from the same period during a previous year (as determined by the Public Works Director, or his designee).

Because Stage 2 of the WSCP does not meet the SWRCB emergency regulations relative to restrictions on outdoor irrigation of ornamental landscapes or turf with potable

water, staff is recommending implementing Stage 3. Stage 3 significantly exceeds the intent of Governor Brown's emergency regulation to reduce water use by 20% and the SWRCB regulations. In addition it places a significant financial burden on business and residential customers in achieving a 30% water use reduction and irrigation customers in achieving a 45% water use reduction.

Recommend Revising Menlo Park Municipal Code

Staff recommends eliminating the outdated chapters in the Menlo Park Municipal Code regarding water conservation and adding a new chapter to provide flexibility to meet the new SWRCB regulations and any future requirements of the SWRCB or from SFPUC. The two existing Municipal Code chapters that address water conservation, Chapter 7.34 Water Rationing and Chapter 7.38 Water Conservation, conflict with each other and the new regulations and should be deleted. The new SWRCB regulations became effective on July 28, 2014. The City should be in compliance with the new law as soon as possible. Staff recommends that the City Council adopt an urgency ordinance which would become effective on the same day it is adopted and would remain in effect for up to 45 days. As the new law will remain in effect up to April 25, 2015, staff also recommends introducing an ordinance that would continue implementing the new SWRCB regulations beyond the 45 days of the urgency ordinance expiration.

Staff anticipates returning to Council at its next meeting (August 26, 2014) to recommend the following:

4. Adopt an urgency ordinance (Attachment F) to
 - a. Enact chapter 7.35 of the Menlo Park Municipal Code allowing City Council to adopt by resolution a Water Conservation Plan consistent with any emergency water regulations adopted by the SWRCB or drought-related actions imposed by the SFPUC.
 - b. Suspend Chapter 7.34 on Water Rationing (Ordinance 821) to the extent it is inconsistent with Chapter 7.35.
 - c. Suspend Chapter 7.38 on Water Conservation (Ordinance 849) to the extent it is inconsistent with Chapter 7.35.
5. Adopt a resolution (Attachment G) to establish a Water Conservation Plan that will implement Stage 3 of the City's WSCP and the additional requirements of the new SWRCB regulations.
6. Introduce an ordinance (Attachment H) to continue implementing the SWRCB's regulations upon expiration of the urgency ordinance.

Effective Dates:

August 26, 2014	Adopt urgency ordinance, in effect for 45 days until October 10, 2014
August 26, 2014	Introduce ordinance that would replace urgency ordinance
September 9, 2014	Adopt ordinance that would replace urgency ordinance and goes into effect 30 days later, on October 9, 2014
October 10 2014	Urgency ordinance expires, new ordinance goes into effect

The new law was signed on July 28, 2014 and will expire April 25, 2015. The SWRCB can determine if these regulations are no longer necessary due to changed conditions and can renew the regulations if drought conditions continue. When this occurs, or if SFPUC, imposes drought-related actions to its retailers (as it did in the 1988-1993 drought), staff will return to Council to adopt a resolution to implement any new regulations or requirements.

Monthly Reporting Requirement

The first monthly report was due to the SWRCB by August 15th. Staff is working with Global Water, the company that provides water billing services to the City, to receive prior water use consumption data in a timely matter so that data can be submitted to the SWRCB.

Status of 2015 Urban Water Management Plan

The UWMP was last updated in 2010. The next UWMP must be completed by the end of 2015, however, there is current legislation to extend the deadline to summer 2016. Staff is currently in the process of hiring a consultant to develop the 2015 UWMP, which would include reviewing and updating the Water Shortage Contingency Plan.

Option to Amend the 2010 Urban Water Management Plan in Order to Revise the Water Shortage Contingency Plan

Regardless of the fact that staff will be developing the 2015 UWMP within the next two years, if the City Council so chooses, staff can amend the 2010 UWMP and update the Water Shortage Contingency Plan to revise the mandatory stages to clarify required conservation measures and better reflect the needs of the community. In order to do so, the following must occur:

1. At least 60 days prior to a public hearing, notify the public and other agencies that the UWMP will be reviewed and possibly amended.
2. Make the amended UWMP available for public inspection.
3. Publish the time and place of the public hearing in a newspaper at least twice at least 5 days apart.
4. Hold a public hearing to adopt the amended UWMP.
5. Make the revised UWMP available for public review within 30 days of adoption.

Staff estimates that at the earliest a revised WSCP could go into effect in January 2015. Because of this timeframe, the uncertainty on how long the SWRCB regulations will be in effect, and the fact that staff will be updating the 2015 UWMP and WSCP within the next two years, staff does not recommend revising the current 2010 UWMP (and WSCP) at this time.

Sample Schedule:

Complete draft WSCP	October 2014
Notify public that UWMP will be reviewed and updated	October 2014

Public Hearing to adopt UWMP
 Implement Revised WSCP

January 2015
 January 2015

As an example, staff created a revised WSCP that expands the mandatory stages. If the City Council chooses to amend the WSCP, the rationing stages could be revised in their entirety.

EXAMPLE ONLY
Water Shortage Contingency Plan
Rationing Stages* to Address Water Supply Shortages

Stage No.	Water Use Regulations	% Shortage
1	<ul style="list-style-type: none"> • Flooding or runoff of potable water is prohibited. • A shut-off valve is required for hoses used to wash vehicles, sidewalks, buildings, etc. • Broken or defective plumbing and irrigation systems must be repaired or replaced within a reasonable period. 	NA
2	All Stage 1 and <ul style="list-style-type: none"> • Restaurants and other food service operations shall serve water to customers only upon request. • Landscape irrigation shall not be allowed between 10:00 a.m. and 6:00 p.m., except for drip irrigation, soaker hoses and hand watering. • Using potable water in a fountain or decorative water feature, unless the water is recirculated • Increase public information outreach • Increase enforcement activities 	Up to 20%
3	All Stage 2 and <ul style="list-style-type: none"> • Potable water shall not be used to operate, clean, fill or maintain levels in decorative fountains or ponds. • Newly constructed pools, spas and hot tubs may not be filled. 	20% to 30%
4	All Stage 3 and <ul style="list-style-type: none"> • No new landscaping installed at new construction sites. 	30% to 40%
5	All Stage 4 and <ul style="list-style-type: none"> • No new water service hookups. • Turf irrigation prohibited. • Once-through cooling systems must be converted to recycling systems. • The washing of all vehicles is prohibited outside of a commercial washing facility that recycles its water. • Irrigation by sprinklers is prohibited at all times. 	40% to 50%

* One of the stages of action must be designed to address a 50 percent reduction in water supply.

Enforcement

Per Municipal Code 1.12.010, the City can issue infractions as shown below.

Municipal Code 1.12.010 Infractions

Violation	Fine
1 st	up to \$50 fine
2 nd	up to \$200 fine (within 1 year from 1 st violation)
3 rd	up to \$500 fine (within 1 year from 1 st violation)
4 th	a misdemeanor (within 1 year from 1 st violation)

Prohibited Activities

For violations of any resolution adopted pursuant to Menlo Park Municipal Code Chapter 7.35, staff is recommending the following fines.

Recommended Enforcement

Violation	Enforcement
1 st	Warning only. Educate customer on proper water conservation practices.
2 nd	\$50 fine
3 rd	\$100 fine
4 th	\$200 fine, and review by the Public Works Director (or his designee) to determine if a flow restricting device should be installed
5 th	\$500 fine, and review by the Public Works Director (or his designee) to determine if water service should be discontinued
6 th	\$500 fine, water service shall be discontinued

Recommended Charges for Installation or Removal of Flow Restricting Devices

Meter Size	Installation Cost	Removal Cost
5/8" to 2"	\$ 155.00	\$ 155.00
3" or larger	Actual Cost	Actual Cost

Recommended Charges for Disconnecting and Reconnecting Service

Meter Size	Cost to Disconnect Service	Cost to Reconnect Service
All sizes	\$ 155.00	\$ 155.00

30% reduction for non-irrigation accounts (residential, commercial, industrial & public)

Staff recommends a proactive approach to educate residents and businesses on their indoor and outdoor water use. Staff may use several approaches such as providing comparisons to previous use, creating educational pieces that will be mailed to each customer, limiting the time of day that customers may irrigate their landscaping, meeting with customers to offer support and guidance, or provide incentives.

45% reduction for dedicated irrigation accounts

Staff recommends a proactive approach to educate customers with dedicated irrigation accounts. Staff may use several approaches such as providing comparisons to previous use, targeting those customers that have exceeded their water budgets that were developed as part of the City's Large Landscape Program, creating educational pieces that will be mailed to each customer, limiting the time of day that customers may irrigation their landscapes, meeting with customers to offer support and guidance, or providing incentives.

Implementation in Other Agencies

Within Menlo Park City boundaries, CalWater, O'Connor Tract Cooperative Water District, and Palo Alto Mutual Water Company also provide water to residents and businesses. Due to the nature of the SWRCB regulations and the requirement for an agency to implement their own WSCP at the mandatory stage, agencies may be implementing different mandatory water conservation restrictions. CalWater and the City of East Palo Alto will be required to implement their own WSCPs, and O'Connor Tract and Palo Alto Park Mutual will be required to implement a 2 days per week watering schedule or other mechanism since they do not have WSCPs.

As we perform outreach on how the City implements the new SWRCB regulations, it will be important to provide clear messages to water users that water restrictions will be dependent on who provides them with water. Staff has met with CalWater and hopes to coordinate a consistent message, however, as of the writing of this report, CalWater had not yet decided how they would implement the new regulations.

Next Steps

On August 26, 2014, staff will return to Council to adopt an urgency ordinance and the 2014 Water Conservation Plan, and introduce an ordinance to continue implementing the Water Board's regulations upon expiration of the urgency ordinance.

Following Council approval, staff will coordinate with different City departments to ensure law enforcement and other involved City staff are informed of the Water Board's request to increase enforcement of water use violations. Staff will also implement a public outreach effort to notify City customers of the new restrictions.

IMPACT ON CITY RESOURCES

Staff anticipates this new requirement will require additional staff time and may require hiring additional staff personnel. It may also require hiring new or paying overtime for existing staff for enforcement activities. Staff anticipates additional costs will be covered by the Water Fund.

POLICY ISSUES

The City has permanent water use restrictions in place and has already increased water conservation efforts in response to the dry conditions. The recommended action is consistent with those policy efforts and the strategies outlined in the 2010 UWMP that expires on April 25, 2015 unless the SWRCB revises, renews, or terminates the regulations.

ENVIRONMENTAL REVIEW

Council's adoption of the proposed ordinance and resolution is categorically exempt from CEQA under CEQA Guidelines 15307 (Actions by Regulatory Agencies for Protection of Natural Resources).

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 No. 2014-0038, State Water Resources Control Board
- B. Fact Sheet, State Water Resources Control Board
- C. Ordinance 821 (Chapter 7.34 Water Rationing) adopted on March 26, 1991
- D. Ordinance 849 (Chapter 7.38, Water Conservation) adopted on April 21, 1993
- E. Water Shortage Contingency Plan (from the 2010 Urban Water Management Plan)
- F. Urgency Ordinance to Implement State Water Board's New Regulations
- G. Resolution to Adopt 2014 Water Conservation Plan
- H. Ordinance to Continue Implementing State Water Board's New Regulations Upon Expiration of Urgency Ordinance

Report prepared by:
Pam Lowe, P.E.
Associate Civil Engineer

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**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2014-0038**

TO ADOPT AN EMERGENCY REGULATION
FOR STATEWIDE URBAN WATER CONSERVATION

WHEREAS:

1. On April 25, 2014, Governor Edmund G. Brown Jr. issued an [executive order](#) to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water. The executive order finds that the continuous severe drought conditions present urgent challenges across the state including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity if drought conditions continue into 2015. The [National Integrated Drought Information System](#) reported that nearly 80% of the state was reported to be under "extreme" drought conditions at the end of June;
2. The executive order refers to the [Governor's Proclamation No. 1-17-2014](#), issued on January 17, 2014, declaring a State of Emergency to exist in California due to severe drought conditions. The January Proclamation notes that the state is experiencing record dry conditions, with 2014 projected to become the driest year on record. Since January, state water officials indicate that reservoirs, rainfall totals and the snowpack remain critically low. This follows two other dry or below average years, leaving reservoir storage at alarmingly low levels. The January Proclamation highlights the State's dry conditions, lack of precipitation and the resulting effects on drinking water supplies, the cultivation of crops, and the survival of animals and plants that rely on California's rivers and streams. The January Proclamation also calls on all Californians to reduce their water usage by 20 percent;
3. There is no guarantee that winter precipitation will alleviate the drought conditions that the executive orders address, which will lead to even more severe impacts across the state if the drought wears on;
4. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports";
5. Over 400,000 acres of farmland are expected to be fallowed, thousands of people may be out of work, communities risk running out of drinking water, and fish and wildlife will suffer.

6. Many Californians have taken bold steps over the years and in this year to reduce water use; nevertheless, the dire nature of the current drought requires additional conservation actions from residents and businesses. Some severely affected communities have implemented water rationing, limiting water use in some cases to only 50 gallons per person per day, foregoing showers, laundry, toilet flushing, and all outdoor watering.
7. Water conservation is the easiest, most efficient and most cost effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this summer is water available next year, giving water suppliers the flexibility to manage their systems efficiently. The more water that is conserved now, the less likely it is that a community will experience such dire circumstances that water rationing is required ;
8. Most Californians use more water outdoors than indoors. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water;
9. Public information and awareness is critical to achieving conservation goals and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (<http://saveourwater.com>).
10. Enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated;
11. The emergency regulations set a minimum standard requiring only modest lifestyle changes across the state. Many communities are already doing more and have been for years. They should be commended, but can and should do more. Others are not yet doing so and should at least do this, but should do much more given the severity of the drought;
12. On July 8, 2014, the State Water Board issued public notice that the State Water Board would consider the adoption of the regulation at the Board's regularly-scheduled July 15, 2014 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations;
13. On April 25, 2014, the Governor suspended the California Environmental Quality Act's application to the State Water Board's adoption of emergency regulations pursuant to Water Code section 1058.5 to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, to promote water recycling or water conservation;
14. As discussed above, the State Water Board is adopting the emergency regulation because of emergency drought conditions, the need for prompt action, and current limitations in the existing enforcement process;

15. Disadvantaged communities may require assistance in increasing water conservation and state agencies should look for opportunities to provide assistance in promoting water conservation;
16. Nothing in the regulations or in the enforcement provisions of the regulations, preclude a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulations adopted by this resolution and local agencies retain their enforcement discretion in enforcing the regulations, to the extent authorized, and may develop their own progressive enforcement practices to encourage conservation.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts California Code of Regulations, title 23, sections 863, 864, and 865, as appended to this resolution as an emergency regulation;
2. The State Water Board staff will submit the regulation to the Office of Administrative Law (OAL) for final approval;
3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or designee may make such changes;
4. These regulations shall remain in effect for 270 days after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions, or unless the State Water Board renews the regulations due to continued drought conditions as described in Water Code section 1058.5;
5. The State Water Board directs staff to provide the Board with monthly updates on the implementation of the emergency regulations and their effect;
6. Directs State Water Board staff to condition funding upon compliance with the emergency regulations, to the extent feasible;
7. Directs State Water Board staff to work with the Department of Water Resources and the Save Our Water campaign to disseminate information regarding the emergency regulations; and
8. Directs State Water Board staff in developing an electronic reporting portal to include data fields so that local agencies may provide monthly reporting data on (i) conservation-related implementation measures or enforcement actions taken by the local agency and (ii) substitution during the drought of potable water with recycled water to extend water supplies.

THEREFORE BE IT FURTHER RESOLVED THAT:

9. The State Water Board commends water suppliers that have increased conservation messaging and adopted innovative strategies to enhance customer awareness of water use, such as applications that let customers compare their water use to water use by others; reduce system losses, such as fixing system leaks which can deplete supplies by 10 percent or more; and establish incentives to reduce demand, such as tiered or drought rate structures. The State Water Board also commends all Californians that have already been working to maximize their conservation efforts, both at home and at work;
10. The State Water Board calls upon water suppliers to take the following actions:

Educate customers and employees

- Retail water suppliers should provide notice of the regulations in English and Spanish in one or more of the following ways: newspaper advertisements, bill inserts, website homepage, social media, notices in public libraries;
- Wholesale suppliers should include reference to the regulations in their customer communications;
- All water suppliers should train personnel on the regulations;
- All water suppliers should provide signage where recycled or reclaimed water is being used for activities that the emergency regulations prohibit with the use of potable water, such as operation of fountains and other water features;
- All water suppliers should redouble their efforts to disseminate information regarding opportunities and incentives to upgrade indoor fixtures and appliances;
- All water suppliers should use education and the tools available through the Save Our Water website (<http://saveourwater.com>); and
- All water suppliers should educate and prepare their boards and councils on the drought response actions contained in the emergency regulations and in this resolution, and to make sure that drought response items are placed on agendas as early as possible;

Increasing local supplies

- All water suppliers should accelerate the completion of projects that will conserve potable water by making use of non-potable supplies, such as recycled water, "greywater," and stormwater collection projects;
- All water suppliers should improve their leak reporting and response programs and request that police and fire departments and other local government personnel report leaks and water waste that they encounter during their routine duties/patrols;
- Smaller water suppliers – those with fewer than 3,000 service connections – should take proactive steps to secure their communities' water supplies and educate their customers about water conservation and the status of their supply reserves;
- All water suppliers should conduct water loss audits and make leak detection and repair a top priority for the duration of the drought; and
- All urban water suppliers should evaluate their rate structures and begin to implement needed changes as part of planning for another dry year. Information and assistance on setting and implementing drought rates is available from the Alliance for Water Efficiency. (<http://www.allianceforwaterefficiency.org/>).

11. The State Water Board calls on all Californians to take the following additional actions:
 - Further reduce water demand, whether by using less water in daily routines indoors and out, retrofitting appliances and installing greywater and rainwater catchment systems; and
 - Check residential and business water bills to see if there are high charges that may indicate a leak and to fix the leak, if they are able, or contact their local water utility if they need assistance.
12. The State Water Board encourages its staff, the Department of Water Resources, the Public Utilities Commission, urban water suppliers, and other local agencies to look for opportunities to encourage and promote new technologies that reduce water usage, including through timely access to water usage information and behavioral response.
13. The State Water Board encourages all state and local agencies to look for additional opportunities to minimize potable water use in outdoor spaces.
14. The State Water Board encourages investor-owned utilities to expeditiously submit applications for implementation of the regulations to the California Public Utilities Commission.

CERTIFICATION


The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on July 15, 2014.

AYE: Chair Felicia Marcus
 Vice Chair Frances Spivy-Weber
 Board Member Steven Moore
 Board Member Dorene D'Adamo

 NAY: None

 ABSENT: Board Member Tam M. Doduc

 ABSTAIN: None



 Jeanine Townsend
 Clerk to the Board

PROPOSED TEXT OF EMERGENCY REGULATIONS

Article 22.5. Drought Emergency Water Conservation

Sec. 863 Findings of Drought Emergency

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;

(4) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

(5) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

Sec. 864 Prohibited Activities in Promotion of Water Conservation

(a) To promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.

(b) The taking of any action prohibited in subdivision (a) of this section, in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

PROPOSED TEXT OF EMERGENCY REGULATIONS

Sec. 865 Mandatory Actions by Water Suppliers

(a) The term “urban water supplier,” when used in this section, refers to a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water.

(2) As an alternative to subdivision (b)(1), an urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation-based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

(c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within thirty (30) days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week or shall implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

(d) In furtherance of the promotion of water conservation each urban water supplier shall prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. Beginning October 15, 2014, the monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves. In its initial monitoring report, each urban water supplier shall state the number of persons it serves.

(e) To promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, within thirty (30) days, take one or more of the following actions:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(2) Implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105; 350; 10617; 10632.

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Fact Sheet

Mandatory Water Conservation Regulation Go Into Effect

An [emergency regulation](#) to increase conservation practices for all Californians became effective July 29, 2014. The new conservation regulation targets outdoor urban water use. In some areas of the State, 50 percent or more of daily water use is for lawns and outdoor landscaping. This regulation establishes the minimum level of activity that residents, businesses and water suppliers must meet as the drought deepens and will be in effect for 270 days unless extended or repealed.

Prohibitions for ALL urban water users in California:

- The application of potable water to any driveway or sidewalk.
- Using potable water to water outdoor landscapes in a manner that causes runoff to adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures.
- Using a hose that dispenses potable water to wash a motor vehicle, unless the hose is fitted with a shut-off nozzle.
- Using potable water in a fountain or decorative water feature, unless the water is recirculated. Recycled water is not mandated, but encouraged for fountain use.

Requirements for Urban Water Suppliers (serving >3000 connections):

- Implement water shortage contingency plans to a level where restrictions on outdoor irrigation are mandatory.
- Urban water suppliers without a plan, or without an adequate plan, must either mandate that outdoor irrigation be reduced to no more than twice a week or implement other mandatory use restrictions that provide a comparable level of savings.
- Report monthly water production beginning August 15. Include an estimate of the gallons per capita per day used by residential customers beginning with the October 15 report.

Requirements for Other Water Suppliers (serving <3000 connections):

- Mandate that outdoor irrigation be reduced to no more than twice a week or implement other mandatory use restrictions that provide a comparable level of savings.



Assessing Compliance

- Individual Prohibitions – evaluating alleged violations and taking enforcement action is primarily a local discretionary action.
- Water Suppliers – compliance will be evaluated based on multiple factors including implementation of the required actions, the content of the monthly reports (Urban Water Suppliers), and other relevant information.

Tips for Implementing the New Regulations

- Notify and educate staff, ratepayers and the community at large about the prohibitions.
- Inform ratepayers of the requirements of the stage of the Water Shortage Contingency Plan required by the regulations.
- Access the water conservation resources clearinghouse, a partnership of the State of California and the Association of California Water Agencies at either <http://www.saveourh2o.org/> or <http://saveourwater.com/>

Contact Information

- Report State Agency water waste at <http://www.saveourh2o.org/report-water-waste>
- Contact the State Water Board's drought hotline for questions on drought-related activities including general questions on the emergency regulations: (916) 341-5342.

More information on the emergency regulation can be found at the [Conservation Regulation Portal](#).

(This fact sheet was last updated July 29, 2014)

Chapter 7.34 WATER RATIONING

Sections:

- 7.34.010 Emergency declared—Rationing instituted.
- 7.34.020 Definitions.
- 7.34.030 Application.
- 7.34.040 Regulations and restrictions for all customers.
- 7.34.050 Allotment.
- 7.34.060 Exceptions.
- 7.34.070 Water use in excess of allocation—Remedies and charges.

7.34.010 Emergency declared—Rationing instituted.

- (a) A water shortage emergency condition prevails within the area served by Menlo Park municipal water department (hereafter called the water department) and throughout the city.
- (b) The San Francisco water department, at the direction of the San Francisco public utilities commission, has requested that all resale customers, including the water department immediately institute a revised water rationing program designed to effect further reduction in water usage.
- (c) The rules, regulations and restrictions set forth in this chapter are intended to conserve groundwater and the water supply of the water department for the greatest public benefit with particular regard to domestic use, sanitation and fire protection.
- (d) The specific uses prohibited or restricted by this chapter are nonessential, if allowed would constitute wastage of groundwater and the water department water, and should be prohibited pursuant to the water department power under Water Code Section 350 et seq., Water Code Section 71640 et seq., and the common law.
- (e) The actions taken hereinafter are exempt from the provisions of Sections 21000 et seq., of the Public Resources Code as a project undertaken as immediate action necessary to prevent or mitigate an emergency pursuant to Title 14, California Administrative Code Section 15269. (Ord. 821 § 1, 1991).

7.34.020 Definitions.

For the purpose of this chapter, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

- A. The "water department" is an agency of the city, a municipal corporation.
- B. "Customer" means any person using water supplied by the water department.
- C. "Director" means the director of public works of the city.
- D. "Person" means any person, firm, partnership, association, corporation, company, or organization of any kind.

E. The "water rationing plan" means any current water rationing plan adopted by resolution of the city council. (Ord. 821 § 2, 1991).

7.34.030 Application.

The provisions of this chapter shall apply to all customers using water, both in and outside the city. (Ord. 821 § 3, 1991).

7.34.040 Regulations and restrictions for all customers.

- (a) Broken or defective plumbing, sprinkler, watering or irrigation systems which permit the escape or leakage of water shall be repaired.
- (b) No new irrigation services will be permitted and additional water will not be allowed for expansion of existing irrigation facilities.
- (c) No use of water shall be allowed which results in flooding or runoff in gutters, driveways, or streets.
- (d) A hose without a positive shutoff valve shall not be used for washing cars, buses, boats, trailers or other vehicles, nor for washing building structures or parts thereof.
- (e) Filling of any existing or new swimming pools with water is prohibited.
- (f) Sidewalks, walkways, driveways, patios, parking lots, tennis courts or other hard-surfaced areas shall not be cleaned using water from hoses or by use of water directly from faucets or other outlets.
- (g) A water service connection for new construction shall not be allowed, except as provided in the water plan.
- (h) The use and operation of decorative water fountains shall be discontinued.
- (i) Restaurants shall serve water to customers only on request.
- (j) Potable water shall not be used for consolidation of backfill, dust control or other nonessential construction purposes.
- (k) Water used for cooling must be recycled to the extent possible.
- (l) Groundwater may be used for the purposes mentioned in subsections (b), (d), (e), (h) and (j) only to the extent that recycled or reclaimed water is not available and such use has been approved by the San Mateo public health department.
- (m) Verified water waste as determined by the department will serve as prima facie evidence that the allocation assigned to the water account is excessive; therefore the allocation will be subject to review and possible reduction, including termination of service. (Ord. 821 § 4, 1991).

7.34.050 Allotment.

The director shall allot water to customers of the water department in accordance with the water rationing plan. (Ord. 821 § 5, 1991).

7.34.060 Exceptions.

Consideration for exceptions regarding allotments of water or any of the regulations and restrictions set forth herein shall be as follows:

- (1) In the case of a rationing allocation, it must be shown that the allocation is not sufficient to meet public health or safety needs. In the case of water use restrictions, it must be shown that there are no alternatives to the use of water from the Menlo Park water system.
- (2) A written application for exceptions shall be made to the water department;
- (3) Appeals must be based on a documented change in circumstances.
- (4) Water use under this exception procedure must be efficiently used without waste.
- (5) Appeals of rationing allocations determined to contain false information shall result in a reduction in the allocation and the installation of a flow-restricting device in the service line of the customer.
- (6) Approval of exceptions may require verification that all appropriate conservation measures are in place and may require an on-site conservation inspection prior to approval.
- (7) Denials of applications may be appealed to the director of public works whose decisions will be final.
- (8) The only grounds for granting such applications are: prior to granting permission for an exception, the water department must be satisfied that all practical water conservation measures have been adopted by the applicant. (Ord. 821 § 6, 1991).

7.34.070 Water use in excess of allocation—Remedies and charges.

- (a) **Excess Water Uses Charge.** Charges for excess water consumption shall be as set forth in the water rationing plan.
- (b) **Installation of Restricting Device.** The city may, after one written warning, install a flow-restricting device on the service line of any customer observed by its personnel to be violating any of the regulations or exceeding water allocations hereinabove set forth. In the event that further violations occur, the water department may discontinue service.
- (c) **Charges for Installation And Removal of Flow-Restricting Devices.** Charges for the installation and removal of flow-restricting devices shall be as stated in the water rationing plan. The first installation shall be for a minimum of five (5) days. The second installation shall be for a minimum of ten (10) days.
- (d) **Discontinuance of Water Services and Charges for Reactivation of Service.** Continued water consumption in excess of the allotment may result in the discontinuance of water service by the water department. Charges for reactivating service shall be as stated in the water rationing plan. (Ord. 821 § 7, 1991).

The Menlo Park Municipal Code is current through Ordinance 1007, passed June 3, 2014.

Disclaimer: The City Clerk's Office has the official version of the Menlo Park Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.



Chapter 7.38 WATER CONSERVATION

Sections:

- 7.38.010 Findings and determinations.
- 7.38.020 Definitions.
- 7.38.030 Regulations and restrictions on water use.

7.38.010 Findings and determinations.

The city council finds and determines that:

- (1) The rules, regulations and restrictions set forth in this chapter are intended to conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation and fire protection.
- (2) The specific uses prohibited or restricted by this chapter are nonessential and if allowed would constitute wastage of water and should be prohibited pursuant to the water department power under Water Code Section 350 et seq., Water Code Section 71640 et seq., and the common law. (Ord. 849 § 1, 1993).

7.38.020 Definitions.

For the purpose of this chapter, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

- (1) "Water department" means an agency of the city.
- (2) "Customer" means any person using water within the city.
- (3) "Director" means the director of engineering services of the city.
- (4) "Person" is any person, firm, partnership, association, corporation, company or organization of any kind. (Ord. 849 § 2, 1993).

7.38.030 Regulations and restrictions on water use.

It is resolved by the city council that in order to conserve the water supply for the greatest public benefit, and to reduce the quantity of water used by the city's customers, that wasteful use of water should be eliminated. Customers of the city shall observe the following regulations and restrictions on water use:

- (1) Broken or defective plumbing, sprinkler, watering or irrigation systems which permit the escape or leakage of water shall be repaired.
- (2) No use of water shall be allowed which results in flooding or runoff in gutters, driveways or streets.
- (3) A hose without a positive shut-off valve shall not be used for washing cars, buses, boats, trailers or other vehicles, nor for washing building structures or parts thereof.

- (4) A hose without a positive shut-off valve shall not be used for washing sidewalks, walkways, driveways, patios, parking lots, tennis courts or other hard-surfaced areas.
- (5) Restaurants shall serve water to customers only on request.
- (6) Water used for cooling must be recycled to the extent possible. (Ord. 849 § 3, 1993).

The Menlo Park Municipal Code is current through Ordinance 1007, passed June 3, 2014.

Disclaimer: The City Clerk's Office has the official version of the Menlo Park Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

Water Shortage Contingency Plan

Every five years, the City must develop and update its Urban Water Management Plan (UWMP) and submit it for approval to the California Department of Water Resources. The UWMP addresses changing conditions related to water sources, water availability, water demands, and water reliability for the next 20 to 25 years. The Water Shortage Contingency Plan (WSCP), developed as part of the UWMP, describes the water supplier's response and planning for changes or shortages in water supply. It compares supply and demand under normal, single-dry, and multiple-dry years and describes stages and actions to be undertaken in response to water supply shortages of up to 50%.

Below is the City's WSCP (Table 5.11 from the 2010 UWMP). The City is currently implementing all of the voluntary Stage 2 actions. The current 2010 UWMP can be viewed in its entirety at <http://www.menlopark.org/150/Urban-Water-Management-Plan>.

Water Shortage Contingency Rationing Stages* to Address Water Supply Shortages (Table 5.11 from the 2010 UWMP)

Stage No.	Water Supply Conditions	% Shortage					
1 Ongoing	Water Waste Prohibitions including <ul style="list-style-type: none"> • Repair of defective irrigation systems • No flooding of gutter, driveways and streets • Restaurant water served on request • Water use for cooling must be recycled • Prohibition against sidewalk and building washing 	NA					
2 Voluntary	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Increase in public information budgets</td> <td rowspan="4" style="text-align: center; vertical-align: middle;">Up to 20%</td> </tr> <tr> <td style="padding: 2px;">Increased enforcement of the water waste prohibition</td> </tr> <tr> <td style="padding: 2px;">Restaurant water served on request</td> </tr> <tr> <td style="padding: 2px;">10% reduction across all customer classes</td> </tr> </table>	Increase in public information budgets	Up to 20%	Increased enforcement of the water waste prohibition	Restaurant water served on request	10% reduction across all customer classes	
Increase in public information budgets	Up to 20%						
Increased enforcement of the water waste prohibition							
Restaurant water served on request							
10% reduction across all customer classes							
3 Mandatory	All Stage 2 Prohibitions and <ul style="list-style-type: none"> • No new or expanded irrigation systems • Prohibition against noncommercial vehicle washing • Prohibition against filling swimming pools and using ornamental fountains • Limited new water service connections • Prohibitions against use of potable water for construction dust control • Controls on groundwater use 30% reductions for residential, commercial, industrial & public	25% to 35%					

Stage No.	Water Supply Conditions	% Shortage
	customers	
	45% reducing in dedicated irrigation accounts	
4 Mandatory	All Stage 2 and 3 Prohibitions	40% to 50%
	50% reductions for residential, commercial, industrial & public customers	
	75% reductions in dedicated irrigation accounts	

* One of the stages of action must be designed to address a 50 percent reduction in water supply.

ORDINANCE NUMBER _____

URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADDING CHAPTER 7.35 [WATER CONSERVATION] AND SUSPENDING OF CHAPTERS 7.34 [WATER RATIONING] AND 7.38 [WATER CONSERVATION] OF TITLE 7 [HEALTH AND SANITATION] OF THE MENLO PARK MUNICIPAL CODE

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

SECTION 1. In accordance with California Government Code Section 65858, the City Council of the City of Menlo Park hereby finds and declares that this Ordinance is deemed necessary for the following reasons:

A. On April 25, 2014, the Governor of the State of California issued an executive order finding that the continuous severe drought conditions present urgent challenges across the state including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater production, and additional scarcity if drought conditions continue into 2015. The National Integrated Drought Information System reported that nearly 80% of the state was under “extreme” drought conditions at the end of June 2014.

B. The executive order refers to the Governor’s Proclamation NO. 1-17-2014, issued on January 17, 2014, declaring a State of Emergency to exist in California due to severe drought conditions. The January Proclamation notes that the state is experiencing record dry conditions, with 2014 projected to become the driest year on record. Since January, state water officials indicate that reservoirs, rainfall totals and the snowpack remain critically low. This follows two other dry or below average years, leaving reservoir storage at alarmingly low levels. The January Proclamation highlights the State’s dry conditions, lack of precipitation and the resulting effects on drinking water supplies, the cultivation of crops, and the survival of animals and plants that rely on California’s rivers and streams. The January Proclamation also calls on all Californians to reduce their water usage by 20 percent.

C. There is no guarantee that winter precipitation will alleviate the drought conditions that the executive orders address, which will lead to even more severe impacts across the state if the drought wears on.

D. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.”

E. Water conservation is the easiest, most efficient and most cost effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this year is water available next year, giving water suppliers the flexibility to manage their systems efficiently. The more water that is conserved now, the less likely it is that a community will experience such dire circumstances that water rationing is required.

F. Most Californians use more water outdoors than indoors. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water.

G. Public information and awareness is critical to achieving conservation goals and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (<http://saveourwater.com>).

H. Enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated.

I. Emergency regulations set a minimum standard requiring only modest lifestyle changes across the state.

J. On April 25, 2014, the Governor suspended the California Environmental Quality Act's application to the State Water Board's adoption of emergency regulations pursuant to Water Code section 1058.5 to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, to promote water recycling or water conservation.

K. On July 8, 2014, the State Water Board issued public notice that the State Water Board would consider the adoption of the regulation at the Board's regularly-scheduled July 15, 2014 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations.

L. On July 28, 2014 the State Water Board adopted the emergency regulations which will expire on April 25, 2015 to ensure that urban water suppliers implement drought response plans to limit outdoor irrigation and other wasteful practices.

M. To promote water conservation, the emergency regulations require each urban water supplier, which includes Menlo Park Water District, to implement all requirements and actions of the stage of its water shortage contingency plan that

imposes mandatory regulations on outdoor irrigation of ornamental landscapes and turf with potable water.

N. Chapter 7.34 [Water Rationing] and Chapter 7.38 [Water Conservation] of the City's Municipal Code are inconsistent with the requirements of the emergency regulations adopted by the State Water Board.

O. In light of the foregoing, the City Council finds the urgent enactment of Chapter 7.35 [Water Conservation] and the suspension of the Chapter 7.34 [Water Rationing] and Chapter 7.38 [Water Conservation] to the extent the Chapters are inconsistent with the urgent enactment of Chapter 7.35 [Water Conservation] appropriate.

SECTION 2. Chapter 7.34 [Water Rationing] of Title 7 [Health and Sanitation] of the Menlo Park Municipal Code is hereby suspended to the extent it is inconsistent with Chapter 7.35 [Water Conservation].

SECTION 3. Chapter 7.38 [Water Conservation] of Title 7 [Health and Sanitation] of the Menlo Park Municipal Code is hereby suspended to the extent it is inconsistent with Chapter 7.35 [Water Conservation].

SECTION 4. Chapter 7.35 [Water Conservation] is hereby added to Title 7 [Health and Sanitation] of the Menlo Park Municipal Code to read as follows:

**Chapter 7.35
Water Conservation**

Section 7.35.010 Purpose
Section 7.35.020 Water Conservation
Section 7.35.030 Penalty

Section 7.35.010 Purpose

The purpose of this Chapter is to promote water conservation and provide the City with the flexibility to respond to a drought emergency whether it be emergency regulations adopted by the State Water Board, or drought-related actions imposed by the San Francisco Public Utilities Commission.

Section 7.35.020 Water Conservation

Upon the adoption of emergency water conservation regulations by the State Water Board and within the timelines prescribed by the State Water Board, or drought-related actions imposed by the San Francisco Public Utilities Commission, the City Council of the City of Menlo Park shall adopt by resolution a Water Conservation Plan that mandates those water conservation measures.

Section 7.35.030 Penalty

Any violations of the Water Conservation Plan shall be an infraction or enforced as provided in the resolution adopted pursuant to Section 7.35.020.

SECTION 5. If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or enforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION 6. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act (CEQA) because it is a specific action necessary to prevent or mitigate an emergency, CEQA Guidelines Section 5269.

SECTION 7. This ordinance is declared to be an urgency measure adopted pursuant to the provisions of Government Code Section 65858. As set forth in the findings above, this ordinance is necessary for preserving the public safety, health, and welfare. Pursuant to Government Code Section 65858, this ordinance is effective immediately and shall be in full force and effect for 45 days from the date of its adoption. After notice pursuant to California Government Code Section 65090 and a public hearing, the City Council by four-fifths vote, may extend the effectiveness of this ordinance for 22 months and 15 days.

SECTION 8. This City Clerk shall cause this ordinance to be published in a newspaper of general circulation as required by state law.

INTRODUCED on the ___ day of _____, 2014.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the ___ day of _____, 2014, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

APPROVED:

Mayor

ATTEST:

Pamela Aguilar
City Clerk

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
ADOPTING WATER CONSERVATION PLAN PURSUANT TO CHAPTER
7.35 OF TITLE 7 OF THE MENLO PARK MUNICIPAL CODE**

WHEREAS, on April 25, 2014, the Governor of the State of California issued an executive order finding that the continuous severe drought conditions present urgent challenges across the state including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater production, and additional scarcity if drought conditions continue into 2015. The National Integrated Drought Information System reported that nearly 80% of the state was under “extreme drought conditions at the end of June 2014; and

WHEREAS, Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports”; and

WHEREAS, on July 28, 2014 the State Water Board submitted an emergency action to adopt three sections and a new article in title 23 of the California Code of Regulations pertaining to drought emergency water conservation, which was approved by the Office of Administrative Law pursuant to sections 11346.1 and 11349.6 of the Government Code;

WHEREAS, the State Water Board’s emergency regulations “Regulations” became effective on July 28, 2014 pursuant to section 1058.5 of the Water Code; and

WHEREAS, the Regulations will expire on April 25, 2015; and

WHEREAS, the Regulations require each urban water supplier to implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water; and

WHEREAS, the Menlo Park Municipal Water District’s Water Shortage Contingency Plan (“WSCP”) Stage 3 must be implemented to comply with the Regulations; and

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby approve and adopt the following Water Conservation Plan, implementing Stage 3 of the Water Shortage Contingency Plan and incorporating the additional prohibited activities of the new State Water Board regulations:

1. Definitions.

For the purposes of this resolution, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word “shall” is always mandatory and not merely directory.

- a. “Water District” means the Menlo Park Municipal Water District, an agency of the City.
- b. “Customer” means any person using water supplied by the Water District.
- c. “Public Works Director” means the City of Menlo Park Public Works Director or his/her designee.

2. Prohibitions.

- a. Customers may not:
 - i. Apply potable water to any driveway or sidewalk;
 - ii. Use potable water to water outdoor landscapes in a manner that causes runoff onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;
 - iii. Use a hose that dispenses potable water to wash a motor vehicle, unless the hose is fitted with a shut-off nozzle; and
 - iv. Use potable water in a fountain or decorative water feature, unless the water is recirculated.
- b. Customers are prohibited pursuant to the Water District’s Water Shortage Contingency Plan Stage 3 from:
 - i. Installing new irrigation systems or expanding existing irrigation systems;
 - ii. Noncommercial vehicle washing unless the hose is fitted with a shut-off nozzle or the vehicle is washed at a facility utilizing a water recirculating system;
 - iii. Filling new swimming pools;
 - iv. Using ornamental fountains or decorative water features, unless water is recirculated; and
 - v. Using potable water for construction dust control.

3. The Public Works Director shall:

- a. If requested by a Customer, determine if a new water service connection shall be allowed; and
- b. Establish an outreach program for customers with private wells.

4. Water Percentage Reductions.

- a. Residential, commercial, industrial, and public water customers shall reduce their water use by 30% from the same period during a previous year (as determined by the Public Works Director).
- b. Customers with dedicated irrigation accounts shall reduce their irrigation water use by 45% from the same period during a previous year (as determined by the Public Works Director).

5. Penalties.

If a Customer fails to comply with any of the prohibitions listed above, the following penalties may result:

Violation	Enforcement
1 st	Warning only. Educate customer on proper water conservation practices.
2 nd	\$50 fine
3 rd	\$100 fine
4 th	\$200 fine, and review by the Public Works Director (or his designee) to determine if a flow restricting device should be installed
5 th	\$500 fine, and review by the Public Works Director (or his designee) to determine if water service should be discontinued
6 th	\$500 fine, water service shall be discontinued

**Charges for Installation or
Removal of Flow Restricting Devices**

Meter Size	Installation Cost	Removal Cost
5/8" to 2"	\$ 155.00	\$ 155.00
3" or larger	Actual Cost	Actual Cost

Charges for Disconnecting and Reconnecting Service

Meter Size	Cost to Disconnect Service	Cost to Reconnect Service
All sizes	\$ 155.00	\$ 155.00

BE IT AND IT IS HEREBY FURTHER RESOLVED by the City Council of the City of Menlo Park that this Water Conservation Plan shall remain in effect as long as the Emergency Regulations are in effect and shall sunset when the emergence regulations are no longer in effect.

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 City Council on _____, 2014, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

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

PAMELA AGUILAR,
City Clerk

DRAFT

ORDINANCE NUMBER _____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADDING CHAPTER 7.35 [WATER CONSERVATION] TO TITLE 7 [HEALTH AND SANITATION] TO THE MENLO PARK MUNICIPAL CODE AND REMOVING CHAPTERS 7.34 [WATER RATIONING] AND 7.38 [WATER CONSERVATION] OF TITLE 7 [HEALTH AND SANITATION]

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

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

A. On April 25, 2014, the Governor of the State of California issued an executive order finding that the continuous severe drought conditions present urgent challenges across the state including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater production, and additional scarcity if drought conditions continue into 2015. The National Integrated Drought Information System reported that nearly 80% of the state was under “extreme” drought conditions at the end of June 2014.

B. The executive order refers to the Governor’s Proclamation NO. 1-17-2014, issued on January 17, 2014, declaring a State of Emergency to exist in California due to severe drought conditions. The January Proclamation notes that the state is experiencing record dry conditions, with 2014 projected to become the driest year on record. Since January, state water officials indicate that reservoirs, rainfall totals and the snowpack remain critically low. This follows two other dry or below average years, leaving reservoir storage at alarmingly low levels. The January Proclamation highlights the State’s dry conditions, lack of precipitation and the resulting effects on drinking water supplies, the cultivation of crops, and the survival of animals and plants that rely on California’s rivers and streams. The January Proclamation also calls on all Californians to reduce their water usage by 20 percent.

C. There is no guarantee that winter precipitation will alleviate the drought conditions that the executive orders address, which will lead to even more severe impacts across the state if the drought wears on.

D. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.”

E. Water conservation is the easiest, most efficient and most cost effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this year is water available next year, giving water suppliers the flexibility to manage their systems efficiently. The more water that is conserved now, the less likely it is that a community will experience such dire circumstances that water rationing is required.

F. Most Californians use more water outdoors than indoors. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water.

G. Public information and awareness is critical to achieving conservation goals and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (<http://saveourwater.com>).

H. Enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated.

I. Emergency regulations set a minimum standard requiring only modest lifestyle changes across the state.

J. On April 25, 2014, the Governor suspended the California Environmental Quality Act's application to the State Water Board's adoption of emergency regulations pursuant to Water Code section 1058.5 to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, to promote water recycling or water conservation.

K. On July 8, 2014, the State Water Board issued public notice that the State Water Board would consider the adoption of the regulation at the Board's regularly-scheduled July 15, 2014 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations.

L. On July 28, 2014 the State Water Board adopted the emergency regulations which will expire on April 25, 2015 to ensure that urban water suppliers implement drought response plans to limit outdoor irrigation and other wasteful practices.

N. To promote water conservation, the emergency regulations require each urban water supplier, which includes Menlo Park Water District, to implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory regulations on outdoor irrigation or ornamental landscapes and turf

with potable water.

O. Chapter 7.34 [Water Rationing] and Chapter 7.38 [Water Conservation] of the City's Municipal Code are inconsistent with the requirements of the emergency regulations adopted by the State Water Board.

P. In light of the foregoing, the City Council finds adding Chapter 7.35 [Water Conservation] to the Menlo Park Municipal Code and removing Chapter 7.34 [Water Rationing] and 7.38 [Water Conservation] is appropriate.

SECTION 2. DELETION OF CODE. Chapter 7.34 [Water Rationing] of Title 7 [Health and Sanitation] of the Menlo Park Municipal Code is hereby deleted in its entirety.

SECTION 3. DELETION OF CODE. Chapter 7.38 [Water Conservation] of Title 7 [Health and Sanitation] of the Menlo Park Municipal Code is hereby deleted in its entirety.

SECTION 4. ADDITION TO CODE. Chapter 7.35 [Water Conservation] is hereby added to Title 7 [Health and Sanitation] of the Menlo Park Municipal Code to read as follows:

**Chapter 7.35
Water Conservation**

Section 7.35.010	Purpose
Section 7.35.020	Water Conservation
Section 7.35.030	Penalty

Section 7.35.010 Purpose

The purpose of this Chapter is to promote water conservation and provide the City with the flexibility to respond to a drought emergency whether it be emergency regulations adopted by the State Water Board, or drought-related actions imposed by the San Francisco Public Utilities Commission.

Section 7.35.020 Water Conservation

Upon the adoption of emergency water conservation regulations by the State Water Board and within the timelines prescribed by the State Water Board, or drought-related actions imposed by the San Francisco Public Utilities Commission, the City Council of the City of Menlo Park shall adopt by resolution a Water Conservation Plan that mandates those water conservation measures.

Section 7.35.030 Penalty

Any violations of the Water Conservation Plan shall be an infraction or enforced as provided in the resolution adopted pursuant to Section 7.35.020.

SECTION 5. SEVERABILITY. If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or

unenforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION 6. REGULATIONS AND RESTRICTIONS FOR ALL CUSTOMERS. It is resolved by the City Council that in order to conserve the water supply for the greatest public benefit, and to reduce the quantity of water used by the City's customers, that wasteful use be eliminated. Customers of the Water District shall observe the rules and regulations on water use as described in the current Water Conservation Plan.

SECTION 7. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act ("CEQA") because the activity is not a project as defined by Section 15378 of the CEQA Guidelines. The ordinance has no potential for resulting in physical change to the environment either directly or indirectly.

SECTION 8. EFFECTIVE DATE AND PUBLISHING. This ordinance shall take effect 30 days after adoption. The City Clerk shall cause publication of the ordinance within 15 days after passage in a newspaper of general circulation published and circulated in the city or, if none, the posted in at least three public places in the city. Within 15 days after the adoption of the ordinance amendment, a summary of the amendment shall be published with the names of the council members voting for and against the amendment.

INTRODUCED on the ___ day of _____, 2014.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the ___ day of _____, 2014, by the following vote:

AYES:	Councilmembers:
NOES:	Councilmembers:
ABSENT:	Councilmembers:
ABSTAIN:	Councilmembers:

APPROVED:

Ray Mueller
Mayor

ATTEST:

Pamela Aguilar
City Clerk



OFFICE OF THE CITY MANAGER

Council Meeting Date: August 19, 2014
Staff Report #: 14-135

Agenda Item #: B-2

COMMISSION APPOINTMENT: Consider Applicants for Appointment to Fill Two Vacancies on the Library Commission

RECOMMENDATION

Staff recommends appointing an applicant to fill two vacancies on the Library Commission.

BACKGROUND

In March and April of 2014, staff conducted recruitment for the vacant positions by publishing press releases in the *Daily News*, the *Almanac* and *Patch.com*, posting notices on the City's Facebook page and website, displaying ads on the electronic bulletin boards throughout the City's recreation facilities, the main library and on government access Channel 29, and by reaching out to the community through the social media site Next Door, the Chamber of Commerce online newsletter and by emailing targeted residents.

ANALYSIS

There remains three vacancies on the Library Commission. As a result of these vacancies, the Commission has had difficulties in conducting business as full attendance of its four current members is required each month in order to convene and notice a meeting.

Since the spring recruitment period, the City Clerk's office has received two additional applications for the Library Commission from Tom McDonough and Lynne Bramlett, and recommends that the Council appoint these candidates to fill the open seats. Mr. McDonough previously served on the Library Commission from August 2008 to April 2011. He was no longer eligible to serve due to term limits. Per Commission policy, the time frame has now elapsed which allows Mr. McDonough to reapply. The appointment for both terms will expire April 30, 2018.

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

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

IMPACT ON CITY RESOURCES

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

POLICY ISSUES

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

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Excerpt from Council Policy CC-01-004, page 5
- B. Commission Applications*

*Attachment B will not be posted on-line. Applications are available for public viewing in the City Clerk's office upon request.

Report prepared by:
Pamela Aguilar
City Clerk

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

Application/Selection Process

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

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COMMISSION APPLICATIONS

*Attachment B will not be available on-line, but is available for review at City Hall in the City Clerk's Office during standard City operating hours.

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COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-144

Agenda Item #: B-3

COMMISSION/COMMITTEE REPORT: Consider Applicants for Appointment to Fill Three At-Large Positions, Six Commissioner Positions and Two City Council Positions to Serve on the General Plan Advisory Committee

RECOMMENDATION

Staff recommends appointing three at-large positions, six Commissioner positions and two City Council positions to serve on the General Plan Advisory Committee.

BACKGROUND

On June 17, 2014, the City Council authorized the formation of a General Plan Advisory Committee (GPAC) to help guide the General Plan Update and M-2 Area Zoning Update over the next two years. The GPAC would be comprised of 11 members, including two City Council members, three at-large members, and one Commissioner from each of the following Commissions: Bicycle, Environmental Quality, Housing, Parks and Recreation, Planning and Transportation.

The GPAC would be a Brown Act body with a core mission as follows:

- (1) Serve as liaison to their respective body or community group.
- (2) Serve as an ambassador of the project and encourage people to participate in the process.
- (3) Guide the process and provide policy direction and feedback for staff.
- (4) Keep the process on track to comply with the following key milestones:
 - Fall of 2014: Conduct community workshops;
 - Spring of 2015: Complete the visioning phase;
 - Fall of 2015: Complete the draft versions of the Land Use and Circulation Elements and Zoning Ordinance Updates;
 - Summer of 2016: Adopt an updated General Plan and Zoning changes.

ANALYSIS

As the City Council considers the appointments, attendance and participation in meetings will be critical to the overall process. In addition, GPAC members would be expected to attend mobile workshops and other public events. The table below includes the tentative meeting dates through the end of December 2014. The general timeline has been refined with targeted meeting dates since the June 2014 adoption of the scope of work, but does not impact the overall completion date. The revised meeting schedule better reflects the timing for the flow of work and inputs needed to accomplish various tasks.

General Plan Update Meeting Schedule*			
Event	Meeting Date	Time	Location
GPAC Meeting #1	Monday, August 25, 2014	6-8 p.m.	Oak Room, Arrillaga Family Recreation Center
Workshop #1 (1 of 2)	Wednesday, September 3, 2014	6-8 p.m.	Senior Center Ballroom
Workshop #2 (2 of 2)	Thursday, September 11, 2014	6-8 p.m.	Menlo Park Presbyterian Church Social Hall
Symposia #1 (Growth Management & Economic Development)	Wednesday, September 24, 2014	6-8 p.m.	City Council Chambers
Mobile Tour #1	Wednesday, October 1, 2014	daytime	Menlo Park
Symposia #2 (Transportation – LOS Case Studies)	Wednesday, October 8, 2014	6-8 p.m.	City Council Chambers
Mobile Tour #2	Tuesday, October 14, 2014	daytime	Neighboring Communities
GPAC Meeting #2	Thursday, October 30, 2014	6-8 p.m.	Oak Room, Arrillaga Family Recreation Center
Planning Commission/City Council Study Session	Tuesday, November 18, 2014	7:00 p.m.	City Council Chambers
GPAC Meeting #3	Thursday, December 4, 2014	6-8 p.m.	Oak Room, Arrillaga Family Recreation Center
Workshop #2 (1 of 2)	Thursday, December 11, 2014	6-8 p.m.	Menlo Park Presbyterian Church Social Hall
Workshop #2 (2 of 2)	Thursday, December 18, 2014	6-8 p.m.	Senior Center Ballroom
*Note: Actual meeting dates, times, and locations are subject to change.			

One of the biggest factors affecting the overall timing is the completion of the 2014 transportation data collection. The data will be used for the background report for the Mobility (Circulation) Element as well as the environmental review for the project. Staff is suggesting to wait until late September 2014 to conduct the counts to allow for local schools, including Stanford University, to resume Fall session for a more accurate description of typical conditions. However, the deferred start minimizes the amount of flexibility in the schedule. A week delay in the traffic counts (due to weather or other unforeseen circumstances) would likely result in a month setback in the meeting schedule.

since moving the December meeting dates to later in the month would conflict with the holidays.

All persons interested in appointment to the GPAC have completed an application (Attachment A) for consideration. The Council should consider making appointments that represent the broad interests of Menlo Park residents and businesses. Members should be committed to serve for the entire term, which is expected to be two years. Based on this two-year schedule, the GPAC meetings are currently scheduled to end in July 2015, but members are expected to stay active through the end of the process. The GPAC is anticipated to have eight meetings between August 2014 and July 2015, summarized as follows:

- August 2014 – Establish relationship with staff/consultant team; clarify roles and responsibilities; review material for Workshop #1
- October 2014 – Review of Guiding Principles, review findings from interviews, symposia and mobile workshops
- December 2014 – Review materials for workshop #2 - Alternatives
- January 2015 – Review findings from workshop #2 and recommend modifications
- March 2015 – Review materials for workshop #3 – Preferred Alternatives
- April 2015 – Review findings from workshop #3 and recommend modifications
- June 2015 – Review draft General Plan goals, policies and implementing programs and recommend modifications; review consistency analysis for the Open Space/Conservation, Noise and Safety Elements; review preliminary updated Zoning Ordinance provisions
- July 2015 – Review revised draft General Plan goals, policies, and implementing programs, and recommend modifications; review draft updated Zoning Ordinance provisions

Appointments

The City Council's Policy (CC-01-0004) (Attachment B) states that the selection/appointment process shall be conducted before the public at a regularly scheduled meeting of the City Council. Nominations should be made for each category and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the Council present shall be appointed.

Commissions

Each participating Commission has nominated one of its members to serve on the GPAC, and the City Council should confirm these nominations. The following members have been selected:

- Bicycle Commission - Matthew Zumstein
- Environmental Quality – Kristin Kuntz-Duriseti
- Housing – Michele Tate
- Parks and Recreation Commission - James Cebrian

- Planning Commission - Katherine Strehl
- Transportation Commission - Adina Levin

At-Large

Pursuant to the approved committee structure, the three at-large GPAC members may either live, work or own property in the City of Menlo Park. Residency within the City limits is preferred, but not required. Staff conducted recruitment for the three at-large positions by publishing ads in the Daily News and the Almanac, posting notices on the City's Facebook page and website, displaying ads on the electronic bulletin boards in the main library and other City recreation facilities, and by reaching out to the community through the social media site NextDoor, and the City Council's Weekly Digest newsletter.

Applicants for the three at-large positions are:

- Harry Bims
- David Bohannon II
- Vince Bressler
- Heidi Butz
- Reginald Harris
- Ryann Price
- Roger Royse
- David Rummler
- Rodney Savio
- Noria Zasslow

City Council

In addition to the Commission confirmations and three at-large appointments, the Council should also appoint two Council Members to serve on the GPAC. On January 14, 2014, the City Council appointed Mayor Mueller and Council Member Ohtaki to the General Plan Update Subcommittee. At that time, the Subcommittee was formed to help provide guidance to staff as an ad hoc committee or as part of a larger advisory body (such as the GPAC) that would be formed during the process. As part of the Subcommittee, Mayor Mueller and Council Member Ohtaki participated on the consultant selection panel.

As part of the GPAC appointments, the Council has the opportunity to reaffirm Mayor Mueller and Council Member Ohtaki as the Council's representatives on the GPAC or change the membership. The same two members must serve on both the Council Subcommittee and the GPAC. The Council may also wish to discuss whether the two Council representatives should serve as Co-Chairpersons of the GPAC, similar to the structure of the Housing Element Steering Committee.

IMPACT ON CITY RESOURCES

The formation of the GPAC is part of the approved General Plan Update scope of services contract for \$1,650,000 with PlaceWorks.

POLICY ISSUES

Council Policy CC-01-004 establishes the policies, procedures, roles and responsibility for the City's appointed Commissions and Committees.

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

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

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

PUBLIC NOTICE

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

ATTACHMENTS

- A. GPAC Applications (transmitted under separate cover)*
- B. Council Policy CC-01-004

*Attachment A will not be posted on-line. Applications are available for public viewing in the City Clerk's office upon request.

Report prepared by:
Deanna Chow
Senior Planner

Report reviewed by:
Justin Murphy
Development Services Manager

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Purpose

To define policies and procedures and roles and responsibilities for Menlo Park appointed Commissions and Committees.

Authority

Upon its original adoption, this policy replaced the document known as “Organization of Advisory Commissions of the City of Menlo Park”.

Background

The City of Menlo Park currently has eight active and three inactive Commissions and Committees. The active advisory bodies are: Bicycle Commission, Environmental Quality Commission, Finance and Audit Committee, Housing Commission, Library Commission, Parks and Recreation Commission, Planning Commission, and Transportation Commission. The inactive advisory bodies are the Arts Commission, Community Mediation Service Committee and the Las Pulgas Committee. Those not specified in the City Code are established by City Council ordinance or resolution. Most of these advisory bodies are established in accordance with Resolution 2801 and its amendments. Within specific areas of responsibility, each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law.

Seven of the eight Commissions and Committees listed above are advisory in nature. The Planning Commission is both advisory and regulatory and organized according to the City Code (Ch. 2.12) and State statute (GC 65100 et seq., 65300-65401).

The City has an adopted Anti-Harassment and Non-Discrimination Policy (CC-95-001), and a Travel and Expense Policy (CC-91-002), which are also applicable to all advisory bodies.

Policies and Procedures**A. Relationship to Council, Staff and Media**

1. Upon referral by the Council, the Commission/Committee shall study referred matters and return their recommendations and advise to the Council. With each such referral, the Council may authorize the City staff to provide certain designated services to aid in the study.
2. Upon its own initiative, the Commission/Committee shall identify and raise issues to Council’s attention and from time to time survey pertinent matters and make recommendations to the Council.
3. At a request of a member of the public, the Commission/Committee may consider appeals from City actions or inactions in pertinent areas and, if deemed appropriate, report and make recommendations to the Council.
4. Each April the Commissions and Committees and their support staff shall review their approved work plans

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and modify if needed. If changed, the work plan must be taken to the Council for approval.

5. Commissions and Committees should not become involved in the administrative or operational matters of City departments. Members may not direct staff to initiate major programs, conduct large studies, or establish department policy. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as preparation of agenda/notice materials and minutes, general review of department programs and activities, and to perform limited studies, program reviews, and other services of a general staff nature. Commissions and Committees may not establish department work programs or determine department program priorities. The responsibility for setting policy and allocating scarce City resources rests with the City's duly elected representatives, the City Council.
6. Additional or other staff support may be provided upon a formal request to the City Council.
7. The Staff Liaison shall act as the Commission's lead representative to the media concerning matters before the Commission. Commission members should refer all media inquiries to their respective Liaisons for response. Personal opinions and comments may be expressed so long as the Commissioner clarifies that his or her statements do not represent the position of the City Council.
8. Commission and Committee Members will have mandatory training every two years regarding the Brown Act and parliamentary procedures. The Commission and Committee Members may have the opportunity for additional training, such as training for Chair and Vice Chair. Failure to comply with the mandatory training will be reported to the City Council and may result in replacement of the member by the Council.

B. Recommendations, Requests and Reports

Near the beginning of each regular Council meeting, there will be an item called "Commission/Committee Vacancies, Appointments and Reports". At this time, Commissions and Committees may submit recommendations or reports in writing and may request direction and support from the City Council. Such requests shall be communicated to the Staff Liaison in advance, including any written materials, so that they may be listed on the agenda and distributed with the agenda packet. The materials being provided to the Council must be approved by a majority of the Commission at a Commission meeting prior to submittal to the City Council. The Council will receive such reports and recommendations and, after suitable study and discussion, respond or give direction.

C. Council Referrals

The Assistant City Manager shall transmit to the designated Staff Liaison all referrals and requests from the City Council for advice and recommendations. The Commissions/Committees shall expeditiously consider and act on all referrals and requests made by the City Council and shall submit reports and recommendations to the City Council on these assignments.

D. Public Appearance of Commission/Committee Members

When a Commission/Committee member appears in a non-official, non-representative capacity before the public, for

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example in a Council meeting, the member shall indicate that he or she is speaking only as an individual. If the Commission/Committee member appears as the representative of an applicant or a member of the public, the Political Reform Act may govern this appearance. In addition, in certain circumstances, due process considerations might apply to make a Commission/Committee member’s appearance inappropriate. Conversely, when a member who is present at a Council meeting is asked to address the Council on a matter, the member should represent the viewpoint of the particular Commission/Committee as a whole (not a personal opinion).

E. Disbanding of Advisory Body

Upon recommendation by the Chair or appropriate staff, any standing or special advisory body, established by the City Council and whose members were appointed by the City Council, may be declared disbanded due to lack of business, by majority vote of the City Council.

F. Meetings and Officers

1. Agendas/Notices/Minutes

- All meetings shall be open and public and shall conduct business through published agendas, public notices and minutes and follow all of the Brown Act provisions governing public meetings. Special, cancelled and adjourned meetings may be called when needed, subject to the Brown Act provisions.
- Support staff for each Commission/Committee shall be responsible for properly noticing and posting all regular, special, cancelled and adjourned meetings. Copies of all meeting agendas, notices and minutes shall be provided to the City Council, City Manager, City Attorney, City Clerk and other appropriate staff, as requested.
- Original agendas and minutes shall be filed and maintained by support staff in accordance with the City’s adopted Records Retention Schedule.

2. Conduct and Parliamentary Procedures

- Unless otherwise specified by State law or City regulations, conduct of all meetings shall generally follow Robert’s Rules of Order.
- A majority of Commission/Committee members shall constitute a quorum and a quorum must be seated before official action is taken.
- The Chair of each Commission/Committee shall preside at all meetings and the Vice Chair shall assume the duties of the Chair when the Chair is absent.

3. Lack of a Quorum

- When a lack of a quorum exists at the start time of a meeting, those present will wait 15 minutes for additional members to arrive. If after 15 minutes a quorum is still not present, the meeting will be adjourned by the staff liaison due to lack of a quorum. Once the meeting is adjourned it cannot be reconvened.
- The public is not allowed to address those commissioners present during the 15 minutes the

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Commission/Committee is waiting for additional members to arrive.

- Staff can make announcements to the members during this time but must follow up with an email to all members of the body conveying the same information.
- All other items shall not be discussed with the members present as it is best to make the report when there is a quorum present.

4. Meeting Locations and Dates

- Meetings shall be held in designated City facilities, as noticed.
- All Commissions/Committees with the exception of the Planning Commission shall conduct regular meetings once a month. Special meetings may also be scheduled as required by the Commission/Committee. The Planning Commission shall hold regular meetings twice a month.
- Monthly regular meetings shall have a fixed date and time established by the Commission/Committee. Changes to the established regular dates and times are subject to the approval of the City Council. An exception to this rule would include any changes necessitated to fill a temporary need in order for the Commission/Committee to conduct its meeting in a most efficient and effective way as long as proper and adequate notification is provided to the Council and made available to the public.
- Each Commission/Committee may establish other operational policies subject to the approval of the City Council. Any changes to the established policies and procedures shall be subject to the approval of the City Council.

5. Selection of Chair and Vice Chair

- The Chair and Vice Chair shall be selected in May of each year by a majority of the members and shall serve for one year or until their successors are selected.
- Each Commission/Committee shall annually rotate its Chair and Vice Chair.

G. Memberships

Appointments/Oaths

1. The City Council is the appointing body for all Commissions and Committees. All members serve at the pleasure of the City Council for designated terms.
2. All appointments and reappointments shall be made at a regularly scheduled City Council meeting, and require an affirmative vote of not less than a majority of the Council present.
3. Prior to taking office, all members must complete an Oath of Allegiance required by Article XX, §3, of the Constitution of the State of California. All oaths are administered by the City Clerk or his/her designee.
4. Appointments made during the middle of the term are for the unexpired portion of that term.

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Application/Selection Process

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

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Attendance

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

Compensation

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

Conflict of Interest and Disclosure Requirements

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

Qualifications, Compositions, Number

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

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4. There shall be seven (7) members on each Commission/Committee with the exception of the Finance and Audit Committee, which has five (5) members.

Reappointments, Resignations, Removals

1. Incumbents seeking a reappointment are required to complete and file an application with the City Clerk by the application deadline. No person shall be reappointed to a Commission/Committee who has served on that same body for two consecutive terms; unless a period of one year has lapsed since the returning member last served on that Commission (the one year period is flexible subject to Council's discretion.).
2. Resignations must be submitted in writing to the City Clerk, who will distribute copies to City Council and appropriate staff.
3. The City Council may remove a member by a majority vote of the Council without cause, notice or hearing.

Term of Office

1. Unless specified otherwise, the term of office for all Commission/Committee shall be four (4) years unless a resignation or a removal has taken place.
2. If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.
3. Terms are staggered to be overlapping four-year terms, so that all terms do not expire in any one year.
4. If a member resigns before the end of his/her term, a replacement serves out the remainder of that term.

Vacancies

1. Vacancies are created due to term expirations, resignations, removals or death.
2. Vacancies are listed on the Council agenda and posted by the City Clerk in the Council Chambers bulletin board and on the City's website.
3. Whenever an unscheduled vacancy occurs in any Commission/Committee, a special vacancy notice shall be posted within 20 days after the vacancy occurs. Appointment shall not be made for at least ten working days after posting of the notice (Government Code 54974).
4. On or before December 31 of each year, an appointment list of all regular advisory Commissions and Committees of the City Council shall be prepared by the City Clerk and posted in the Council Chambers bulletin board and on the City's website. This list is also available to the public. (Government Code 54972,

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Maddy Act).

Roles and Responsibilities

The purpose of this section is to define and clarify the roles and responsibilities of the Commissions/Committees:

Arts Commission

This Commission is charged with advising the Council on matters related to City cultural programs established primarily for the residents of the City as artists and as an audience, including arts concerned with line, color, form (painting, sculpture, and architecture); arts concerned with sound (music and dance); and, arts concerned with the exploitation of words for both their musical and expressive value (literature, prose, poetry and plays).

Bicycle Commission

The Bicycle Commission is charged primarily with advising the City Council on ways to improve the bicycling environment, implementation of the bikeways plan and other related matters.

Community Mediation Service

This Committee is charged with providing mediation services for local residents and businesses. (It is guided by a separate policy statement and by its By-Laws).

Environmental Quality Commission

The Environmental Quality Commission is charged primarily with advising the City Council on matters involving environmental protection, improvement, and sustainability. Specific focus areas include:

- Preserving heritage trees
- Using best practices to maintain city trees
- Preserving and expanding the urban canopy
- Making determinations on appeals of heritage tree removal permits
- Administering annual Environmental Quality Awards program
- Organizing annual Arbor Day Event; typically a tree planting event
- Advising on programs and policies related to protection of natural areas, recycling and waste reduction, environmentally sustainable practices, air and water pollution prevention, climate protection, and water and energy conservation.

Finance & Audit Committee

The Finance & Audit Committee is charged primarily to support delivery of timely, clear and comprehensive reporting of the City's fiscal status to the community at large. Specific focus areas include:

- Review the process for periodic financial reporting to the City Council and the public, as needed
- Review financial audit and annual financial report with the City's external auditors
- Review of the resolution of prior year audit findings

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- Review of the auditor selection process and scope, as needed

Housing Commission

The Housing Commission is charged primarily with advising the City Council on housing matters including housing supply and housing related problems. Specific focus areas include:

- Community attitudes about housing (range, distribution, racial, social-economic problems)
- Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City
- Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974
- Members serve with staff on a loan review committee for housing rehabilitation programs and a first time homebuyer loan program
- Review and recommend to the Council regarding the Below Market Rate (BMR) program
- Initiate, review and recommend on housing policies and programs for the City
- Review and recommend on housing related impacts for environmental impact reports
- Review and recommend on State and regional housing issues
- Review and recommend on the Housing Element of the General Plan
- The five most senior members of the Housing Commission also serve as the members of the Relocation Appeals Board (City Resolution 4290, adopted June 25, 1991).

Las Pulgas Committee

This Committee is charged with advising the City Council on matters regarding the activities of the City's Community Development Agency providing comments and recommendations on policies affecting the Las Pulgas Project Area, as well as on issues, projects and programs in the neighborhood.

Library Commission

The Library Commission is charged primarily with advising the City Council on matters related to the maintenance and operation of the City's libraries and library systems. Specific focus areas include:

- The scope and degree of library activities
- Maintenance and protection of City libraries
- Evaluation and improvement of library service
- Acquisition of library materials
- Coordination with other library systems and long range planning
- Literacy and ESL programs

Parks and Recreation Commission

The Parks and Recreation Commission is charged primarily with advising the City Council on matters related to City programs and facilities dedicated to recreation. Specific focus areas include:

- Those programs and facilities established primarily for the participation of and/or use by residents of the City, including adequacy and maintenance of such facilities as parks and playgrounds, recreation buildings, facilities and equipment
- Adequacy, operation and staffing of recreation programs

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- Modification of existing programs and facilities to meet developing community needs
- Long range planning and regional coordination concerning park and recreational facilities

Planning Commission

The Planning Commission is organized according to State Statute.

- The Planning Commission reviews development proposals on public and private lands for compliance with the General Plan and Zoning Ordinance.
- The Commission reviews all development proposals requiring a use permit, architectural control, variance, minor subdivision and environmental review associated with these projects. The Commission is the final decision-making body for these applications, unless appealed to the City Council.
- The Commission serves as a recommending body to the City Council for major subdivisions, re-zonings, conditional development permits, planned development permits, Zoning Ordinance amendments, General Plan amendments and the environmental reviews associated with those projects.
- The Commission works on special projects as assigned by the City Council.

Transportation Commission

The Transportation Commission is charged primarily with advising the City Council on matters related to the adequacy and improvement of all types of public and private transportation within and across the City, including the best approaches to establishing and maintaining systems and facilities for the transport of people and goods around the City. Specific focus areas include:

- The coordination of motor vehicle, bicycle, mass transit, and pedestrian traffic facilities
- The development and encouragement of the most efficient and least detrimental overall transportation system for the City supporting the goals of the General Plan
- Coordination with regional transportation systems
- Serve as the appeals board for appeals from staff determinations concerning establishment of traffic signs, pavement markings, speed zones, parking regulations, traffic signals, bike lanes, bus stops, etc.

Special Advisory Bodies

The City Council has the authority to create ad-hoc committees, task forces, or subcommittees for the City, and from time to time, the City Council may appoint members to these groups. The number of persons and the individual appointee serving on each group may be changed at any time by the Council. There are no designated terms for members of these groups; members are appointed by and serve at the pleasure of the Council.

Any requests of City Commissions or Committees to create such ad-hoc advisory bodies shall be submitted in writing to the City Clerk for Council consideration and approval.



PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-138

Agenda Item #: D-1

CONSENT CALENDAR: **Adopt a Resolution to Authorize the Bay Area Water Supply & Conservation Agency to Initiate, Defend, and Settle Arbitration to the Water Supply Agreement between San Francisco and the Wholesale Customers**

RECOMMENDATION

Adopt a Resolution (Attachment A) to authorize the Bay Area Water Supply & Conservation Agency (BAWSCA) to Initiate, Defend, and Settle Arbitration to the Water Supply Agreement between San Francisco and the Wholesale Customers.

BACKGROUND

The City of Menlo Park purchases 100% of its water from the San Francisco Regional Water System (RWS) and is one of the 26 members of the Bay Area Water Supply & Conservation Agency (BAWSCA). BAWSCA is the only entity that has the authority to directly represent the needs of the wholesale customers that depend on the San Francisco Regional Water System (RWS). Through BAWSCA, the wholesale customers, including Menlo Park, can work with San Francisco Public Utilities Commission (SFPUC) on an equal basis to ensure members a reliable supply of high quality water is available at a fair price.

In 2009, the City approved the Water Supply Agreement between San Francisco and the Wholesale Customers (WSA) as well as Amendment No. 1 to the WSA in Spring 2013, which prohibited changes to Hetch Hetchy Reservoir unless there is an amendment to the WSA.

On May 15, 2014, the BAWSCA Board of Directors directed their chair, Irene O'Connell, to contact BAWSCA members and ask them to consider delegating to the BAWSCA Board the authority to initiate, defend, and settle arbitration related to the Water Supply Agreement. This action will allow BAWSCA to protect the financial interests of the Wholesale Customers by ensuring they pay no more than their fair share of the RWS costs. A copy of the letter, dated June 16, 2014, from Irene O'Connell is attached for your reference.

ANALYSIS

The WSA specifically addresses delegation of this authority in Section 8.04(c), Administrative Matters Delegated to BAWSCA, as follows: *Unless otherwise explicitly stated, the administrative authority delegated to BAWSCA may be exercised by the General Manager/CEO of BAWSCA, rather than requiring action by the BAWSCA Board of Directors. In addition, the Wholesale Customers may, with the consent of BAWSCA, delegate to BAWSCA the initiation, defense, and settlement of arbitration proceedings provided for in Section 8.01.*

The June 16, 2014 letter highlights several aspects of the WSA as follows:

1. Scope of Arbitration Limited to Cost Allocation Issues

The WSA requires that disputes related to Wholesale Customers' capital and operating costs, including those relating to San Francisco's adherence to accounting and auditing practices as well as classifying new assets for cost allocations, be resolved through mandatory binding arbitration. In the past, almost every financial dispute with San Francisco was ultimately settled.

2. Contract Administration Already Delegated to BAWSCA

The WSA specifically assigns a number of administration tasks to BAWSCA, however, it does not specifically delegate arbitration authority to BAWSCA, although it recognizes that the Wholesale Customers may choose to do so.

3. BAWSCA is Prepared to Assume Responsibility for Arbitration

As a regional government agency for more than ten years, BAWSCA is well prepared to assume the increased responsibility required to determine whether to initiate or settle arbitration required under the WSA. The Wholesale Customers each have representation on the BAWSCA Board of Directors so delegated arbitration authority won't be exercised in a vacuum. Council member Kirsten Keith is the Menlo Park representative on the BAWSCA Board of Directors.

4. New Wholesale Customer Committee to be Created

On June 24, 2014, Nicole Sandkulla, BAWSCA General Manager/CEO requested appointment of an agency representative to a new committee of Wholesale Customer representatives. A similar structure was used during the negotiation of the WSA from 2006 and 2009, where the Public Works Director represented Menlo Park, and it was very successful. Staff has recommended that Jesse Quirion, Interim Public Works Director, be the Menlo Park representative on this new committee.

5. Request to Adopt Resolution

BAWSCA is asking agencies to adopt a resolution delegating authority to the BAWSCA Board of Directors to initiate, defend, and settle arbitration related to the WSA by September 1, 2014

IMPACT ON CITY RESOURCES

There is no impact of City Resources.

POLICY ISSUES

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

I-H-4. The efforts of the Bay Area Water Users Associations [now known as BAWSCA] to secure adequate water supplies for the Peninsula shall be supported to the extent that these efforts are in conformance with other City policies.

ENVIRONMENTAL REVIEW

No environmental review required.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Resolution
- B. Letter from BAWSCA Board of Directors Chair, Irene O'Connell, Dated June 16, 2014

Report prepared by:
Pam Lowe, P.E.
Associate Civil Engineer

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RESOLUTION NO. _____

**AUTHORIZING THE BAY AREA WATER SUPPLY AND
CONSERVATION AGENCY TO INITIATE, DEFEND AND SETTLE
ARBITRATION RELATED TO THE WATER SUPPLY AGREEMENT
WITH THE CITY AND COUNTY OF SAN FRANCISCO**

WHEREAS, in April 2003, the City of Menlo Park (City) and other water suppliers in Alameda, San Mateo and Santa Clara counties established the Bay Area Water Supply and Conservation Agency (BAWSCA) as authorized by Water Code Section 81300 *et seq.* pursuant to State legislation enacted in 2002 (AB 2058); and

WHEREAS, the City is represented on the BAWSCA Board of Directors; and

WHEREAS, the City Council has previously approved the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (Agreement); and

WHEREAS, the Agreement specifically delegates, pursuant to Section 8.04.A., Wholesale Revenue Requirement review to BAWSCA; and

WHEREAS, all questions and disputes related to the Agreement are subject to judicial determination, except for the following matters, specified in Section 8.01.A., which are subject to mandatory, binding arbitration: (1) the determination of the Wholesale Revenue Requirement, (2) San Francisco Public Utilities Commission's (SFPUC's) adherence to accounting practices and conduct of the Compliance Audit, and (3) the SFPUC's classification of new assets for the purposes of determining the Wholesale Revenue Requirement and

WHEREAS, the Agreement, pursuant to Section 8.04.C., provides that the Wholesale Customers may, with the consent of BAWSCA, delegate the authority to initiate, defend and settle arbitration of the matters provided for in Section 8.01.A. set forth above; and

WHEREAS, the BAWSCA Board of Directors has requested that the City delegate this authority to initiate, defend and settle arbitration solely for those limited matters in the Agreement that must be resolved through binding arbitration in order to protect the financial interests of the Wholesale Customers by ensuring they pay no more than their fair share of regional water system costs; and

WHEREAS, BAWSCA has the capabilities required to serve in this capacity by virtue of the expertise and qualifications of BAWSCA staff and consultants in relevant disciplines including civil engineering, water supply planning, finance, economics, accounting, and law; and

WHEREAS, BAWSCA will also finance the costs associated with such binding arbitration, and

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.

NOW, THEREFORE, BE IT RESOLVED, the City Council of Menlo Park does hereby appoint BAWSCA, acting through its Board of Directors, or its authorized designee, as its authorized representative to initiate, defend and settle arbitration for the matters that are subject to mandatory, binding arbitration in the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County; and this appointment shall continue through the term of the Agreement, as extended or renewed, or until revoked by the City Council.

I, Pamela I. Aguilar, the 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 _____ day of _____, 2014, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Pamela I. Aguilar
City Clerk



June 16, 2014

By Electronic and Regular Mail

Mr. Ray Mueller, Mayor
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

Re: Request to Authorize BAWSCA to Initiate, Defend and Settle Arbitration Related to the Water Supply Agreement to Protect Your Agency's Financial Interests

Dear Mayor Mueller:

The City of Menlo Park purchases water from the San Francisco Regional Water System (RWS) and is one of the 26 members of the Bay Area Water Supply and Conservation Agency (BAWSCA). In 2009, the City approved the Water Supply Agreement between San Francisco and the Wholesale Customers (WSA) as well as Amendment No. 1 to the WSA, in Spring of 2013, which prohibited changes to Hetch Hetchy Reservoir unless there is an amendment to the WSA.

As Chair of the BAWSCA Board, the agency that represents your interests and administers the WSA, **I am writing you today to request that your agency now consider delegating to the BAWSCA Board the authority to initiate, defend and settle arbitration related to the WSA.**

The BAWSCA Board of Directors directed me to request this delegation of authority at its May 15, 2014 meeting. This action will allow BAWSCA to protect the financial interests of the Wholesale Customers by ensuring they pay no more than their fair share of RWS costs. Delegation of this authority was specifically anticipated in the WSA (WSA Section 8.04(c)). To facilitate this action, enclosed is a sample resolution prepared by BAWSCA's Legal Counsel.

Scope of Arbitration Limited to Cost Allocation Issues.

The WSA requires that disputes related to the calculation of the capital and operating costs owed by the Wholesale Customers to San Francisco (the Wholesale Revenue Requirement) be resolved through mandatory binding arbitration. This requirement includes disputes related to San Francisco's adherence to accounting and auditing practices, as well as the classification of new assets for cost allocation. (WSA Section 8.01(A)) All other questions or disputes related to the WSA, such as water supply, may be presented to a court and are excluded from this request for delegated authority.

Since 1984, almost every financial dispute with San Francisco has been settled before resorting to arbitration. The Wholesale Customers have only filed a demand for arbitration in the early 1990s, on two related matters. The parties ultimately settled all issues, save one technical accounting issue, prior the arbitrator imposing a final determination.

Contract Administration Already Delegated to BAWSCA.

When the prior agreement, the 1984 Master Contract and Settlement Agreement (1984 Agreement) was negotiated, there was no durable, representative organization that could be delegated responsibility to act as agent for contract administration on behalf of the Wholesale Customers. BAWSCA's predecessor, the Bay Area Water Users Association (BAWUA), was at that point simply an unincorporated association, governed entirely by city and water agency staff. For that reason, the 1984 Agreement provided for initiation of arbitration as well as a variety of administrative decisions to be made by five "Suburban Representatives" -- agencies to be chosen by all BAWUA members or, absent a selection, the five largest agencies.

With BAWSCA's formation in 2002 and the adoption of the new WSA in 2009, the Wholesale Customers have had a superior alternative to attend to the many technical but important matters related to the contract administration which continue to require oversight and decisions each year. The WSA specifically assigned a number of administrative tasks to BAWSCA, most of which were previously handled by the Suburban Representatives. However, at the time the WSA was adopted, it did not specifically delegate arbitration authority to BAWSCA, although it recognized that the Wholesale Customers may choose to do so.

BAWSCA is Prepared to Assume Responsibility for Arbitration.

The BAWSCA Board believes that it is timely and appropriate to implement the delegation of arbitration authority that was provided for in the WSA. As a regional government agency, in existence for more than a decade, whose Board of Directors is comprised largely of elected officials, and with a capable professional staff, BAWSCA is both durable and well prepared to assume the increased responsibility required to determine whether to initiate or settle arbitration required under the WSA.

Since 1984, BAWSCA staff and consultants have demonstrated success in contract administration, uncovering more than \$27 million in credits owed to the Wholesale Customers. This delegated arbitration authority will not be exercised by BAWSCA in a vacuum. The Wholesale Customers each have representation on the BAWSCA Board of Directors through their individual representatives. In addition, the BAWSCA Chief Executive Officer (CEO) plans to create an advisory Wholesale Customer Committee, composed of senior staff of each agency, to advise the agency on these matters.

New Wholesale Customer Committee will be Created.

In a few days, the BAWSCA CEO, Nicole Sandkulla, will be sending a separate letter to your City Manager, to request appointment of an agency representative to a committee of Wholesale Customer representatives. A similar structure used during the negotiation of the WSA from 2006 to 2009 was very successful. Such a committee could also serve a useful purpose in resolving cost allocation issues that might require arbitration. For example, presently, BAWSCA is disputing how San Francisco is allocating costs related to certain power assets of the RWS.

The CEO's letter will identify who was appointed to the previous committee formed for contract negotiations. These persons, primarily City Managers, Finance Directors and water district General Managers, were kept informed of developments and provided input on agreement provisions. If an agency wishes to appoint a BAWSCA Board member, they can do so, but the committee must include less than a quorum of Board members to ensure it does not constitute a legislative body subject to the Brown Act.

Mr. Ray Mueller, Mayor
June 16, 2014
Page 3

Request to Adopt Attached Resolution.

I respectfully ask that your agency adopt a resolution delegating authority to the BAWSCA Board of Directors to initiate, defend, and settle arbitration related to the WSA. The accompanying resolution has been drafted to minimize the amount of editing needed to be suitable for your agency. However, your agency is free to modify it so that it is consistent with your agency's preferred format. In particular, the heading at the top of the first page and the layout of the material following the last "Resolved" clause may need to be tailored to match your traditional practice.

Please submit this resolution to your agency's governing body as soon as possible. It would be most helpful to have these resolutions adopted by **September 1, 2014**. The next possible date to determine whether or not to initiate arbitration on the disputed costs set forth above is September 30, 2014. Once adopted, please forward the resolution to Ms. Allison Schutte, BAWSCA's Legal Counsel.

If your legal counsel has any questions about the attached resolution, they are welcome to contact BAWSCA Legal Counsel at the address listed below:

Allison Schutte, Esq.
Hanson Bridgett, LLP
425 Market Street, 26th Floor
San Francisco, CA 94105

Email: aschutte@hansonbridgett.com
Tel: 415-995-5823

If you have any non-legal questions related to this issue, please contact Nicole Sandkulla, BAWSCA CEO, at nsandkulla@bawasca.org or at 650-349-3000.

Sincerely,



Irene O'Connell
Chair, BAWSCA Board of Directors

Enclosure: Sample Agency resolution

CC: *(Via Electronic Mail Only)*
Alex McIntyre, City Manager
Kirsten Keith, BAWSCA Board Member
Chip Taylor and Ruben Nino, Water Management Representatives
Nicole Sandkulla, CEO
Allison Schutte, Legal Counsel

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-146

Agenda Item #: D-2

CONSENT CALENDAR: Award a Construction Contract for the 2013-14 Water Main Replacement Project to Casey Construction, Inc. in the Amount of \$1,225,505, and Authorize a Total Construction Budget of \$1,409,505 for Construction and Contingencies

RECOMMENDATION

Staff recommends that the City Council:

- (1) Award a construction contract for the 2013-14 Water Main Replacement Project (WMRP) to Casey Construction, Inc. up to \$1,409,505.

BACKGROUND

The 2013-14 WMRP consists of installing approximately one-half mile of new water main along Trinity Drive (located between Tioga Drive and Klamath Drive) and Trinity Court. These new water mains will replace existing asbestos cement water mains that had major breaks three times in the last six years. These breaks appear to have been caused in part by local ground movement. To safeguard against similar breaks in the new water mains, staff proposes a pilot project to install Kubota Earthquake Resistant Ductile Iron Pipe (ERDIP). Over 33,000-miles of this product have been installed in Japan, and no pipe failures have been reported, including during the 2011 Great East Japan (magnitude 9) Earthquake. The Cities of Los Angeles, and Portland, Oregon have already installed this pipe, and the Cities of San Francisco and Vancouver, as well as the East Bay Municipal Utility District (EBMUD) have plans to install it in the coming years.

The Plans and Specifications were designed to give the City flexibility in choosing the pipe materials. Kubota ERDIP was specified as the pipe material for the *basis of bid*. A process was specified for submittal of alternate materials for consideration based upon detailed earthquake resistant performance criteria. Two alternate pipe materials were submitted for consideration: HDPE Pipe and TR-Xtreme Pipe. Both of these failed to satisfy the specified evaluation criteria, and therefore were not deemed to be acceptable alternates. In addition, bid alternates were included to allow for the substitution of standard ductile iron pipe (SDIP) instead of the Kubota ERDIP in case the bid cost was deemed prohibitive. Staff is proposing this as a pilot project in anticipation of the City Water System Master Plan that is scheduled for completion towards the end of 2015. The goal is to evaluate the use of ERDIP for the back-bone water pipeline infrastructure to provide emergency water supply system reliability.

ANALYSIS

On August 6, 2014, six bids were submitted and opened for the WMRP. The lowest bidder for the project, Casey Construction, Inc., submitted a bid in the amount of \$1,225,505. Attachment A provides the bid summary. Staff has checked the background and references of Casey Construction, Inc., and is satisfied with its past performance. The cost of the Kubota ERDIP pipe material represents an overall project construction cost increase above the SDIP option of only 8%. Staff recommends that the Kubota ERDIP be used because of its successful earthquake resistant performance history, and deems the extra cost warranted because of the project area pipe failure history.

IMPACT ON CITY RESOURCES

The construction contract budget for the WMRP consists of the following:

Construction contract amount	\$ 1,225,505
Contingency (15%)	\$ 184,000
Total Construction Contract Budget	\$ 1,409,505

Sufficient funds are available in the CIP budget for the 2013-14 WMRP.

POLICY ISSUES

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

ENVIRONMENTAL REVIEW

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

PUBLIC NOTICE

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

ATTACHMENTS

- A. Bid Summary

Report prepared by:
Marvin Smitherman
Associate Engineer

Ruben Nino
Assistant Public Works Director



2013-2014 WATER MAIN REPLACEMENT PROJECT #77-003

BID SUMMARY

BID OPENING 2:00 PM WEDNESDAY, AUGUST 6, 2014

	COMPANY	BASIS OF BID
1	Casey Construction	1,225,505.00
2	Precision Engineering	1,476,868.00
3	Stoloski & Gonzalez, Inc.	1,631,479.50
4	Lewis & Tibbitts, Inc.	1,727,684.00
5	Ranger Pipelines, Inc.	1,827,785.00
6	California Trenchless, Inc.	2,007,619.00

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-126

Agenda Item #: D-3

CONSENT CALENDAR:

Accept and Appropriate \$427,000 from the Metropolitan Transportation Commission Surface Transportation Program Funding for the 2014-2015 Resurfacing of Federal Aid Routes Project STPL 5273(023), Award a Construction Contract to C.F. Archibald Paving, Inc. in the Amount of \$704,525 and Authorize a Total Construction Budget of \$904,525 for Construction, Construction Engineering and Contingencies by Utilizing the Approved Street Resurfacing Project Budget

RECOMMENDATION

Staff recommends that the City Council:

1. Accept and appropriate \$427,000 from the Metropolitan Transportation Commission (MTC) Surface Transportation Program (STP) funding for the 2014-2015 Resurfacing of Federal Aid Routs Project STPL 5273(023);
2. Award a construction contract for the 2014-2015 Resurfacing of Federal Aid Routes Project STPL 5273(023) to C.F. Archibald Paving, Inc. in the amount of \$704,525; and
3. Authorize a total construction budget of \$904,525 for construction, construction engineering and contingencies by utilizing the approved Street Resurfacing Project budget.

BACKGROUND

Funding for the Project comes from the Moving Ahead for Progress in the 21st Century (MAP-21) bill, which was ratified by Congress in 2012 and signed into law by President Obama. The bill funds surface transportation programs providing states with over \$105 billion for fiscal years 2013 and 2014. In California, the funds are administered by Caltrans who then entrusts a large portion of the resources to the Metropolitan Transportation Commission (MTC) and other regional planning agencies subject to Federal regulations.

On January 22, 2013, the City Council approved Resolution 6124 authorizing the filing of an application to the MTC for \$427,000 in discretionary funding assignment to the City of Menlo Park for programming for the FY 2013-14 Resurfacing of Federal Aid Routes. Please note that the City's Capital Improvement Plan (CIP) approved budget document makes reference to this same project as the "Street Resurfacing Project Construction 2013-14 Federal Aid", which is a different title from the assigned "2014-2015 Resurfacing of Federal Aid Routes Project 5273(023)," here forth referred to it as "The Project."

On June 9, 2014, the City received authorization to proceed and approved the \$427,000 funding from Caltrans for the Project. The City is required to provide a minimum matching amount of 11.47% of the \$427,000 awarded funds. In order to maximize the Federal funds available, staff conducted an analysis to assess the pavement condition index for the various eligible street sections that could receive Federal Funding, using the Pavement Management Program (PMP) need analysis, a short list of street sections with low PCI's (poor to very poor condition ratings) was developed. The street section locations for The Project can be found on the Street Sections Location Map Attachment "B," and the list can be found in Attachment "C," and are listed below:

1. Chilco Street from Union Pacific Railroad Right of Way to Hamilton Avenue
2. Olive Street from Santa Cruz Avenue to Middle Avenue
3. Woodland Avenue from Laurel Avenue to Pope Street
4. Woodland Avenue from Manalo Avenue to Oak Court
5. University Drive from Middle Avenue to Partridge Avenue

The Project as proposed under this program is subject to Federal and State compliance requirements and had to obtain regulatory clearances such as certification of compliance with the Caltrans Environmental review process, and right-of-way certification ensuring non conflicting utility issues during construction. Having a certified Pavement Management System (PMS) is one of the requirements to be eligible for STP funds. The City has an MTC approved and certified Pavement Management Program completed in 2013. Staff has delayed the regular 2013-14 street resurfacing project to 2014-15 in order to meet the deadlines of this grant funded project. In addition we have included the resurfacing of University Drive which was an alternate into the project due to receiving good bids for this project.

ANALYSIS

On July 9, 2014, four bids were submitted and opened for the 2014-2015 Resurfacing of Federal Aid Routes Project. The lowest bidder for the project, C.F. Archibald Paving, Inc. submitted a bid in the amount of \$704,525. Attachment A provides the bid summary. Staff has checked the background and references of C.F. Archibald Paving, Inc. and is satisfied with its past performance.

IMPACT ON CITY RESOURCES

Sufficient funds are available in the Street Resurfacing Project budget for the construction of the Project, including the local match.

MTC STP Funds	\$427,000
City Match (Street Resurfacing Funds)	<u>\$477,525</u>
Total Project Funding	\$904,525

The construction budget consists of the following:

Construction amount	\$704,525
Contingency and construction engineering	<u>\$200,000</u>
Total Construction Budget	\$904,525

POLICY ISSUES

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

ENVIRONMENTAL REVIEW

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

PUBLIC NOTICE

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

ATTACHMENTS

- A. Bid Summary
- B. Street Sections Location Map
- C. Street Section List

Report prepared by:
Rodolfo Ordonez
Assistant Engineer

Ruben Nino
Assistant Public Works Director

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**2014-2015 RESURFACING OF FEDERAL AID ROUTES PROJECT
CITY PROJECT NO. 20-010
FEDERAL PROJECT NO. STPL-5273 (023)**

BID SUMMARY

WEDNESDAY, JULY 9, 2014

	COMPANY	Base Bid	Alternate Bid	Total Bid
1	C.F. Archibald, Inc.	\$580,138	\$124,385	\$704,524
2	G. Bortolotto & Company, Inc.	\$603,306	\$136,433	\$739,739
3	Interstate Grading & Paving	\$592,412	\$168,980	\$765,392
4	O'Grady Paving	\$ 732,446	*\$185,408	*\$917,854

*Corrected amount on alternate base bid items.

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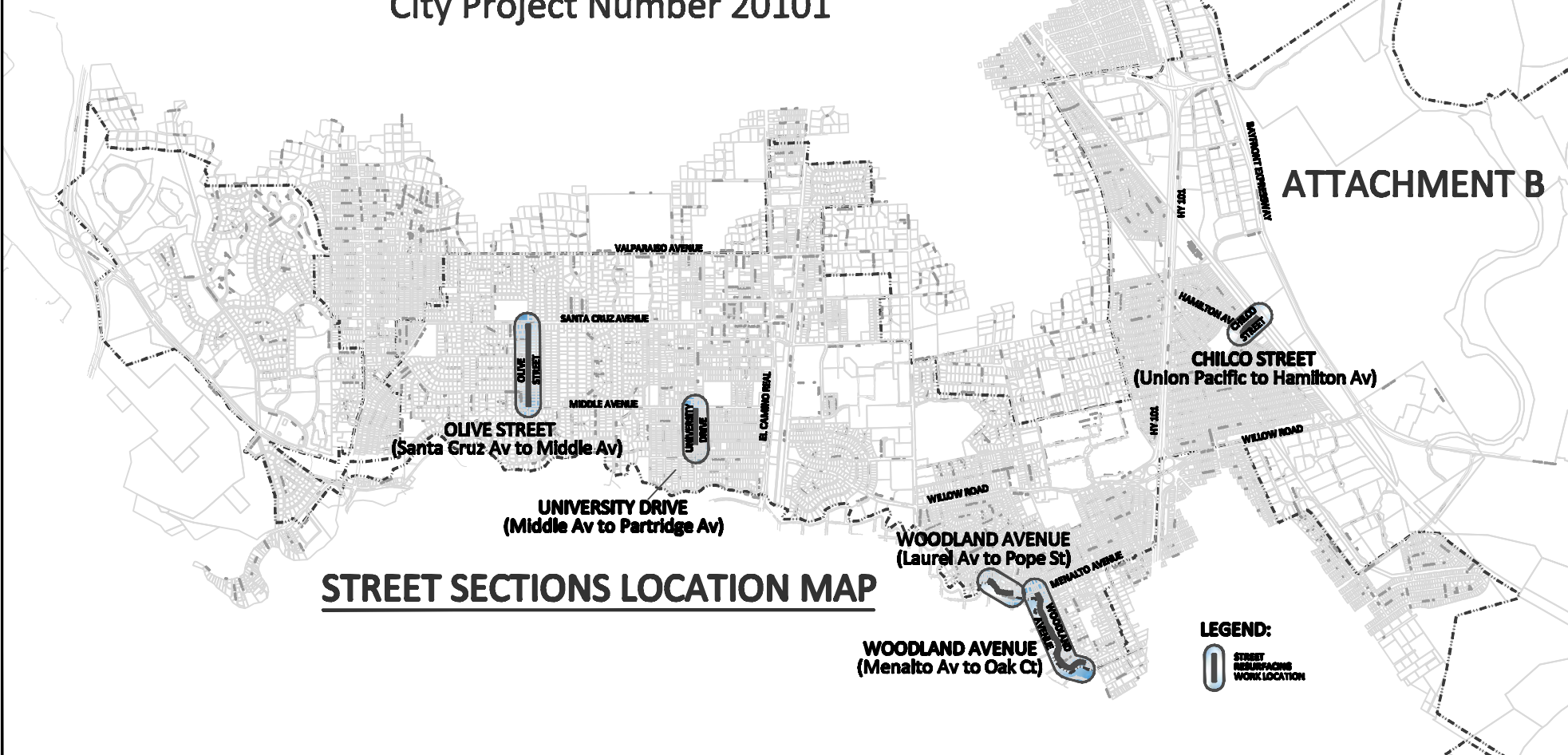
2014-2015 RESURFACING OF VARIOUS FEDERAL AID ROUTES

City of Menlo Park, San Mateo California
 Federal Project Number STPL 5273 (023)
 City Project Number 20101



0 1,000 2,000 4,000
 SCALE 1"=2,000'

ATTACHMENT B



STREET SECTIONS LOCATION MAP

LEGEND:



DATE: 08-24-14
 SCALE: AS SHOWN
 DRAWN BY: RAQ, EPL
 DRAWING NAME: ATT.B
 DESIGNED BY: RAQ
 SURVEYED BY:

APPROVED:

FERNANDO G. BRAVO, P.E., ENGINEERING SERVICES MANAGER
 CITY OF MENLO PARK

64366
 R.C.E. #

DATE

NO.	BY	DATE	REVISIONS



CITY OF MENLO PARK
ENGINEERING DIVISION
 701 LAUREL STREET, MENLO PARK, CA 94025-3463
 PHONE (650) 350-6740 FAX (650) 327-5497

STREET SECTIONS LOCATION MAP
 ATTACHMENT B
 2014-2015 RESURFACING OF FEDERAL AID ROUTES PROJECT

SHEET
1
 OF 1 SHEETS
 PROJ. NAME
 LMAP

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2014-2015 RESURFACING OF FEDERAL AID ROUTES PROJECT
STPL 5273(023)

No.	Street Name	From	To
1	Chilco Street	Union Pacific Railroad Right of Way.	Hamilton Avenue
2	Olive Street	Santa Cruz Avenue	Middle Avenue
3	Woodland Avenue	Laurel Avenue	Pope Street
4	Woodland Avenue	Menalto Avenue	Oak Court
ALTERNATE			
5	University Drive	Middle Avenue	Partridge Avenue

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-137

Agenda Item #: D-4

CONSENT CALENDAR: **Adopt a Resolution Authorizing the Installation of Stop Signs on Monte Rosa Drive at Eastridge Avenue**

RECOMMENDATION

Staff recommends the City Council adopt a resolution authorizing the installation of stop signs on Monte Rosa Drive at its intersection with Eastridge Avenue to make this intersection an all-way stop controlled intersection.

BACKGROUND

Monte Rosa Drive and Eastridge Avenue are both residential roadways with a prima facie speed of 25 mph. At the intersection of Eastridge Avenue and Monte Rosa Drive, Eastridge Avenue is controlled by stop signs while Monte Rosa Drive is uncontrolled.

Sidewalks are present at all approaches to the intersection but there are no marked crosswalks at any of the approaches. There are no parking restrictions at the approaches to the intersection with parked cars observed near the intersection, especially near the northeast corner.

To address a concern about limited visibility at the intersection, especially for drivers stopped on Eastridge Avenue when making either left or right turn onto Monte Rosa Drive, the stop limit lines on Eastridge Avenue were previously moved (a few years ago) to the nearest possible location relative to the intersection per the California Manual on Uniform Traffic Control Devices (Ca-MUTCD).

ANALYSIS

Staff received the following traffic safety concerns from a Menlo Park resident about the intersection of Monte Rosa Drive with Eastridge Avenue:

- Due to parked cars and landscaping on Monte Rosa Drive, it was difficult on Eastridge Avenue to see the approaching vehicles on Monte Rosa Drive.
- It was not apparent for drivers on Eastridge Avenue that vehicles on Monte Rosa Drive are not required to stop.
- La Entrada school children have difficult time crossing at this intersection.

In response to the abovementioned traffic safety concerns, staff performed an engineering study in accordance with the Ca-MUTCD warrants for all-way stop control installation as follows:

- 1) The Ca-MUTCD defines minimum requirements for traffic volumes, pedestrian volumes, and bicycle volumes to warrant an all-way stop controlled intersection. Based on field observations, the intersection of Monte Rosa Drive and Eastridge Avenue would not meet these minimum volume requirements.
- 2) In staff's review of the collision history at the intersection using the Statewide Incident Traffic Reporting System database, for the three-year period between 2010 and 2012, there were 0 reported collisions.
- 3) Based on field observations and as illustrated by the attached sight triangle diagrams (Attachments B and C), there were visibility obstructions at the intersection for drivers stopped on Eastridge Avenue due to the following:
 - Parked cars on Monte Rosa Drive near the intersection
 - Presence of hedges and trees near the intersection
 - Existing vertical curve on Monte Rosa Drive at its intersection with Blueridge Avenue
 - Existing horizontal curve on the Monte Rosa Drive east approach

Section 2B.04, "Right of Way at Intersections", of the Ca-MUTCD states that "In addition, the use of YIELD or STOP signs should be considered at the intersection of two minor streets or local roads where the intersection has more than three approaches and where one or more of the following conditions exist: a.) The combined vehicular, bicycle, and pedestrian volume entering the intersection from all approaches averages more than 2,000 units per day; b.) The ability to see conflicting traffic on an approach is not sufficient to allow a road user to stop or yield in compliance with the normal right-of-way rule if such stopping or yielding is necessary".

In addition, Section 2B.07, "Multi-way Stop Application", of the Ca-MUTCD stipulates that multi-way stops be considered as an option on "Locations where a road user, after stopping, cannot see conflicting traffic and is not able to negotiate the intersection unless conflicting cross traffic is also required to stop."

On June 11, 2014, on the basis of the above mentioned visibility obstruction issues at the intersection of Monte Rosa Drive and Eastridge Avenue and provisions from the Ca-MUTCD on multi-way stop sign application related to obstructed visibility, staff recommended the Transportation Commission recommend to City Council the approval of installing stop signs on Monte Rosa Drive at its intersection with Eastridge Avenue to make this intersection an all-way stop controlled intersection. Ultimately, the Transportation Commission unanimously passed a motion to approve staff's recommendation.

Public outreach was achieved by staff mailing neighborhood meeting notices regarding this item to the impacted residents two weeks prior to the Transportation Commission June 11, 2014 meeting. The majority of e-mails and voice mail messages received by staff from residents who could not come to this meeting indicated support for stop signs

on Monte Rosa Drive. At the June 11, 2014 meeting, a Menlo Park resident who lives near the intersection, spoke before the Transportation Commission and indicated his support for stop signs on Monte Rosa Drive.

IMPACT ON CITY RESOURCES

Sufficient funds are available in the operating budget designation for the City's signing and striping program for the installation of the stop signs and posts and appurtenant striping and pavement markings on Monte Rosa Drive at its intersection with Eastridge Avenue.

POLICY ISSUES

The installation of stop signs on Monte Rosa Drive at its intersections with Eastridge Avenue is consistent with several policies in the 1994 City General Plan Circulation and Transportation Element, which seeks to maintain a circulation system using the Roadway Classification System that will provide for a safe and efficient movement of people and goods throughout Menlo Park for residential and commercial purposes.

ENVIRONMENTAL REVIEW

The installation of stop signs on Monte Rosa Drive at its intersection with Eastridge Avenue is categorically exempt under Class I of the current State of California Environmental Quality Act Guidelines. Class 1 allows for minor alterations of existing facilities, including existing highways and streets, sidewalks, gutters, bicycle and pedestrian access, and similar facilities as long as there is negligible or no expansion of use.

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
- B1. Sight Triangle at the South Leg of Eastridge Avenue at Monte Rosa Drive
- B2. Sight Triangle at the North Leg of Eastridge Avenue at Monte Rosa Drive (Left Turn from Stop on Eastridge Avenue)

Report prepared by:
René Baile
Transportation Engineer

Nikki Nagaya
Interim Transportation Manager

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RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
AUTHORIZING THE INSTALLATION OF STOP SIGNS ON MONTE
ROSA DRIVE

WHEREAS, staff received complaints from a resident about traffic safety concerns due to obstructed visibility and drivers' confusion at the intersection of Monte Rosa Drive and Eastridge Avenue;

WHEREAS, at the June 11, 2014 Transportation Commission meeting, the commission heard these traffic safety concerns and staff's recommendation to address these concerns and ultimately, unanimously passed a motion to support staff's recommendation for the installation of stop signs on Monte Rosa Drive at its intersection with Eastridge Avenue to make this intersection an all-way stop controlled intersection; and,

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.

NOW, THEREFORE, BE IT RESOLVED, the City Council of Menlo Park does hereby authorize the installation of stop signs on Monte Rosa Drive at its intersection with Eastridge Avenue to make this intersection an all-way stop controlled intersection.

I, Pam 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 19th day of August, 2014, by the following votes:

AYES:

NOES:

ABSENT:

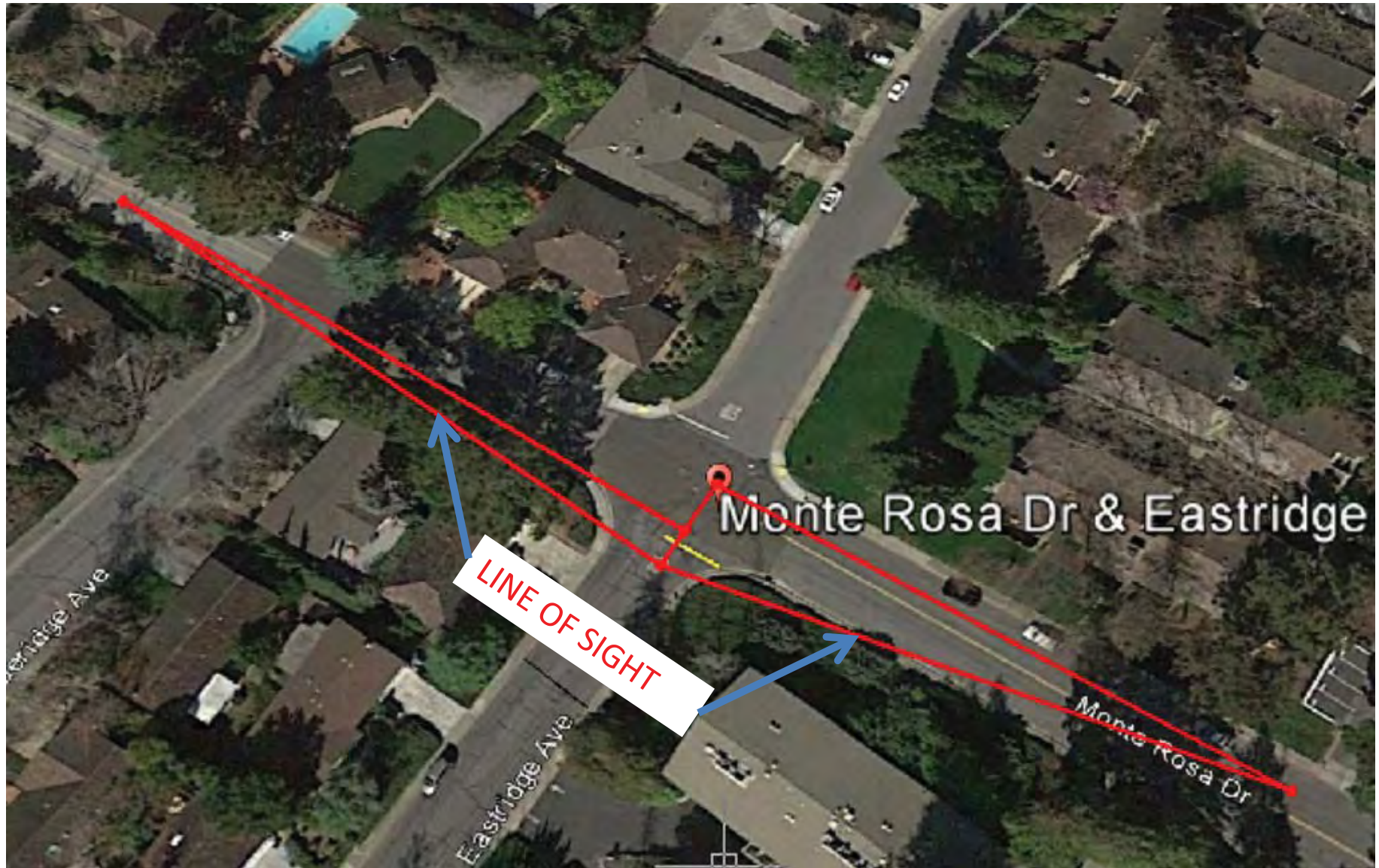
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this 19th day of August, 2014.

Pamela Aguilar
City Clerk

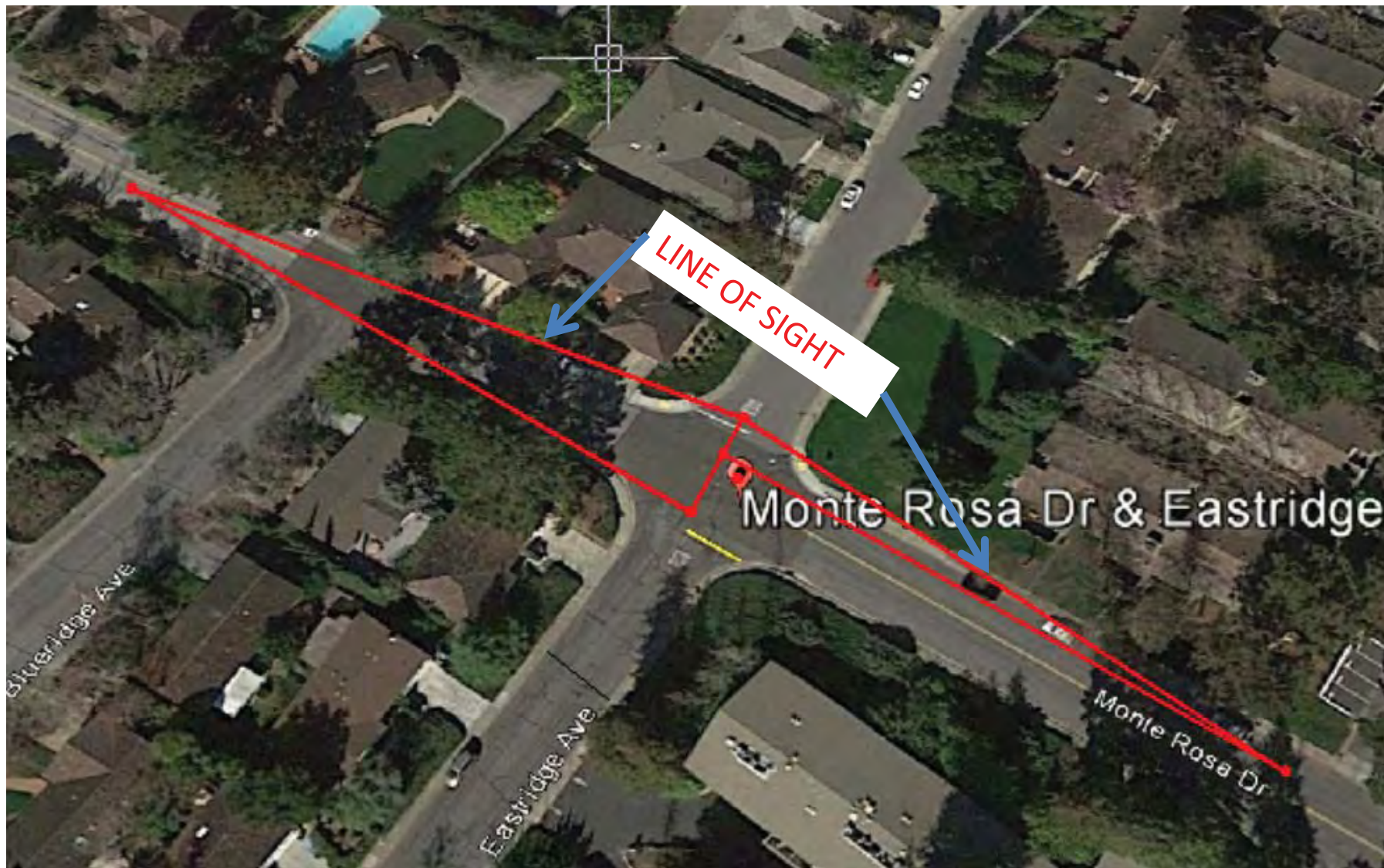
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ATTACHMENT B1: SIGHT TRIANGLE AT THE SOUTH LEG OF EASTRIDGE AVENUE AT MONTE ROSA DRIVE



— SIGHT TRIANGLE FOR 25 MPH VEHICLE SPEED ON MONTE ROSA DRIVE

ATTACHMENT B2: SIGHT TRIANGLE AT THE NORTH LEG OF EASTRIDGE AVENUE AT MONTE ROSA DRIVE



— SIGHT TRIANGLE FOR 25 MPH VEHICLE SPEED ON MONTE ROSA DRIVE



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-142

Agenda Item #: D-5

CONSENT CALENDAR: Authorize the City Manager to Approve Expenditures of Up to \$172,000 for Labor and Employee Relations Consulting Services to the Law Office of Renne, Sloan, Holtzman, and Sakai

RECOMMENDATION

Staff recommends Council authorize the City Manager to approve expenditures for fiscal year 2013-14 of up to \$172,000 to the law office of Renne, Sloan, Holtzman, and Sakai, who has provided labor and employee relations consulting services throughout the previous fiscal year.

BACKGROUND

Pursuant to the Public Input and Outreach Regarding Labor Negotiations policy approved by the City Council March 1, 2011, staff has, and continues to, engage the services of a labor attorney to participate in formal labor negotiations with bargaining units representing City employees.

In fiscal year 2013-14, four separate Memoranda of Understanding (MOU's) were up for renegotiation between the City and the respective bargaining units. In April, 2014, in anticipation of the projected costs for the ongoing support of a labor attorney in formal negotiations, the City Council approved expenditures up to \$124,000 for the remainder of fiscal year 2013-14. In addition, Council authorized the City Manager to exceed the \$50,000 expenditure limit for legal services in fiscal year 2014-15, as long as total expenditures stay within budgeted amounts.

ANALYSIS

To increase efficiency and cohesiveness throughout the negotiation process of multiple successor MOU's, the City has utilized the services of Charles Sakai of Renne, Sloan, Holtzman and Sakai, to assist in the current round of negotiations. Mr. Sakai has been assisting the City with labor relations since 2004 and continues to be a valued consult to the City in all areas of labor relations.

In addition to labor relations, there have been a significant number of complex employee relations matters that have required the use of outside resources to complete

the City's due diligence both promptly and thoroughly. Those outside resources were provided by multiple vendors, including Renne, Sloan, Holtzman and Sakai. These resources have also been utilized to bridge the gap in service delivery due to the extended vacancies of two of the four authorized positions in Human Resources.

Due to an unanticipated activity level in negotiations with both the Service Employees' International Union (SEIU) and the Police Officers' Association (POA) City expenditures for the employee and labor relations services provided by Renne, Sloan, Holtzman and Sakai in the month of June exceeded the City Manager's expenditure authority of \$124,000 approved in April 2014 for fiscal year 2013-14 by approximately \$48,000. Staff is recommending that the Council authorize the City Manager to approve expenditures up to \$172,000 for fiscal year 2013-14 to provide for payment attributable to labor relation services rendered in the previous fiscal year.

IMPACT ON CITY RESOURCES

There is no direct budgetary impact by authorizing the City Manager to approve further expenditures. The actual costs incurred to date for labor negotiations are well within the funds appropriated in the fiscal year 2013-14 operating budget. Costs associated with employee relations matters are funded through a variety of departmental sources within the operating budget. Any action approved on this item does not include additional funding or resources for employee and labor relations services.

POLICY ISSUES

This recommendation is in support of Council Policy CC 11-0001, Public Input and Outreach Regarding Labor Negotiations.

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

None

Report prepared by:
Gina Donnelly
Human Resources Director



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-143

Agenda Item #: D-6

CONSENT CALENDAR: Adoption of Amended Salary Schedule for Fiscal Year 2014-15

RECOMMENDATION

Staff recommends that the City Council adopt the amended Salary Schedule for Fiscal Year 2014-15 (Attachment A).

BACKGROUND

On June 17, 2014, the City Council adopted a Salary Schedule that reflected the current pay ranges as of June 30, 2014, for all employees of the City consistent with Government Code 20636(b)(1) and California Code of Regulations (CCR) Section 570.5.

On July 15, 2014, the City Council approved the Tentative Agreement reached between the City and Service Employees' International Union (SEIU) over a successor memorandum of Understanding (MOU).

ANALYSIS

This amended Salary Schedule includes the negotiated pay rate changes that have been executed for employees represented by SEIU in accordance with the successor MOU between the parties.

IMPACT ON CITY RESOURCES

There are no impacts to City resources as a result of adopting the amended Salary Schedule.

POLICY ISSUES

Adoption of an amended Salary Schedule is consistent with applicable State laws and regulations and represents no changes in City policy.

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. Salary Schedule Effective as of 08/10/14

Report prepared by:

Gina Donnelly

Human Resources Director

**City of Menlo Park Salary Schedule
(as of 08/10/14)**

ATTACHMENT A

Job Title	Employee Unit	FLSA	Top Step	MIN/Annual	MAX/Annual	MIN/Hourly	MAX/Hourly
Library Page	SEIU	N	E	24,211.26	28,899.66	11.6400	13.8941
Recreation Leader	SEIU	N	E	24,211.26	28,899.66	11.6400	13.8941
Senior Recreation Leader	SEIU	N	E	28,899.66	34,496.31	13.8941	16.5848
Recreation Aide	SEIU	N	E	30,927.85	37,093.56	14.8692	17.8334
Transportation Driver	SEIU	N	E	32,327.64	38,571.06	15.5421	18.5438
Library Clerk	SEIU	N	E	33,003.09	39,390.60	15.8669	18.9378
Senior Library Page	SEIU	N	E	33,003.09	39,390.60	15.8669	18.9378
Teacher's Aide	SEIU	N	E	33,790.63	40,273.68	16.2455	19.3623
Night Clerk	SEIU	N	E	35,319.38	42,118.64	16.9805	20.2493
Gymnastics Instructor	SEIU	N	E	36,057.05	43,041.00	17.3351	20.6928
Literacy Assistant	SEIU	N	E	41,148.17	49,212.26	19.7828	23.6597
Office Assistant I	SEIU	N	E	41,148.17	49,212.26	19.7828	23.6597
Child Care Teacher - Title 22	SEIU	N	E	45,037.56	53,888.97	21.6527	25.9082
Office Assistant II	SEIU	N	E	46,055.02	55,153.59	22.1418	26.5161
Program Assistant	SEIU	N	E	46,055.02	55,153.59	22.1418	26.5161
Library Assistant I	SEIU	N	E	47,080.67	56,369.87	22.6349	27.1009
Accounting Assistant I	SEIU	N	E	50,333.88	60,402.25	24.1990	29.0395
Building Custodian I	SEIU	N	E	50,333.88	60,402.25	24.1990	29.0395
Child Care Teacher - Title 5	SEIU	N	E	50,333.88	60,402.25	24.1990	29.0395
Office Assistant III	SEIU	N	E	50,333.88	60,402.25	24.1990	29.0395
Human Resources Assistant	Confidential	N	OR	51,455.07	61,818.68	24.7380	29.7205
City Service Officer	SEIU	N	E	51,455.07	61,818.68	24.7380	29.7205
Library Assistant II	SEIU	N	E	51,455.07	61,818.68	24.7380	29.7205
Maintenance I - Community Services	SEIU	N	E	51,455.07	61,818.68	24.7380	29.7205
Maintenance I - Parks	SEIU	N	E	51,455.07	61,818.68	24.7380	29.7205
Maintenance I - Streets	SEIU	N	E	51,455.07	61,818.68	24.7380	29.7205
Maintenance I - Trees	SEIU	N	E	51,455.07	61,818.68	24.7380	29.7205
Maintenance I - Water	SEIU	N	E	51,455.07	61,818.68	24.7380	29.7205
Maintenance I - Building Maintenance	SEIU	N	E	53,888.97	64,681.10	25.9082	31.0967
Accounting Assistant II	SEIU	N	E	55,153.59	66,191.76	26.5161	31.8230
Building Custodian II	SEIU	N	E	55,153.59	66,191.76	26.5161	31.8230
Secretary	SEIU	N	E	55,153.59	66,191.76	26.5161	31.8230
Library Assistant III	SEIU	N	E	56,369.87	67,751.18	27.1009	32.5727
Maintenance II - Parks	SEIU	N	E	56,369.87	67,751.18	27.1009	32.5727
Maintenance II - Streets	SEIU	N	E	56,369.87	67,751.18	27.1009	32.5727
Maintenance II - Trees	SEIU	N	E	56,369.87	67,751.18	27.1009	32.5727
Police Records Officer	SEIU	N	E	56,369.87	67,751.18	27.1009	32.5727
Community Development Technician	SEIU	N	E	57,730.47	69,301.77	27.7550	33.3182
Development Services Technician	SEIU	N	E	57,730.47	69,301.77	27.7550	33.3182
Water Service Worker	SEIU	N	E	57,730.47	69,301.77	27.7550	33.3182
Community Services Officer	SEIU	N	E	59,042.09	71,003.29	28.3856	34.1362
Contract Specialist	SEIU	N	E	59,042.09	71,003.29	28.3856	34.1362
Maintenance II - Building Maintenance	SEIU	N	E	59,042.09	71,003.29	28.3856	34.1362
Police Records Training Officer	SEIU	N	E	59,042.09	71,003.29	28.3856	34.1362
Property and Court Officer	SEIU	N	E	59,042.09	71,003.29	28.3856	34.1362
Environmental Programs Specialist	SEIU	N	E	60,402.25	72,562.05	29.0395	34.8856
Librarian I	SEIU	N	E	60,402.25	72,562.05	29.0395	34.8856
Custodial Services Supervisor	AFSCME	N	E	57,916.66	69,525.20	27.8445	33.4256
Engineer Technician I	SEIU	N	E	61,818.68	74,359.78	29.7205	35.7499
Traffic Engineering Technician I	SEIU	N	E	61,818.68	74,359.78	29.7205	35.7499
Administrative Assistant	SEIU	N	E	63,225.40	75,974.37	30.3968	36.5261
Gymnastics Program Coordinator	AFSCME	N	E	60,596.92	72,796.04	29.1331	34.9981

**City of Menlo Park Salary Schedule
(as of 08/10/14)**

Job Title	Employee Unit	FLSA	Top Step	MIN/Annual	MAX/Annual	MIN/Hourly	MAX/Hourly
Program Supervisor - Title 22	AFSCME	N	E	60,596.92	72,796.04	29.1331	34.9981
Program Supervisor - Title 5	AFSCME	N	E	60,596.92	72,796.04	29.1331	34.9981
Recreation Program Coordinator	AFSCME	N	E	60,596.92	72,796.04	29.1331	34.9981
Youth Services Coordinator	AFSCME	N	E	60,596.92	72,796.04	29.1331	34.9981
Deputy City Clerk	SEIU	N	E	64,681.10	77,867.65	31.0967	37.4364
Equipment Mechanic	SEIU	N	E	64,681.10	77,867.65	31.0967	37.4364
Maintenance III - Building Maintenance	SEIU	N	E	64,681.10	77,867.65	31.0967	37.4364
Maintenance III - Parks	SEIU	N	E	64,681.10	77,867.65	31.0967	37.4364
Maintenance III - Streets	SEIU	N	E	64,681.10	77,867.65	31.0967	37.4364
Maintenance III - Trees	SEIU	N	E	64,681.10	77,867.65	31.0967	37.4364
Maintenance III - Water	SEIU	N	E	64,681.10	77,867.65	31.0967	37.4364
Computer Support Technician	SEIU	N	E	66,191.76	79,616.83	31.8230	38.2773
Planning Technician	SEIU	N	E	66,191.76	79,616.83	31.8230	38.2773
Red Light Photo Enf Facilitator	SEIU	N	E	66,191.76	79,616.83	31.8230	38.2773
Librarian II	SEIU	N	E	67,751.18	81,612.50	32.5727	39.2368
Engineering Technician II	SEIU	N	E	69,301.77	83,410.24	33.3182	40.1011
Traffic Engineering Technician II	SEIU	N	E	69,301.77	83,410.24	33.3182	40.1011
Water Quality Technician	SEIU	N	E	69,301.77	83,410.24	33.3182	40.1011
Accountant	SEIU	N	E	71,003.29	85,502.11	34.1362	41.1068
Code Enforcement Officer	SEIU	N	E	71,003.29	85,502.11	34.1362	41.1068
Communications Officer	SEIU	N	E	71,003.29	85,502.11	34.1362	41.1068
Executive Secretary to the City Mgr	Confidential	X	OR	67,355.00	81,870.00	32.3822	39.3606
Assistant Planner	SEIU	N	E	72,562.05	87,395.39	34.8856	42.0170
Belle Haven Family Serv Pgm Mgr	AFSCME	X	E	69,525.20	83,679.04	33.4256	40.2303
Literacy Program Manager	AFSCME	X	E	69,525.20	83,679.04	33.4256	40.2303
Communications Training Officer	SEIU	N	E	74,359.78	89,590.10	35.7499	43.0722
Senior Engineering Technician	SEIU	N	E	74,359.78	89,590.10	35.7499	43.0722
Economic Development Specialist	SEIU	N	E	77,867.65	93,867.41	37.4364	45.1286
Building Inspector	SEIU	N	E	77,867.65	93,867.41	37.4364	45.1286
Construction Inspector	SEIU	N	E	77,867.65	93,867.41	37.4364	45.1286
Financial Analyst	SEIU	N	E	77,867.65	93,867.41	37.4364	45.1286
Lead Communications Officer	SEIU	N	E	77,867.65	93,867.41	37.4364	45.1286
Management Analyst	SEIU	N	E	77,867.65	93,867.41	37.4364	45.1286
Recreation Supervisor	AFSCME	X	E	74,599.47	89,879.01	35.8651	43.2111
Associate Planner	SEIU	N	E	79,616.83	95,959.94	38.2773	46.1346
Transportation Management Coord	SEIU	N	E	79,616.83	95,959.94	38.2773	46.1346
Business Manager - Dev Serv	AFSCME	X	E	76,219.24	91,871.99	36.6439	44.1692
City Arborist	AFSCME	X	E	76,219.24	91,871.99	36.6439	44.1692
Facilities Supervisor	AFSCME	X	E	76,219.24	91,871.99	36.6439	44.1692
Fleet Supervisor	AFSCME	X	E	76,219.24	91,871.99	36.6439	44.1692
Parks and Trees Supervisor	AFSCME	X	E	76,219.24	91,871.99	36.6439	44.1692
Streets Supervisor	AFSCME	X	E	76,219.24	91,871.99	36.6439	44.1692
Assistant Engineer	SEIU	N	E	81,612.50	98,338.47	39.2368	47.2781
Librarian III	AFSCME	X	E	78,118.75	94,170.13	37.5571	45.2741
Revenue and Claims Manager	AFSCME	X	E	78,188.75	94,170.13	37.5907	45.2741
Water System Supervisor	AFSCME	X	E	79,873.28	96,269.40	38.4006	46.2834
Human Resources Analyst	Confidential	X	OR	80,143.47	96,559.00	38.5305	46.4226
Branch Library Manager	AFSCME	X	E	81,875.60	98,655.57	39.3633	47.4306
Senior Building Inspector	SEIU	N	E	87,395.39	105,391.04	42.0170	50.6688
Senior Planner	SEIU	N	E	87,395.39	105,391.04	42.0170	50.6688
Transportation Planner	SEIU	N	E	87,395.39	105,391.04	42.0170	50.6688
Support Services Manager	AFSCME	X	E	85,777.65	103,442.93	41.2393	49.7322
Associate Engineer	SEIU	N	E	91,576.49	110,496.94	44.0272	53.1235

**City of Menlo Park Salary Schedule
(as of 08/10/14)**

Job Title	Employee Unit	FLSA	Top Step	MIN/Annual	MAX/Annual	MIN/Hourly	MAX/Hourly
Plan Checker	SEIU	N	E	91,576.49	110,496.94	44.0272	53.1235
Environmental Programs Manager	AFSCME	X	E	87,677.16	105,730.64	42.1525	50.8320
Financial Services Manager	AFSCME	X	E	87,677.16	105,730.64	42.1525	50.8320
Police Officer	POA	N	E	89,677.95	109,004.06	43.1144	52.4058
Transportation Engineer	SEIU	N	E	95,959.94	115,850.41	46.1346	55.6973
Community Services Superintendent	Exec	X	OR	91,085.80	113,856.00	43.7913	54.7385
Public Works Superintendent	Exec	X	OR	91,085.80	113,856.00	43.7913	54.7385
City Clerk	Exec	X	OR	95,798.40	119,748.00	46.0569	57.5712
Children's Services Manager	AFSCME	X	E	96,269.40	116,223.91	46.2834	55.8769
Community Services Manager	AFSCME	X	E	96,269.40	116,223.91	46.2834	55.8769
Housing Manager	AFSCME	X	E	96,269.40	116,223.91	46.2834	55.8769
Technical Services Manager	AFSCME	X	E	98,655.57	119,104.37	47.4306	57.2617
Assistant to the City Manager	Exec	X	OR	98,870.40	123,588.00	47.5338	59.4173
Building Official	AFSCME	X	E	100,858.30	121,887.66	48.4896	58.5998
Senior Civil Engineer	AFSCME	X	E	100,858.30	121,887.66	48.4896	58.5998
Senior Transportation Engineer	AFSCME	X	E	100,858.30	121,887.66	48.4896	58.5998
Police Sergeant	PSA	N	E	108,146.50	131,452.74	51.9935	63.1984
Economic Development Manager	Exec	X	OR	108,787.20	135,984.00	52.3015	65.3769
Information Services Manager	AFSCME	X	E	110,853.17	133,984.83	53.2948	64.4158
Development Services Manager	AFSCME	X	E	110,853.17	133,984.83	53.2948	64.4158
Assistant Community Dev Director	Exec	X	OR	113,021.80	141,276.00	54.3374	67.9212
Police Lieutenant	Exec	X	OR	122,333.80	152,916.80	58.8143	73.5177
Engineering Services Manager	Exec	X	OR	125,587.20	156,984.00	60.3785	75.4731
Transportation Manager	Exec	X	OR	125,587.20	156,984.00	60.3785	75.4731
Assistant Director of Public Works	Exec	X	OR	125,587.20	156,984.00	60.3785	75.4731
Human Resources Director	Exec	X	OR	132,058.60	165,072.00	63.4897	79.3615
Police Commander	Exec	X	OR	139,200.00	174,000.00	66.9231	83.6538
Library Services Director	Exec	X	OR	139,603.20	174,504.00	67.1169	83.8962
Community Development Director	Exec	X	OR	143,146.60	178,932.00	68.8205	86.0250
Finance Director	Exec	X	OR	143,338.60	179,172.00	68.9128	86.1404
Community Services Director	Exec	X	OR	145,104.00	181,380.00	69.7615	87.2019
Public Works Director	Exec	X	OR	147,034.60	183,792.00	70.6897	88.3615
Assistant City Manager	Exec	X	OR	151,373.80	189,216.00	72.7759	90.9692
Police Chief	Exec	X	OR	154,666.60	193,332.00	74.3589	92.9481
City Manager	Exec	X	OR	N/A	199,999.00	N/A	96.1534
City Attorney	Exec	X	OR	N/A	108,000.00	N/A	51.9231

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-145

Agenda Item #: D-7

CONSENT CALENDAR: **Adopt a Resolution Establishing the Employee Share of the Employer Pension Contribution as a Pre-Tax Contribution**

RECOMMENDATION

Staff recommends the City Council adopt a resolution establishing the employee share of the employer pension contribution as a pre-tax contribution.

BACKGROUND

In fiscal year 2011/12, City employees, in addition to paying the full employee contribution of the CalPERS pension expense, began paying a portion of the City's contribution of the CalPERS pension expense. For the Police Officers Association and the Police Management Association, this employee contribution to the employer pension expense was set at 3% of pay. For all other bargaining units and unrepresented employees, the employee contribution to the employer pension expense is a variable amount that changes annually based on employer contribution rate increases. For fiscal year 2014-15, this contribution is 1.444% of pay (AFSCME and unrepresented employees) or 2.071% of pay (SEIU).

While the employees' payment of the employee pension contribution is deducted from their gross income prior to taxes being applied (making it a pre-tax contribution), when the employees began paying a share of the employer contribution, those contributions were not deducted from gross income prior to taxes being applied (making it a post-tax contribution). At the time, employees paying a share of the employer contribution was a relatively new concept, and there was not established precedent that provided definitive guidance as to whether this contribution could be made on a pre-tax basis, and if it could, what action the City needed to take in order to execute that action in compliance with Internal Revenue Code (IRC).

Since that time, the path to establishing the employee payment of a portion of the employer's pension contribution as a pre-tax contribution has become clearer. As that has occurred, the City has agreed with its bargaining units during negotiations to pursue establishing this contribution as a pre-tax contribution.

ANALYSIS

The City engaged a law firm specializing in tax issues to issue an opinion on whether the employee payment of a portion of the City's required employer contribution could be reported on a pre-tax basis, and if so, what steps the City would need to take to make that action compliant with the Internal Revenue Code. In summary, the law firm issued an opinion that determined this contribution could be reported on a pre-tax basis due to the fact that this cost-sharing arrangement was implemented without modifying the City's contract with CalPERS. Because of this, the share the employee is paying is still considered an *employer* contribution from CalPERS' perspective, and as such, the IRC excludes those contributions from employee's wages for federal and state income tax purposes until they are distributed to the employee.

Further, to protect against the unlikely situation in which the IRS takes the position that these contributions should be considered employee contributions and not employer contributions, a new IRC Section 414(h)(2) resolution is included (Attachment A). The language in this resolution ensures that should the IRS take this position that these cost-share contributions can still be considered pre-tax contributions.

IMPACT ON CITY RESOURCES

There is no impact on City resources related to the adoption of this resolution. Changing the employee share of the employer pension contribution from a post-tax deduction to a pre-tax deduction has no fiscal impact to the City; however, it does have a positive fiscal impact to employees, as it reduces their federal and state taxable income.

POLICY ISSUES

There are no policy issues related to the adoption of this resolution, and this action is consistent with the agreements already in place with the bargaining units.

ENVIRONMENTAL REVIEW

Environmental review is not required.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Resolution

Report prepared by:
Drew Corbett
Finance Director

RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK,
CALIFORNIA, FOR EMPLOYER PICK-UP OF EMPLOYEE
CONTRIBUTION TOWARDS EMPLOYER PENSION COSTS**

WHEREAS, the City of Menlo Park has the authority to implement Government Code section 20516(f), which authorizes, under certain specified conditions, the City and its employees to share the costs of the employer contribution towards retirement benefits under the CalPERS retirement benefit plan ("CalPERS Plan"); and

WHEREAS, pursuant to section 20516(f), certain City employees, as specified in applicable memoranda of understanding or other City resolutions, policies or agreements, contribute an agreed percentage of their base salary ("Contributions") towards the City's cost of the CalPERS retirement benefits provided for such employees; and

WHEREAS, section 20516(f) authorizes the City to implement cost-sharing arrangements without amending its existing pension contract with CalPERS; and

WHEREAS, pursuant to the terms of the CalPERS Plan, the Contributions shall continue to be designated as employer contributions; and

WHEREAS, section 3401(a)(12)(A) of the Internal Revenue Code ("Code") excludes employer contributions from an employee's wages until such time as such contributions are distributed to the employee; and

WHEREAS, as a result of the preceding, the Contributions will be taken on a pre-tax basis since the Contributions are considered by the CalPERS Plan to be employer contributions; and

WHEREAS, in the event the IRS takes a contrary position, concluding that the Contributions should be characterized as employee contributions rather than employer contributions, the City wishes to ensure that the Contributions are not treated as currently taxable to employees; and

WHEREAS, notwithstanding its position that the Contributions are deemed to be employer contributions by the CalPERS Plan and, therefore, excludable from an employee's income until distributed, the City wishes to implement the provisions of section 414(h)(2) of the Code; and

WHEREAS, pursuant to section 414(h)(2), employee contributions to a public employer pension plan may be picked up on a pre-tax basis by the public employer and excluded from an employee's gross income if the employer specifies that the contributions, although designated as employee contributions to the plan, are being paid by the employer in lieu of contributions by the employee, and the employee cannot choose to receive the amounts directly instead of having them paid by the employer; and

WHEREAS, the City has determined that, even though the implementation of the provisions of section 414(h)(2) is not required by law, the tax benefits of section 414(h)(2) in reducing taxable employee gross income should be provided to its employees who are members of CalPERS; and

WHEREAS, Internal Revenue Service Revenue Ruling 2006-43 requires that the City take contemporaneous action evidencing an intent to establish a proper pick-up under section 414(h)(2).

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

SECTION 1. Unrepresented employees shall make an irrevocable and binding election not to receive said Contributions in cash in lieu thereof and to have the City pick-up and contribute such Contributions to the CalPERS Plan towards the City's cost of the CalPERS retirement benefits provided for such employees, and employees covered by a collectively bargained agreement shall be required to contribute such Contributions as specified therein. "Contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to the employer account pursuant to California Government Code section 20516(f).

SECTION 2. That the City will implement the provisions of Code section 414(h)(2) with respect to the Contributions.

SECTION 3. The Contributions, which may be designated as employee contributions by the Internal Revenue Service, will be picked up on a pre-tax basis by the City in lieu of employee contributions so that such Contributions are treated as employer contributions.

SECTION 4. An Employee may not elect to receive Contributions directly instead of having them paid by the City to the CalPERS Plan.

SECTION 5. Amounts picked up by the City shall be paid from the same sources of funds as used in paying salary.

SECTION 6. The effective date of the pick up by the City shall be no earlier than the later of the effective date of this Resolution or an employee's execution of the irrevocable election, if applicable, and the pick-up applies only to Contributions made after this effective date.

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 nineteenth day of August 19, 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 nineteenth day of August 19, 2014.

Pamela Aguilar
City Clerk

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-133

Agenda Item #: D-8

CONSENT CALENDAR: **Adopt a Resolution Approving the Revised Investment Policy for the City and the Former Community Development Agency of Menlo Park**

RECOMMENDATION

Staff recommends the City Council adopt a resolution approving the revised investment policy for the City and the former Community Development Agency of Menlo Park.

BACKGROUND

The investment of funds by a California local agency, including the types of securities in which an agency may invest, is governed by the California Government Code. The law requires that the legislative body of each agency adopt an investment policy, which may add further limitations than those established by the State. In addition, an agency's investment policy must be reviewed annually, and any changes must be adopted at a public meeting. The City of Menlo Park has had such a policy in place since 1990. The investment policy was last reviewed and updated by the City Council on October 15, 2013.

Annual adoption of the City's investment policy provides an opportunity to regularly review the policy to ensure its consistency with the overall objectives of safety, liquidity, and yield, as well as its relevance to current law and economic trends. Early in each fiscal year, the City's investment advisor (Cutwater Asset Management) reviews the policy to ensure it is kept up to date and in compliance with applicable State statutes. Cutwater also makes recommendations for strategic changes to the investment policy to position the City's portfolio to maximize yield while maintaining safety and liquidity.

The annual review of the City's investment policy provides the opportunity to make modifications to reflect changes in the investment environment. The types of modifications will vary but are often focused on providing greater diversification to maintain a safe and liquid investment portfolio. Further, the annual review is also a good time to clarify certain terms, remove ambiguity in the policy language, and better reflect changes in current market trading technologies.

The Finance and Audit Committee reviewed the revised investment policy at its July 17, 2014 meeting and agrees with staff's recommendation.

ANALYSIS

Changes to the investment policy recommended at this time are minor and consist of:

- Page 3 - Removing the specific issuer name from the Federal Agency section, which will allow the City to invest in a wider variety of Federal Agency securities.
- Page 3 – Removing the specific issuer names from the Federal Instrumentality section, which will allow the City to invest in a wider variety of Federal Instrumentality securities.
- Page 6 – Removing the specific issuer names in the notes portion of the Investment Diversification section to correspond with the changes noted above.
- Page 8 – Removing language in the Safekeeping and Custody section that is not applicable.

The City's investment portfolio returned 0.51% in 2013-14, which reflects the continued lack of return on highly-safe investments. It is not expected that investment yields will increase materially in the near future, and as such, staff expects the City to continue to see minimal returns on its investment portfolio. With that said, staff will continue to work with Cutwater to refine its investment strategy to improve its return without compromising its top investment objectives of safety and liquidity.

IMPACT ON CITY RESOURCES

Adoption of the City's investment policy with the recommended changes would not result in any impact on City resources.

POLICY ISSUES

The investment policy provides guidelines for investing City and former Agency funds in accordance with State of California Government Code Section 53601 et seq. Annual adoption of the policy enables periodic review and revision of the policy. The proposed action is to adopt a revised investment policy. The proposed revisions are reflected in the red-lined policy, which is attached to this report.

ENVIRONMENTAL REVIEW

Environmental review is not required.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Current investment policy with revisions
- B. Resolution (Exhibit A – Proposed investment policy)

Report prepared by:

Drew Corbett

Finance Director

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City of Menlo Park

Investment Policy

The City of Menlo Park (the “City”), incorporated in 1927, is located between San Francisco and Oakland on the North, and San Jose on the South. The City is governed by a City Council (the “Council”) of five members elected at-large.

The Council has adopted this Investment Policy (the “Policy”) in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the unexpended funds of the City. All such investments will be made in accordance with the Policy and with applicable sections of the California Government Code.

This Policy was endorsed and adopted by the City Council of the City of Menlo Park on the 19th of August, 2014. It replaces any previous investment policy or investment procedures of the City.

SCOPE

The provisions of this Policy shall apply to all financial assets of the City and the Community Development Agency of Menlo Park as accounted for in the City’s Comprehensive Annual Financial Report, with the exception of bond proceeds, which shall be governed by the provisions of the related bond indentures or resolutions.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance in the investment portfolio. Investment income shall be distributed to the individual funds on a monthly basis.

OBJECTIVES

The City’s funds shall be invested in accordance with all applicable municipal codes and resolutions, California statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.

DELEGATION OF AUTHORITY

The management responsibility for the City's investment program is delegated annually by the Council to the Chief Financial Officer (the "CFO") pursuant to California Government Code Section 53607. The City's Director of Finance serves as the CFO. In the absence of the CFO, the Financial Services Manager is authorized to conduct investment transactions. The CFO may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The CFO shall maintain a list of persons authorized to transact securities business for the City. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The CFO shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The CFO and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Council and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any business interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City. In addition, the City Manager, the Assistant City Manager and the Finance Director shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that, pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds.

Any revisions or extensions of these code sections will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Policy or past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. In such instances, after consultation with the City's attorney, the CFO will present a recommended course of action to the Council for approval.

The City has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency debentures, federal agency mortgage-backed securities, and mortgage-backed securities ~~issued by the Government National Mortgage Association (GNMA)~~ with a final maturity not exceeding five years from the date of trade settlement.
3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities ~~issued by Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)~~ with a final maturity not exceeding five years from the date of trade settlement. Subordinated debt may not be purchased.

4. Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall have a final maturity not exceeding five years from the date of trade settlement and shall be rated at least "A" or the equivalent by a nationally recognized statistical ratings organization (NRSRO), at the time of purchase.
5. Negotiable Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement, in state or nationally chartered banks or savings banks that are insured by the FDIC, subject to the limitations of California Government Code Section 53638. Certificates of Deposits may be purchased only from financial institutions that meet the credit criteria set forth in the section of this Investment Policy, "Selection of Banks and Savings Banks." Depending on their maturity, Negotiable Certificates of Deposit shall have a short-term rating of at least A-1+ or the equivalent by a NRSRO at the time of purchase.
6. Non-negotiable Certificates of Deposit and savings deposits with a maturity not exceeding five years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652.
7. Municipal and State Obligations:
 - A. Municipal bonds with a final maturity not exceeding five years from the date of trade settlement. Such bonds include registered treasury notes or bonds of any of the 50 United States and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the states. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
 - B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
8. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500 million, and (3)

have debt other than commercial paper, if any, that is rated at least "A" or the equivalent or higher by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond, and (3) have commercial paper that is rated at least "A-1" or the equivalent or higher by a NRSRO.

9. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least "A" or the equivalent by a NRSRO at the time of purchase.
10. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by the U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items #1 through #3 above, with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with banks and with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The CFO shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the banks and broker/dealers who have executed same.

11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.
12. Money Market Funds registered under the Investment Company Act of 1940 which (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in this Policy and (4) have a rating of at least "AAA" or the equivalent by at least two NRSROs.

Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the City's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

It is the intent of the City that the foregoing list of authorized securities and transactions be strictly interpreted. Any deviation from this list must be preapproved by resolution of the City Council.

INVESTMENT DIVERSIFICATION

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs.

Securities shall not exceed the following maximum limits as a percentage of the total portfolio:

Type of Security	Maximum Percentage of the Total Portfolio
U.S. Treasury Obligations	100%
Federal Agency Securities†	100%†
Federal Instrumentality Securities†	100%†
Repurchase Agreements	100%
Local Government Investment Pools	100%
Aggregate amount of Certificates of Deposit, Negotiable and Non-Negotiable*	25%
Aggregate amount of Prime Commercial Paper*	25%
Aggregate amount of Money Market Funds*	20%
Aggregate amount of Municipal Bonds*	30%
Aggregate amount of Eligible Banker's Acceptances*	15%
Aggregate amount of Medium-Term Notes*	30%

† No more than 20% of the City's total portfolio shall be invested in ~~GNMA, FNMA, or FHLMC~~ mortgage-backed securities.

*No more than 5% of the City's total portfolio shall be invested in any one issuer/financial institution and/or its affiliates.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement unless the Council has, by resolution, granted authority to make such an investment at least three months prior to the date of

investment. The sole maturity distribution range shall be from zero to five years from the date of trade settlement.

SELECTION OF BROKER/DEALERS

The CFO shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a primary dealer within its holding company structure and must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The CFO shall maintain a list of the broker/dealers that have been approved by the City, along with each firm's most recent broker/dealer Information Request form.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 8 of the Authorized Securities and Transactions section of this Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, the CFO will then document quotations for comparable or alternative securities.

SELECTION OF BANKS AND SAVINGS BANKS

The CFO shall maintain a list of authorized banks and savings banks that are approved to provide banking services for the City. To be eligible to provide banking services, a financial institution shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and must be a member of the FDIC. The City shall utilize Thomson Reuters Bank Insight ratings to perform credit analyses on banks seeking authorization. The analysis shall include a composite rating and individual ratings of liquidity, asset quality, profitability and capital adequacy. Annually, the CFO shall review the most recent credit rating analysis reports performed for each approved bank. Banks that in the judgment of the CFO no longer offer adequate safety to the City shall be removed from the City's list of authorized banks. Banks failing to meet the criteria outlined above, or

in the judgment of the CFO no longer offer adequate safety to the City, will be removed from the list. The CFO shall maintain a file of the most recent credit rating analysis reports performed for each approved bank. Credit analysis shall be performed on a semi-annual basis.

SAFEKEEPING AND CUSTODY

The CFO shall select one or more financial institutions to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The CFO shall maintain a file of the credit rating analysis reports performed semi-annually for each approved financial institution. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, [its correspondent bank](#) or its Depository Trust Company (DTC) participant account.

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's actual weighted average effective maturity. When comparing the performance of the City's portfolio, its rate of return will be computed net of all fees and expenses.

PORTFOLIO REVIEW AND REPORTING

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The City may, from time to time, be invested in a security whose rating is downgraded below the minimum ratings set forth in this Policy. In the event a rating drops below the minimum allowed rating category for that given investment type, the Finance Director shall notify the City Manager

and/or Designee and recommend a plan of action. Appropriate documentation of such a review, along with the recommended action and final decision shall be retained for audit.

Quarterly, the CFO shall submit to the Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
5. A statement of the ability to meet expenditure requirements for six months, as well as an explanation of why money will not be available if that is the case.

POLICY REVIEW

This Investment Policy shall be adopted by resolution of the City Council annually. It shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Any amendments to the Policy shall be reviewed by the City's Finance/Audit Committee prior to being forwarded to the City Council for approval.

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RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK ADOPTING EXHIBIT A AS THE REVISED INVESTMENT POLICY
FOR THE CITY AND FORMER COMMUNITY DEVELOPMENT AGENCY
TO BECOME EFFECTIVE IMMEDIATELY**

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.

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby adopt Exhibit A as the revised investment policy for the City and former Community Development Agency to become effective immediately.

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 nineteenth day of August, 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 nineteenth day of August, 2014.

Pamela Aguilar
City Clerk

City of Menlo Park

Investment Policy

The City of Menlo Park (the “City”), incorporated in 1927, is located between San Francisco and Oakland on the North, and San Jose on the South. The City is governed by a City Council (the “Council”) of five members elected at-large.

The Council has adopted this Investment Policy (the “Policy”) in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the unexpended funds of the City. All such investments will be made in accordance with the Policy and with applicable sections of the California Government Code.

This Policy was endorsed and adopted by the City Council of the City of Menlo Park on the 15th of October, 2013. It replaces any previous investment policy or investment procedures of the City.

SCOPE

The provisions of this Policy shall apply to all financial assets of the City and the Community Development Agency of Menlo Park as accounted for in the City’s Comprehensive Annual Financial Report, with the exception of bond proceeds, which shall be governed by the provisions of the related bond indentures or resolutions.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance in the investment portfolio. Investment income shall be distributed to the individual funds on a monthly basis.

OBJECTIVES

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The CFO shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The CFO and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Council and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

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AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that, pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds.

Any revisions or extensions of these code sections will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Policy or past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. In such instances, after consultation with the City's attorney, the CFO will present a recommended course of action to the Council for approval.

The City has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency debentures, federal agency mortgage-backed securities, and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement.
3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement. Subordinated debt may not be purchased.

4. Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall have a final maturity not exceeding five years from the date of trade settlement and shall be rated at least "A" or the equivalent by a nationally recognized statistical ratings organization (NRSRO), at the time of purchase.
5. Negotiable Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement, in state or nationally chartered banks or savings banks that are insured by the FDIC, subject to the limitations of California Government Code Section 53638. Certificates of Deposits may be purchased only from financial institutions that meet the credit criteria set forth in the section of this Investment Policy, "Selection of Banks and Savings Banks." Depending on their maturity, Negotiable Certificates of Deposit shall have a short-term rating of at least A-1+ or the equivalent by a NRSRO at the time of purchase.
6. Non-negotiable Certificates of Deposit and savings deposits with a maturity not exceeding five years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652.
7. Municipal and State Obligations:
 - A. Municipal bonds with a final maturity not exceeding five years from the date of trade settlement. Such bonds include registered treasury notes or bonds of any of the 50 United States and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the states. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
 - B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
8. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500 million, and (3)

have debt other than commercial paper, if any, that is rated at least "A" or the equivalent or higher by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond, and (3) have commercial paper that is rated at least "A-1" or the equivalent or higher by a NRSRO.

9. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least "A" or the equivalent by a NRSRO at the time of purchase.
10. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by the U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items #1 through #3 above, with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with banks and with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The CFO shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the banks and broker/dealers who have executed same.

11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.
12. Money Market Funds registered under the Investment Company Act of 1940 which (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in this Policy and (4) have a rating of at least "AAA" or the equivalent by at least two NRSROs.

Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the City's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

It is the intent of the City that the foregoing list of authorized securities and transactions be strictly interpreted. Any deviation from this list must be preapproved by resolution of the City Council.

INVESTMENT DIVERSIFICATION

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs.

Securities shall not exceed the following maximum limits as a percentage of the total portfolio:

Type of Security	Maximum Percentage of the Total Portfolio
U.S. Treasury Obligations	100%
Federal Agency Securities†	100%†
Federal Instrumentality Securities†	100%†
Repurchase Agreements	100%
Local Government Investment Pools	100%
Aggregate amount of Certificates of Deposit, Negotiable and Non-Negotiable*	25%
Aggregate amount of Prime Commercial Paper*	25%
Aggregate amount of Money Market Funds*	20%
Aggregate amount of Municipal Bonds*	30%
Aggregate amount of Eligible Banker's Acceptances*	15%
Aggregate amount of Medium-Term Notes*	30%

† No more than 20% of the City's total portfolio shall be invested in mortgage-backed securities.

*No more than 5% of the City's total portfolio shall be invested in any one issuer/financial institution and/or its affiliates.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement unless the Council has, by resolution, granted authority to make such an investment at least three months prior to the date of

investment. The sole maturity distribution range shall be from zero to five years from the date of trade settlement.

SELECTION OF BROKER/DEALERS

The CFO shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a primary dealer within its holding company structure and must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The CFO shall maintain a list of the broker/dealers that have been approved by the City, along with each firm's most recent broker/dealer Information Request form.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 8 of the Authorized Securities and Transactions section of this Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the CFO will document quotations for comparable or alternative securities.

SELECTION OF BANKS AND SAVINGS BANKS

The CFO shall maintain a list of authorized banks and savings banks that are approved to provide banking services for the City. To be eligible to provide banking services, a financial institution shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and must be a member of the FDIC. The City shall utilize Thomson Reuters Bank Insight ratings to perform credit analyses on banks seeking authorization. The analysis shall include a composite rating and individual ratings of liquidity, asset quality, profitability and capital adequacy. Annually, the CFO shall review the most recent credit rating analysis reports performed for each approved bank. Banks that in the judgment of the CFO no longer offer adequate safety to the City shall be removed from the City's list of authorized banks. Banks failing to meet the criteria outlined above, or

in the judgment of the CFO no longer offer adequate safety to the City, will be removed from the list. The CFO shall maintain a file of the most recent credit rating analysis reports performed for each approved bank. Credit analysis shall be performed on a semi-annual basis.

SAFEKEEPING AND CUSTODY

The CFO shall select one or more financial institutions to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The CFO shall maintain a file of the credit rating analysis reports performed semi-annually for each approved financial institution. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, or its Depository Trust Company (DTC) participant account.

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's actual weighted average effective maturity. When comparing the performance of the City's portfolio, its rate of return will be computed net of all fees and expenses.

PORTFOLIO REVIEW AND REPORTING

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The City may, from time to time, be invested in a security whose rating is downgraded below the minimum ratings set forth in this Policy. In the event a rating drops below the minimum allowed rating category for that given investment type, the Finance Director shall notify the City Manager

and/or Designee and recommend a plan of action. Appropriate documentation of such a review, along with the recommended action and final decision shall be retained for audit.

Quarterly, the CFO shall submit to the Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
5. A statement of the ability to meet expenditure requirements for six months, as well as an explanation of why money will not be available if that is the case.

POLICY REVIEW

This Investment Policy shall be adopted by resolution of the City Council annually. It shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Any amendments to the Policy shall be reviewed by the City's Finance/Audit Committee prior to being forwarded to the City Council for approval.



OFFICE OF THE CITY MANAGER

Council Meeting Date: August 19, 2014
Staff Report #: 14-148

Agenda Item #: D-9

CONSENT CALENDAR:

Approve an appropriation of an additional \$15,000 and authorize the City Manager to Amend the Agreement, not to Exceed a Total of \$165,000, with Lisa Wise Consulting, Inc. for Additional Analysis of the Potential Impacts Related to the Ballot Initiative to Amend the Menlo Park El Camino Real/Downtown Specific Plan

RECOMMENDATION

Staff recommends that the City Council approve an additional appropriation of \$15,000 and authorize the City Manager to amend the agreement, not to exceed a total of \$165,000, with Lisa Wise Consulting, Inc. for additional analysis of the potential impacts related to the proposed Ballot Initiative, which would amend the Menlo Park El Camino Real/Downtown Specific Plan.

BACKGROUND

On March 18, 2014, 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 various consultants 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 Mueller and Council Member Rich Cline, to aid staff in scoping the review and selection of the consultant. Staff and the Subcommittee met to develop the consultant’s scope of work 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 May 12th. The initial agreement with LWC (Attachment A) includes the agreed upon scope of work.

LWC 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. They reviewed the staff reports and supporting documentation for the 2 approved hotel projects within the Specific Plan Boundaries as well as the documentation regarding any proposed projects. In order to ensure the independence of the consultant's review, staff limited contact with LWC to providing documentation not available on the City website or other sources. 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 did not suggest any substantive changes to their conclusions.

On July 15th, LWC presented their independent analysis to Council. Over 20 individuals spoke during public comment for and against the Initiative. The authors of the Initiative presented a letter with additional concerns that they requested the City Council have LWC review. Staff has discussed the concerns with LWC and requested that they provide a formal response.

ANALYSIS

LWC has fully utilized the initial funding of \$150,000 in preparing the review that was accepted by Council on July 15th. In order to have LWC respond to the concerns raised by the authors of the Initiative, the City will need to amend the contract for an additional amount not to exceed \$15,000. Staff has worked with LWC to scope this review (Attachment B). LWC estimates a cost of \$11,453 and staff recommends adding a contingency to address any additional costs that may arise.

IMPACT ON CITY RESOURCES

Staff anticipates the additional cost of the contract with LWC not to exceed \$165,000. The proposed action requires the appropriation of \$15,000 as well as some staff resources for managing the consultant.

POLICY ISSUES

The preparation of a response to the concerns raised by the authors of the ballot initiative to amend the Menlo Park El Camino Real/Downtown Specific Plan objective information on potential impacts of the proposed ballot initiative would not represent a change in policy direction.

ENVIRONMENTAL REVIEW

Ballot Initiatives are exempt from CEQA, but the reports will analyze potential impacts on the detailed environmental review that was completed for the Specific Plan.

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. Initial Contract and Scope of Work for Lisa Wise Consulting Inc.
- B. Additional Proposed Scope of Work for Lisa Wise Consulting Inc.

Report prepared by:

Jim Cogan

Economic Development Manager

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AGREEMENT WITH CONSULTANT**Impact Analysis of "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"**

This agreement entered into this 10th day of May 2014, by the City of Menlo Park, a Municipal Corporation, hereinafter referred to as "City", and Lisa Wise Consulting, Inc., hereinafter referred to as the "Consultant".

WHEREAS, residents within the City of Menlo Park are circulating a petition titled "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" (Ballot Initiative); and

WHEREAS, the City Council has requested an analysis and review of the Ballot Initiative and its effects, if any, upon the City of Menlo Park El Camino Real/Downtown Specific Plan; and

WHEREAS, the City Council appropriated \$150,000 for such a study and authorized the City Manager to enter into an agreement with a qualified consultant to perform such services on an abbreviated timetable; and

WHEREAS, the City Manager has identified Consultant as so qualified.

NOW, THEREFORE, the parties agree as follows:


1. The Consultant agrees to analyze and review the impacts, if any, of the Ballot Initiative to the Menlo Park El Camino Real/Downtown Specific Plan in accordance with the agreed upon work program and schedule (Exhibit A) to the satisfaction of the City for the sum of \$148,420.
2. The City agrees to pay said sum to the Consultant in consideration of the Consultant's performance of the above-described work.
3. The City shall have the right to terminate this Agreement at any time by giving 10 days written notice. The Consultant shall have the right to terminate this Agreement with just cause by giving 15 days written notice. Upon termination, the Consultant shall turn over to the City all of the documents, records and papers related to this Agreement, and all of the Consultant's work in progress under any and all phases of this Agreement, which shall, at the option of the City, become the City's property. In the event of termination, the City shall pay the Consultant for all services performed under this Agreement up to the date of termination. After such payment, all supporting studies, materials, and other documents, whether finished or not, shall become the property of the City.

4. The Consultant shall conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independently of the control or direction of the City or of any City official other than normal contract monitoring, for the entire term of this agreement.

Exhibit A: Letter dated May 10, 2014 from Lisa Wise Consulting, Inc., to Alex D. McIntyre outlining Proposed Scope of Work

By 

Date May 10, 2014

By  for the City of Menlo Park
Alex D. McIntyre, City Manager

Date May 12, 2014

May 9, 2014

Alex D. McIntyre
City Manager
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

Dear Mr. McIntyre,

We are pleased to submit our proposal to assist the City of Menlo Park (City) with the Impact Analysis of "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" (Voter Initiative). The Lisa Wise Consulting, Inc. (LWC) team is perfectly suited to lead this project (resumes attached) as is evidenced by our strong track record of providing informed, objective review and evaluation of land use policy and processes.

LWC was recently hired by Marin County to lead an assessment of entitlement standards and procedures and provide recommendations to simplify and improve the development and environmental review process. The project entailed close collaboration with the Regulatory Improvements Advisory Committee (RIAC) and Community Development Director to identify areas of weakness and prioritize action items aimed at improving the efficiency of the County's development review process. LWC's work in Marin will be presented to the County Board of Supervisors for approval and serves a relevant example of our sophisticated and objective analytical review capabilities, knowledge of land use regulation, and ability to translate this information into reports and presentations.

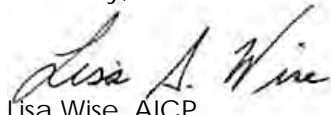
LWC's lead role on dozens of housing element updates and housing impact analyses, expertise in development finance and pro forma analysis, and decade of experience in land development code defines our holistic approach to evaluating land use policy and formulating effective strategies. We intend to apply this approach in the City of Menlo Park.

LWC established an office in San Francisco in 2010 and is familiar with regional land use dynamics, but it has not yet undertaken work in the City of Menlo Park. As such, we bring an impartial objectivity that will well serve the efforts to analyze impacts of the Voter Initiative.

LWC understands the pressing nature of the Project, and we are available to begin work immediately. We are committed to bringing the full efforts and expertise of our team to deliver an objective, comprehensive and well-informed impact analysis within schedule constraints.

We look forward to your positive response and the opportunity to work with the City. Please do not hesitate contacting me with questions or comments at: 805.595.1345 or via email: lisa@lisawiseconsulting.com.

Sincerely,



Lisa Wise, AICP
President

Impact Analysis of “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”

Proposed Scope of Work

Prepared by Lisa Wise Consulting, Inc. (LWC)

Prepared on May 9, 2014

This proposed outline for the Scope of Work (SOW) for the Impact Analysis of “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” (Voter Initiative) is based on our understanding of the City’s needs and our experience with similar projects. LWC will revise the proposed Scope of Work, as necessary, to meet the City’s expectations. LWC understands the work proposed herein is to be substantially complete by end of June 2014. In accordance with the fall election cycle, LWC expects the City will deem the work complete no later than November 2014.

The El Camino Real / Downtown Specific Plan (ECR SP) and related studies will be used to establish a baseline to analyze the impacts of the Voter Initiative. This SOW assumes that these studies and reliable baseline data will be made available to LWC by the City of Menlo Park (City). A key purpose of the work is to identify and analyze resulting changes that would occur to the ECR SP as a result of the Voter Initiative.

Task 1. Project Initiation and Meetings

- 1.1 Kick-Off Meeting. LWC will prepare for and attend one (1) kickoff meeting with the City to discuss project goals, objectives, schedule, and specific areas of concern.
- 1.2 Client Meetings. LWC will attend periodic meetings via conference call or in-person with the City, as deemed necessary.

Task 2. Document Review and Analysis

- 2.1 Document Review. LWC will collect and review existing data and documents that are relevant to analyzing impacts of the El Camino Real / Downtown Specific Plan Area Livable, Walkable Community Development Standards Act. Material to be reviewed includes, but is not limited to the following:
 - Menlo Park El Camino Real/Downtown Specific Plan (ECR SP)
 - El Camino Real / Downtown Specific Plan EIR, including related technical documents such as traffic and circulation studies (data, analysis, and models).

- El Camino Real Corridor Study existing conditions report, traffic and circulation data (when available).
- Menlo Park El Camino Real/Downtown Specific Plan Fiscal Impact Analysis (Strategic Economics).
- Menlo Park El Camino Real/Downtown Specific Plan Special Districts Fiscal Impact Analysis (Bay Area Economics).
- Peer Review of Menlo Park El Camino Real/Downtown Specific Plan Fiscal Impact Analysis (Bay Area Economics).
- City of Menlo Park Five Year Capital Improvement Plan (FY2014 – 19)
- Notice of Intent to Circulate Petition (Mike Lanza and Patti Fry) for voter initiative titled “El Camino Real / Downtown Specific Plan Area Livable, Walkable Community Development Standards Act”.
- 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

Task 3. Public Meetings. LWC will prepare concise presentations for public meetings. It is anticipated that up to two (2) staff members from LWC will attend public meetings.

3.1 Public Meetings Preparation. LWC will prepare for up to two (2) public meetings or hearings at which it will present the ECR SP Voter Initiative Impacts Analysis. LWC will provide appropriate presentation materials to clearly convey findings of the ECR SP Voter Initiative Impacts Analysis.

3.2 Public Meetings Attendance (2). LWC will attend up to two (2) public meetings or hearings at which it will present the ECR SP Voter Initiative Impacts Analysis.

Deliverables: Prepare for and attend two public meetings.

Task 4. Analyze Impacts of the ECR SP Voter Initiative. As outlined below, LWC will prepare an objective analysis of the impacts that would result from passage of the Voter Initiative. This analysis will include potential impacts the Voter Initiative would present to the ECR SP CEQA documents. The analysis will be presented in a concise format that clearly conveys findings to the City Manager, City Council, and public stakeholders, among other possible parties. Tables and charts will be used as appropriate. It is anticipated that the work will entail both qualitative and quantitative analyses.

4.1 Executive Summary. LWC will prepare an Executive Summary that outlines the findings of Task 4.2 – 4.6 below. The results will be clearly conveyed in a table that identifies the changes to the ECR SP as a result of the Voter Initiative, magnitude of such changes, and potential impacts of the passage of the Initiative to the City, property owners, businesses, and other area stakeholders, as appropriate.

4.2 Land Use Policy Consistency. LWC will prepare a Land Use Policy Consistency analysis that addresses consistency of the Voter Initiative with all applicable

land use regulations and policies including the General Plan and zoning code. Specific topics that may be addressed in the land use policy consistency analysis include, but are not limited to:

- Changes in land use designations
- Adjustments to ECR Specific Plan park space requirements
- Design implications of changes in the private open space definition
- Open space definition comparison (across jurisdictions)
- Podium-style development opportunities/constraints
- Development build-out and entitlement process certainty
- Public benefit triggers
- Mixed-Use development vibrancy
- Impacts to regional planning efforts

4.3 Fiscal Impact. LWC will assess fiscal impacts that would result from approval of the Voter Initiative. Fiscal impacts to the Menlo Park Fire District, Menlo Park City Elementary School District, Sequoia High School District, San Francisquito Creek Flood Zone 2, San Mateo County Office of Education, and other entities (if applicable) will be analyzed. Specific topics that may be addressed in the fiscal impact analysis include, but are not limited to:

- Revenue projections
- Fair share contributions and development mitigations
- Cost recovery requirements for City reimbursement of ECR SP costs
- City and other-public-agency cost projections
- Developer public benefit requests
- Below market rate unit funding

4.4 Housing Impact. LWC will analyze the change in number of housing units that may be maximally produced in the ECR SP area as result of Voter Initiative approval. LWC will also prepare an assessment of the impacts the change in ECR Specific Plan maximum residential build out figures may present in context of the City's recently approved Housing Element. Specific topics that may be addressed in the housing impact analysis include, but are not limited to, litigation risk and opportunities for affordable housing development, among others.

4.5 Infrastructure Impacts. LWC will assess whether or not approval of the Voter Initiative may impact the ability of private development to support capital improvements the ECR SP had envisioned.

Task 4.5 will also include a traffic trip generation analysis, performed by Central Coast Transportation Consulting (CCTC), of the Voter Initiative as compared to the ECR SP. The number of trips generated by new development will influence infrastructure financing and will indicate if the Voter Initiative would affect findings of the ECR SP EIR. Using the revised program developed by LWC in Task 4.6, CCTC will estimate trip generation of the Voter Initiative and compare the results to the project analyzed in the ECR SP EIR. Reductions due to proximity to transit and the mix of uses will be applied consistent with the ECR SP EIR.

The trip generation analysis results will be summarized in a technical memorandum. This will include a determination of whether the Voter Initiative would result in equal, greater than, or lesser impacts to transportation when compared to the project evaluated in the ECR SP EIR. Additional analysis may be required if the Initiative results in trip generation estimates that are similar to those analyzed in the ECR SP EIR, but with a different geographic distribution.

Specific topics that may be analyzed in the Task 4.5 infrastructure impact analysis include, but are not limited to:

- Traffic and circulation
- Water systems and usage
- Greenhouse gas generation
- Private funding mechanisms
- Caltrain upgrades
- Regional planning efforts
- Storm water
- Grant funding competitiveness

4.6 Use of Vacant and Underutilized Land and Retention of Business and Employment. LWC will assess whether or not passage of the Voter Initiative may impact private development viability of opportunity sites identified in the ECR SP. LWC will also address how approval of the Voter Initiative may impact the City's ability to attract and retain businesses and generate new employment. Specific topics that may be analyzed in this section include, but are not limited to:

- Development project feasibility
- Development project scale
- Office (cap), retail and commercial space build-out (up to three (3) scenarios)
- Development build-out projections
- Vacancy and revenue projections

Deliverables: Memo that presents ECR SP Voter Initiative Impacts Analysis-one (1) reproducible hard copy, one (1) electronic copy in PDF and word format on CD-ROM. To the extent practical results will be formatted in tables and charts to improve readability and data interpretation.

Task 5 (Optional) Site Plan Analysis: Up to two key sites will be analyzed from an allowable site plan perspective. The sites will be analyzed in both ECR SP and Voter Initiative scenarios. LWC may, at its discretion and upon approval of the City, contract with a third party to perform work of Task 5.

Impact Analysis of El Camino Real / Downtown Specific Plan Area Livable, Walkable Community Development Standards Act Voter Initiative Budget Estimate Prepared May 9, 2014	Lisa Wise Consulting										CCTC				TASK TOTAL			
	Lisa Wise Principal		Henry Pontarelli Principal		Menka Sethi Senior Associate		Dennis Larson Senior Associate		Kathryn Slama Associate		Brian Harrington Associate		Joe Fernandez Principal				Alex Zhang Engineer	
	234		234		176		176		125		125		155		95			
	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hours	Cost		
TASK 1: Project Initiation & Meetings																		
1.1 Kick-off Meeting	8	\$ 1,872	0	\$ -	8	\$ 1,411	0	\$ -	8	\$ 1,000	0	\$ -	2	\$ 310	0	\$ -	26	\$ 4,593
1.2 Client Meetings	16	\$ 3,744	8	\$ 1,872	8	\$ 1,411	4	\$ 704	8	\$ 1,000	4	\$ 499	14	\$ 2,170	0	\$ -	62	\$ 11,400
Subtotal	24	\$ 5,616	8	\$ 1,872	16	\$ 2,822	4	\$ 704	16	\$ 2,000	4	\$ 499	16	\$ 2,480	0	\$ -	88	\$ 15,994
TASK 2: Document Review and Analysis																		
2.1 Document Review	8	\$ 1,872	4	\$ 936	16	\$ 2,822	8	\$ 1,408	16	\$ 2,000	16	\$ 1,997	8	\$ 1,240	4	\$ 380	80	\$ 12,655
Subtotal	8	\$ 1,872	4	\$ 936	16	\$ 2,822	8	\$ 1,408	16	\$ 2,000	16	\$ 1,997	8	\$ 1,240	4	\$ 380	80	\$ 12,655
TASK 3: Public Outreach																		
3.1 Public Meeting Prep	6	\$ 1,404	2	\$ 468	12	\$ 2,117	4	\$ 704	6	\$ 750	2	\$ 250	0	\$ -	0	\$ -	32	\$ 5,692
3.2 Public Meeting Attendance (2)	8	\$ 1,872	0	\$ -	0	\$ -	0	\$ -	0	\$ -	8	\$ 998	0	\$ -	0	\$ -	16	\$ 2,870
Subtotal	14	\$ 3,276	2	\$ 468	12	\$ 2,117	4	\$ 704	6	\$ 750	10	\$ 1,248	0	\$ -	0	\$ -	48	\$ 8,563
TASK 4: Analyze Impacts of the ECR SP Voter Initiative																		
4.1 Land Use Policy Consistency	24	\$ 5,616	0	\$ -	24	\$ 4,234	0	\$ -	40	\$ 5,000	0	\$ -	0	\$ -	0	\$ -	88	\$ 14,850
4.2 Fiscal Impact	2	\$ 468	24	\$ 5,616	0	\$ -	32	\$ 5,632	0	\$ -	40	\$ 4,992	0	\$ -	0	\$ -	98	\$ 16,708
4.3 Housing Impact	20	\$ 4,680	0	\$ -	20	\$ 3,528	0	\$ -	40	\$ 5,000	0	\$ -	0	\$ -	0	\$ -	80	\$ 13,208
4.4 Infrastructure Impacts	2	\$ 468	24	\$ 5,616	0	\$ -	24	\$ 4,224	0	\$ -	40	\$ 4,992	32	\$ 4,960	38	\$ 3,610	160	\$ 23,870
4.5 Use of Vacant and Underutilized Land and Retention of Business and Employment	20	\$ 4,680	0	\$ -	16	\$ 2,822	0	\$ -	30	\$ 3,750	30	\$ 3,744	0	\$ -	0	\$ -	96	\$ 14,996
Subtotal	68	\$ 15,912	48	\$ 11,232	60	\$ 10,584	56	\$ 9,856	110	\$ 13,750	110	\$ 13,728	32	\$ 4,960	38	\$ 3,610	522	\$ 83,632
STAFF TOTALS	114	\$ 26,676	62	\$ 14,508	104	\$ 18,346	72	\$ 12,672	148	\$ 18,500	140	\$ 17,472	56	\$ 8,680	42	\$ 3,990	738	\$ 120,844
15% CONTINGENCY RATE																		
5% REIMBURSABLES																		
PROJECT TOTAL																		
TASK 5 (Optional): Site Plan Analysis					8	\$ 1,411					16	\$ 1,997						
PROJECT TOTAL WITH OPTIONAL TASK																		

Responses to the Save Menlo Group Comments on the Impact Analysis of Proposed El Camino Real / Downtown Specific Plan Area Livable, Walkable Community Development Standards Act Voter Initiative

Scope of Work & Budget

Prepared by Lisa Wise Consulting, Inc. (LWC)
Prepared for Alex D. McIntyre, City Manager, City of Menlo Park
August 11, 2014

Scope of Work

It is a pleasure to submit our scope of work below to assist the City of Menlo Park (City) with responding to the Save Menlo group's responses (via letter dated July 31, 2014) to the recently published Impact Analysis of Proposed El Camino Real / Downtown Specific Plan Area Livable, Walkable Community Development Standards Act Voter Initiative (Ballot Measure Impact Analysis) by Lisa Wise Consulting, Inc. As author of the report, LWC possesses an in-depth understanding of the Ballot Measure Impact Analysis that will allow us to respond quickly and accurately to the Save Menlo group responses.

LWC will revise the proposed Scope of Work, as necessary, to meet the City's expectations.

Task 1. Response to Save Menlo Group Comments

LWC will prepare a detailed written response to the Save Menlo group's comments (dated July 31, 2014) on the Ballot Measure Impact Analysis.

Deliverable: Memo that presents LWC responses to the Save Menlo group's comments on the Ballot Measure Impact Analysis to be submitted in August 2014.

Task 2. August 26 City Council Meeting Attendance

Two representatives from LWC will be available to attend the August 26, 2014, Menlo Park City Council Meeting to answer questions about the Memo produced in Task 1 above.

Deliverable: August 26, 2014 Menlo Park City Council meeting attendance.

Budget

LWC estimates approximately \$11,453 of fee time will be required to accomplish Tasks 1 and 2 above. Please see the attached budget estimate for added detail.

Budget Estimate:

Save Menlo Responses to Impact Analysis of Proposed El Camino Real / Downtown Specific Plan Area Livable, Walkable Community Development Standards Act Voter Initiative Prepared August 11, 2014	Lisa Wise Consulting						TASK TOTAL	
	Lisa Wise Principal		Menka Sethi Senior Associate		David Pierucci Associate		Hours	Cost
	Billing Rates							
	234		176		125			
	Hrs	Cost	Hrs	Cost	Hrs	Cost		
TASK 1: Response to Save Menlo Group Comments	8	\$ 1,872	12	\$ 2,117	24	\$ 2,995	44	\$ 6,984
TASK 2: August 26 City Council Meeting Attendance	8	\$ 1,872	0	\$ -	16	\$ 1,997	24	\$ 3,869
Reimbursables								\$ 600
TOTAL	16	\$ 3,744	12	\$ 2,117	40	\$ 4,992	68	\$ 11,453



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

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

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

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

Mayor Mueller called the Closed Session to order at 6:30 p.m. Council member Keith was absent.

Public Comment:

Dani O'Connor, Menlo Park employee, asked Council to bring the negotiations to a close and stated that SEIU employees take their responsibilities very seriously. She stated that the delay is affecting employee morale.

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

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

7:00 P.M. REGULAR SESSION

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

Mayor Mueller led the pledge of allegiance.

REPORT FROM CLOSED SESSION

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

ANNOUNCEMENTS

Mayor Mueller stated that the agenda has been amended to move two items previously under Regular Business now to Informational Items. See Items I3 and I4.

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

Public Comment:

- Henry Riggs spoke in opposition to the Specific Plan initiative and supports the community engagement process used to adopt the current Specific Plan
- Sara Leslie spoke in opposition to the Specific Plan initiative and supports the City Council
- Katie Ferrick spoke in favor of the Downtown Specific Plan that was approved and the process that was used
- Roy Thiele-Sardina gave a brief presentation regarding traffic on El Camino Real in relation to the current Specific Plan and the Specific Plan initiative
- Scott Lohman spoke regarding the potential overcrowding of schools that might occur as a result of the Specific Plan initiative
- Skip Hilton spoke in opposition of the Specific Plan initiative and stated that it has not gone through a proper review and has not been vetted by the community

- Peter Carpenter spoke in opposition to the Specific Plan initiative and its unintended unknown consequences ([handout](#))
- Mickie Winkler spoke in opposition to the Specific Plan initiative and the voter approval requirement for all future changes if the initiative is adopted
- Edward Moritz expressed concerns regarding the Specific Plan initiative
- Katherine Strehl expressed concerns regarding the signature gathering and information relayed regarding the Specific Plan initiative
- Richard Li spoke regarding misinformation being relayed by the Specific Plan initiative proponents
- John Boyle urged the Council to carefully examine and challenge the Specific Plan initiative ([handout](#))
- Adina Levin spoke regarding unintended environmental and economic consequences of the Specific Plan
- Jim Wiley spoke regarding Agenda Item D6 and recommended approval of the funding

At this time, Mayor Mueller called **Item A1**, *Proclamation*, out of order.

A1. Proclamation for Menlo Park City School District Measure W ([proclamation](#))

Mayor Mueller presented the proclamation to Tricia Barr, Stephanie Chen, Katie Ferrick, Stacey Jones, Andrea Potischman, Sarah Leslie

Superintendent Maurice Ghysels recognized the efforts and leadership of the recipients.

At this time, Mayor Mueller called **Item B1**, *Bicycle Commission Quarterly Report*, out of order.

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

Chair William Kirsch reported that the commission has added three new members and that they are working on their next 2-year Work Plan, also facilitating a Complete Streets policy. He highlighted some of the commission's recent achievements including installation of green lane treatments and identification of funding.

SS. STUDY SESSION

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

Joint presentation by Public Works Director Chip Taylor, Nicole Sandkulla of the Bay Area Water Supply and Conservation Agency (BAWSCA) and Iris Priestaf of Todd Groundwater

Public Comment:

- Scott Marshall, Environmental Quality Commission (EQC) Chairperson, conveyed the recommendation of the EQC
- Allan Bedwell, EQ Commissioner, supports a comprehensive water policy for the City and specifically criteria for use requests under drought conditions or growth situations
- Mitch Slomiak, EQ Commissioner speaking as an individual, spoke regarding the need for long term policy guidelines for water management, creek protection, and the fair allocation of water usage
- Steve Steinhart, Sharon Heights HOA, encouraged Council to gather and ascertain options for water storage, distribution and management
- Bill Beasley, Sharon Heights, urged the Council to seek alternative water sources and not to use drinking water
- Paul Kirincich supports the comments of Bill Beasley
- Lorne Eltherington inquired whether the Council will allow a definitive study to be conducted on this topic
- Peter Drekmeier, Tuolumne River Trust, spoke regarding the resolution on groundwater and the benefit of collaborating with other local agencies

- Rich Petit stated that the Sharon Heights should switch to using groundwater and that the golf course is willing to pay the costs for drilling, construction and maintenance
- Ed Sarraillt urged the Council to carefully review different options
- Tim Robertson asked Council to proceed with a study, use ground water to replace drinking water and broaden water uses
- Richard Recht asked Council to consider all options regarding water
- Phil Scott, West Bay Sanitary District, briefly reviewed the District's recycled water project
- Mark Melbye stated the City would benefit from further research
- Mary Kuechler spoke regarding water conservation and discouraged the Council from allowing a privacy entity to sponsor the drilling of a well.
- Chris Straube encouraged Council to consider all proposals
- Jerry Hearn spoke regarding the resolution on groundwater and encouraged Council to engage stakeholders in gathering information and decision making
- Tess Byler spoke in support of the groundwater resolution
- Robin Driscoll urged dialogue to establish a working relationship between the water company and the largest irrigation customer
- Remy Malan stated he lives near Jack Lyle Park and expressed concerns regarding subsidence and the drilling of a well
- Steve Schmidt expressed concerns allowing a private entity to use public water
- Eric Brandenburg supports the use of ground water during drought conditions
- Brielle Johnck expressed concern regarding the language of the proposed resolution
- David Alfano supports the City proceeding with a water policy, reviewing best practices in other jurisdictions and discouraged any further consideration of drilling a well
- Adina Levin supports proceeding with a water management policy, partnering with neighboring jurisdictions and deferring consideration of a new well
- Marjorie Zimmerman supports a model water policy for good water management
- Steve Nachtseim supports collaboration to gather more information regarding groundwater and recycled water in order to allow Council to make informed decisions

Council discussion ensued regarding due diligence in conducting further research, considering the use of groundwater as an alternative source, the use and fair allocation of recycled water, refresh rates during a drought, desalination, and the need for a groundwater management plan.

There was no consensus among Council to support the Sharon Heights Golf Course well yet. There was support to continue discussions among staff, West Bay Sanitary District and the Sharon Heights Golf and Country Club regarding the possibility for recycled water as an alternate source for irrigation to go forward on a dual path. In addition, Council directed staff to evaluate the City-wide water policy.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation for Menlo Park City School District Measure W
This item was called earlier in the meeting.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

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

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

ACTION: Councilmember Keith nominated Jonathan Weiner and was seconded by Councilmember Ohtaki. By acclamation Jonathan Wiener is appointed to the Bicycle Commission for a term to expire on April 30, 2016.

C. PUBLIC COMMENT #1

This item was called earlier in the meeting.

D. CONSENT CALENDAR

- D1.** Waive the second reading and adopt **Ordinance 1007** regarding the use of automated license plate readers and neighborhood surveillance cameras ([Staff report #14-091](#))
- D2.** Authorize the Public Works Director to accept the work performed by Omega Electric to furnish and install a new uninterruptible power supply system for the Administration Building ([Staff report #14-092](#))
- D3.** Award a contract for the replacement of the boiler and expansion tank at the Menlo Park public library to American Air Conditioning in the amount of \$74,466 and authorize a total project budget of \$90,466 for the equipment, contingency and administration ([Staff report #14-093](#))
- D4.** Adopt **Resolution 6203** accepting dedication of a storm drainage easement at 20 Kelly Court and authorize the City Manager to sign the certificate of acceptance for the easement ([Staff report #14-094](#))
- D5.** Authorize the Public Works Director to accept the work performed by Bear Electrical Solutions, Inc. for the Oak Grove Avenue and Merrill Street Intersection In-Pavement Lighted Crosswalk Project ([Staff report #14-097](#))
- D6.** Authorize the City Manager to execute funding agreement among the San Francisquito Creek Joint Powers Authority and its member agencies for construction of the San Francisquito Creek Flood Reduction, Ecosystem Restoration and Recreation Project from San Francisco Bay to Highway 101 ([Staff report #14-098](#))
- D7.** Approval of the lease dated April 29, 2014 with Peninsula Volunteers, Inc. for the Little House located in Nealon Park, 800 Middle Avenue, Menlo Park, California ([Staff report #14-102](#))
- D8.** Accept Council minutes for the meetings of April 29, 2014, and May 6, 13, and 20, 2014 ([Attachment](#))

Mayor Mueller pulled Item D6 for public comment and further discussion.

ACTION: Motion and second (Keith/Ohtaki) to approve items D1-D5 and D7-D8 on the Consent Calendar with the notation that Mayor Pro Tem Carlton and Councilmember Ohtaki vote NO on Item D1, *Waive the second reading and adopt **Ordinance 1007** regarding the use of automated license plate readers and neighborhood surveillance cameras*, passes unanimously.

D6. Authorize the City Manager to execute funding agreement among the San Francisquito Creek Joint Powers Authority and its member agencies for construction of the San Francisquito Creek Flood Reduction, Ecosystem Restoration and Recreation Project from San Francisco Bay to Highway 101.

Public Comment:

- Brielle Johnck asked that project elements and preferred projects be clearly defined
- Mitch Slomiak asked Council to include language in the agreement directing the City Manager to communicate the City's request to remove floodwalls from the list of solution options

- Steve Schmidt supports the removal of floodwalls as a consideration
- Len Materman, San Francisquito Creek JPA Director, spoke regarding projects the JPA is currently reviewing and undertaking

There was consensus among Council to have the topic of floodwalls brought forth as a Council Digest item.

ACTION: Motion and second (Keith/Ohtaki) to authorize the City Manager to execute funding agreement among the San Francisquito Creek Joint Powers Authority and its member agencies for construction of the San Francisquito Creek Flood Reduction, Ecosystem Restoration and Recreation Project from San Francisco Bay to Highway 101 passes unanimously.

E. PUBLIC HEARING

E1. Adopt a resolution authorizing collection of a regulatory fee at existing rates to implement the local City of Menlo Park Storm Water Management Program for Fiscal Year 2014-15 ([Staff report #14-095](#))

Staff presentation by Assistant Public Works Director Ruben Nino

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

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

ACTION: Motion and second (Keith/Ohtaki) to adopt **Resolution 6204** authorizing collection of a regulatory fee at existing rates to implement the local City of Menlo Park Storm Water Management Program for Fiscal Year 2014-15 passes unanimously.

E2. Adopt a resolution recommending that the San Mateo County Flood Control District impose basic charges at the existing rate and increase the additional charges for funding the Fiscal Year 2014-15 Countywide National Pollutant Discharge Elimination System General Program ([Staff report #14-096](#))

Staff presentation by Assistant Public Works Director Ruben Nino

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

Motion and second (Keith/Ohtaki) to close the Public Hearing passes unanimously.

ACTION: Motion and second (Cline/Ohtaki) to adopt **Resolution 6205** recommending that the San Mateo County Flood Control District impose basic charges at the existing rate and increase the additional charges for funding the Fiscal Year 2014-15 Countywide National Pollutant Discharge Elimination System General Program passes unanimously.

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

Staff presentation by City Manager Alex McIntyre and Finance Director Drew Corbett

Mayor Mueller opened the Public Hearing.

Public Comment:

- Bill Weseloh requested Council to budget funds to restore Rachel Bentley paintings ([handout](#))
- Adina Levin supports adding a staff position to help achieve Council's goals regarding climate action and to also examine transportation issues as they relate to greenhouse gas reduction
- Mitch Slomiak requested Council to budget a full-time position to focus on climate action

- Mickie Winkler spoke regarding outsourcing and insourcing services

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

At 12:04 a.m. Mayor Mueller exited the Council chambers and Mayor Pro Tem Carlton presided the meeting. At 12:09 a.m. Mayor Mueller returned.

ACTION: Motion and second (Keith/Ohtaki) to approve an amendment to the budget that two thousand dollars be allocated for the restoration of Rachel Bentley paintings passes unanimously.

F. REGULAR BUSINESS - None

G. CITY MANAGER'S REPORT

City Manager McIntyre announced that Public Works Director Chip Taylor has accepted a job with the City of Millbrae and has named Transportation Manager Jesse Quirion Interim Public Works Director.

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS

11. Update on multi-city affordable housing nexus study and impact fee feasibility for commercial and residential development ([Staff report #14-100](#))
12. Update on the consultant selection process for the General Plan Update and M-2 Area Zoning Update ([Staff report #14-104](#))
13. Memorandum of Understanding on Friendship Cooperation between the City of Menlo Park and Changping District, Beijing, the People's Republic of China ([Attachment](#))
14. Memorandum of Understanding supporting a prosperous Sister City relationship between the City of Menlo Park and Luan in Anhui Province, the People's Republic of China ([Attachment](#))

Regarding Items 13 and 14, there was consensus among Council to form a subcommittee comprised of Mayor Mueller and Mayor Pro Tem Carlton to review these items and bring back them for Council consideration at a future meeting in August.

J. COUNCILMEMBER REPORTS - None

K. PUBLIC COMMENT #2

There was no public comment.

L. ADJOURNMENT at 12:26 a.m. on June 4, 2014.

Pamela Aguilar
City Clerk



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

**Tuesday, June 17, 2014
6:45 P.M.**

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

Mayor Mueller participated for a portion of the meeting via telephone
from Park Plaza Beijing
97 Jinbao St, Dongcheng, Beijing, China

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

Mayor Pro Tem Carlton called the Closed Session to order at 6:45 p.m. Mayor Mueller and Council members Cline and Keith were absent. Due to a lack of quorum, no closed session was held.

CL1. Closed session conference with legal counsel pursuant to Government Code Section 54956.9(d)(2) regarding potential litigation: 1 case

7:00 P.M. REGULAR SESSION

Mayor Pro Tem Carlton called the meeting to order at 7:15 p.m. Councilmembers Cline and was absent and Councilmember Keith arrived late.

ANNOUNCEMENTS

Mayor Pro Tem Carlton announced that Mayor Mueller will call in to the meeting from Beijing, China.

Mayor Pro Tem Carlton led the pledge of allegiance.

REPORT FROM CLOSED SESSION

No closed session was held.

Councilmember Keith arrived at 7:21 p.m.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation for the Lions Club recognizing their 25 years of contributions to the City's 4th of July celebration ([attachment](#))

Jim Bigelow, Menlo Park Host Lions Blue Secretary/Treasurer accepted the proclamation. Joe McLoughlin, Tony Cuvi and John Fenstermaker were also present.

Additional proclamations were presented recognizing departing Public Works Director Chip Taylor ([attachment](#)) and departing Environmental Programs Manager Rebecca Fotu ([attachment](#))

A2. Presentation by Pat Brown of San Mateo County regarding the North Fair Oaks Forward - Middlefield Road Redesign Project ([presentation](#))([handout](#))

Pat Brown made a presentation.

At this point, 7:40 p.m., Mayor Mueller called in to the meeting from Beijing, China.

Item F1 is was called out of order so that Mayor Mueller may participate.

F1. Adopt Resolutions: Adopting the 2014-15 Budget and Capital Improvement Program; Establishing the appropriations limit for 2014-15; Establishing a consecutive temporary tax percentage reduction in Utility Users' Tax rates; Determining the continued need for imposition of the Utility Users' Tax per section 3.14.310 of the municipal code; and adopting the salary schedule for 2014-15 ([Staff report #14-110](#))

Staff presentation by Finance Director Drew Corbett ([presentation](#))

ACTION: Motion and second (Keith/Ohtaki) to adopt five resolutions with the friendly amendment that up to two of the proposed seven positions be permanent full-time positions where needed passes 4-0-1 (Cline absent):

1. **Resolution 6206** adopting the 2014-15 Budget and Capital Improvement Program
2. **Resolution 6207** establishing the appropriations limit for 2014-15
3. **Resolution 6208** establishing a consecutive temporary tax percentage reduction in Utility Users' Tax rates
4. **Resolution 6209** determining the continued need for imposition of the Utility Users' Tax per section 3.14.310 of the municipal code
5. **Resolution 6210** adopting the salary schedule for 2014-15

At this point, 8:12 p.m., Mayor Mueller left the meeting.

A3. Presentation by Edmund Harris regarding Satellite Campus Initiative ([presentation](#)) ([handout](#))

Edmund Harris of BABA Educational Services, Tom Mohr and Calvin Beckum made a presentation. There was consensus by Council to agendize this topic for a future Council meeting to approve a letter of support for the project.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Housing Commission quarterly report on the status of their 2 Year Work Plan
Commission Chair Carolyn Clarke reported that the Commission has advised the Council by providing feedback on four below market rate in-lieu agreements, two below market rate units, two Housing Element updates, the General Plan update and a recent proposal from MidPen for affordable senior housing.

C. PUBLIC COMMENT #1

- Fran Dehn, Chamber of Commerce, announced Off the Grid, the Summer Concert Series and the Downtown Block Party all taking place on June 18th

D. CONSENT CALENDAR

Staff requested Item D9, Minutes of the June 3rd Council Meeting, be pulled and continued to the July 15th Council meeting.

Mayor Pro Tem Carlton pulled Item D5 for further discussion.

D1. Adopt **Resolution 6211:** a) Calling and giving notice of holding a general municipal election for three seats on the Menlo Park City Council; b) Requesting that the City Council consolidate the election with the Gubernatorial General Election to be held on November 4, 2014; and, c) Contracting with the San Mateo County Chief Elections Officer for election services ([Staff report #14-111](#))

D2. Authorize the City Manager to enter into a one year contract with Hello Housing in an amount not to exceed \$35,000 with an option to renew for up to three additional years for management of the City's Below Market Rate Housing Program and Purchase Assistance and Rehab Loan Portfolios ([Staff report #14-106](#))

- D3.** Authorize the City Manager to enter into a contract with Kidango Foods in an amount not to exceed \$76,058 for the delivery of food services at the Belle Haven Child Development Center for Fiscal Year 2014-15 ([Staff report #14-107](#))
- D4.** Authorize the City Manager to enter into a contract with Folger graphics in an amount not to exceed \$68,000 for printing and postage for the activity guide and Menlo Focus newsletter for fiscal year 2014-15 ([Staff report #14-116](#))
- D5.** Approve a resolution authorizing the City Manager to execute an agreement with the Bay Area Climate Collaborative, ABM, and ChargePoint to install four electric vehicle charging stations in Menlo Park with grant funds from the California Energy Commission ([Staff report #14-115](#))
- D6.** Approve removing all rebate caps for the Lawn Be Gone program for residential, commercial, and multifamily accounts ([Staff report #14-112](#))
- D7.** Authorize the City Manager to enter into master professional agreements with Kutzman and Associates, Shums Coda Associates, Interwest Consulting Group, and John J. Heneghan, Consulting Geotechnical and Civil Engineer for building permitting and inspection contract services ([Staff report #14-109](#))
- D8.** Authorize the City Manager to enter into a contract with BEAR Data Solutions in an amount not to exceed \$150,000 for contract assistance in Information Technology for fiscal year 2013-14 and 2014-15 ([Staff report #14-118](#))
- D9.** Accept Council minutes for the meetings of June 3, 2014 – Continued to July 15, 2014

ACTION: Motion and second (Ohtaki/Keith) to approve all items on the Consent Calendar, except items D5 and D9, passes 3-0-2 (Cline and Mueller are absent).

ACTION: Motion and second (Ohtaki/Keith) to approve Item D5, Approve **Resolution 6212** authorizing the City Manager to execute an agreement with the Bay Area Climate Collaborative, ABM, and ChargePoint to install four electric vehicle charging stations in Menlo Park with grant funds from the California Energy Commission, passes 3-0-2 (Cline and Mueller are absent).

E. PUBLIC HEARING

- E1.** Adopt a resolution overruling protests, ordering the improvements, confirming the diagram, and ordering the levy and collection of assessments at the existing fee rates for the sidewalk assessments and increasing the fee rates by 2.99% for the tree assessments for the City of Menlo Park landscaping assessment district for fiscal year 2014-15 ([Staff report #14-108](#))

Staff presentation by Assistant Public Works Director Ruben Nino

Mayor Pro Tem Carlton opened the Public Hearing. There was no public comment.

Motion and second (Ohtaki/Keith) to close the Public Hearing passes 3-0-2 (Cline and Mueller are absent).

ACTION: Motion and second (Ohtaki/Keith) to adopt **Resolution 6213** overruling protests, ordering the improvements, confirming the diagram, and ordering the levy and collection of assessments at the existing fee rates for the sidewalk assessments and increasing the fee rates by 2.99% for the tree assessments for the City of Menlo Park landscaping assessment district for fiscal year 2014-15 passes 3-0-2 (Cline and Mueller are absent).

F. REGULAR BUSINESS

F1. Adopt Resolutions: Adopting the 2014-15 Budget and Capital Improvement Program; Establishing the appropriations limit for 2014-15; Establishing a consecutive temporary tax percentage reduction in Utility Users' Tax rates; Determining the continued need for imposition of the Utility Users' Tax per section 3.14.310 of the municipal code; and adopting the salary schedule for 2014-15 ([Staff report #14-110](#))

This item was heard earlier in the meeting.

F2. Authorize City Manager to enter into a contract with PlaceWorks in an amount not to exceed \$1,650,000 for the General Plan update and M-2 Area Zoning update and authorize the formation of a General Plan Advisory Committee ([Staff report #14-117](#))

No staff presentation. Development Services Manager Justin Murphy and Public Works staff members are present for Council questions.

Public Comment:

- Jason Chang, CS Bio, thanked the Council for support expressed appreciation for the M-2 Area update
- Ann Draper, League of Women Voters, speaking as an individual in support of the updates
- Adina Levin spoke regarding multi modal level of service for transportation and metrics

ACTION: Motion and second (Ohtaki/Keith) to enter into a contract with PlaceWorks in an amount not to exceed \$1,650,000 for the General Plan update and M-2 Area Zoning update and authorize the formation of a General Plan Advisory Committee passes 3-0-2 (Cline and Mueller are absent).

There was also clarification that two of the five Council-appointed seats may be occupied by Councilmembers, and that Council has discretion to approve or deny the recommendations of the Commissions for the six remaining Commission seats.

F3. Receive annual community greenhouse gas inventory information and approve updated five year Climate Action Plan strategy ([Staff report #14-113](#))

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

Public Comment:

- Adina Levin spoke regarding Transportation Management Association

ACTION: Motion and second (Ohtaki/Keith) to receive annual community greenhouse gas inventory information and approve updated five year Climate Action Plan strategy passes 3-0-2 (Cline and Mueller are absent).

F4. 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 ([Staff report #14-119](#))

Staff presentation by Interim Public Works Director Jesse Quirion and Assistant Public Works Director Ruben Nino ([presentation](#))

There was consensus by Council to continue this item to the July 15th Council meeting.

G. CITY MANAGER'S REPORT – None

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS

No staff reports. Staff was available for questions.

- I1. Belle Haven Child Development Center self-evaluation report for the Child Development Division of the California Department of Education for fiscal year 2013-2014 ([Staff report #14-105](#))
- I2. Overview of the schedule for the scoping of the Environmental Impact Report for the 1300 El Camino Real Project ([Staff report #14-114](#))

J. COUNCILMEMBER REPORTS

K. PUBLIC COMMENT #2

There was no public comment.

L. ADJOURNMENT at 11:00 p.m.

Pamela Aguilar
City Clerk

DRAFT

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**CITY COUNCIL
SPECIAL MEETING DRAFT MINUTES**

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)

There was no public comment.

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

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

6:30 P.M. SPECIAL SESSION

Mayor Mueller called the meeting to order at 6:38 p.m. with all Councilmembers present.

Mayor Mueller led the pledge of allegiance.

REPORT FROM CLOSED SESSION

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

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](#))
Human Resources Director Gina Donnelly briefly introduced the item.

ACTION: Motion and second (Cline/Ohtaki) to approve the Terms of an Agreement between the City of Menlo Park and the Service Employees International Union, Local 521 passes unanimously.

Item D. CONSENT CALENDAR was called out of order.

There was no public comment on the Consent Calendar items.

D. CONSENT CALENDAR

D1. Adopt **Resolution 6213** 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 **Resolution 6214** of the City's intention to abandon public utility easements within the property at 721 - 851 Hamilton Avenue (Greenheart Apartments)
([Staff report #14-123](#))

D3. Adopt **Resolution 6215** 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](#))

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

7:00 P.M. REGULAR SESSION

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation recognizing the 1964 Civil Rights Act ([Attachment](#))
Library employee, Mike Flanagan, accepted the proclamation.

A2. Proclamation recognizing Tom Gibboney - Retiring Editor of the Almanac
([Attachment](#))
Tom Gibboney accepted the proclamation.

A3. Proclamation declaring July 2014 as Parks and Recreation Month ([Attachment](#))
Community Services Manager Derek Schweigart introduced staff members Leno Jones and Natalya Jones. Parks and Recreation Commissioner Marianne Palefsky accepted the proclamation. ([Presentation](#))

A4. Proclamation declaring August 11 as National Safe-Digging Day ([Attachment](#))
Bill Chiang of PG&E accepted the proclamation.

At this time, Item B1 was called out of order.

B1. Parks and Recreation Commission quarterly report on the status of their 2 Year Work Plan ([Attachment](#))
Commission Chair Marianne Palefsky gave the report.

At this time, Item I1 was called out of order.

I1. Menlo Movie Series ([Staff report #14-129](#))
Economic Development Manager Jim Cogan provided information regarding the event.

A5. Update on El Camino Corridor Study and Right-turn Lane at Ravenswood Avenue
([Presentation](#))
Interim Transportation Manager Nikki Nagaya made a presentation.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Parks and Recreation Commission quarterly report on the status of their 2 Year Work Plan ([Attachment](#))
This item was called earlier in the meeting

C. PUBLIC COMMENT #1

- Elizabeth Houck spoke against using round up and establishing a well, and asked the Council to listen to the community
- Michael Francois spoke regarding police conduct and regarding the senior center in East Palo Alto
- Alisa Yaffa spoke regarding lanes and traffic on El Camino Real

E. PUBLIC HEARING - None

F. REGULAR BUSINESS

At this point, City Attorney McClure recused himself from hearing this item due to a conflict of interest that his business office is in proximity to the location that is the subject of this item. Mr. McClure exited the council chambers at 8:00 p.m.

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

City Manager McIntyre introduced Special Counsel Greg Stepanicich and Consultant Lisa Wise.

- (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](#))

City Clerk Pamela Aguilar gave a brief presentation. ([Presentation](#))

ACTION: Motion and second (Keith/Carlton) to approve **Resolution 6216** 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” passes unanimously.

- (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](#))([Presentation](#))

Consultant Lisa Wise gave a presentation.

Brielle Johnck and Patti Fry spoke on behalf of the proponents of the petition. ([handout](#)) ([Presentation](#))

Public Comment:

- Susan Connelly spoke regarding safety issues and the need for more retail space
- Henry Riggs spoke in opposition of the initiative petition and regarding the community outreach process
- Mickie Winkler expressed concern regarding the exposure to litigation the City may face if the initiative passes
- Lee Duboc encouraged the Council to support its policy and that they have public support
- Heyward Robinson spoke in support of the initiative petition. He commented on the consultant's report and concerns regarding jobs-housing imbalance, open space and fiscal impact resulting in less revenue ([handout](#))
- Roy Thiele-Sardina spoke in opposition of the initiative petition and regarding traffic ([presentation](#))
- Andrew Boone spoke regarding the guiding principles of the Specific Plan and better bike connectivity on El Camino Real
- Shirley Chiu spoke in opposition to the initiative petition
- Clem Moloney spoke in support of the community process that produced the Specific Plan and expressed concern regarding traffic and smart growth
- Charlie Bourne spoke regarding the draft EIR, the Stanford project, and traffic impacts
- Gary Wesley stated the initiative process is good
- Steve Elliott, Stanford, spoke in opposition to the initiative and stated there is a lot of misinformation regarding the Stanford project ([letter](#))
- Ted Schlein spoke about the community process and in opposition of the initiative petition and stated the Council should oppose it
- George Fisher spoke regarding the EIR, office space and traffic, and in support of the initiative petition
- Adina Levin encourage Council to oppose the initiative and seek alternate ways to address the concerns that have been expressed about the Specific Plan
- Alisa Yaffa expressed concern regarding traffic mitigation
- Sue Kayton spoke regarding potential law suits and unintended consequences if the initiative passes ([presentation](#))
- John Boyle spoke regarding the consultant's report, potential projects and uses, and in opposition to the initiative petition
- Steve Schmidt spoke regarding past projects and politics, and in support of the initiative petition for fixing the Specific Plan
- Katie Ferrick spoke regarding unintended consequences, housing affordability, sound environmental policy, and business consequences and against the initiative petition

Ms. Wise and staff responded to Council questions and discussion ensued regarding the following areas: ADT (average daily trips), trip generation scenarios, plaza design, setbacks and parking structures, jobs-housing balance, public benefit, open space

definition, retail and hotel traffic impacts and revenues, underpass, potential plans for the proposed Stanford and Greenheart projects if the initiative passes.

ACTION: Motion and second (Keith/Cline) to 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" passes unanimously

- (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

[\(Staff report #14-127\)](#)

Public Comment:

- Ernst Meisner spoke regarding open space and in support of the current Specific Plan

ACTION: Motion and second (Keith/Ohtaki) to approve 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 passes unanimously

ACTION: Motion and second (Keith/Ohtaki) to appoint Mayor Mueller and Councilmember Cline to a Council subcommittee to prepare the primary argument passes unanimously.

ACTION: Motion and second (Keith/Cline) to rescind the previous motion to adopt the resolution calling and giving notice of a municipal election passes unanimously.

ACTION: Motion and second (Keith/Ohtaki) to adopt 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, with the amendment that the impartial analysis and primary arguments in support and in opposition to the initiative are due to the City Clerk by 12 noon on August 15th and rebuttal arguments are due by 12 noon on August 25th passes unanimously.

- 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](#))([Presentation](#))

Interim Public Works Director Jesse Quirion gave a presentation.

ACTION: Motion and second (Cline/Ohtaki) to approve Option B design for City Hall improvements and passes 4-1 (Keith dissents). Staff received direction to bring back information regarding the cost of construction during normal business hours compared to the cost of construction when the building is not open to the public.

G. CITY MANAGER'S REPORT

G1. Update regarding the Menlo Park Fire District
City Manager McIntyre provided an update on the Station 6 upgrade project and some concerns of the Fire District regarding delays, and the environmental impact report that is underway.

Public Comment:

- Patti Fry spoke in support of the Station 6 renovation project

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS

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

This item was called earlier in the meeting.

J. COUNCILMEMBER REPORTS

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

It was confirmed and approved that Mayor Pro Tem Carlton will attend the conference as the City's Voting Delegate and Councilmember Keith will attend as the Voting Alternate.

K. PUBLIC COMMENT #2

- John Boyle requested information regarding the procedures for preparing the primary and rebuttal arguments for the initiative

- Patti Fry expressed concerns regarding information that was stated by the City Manager regarding public benefit and issues with the consultant report

L. ADJOURNMENT at 1:54 a.m. on Wednesday, July 16, 2014

Pamela Aguilar
City Clerk

DRAFT

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CITY COUNCIL SPECIAL MEETING **DRAFT** MINUTES

Wednesday, August 6, 2014

6:00 P.M.

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

Mayor Mueller called the meeting to order at 6:06 p.m. Mayor Pro Tem Carlton and Councilmember Keith were absent.

Mayor Mueller led the pledge of allegiance.

Public Comment:

- Heyward Robinson spoke regarding the City website and information that should be included on the initiative page and visioning page.

A. SPECIAL BUSINESS

A1. Discuss and Provide Further Direction on the Process for Preparing the City Council's Primary Argument Against the Ballot Measure for the November 4, 2014 General Municipal Election 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"

(a) Consider and vote whether Mayor Mueller and Councilmember Cline will be authorized to draft and submit the primary argument in opposition to the ballot measure and the rebuttal argument without further vote and approval by the City Council

(b) Consider and vote whether Mayor Mueller and Councilmember Cline may select signatories to the primary argument in opposition to the ballot measure and the rebuttal argument without further vote and approval by City Council

Public Comment:

- Heyward Robinson spoke regarding various comments made pertaining to the consultant's report and the need for accuracy
- Roxanne Rorapaugh expressed her concern that the community process for the Specific Plan was not transparent and asked the Mayor to review the information carefully

ACTION: Motion and second (Ohtaki/Cline) to

(1) authorize Mayor Mueller and Councilmember Cline to draft and submit the primary argument in opposition to the ballot measure and the rebuttal argument to the City Clerk at 12 noon on August 15th and 12 noon on August 25th, respectively, without further vote and approval by the City Council and

(2) authorize Mayor Mueller and Councilmember Cline to select signatories to the primary argument in opposition to the ballot measure and the rebuttal argument without further vote and approval by City Council passes 3-0-2 (Carlton and Keith absent)

ADJOURNMENT at 6:29 p.m.

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COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-140

Agenda Item #: E1

PUBLIC HEARING:

Consider the Land Use Entitlements for the Commonwealth Corporate Center Project Located at 151 Commonwealth Drive and 164 Jefferson Drive, including a Request for a Rezoning, Conditional Development Permit, Tentative Parcel Map, Heritage Tree Removal Permits, BMR Agreement, Environmental Impact Report, and Authorize the City Manager to Execute a Funding Agreement to Share in the Cost of Replacing a Water Main

RECOMMENDATION

Staff recommends that the City Council make a determination as to whether the project benefits outweigh the significant and unavoidable impacts. At the point that the Council believes that the benefits outweigh the impacts, then staff recommends that the City Council concur with the recommendation of the Planning Commission to take the following actions:

1. **Certify the Environmental Impact Report**, a Draft Environmental Impact Report (EIR) was prepared for the project to analyze the potential environmental impacts and to identify mitigation measures necessary to reduce the environmental impacts. The Final EIR (that is provided separately) includes the Draft EIR by reference, responses to any received comments, and any updates to the document that are necessary to reflect any changes made to the Draft EIR (the draft Resolution for Certification is contained in Attachment F);
2. **Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program**, that includes specific findings that the benefits of the project outweigh its significant/adverse environmental impacts, and establishes responsibility and timing for implementation of all required mitigation measures (the draft Resolution is contained in Attachment G; the Mitigation Monitoring and Reporting Program is contained in Attachment H);
3. **Approve the Rezoning**, which rezones the property at 151 Commonwealth Drive and 164 Jefferson Drive from M-2 (General Industrial) to M-2(X) (General

Industrial, Conditional Development) (the draft Ordinance is contained in Attachment I; the draft Zoning Map Exhibit is contained in Attachment J);

4. **Approve the Conditional Development Permit**, to permit the proposal to diverge from the standard M-2 Zone requirements related to building height in excess of 35 feet, signage in excess of 150 square feet, and the proposed parcel configuration (the draft Resolution is contained in Attachment K; the draft CDP is contained in Attachment L);
5. **Approve the Tentative Parcel Map**, to permit the resubdivision of the two existing parcels into three parcels - one parcel for each building and one parcel containing most of the common parking and providing for project access (the draft Resolution is contained in Attachment M; Exhibit A is contained in Attachment N);
6. **Approve Heritage Tree Removal Permits**, to permit the removal of 22 heritage trees associated with the project (the draft Resolution is contained in Attachment O; the Tree Removal Permit Exhibit is contained in Attachment P);
7. **Approve the Below Market Rate Housing Agreement**, to pay the in lieu housing impact fees to comply with the City's affordable housing program (the draft Resolution is contained in Attachment Q; the draft BMR Agreement is contained in Attachment R); and
8. **Authorize the City Manager to Execute a Funding Agreement**, to share in the cost of replacing a water main on the project site (the draft Funding Agreement is contained in Attachment S).

If the Council votes to approve the project on August 19, 2014, then the second reading of the ordinance for the Rezoning is scheduled to occur on August 26, 2014. The Ordinance would go into effect 30 days thereafter. The full recommended actions are included as Attachment C. A set of the project plans are in Attachment B.

BACKGROUND

The Sobrato Organization is requesting approval to remove the existing buildings and construct two four-story office buildings, totaling 259,920 square feet, with surface parking and onsite recreational and activity amenities on a 13.28-acre site located at 151 Commonwealth Drive and 164 Jefferson Drive in the M-2 Zoning District. The 151 Commonwealth Drive property is the site of the former Diageo North America distillery complex which has been vacant since 2011. The 164 Jefferson Drive property is currently occupied by a single-story light industrial building. Previously, there were four different tenants occupying this smaller building. The location of the project is shown in Attachment A.

ANALYSIS

A complete discussion of the project proposal, requested land use entitlements and agreements is included in the Planning Commission staff report dated July 21, 2014, which is included as Attachment D. An excerpt draft minutes relating to the consideration of this project is included as Attachment E. During the Planning Commission public hearing, no members of the public addressed the Commission on any of the project entitlements or project proposals. The Commission expressed support for the project and its architectural design. The only item that received any substantial discussion was the proposed public benefits offered by The Sobrato Organization.

The Commission voted to recommend that the City Council approve the project entitlements and permits with the additional recommendation that the project should be required to have even greater energy efficiency (beyond the new California Energy Code requirements) and that the Council determine the amount of public benefits that provide the best possible outcome to the City. When discussing public benefits, most of the Commission discussion focused on even greater energy efficiency. At least one Commissioner thought that the guaranteed sales tax revenue could be increased either through the amount annually paid or extending the number of years it would be paid. While most of the Commission's votes on the project were unanimous, the votes on the Statement of Overriding Consideration and the Conditional Development Permit were not. For these two items, there was a dissenting vote because of a concern that the increased energy efficiency recommendation could not be defined and might not be implementable.

Community Benefits

On July 14, 2014, the Sobrato Organization submitted a letter describing the additional public benefits being offered to the City. A copy of this letter is contained in Attachment T, and the proposed benefits are outlined below.

- Leadership in Energy and Environmental Design (LEED). Construct the new buildings to a LEED Gold Standard.
- Capital Improvement Program Funding. Contribute \$150,000 that can be used by the City for capital improvement projects.
- Public Access Easement. Dedicate an easement for future public access from Commonwealth Drive to the Dumbarton Rail Corridor.
- Sales Tax Guarantee. Guarantee a minimum of \$75,000 per year in sales tax to the City for each of the first 10 years of project occupancy.
- Sales and Use Taxes During Construction. Work with the City to record the purchase of major construction materials within the City.
- Solid Waste and Recycling. Use the City franchisee for all trash and recycling services once the project is completed.

- Water Main Replacement. Enter into a funding agreement to share the costs of replacing the existing water main that crosses the site.

Without specific criteria or an established policy on evaluating public benefits, the Planning Commission struggled to find consensus. The key to the discussion appeared to be “how much public benefit is enough for this scale of project?”

The proposed project would redevelop and reconfigure two existing industrial sites and is projected to accommodate up to 1,300 new employees (depending on the actual tenants). The project is not requesting additional floor area above current zoning, only an increase in height to reflect a different style of building (multi-story office rather than low-rise industrial), additional signage to provide better site identification, and the parcel configuration.

The applicant has indicated that the public benefits of the project include the redevelopment of a vacant industrial building, the public improvements in the surrounding area, additional revenues to the City, and the sharing of costs for replacing a water main which crosses the site.

The applicable goals and policies from the Land Use Element of the General Plan are provided as follows:

Goal I-F: To promote the retention, development, and expansion of industrial uses which provide significant revenue to the City, are well designed, and have low environmental and traffic impacts.

Policy I-F-7: All new industrial development shall be evaluated for its fiscal impact on the City.

The City Council should consider whether the project and the proposed public benefits serve to meet the intent of the General Plan policies and serve to outweigh the potential negative impacts of this proposed development. The Statement of Overriding Consideration is found in Attachment G in section IV.B. and excerpted here for ease of reference.

The City Council finds that each of the overriding considerations set forth below constitutes a separate and independent ground for a finding that the benefits of the Project outweigh its significant adverse environmental impacts and is an overriding consideration warranting approval of the Project.

The Project will redevelop an unoccupied site and the Project Sponsor has offered a number of public and community benefits to the City including, committing to build the buildings LEED Gold or equivalent; contributing \$150,000 to be used by the City for capital improvement projects; dedicating an easement for future public access from Commonwealth Drive to the Dumbarton Rail

Corridor; and providing a sales tax guarantee of a minimum of \$75,000 per year in sales tax to the City for each of the first 10 years of project occupancy.

Having identified the significant environmental effects of the Project, adopted all feasible mitigation measures, identified all unavoidable significant impacts, and balanced the specific economic, legal, social, technological, and other benefits of the Project, the City Council has determined that the significant and unavoidable adverse impacts are outweighed by the benefits and may be considered acceptable, and therefore approves the Project as described herein.

The City Council may wish to consider the following enhancements when considering the benefits compared to the impacts:

- Explore opportunities to increase the energy efficiency and/or water conservation of the proposed buildings;
- Increase the amount of the one-time payment;
- Increase the amount of the on-going payment and/or increase the amount over time based on the consumer price index;
- Increase the timeframe of the on-going payment.

Funding Agreement

As part of the project's community benefits, an existing 10-inch water main crossing the site will be replaced. While the existing water main is currently in good condition, the pipe may reach the end of its intended usable life in the next 10 to 15 years, and it would be better to replace that portion of the main crossing the project site during project construction rather than later when the buildings are occupied. The applicant agreed that replacing the line now would be a good idea if the City were willing to share the cost of the replacement. The proposed Funding Agreement provides that the City will pay a fixed amount of \$53,000 as its share of the replacement and The Sobrato Organization will cover all of the other costs above this amount. The estimated cost of replacing the water main is \$106,000.

Since water main replacement is one of the community benefits being offered by the Sobrato Organization, if the City Council accepts the Sobrato Organization's offer then staff recommends that the City Council authorize the City Manager to execute a Funding Agreement to share in the cost of replacing a water main on the project site. A copy of the draft Funding Agreement is in Attachment S.

IMPACT ON CITY RESOURCES

The project sponsor is required to pay planning, building, and public works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. A Fiscal Impact Analysis (FIA) was prepared for the project and concluded that the project would generate an annual net positive impact of approximately \$138,900 per year upon occupancy. The FIA is available for review on the City website and in the City offices.

POLICY ISSUES

There are two key policy issues associated with the project. The first relates to the CDP to allow the increased building height, the additional signage, and the parcel configuration. The second issue relates to the public benefits and the Statement of Overriding Considerations that are discussed above. CDPs allow adjustment of the requirements of the underlying zoning district in order to secure special benefits possible through comprehensive planning of large developments and to provide relief from the monotony of standard development, to permit the application of new and desirable development techniques, and to encourage more usable open space than would otherwise be provided with standard development. Staff and the Planning Commission believe the project achieves the purpose of allowing a CDP.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared for the project according to the requirements of the California Environmental Quality Act (CEQA). The EIR, including, the Final Environmental Impact, a Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program is discussed in detail in the Planning Commission Staff Report dated July 21, 2014. The Planning Commission reviewed the EIR and recommended that the City Council certify the EIR, adopt the Statement of Overriding Considerations, and approve the Mitigation Monitoring Program. The identified mitigation measures have also been incorporated into the proposed CDP.

PUBLIC NOTICE

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail to all property owners and occupants within a quarter-mile (1,320 feet) radius of the project site. The mailed notice was supplemented by an email update that was sent to subscribers of the project page for the proposal, which is available at the following address: <http://www.menlopark.org/519/Commonwealth-Corporate-Center-Project>. In addition to allowing for interested parties to subscribe to e-mail updates, the project page provides up-to-date information about the project, as well as links to previous staff reports and other related documents.

The project site has been posted with the notice of intent to remove 22 heritage trees from the site. The posting was done on both Commonwealth Drive and Jefferson Drive frontages.

ATTACHMENTS

- A. Location Map
- B. Project Plans (exclusive of color and materials board)
- C. Recommended Actions for Approval
- D. Planning Commission Staff Report, dated July 21, 2014 (without attachments)

- E. Draft Excerpt Minutes from July 21, 2014 Planning Commission meeting
- F. Draft Resolution Certifying the Environmental Impact Report
- G. Draft Resolution Adopting the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program prepared for the Commonwealth Corporate Center Project
- H. Draft Mitigation Monitoring and Reporting Program prepared for the Commonwealth Corporate Center, Located at 151 Commonwealth Drive and 164 Jefferson Drive
- I. Draft Ordinance Rezoning Property located at 151 Commonwealth Drive and 164 Jefferson Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development)
- J. Draft Zoning Map Exhibit for the Property at 151 Commonwealth Drive and 164 Jefferson Drive
- K. Draft Resolution Approving the Conditional Development Permit for the Commonwealth Corporate Center
- L. Draft Conditional Development Permit
- M. Draft Resolution Approving the Tentative Parcel Map for the Property at 151 Commonwealth Drive and 164 Jefferson Drive
- N. Draft Tentative Parcel Map Exhibit – Exhibit A
- O. Draft Resolution of the City Council Approving the Heritage Tree Removal Permit for the Property located at 151 Commonwealth Drive and 164 Jefferson Drive
- P. Draft Heritage Tree Removal Permit Tree Survey & Disposition Plan –Exhibit A
- Q. Draft Resolution Approving the Below Market Rate Housing Agreement with The Sobrato Organization
- R. Draft Below Market Rate Housing Agreement
- S. Draft Funding Agreement to Share in the Cost of Replacing Water Main
- T. Applicant Letter on Public Benefits, dated July 14, 2014

DOCUMENTS AVAILABLE FOR REVIEW AT CITY OFFICES AND WEBSITE

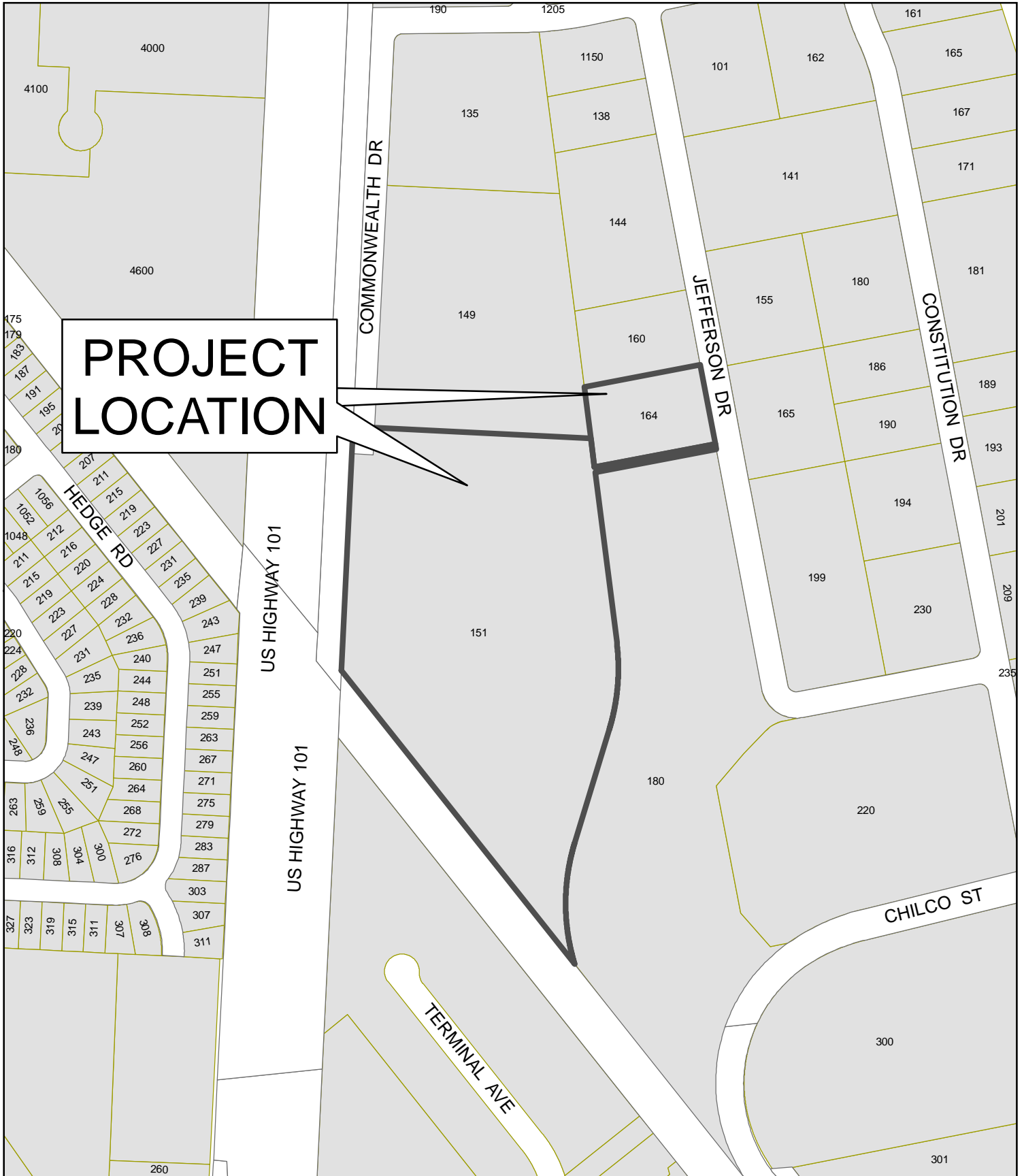
- [Final Environmental Impact Report prepared by ICF, dated July 2014](#)
- [Draft Environmental Impact Report prepared by ICF, dated February 2014](#)
- [Final Fiscal Impact Analysis prepared by BAE, dated December 2013](#)

Report prepared by:

David Hogan
Contract Planner

Justin Murphy
Development Services Manager

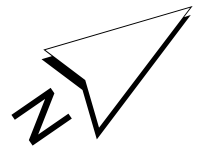
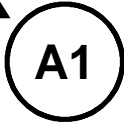
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**PROJECT
LOCATION**

CITY OF MENLO PARK

151 COMMONWEALTH DR AND
164 JEFFERSON DR



DRAWN: KTP CHECKED: KTP DATE: 7/21/14 SCALE: 1" = 300' SHEET: 1

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A Planning Department Submittal For:
Commonwealth Corporate Center
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, CA 94025

The **SOBRATO** Organization



PROJECT DESCRIPTION

NEW OFFICE BUILDING DEVELOPMENT

APPLICABLE CODES

2015 CALIFORNIA BUILDING CODE WITH ALL AMENDMENTS
 2015 CALIFORNIA ELECTRICAL CODE WITH ALL AMENDMENTS
 2015 CALIFORNIA MECHANICAL CODE WITH ALL AMENDMENTS
 2015 CALIFORNIA PLUMBING CODE WITH ALL AMENDMENTS
 2015 CALIFORNIA FIRE PREVENTION CODE WITH ALL AMENDMENTS
 2015 CALIFORNIA LAND DEVELOPMENT CODE WITH ALL AMENDMENTS
 2015 CALIFORNIA AERIAL PHOTOGRAPHY AND MAPPING REGULATIONS
 ALL CODES SHALL BE IN FULL COMPLIANCE WITH ALL APPLICABLE LOCAL ORDINANCES

GENERAL NOTES

1. VERIFY ALL PROJECT CONDITIONS WITH THE ARCHITECT AND ENGINEER.
2. VERIFY ALL PROJECT CONDITIONS WITH THE ARCHITECT AND ENGINEER.
3. VERIFY ALL PROJECT CONDITIONS WITH THE ARCHITECT AND ENGINEER.
4. VERIFY ALL PROJECT CONDITIONS WITH THE ARCHITECT AND ENGINEER.
5. VERIFY ALL PROJECT CONDITIONS WITH THE ARCHITECT AND ENGINEER.
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8. VERIFY ALL PROJECT CONDITIONS WITH THE ARCHITECT AND ENGINEER.
9. VERIFY ALL PROJECT CONDITIONS WITH THE ARCHITECT AND ENGINEER.
10. VERIFY ALL PROJECT CONDITIONS WITH THE ARCHITECT AND ENGINEER.

PROJECT TEAM

OWNER: THE COMMONS DEVELOPMENT
ARCHITECT: ARC TEC ARCHITECTURAL TECHNOLOGISTS
LANDSCAPE ARCHITECT: THE LANDSCAPE ARCHITECTS
CIVIL ENGINEER: SOBRATO ORGANIZATION

DRAWING INDEX AND ISSUE DATES

NO.	DESCRIPTION	ISSUE DATE
1	COVER SHEET	08/14/2015
2	ARCHITECTURAL	08/14/2015
3	LANDSCAPE	08/14/2015
4	CIVIL	08/14/2015



A Planning Department Submittal For:
Commonwealth Corporate Center
 151 Commonwealth Drive and 164 Jefferson Drive Menlo Park, CA 94025

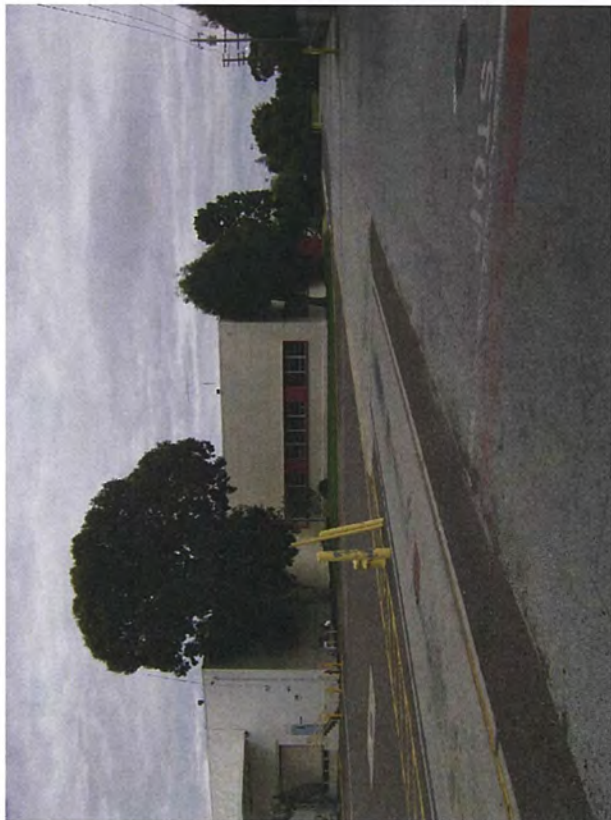
SOBRATO
 PROJECT NUMBER: 15034



1 EXISTING COMMONWEALTH DRIVE BUILDING - looking southeast
SCALE: NTS



2 EXISTING COMMONWEALTH DRIVE BUILDING - looking southeast
SCALE: NTS



3 EXISTING COMMONWEALTH DRIVE BUILDING - looking southeast
SCALE: NTS



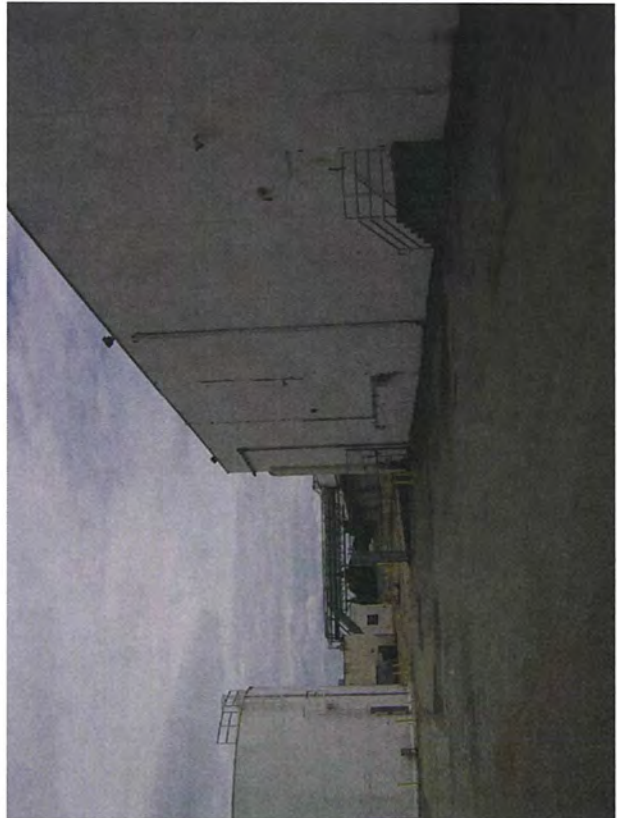
4 EXISTING COMMONWEALTH DRIVE BUILDING - looking southeast
SCALE: NTS



1 EXISTING COMMONWEALTH DRIVE BUILDING - looking southeast
SCALE: N/A



2 EXISTING COMMONWEALTH DRIVE BUILDING - looking southeast
SCALE: N/A



3 EXISTING COMMONWEALTH DRIVE BUILDING - looking southeast
SCALE: N/A



4 EXISTING COMMONWEALTH DRIVE BUILDING - looking southwest
SCALE: N/A

ARCTEC
ARCHITECTURAL TECHNOLOGIES
ARCHITECTS
12000 Wilshire Blvd., Suite 1000
Beverly Hills, CA 90210
Tel: 310.277.1000
Fax: 310.277.1001
www.arctec.com

ARCHITECTS
12000 Wilshire Blvd., Suite 1000
Beverly Hills, CA 90210
Tel: 310.277.1000
Fax: 310.277.1001
www.arctec.com

REGISTERED ARCHITECTS
California
No. 100000001
No. 100000002
No. 100000003
No. 100000004
No. 100000005
No. 100000006
No. 100000007
No. 100000008
No. 100000009
No. 100000010
No. 100000011
No. 100000012
No. 100000013
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No. 100000043
No. 100000044
No. 100000045
No. 100000046
No. 100000047
No. 100000048
No. 100000049
No. 100000050

COMMONWEALTH CORPORATE CENTER
A Planning Department Submittal for
151 Commonwealth Drive and 164 Jefferson Drive
Menlo Park, California 94025

SOBRATO

DATE	DESCRIPTION
10/15/14	PLANNING DEPARTMENT LAMINATE
10/22/14	PLANNING DEPARTMENT LAMINATE
11/05/14	PLANNING DEPARTMENT LAMINATE
11/19/14	PLANNING DEPARTMENT LAMINATE
12/03/14	PLANNING DEPARTMENT LAMINATE
12/17/14	PLANNING DEPARTMENT LAMINATE
12/31/14	PLANNING DEPARTMENT LAMINATE



EXISTING BUILDING PHOTOS
(SEE COMMONWEALTH DRIVE SHEET)

A0.03
PROJECT NO. 17240



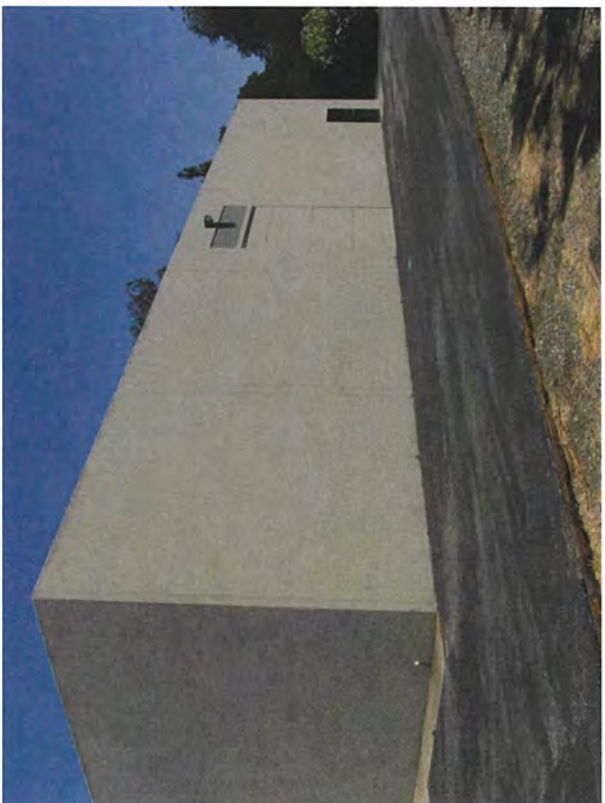
2 EXISTING JEFFERSON STREET BUILDING - looking southeast
SCALE: NTS



4 EXISTING JEFFERSON STREET BUILDING - looking northwest
SCALE: NTS



1 EXISTING JEFFERSON STREET BUILDING - looking southwest
SCALE: NTS



3 EXISTING JEFFERSON STREET BUILDING - looking north
SCALE: NTS



Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025



PROPOSED AREA PLAN
A1.00
 PROJECT NO. 112940



1 PROPOSED AREA PLAN
SCALE: 1"=40'



ARC TEC
ARCHITECTURAL RECORDS
CORPORATION
151 COMMONWEALTH DRIVE
MENLO PARK, CALIFORNIA 94025
TEL: 650.321.1000
WWW.ARCTEC.COM

Planning Department Submission for
COMMONWEALTH CORPORATE CENTER
151 Commonwealth Drive and 164 Jefferson Drive
Menlo Park, California 94025

SUBRATTO

DATE: 08/20/2014
PROJECT: COMMONWEALTH CORPORATE CENTER
SHEET: A1.01
SCALE: AS SHOWN
DRAWN BY: J. B. B. / J. B. B.
CHECKED BY: J. B. B. / J. B. B.
APPROVED BY: J. B. B. / J. B. B.



SHEET

A1.01

PROJECT NO. 1194

164 JEFFERSON DR PROJECT DATA
SUBMITTED TO: MENLO PARK PLANNING DEPARTMENT
SUBMITTED DATE: 08/19/14
PROJECT NO.: 1194
PROJECT NAME: COMMONWEALTH CORPORATE CENTER
PROJECT ADDRESS: 151 COMMONWEALTH DRIVE, MENLO PARK, CA 94025

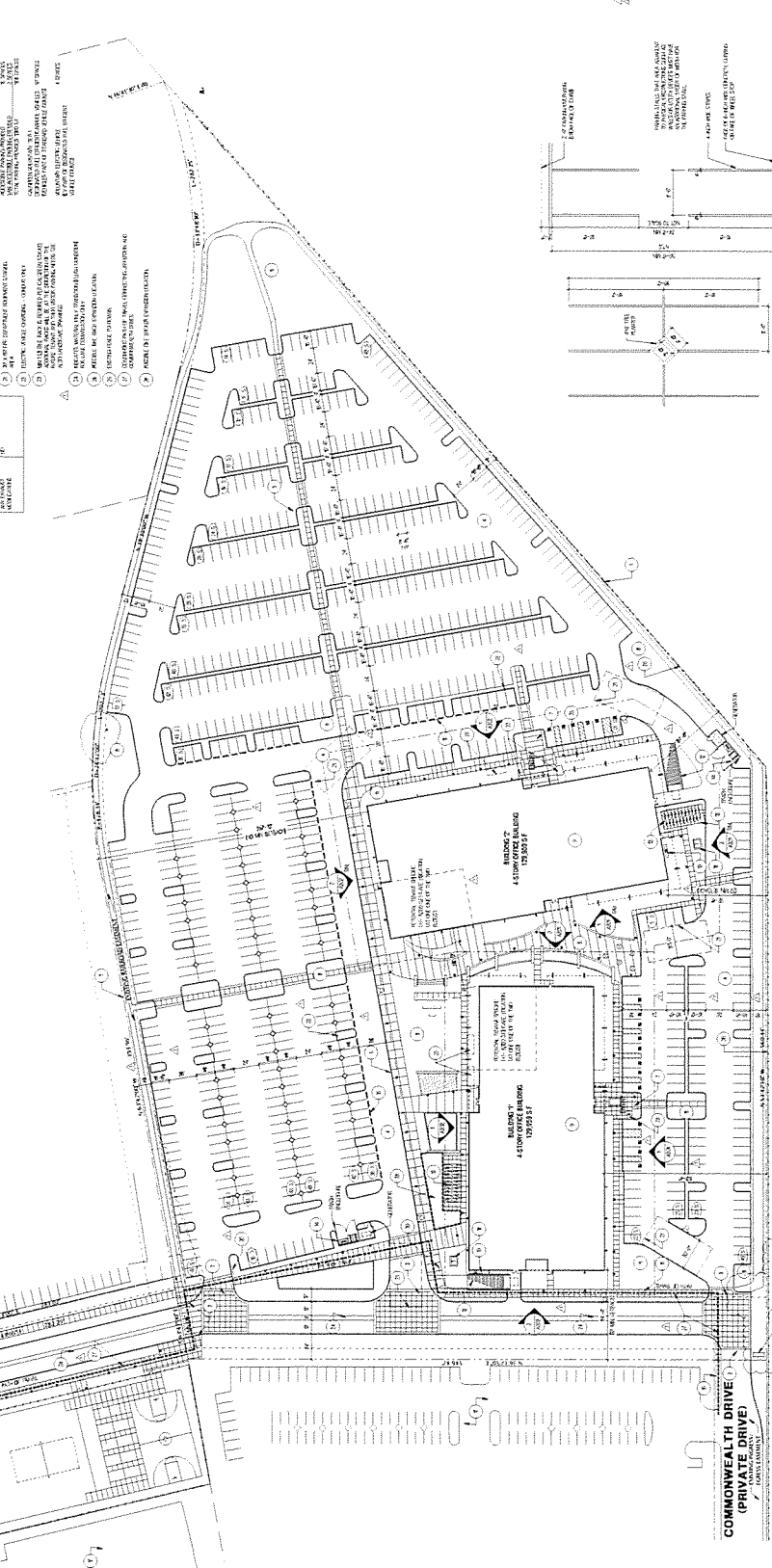
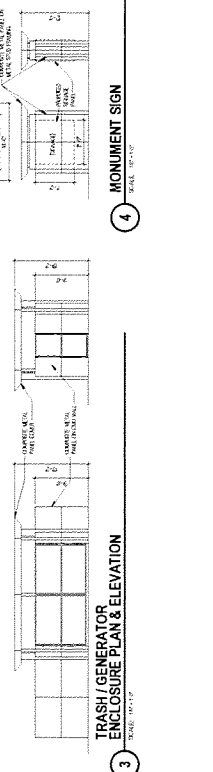
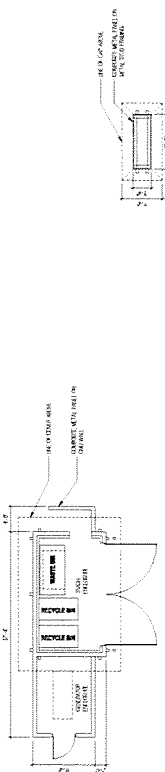
151 COMMONWEALTH DR PROJECT DATA
SUBMITTED TO: MENLO PARK PLANNING DEPARTMENT
SUBMITTED DATE: 08/19/14
PROJECT NO.: 1194
PROJECT NAME: COMMONWEALTH CORPORATE CENTER
PROJECT ADDRESS: 151 COMMONWEALTH DRIVE, MENLO PARK, CA 94025

COMBINED SITE PROJECT DATA
SUBMITTED TO: MENLO PARK PLANNING DEPARTMENT
SUBMITTED DATE: 08/19/14
PROJECT NO.: 1194
PROJECT NAME: COMMONWEALTH CORPORATE CENTER
PROJECT ADDRESS: 151 COMMONWEALTH DRIVE, MENLO PARK, CA 94025

PARKING ANALYSIS
TOTAL PARKING SPACES: 1,000
TOTAL WORKING SPACES: 1,000
TOTAL VISITOR SPACES: 100
TOTAL STORAGE SPACES: 100
TOTAL TRUCK SPACES: 100
TOTAL MOTORCYCLE SPACES: 100
TOTAL BICYCLE SPACES: 100
TOTAL OTHER SPACES: 100

KEY NOTES

1. ALL DIMENSIONS UNLESS OTHERWISE NOTED.
2. ALL FINISHES TO BE AS NOTED.
3. ALL MATERIALS TO BE APPROVED BY THE ARCHITECT.
4. ALL UTILITIES TO BE LOCATED AND DEPTH NOTED.
5. ALL EROSION CONTROL MEASURES TO BE INSTALLED AND MAINTAINED.
6. ALL TREE REMOVALS TO BE APPROVED BY THE CITY.
7. ALL TREE REPLACEMENTS TO BE INSTALLED AND MAINTAINED.
8. ALL LANDSCAPING TO BE INSTALLED AND MAINTAINED.
9. ALL SIGNAGE TO BE INSTALLED AND MAINTAINED.
10. ALL LIGHTING TO BE INSTALLED AND MAINTAINED.
11. ALL SECURITY SYSTEMS TO BE INSTALLED AND MAINTAINED.
12. ALL ACCESSIBILITY REQUIREMENTS TO BE MET.
13. ALL FIRE SAFETY REQUIREMENTS TO BE MET.
14. ALL ENVIRONMENTAL REQUIREMENTS TO BE MET.
15. ALL HISTORIC PRESERVATION REQUIREMENTS TO BE MET.
16. ALL CULTURAL RESOURCE REQUIREMENTS TO BE MET.
17. ALL ARCHITECTURAL REQUIREMENTS TO BE MET.
18. ALL STRUCTURAL REQUIREMENTS TO BE MET.
19. ALL MECHANICAL REQUIREMENTS TO BE MET.
20. ALL ELECTRICAL REQUIREMENTS TO BE MET.
21. ALL TELECOMMUNICATIONS REQUIREMENTS TO BE MET.
22. ALL WATER SUPPLY REQUIREMENTS TO BE MET.
23. ALL WASTEWATER REQUIREMENTS TO BE MET.
24. ALL GAS REQUIREMENTS TO BE MET.
25. ALL OTHER REQUIREMENTS TO BE MET.



1 TYPICAL ONE SIZE FITS ALL PARKING STALL
SCALE: 1/8" = 1'-0"

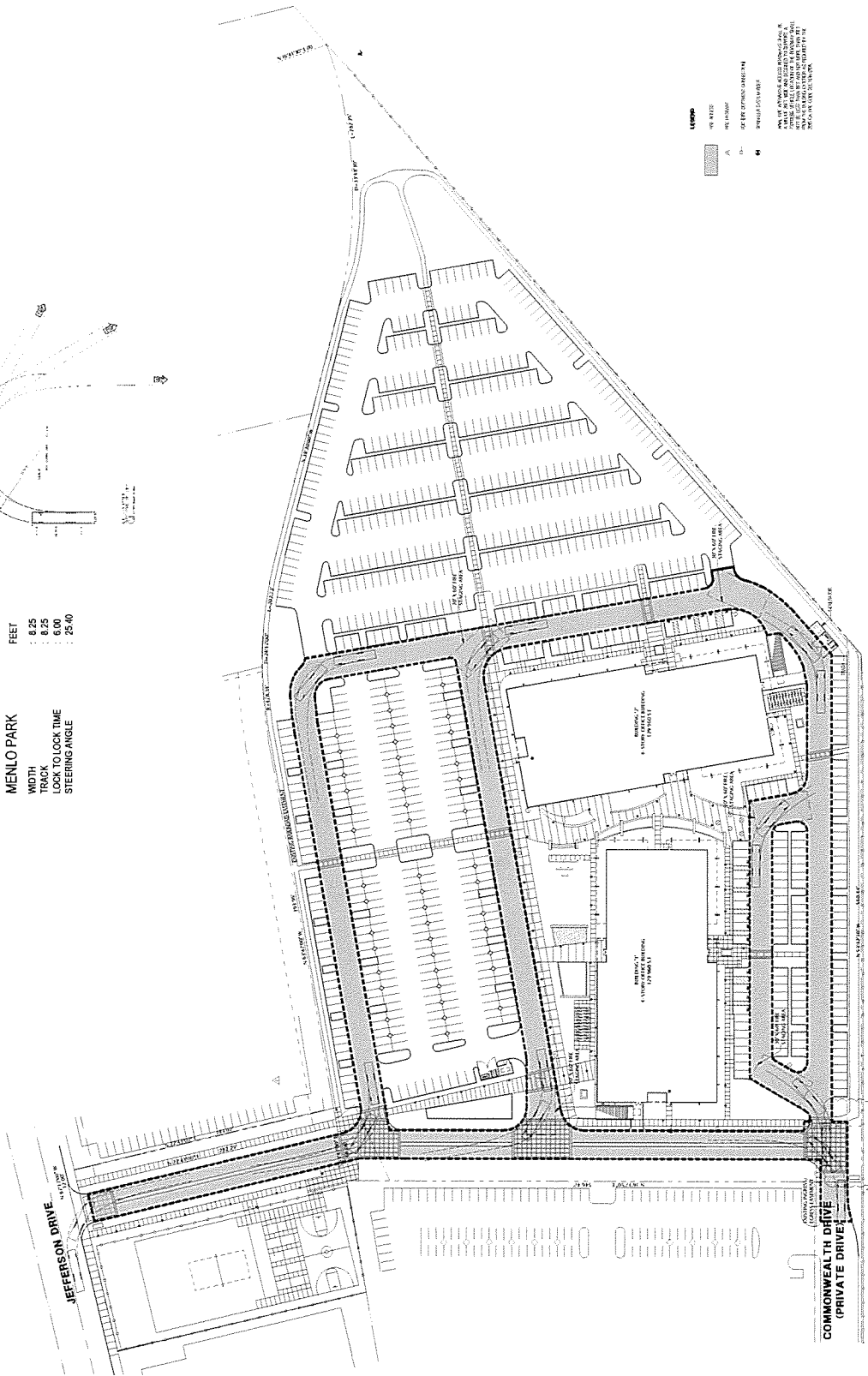
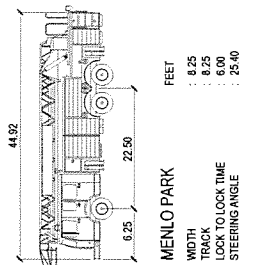
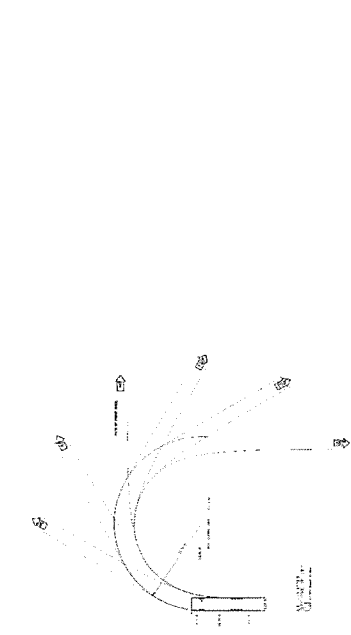
2 SITE PLAN
SCALE: 1/8" = 1'-0"



Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
151 Commonwealth Drive and 164 Jefferson Drive
Menlo Park, California 94025



A1.02A
PROJECT NO. 10940



LEGEND

- SEE SITE
- SEE SITE
- SEE SITE
- SEE SITE
- SEE SITE

NOTE

THIS PLAN IS A PRELIMINARY DESIGN. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA CIVIL ENGINEERING BOARD'S STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA CIVIL ENGINEERING BOARD'S STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION.



ARC TEC
 ARCHITECTURAL TECHNOLOGIES
 151 Commonwealth Drive
 Menlo Park, California 94025
 Phone: (650) 321-1000
 Fax: (650) 321-1001
 Website: www.arctec.com

A Planning Department Submit for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

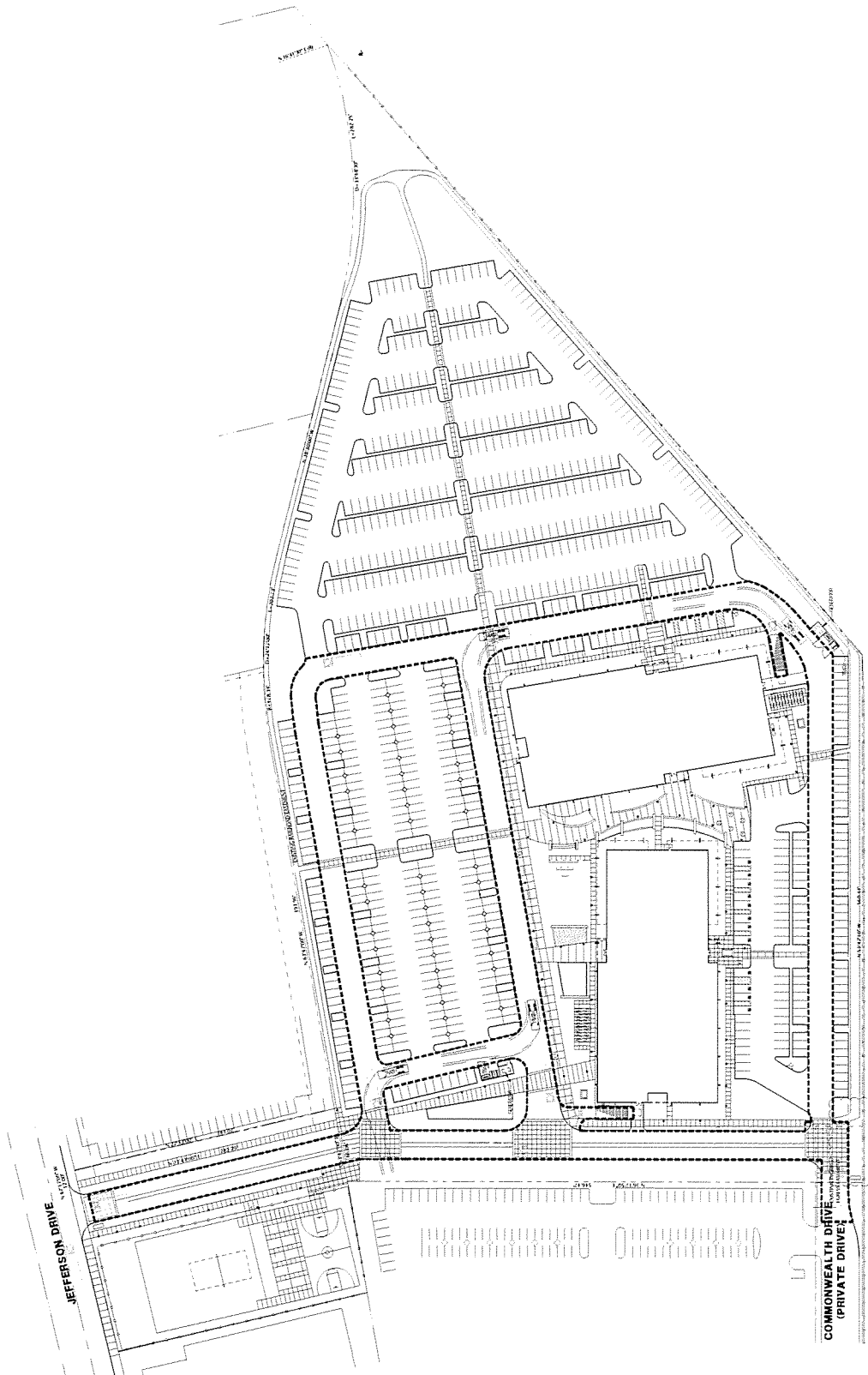
DATE: 08/11/2011
 TIME: 10:00 AM
 PROJECT: COMMONWEALTH CORPORATE CENTER
 SHEET: 1 OF 1
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 APPROVED BY: [Name]



REGISTERED PROFESSIONAL ENGINEER
 CIVIL ENGINEERING
 STATE OF CALIFORNIA
 No. 45678
 Exp. 12/31/2012

A1.02B

PROJECTING 11/04



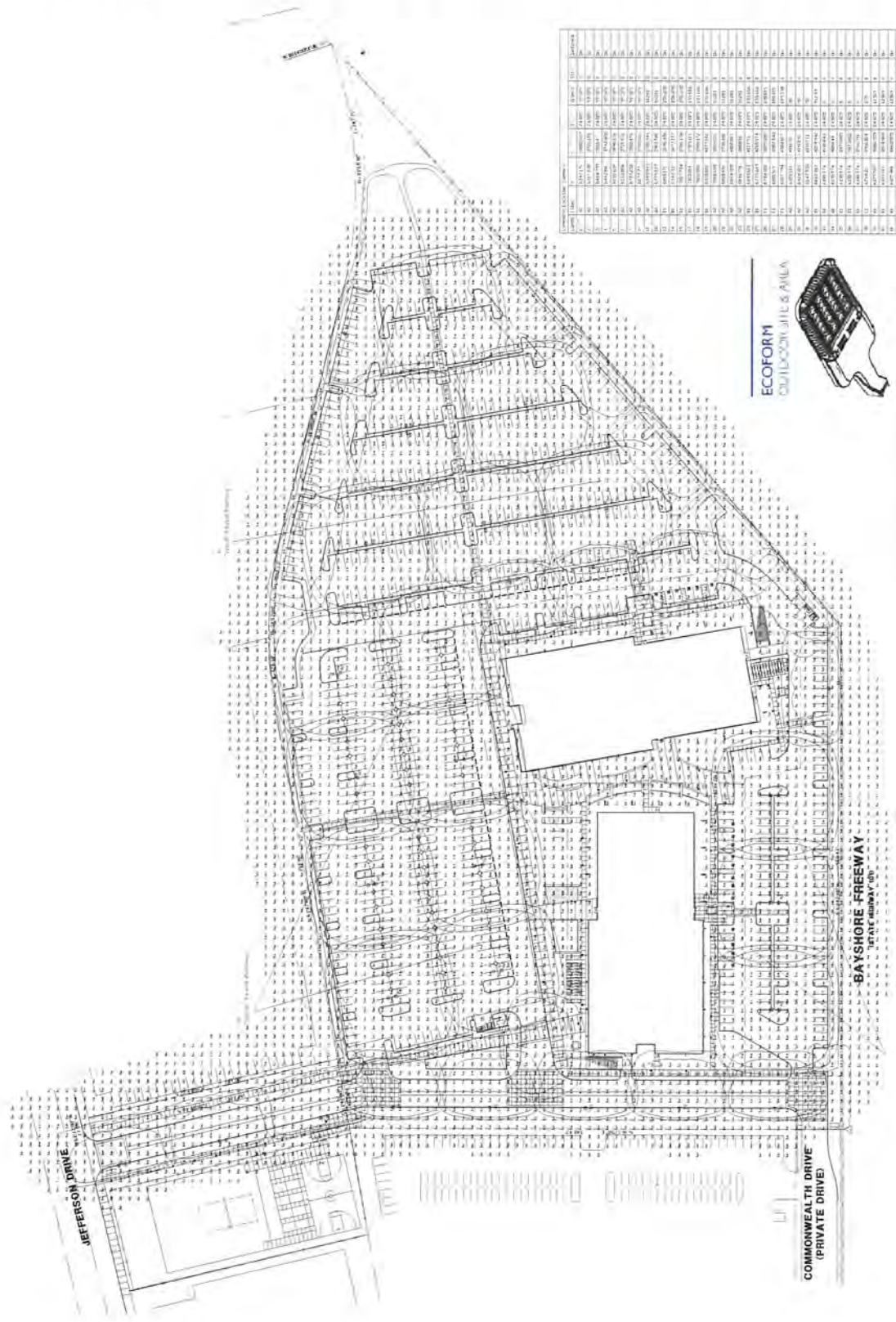
1 VEHICLE ACCESS SITE PLAN - TRASH AND DELIVERY
 SCALE: 1/8" = 1'-0"



ARCTEC
 ARCHITECTURAL TECHNOLOGIES
 151 COMMONWEALTH DRIVE
 MENLO PARK, CALIFORNIA 94025
 TEL: 650 321 1000
 FAX: 650 321 1001
 WWW.ARCTEC.COM

SOBRATO
 A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

PHILIPS
 GARDCO
 151 COMMONWEALTH DRIVE
 MENLO PARK, CALIFORNIA 94025
 TEL: 650 321 1000
 FAX: 650 321 1001
 WWW.PHILIPS.COM



ECOFORM
 OUTDOOR JET & AILWA



NO.	DESCRIPTION	AREA (SQ. FT.)	PERCENTAGE
1	OFFICE	150,000	15.00
2	CONFERENCE	10,000	1.00
3	RECEPTION	5,000	0.50
4	RESTROOM	2,000	0.20
5	STORAGE	10,000	1.00
6	MECHANICAL	10,000	1.00
7	ELECTRICAL	10,000	1.00
8	PLUMBING	10,000	1.00
9	LANDSCAPE	10,000	1.00
10	PARKING	1,000	0.10
11	WALKWAY	10,000	1.00
12	DRIVEWAY	10,000	1.00
13	SCREENING	10,000	1.00
14	WALL	10,000	1.00
15	ROOF	10,000	1.00
16	FOUNDATION	10,000	1.00
17	MECHANICAL	10,000	1.00
18	ELECTRICAL	10,000	1.00
19	PLUMBING	10,000	1.00
20	LANDSCAPE	10,000	1.00
21	PARKING	1,000	0.10
22	WALKWAY	10,000	1.00
23	DRIVEWAY	10,000	1.00
24	SCREENING	10,000	1.00
25	WALL	10,000	1.00
26	ROOF	10,000	1.00
27	FOUNDATION	10,000	1.00
28	MECHANICAL	10,000	1.00
29	ELECTRICAL	10,000	1.00
30	PLUMBING	10,000	1.00
31	LANDSCAPE	10,000	1.00
32	PARKING	1,000	0.10
33	WALKWAY	10,000	1.00
34	DRIVEWAY	10,000	1.00
35	SCREENING	10,000	1.00
36	WALL	10,000	1.00
37	ROOF	10,000	1.00
38	FOUNDATION	10,000	1.00
39	MECHANICAL	10,000	1.00
40	ELECTRICAL	10,000	1.00
41	PLUMBING	10,000	1.00
42	LANDSCAPE	10,000	1.00
43	PARKING	1,000	0.10
44	WALKWAY	10,000	1.00
45	DRIVEWAY	10,000	1.00
46	SCREENING	10,000	1.00
47	WALL	10,000	1.00
48	ROOF	10,000	1.00
49	FOUNDATION	10,000	1.00
50	MECHANICAL	10,000	1.00
51	ELECTRICAL	10,000	1.00
52	PLUMBING	10,000	1.00
53	LANDSCAPE	10,000	1.00
54	PARKING	1,000	0.10
55	WALKWAY	10,000	1.00
56	DRIVEWAY	10,000	1.00
57	SCREENING	10,000	1.00
58	WALL	10,000	1.00
59	ROOF	10,000	1.00
60	FOUNDATION	10,000	1.00
61	MECHANICAL	10,000	1.00
62	ELECTRICAL	10,000	1.00
63	PLUMBING	10,000	1.00
64	LANDSCAPE	10,000	1.00
65	PARKING	1,000	0.10
66	WALKWAY	10,000	1.00
67	DRIVEWAY	10,000	1.00
68	SCREENING	10,000	1.00
69	WALL	10,000	1.00
70	ROOF	10,000	1.00
71	FOUNDATION	10,000	1.00
72	MECHANICAL	10,000	1.00
73	ELECTRICAL	10,000	1.00
74	PLUMBING	10,000	1.00
75	LANDSCAPE	10,000	1.00
76	PARKING	1,000	0.10
77	WALKWAY	10,000	1.00
78	DRIVEWAY	10,000	1.00
79	SCREENING	10,000	1.00
80	WALL	10,000	1.00
81	ROOF	10,000	1.00
82	FOUNDATION	10,000	1.00
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84	ELECTRICAL	10,000	1.00
85	PLUMBING	10,000	1.00
86	LANDSCAPE	10,000	1.00
87	PARKING	1,000	0.10
88	WALKWAY	10,000	1.00
89	DRIVEWAY	10,000	1.00
90	SCREENING	10,000	1.00
91	WALL	10,000	1.00
92	ROOF	10,000	1.00
93	FOUNDATION	10,000	1.00
94	MECHANICAL	10,000	1.00
95	ELECTRICAL	10,000	1.00
96	PLUMBING	10,000	1.00
97	LANDSCAPE	10,000	1.00
98	PARKING	1,000	0.10
99	WALKWAY	10,000	1.00
100	DRIVEWAY	10,000	1.00

NO.	DESCRIPTION	AREA (SQ. FT.)	PERCENTAGE
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2	CONFERENCE	10,000	1.00
3	RECEPTION	5,000	0.50
4	RESTROOM	2,000	0.20
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96	PLUMBING	10,000	1.00
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98	PARKING	1,000	0.10
99	WALKWAY	10,000	1.00
100	DRIVEWAY	10,000	1.00



ARCTEC
ARCHITECTURAL TECHNOLOGIES
 2001 Commonwealth Drive
 Menlo Park, CA 94025
 Tel: 650.321.1000
 Fax: 650.321.1001
 www.arctec.com

ALLOWABLE HEIGHT AND AREA CALCULATION

ALLOWABLE BUILDING HEIGHT INCREASE
 SECTION 17.02.01.01 - HEIGHT INCREASES
 1. Height increase shall be limited to the maximum height allowed by the zoning ordinance for the site.
 2. Height increase shall be limited to the maximum height allowed by the zoning ordinance for the site plus the height of the building above the ground level.
 3. Height increase shall be limited to the maximum height allowed by the zoning ordinance for the site plus the height of the building above the ground level plus the height of the building above the ground level.
 4. Height increase shall be limited to the maximum height allowed by the zoning ordinance for the site plus the height of the building above the ground level plus the height of the building above the ground level plus the height of the building above the ground level.

MAXIMUM ALLOWABLE BUILDING HEIGHT 65'
MAXIMUM ALLOWABLE NUMBER OF STORIES 6

BUILDING AREA AND HEIGHT
 Section Area: 10,000 SF
 Maximum Height: 65'
 Maximum Number of Stories: 6

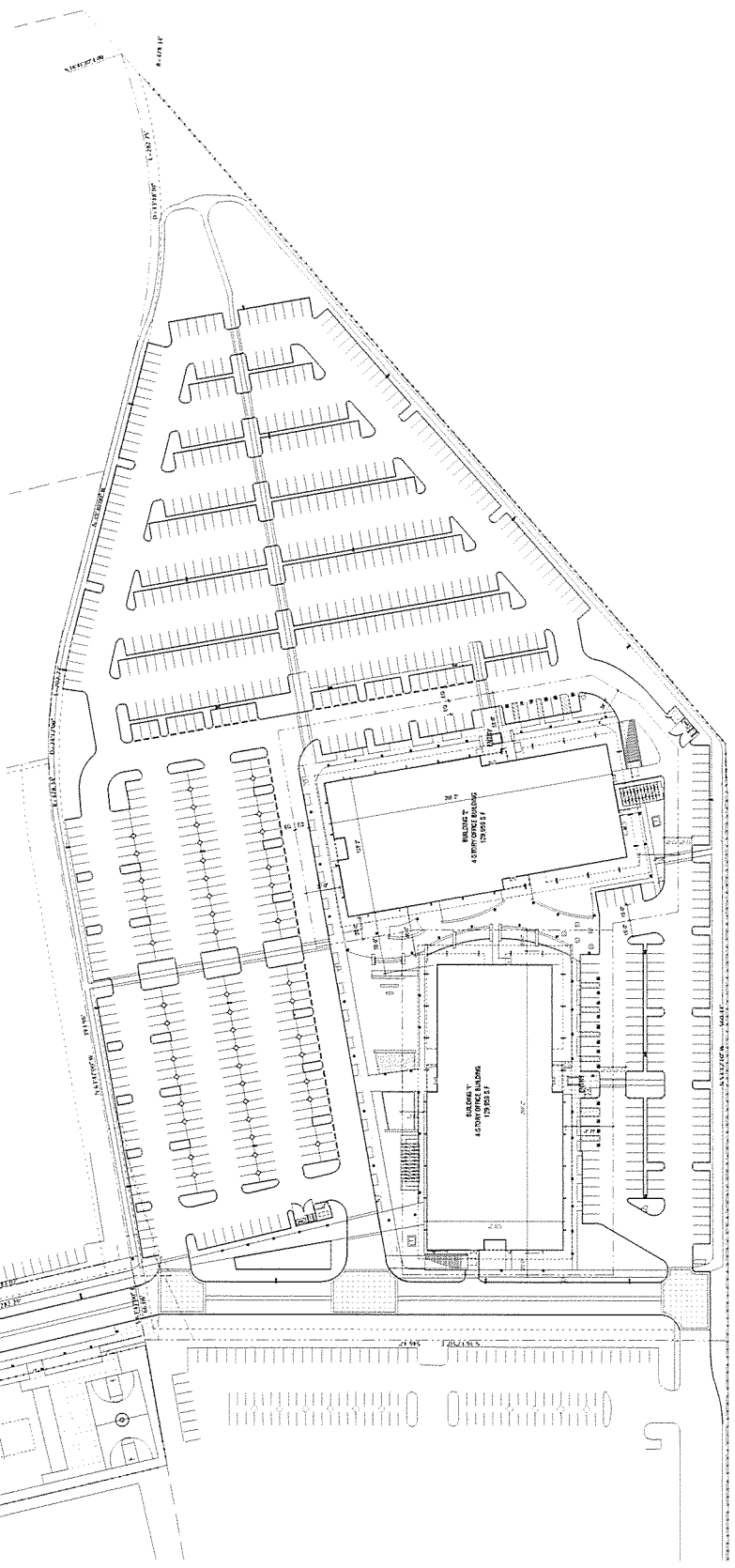
ALLOWABLE AREA INCREASE CALCULATIONS
 SECTION 17.02.01.02 - AREA INCREASES
 1. Area increase shall be limited to the maximum area allowed by the zoning ordinance for the site.
 2. Area increase shall be limited to the maximum area allowed by the zoning ordinance for the site plus the area of the building above the ground level.
 3. Area increase shall be limited to the maximum area allowed by the zoning ordinance for the site plus the area of the building above the ground level plus the area of the building above the ground level.
 4. Area increase shall be limited to the maximum area allowed by the zoning ordinance for the site plus the area of the building above the ground level plus the area of the building above the ground level plus the area of the building above the ground level.

MAXIMUM ALLOWABLE BUILDING AREA 131,220 Square Feet (Maximum allowable area per floor)
MAXIMUM ALLOWABLE NUMBER OF STORIES 6

A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO
 DATE: 10/20/2011
 DESCRIPTION: PLANNING DEPARTMENT SUBMITTAL FOR COMMONWEALTH CORPORATE CENTER, 151 COMMONWEALTH DRIVE AND 164 JEFFERSON DRIVE, MENLO PARK, CALIFORNIA 94025. PREPARED BY: SOBRATO ARCHITECTURAL TECHNOLOGIES, INC. 2001 COMMONWEALTH DRIVE, MENLO PARK, CALIFORNIA 94025. TEL: 650.321.1000. FAX: 650.321.1001. WWW.ARCTEC.COM

ALLOWABLE AREA
A1.04
 PROJECT NO. 112630



1 SITE PLAN - ALLOWABLE AREA



ARCTEC
ARCHITECTURAL & ENGINEERING
11000 W. CENTRAL EXPRESSWAY, SUITE 100
DENVER, CO 80231
TEL: 303.733.1100
WWW.ARCTEC.COM

ALLOWABLE BUILDING HEIGHT INCREASE

1. **ALLOWABLE BUILDING HEIGHT INCREASE**
 1.1. **ALLOWABLE BUILDING HEIGHT INCREASE**
 1.1.1. **ALLOWABLE BUILDING HEIGHT INCREASE**
 1.1.1.1. **ALLOWABLE BUILDING HEIGHT INCREASE**

2. **ALLOWABLE BUILDING HEIGHT INCREASE**
 2.1. **ALLOWABLE BUILDING HEIGHT INCREASE**
 2.1.1. **ALLOWABLE BUILDING HEIGHT INCREASE**

3. **ALLOWABLE BUILDING HEIGHT INCREASE**
 3.1. **ALLOWABLE BUILDING HEIGHT INCREASE**
 3.1.1. **ALLOWABLE BUILDING HEIGHT INCREASE**

4. **ALLOWABLE BUILDING HEIGHT INCREASE**
 4.1. **ALLOWABLE BUILDING HEIGHT INCREASE**
 4.1.1. **ALLOWABLE BUILDING HEIGHT INCREASE**

MAXIMUM ALLOWABLE BUILDING HEIGHT 65'
MAXIMUM ALLOWABLE NUMBER OF STORES 6
BUILDING AREA AND HEIGHT

Item	Area (sq ft)	Height (ft)
1. Building A	24,515.14	65'
2. Building B	24,515.14	65'
3. Building C	24,515.14	65'
4. Building D	24,515.14	65'
TOTAL AREA	98,060.56	65'

Notes:
 1. Building A, B, C, and D are all 65 feet high and 24,515.14 square feet in area.
 2. The total area of all buildings is 98,060.56 square feet.
 3. The maximum allowable building height is 65 feet.
 4. The maximum allowable number of stories is 6.

ALLOWABLE HEIGHT AND AREA CALCULATION

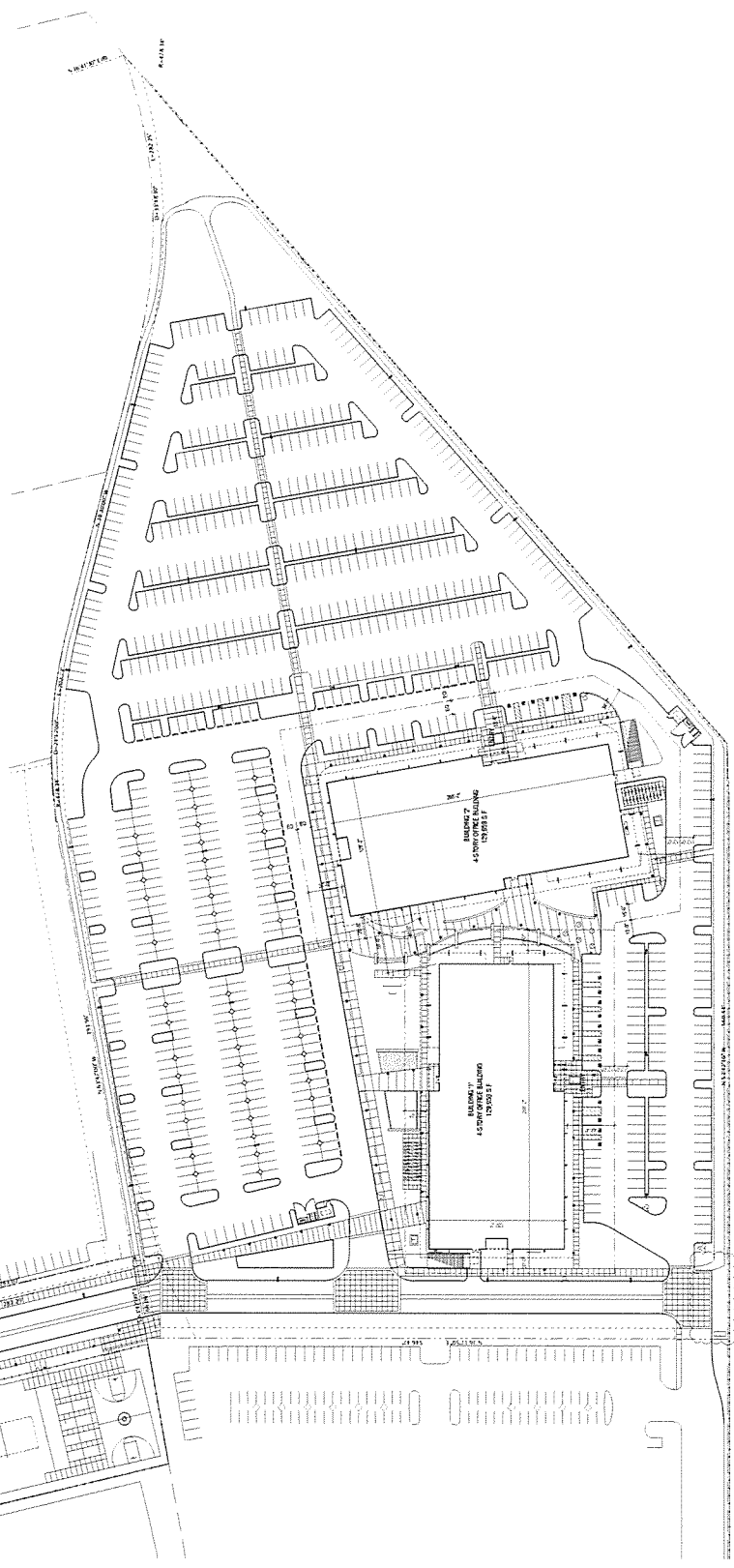
1. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 1.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 1.1.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 1.1.1.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**

2. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 2.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 2.1.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**

3. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 3.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 3.1.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**

4. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 4.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**
 4.1.1. **ALLOWABLE HEIGHT AND AREA CALCULATION**

13,1260 Square Feet (Maximum allowable area per floor)

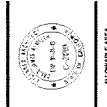


1 SITE PLAN - ALLOWABLE AREA

Planning Department Submission for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

DATE: 08/08/2014
 TIME: 10:00 AM
 PROJECT: COMMONWEALTH CORPORATE CENTER
 DRAWING: SITE PLAN - ALLOWABLE AREA
 SHEET: 1 OF 1



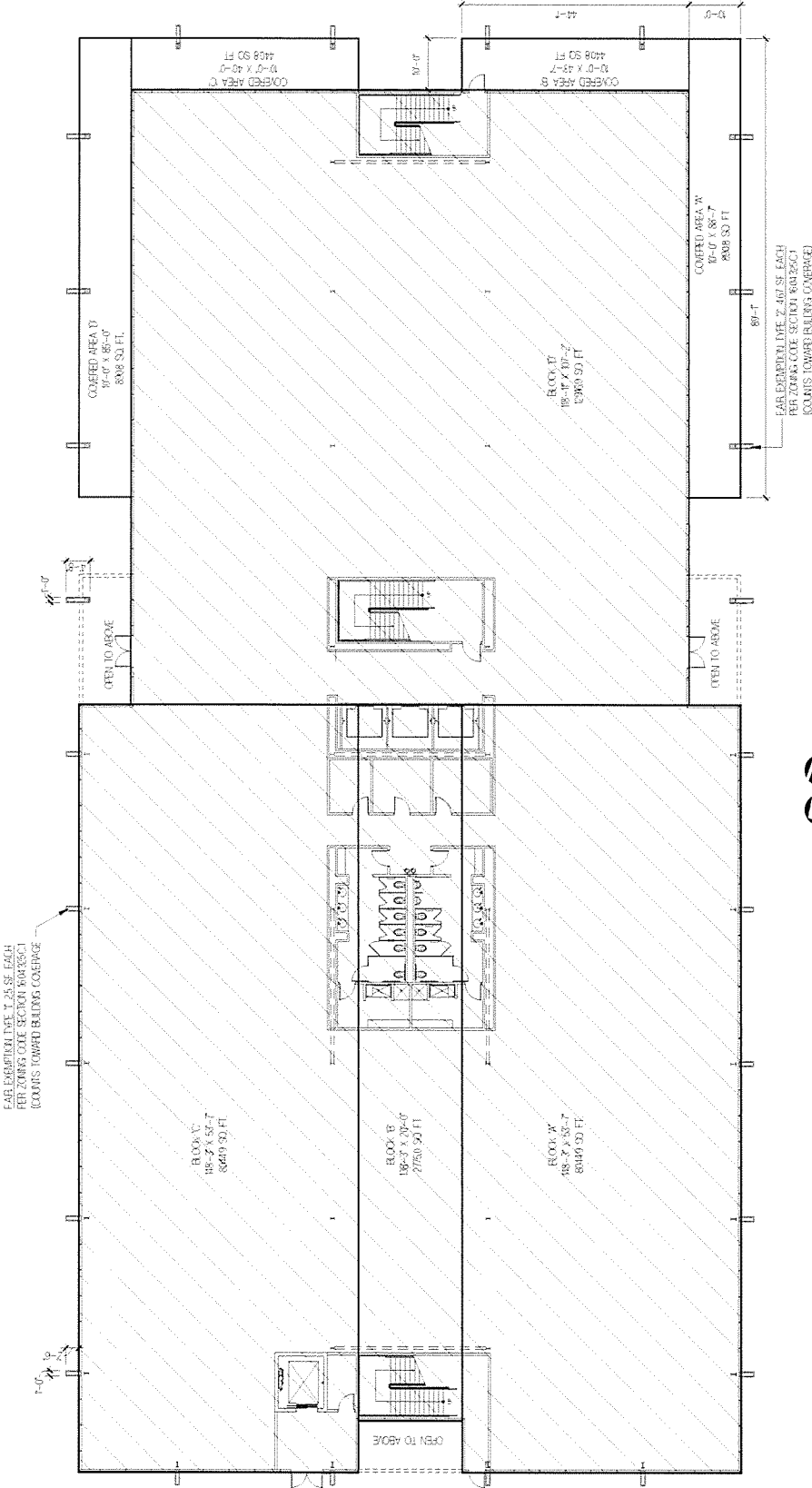
A1.04

PROJECT NO. 11004

ARC TEC
ARCHITECTURAL TECHNOLOGIES
 ARCHITECTS
 15250 S. BROADWAY, SUITE 100
 CERRITOS, CALIFORNIA 94015
 TEL: (925) 435-8800 FAX: (925) 435-8801
 WWW.ARC-TEC.COM

PROJECT: COMMONWEALTH CORPORATE CENTER
 LOCATION: 151 COMMONWEALTH DRIVE AND 164 JEFFERSON DRIVE
 CITY: MENLO PARK, CALIFORNIA 94025
 DATE: 08/09/07
 DRAWING: 17000 - FLOOR AREA PLAN
 SHEET: 17000-01

COMMONWEALTH CORPORATE CENTER
 A Planning Department Submit for
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025



SOBRATO

DATE **DESCRIPTION**

08/09/07 - PRELIMINARY DESIGN
 08/14/07 - PRELIMINARY DESIGN
 08/21/07 - PRELIMINARY DESIGN
 08/28/07 - PRELIMINARY DESIGN
 09/04/07 - PRELIMINARY DESIGN
 09/11/07 - PRELIMINARY DESIGN
 09/18/07 - PRELIMINARY DESIGN
 09/25/07 - PRELIMINARY DESIGN



PROJECT NO.
A2.01

PROJECT NO.
17000

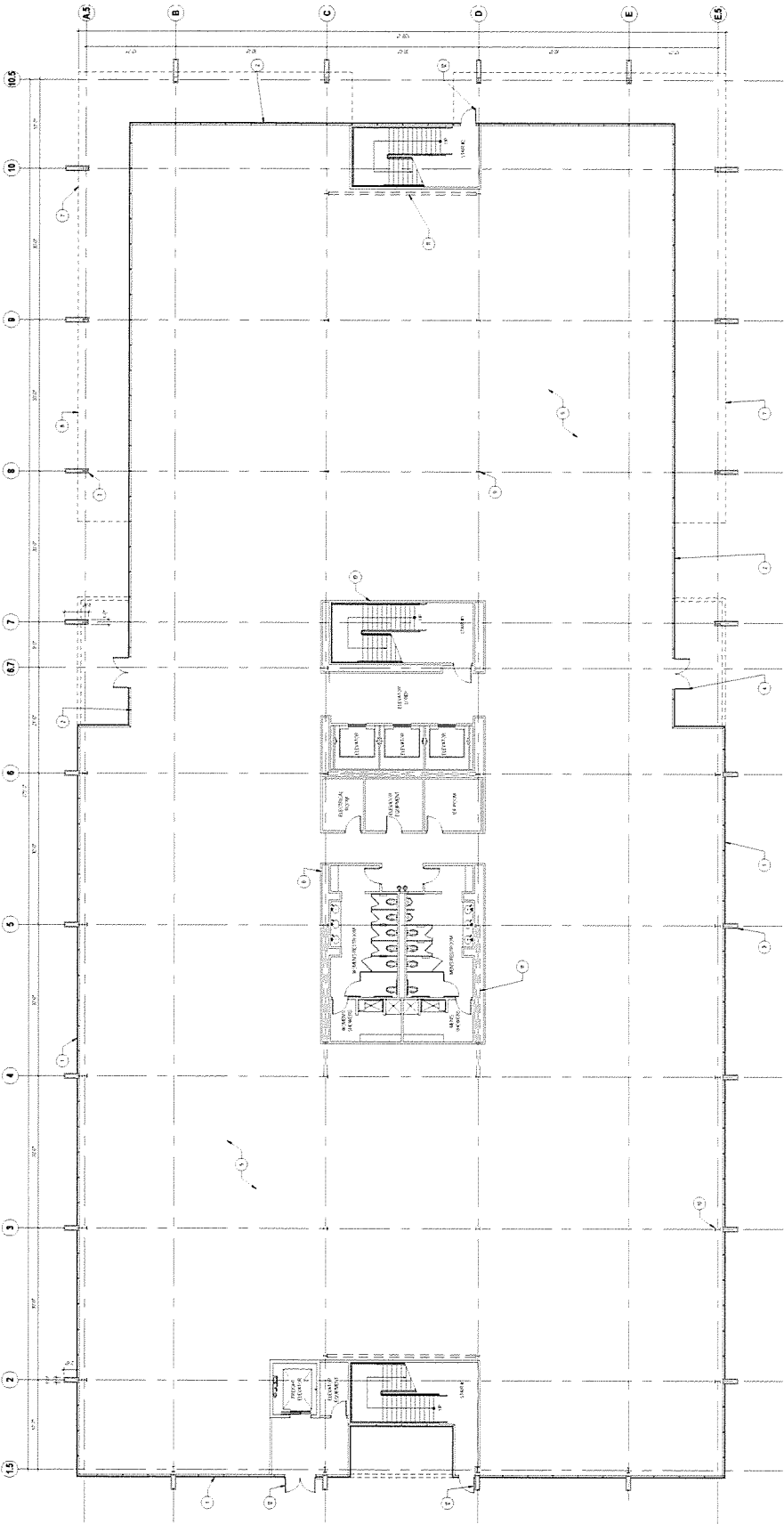
NOTE: ALL CALCULATIONS ARE MADE IN TO ACCOUNT FOR BOTH PERIMETER, WINDUW, T.A. EASEMENT, TO INSURE, 5% EASEMENT COVERAGE.

BUILDING AREA	F.A.T.	USE
17000 SQ. FT. FLOOR AREA	1.0	OFFICE
4408 SQ. FT. COVERED AREA B	1.0	OFFICE
4408 SQ. FT. COVERED AREA C	1.0	OFFICE
846 SQ. FT. COVERED AREA A	1.0	OFFICE
846 SQ. FT. COVERED AREA D	1.0	OFFICE
13484 SQ. FT. ROOM E	1.0	OFFICE
13484 SQ. FT. ROOM F	1.0	OFFICE
3846 SQ. FT. ROOM B	1.0	OFFICE
3846 SQ. FT. ROOM D	1.0	OFFICE
14688 SQ. FT. ROOM A	1.0	OFFICE
14688 SQ. FT. ROOM C	1.0	OFFICE
17000 SQ. FT. FLOOR AREA	1.0	OFFICE
4408 SQ. FT. COVERED AREA B	1.0	OFFICE
4408 SQ. FT. COVERED AREA C	1.0	OFFICE
846 SQ. FT. COVERED AREA A	1.0	OFFICE
846 SQ. FT. COVERED AREA D	1.0	OFFICE
13484 SQ. FT. ROOM E	1.0	OFFICE
13484 SQ. FT. ROOM F	1.0	OFFICE
3846 SQ. FT. ROOM B	1.0	OFFICE
3846 SQ. FT. ROOM D	1.0	OFFICE
14688 SQ. FT. ROOM A	1.0	OFFICE
14688 SQ. FT. ROOM C	1.0	OFFICE
17000 SQ. FT. FLOOR AREA	1.0	OFFICE
4408 SQ. FT. COVERED AREA B	1.0	OFFICE
4408 SQ. FT. COVERED AREA C	1.0	OFFICE
846 SQ. FT. COVERED AREA A	1.0	OFFICE
846 SQ. FT. COVERED AREA D	1.0	OFFICE
13484 SQ. FT. ROOM E	1.0	OFFICE
13484 SQ. FT. ROOM F	1.0	OFFICE
3846 SQ. FT. ROOM B	1.0	OFFICE
3846 SQ. FT. ROOM D	1.0	OFFICE
14688 SQ. FT. ROOM A	1.0	OFFICE
14688 SQ. FT. ROOM C	1.0	OFFICE
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4408 SQ. FT. COVERED AREA C	1.0	OFFICE
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846 SQ. FT. COVERED AREA D	1.0	OFFICE
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3846 SQ. FT. ROOM D	1.0	OFFICE
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14688 SQ. FT. ROOM C	1.0	OFFICE
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4408 SQ. FT. COVERED AREA C	1.0	OFFICE
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846 SQ. FT. COVERED AREA D	1.0	OFFICE
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14688 SQ. FT. ROOM A	1.0	OFFICE
14688 SQ. FT. ROOM C	1.0	OFFICE

1 1ST FLOOR AREA PLAN

ARC TEC
 ARCHITECTURAL TECHNOLOGIES
 www.arctec.com
 10000 Wilshire Blvd, Suite 200
 Beverly Hills, CA 90210
 Tel: 310.277.8888 Fax: 310.277.8889
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 2000 Wilshire Blvd, Suite 200
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 Tel: 310.277.8888 Fax: 310.277.8889
 4000 Wilshire Blvd, Suite 200
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 Tel: 310.277.8888 Fax: 310.277.8889
 5000 Wilshire Blvd, Suite 200
 Beverly Hills, CA 90210
 Tel: 310.277.8888 Fax: 310.277.8889
 6000 Wilshire Blvd, Suite 200
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 Tel: 310.277.8888 Fax: 310.277.8889
 10000 Wilshire Blvd, Suite 200
 Beverly Hills, CA 90210
 Tel: 310.277.8888 Fax: 310.277.8889

A Planning Department Submital for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025



1 OFFICE BUILDING FIRST LEVEL FLOOR PLAN
 SCALE: 1/8" = 1'-0"



KEY NOTES

- 1) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 2) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 3) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 4) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 5) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 6) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
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- 10) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 11) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 12) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 13) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 14) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN
- 15) CONSULTING ENGINEER'S REVIEW FOR ALL WORK SHOWN

SOBRATO

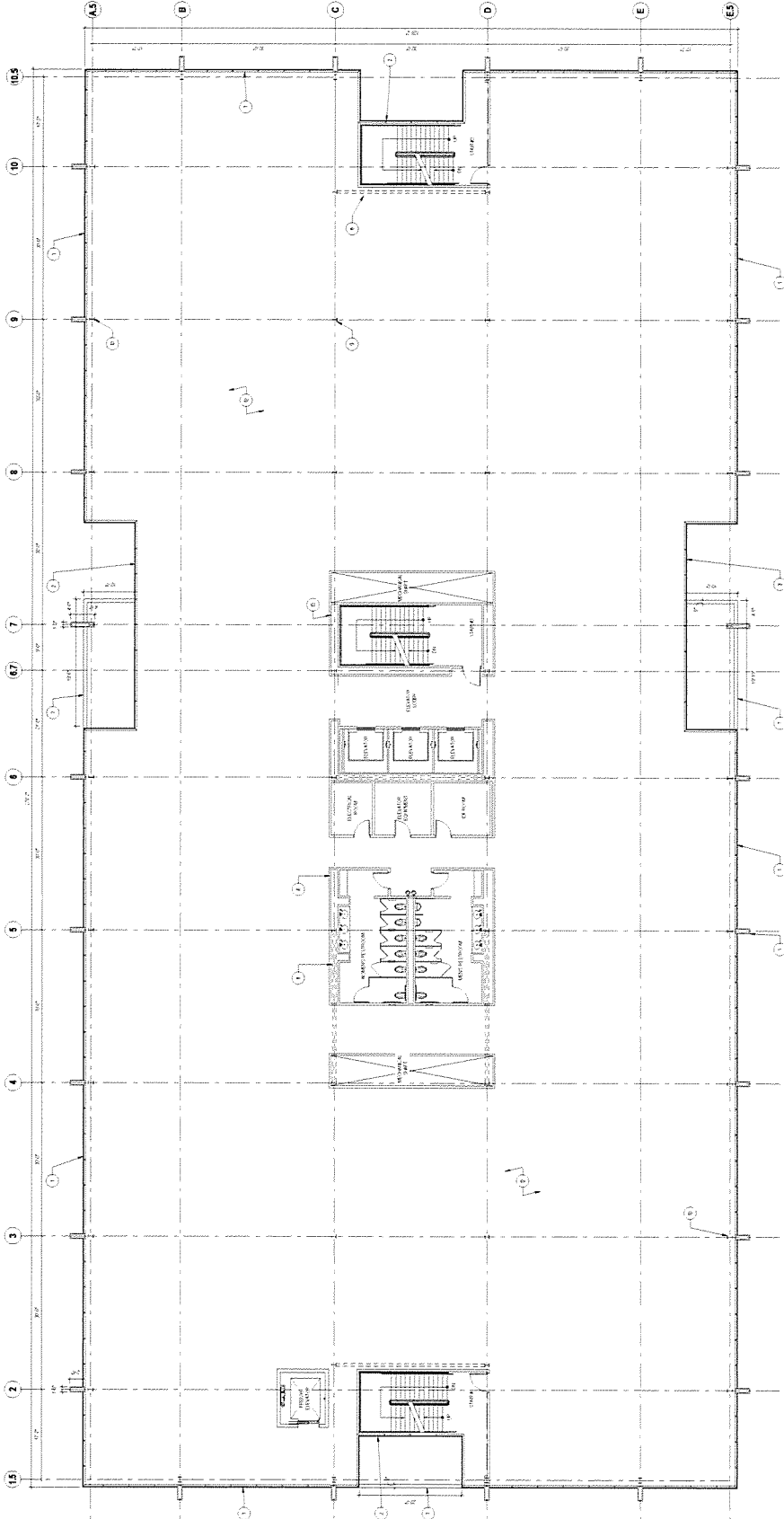
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 02/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 03/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 04/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 05/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 06/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 07/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 08/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 09/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 10/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 11/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW
 12/10/2014 REVISIONS FOR PLANNING DEPARTMENT REVIEW



OFFICE ADDRESS:
 10000 WILSHIRE BLVD, SUITE 200
 BEVERLY HILLS, CA 90210
A2.11
 PROJECT NO. 11240



A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
151 Commonwealth Drive and 164 Jefferson Drive
Menlo Park, California 94025



1 OFFICE BUILDING - TYPICAL UPPER FLOOR PLAN
SCALE: 1/8" = 1'-0"

KEY NOTES

- 1) FINISHES AND MATERIALS TO BE IDENTIFIED BY TRADE.
- 2) FINISHES TO BE IDENTIFIED BY TRADE.
- 3) FINISHES TO BE IDENTIFIED BY TRADE.
- 4) FINISHES TO BE IDENTIFIED BY TRADE.
- 5) FINISHES TO BE IDENTIFIED BY TRADE.
- 6) FINISHES TO BE IDENTIFIED BY TRADE.
- 7) FINISHES TO BE IDENTIFIED BY TRADE.
- 8) FINISHES TO BE IDENTIFIED BY TRADE.
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- 10) FINISHES TO BE IDENTIFIED BY TRADE.
- 11) FINISHES TO BE IDENTIFIED BY TRADE.
- 12) FINISHES TO BE IDENTIFIED BY TRADE.
- 13) FINISHES TO BE IDENTIFIED BY TRADE.
- 14) FINISHES TO BE IDENTIFIED BY TRADE.
- 15) FINISHES TO BE IDENTIFIED BY TRADE.
- 16) FINISHES TO BE IDENTIFIED BY TRADE.
- 17) FINISHES TO BE IDENTIFIED BY TRADE.
- 18) FINISHES TO BE IDENTIFIED BY TRADE.
- 19) FINISHES TO BE IDENTIFIED BY TRADE.
- 20) FINISHES TO BE IDENTIFIED BY TRADE.

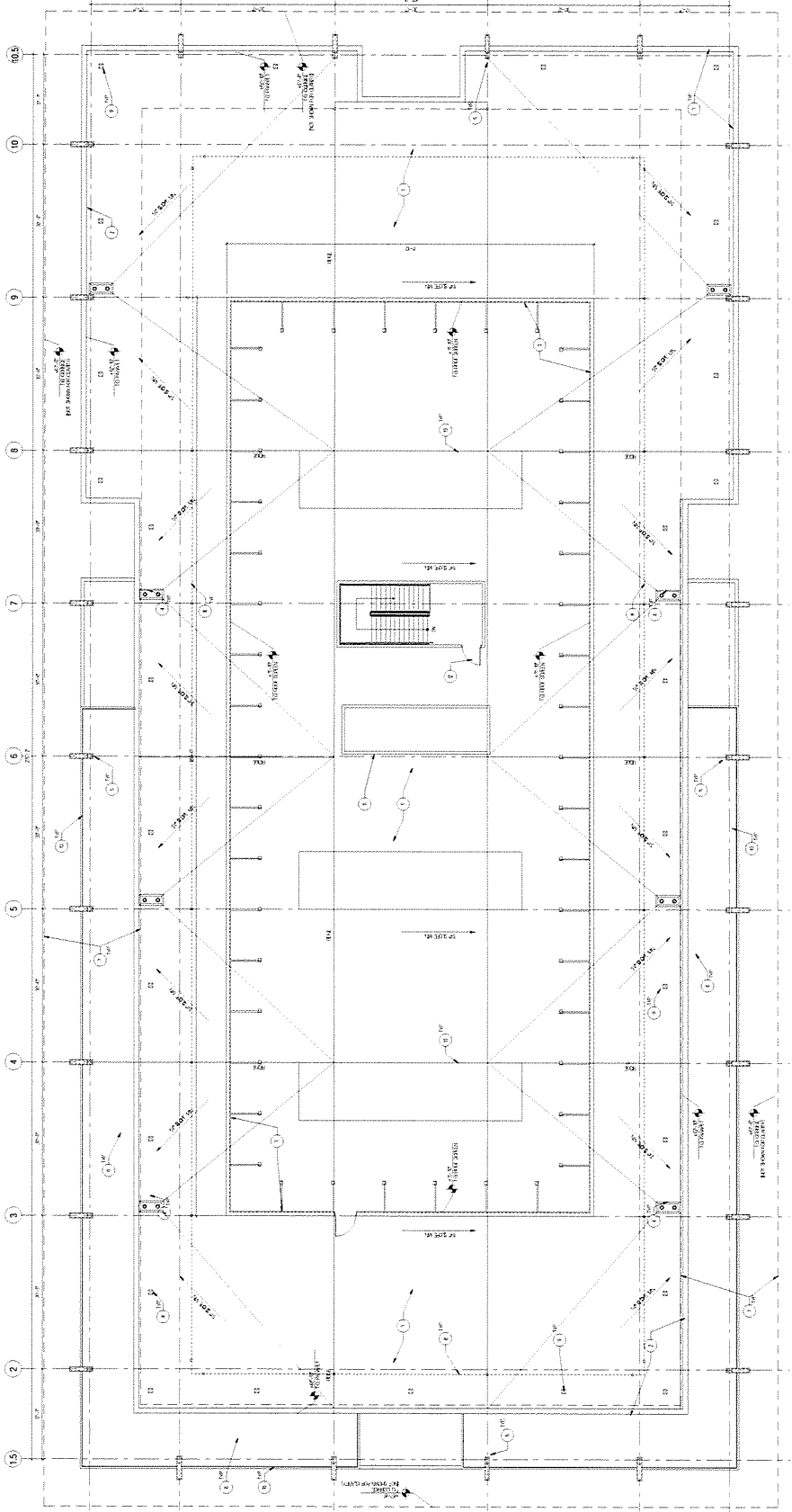
SOBRATO

DATE: 08/14/2013
PROJECT: COMMONWEALTH CORPORATE CENTER
DRAWN BY: J. SOBRATO
CHECKED BY: J. SOBRATO
SCALE: AS SHOWN
PROJECT LOCATION: 151 COMMONWEALTH DRIVE AND 164 JEFFERSON DRIVE, MENLO PARK, CALIFORNIA 94025



OFFICE BUILDING
TYPICAL UPPER FLOOR PLAN
A2.12
PROJECT NO. 11242

- 1. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 101
- 2. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 102
- 3. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 103
- 4. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 104
- 5. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 105
- 6. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 106
- 7. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 107
- 8. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 108
- 9. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 109
- 10. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 110
- 11. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 111
- 12. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 112
- 13. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 113
- 14. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 114
- 15. (SEE PLAN SYMBOL) - INTERIOR FINISH TO BE AS SHOWN ON SHEET 115



1 OFFICE BUILDING ROOF PLAN
 SCALE: 1/8" = 1'-0"



OFFICE BUILDING
 ROOF PLAN
A2.13
 PROJECT NO. 112643

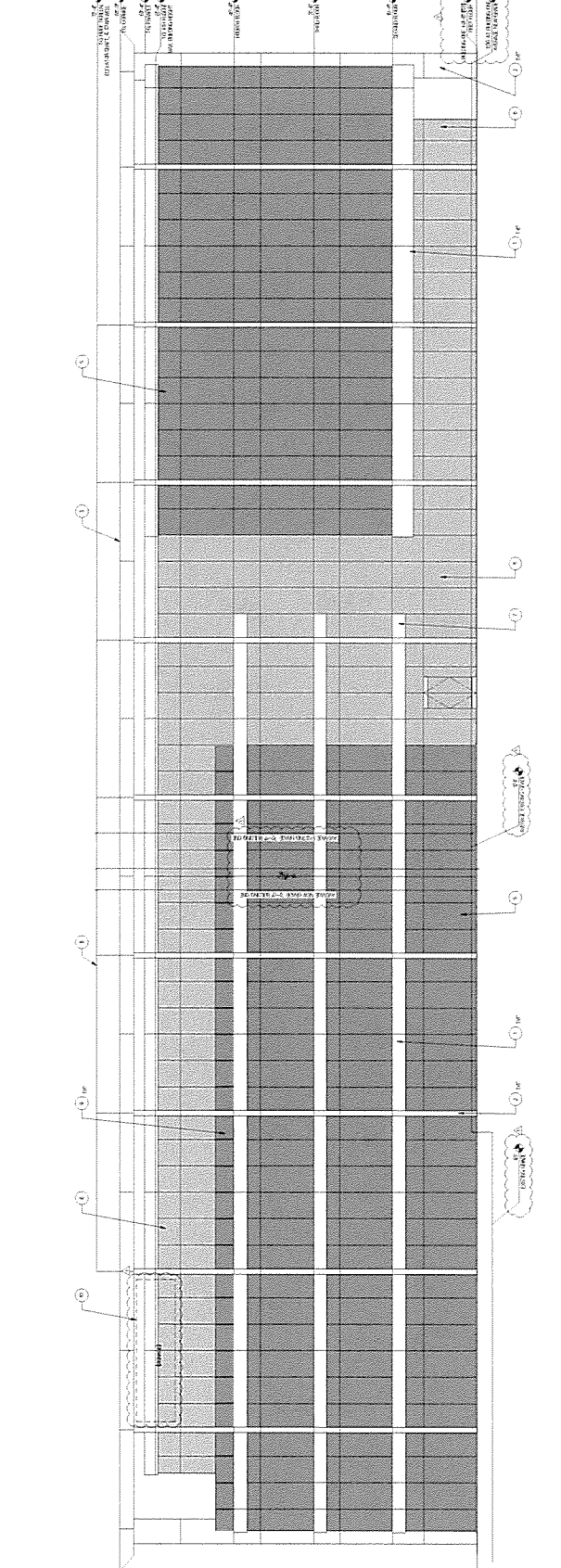
COMMONWEALTH CORPORATE CENTER
 A Planning Department Submittal for
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

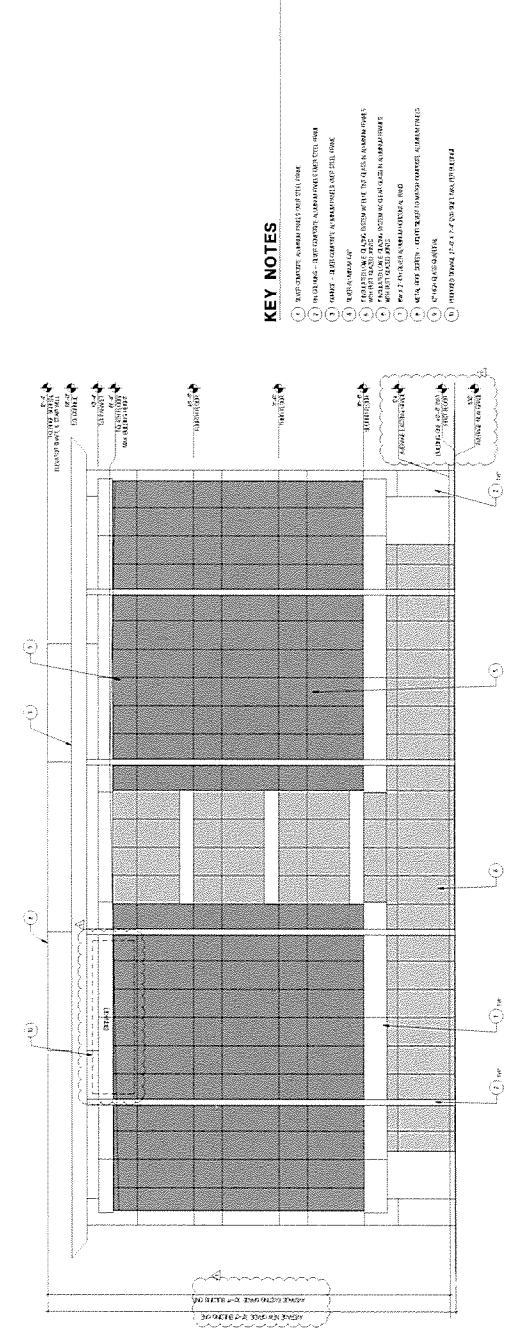
DATE: 11/02/12
DESIGNER: ARCTEC
DRAWN BY: J. GONZALEZ
CHECKED BY: J. GONZALEZ
SCALE: 1/4" = 1'-0"
TITLE: SOBRATO - EAST ELEVATION



A3.01
 OFFICE BUILDING ONE
 EXTERIOR ELEVATIONS
 PROJECT NO.



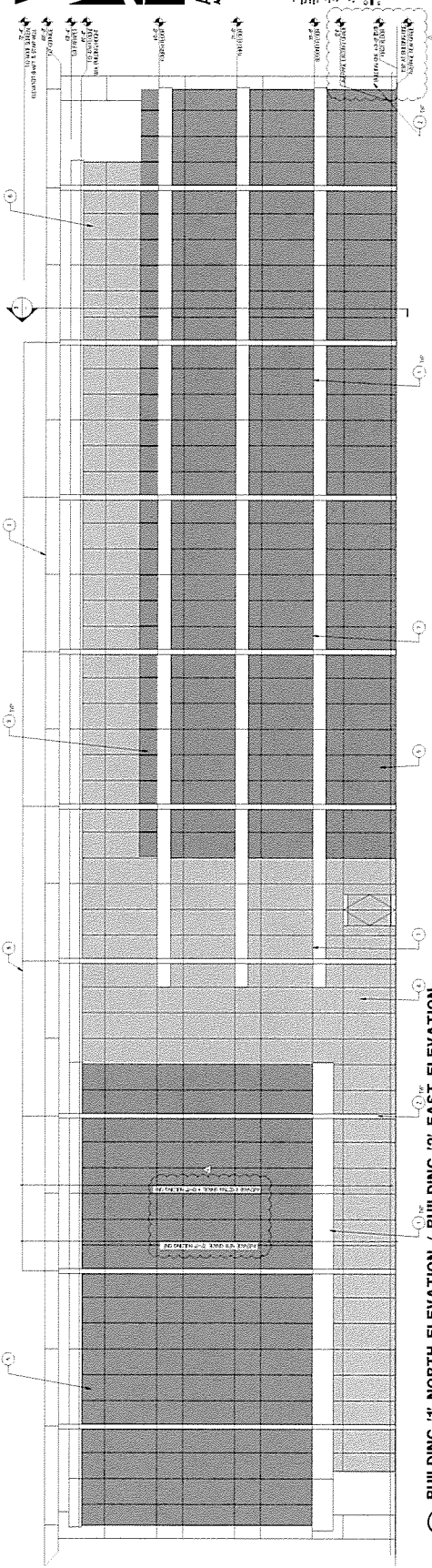
1 **BUILDING '1' SOUTH ELEVATION**
 SCALE: 1/4" = 1'-0"



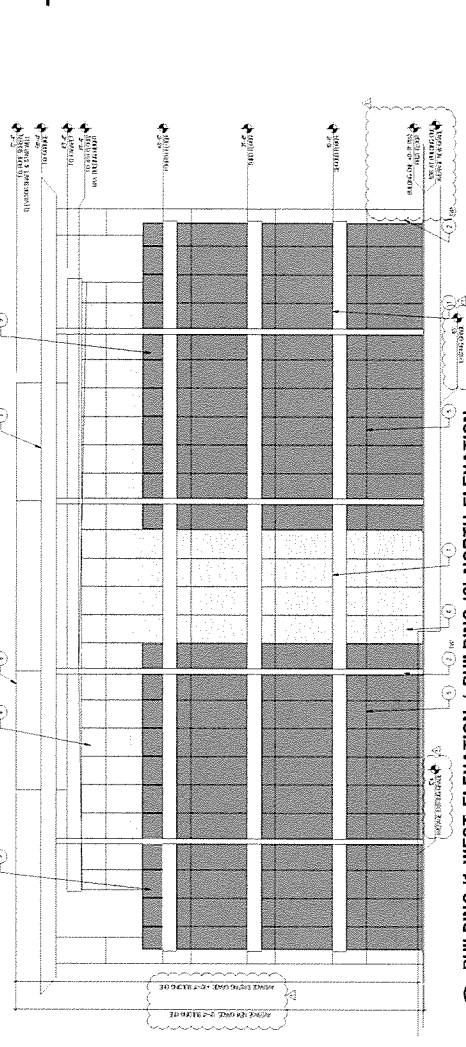
KEY NOTES

- 1. PLY CLADDING - 1/2" PLYWOOD SHEATHING
- 2. BRICKWORK - 8" COMMON BRICK WITH MORTAR
- 3. CONCRETE - 4" THICK CONCRETE SLAB ON GRADE
- 4. STAIRS - 8" THICK CONCRETE WITH WOOD GRATING
- 5. FLOORING - 1" THICK POLISHED CONCRETE
- 6. CEILING - 1/2" GYP SOFFIT WITH 4" X 4" GRID
- 7. WALLS - 8" THICK CONCRETE WITH WOOD GRATING
- 8. ROOFING - 2" THICK POLYURETHANE INSULATION WITH 2" GYP
- 9. WINDOW CASING - 1" THICK ALUMINUM CASING
- 10. WINDOW GLASS - 1/2" TINTED GLASS

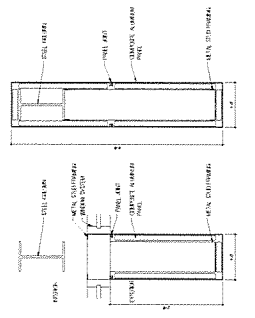
2 **BUILDING '1' EAST ELEVATION**
 SCALE: 1/4" = 1'-0"



1 BUILDING '1' NORTH ELEVATION / BUILDING '2' EAST ELEVATION
SCALE: 1/8" = 1'-0"



2 BUILDING '1' WEST ELEVATION / BUILDING '2' NORTH ELEVATION
SCALE: 1/8" = 1'-0"



4 FIN DETAIL
SCALE: 1/8" = 1'-0"

KEY NOTES

- 1. EXTERIOR FINISH - 1/4\"/>
- 2. INSULATION - 2\"/>
- 3. STRUCTURAL WALL - 16\"/>
- 4. INTERIOR FINISH - 1/2\"/>
- 5. WINDOW FRAME - 1\"/>
- 6. WINDOW GLASS - 1/2\"/>
- 7. WINDOW SILL - 1\"/>
- 8. WINDOW CASING - 1\"/>
- 9. WINDOW STOP - 1\"/>
- 10. WINDOW STOP - 1\"/>
- 11. WINDOW STOP - 1\"/>
- 12. WINDOW STOP - 1\"/>

SOBRATO

DATE: 05/05/2015
DESCRIPTION: COMMONWEALTH CORPORATE CENTER
PROJECT NO: A3.02
DRAWN: [Name]
CHECKED: [Name]
SCALE: 1/8" = 1'-0"

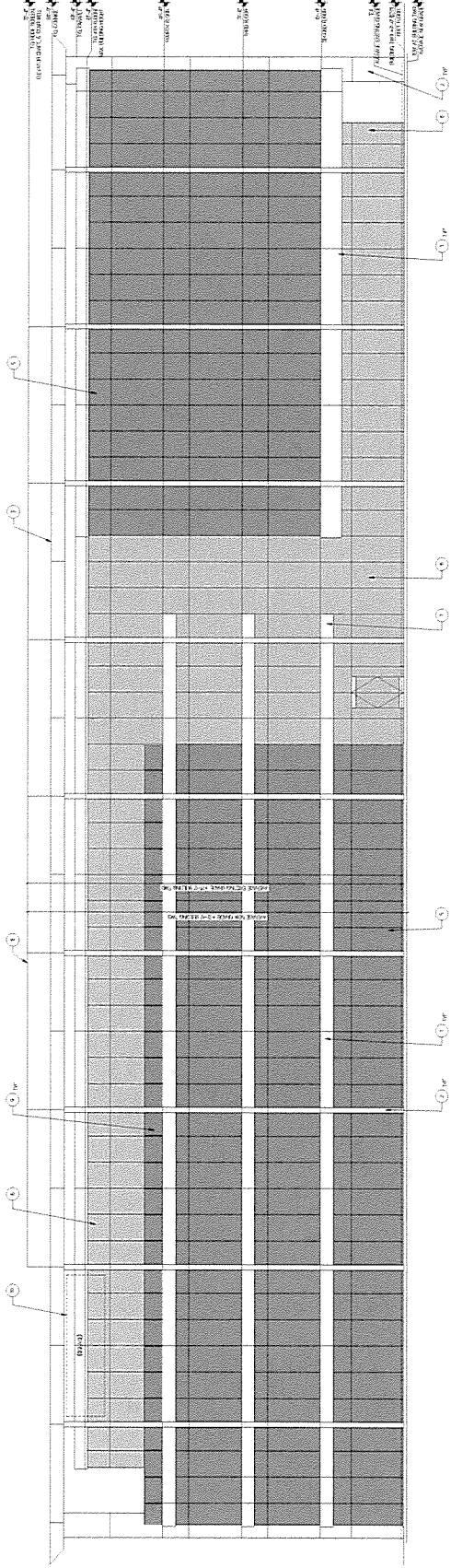


OFFICE ADDRESS: [Address]
PROJECT NO: **A3.02**
PROJECT NO: 11240

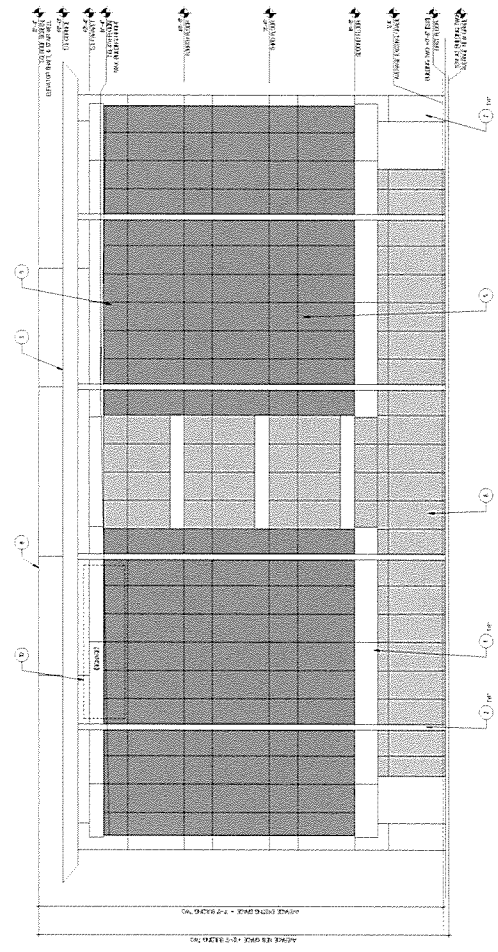
A Planning Department Submission for
COMMONWEALTH CORPORATE CENTER
151 Commonwealth Drive and 164 Jefferson Drive
Menlo Park, California 94025

ARCTEC
ARCHITECTURAL TECHNOLOGIES
ARCHITECTS
151 Commonwealth Drive
Menlo Park, CA 94025
TEL: (650) 321-1234
FAX: (650) 321-5678
WWW.ARCTEC.COM

DATE	DESCRIPTION
01/15/14	ISSUED FOR PERMITTING
02/10/14	ISSUED FOR PERMITTING
03/10/14	ISSUED FOR PERMITTING
04/10/14	ISSUED FOR PERMITTING
05/10/14	ISSUED FOR PERMITTING
06/10/14	ISSUED FOR PERMITTING
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12/10/14	ISSUED FOR PERMITTING



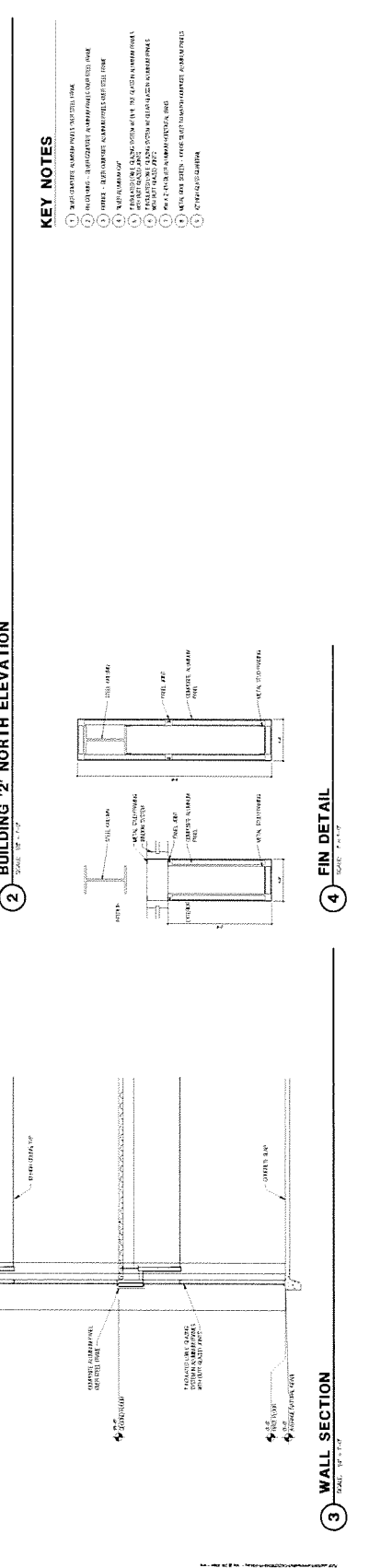
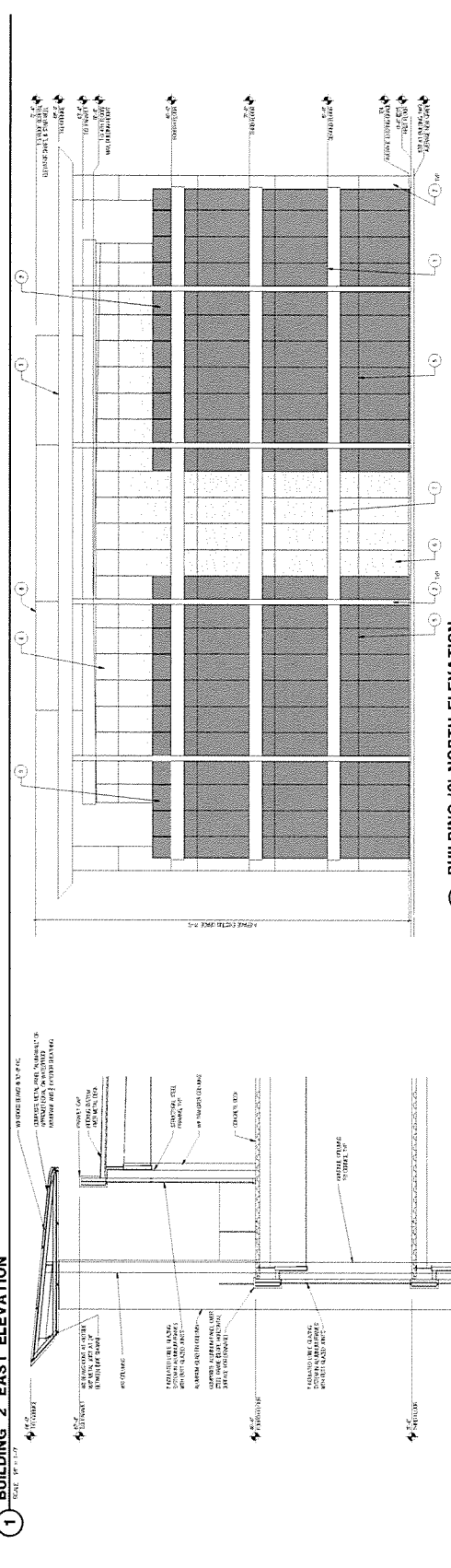
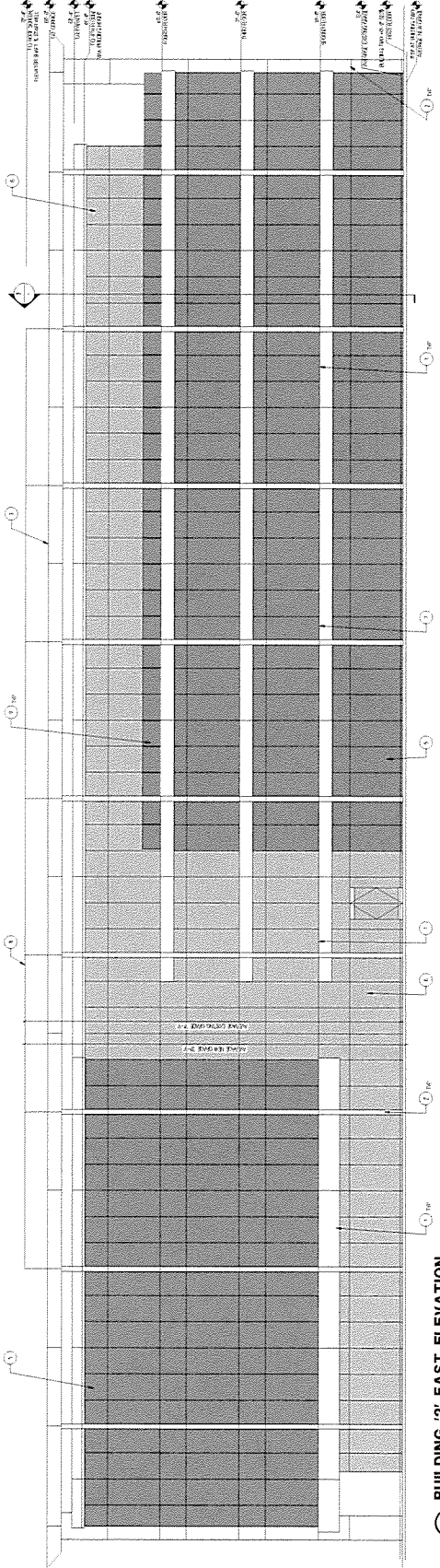
1 BUILDING '2' WEST ELEVATION
 SCALE: 1/8" = 1'-0"



2 BUILDING '2' SOUTH ELEVATION
 SCALE: 1/8" = 1'-0"

KEY NOTES

- 1) 300 CHROME ANODIZED ALUMINUM CURTAIN WALL SYSTEM
- 2) 1/2\"/>



KEY NOTES

1. FINISHES SHOWN UNLESS OTHERWISE NOTED.
2. ALL FINISHES TO BE MATCHED TO EXISTING UNLESS OTHERWISE NOTED.
3. FINISHES TO BE MATCHED TO EXISTING UNLESS OTHERWISE NOTED.
4. FINISHES TO BE MATCHED TO EXISTING UNLESS OTHERWISE NOTED.
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10. FINISHES TO BE MATCHED TO EXISTING UNLESS OTHERWISE NOTED.
11. FINISHES TO BE MATCHED TO EXISTING UNLESS OTHERWISE NOTED.

SOBRATO

DATE: 01/15/2024
 DESCRIPTION: COMMONWEALTH CORPORATE CENTER
 PROJECT NO: A3.04

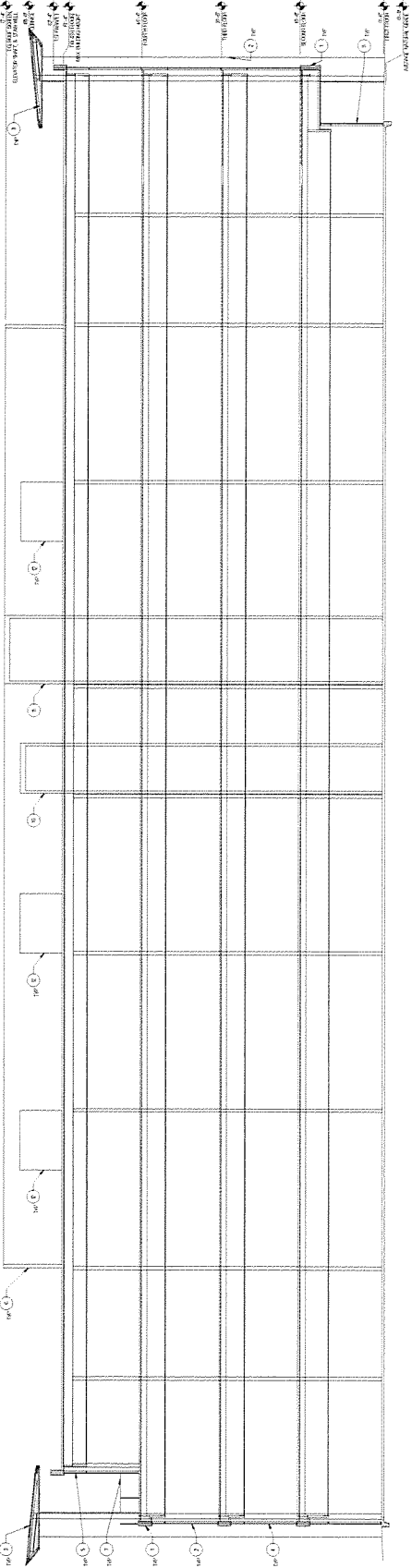


A3.04

PROJECT NO

A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025





1 BUILDING SECTION
SCALE: 1/8" = 1'-0"

KEY NOTES

- 1. STRUCTURE & MATERIALS PER IBC
- 2. FINISHES - SEE GENERAL NOTES AND SPECIFICATIONS
- 3. OTHER - SEE GENERAL NOTES AND SPECIFICATIONS
- 4. REFER TO ARCHITECT'S RECORD DRAWINGS FOR ALL INFORMATION
- 5. REFER TO ARCHITECT'S RECORD DRAWINGS FOR ALL INFORMATION
- 6. REFER TO ARCHITECT'S RECORD DRAWINGS FOR ALL INFORMATION
- 7. REFER TO ARCHITECT'S RECORD DRAWINGS FOR ALL INFORMATION
- 8. REFER TO ARCHITECT'S RECORD DRAWINGS FOR ALL INFORMATION
- 9. REFER TO ARCHITECT'S RECORD DRAWINGS FOR ALL INFORMATION
- 10. REFER TO ARCHITECT'S RECORD DRAWINGS FOR ALL INFORMATION

A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

SOBRATO
 ARCHITECTS
 1000 BAY STREET
 SUITE 100
 MENLO PARK, CALIFORNIA 94025
 TEL: 650.321.1000
 FAX: 650.321.1001
 WWW.SOBRATOARCHITECTS.COM



BUILDING SECTION

A4.01

PROJECT NO. 11240



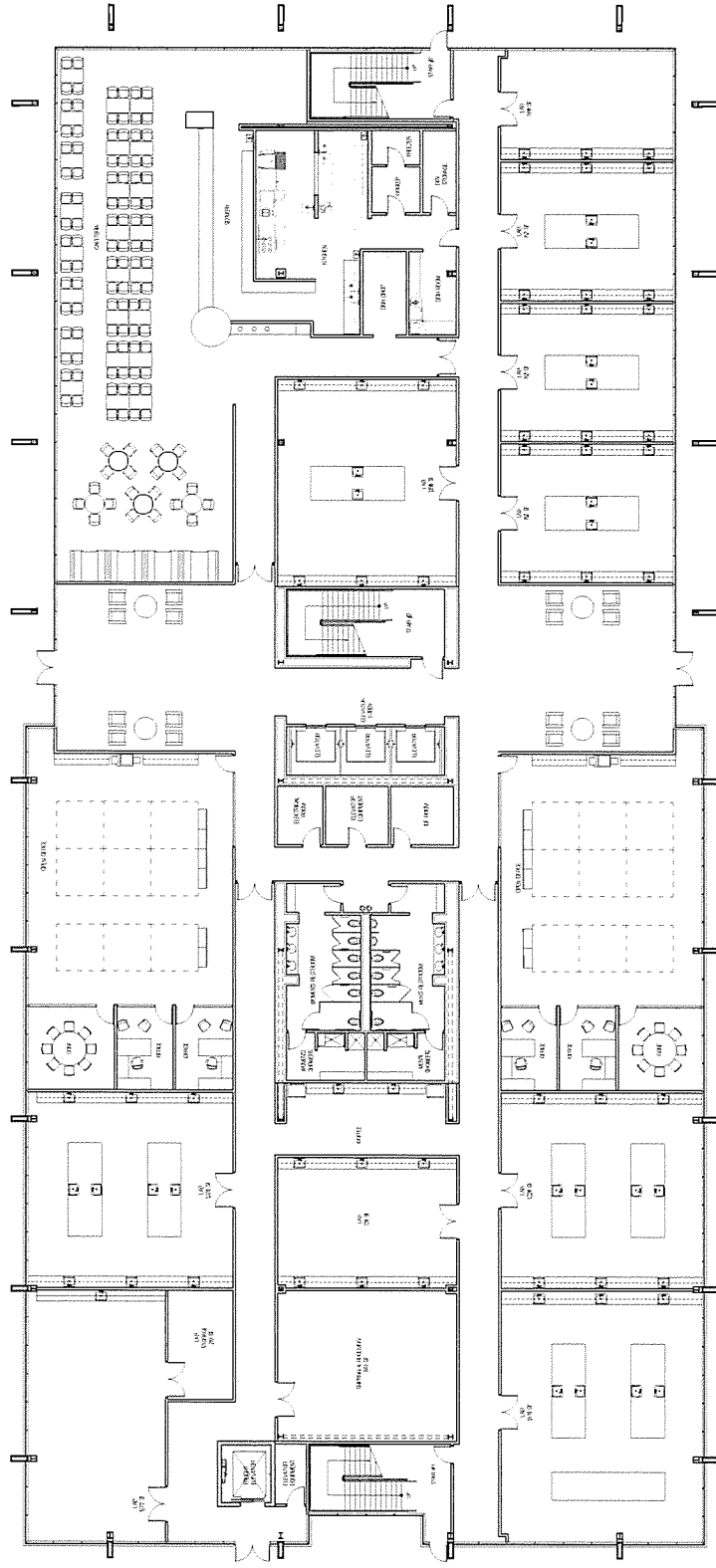
A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

DATE: 05/20/11
DESCRIPTION: CONCEPTUAL FIRST FLOOR SPACE PLAN
PROJECT: COMMONWEALTH CORPORATE CENTER
CLIENT: COMMONWEALTH CORPORATE CENTER
ARCHITECT: SOBRATO ARCHITECTS, INC.
SCALE: AS SHOWN



CONCEPTUAL FIRST FLOOR
 SPACE PLAN
AT12.11
 PROJECT NO. 11040



1 CONCEPTUAL FIRST FLOOR SPACE PLAN
 SCALE: 1/8" = 1'-0"



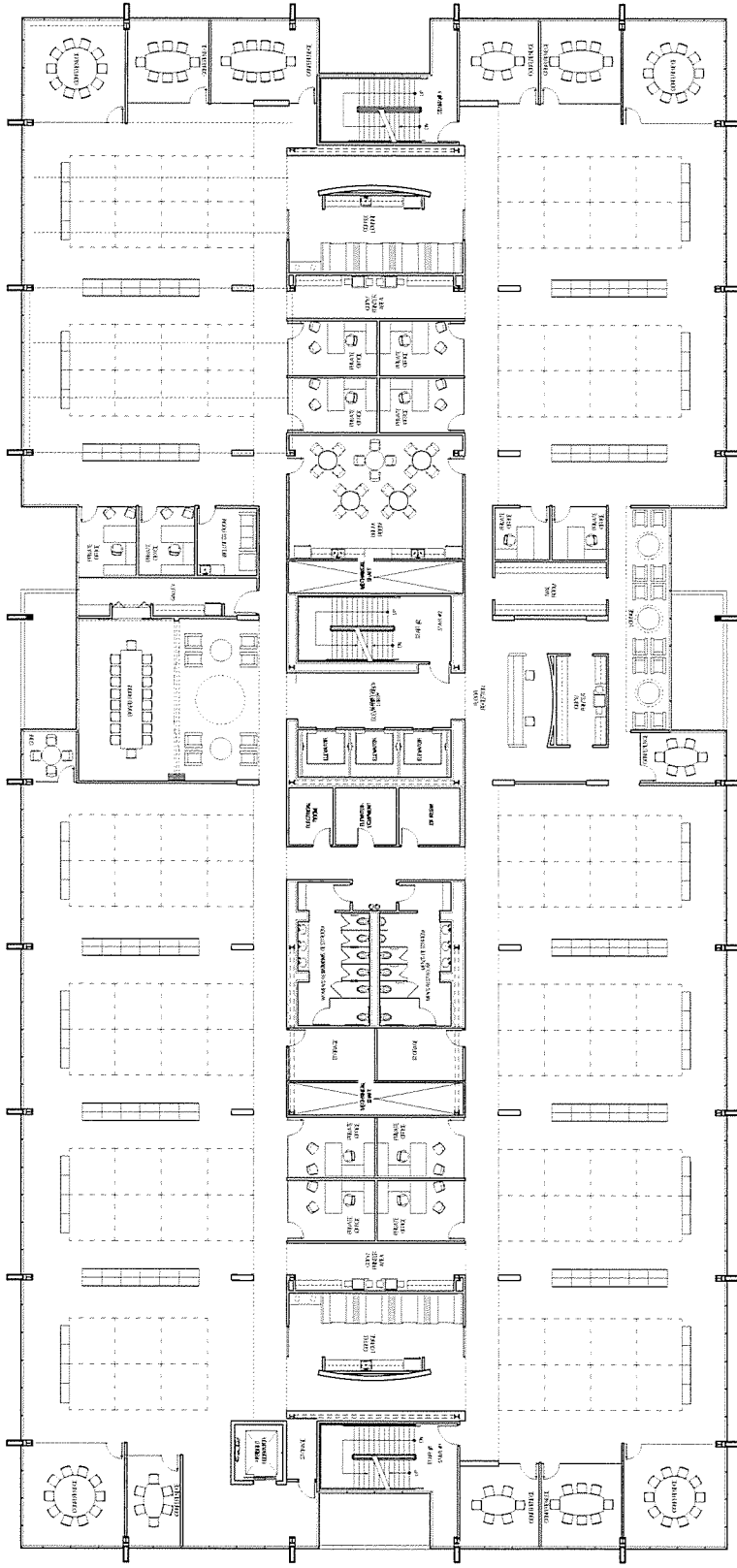
A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
151 Commonwealth Drive and 164 Jefferson Drive
Menlo Park, California 94025

SOBRATO

DATE	DESCRIPTION
08/11/10	PRELIMINARY SUBMITTAL
09/01/10	REVISIONS
09/15/10	FINAL SUBMITTAL
10/01/10	CONCEPTUAL DESIGN
10/15/10	PRELIMINARY SUBMITTAL
11/01/10	FINAL SUBMITTAL

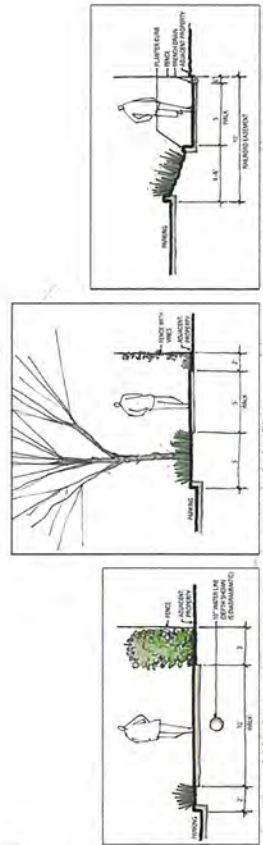


CONCEPTUAL UPPER LEVEL
SHEET 101
AT12.12
PROJECT NO. 11294



1 CONCEPTUAL UPPER LEVEL SPACE PLAN

Item Description	Quantity	Notes
Planting		
Planting Trees	27	
Planting Shrubs	18	
Planting Perennials	1	
Planting Mulch	9	
Planting Grass	21	
Planting Soil	21	
Planting Fertilizer	46	
Planting Water	464	
Planting Labor	465	



LANDSCAPE FURNITURE SCHEDULE

RECYCLE RECEPTACLES: Contractor to select materials, surface mount, clear aluminum. Contractor to submit samples to Landscape Architect for approval prior to fabrication. Contractor to provide unit price. Quantity: 6.

ASH URN: Contractor to select materials, surface mount, clear aluminum. Contractor to submit samples to Landscape Architect for approval prior to fabrication. Contractor to provide unit price. Quantity: 6.

GRATE AND TREE GUARD: Tree Grate Type 1: 6033 Concrete, Natural, 51" x 51" by Invench. Tree Grate Type 2: 6033 Concrete, Natural, 60" x 60" by Invench. Quantity: 5.

PLANT LOGS: 2" x 4" x 6" untreated pine front door, pad lock system and locker number. Color: 2, 3" x 4" x 6" 7/8" surface mount, by Pure Blue Locker: 816.488.7026. Quantity: 10.

SEAT BENCH: other seater seat, surface mount, by Maple 5th Furniture. Quantity: 1.

ARTIST CANTILEVER: Black and Arnes, Black Walnut and other, 103" x 58", by Landscape Systems, 800.531.2348. Quantity: 8.

CUTE TABLE AND CHAIR: 30" x 30" Color to be Determined by Landscape Forms. Color: 800.531.2348. Quantity: 6. Color to be Determined by Landscape Forms. Color: 800.531.2348. Quantity: 24.

LENGE CHAIR: Color to be Determined by Landscape Forms. Color: 800.531.2348. Quantity: 10.

LENGE CHAIR: Color to be Determined by Landscape Forms. Color: 800.531.2348. Quantity: 10.

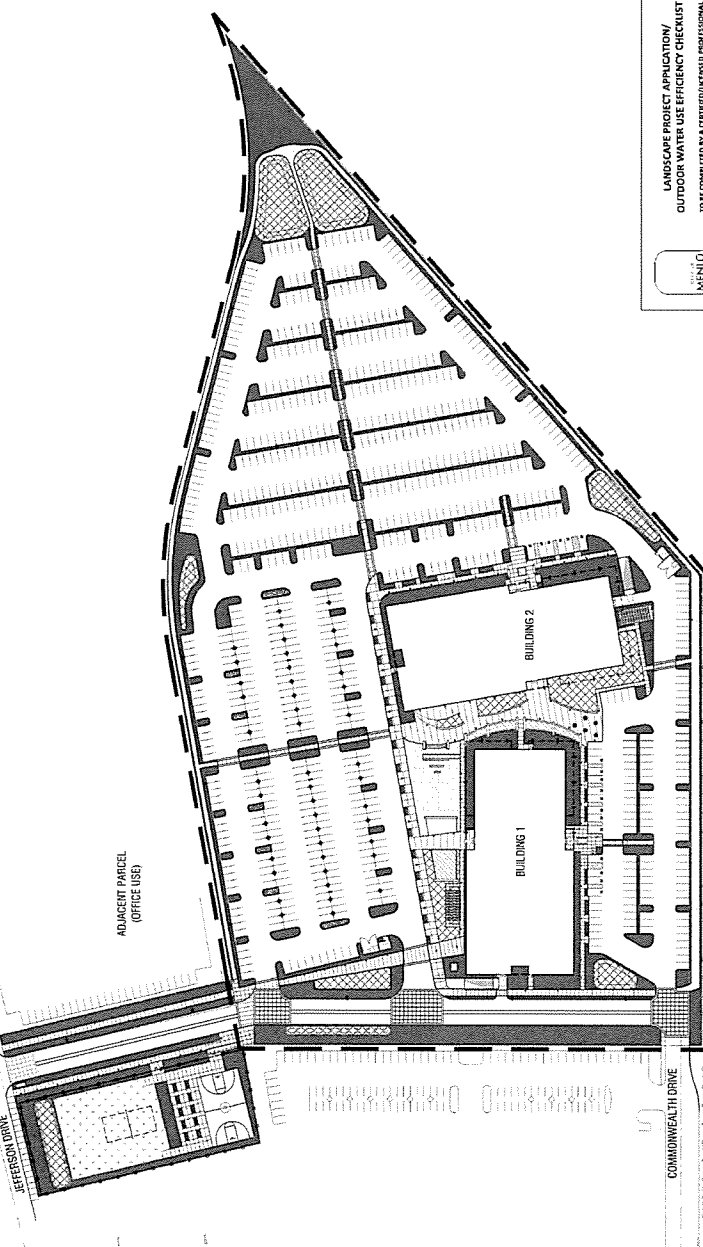
FRONT TABLE: Multipurpose, Table and Benches Bench, Surface Mount, Black Top and Metal Base, by Landscape Systems, 800.531.2348. Quantity: 4.

FRONT TABLE: Multipurpose, Table and Benches Bench, Surface Mount, Black Top and Metal Base, by Landscape Systems, 800.531.2348. Quantity: 4.

WATER BUDGET CALCULATION FORM

Property Address: 151 Commonwealth Drive
Architect/Professional Name: ARC TEC

Item	Description	Area (sq ft)	Water Use (gallons/day)	Notes
1	Office	102,243	8,179	Office
2	Restroom	1,000	100	Restroom
3	Other	1,000	100	Other
4	Other	1,000	100	Other
5	Other	1,000	100	Other
6	Other	1,000	100	Other
7	Other	1,000	100	Other
8	Other	1,000	100	Other
9	Other	1,000	100	Other
10	Other	1,000	100	Other
11	Other	1,000	100	Other
12	Other	1,000	100	Other
13	Other	1,000	100	Other
14	Other	1,000	100	Other
15	Other	1,000	100	Other
16	Other	1,000	100	Other
17	Other	1,000	100	Other
18	Other	1,000	100	Other
19	Other	1,000	100	Other
20	Other	1,000	100	Other
21	Other	1,000	100	Other
22	Other	1,000	100	Other
23	Other	1,000	100	Other
24	Other	1,000	100	Other
25	Other	1,000	100	Other
26	Other	1,000	100	Other
27	Other	1,000	100	Other
28	Other	1,000	100	Other
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36	Other	1,000	100	Other
37	Other	1,000	100	Other
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92	Other	1,000	100	Other
93	Other	1,000	100	Other
94	Other	1,000	100	Other
95	Other	1,000	100	Other
96	Other	1,000	100	Other
97	Other	1,000	100	Other
98	Other	1,000	100	Other
99	Other	1,000	100	Other
100	Other	1,000	100	Other



LANDSCAPE PROJECT APPLICATION/ OUTDOOR WATER USE EFFICIENCY CHECKLIST

TO BE COMPLETED BY A CERTIFIED/ENGINEERED PROFESSIONAL

CERTIFIED/ENGINEERED PROFESSIONAL INFORMATION

Name: [Blank] License No.: [Blank] State: [Blank]

PROJECT INFORMATION

Project Name: 151 Commonwealth Drive
Address: 151 Commonwealth Drive, Menlo Park, CA 94025
City: Menlo Park, State: CA, Zip: 94025

COMPLIANCE CHECKLIST

Requirement	Compliance	Notes
Water Efficiency	<input type="checkbox"/>	
Plant Material	<input type="checkbox"/>	
Turf	<input type="checkbox"/>	

STATEMENT OF AUTHORITY

I, the undersigned, being a duly licensed and registered professional, do hereby certify that the information furnished on this form is true and correct to the best of my knowledge and belief, and that I am a duly licensed and registered professional in the State of California.

Signature: [Blank] Date: 05/26/14

COMPLIANCE CHECKLIST (continued)

REQUIREMENT

Water Efficiency: Yes No

Plant Material: Yes No

Turf: Yes No

FACTORY COMPLIANCE

Water Efficiency: Yes No

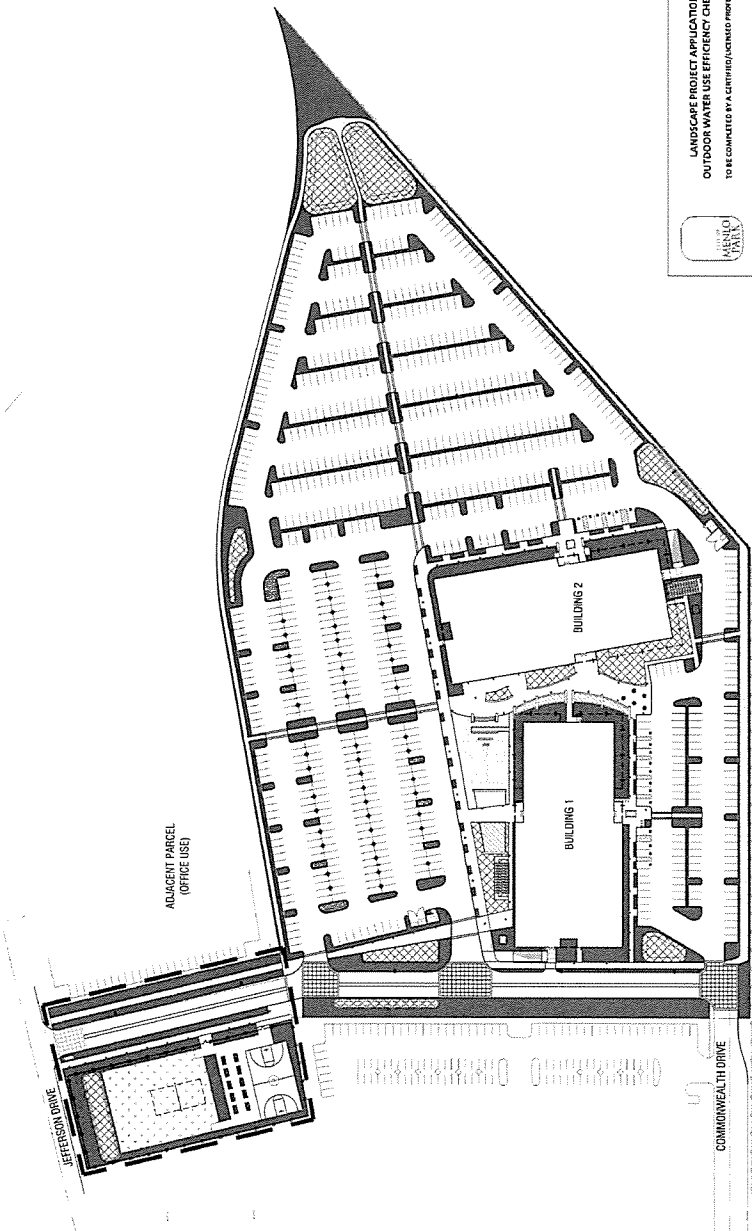
Plant Material: Yes No

Turf: Yes No

STATEMENT OF AUTHORITY

I, the undersigned, being a duly licensed and registered professional, do hereby certify that the information furnished on this form is true and correct to the best of my knowledge and belief, and that I am a duly licensed and registered professional in the State of California.

Signature: [Blank] Date: 05/26/14



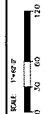
WATER USE LEGEND

- Wicoids Low: 17,825 sf
- Wicoids Moderate: 2,387 sf
- Wicoids High: N/A
- Water Features: N/A
- Special Landscape Area: 11,745 sf

* Based upon total landscape area of 31,756 sf

5/29/2014

CONCEPTUAL HYDROZONE PLAN - 164 JEFFERSON DRIVE



WATER BUDGET CALCULATION FORM

Property Address: 164 Jefferson Drive
 Submittal/Project Name: U.S. Courts, Inc.
 Authorized Professional/Company Name: ARCTEC

Hydrozone	Area (sq ft)	Planting Rate	Planting Density	Planting Area (sq ft)	Planting Cost (\$/sq ft)	Total Planting Cost (\$)
1	17,825	0.15	8.9	1,585	10.00	15,850
2	2,387	0.20	4.8	115	10.00	1,150
3	11,745	0.10	1,175	11,745	10.00	117,450
4						
5						
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10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
TOTAL						145,050

COMPLIANCE CHECKLIST (continued)

Requirements:

- 1. All plants shall be native to the region or drought-tolerant.
- 2. All plants shall be installed in accordance with the approved landscape plan.
- 3. All plants shall be installed in accordance with the approved irrigation plan.
- 4. All plants shall be installed in accordance with the approved water budget.
- 5. All plants shall be installed in accordance with the approved maintenance plan.
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Water Features:

- 1. All water features shall be installed in accordance with the approved landscape plan.
- 2. All water features shall be installed in accordance with the approved irrigation plan.
- 3. All water features shall be installed in accordance with the approved water budget.
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Statement of Authority:

I, the undersigned, being a duly licensed Professional Engineer in the State of California, do hereby certify that the above information is true and correct to the best of my knowledge and belief.

Signature: [Signature]
 Title: [Title]
 Date: 5/13/14

LANDSCAPE PROJECT APPLICATION/ OUTDOOR WATER USE EFFICIENCY CHECKLIST

TO BE COMPLETED BY A LICENSED/REGISTERED PROFESSIONAL

CERTIFIED LICENSED PROFESSIONAL INFORMATION:

Professional Name: [Name]
 License Number: [Number]
 State: [State]

PROJECT INFORMATION:

Project Name: [Name]
 Project Address: [Address]
 Project City: [City]
 Project State: [State]

COMPLIANCE CHECKLIST:

Requirements:

- 1. All plants shall be native to the region or drought-tolerant.
- 2. All plants shall be installed in accordance with the approved landscape plan.
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- 23. All water features shall be installed in accordance with the approved site plan.

Statement of Authority:

I, the undersigned, being a duly licensed Professional Engineer in the State of California, do hereby certify that the above information is true and correct to the best of my knowledge and belief.

Signature: [Signature]
 Title: [Title]
 Date: [Date]



ARCTEC
 ARCHITECTURAL TECHNOLOGIES
 164 JEFFERSON DRIVE
 MENLO PARK, CALIFORNIA 94025
 TEL: 650.321.1234
 FAX: 650.321.1234
 WWW.ARCTEC.COM

THE GUSTARDO PARTNERSHIP, INC.
 164 JEFFERSON DRIVE
 MENLO PARK, CALIFORNIA 94025
 TEL: 650.321.1234
 FAX: 650.321.1234
 WWW.GUSTARDO.COM

COMMONWEALTH CORPORATE CENTER
 A Planning Department Submittal for
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

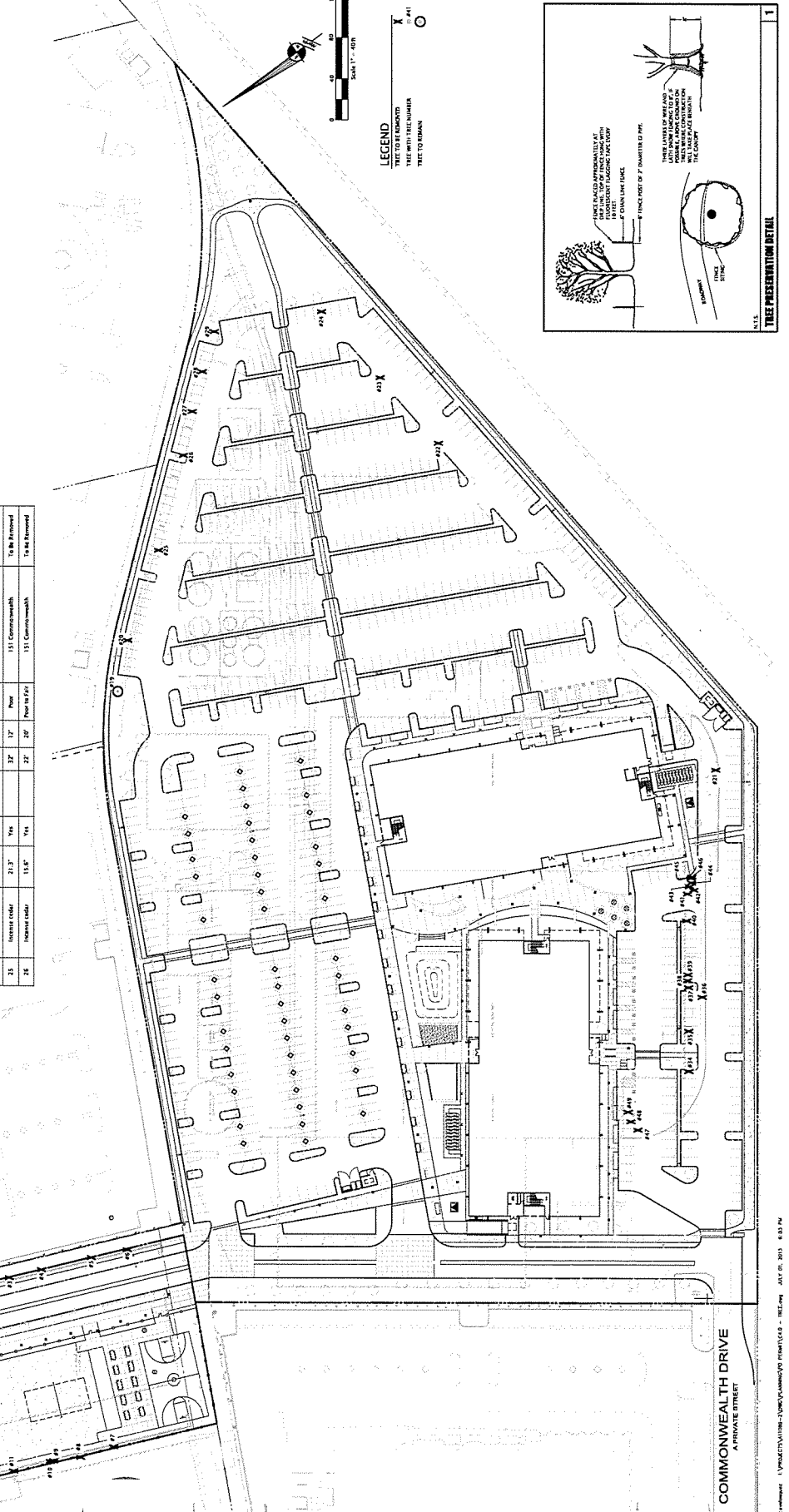
SOBRATO

DATE: 5/13/14
DESIGNED BY: [Name]
CHECKED BY: [Name]
DATE: 5/13/14

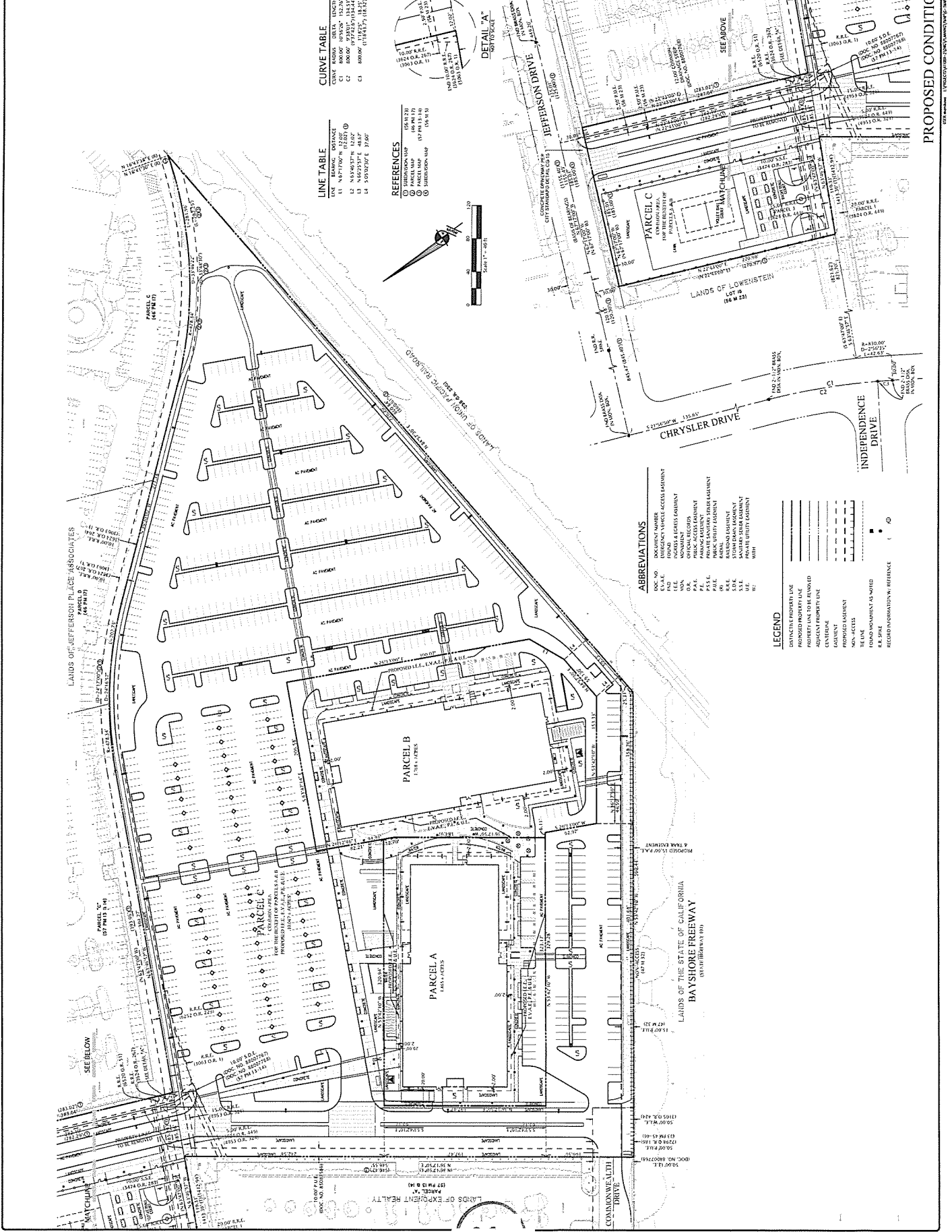
CONCEPTUAL HYDROZONE PLAN
164 JEFFERSON DRIVE
PROJECT NO. 11577

Number	Name	DBH	Height	Trunk Type	Condition	Location	Disposition
1	Blackwood alata	13.2"	11'	No	Poor to Fair	151 Commonwealth	To Be Removed
2	American sweet gum	6.2"	No	No	Fair	151 Commonwealth	To Be Removed
3	Red treehuck	15.7"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
4	Red treehuck	19.1"	Yes	Yes	Poor	151 Commonwealth	To Be Removed
5	Red treehuck	18.1"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
6	Blackwood alata	3.3"	Yes	Yes	Poor	151 Commonwealth	To Be Removed
7	Blackwood alata	15.3"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
8	Blackwood alata	12.2"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
9	Blackwood alata	9.2"	No	No	Fair	151 Commonwealth	To Be Removed
10	Blackwood alata	8.2, 7.2"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
11	Blackwood alata	20.1"	Yes	Yes	Poor	151 Commonwealth	To Be Removed
12	Blackwood alata	15.2"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
13	American sweet gum	8.2"	No	No	Fair	151 Commonwealth	To Be Removed
14	American sweet gum	11.8"	No	No	Fair	151 Commonwealth	To Be Removed
15	American sweet gum	12.8"	No	No	Fair	151 Commonwealth	To Be Removed
16	American sweet gum	15.3"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
17	American sweet gum	15.3"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
18	American sweet gum	17.6, 13.9"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
19	Court tree oak	11.9"	No	No	Fair	151 Commonwealth	To Be Removed
20	Increase cedar	25.0"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
21	Arundo	25.0"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
22	Shaw dollar gum	25.9"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
23	Shaw dollar gum	29.2"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
24	Shaw dollar gum	24.3"	Yes	Yes	Poor	151 Commonwealth	To Be Removed
25	Increase cedar	21.3"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed
26	Increase cedar	15.8"	Yes	Yes	Poor to Fair	151 Commonwealth	To Be Removed

Number	Name	DBH	Height	Trunk Type	Condition	Location	Disposition
27	Court redwood	2.7"	No	No	Fair to Good	151 Commonwealth	To Be Removed
28	Court redwood	5.9"	No	No	Good	151 Commonwealth	To Be Removed
29	Court redwood	7"	No	No	Good	151 Commonwealth	To Be Removed
30	Not Used						
31	Not Used						
32	Not Used						
33	Not Used						
34	Increase cedar	22.8"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
35	Increase cedar	23.4"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
36	Increase cedar	18.8"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
37	Increase cedar	23.8"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
38	Increase cedar	6.3, 5.8"	No	No	Poor to Fair	151 Commonwealth	To Be Removed
39	Prickly pear cactus	10.8"	No	No	Fair	151 Commonwealth	To Be Removed
40	Prickly pear cactus	16.5, 8.7, 8.6"	No	No	Fair	151 Commonwealth	To Be Removed
41	Prickly pear cactus	14.4"	No	No	Fair	151 Commonwealth	To Be Removed
42	Prickly pear cactus	6.3, 7.1"	No	No	Fair	151 Commonwealth	To Be Removed
43	Highland juniper	8.7"	No	No	Fair	151 Commonwealth	To Be Removed
44	Highland juniper	7.8"	No	No	Fair	151 Commonwealth	To Be Removed
45	Highland juniper	8.9"	No	No	Fair	151 Commonwealth	To Be Removed
46	Highland juniper	9.9"	No	No	Fair	151 Commonwealth	To Be Removed
47	Shaw dollar gum	23.9"	Yes	Yes	Fair	151 Commonwealth	To Be Removed
48	Shaw dollar gum	13.2"	No	No	Poor to Fair	151 Commonwealth	To Be Removed
49	Shaw dollar gum	18.8"	Yes	Yes	Fair	151 Commonwealth	To Be Removed



NO.	REVISION	DATE
1	REVISED PER CITY COMMENTS - 7/15/14	7/15/14
2	REVISED PER CITY COMMENTS - 9/24/13	9/24/13
3	REVISED PER CITY COMMENTS - 11/13/13	11/13/13
4	REVISED PER CITY COMMENTS - 4/27/14	4/27/14
5	REVISED PER CITY COMMENTS - 5/15/14	5/15/14



CURVE TABLE

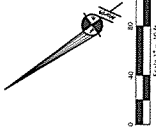
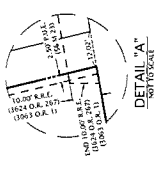
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C2	800.00'	233.21'	132.37'
C3	800.00'	233.21'	132.37'
C4	800.00'	233.21'	132.37'

LINE TABLE

LINE	BEARING	DISTANCE
L1	N 87°10'00" W	12.00' @
L2	N 88°53'37" E	12.00' @
L3	N 88°53'37" E	12.00' @
L4	S 89°26'56" E	12.00' @

REFERENCES

- ① PARCEL MAP (06/41/13)
- ② PARCEL MAP (07/15/14)
- ③ SUBDIVISION MAP (08/15/13)



ABBREVIATIONS

DOC. NO.	DOCUMENT NUMBER
PROJ. NO.	PROJECT NUMBER
PLAT	PLAT
OFFICIAL RECORD	OFFICIAL RECORD
PL. E.	PLANNING LAYOUT
P.L.	PROPOSED LAYOUT
OFF.	OFFICIAL
RECORD	RECORD
ST. E.	STATION ELEVATION
S.E.	SUBDIVISION ELEVATION
S.S.	SECTION ELEVATION
W.T.	WATER TABLE

LEGEND

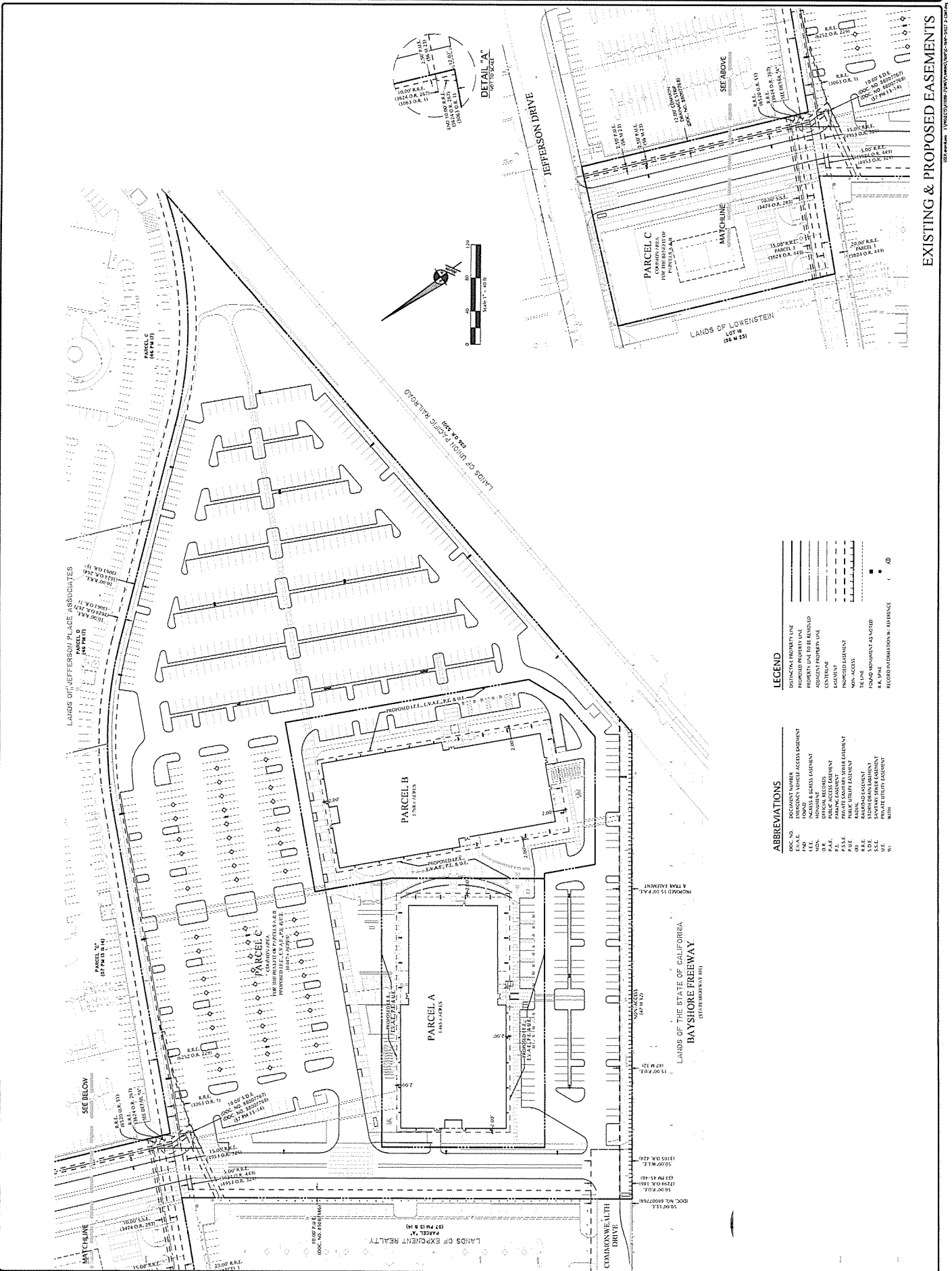
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[Symbol]	PROPOSED PROPERTY LINE TO BE FENCED
[Symbol]	ADJACENT PROPERTY LINE
[Symbol]	EXISTING
[Symbol]	PROPOSED EASEMENT
[Symbol]	NON-ACCESS
[Symbol]	BE LINE
[Symbol]	FOUNDATION, AS NOTED
[Symbol]	R.E. LINE
[Symbol]	ACCOMMODATION, REFERENCE

18	APPROVED BY CITY COMMENTS - 7/15/14	17	APPROVED BY CITY COMMENTS - 7/15/14
19	APPROVED BY CITY COMMENTS - 9/24/13	18	APPROVED BY CITY COMMENTS - 5/15/14
20	APPROVED BY CITY COMMENTS - 10/23/13	19	APPROVED BY CITY COMMENTS - 7/22/14
21	APPROVED BY CITY COMMENTS - 1/13/14	20	APPROVED BY CITY COMMENTS - 7/22/14
22	APPROVED BY CITY COMMENTS - 1/23/13	21	APPROVED BY CITY COMMENTS - 7/22/14
23	APPROVED BY CITY COMMENTS - 9/24/13	22	APPROVED BY CITY COMMENTS - 7/22/14
24	APPROVED BY CITY COMMENTS - 5/15/14	23	APPROVED BY CITY COMMENTS - 7/22/14

REVISED BY CITY COMMENTS - 7/22/14
 1555 SOUTH BAYVIEW BLVD. SUITE 220
 LOS ANGELES, CA 90048
 CIVIL ENGINEERS & SURVEYORS, INC.
 909 272 5443
 1555 SOUTH BAYVIEW BLVD. SUITE 220
 LOS ANGELES, CA 90048
 909 272 5443



CALIFORNIA
 FOR: THE SOBARTO ORGANIZATION
 151 COMMONWEALTH DRIVE & 164 JEFFERSON DRIVE
 MENLO PARK



- #### LEGEND
- | | |
|----------|---------------------------------|
| [Symbol] | INDICATE PROPERTY LINE |
| [Symbol] | PROPOSED PROPERTY LINE |
| [Symbol] | PROPERTY LINE TO BE REMOVED |
| [Symbol] | ADJACENT PROPERTY LINE |
| [Symbol] | CONDUITE |
| [Symbol] | PROPOSED EASEMENT |
| [Symbol] | NEW ACCESS |
| [Symbol] | RELINE |
| [Symbol] | FRONTAL MINIMUM AS NOTED |
| [Symbol] | R.E. LINE |
| [Symbol] | RECORDATION DRAWING - REFERENCE |

- #### ABBREVIATIONS
- | | | |
|----------|----------|------------------------------------|
| [Symbol] | DOC. NO. | REGISTER NUMBER |
| [Symbol] | E.V.A.E. | EMERGENCY VEHICLE ACCESS AGREEMENT |
| [Symbol] | U.L. | UTILITIES |
| [Symbol] | U.S. | UTILITY AND SERVICE AGREEMENT |
| [Symbol] | MIN. | MINIMUM |
| [Symbol] | P.A.E. | PUBLIC ACCESS EASEMENT |
| [Symbol] | P.L.S.E. | PUBLIC LAND SERVICE EASEMENT |
| [Symbol] | P.F.E. | PUBLIC FUTURE EASEMENT |
| [Symbol] | R.E.F.E. | RECORDATION EASEMENT |
| [Symbol] | S.E.E. | SEWER EASEMENT |
| [Symbol] | U.E. | UTILITY EASEMENT |
| [Symbol] | U.F. | UTILITY |

EXISTING & PROPOSED EASEMENTS

SECTIONS

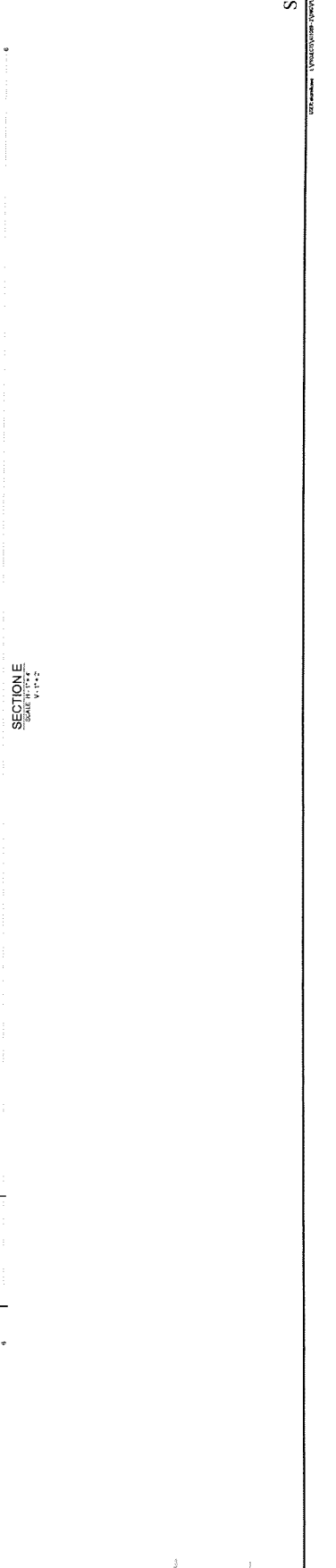
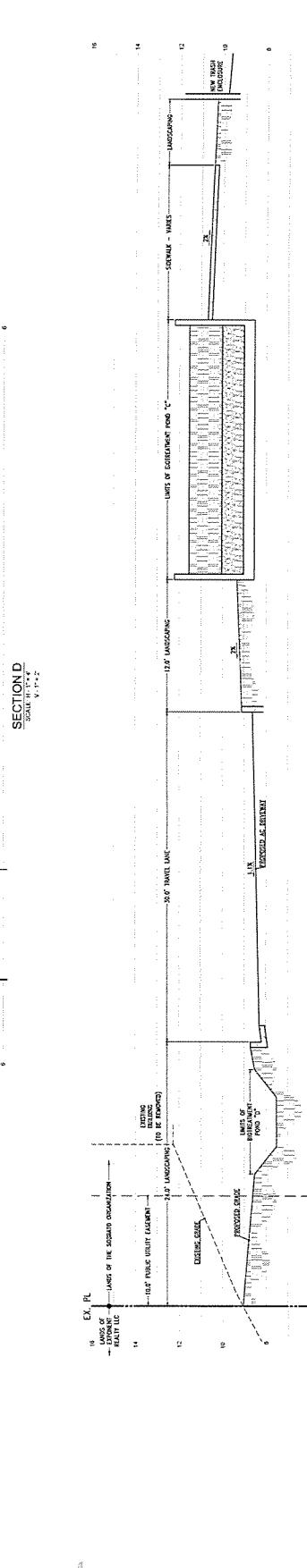
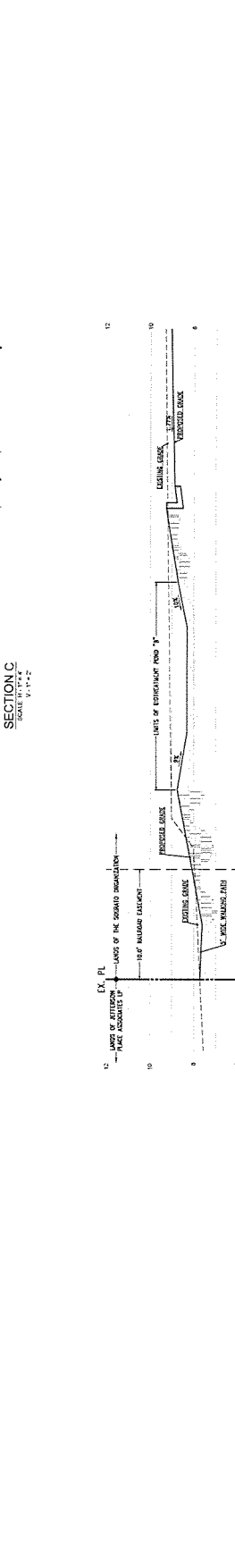
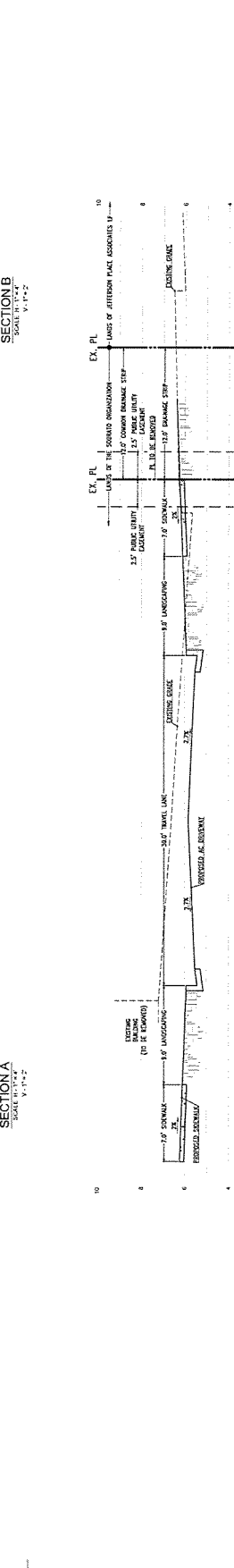
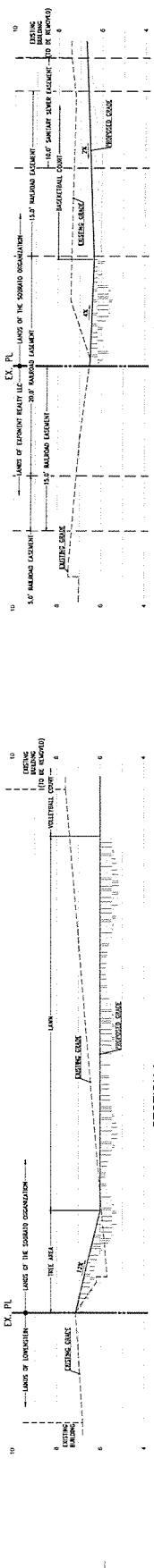
DATE	5
BY	5
CHECKED	
DESIGNED	
DRAWN	
SCALE	
PROJECT	

TENTATIVE PARCEL MAP
FOR THE SORBARO ORGANIZATION
151 COMMONWEALTH DRIVE & 164 JEFFERSON DRIVE

MENLO PARK

CALIFORNIA
CIVIL ENGINEERS & SURVEYORS, INC.
1515 SAN CARLOS BLVD. #222
SAN CARLOS, CALIFORNIA 95061
(408) 272-6455
(408) 272-1543

REVISION	NO.	DATE	DESCRIPTION
1	1	11/15/14	REVISED PER COMMENTS - 2/15/14
2	2	11/15/14	REVISED PER COMMENTS - 10/21/13
3	3	11/15/14	REVISED PER COMMENTS - 11/11/13
4	4	11/15/14	REVISED PER COMMENTS - 11/11/13
5	5	11/15/14	REVISED PER COMMENTS - 11/11/13
6	6	11/15/14	REVISED PER COMMENTS - 11/11/13
7	7	11/15/14	REVISED PER COMMENTS - 11/11/13
8	8	11/15/14	REVISED PER COMMENTS - 11/11/13
9	9	11/15/14	REVISED PER COMMENTS - 11/11/13
10	10	11/15/14	REVISED PER COMMENTS - 11/11/13



TREE PRESERVATION AND PROTECTION PLAN

This plan shows the locations of trees to be preserved and protected on the site. It also shows the proposed locations of trees to be removed. The locations of trees to be preserved are shown with a tree symbol and a number. The locations of trees to be removed are shown with a tree symbol and a number. The locations of trees to be preserved are shown with a tree symbol and a number. The locations of trees to be removed are shown with a tree symbol and a number.

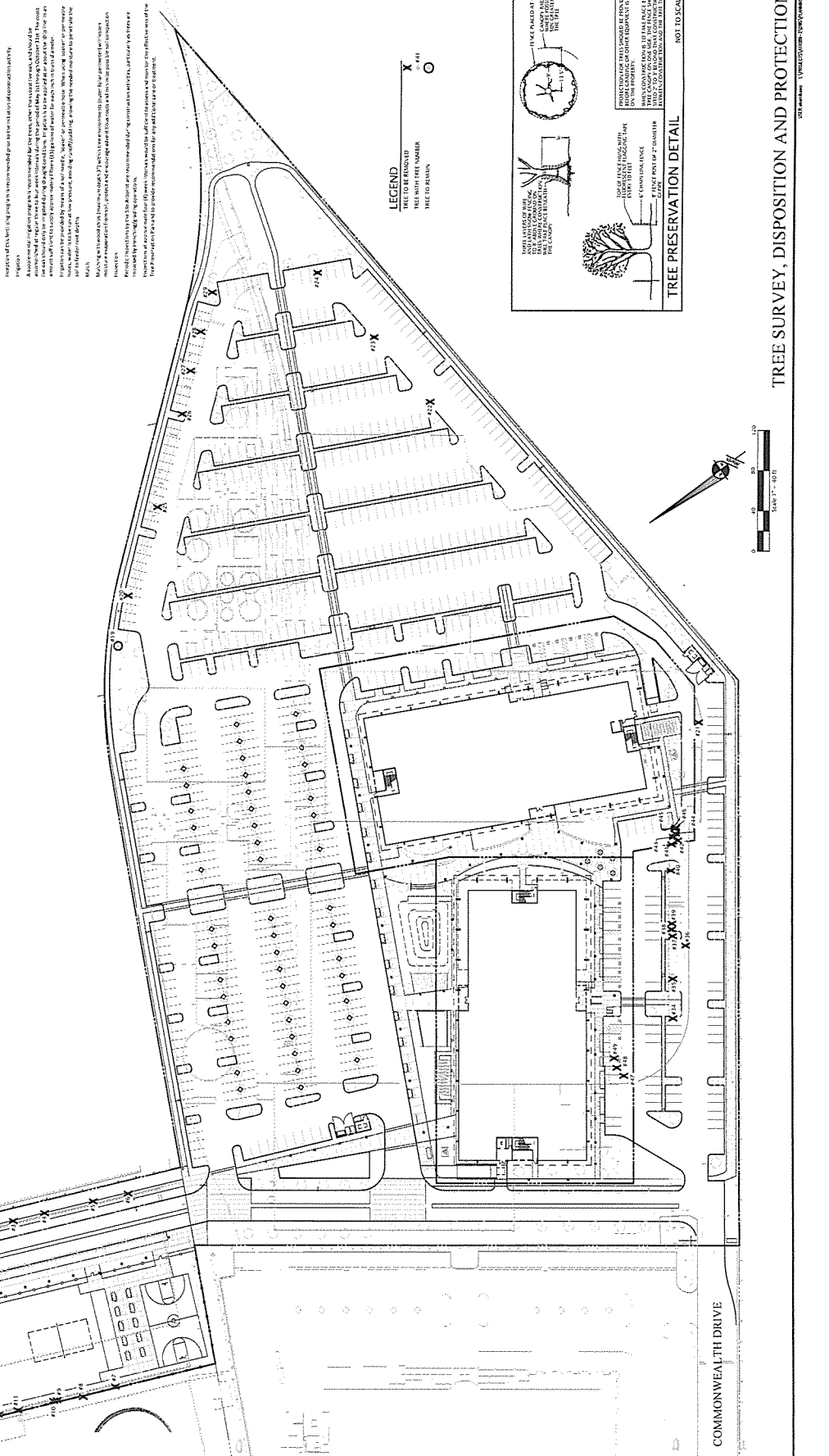
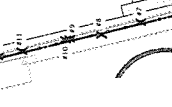
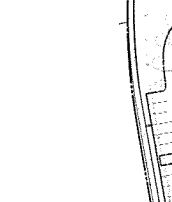
Number	Name	Diameter	Height	Trunk Type	Species	Condition	Location	Disposition
1	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
2	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
3	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
4	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
5	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
6	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
7	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
8	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
9	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
10	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
11	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
12	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
13	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
14	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
15	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
16	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
17	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
18	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
19	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
20	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
21	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
22	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
23	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
24	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved

Number	Name	Diameter	Height	Trunk Type	Species	Condition	Location	Disposition
25	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
26	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
27	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
28	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
29	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
30	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
31	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
32	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
33	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
34	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
35	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
36	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
37	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
38	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
39	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
40	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
41	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
42	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
43	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
44	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
45	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
46	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
47	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
48	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
49	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
50	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved

Number	Name	Diameter	Height	Trunk Type	Species	Condition	Location	Disposition
51	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
52	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
53	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
54	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
55	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
56	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
57	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
58	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
59	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
60	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
61	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
62	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
63	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
64	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
65	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
66	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
67	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
68	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
69	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved
70	Blackwood shrub	13.2"	8'	No	114	Good	114 (Commonwealth)	To Be Preserved

LEGEND
 X TO BE REMOVED
 O TO BE PRESERVED
 TO REMAIN

TREE PRESERVATION DETAIL
 NOT TO SCALE
 1



JEFFERSON DRIVE
 COMMONWEALTH DRIVE

FOR THE SOBARTO ORGANIZATION
 151 COMMONWEALTH DRIVE & 164 JEFFERSON DRIVE
 CALIFORNIA

KIR & WRIGHT
 CIVIL ENGINEERS & SURVEYORS, INC.
 1450 S. GARDEN ST. SUITE 100
 SAN ANTONIO, TEXAS 78204

REVISED CITY COMMENTS - 9/26/18
 REVISED CITY COMMENTS - 11/13/18
 REVISED CITY COMMENTS - 4/27/19
 REVISED CITY COMMENTS - 5/15/19

SCALE: 1" = 30' - 0"
 DATE: 11/13/18
 DRAWN BY: [Name]
 CHECKED BY: [Name]

DATE: 11/13/18
 DRAWN BY: [Name]
 CHECKED BY: [Name]

DATE: 11/13/18
 DRAWN BY: [Name]
 CHECKED BY: [Name]

DATE: 11/13/18
 DRAWN BY: [Name]
 CHECKED BY: [Name]

DATE: 11/13/18
 DRAWN BY: [Name]
 CHECKED BY: [Name]

DATE: 11/13/18
 DRAWN BY: [Name]
 CHECKED BY: [Name]

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RECOMMENDED ACTIONS FOR CITY COUNCIL
Commonwealth Corporate Center Project

Environmental Review

1. Adopt a Resolution Certifying the Environmental Impact Report for the Commonwealth Corporate Center (Attachment F).
2. Adopt a Resolution Adopting the findings required by the California Environmental Quality Act, Certifying the Environmental Impact Report, Adopting the Statement of Overriding Considerations, and Adopting the Mitigation Monitoring and Reporting Program for the property located at 151 Commonwealth Drive and 164 Jefferson Drive (Attachments G and H).

Rezoning

3. Introduce an Ordinance Rezoning the property at 151 Commonwealth Drive and 164 Jefferson Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development Overlay) (Attachments I and J).

Conditional Development Permit

4. Adopt a Resolution Approving a Conditional Development Permit for property located at 151 Commonwealth Drive and 164 Jefferson Drive (Attachments K and L).

Tentative Parcel Map

5. Adopt a Resolution Approving a Tentative Parcel Map for the properties located at 151 Commonwealth Drive and 164 Jefferson Drive (Attachments M and N).

Heritage Tree Removal Permits

6. Adopt a Resolution Approving the Heritage Tree Removal Permits for the properties located at 151 Commonwealth Drive and 164 Jefferson Drive (Attachments O and P).

Below Market Rate Housing Agreement

7. Adopt a Resolution Approving a Below Market Rate Housing Agreement with The Sobrato Organization for the property located at 151 Commonwealth Drive and 164 Jefferson Drive (Attachments Q and R).

Cost Sharing Funding Agreement

8. Authorize the City Manager to Execute a Funding Agreement to share in the cost of replacing a water main on the project site (Attachment S).

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PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF JULY 21, 2014
AGENDA ITEM D3

LOCATION:	151 Commonwealth Drive and 164 Jefferson Drive	APPLICANT:	The Sobrato Organization
EXISTING USE:	Light Industrial Building and Unoccupied Industrial Building	PROPERTY OWNERS:	SI46, LLC and Murphy Rd. Apartments, San Jose
PROPOSED USE:	Corporate Office or Research & Development Offices	APPLICATIONS:	Rezoning, Conditional Development Permit, Tentative Parcel Map, BMR Agreement, Heritage Tree Removal Permits, and Environmental Review
CURRENT ZONING:	M-2 (General Industrial)	GENERAL PLAN DESIGNATION:	Limited Industry
PROPOSED ZONING:	M-2(X) (General Industrial, Conditional Development)		

	PROPOSED PROJECT	EXISTING DEVELOPMENT	ZONING ORDINANCE
Lot area	578,472 sf (13.28 ac)	578,472 sf (13.28 ac)	25,000 sf. min.
Lot width	Irregular	Irregular	100 ft. min.
Lot depth	Irregular	Irregular	100 ft. min.
Setbacks ¹			
Front	557 +/- ft.	15 ft.	20 ft. min.
Rear	92.8 ft.	33 ft.	0 ft. min.
Side, right	83.4 ft.	17 ft.	10 ft. min.
Side, left	280 +/- ft.	44 ft.	10 ft. min.
Building coverage	68,838 sf 11.9 %	237,858 sf 41.1 %	289,236 sf max. 50 % max.
FAR (Floor Area Ratio)	259,920 sf 44.9 %	237,858 sf 41.1 %	260,312 sf max. 45 % (office)
Square footage by floor (of each building)	31,781 sf/1st 34,012 sf/2nd 34,012 sf/3rd 30,155 sf/4th	237,858 sf/1 st	No Requirement
Building height	68 ft. ²	27 ft.	35 ft. max.
Parking	868	218 spaces	867 spaces (1 per 300 sf)
Note: Areas shown highlighted indicate a nonconforming or substandard situation.			
Trees	# of existing Heritage trees 23	# of existing non-Heritage trees 22	# of new trees 464
	# of Heritage trees proposed for removal 22	# of non-Heritage trees proposed for removal 22	Total # of trees 465

1. The existing site contains multiple buildings on two lots. The existing setbacks shown are the smallest setback distances to any of the existing buildings from the closest property line. The proposed development would be comprised of three lots, but reviewed as one lot. Jefferson Drive is considered the front property line, US 101 and the Dumbarton Corridor are considered the rear property lines, and all other property lines are side lot lines.
2. The applicant is requesting an increase in height through the CDP.

PROPOSAL

The Sobrato Organization is requesting approval to remove the existing buildings and construct two four-story office buildings, totaling 259,920 square feet, on a 13.28-acre (578,477 sq. ft.) site located at 151 Commonwealth Drive and 164 Jefferson Drive. The 151 Commonwealth Drive property is the site of the former Diageo North America distillery complex which has been vacant since 2011. The 164 Jefferson Drive property is currently occupied by a single-story light industrial building. Previously, there were four different tenants occupying the smaller building. The site is located in the M-2 Zoning District and the entitlement process includes the following actions, permits, and agreements:

- **Environmental Review-EIR Certification:** a Draft Environmental Impact Report (EIR) was prepared for the Project to analyze the potential environmental impacts of the proposed project and to identify mitigation measures necessary to reduce the environmental impacts. The Final EIR (that is provided separately) includes the Draft EIR by reference, responses to any received comments, and any updates to the document that are necessary to reflect any changes made to the Draft EIR;

- **Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program:** that includes specific findings that the benefits of the project outweigh its significant/adverse environmental impacts, and establishes responsibility and timing for implementation of all required mitigation measures;
- **Rezone from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development District):** to permit the proposal to diverge from the standard M-2 Zone requirements related to building height in excess of 35 feet and signage in excess of 150 square feet, and the proposed parcel configuration;
- **Conditional Development Permit (CDP):** to permit the construction of two four-story office buildings totaling 259,920 square feet, diesel-powered emergency generators, and associated site improvements;
- **Tentative Parcel Map:** to permit the resubdivision of the two existing parcels into three parcels (one parcel for each building and one parcel containing most of the common parking and providing for project access);
- **Below Market Rate (BMR) Housing Agreement:** to pay the in lieu housing impact fees to comply with the City's affordable housing program; and
- **Heritage Tree Removal Permits:** to permit the removal of 22 heritage trees associated with the proposed project;

A Fiscal Impact Analysis (FIA) was also prepared for the Commonwealth Corporate Center which explored a number of topic related to the one-time and ongoing costs and revenues from the project as well as potential additional opportunities for fiscal benefits.

Because the project includes a rezoning and CDP, which require a decision by the City Council, the Planning Commission will review the proposed project components and make a recommendation to the City Council. The date of the City Council public hearing on this project is anticipated to occur in August of 2014.

MEETINGS

A number of public meetings to review various aspects of the project were held subsequent to this submittal. The meeting dates and topics are summarized below:

- **August 20, 2012:** Planning Commission conducted a scoping meeting on the environmental impact report and a study session on the proposed project and provided comments and direction.
- **September 18, 2012:** City Council discussion of the project and its policy and fiscal impacts.

- **December 11, 2012:** City Council approved the contract for the preparation of the environmental impact report, fiscal impact analysis, and water supply assessment.:
- **December 17, 2013:** City Council meeting to consider the draft Water Supply Assessment (WSA). At this meeting, the City Council approved the WSA.
- **February 5, 2014:** Housing Commission meeting to provide a recommendation on the Below Market Rate (BMR) Housing Agreement. At this meeting, the Housing Commission recommended approval of the proposed BMR Agreement.
- **February 26, 2014:** Environmental Quality Commission meeting to provide a recommendation on the removal of the heritage trees. At this meeting, the Environmental Quality Commission recommended approval of the request to remove 22 of 23 heritage trees.
- **March 24, 2014:** Planning Commission meeting to solicit public comments on the Draft EIR and FIA, and study session to review the current project proposal. The Planning Commission's questions on the comments on the Draft EIR are discussed in the Final EIR.

At that meeting the Commissioners provided a number of comments related to the design of the project, including the following.

- Consider the inclusion of additional bicycle racks/lockers. The revised plans have added additional bicycle lockers and bike racks.
- Provide walking loop/paths around and through the project. The revised plans have incorporated an extensive network of pedestrian paths around the site.
- Develop the site to LEED standards. The applicant is proposing to construct the project to a LEED Gold standard.
- Provide electric vehicle charging stations around the project. The revised plans show the installation of underground conduits to install vehicle charging stations in the parking lot.
- Provide a cafe or canteen to minimize vehicle trips. The revised plans show an area for a ground floor café between the two buildings.
- Consider reducing the amount of parking to provide additional landscaping. At this time, the applicant believes that the proposed parking ratio of 1 space per 300 square feet of gross floor area is appropriate for the proposed use, and would like to maintain the proposed ratio until the tenant parking demand has been determined. One space per 300 square feet is typical of a minimum parking ratio for office uses.

ANALYSIS

As discussed previously, the project proposal requires the review and consideration of new land use entitlements and associated agreements. A discussion of the proposed project, as well as required land use entitlements and agreements are discussed in more detail below.

Setting and Location

The project site is located in a larger industrial and employment area located between US101, Bayfront Expressway, and the Dumbarton Rail Corridor. A location map for the Project is contained in Attachment A. The site contains an approximate 220,000-square-foot manufacturing, warehouse, and office complex, and a separate 20,000-square-foot one-story industrial building. All of the existing buildings are proposed to be demolished. The General Plan designation for the project site and surrounding area is Limited Industry. Since this is the same for all of the area, it has not been repeated in the following table. The zoning designations and the land use information for the Project site and the surrounding areas are summarized below.

LAND USE AND ZONING SUMMARY		
	Land Use	Zoning
Project Site: Existing	Light industrial and unoccupied industrial/warehouse complex	General Industrial, M-2
Proposed	<i>Office/Research and Development</i>	<i>General Industrial, Conditional Development, M-2(X)</i>
North	Office, industrial/warehouse	General Industrial, M-2
East	Office/Research and Development	General Industrial Conditional Development, M-2(X)
South	US101 and the Dumbarton Rail Corridor right-of-way (Kelly Park is located across the rail corridor right-of-way)	Unzoned public rights-of-way
West	Office/Research and Development	General Industrial, M-2
NOTE: US101 and the Dumbarton Rail Corridor are assumed to run east-west in this area.		

Design and Site Layout

The proposed project includes development of two four-story office buildings with at-grade parking. The proposed buildings are located along the southwestern edge of the site near US 101. The at-grade parking and associated landscaping occupy most of

the remaining property. The portion of the site adjacent to Jefferson Drive will be primarily used for onsite recreation and activity amenities, and may include an outdoor eating/gathering area, volleyball/basketball courts, or other similar amenities.

Building “1” is located adjacent to the main access drive (described in Circulation and Access Section) with the long edge of the building facing US 101. This building is set back approximately 150 feet from the freeway. Building “2” is located east of the Building “1” and is oriented so that the narrow end is facing toward the freeway. This building is approximately 90 feet from the freeway at its closest. The buildings are oriented so that the long side of the first building is facing the short side of the other.

A pedestrian oriented plaza with outdoor seating areas will be located between the two buildings and will wrap around the north side of Building “1”. This plaza area will be extensively landscaped and will incorporate water features in its design. The project also incorporates a network of pedestrian paths from the buildings through and around the parking lot, connecting to the public sidewalks on Commonwealth and Jefferson Drives. The layout will also facilitate a potential trail connection to/over the Dumbarton Rail Corridor if it is established at some point in the future.

Combined trash and emergency generator enclosures are located near the loading areas and oriented away from the primary building entrances. There are depressed loading docks at the end of each building near the main access drive aisle to facilitate the delivery of supplies to the building tenants. The loading dock for Building 1 is located near the northwest corner of the building, while the loading dock for Building 2 is located near the southeast corner.

The Applicant is also requesting approval of a parcel map to create three parcels from the two existing parcels. This is discussed in more detail later in the staff report.

Architecture

The buildings are designed in a modern architectural style. The building façade will utilize aluminum panels with high performance blue-tint glass set in aluminum frames. The second and third floors will each have approximately 34,012 square feet of gross floor area. Because of the recessed first floor and the fourth floor balcony, the first and fourth floors have slightly less square footage than the second and third floors. Each building incorporates two different architectural compositions which maximize the aesthetic variation of the structures. The first architectural composition comprises about one-third of the building and contains projecting vertically-oriented structural components which frame the windows in a vertical style. This portion of the building includes a recessed ground floor. The second architectural composition incorporates projecting horizontally-oriented structural components which frame the window in a horizontal style. The building elevations are contained on plan set sheets A3.01 through A3.04 of Attachment B. The orientation of the buildings, combined with the two architectural variations on each building, create a combined project that avoids the appearance of a massive structure.

Site Access and Circulation

The project is located on the bay side of US 101. Access to the regional road network is provided primarily by Marsh Road and Bayfront Expressway (Highway 84) with additional access to Willow Road via Chilco Street. Access to the project site is provided by an existing driveway located at the end of Commonwealth Drive and a new enlarged driveway from Jefferson Drive. These two access points are proposed to be connected via an internal access drive. The proposed access drive consists of a 30-foot wide travel surface allowing for one travel lane in each direction. The access drive will include decorative paving at each end of the access drive, where the access drive connects to the parking areas, and down the center of access drive to serve as a lane separation marking.

Parking

The Project proposes 868 parking spaces and includes 18 handicapped accessible parking spaces (2 of which are van accessible). The Project is currently parked at a ratio of 1 space per 300 square feet. This ratio is consistent with the numeric requirement of the Zoning Ordinance.

The Project also provides 44 bicycle parking lockers. These are located at the north side of Building 1 and the south end of Building 2. Additional bicycle racks will also be located near the main building entrances. The number of bicycle lockers is consistent with the requirements of the CalGreen Code (5% of the required vehicle parking). The Project also contains lockers and shower facilities in each of the proposed buildings.

Landscaping

The conceptual landscape plan includes plantings along the project perimeter and in the parking lot, accent landscaping around the buildings and outdoor seating areas, and heritage tree replacements. The Project landscaping would increase the amount of on-site landscaping from 6 percent to 25 percent and result in the planting of 464 new trees (the exact number will be determined when the final landscape plans are submitted). The landscaping involves both parking lot shading and accent landscaping around the buildings. The proposed heritage tree removals are discussed later in this staff report.

The conceptual landscape plan has identified the following species and sizes: Strawberry Tree (24 inch box), European Hornbeam (24 inch box), Elm (15 gallon and 24 inch box), Purple Leaf Plum (15 gallon), Liquid Amber (15 gallon), Brisbane Box (24 inch box), Gingko (24 inch box and 36 inch box), Carolina Laurel Cherry (24 inch box), Crape Myrtle (48 inch box), and additional London Plane Trees (24 inch box). The stormwater detention basins are also incorporated into the landscaping.

Eighty-six percent of the landscaping will be in a low water usage hydrozone. Most of the low water use landscaping is located in and around the parking lot. The moderate and high water use landscaping will be concentrated around the landscaped plaza/outdoor seating areas around the buildings and in the recreation area near Jefferson Drive.

Proposed Hazardous Materials

The Project will contain two 100 KW emergency generators, one for each building. The generators will be located in masonry enclosures adjacent to the proposed trash enclosures. Each diesel-powered generator is anticipated to have a 215 gallon fuel tank. The Menlo Park Fire Protection District, City of Menlo Park Building Division, West Bay Sanitary District, and San Mateo County Environmental Health Services Division were contacted regarding the proposed use and storage of hazardous materials, associated with an emergency diesel generator. Each organization has determined that the generators will be in compliance with all applicable standards. The specification sheets for the generators are contained in Attachment Q.

Project Signage

The Sobrato Organization is also requesting an increase in the allowable signage from 150 square feet to 512 square feet as part of the Conditional Development Permit. The applicant is requesting two building-mounted signs (one on each building) and two free-standing signs near the project entrances (one along Jefferson Drive and one along Commonwealth Drive).

The free-standing monument signs will be located adjacent to the driveway access points onto Jefferson and Commonwealth Drives. Each sign would allow up to 56 square feet of sign area (8 feet wide by 7 feet tall) located on a 10 foot wide by 12 foot tall structure. The top of the sign area would be approximately 9½ feet above the ground surface. This structure will incorporate the same architectural feature that wraps the top of both buildings. The free-standing sign detail is shown on Page A1.01.

The building mounted signs will be located near the top of the fourth floor (below the parapet) and will be oriented primarily toward US 101. These signs would consist of up to 200 square feet of sign area (approximately 27 feet wide and 7 feet, 4 inches tall). This square footage is identical to the building mounted signage approved for the Menlo Gateway Project. The conceptual size and location of the signs are shown on Page A3.01. The final location and design of each sign (including letter size and color) will be based upon the needs of the primary complex tenant in accordance with the approved master sign program. The comparison between the proposed project signage and the standard requirements of the sign ordinance are shown below.

Description of Proposed Signage		
Sign Location	Project Proposal	Zoning Code Requirement
Jefferson Drive Frontage	56 sq. ft.	100 sq. ft.
Commonwealth Drive Frontage	56 sq ft.	50 sq ft.
Building No. 1	200 sq. ft.	-
Building No. 2	200 sq. ft.	-
TOTAL	512 sq. ft.	150¹
1. Total for all project signage.		

With the approval of this conceptual signage design, Section 4 of the CDP requires the submittal and approval of a detailed master sign program and subsequent permits for each sign. The master sign program would layout the detailed requirements for the design and installation of up to 512 square feet of signage. The master sign program will include project specific criteria for total sign area, letter size, sign structure size, requirements for individual building tenants, locations, materials, colors, and may approve sign criteria and standards that are different from the Sign Design Guidelines. In addition, on-site directional signage may also be incorporated into the sign program. The Master Sign Program would cover all of the allowed signage on the entire site.

ENTITLEMENT APPLICATIONS

Rezoning and Conditional Development Permit

The Conditional Development Permit (CDP) and “X” overlay associated with the requested rezoning of the site allow for flexibility from zoning requirements while providing greater certainty regarding the parameters of a particular development proposal. The draft CDP is included as Attachment J and specifies development standards for the Project site, general compliance with the project plan set, allowed uses and conditions of approval including all mitigation measures from the Draft EIR. The CDP also meets the requirements for a use permit for new construction.

The CDP establishes the allowable uses and development standards for the Commonwealth Corporate Center, as well as setting requirements for project timing and the consideration of modifications to the approved plans. Development standards listed in the CDP, as well as comparison to development standards for an M-2 zoned property are provided in the following table.

Requirement	Proposed CDP Standards¹	Typical M-2 Zone Requirements
Front Setback	Per the Approved Project Plans	20 ft. min.
Side Setback		10 ft. min.
Rear Setback		0 feet
Lot Coverage	15% max.	50% max.
Floor Area Ratio (office)	45% max.	45% max.
Site Landscaping	25% min.	No Requirement
Building Height ²	68 ft. max.	35 ft. max.
Minimum Lot Size	25,000 sq. ft.	25,000 sq. ft.
Parking	867 spaces ³	867 spaces
Total Signage	512 sq. ft.	150 sq. ft.

1. These standards apply to the entire project site, not any subsequent lots that may be created.
2. The building height is determined from the average natural grade to the top of the cornice above the 4th floor. The roof-mounted wall and the associated architectural element screening of the roof mounted equipment, elevator shaft are proposed to a height of approximately 72.5 feet.
3. Parking shall be determined using a ratio of one parking space per 300 square feet of gross floor area.

Note: Shaded areas indicate those development standards that are not consistent with, either more stringent or more relaxed, than the standard M-2 zone requirements.

The draft ordinance approving the rezoning and the rezoning exhibit are contained in Attachments G and H, respectively. The resolution approving the CDP and the draft CDP are contained in Attachments I and J, respectively.

Tentative Parcel Map

The Project Site is currently comprised of two legal lots. The larger lot (currently addressed as 151 Commonwealth Drive) and containing the former Diageo distillery, is 12.1 acres in size. The smaller lot fronting on Jefferson Drive (and addressed as 164 Jefferson Drive) is a little over one acre in size. The existing lots are proposed to be reconfigured into three lots with a parcel map. Each of the proposed buildings would be located on their own lot, while the majority of the common parking and project amenities would be located on separate lot. The minimum lot requirements for the M-2 Zone include a minimum lot size of 25,000 square feet, minimum lot width of 100 feet and a minimum lot depth of 100 feet. The proposed lots all exceed these criteria. The Tentative Parcel Map is depicted on Plan Set Sheet 2 of 8 (in Attachment B).

Though the proposed parcel map would create three parcels, the project site would effectively function as a single site. The tentative parcel map has been conditioned in the CDP to submit detailed covenants, conditions, and restrictions (CC&Rs) to control all aspects of the site if separate lots are created. The CC&Rs would require the approval of the Community Development Department, Public Works Department, and City Attorney. The CC&Rs would also limit the construction of buildings to Parcels A

and B, and specify how the management of Parcel C will be handled. A lot merger is required prior to issuance of a grading permit. The recordation of the final parcel map can occur after demolition and grading are completed. The resolution recommending approval of the Tentative Parcel Map and the Exhibit depicting the configuration of the map are included in Attachment K.

Heritage Tree Removals

The applicant has submitted arborist reports prepared on March 27, 2012 for both properties. The reports were prepared by John H. McClenahan, an ISA Board Certified Arborist. The arborist report identified a total of 44 trees, 23 of which are identified as heritage trees. The applicant has applied for Heritage Tree Removal Permits for the 22 trees, which were reviewed by a consulting arborist, whose recommendations were reviewed by the City Arborist. The consulting arborist recommended and the City Arborist concurred, that Heritage Tree Removal Permits could be issued for the 22 trees, based upon the poor health of most trees and the fact that the location of the majority of the existing heritage trees conflict with redevelopment of the site. A summary of the condition and disposition of the heritage trees is provided below.

Heritage Tree Summary	Total On-site	Proposed for:	
		Retention	Removal
151 Commonwealth Drive			
<i>Coast live oak (Quercus agrifolia)</i>	1	1	0
Avocado (<i>Persea americana</i>)	1	0	1
Silver dollar gum (<i>Eucalyptus polyanthemos</i>)	3	0	3
Incense cedar (<i>Calocedrus decurrens</i>)	6	0	6
164 Jefferson Drive			
Red ironbark (<i>Eucalyptus sideroxyton</i>)	3	0	3
Blackwood acacia (<i>Acacia melanoxylon</i>)	6	0	6
American sweet gum (<i>Liquidambar styraciflua</i>)	2	0	2
PROJECT TOTAL	23	1	22

On February 26, 2014, the Environmental Quality Commission recommended allowing the removal of 22 of the 23 heritage sized trees onsite. The single tree required for retention is a native oak tree located along the northeastern property line. As previously described in the landscape plans, the Project is expected to include approximately 465 trees (including the 44 replacement heritage trees). The general locations of the new trees and the retained heritage tree are depicted on Sheet C4.0.

The Applicant is proposing to provide an additional 44 trees as replacement heritage trees, meeting the standard 2:1 replacement rate for larger commercial projects. The proposed heritage tree replacements are the London Plane Tree (*Platanus x. a 'Columbia'*) in 24 inch boxes. These trees are proposed to be located along the main

drive aisle that connects Commonwealth Drive and Jefferson Drive. The draft resolution approving the tree removal permit and the exhibit containing the tree survey and disposition plan are in Attachment L.

Below Market Rate Housing Agreement

The applicant is required to comply with Chapter 16.96 of City's Municipal Code, Below Market Rate (BMR) Housing Program ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council to implement the BMR Ordinance ("Guidelines"). In order to obtain land use entitlements, the BMR Ordinance requires the applicant to submit a BMR Housing Agreement. This Agreement formalizes the requirement of the BMR Program and must be approved by the City Council prior to or concurrently with the issuance of land use entitlements.

Because the project does not contain any residential units, the applicant has chosen to comply with the BMR Ordinance and Guidelines by paying the in lieu BMR fee. This will be paid prior to issuance of a building permit and will be based upon the fee in effect when the time the permit is issued. Using the current fee, the Project would be required to pay \$1,854,982.53.

The BMR Housing Agreement was reviewed by the City's Housing Commission on February 5, 2014. The Housing Commission unanimously voted to recommend approval of the Draft BMR Agreement. The Planning Commission will also make a recommendation on the Draft BMR Agreement, with the City Council being the final decision making authority. The resolution recommending approval of the BMR Housing Agreement and the draft BMR Housing Agreement are included as Attachments N and O, respectively.

FISCAL IMPACT ANALYSIS

A Fiscal Impact Analysis (FIA) was prepared for both the full project, and the reduced development alternative outlined in the Draft EIR. The FIA evaluates Project related impacts to the City's General Fund as well as the following affected special districts that serve the community including the Menlo Park Fire Protection District, Ravenswood School District, Sequoia Union High School District, San Mateo County Office of Education Special District, San Mateo County Community College District, Midpeninsula Regional Open Space District, and the Sequoia Healthcare District. Only one of the special district, the San Mateo County Community College District, would be potentially adversely effected financially by the project. The impact in 2015 was estimated to be a negative \$1,100.

The core of the FIA is the estimation of annual General Fund revenues and costs associated with the construction and operation of the Commonwealth Corporate Center. The major annually occurring revenue sources include new property taxes and sales taxes. The FIA indicated that the project would have an annual net positive impact of approximately \$138,900 per year in 2015 and \$1,970,906 over the next 15

years. A copy of the Final Fiscal Impact Assessment is available on the project website at <http://menlopark.org/DocumentCenter/View/4610>.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared and circulated for public review from February 28, 2014 to April 14, 2014. The Draft EIR evaluated 15 topic areas as required by the California Environmental Quality Act (CEQA). The 15 required topic areas include: (1) Aesthetics, (2) Air Quality, (3) Transportation & Traffic, (4) Biological Resources, (5) Cultural Resources, (6) Geology and Soils, (7) Greenhouse Gas Emissions, (8) Hazards and Hazardous Materials, (9) Hydrology and Water Quality, (10) Land Use, (11) Mineral Resources, (12) Noise, (13) Population and Housing, (14) Public Services, and (15) Utilities. The EIR concluded that the Project had no potential for impacts to Agricultural Resources, Forestry Resources, and Mineral Resources.

A copy of the Final EIR (which incorporates the Draft EIR by reference) and includes the Responses to Comments and changes to the document to reflect any needed corrections are contained in Attachment R (and provided under separate cover).

The EIR concluded that potential impacts related to Land Use, Geology and Soils, Hydrology and Water Quality, Population and Housing, Public Services, and Utilities were less than significant and required no mitigation measures.

The impacts associated with Aesthetics, Greenhouse Gas Emissions, Cultural Resources, Hazards and Hazardous Materials, and Biological Resources were less than significant with the incorporation of mitigation measures.

Finally, the EIR determined that there were significant and unavoidable impacts related to Air Quality-Construction, Noise-Construction, and Transportation. The significant and unavoidable impacts identified in the EIR are described below.

Air Quality - Construction

The increase in nitrogen oxides (NO_x) during project construction exceeds the Bay Area Air Quality Management District (BAAQMD) significance thresholds. This impact is directly attributable to the demolition of the existing buildings, the site grading, and the initial phases of building construction. The BAAQMD threshold of 54 pounds per day is expected to be exceeded for 91 of the 334 estimated construction days. The DEIR also identifies mitigation measures to reduce nitrogen oxides. With the implementation of these mitigation measures, project construction will still exceed the BAAQMD criteria. However, the exceedence is expected to be for only 21 construction days. Even though the mitigation measure is expected to substantially reduce NO_x emissions, the BAAQMD significance threshold is still exceeded. Therefore, the impact is considered to be significant and unavoidable.

Noise - Construction

The use of heavy equipment (such as vibratory rollers, and large trucks and bulldozers) during project construction has the potential to affect nearby sensitive land uses. During the Notice of Preparation for the project, a business located in an adjacent building (149 Commonwealth Drive) expressed concern that their vibration sensitive equipment within 225 feet could be affected by the proposed demolition and construction activities. The DEIR identified two mitigation measures involving the notification of nearby business and the scheduling of construction to minimize potential vibratory impacts on nearby vibration-sensitive uses. Even with these mitigation measures, the impact is still considered to be significant and unavoidable.

Transportation - Operation

The TIA evaluated the Project's impacts to traffic (intersections, roadway segments, and routes of regional significance), transit service, and bicycle and pedestrian facilities. The Project's impacts to transit service and bicycle and pedestrian facilities were all found to be Less Than Significant. The analysis studied 28 intersections, 12 roadway segments, and 9 roadway segments on four routes of regional significance (State and Federal highways).

A total of 14 study intersections were identified as having significant impacts. Of these, one is impacted in the Near Term (2015) scenario, nine are impacted in both the Near Term and Cumulative (2030) scenarios, and four are impacted in the Cumulative impact scenario. Of the 14 impacted intersections, three will be mitigated by the Facebook Project, one is mitigated by the Facebook, St. Anton, and Commonwealth Corporate Center Projects. Four intersections are mitigated by only the Commonwealth Project while six of the intersections had no feasible mitigation measures. Five of the significant and unavoidably impacted intersections are classified as unavoidable because the City does not have jurisdiction over the roadway and cannot guarantee the improvements would be implemented even though it is required that construction of feasible improvements will be diligently pursued.

The improvements required for the Facebook Campuses have been bonded for and encroachment permits have been submitted to Caltrans. As a result these improvements are not included in the MMRP and CDP documents. The improvements required for the St Anton's project are not listed in the CDP at this time since the project is expected to submit the required bonds and start the process of obtaining approval from Caltrans. If this does not happen prior this item being considered by the City Council, these improvements will be added to the MMRP and CDP.

A total of ten study local road segments were identified as having significant impacts. Two of the road segment can be mitigated by the Commonwealth Project while eight have no feasible mitigation measures. There were also five routes of regional significance that were significantly impacted but had no feasible mitigation measures

were identified. Therefore, these impacts were determined to be significant and unavoidable.

The draft resolution certifying the environmental impact report is included as Attachment D. The draft resolution adopting the Statement of Overriding Considerations and adopting the Mitigation Monitoring and Reporting Program is included as Attachment E. The Mitigation Monitoring and Reporting Program is included as Attachment F and includes all applicable mitigation measures identified to reduce the impacts of the Project on the environment.

PROJECT BENEFITS

The Applicant has offered a number of additional public and community benefits to the City of Menlo Park (in addition to the benefits associated with the redevelopment of an underutilized site). The additional public and community benefits are summarized below. A copy of the Applicant's letter to the City is contained in Attachment P.

- Leadership in Energy and Environmental Design (LEED). Construct the new buildings to a LEED Gold Standard.
- CIP Funding. The Applicant will contribute \$150,000 that can be used by the City for capital improvement projects.
- Public Access Easement. The Applicant will dedicate an easement for future public access from Commonwealth Drive to the Dumbarton Rail Corridor.
- Sales Tax Guarantee. Applicant will guarantee a minimum of \$75,000 per year in sales tax to the City for each of the first 10 years of project occupancy.
- Sales and Use Taxes During Construction. Applicant will work with the City to have the major construction materials purchased within the City.
- Solid Waste and Recycling. Applicant will use the City franchisee for all trash and recycling services once the project is completed.
- Water Main Replacement. Applicant will enter into a funding agreement to share the costs of replacing the existing water main that crosses the site.

All of these items are incorporated into the offer and acceptance provision listed in Section 10 of the proposed CDP.

CORRESPONDENCE

Staff has received no correspondence regarding this project since the March 24, 2014 Planning Commission meeting (other than the two comment letters on the DEIR that are addressed in the Final EIR/Response to Comments document).

RECOMMENDATION

The proposed Project would redevelop and reconfigure two existing industrial sites and is projected to accommodate up to 1,300 new employees. The applicant has indicated that the public benefits of the project include the redevelopment of a vacant industrial building, the public improvements in the surrounding area, additional revenues to the City, and the sharing of costs for replacing a water main which crosses the site. The project review process has been structured in a way to provide the Planning Commission and City Council with a broad spectrum of inputs to make an informed decision. The Planning Commission should review and forward a recommendation to the City Council on all of the project components, including the public benefit proposal. The City Council will be the final decision-making body on all components of the project.

Staff believes that the proposed uses and structures are generally consistent with the Zoning Ordinance requirements and neighboring development. The General Plan includes policies related to the site's Limited Industry land use designation. The industrial goals and policies contained in the General Plan reflect the fact that when the General Plan was written 20 years ago, the majority of the uses on the properties with an industrial land use designation were industrial in nature. Since that time, the industrial area has evolved and includes a large number of office uses, in addition to manufacturing and warehousing. As part of the General Plan and M-2 Area Update effort, the future mix of appropriate land uses for the general area will be considered. Applicable existing industrial goals and policies from the land use element of the General Plan are provided as follows:

Goal I-F: To promote the retention, development, and expansion of industrial uses which provide significant revenue to the City, are well designed, and have low environmental and traffic impacts.

Policy I-F-2: Establishment and expansion of industrial uses that generate sales and use tax revenues to the City shall be encouraged.

Policy I-F-4: The City shall consider attaching performance standards to projects requiring conditional use permits.

Policy I-F-7: All new industrial development shall be evaluated for its fiscal impact on the City.

Staff is not making a recommendation on the policy determinations related to the project. The Planning Commission should consider whether the project and proposed

public benefit serve to meet the intent of the General Plan policies and serve to outweigh the potential negative impacts of this proposed development. If the Planning Commission believes this to be the case, staff recommends that the Planning Commission recommend that the City Council pursue the following actions as outlined in Attachment C:

- (1) Adopt a resolution certifying the final environmental impact report;
- (2) Adopt a resolution adopting the Statement of Overriding Considerations, and approving the Mitigation Monitoring and Reporting Program,
- (3) Approve an ordinance to rezone the Project Site to M-2(X),
- (4) Adopt a resolution approving the Conditional Development Permit,
- (5) Adopt a resolution approving a Tentative Parcel Map,
- (6) Adopt a resolution approving the Below Market Rate Housing Agreement, and
- (7) Adopt a resolution approving the Heritage Tree Removal Permits.

If the Planning Commission does not believe this to be the case, staff recommends that the Planning Commission provide input to the City Council on each of the requested actions.

Report prepared by:
David Hogan
Contract Planner

Report reviewed by:
Deanna Chow
Senior Planner

Justin Murphy
Development Services Manager

PUBLIC NOTICE

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail to all property owners and occupants within a quarter-mile (1,320 feet) radius of the Project site. The mailed notice was supplemented by an email update that was sent to subscribers of the project page for the proposal, which is available at the following address: <http://www.menlopark.org/519/Commonwealth-Corporate-Center-Project>. In addition to allowing for interested parties to subscribe to e-mail updates, the Project page provides up-to-date information about the Project, as well as links to previous staff reports and other related documents.

The project site has been posted with the notice of intent to remove 22 heritage trees from the site. The posting was done on both Commonwealth Drive and Jefferson Drive frontages.

ATTACHMENTS

- ~~A. Location Map~~
- ~~B. Project Plans (exclusive of color and materials board)~~
- ~~C. Recommended Actions for Approval~~
- ~~D. Draft Resolution of that the City Council Certifying the Environmental Impact Report~~
- ~~E. Draft Resolution of that the City Council Adopting the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program prepared for the Commonwealth Corporate Center Project~~
- ~~F. Mitigation Monitoring and Reporting Program prepared for the Commonwealth Corporate Center, Located at 151 Commonwealth Drive and 164 Jefferson Drive~~
- ~~G. Draft Ordinance Rezoning Property located at 151 Commonwealth Drive and 164 Jefferson Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development)~~
- ~~H. Draft Zoning Map Exhibit for the Property at 151 Commonwealth Drive and 164 Jefferson Drive~~
- ~~I. Draft Resolution Approving the Conditional Development Permit for the Commonwealth Corporate Center~~
- ~~J. Draft Conditional Development Permit~~
- ~~K. Draft Resolution Approving the Tentative Parcel Map for the Property at 151 Commonwealth Drive and 164 Jefferson Drive~~
- ~~L. Draft Resolution of the City Council Approving the Heritage Tree Removal Permit for the Property located at 151 Commonwealth Drive and 164 Jefferson Drive~~
- ~~M. Draft Heritage Tree Removal Permit Exhibit (Tree Survey & Disposition Plan)~~
- ~~N. Draft Resolution Approving the Below Market Rate Housing Agreement with The Sobrato Organization~~
- ~~O. Draft Below Market Rate Housing Agreement~~
- ~~P. Applicant Letter on Public Benefits.~~
- ~~Q. Emergency Generator Specification Sheets~~
- ~~R. Final Environmental Impact Report (Provide Under Separate Cover)~~

Note: Attached are reduced versions of maps and diagrams submitted by the Applicant. The accuracy of the information in these drawings is the responsibility of the Applicant, and verification of the accuracy by City Staff is not always possible. The original full-scale maps, drawings and exhibits are available for public viewing at the Community Development Department.

EXHIBITS TO BE PROVIDED AT MEETING

Color and Materials Board

DOCUMENTS AVAILABLE FOR REVIEW AT CITY OFFICES AND WEBSITE

- Final Environmental Impact Report prepared by ICF, dated July 2014
- Draft Environmental Impact Report prepared by ICF, dated February 2014
- Final Fiscal Impact Analysis prepared by BAE, dated January 2014

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PLANNING COMMISSION DRAFT EXCERPT MINUTES

Regular Meeting
 July 21, 2014 at 7:00 p.m.
 City Council Chambers
 701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:02 p.m.

ROLL CALL – Bressler (absent), Combs, Eiref (Chair), Ferrick, Kadvany, Onken (Vice Chair), Strehl

INTRODUCTION OF STAFF – Deanna Chow, Senior Planner; David Hogan, Senior Contract Planner; Leigh Prince, City Attorney; Thomas Rogers, Senior Planner.

D. PUBLIC HEARING

- D3. Rezoning, Conditional Development Permit, Tentative Parcel Map, Heritage Tree Removal Permits, Below Market Rate (BMR) Housing Agreement, Environmental Review/The Sobrato Organization/151 Commonwealth Drive and 164 Jefferson Drive:** Request for a rezoning from M-2 (General Industrial District) to M-2-X (General Industrial, Conditional Development), conditional development permit, and tentative parcel map to construct approximately two four-story buildings totaling approximately 259,920 square feet and associated site improvements, including new landscaping, outdoor amenities, at-grade parking, and use of hazardous materials associated with emergency generators. The proposed buildings would exceed the 35-foot height maximum and would include a sign program that exceeds the 150 square-foot maximum. The existing two parcels would be reconfigured into three parcels, but would be considered as one lot for the purposes of applying the development standards. As part of the proposal, the applicant is seeking approval of heritage tree permits for the removal of 22 heritage trees, primarily in poor health. In addition, the project includes a BMR Housing Agreement for the payment of in-lieu fees. Environmental review includes the preparation of an environmental impact report (EIR) to analyze the potential environmental impacts of the proposed project.
(Attachment)

Staff Comment: Senior Contract Planner Hogan said the Commission at its March 24, 2014 meeting in considering the EIR had a number of suggestions for the applicant, and those were discussed on page 4 of the staff report. He said he believed the applicant had addressed all of the suggestions and comments made by the Planning Commission at that time. He said the Heritage Tree Removal Permit was considered by the Environmental Quality Commission (EQC) and the Below Market Rate (BMR) Agreement was considered by the Housing Commission. He said both Commissions were recommending approval. He said there was a small addition to Attachment E, the Statement of Overriding Considerations, as the public benefits offered had changed through the process, and the last three would be added to the resolution for the approval of the State of Overriding Considerations.

Questions of Staff: Chair Eiref said it was unusual that staff was not making a recommendation on the project. Planner Hogan said in the M2 zone there was an expectation of additional benefits to the community and that responsibility was placed in the hands of the policy, decision-

makers rather than staff. He said from a simple design perspective if community benefits were not an issue, he suspected staff would be able to make a recommendation.

Senior Planner Chow said the Planning Commission and City Council would be looking at the Statement of Overriding Considerations because of the significant and unavoidable impacts and the question was whether the public benefit outweighed the impacts. She said the applicant was requesting the property be rezoned to the X-Development zoning district and that was a policy consideration for the Commission.

Chair Eiref asked about a change to the visual view of the project since last reviewed by the Commission. Staff indicated there were no changes.

Commissioner Onken asked about Commission actions needed. Planner Hogan said at the least there would be two actions; one on the environmental document and one on the project itself. He said there were two items related to the environmental document and five items related to the project. He said the Commission would look overall at the project for consistency with the General Plan and zoning and decide whether the project was offering sufficient benefit to the City.

Public Comment: Mr. Richard Truempler, Director of Development for The Sobrato Organization, introduced Mr. Robert Hollister, the President of the company. He said also their design team was available to answer any questions. Mr. Truempler provided the Commission with information on The Sobrato Organization noting it was a local, family-owned company, unique in that they are long-term holders of the real estate they develop. He said the family in 1996 created a foundation through which they have donated \$238 million to the community. He noted numerous organizations in the City that receive donations from the foundation.

Mr. Truempler said it was his understanding that staff supported the project design but could not comment on the public benefit aspect. He said the project would keep with the intent of the M2 district and was in context with the surrounding development. He said the project conformed with the General Plan and would not require a development agreement. He said they proposed to replace 240,000 square feet of obsolete industrial buildings with 260,000 square feet of modern Class A office buildings developed into two, four-story 130,000 square feet buildings. He said the buildings have an open floor plan, large onsite amenity area, adequate parking with infrastructure support for car charging stations, provisions to allow for lab space on the first floor, and a cafeteria. He said the project would add over 400 trees, which was a 300% increase to the vegetated area. He said upon completion there would be over three acres of vegetated area that would reduce and serve to filter storm water runoff. He said these modern buildings would enable the City to retain and attract businesses generating important tax revenue for the City.

Mr. Paul Lettieri, the Guzzardo Partnership, the project landscape architect, said based on the Commission's suggestion that they have added a perimeter path around the site. He said at the bottom of the plan shown on screen that they have included an even wider area which might allow for future bike paths or a semi-public path to connect to the train tracks with the idea that perhaps someday there would not be train tracks but a City bike and pedestrian path. He described another path leading to a seating area which also connected with paths coming from the buildings. He said they also allowed for more bicycle parking on the site noting there were 66 spaces shown on the plan with 44 lockers and 22 racks with the potential to easily add more

racks. He said there were a variety of use and open areas on the site. He said they have increased the permeability of the site significantly. He noted a strong tree canopy over the entire parking lot and noted that in 15 years time they would have 50% canopy coverage and in 10 years 33% canopy coverage.

Mr. Craig Almeleh, project architect, said they enjoyed working with The Sobrato Organization as they allow them to do very creative and innovative building architecture. He said they created wings across the buildings that act as two components of the architecture in providing screening of the mechanical equipment and providing solar sustainable shading. He said the lead-free double pane very high efficient glass system would create an innovative crystalline look. He said the buildings were simple in form to allow them to be viable for many years. He said they would have a minimum 5,000 square foot cafeteria that would flow onto the large amenity space. He said staff had been very much involved with the evolution of the architecture and they had a minimum goal of LEED gold.

Mr. Truempler said at the last study session it was noted that the City was working on a climate action plan and that was very important to the Commission and staff. He said at considerable more cost they have agreed to build to a LEED gold standard or equivalent. He said that required the building have an energy-efficient building envelope. He said that was done through high performance glass, insulated roof, and high efficiency air conditioning and lighting systems controlled by an integrated digital management system. He said the plumbing fixtures would be automatic low flow. He said the landscaping was based on a water efficient design incorporating hydro-zoning, native planting, and rain sensor technology controls. He noted the bicycle amenities that include storage and changing and shower rooms as well as the infrastructure for car charging stations and preferred parking for alternative fuel vehicles and carpoolers. He said their Transportation Demand Management (TDM) Program would provide subsidized transit passes and participate in the emergency ride home program for workers.

Mr. Truempler said the project was a significant investment for The Sobrato Organization and would benefit Menlo Park as it was the necessary modernization of the City's building stock and created the possibility of use tax generation on a site that has produced none over the last 50 years. He said the Fiscal Impact Analysis (FIA) prepared by the City indicated the project would produce over \$3,000,000 net revenue to the general fund and \$2,000,000 to the Sequoia Union High School District over a 20-year period. He said with fees such as planning and permitting fees, BMR fees, Traffic Impact Fees (TIF), and adding the projected revenue stream, that the City would realize over \$20,000,000 in revenue over the same 20-year period. He said based on the Planning Commission's comments at the last study session that The Sobrato Organization recognized that though limited, the project would have certain impacts that would require the City to make a Statement of Overriding Considerations primarily related to traffic impacts. He said they took the Commission's comments seriously and worked to develop a public benefits package in scale with the proposed project noting it conforms with the General Plan and would not need a development agreement.

Mr. Truempler said the first public benefit they were offering was a sales tax guarantee noting that sales tax most benefits the City but it was also the most vulnerable and varied revenue stream. He said The Sobrato Organization would guarantee \$75,000 in sales tax revenue per year for 10 years after occupancy which would be \$30,000 more annually than what the City's FIA projected. He said during the construction they would make a good faith effort to include a provision in the construction contract of \$5,000,000 or more to book and record materials

purchases in the City. He said their intent was to work with the City to identify ways the project could generate an even revenue stream benefiting the general fund. He said in addition to their traffic mitigation measures they would contribute \$150,000 to the City for Capital Improvement Projects (CIP). He said they would build the building to LEED gold or equivalent in line with the City's Climate Action Plan. He said in addition to the sidewalks they have committed to build they would dedicate an easement to support a future pedestrian path to the Dumbarton rail line when it becomes a pedestrian pathway. He said the Public Works Department brought to their attention the long term need in about 10 to 15 years to replace a water main owned by the City that crosses the project site and serves the M2 district. He said there was a fee structure in place to cover those costs but they would also partner with the City to replace the water main in a cost-sharing construction agreement. He said as a commercial building owner they were not obligated to use the City's franchisee for garbage and recycling but they were willing to do that as it was important to the City.

Chair Eiref asked why the water main would be replaced if not needed. Mr. Truemppler said they inspected the water main and it seemed to have anywhere from 10 to 20 years life expectancy but it was important to do now as the site would be torn up with the project rather than have to excavate a developed site.

Chair Eiref asked about permeability. Mr. Truemppler said that they were adding two acres effectively of a vegetated permeable area. He said he had talked with their civil engineers about adding more permeable area but his understanding was this would not accomplish anything as they would be treating all the water runoff. Chair Eiref said there was permeable asphalt in some of the City's parking facilities which meant less water needed treatment as it was absorbed in the ground. Mr. Truemppler said only 11% of the site would be covered with buildings so they were not challenged by impermeability. Chair Eiref asked if the cafeteria would be open to the public. Mr. Truemppler said that and the level of food service would be determined by the tenant.

Commissioner Onken asked how much more was required of LEED gold versus CalGreen and Title 24. Mr. Truemppler said the new Title 24 has made it even harder to attain LEED gold but they would have meet more efficient glazier and HVAC requirements. He said they would go through the LEED process, and while not certain they would receive final certification they would at least do the LEED scorecard. He said they have a LEED consultant on the project. He said they would also have tenant guideline plans.

Commissioner Onken said there was reference to the Dumbarton rail line being turned into pedestrian and bicycle paths but his understanding was it would become the modernized Newark to Redwood City train link.

Ms. Nicole Nagaya, the City's Transportation Manager, said they were not talking about abandoning the rail line. She said currently Caltrain and other transit agencies continued to plan and work toward a Dumbarton rail. She said they currently did not have funding but were proposing to go forward in 2015 to identify funding options on a regional level. She said the connection that the City asked for and which The Sobrato Organization had agreed to provide would go along the southern side with access to a future rail line so those in M2 could access a station. She said if Caltrain and the other agencies decided to abandon a Dumbarton connection there could be a longer term scenario for potential bicycle and pedestrian corridor but at this time the intent was to provide access to the station.

Commissioner Strehl asked about the anticipated number of employees. Mr. Truembler said they expected about 1,300. Commissioner Strehl asked where they were proposing to locate the cafeteria. Mr. Truembler said in the common area between the two buildings. He noted it would be an indoor cafeteria with both indoor and outdoor seating.

Commissioner Strehl noted that the Dumbarton rail project was not proposed for abandonment but it would not happen for a long time as it was a very low priority project for state and federal funding.

Commissioner Kadvany asked if there were energy efficient goals and metrics they were using to determine and measure how efficient their energy measures were. He said these would be new buildings on completely flat land and suitable for building a very energy efficient building. He asked what was keeping them from making this a world class energy efficient building. Mr. Truembler said that the building would be particularly energy efficient what with the new more stringent Title 24 adopted by the state. He said toward the LEED gold that the building had to be 15% better than what the state required and those requirements were the most stringent in the U.S.

Mr. Heath Blount, Brightworks Sustainability, said that a typical office building uses about 60 EY which was a watts per square foot per year measurement. He said they were targeting the building's energy performance to exceed the current Title 24 energy requirements by approximately 15%. He said Menlo Park had a 15% better than the old version of Title 24 requirement. He said with their project it would equate to about 50 EY. Commissioner Kadvany asked if this was better than the high level of energy building efficiencies in other countries. Mr. Blount said this was a speculative office building and there would be tenants occupying the space so they needed to provide heating, ventilation and cooling systems that were flexible for use by tenants moving into the building and creating offices and conference rooms. He said the HVAC system chosen would provide that flexibility and was the most energy efficient system having that needed flexibility. He said the glazing performance was better than the Title 24 code requirements and those were the most stringent requirements in the U.S. at this time.

Commissioner Combs asked if they intended to rent to one tenant. Mr. Truembler said one tenant would be ideal but the building was constructed so it could be broken into different tenant spaces. He said they would market the site building by building.

Chair Eiref closed the public hearing.

Commission Comment: Commissioner Onken noted that office building development was not highly favored by the City in the downtown and asked if this project was being looked at in isolation. He asked about the City's policy and if the City was supportive of the project. He referenced the Specific Plan.

Senior Planner Chow said this was outside of the Specific Plan zone and in the M2 zone which has land use policies and zoning regulations in the General Plan specific to that zone. She said as part of the Commission's deliberations that office use was part of that discussion as to whether it was an appropriate land use given the impacts and benefits being presented for consideration.

Commissioner Kadvany said he appreciated the information on The Sobrato Organization and its Foundation's many contributions to the community. He noted the benefits being offered by the project. He said the applicant was also receiving benefit for such a large project that would increase employee capacity from a couple hundred people to 1,300 people through surface parking being allowed and no requirement for underground parking or parking structures such as was required of the Menlo Gateway project. He said he thought the guaranteed sales tax revenue could be increased either through the amount annually or extending the number of years it would be paid.

Mr. Truempler said the Floor Area Ratio (FAR) for the Menlo Gateway project which Commission Kadvany had referenced relating to parking structures was 137% and their proposed project was 45% FAR. He said the Menlo Gateway project changed the General Plan and their project was within the General Plan.

Commissioner Ferrick said usually in an EIR that office space was calculated at 300 square foot per employee but this was calculated at 200 square foot noting that was generous. Mr. Truempler said that when they started the process that Mr. Sobrato when he visited with the Planning Commission had indicated he wanted a reasonable deal and said he would be reasonable in how they evaluated their building. He said Mr. Sobrato thought that one employee per 300 square feet was not perhaps how the building would be lived in over the next 20 years, and suggested that even with the traffic impact the project would get as a result, that they look at the one employee per 200 square feet scenario. Commissioner Ferrick said that was not something the applicant had to do and that they could have calculated at the one employee per 300 square feet or 866 workers and not 1,300 workers. She noted that evolving office use has an increase in the density of workers. She said they had previously discussed the clear glass and about using bird friendly glass particularly along the Bay area. Mr. Lettieri said they were conforming with the San Francisco Bird Friendly Design Guidelines which has multiple ways to address bird safety. Commissioner Ferrick asked if the Sobrato Family would sell this project noting there were some companies intently acquiring real property at this time. Mr. Truempler said it was easiest to say no as it was quite unlikely they would do that as that was not their business model. He said the intent was to build and hold it as they have done many other times. Commissioner Ferrick asked if the agreements, rules and entitlements carried over if the property was sold. Planner Hogan said they would. Commissioner Ferrick complimented what was included in the TDM program and asked if there was any consideration of including Caltrain passes as part of that. Mr. Truempler said absolutely and those were called "GO-passes" and they would provide those. Commissioner Ferrick said she really liked the beautiful, modern and timeless architecture and having 400 trees on the site. She said she liked the lower density. She asked about the elevation on the property near the rail line. Mr. Truempler said the rail line was on a berm and the site drains to the green corner. Commissioner Ferrick said she was asking because she thought it would be wonderful to have a bicycle/pedestrian undercrossing near the tennis court end to reach the park on the other side. She said there was a nearby bicycle/pedestrian overcrossing and she was looking at how they could create connections in that area for that use. Mr. Truempler said the easement was in place so if things evolved in the future such a crossing could be possible.

Commissioner Onken asked how the parking was calculated. Mr. Truempler said when they bought the site they had some parking along Jefferson but in talking to the City they realized the area could be better utilized so they used it to create an onsite amenity area. He said their traffic engineers felt there was adequate parking. He said for the EIR they used an envelope to

analyze the building realistically. He said they thought the project was parked adequately. Commissioner Onken asked if it was parked one space to 300 square feet or one space to 200 square feet. Mr. Truempler said it was parked one space to 300 square feet per code.

Commissioner Ferrick said she preferred it not being parked more densely as more parking invited more cars. She noted that the net add of square footage for building was only 22,000 square feet.

Commissioner Strehl said she appreciated the applicant's responsiveness in terms of the cafeteria and the TDM program. She asked if traffic conditions deteriorated even more significantly in that area whether the City would decide if there should be some kind of traffic impact fee for properties and developers in the M2. Planner Hogan said it would be based on how the City structured the fee as to whether it was on a property basis or new impact fee for development. He said if there was a new impact fee for new development and this project was constructed, they would not be required to pay. Commissioner Strehl said there were significant traffic impacts cumulatively in the area and her concern was how they would deal with those going forward. Mr. Truempler said the City had looked at that and the applicant was making significant traffic mitigations.

Transportation Manager Nagaya said all new development in the City was subject to a Transportation Impact Fee (TIF). She said the project would be required to implement mitigations within and outside of that fee structure noting they would either build or pay the City to build the other improvements. She said a General Plan update was moving forward for the M2 area. She said within the Specific Plan they were pursuing a supplemental cost-sharing structure where new development in the area would be subject to an additional fee beyond the adopted TIF. She said for the M2 they could either update the City TIF or moving forward adopt a supplemental cost-sharing structure so new development would pay for new mitigations.

Commissioner Strehl said she liked the building design and it was a great addition to the City. She said she appreciated the philanthropic contributions by the Sobrato family and organization to the community.

Chair Eiref said he too liked the design but felt the roadway impacts were of concern to the City and its residents. He said it looked like a number of intersections would be improved through the St. Anton project and this project but he believed 13 of the roadway segments themselves would not be improved. He noted they were beginning a General Plan update for this area. He asked how they should consider traffic with this project as they were looking at 3,700 new trips per day. Ms. Nagaya said the transportation planning profession in general also on occasion struggled with that question. She said the mechanism they have both through environmental review and for transportation analysis has traditionally been intersection focused.

She said how the policies were structured led to the kind of point optimization process for individual projects that Chair Eiref noted. She said the City's Transportation Impact Analysis Guidelines have the roadway segments analysis requirement but what was difficult with that analyses method was they did not have a strong mechanism for mitigating the impacts that were being identified. She said improvements that might mitigate would be widening the roadway which in residential areas the City might not want to pursue. She said for an area like Marsh Road that the City would not necessarily have the right-of-way to expand Marsh Road in some of the constrained corridors. She said it was challenging to identify some long term

roadway segment capacity enhancing improvements. She said through the General Plan they would be honing in on what the metrics they would want to use within the City to evaluate both new development and the transportation system in general. Chair Eiref asked what the supplemental cost-sharing in the M2 would look like in considering a recommendation to the City Council. Ms. Nagaya said that structure would not be driven from the staff level but through a community visioning process to determine priorities.

Mr. Truempler said they deliberately overtaxed themselves by using the one worker per 200 square feet and they were willing to do that. He said their traffic mitigations were equal to East Facebook and Bohannon projects.

Chair Eiref said Facebook has an amazing ridesharing culture and although doubling the number of employees were not increasing the number of trips. Mr. Truempler said that project would still create traffic impacts and their project would mitigate the traffic impacts at the same TIF rate.

Chair Eiref said a large fraction of the TDM program was the Go-passes but there was some speculation that they wouldn't be used because of the distance of this property from the train station. He asked about other ideas they had to encourage transit. Mr. Truempler said the TDM program they have put together was realistic. He said Facebook with its unique culture and scale had the ability to do some amazing things. He said with a speculative office building that they could not predict how users would use shuttles or whether they would have a similar culture as Facebook. He said they have analyzed it realistically, overtaxed themselves and were implementing a TDM program at their cost which they thought was effective and realistic.

Chair Eiref said the \$150,000 for CIP for a project of this scope did not seem a significant contribution. Mr. Truempler said over a 20-year period there was a \$10,000,000 cost for the project. He said the cost of fees and taxes was over 10% of the project cost which was significant. He said the \$150,000 was for traffic impact. He said from their viewpoint what they were offering was very reasonable and generous.

Commissioner Onken said communities such as Mountain View complain that they do not have any office building site in excess of 100,000 square feet. He said there was currently a shortage of large office space on the peninsula and he thought it was a good bet that these two proposed buildings would go to a single tenant. He said that was the best possible solution for TDMs and other programs.

Commissioner Strehl said annually either The Sobrato Organization or the tenant would need to complete a survey as to the number of workers using a TDM option. Mr. Truempler said the TDM as proposed would have a survey requirement. Commissioner Strehl asked if they found out no one was using the TDM what mechanism they would use to improve that. Mr. Truempler said they have discussed that scenario with the Public Works Director. He said for instance that if the Go-passes were not effective and there was money associated with that program they would work with the City if that money was allocable somewhere else such as to the City shuttle. Commissioner Strehl said Facebook would have to pay a fee if they didn't meet the TDM program goals. Ms. Nagaya said that Facebook was subject to a vehicle trip cap so if they generated more vehicle traffic than what they were allotted and studied in their EIR they were subject to a potential penalty. She said in this case the traffic was analyzed for office development. She said they did not know who would occupy the space and what scale tenant

they would be. She said the TDM Program was minimal to allow some flexibility to work with Sobrato over time to evolve the Program. She said the EIR did not take credit for any of the TDM Program elements that would be in place.

Senior Planner Chow said the public benefits being offered were part of the Conditional Development Permit, which was item 4 for consideration and was part of item 2 related to the Statement of Overriding Considerations so discussion about public benefits could occur on item 2. She said depending on whether recommendations were made to change public benefit that would need to be reflected also reflected in item 4. She said those would be discussed with the applicant as those were items being offered and not what the City was requiring of the applicant.

Chair Eiref said his sense was people were excited about the project but questioning whether the public benefits being offered were material to the size of the project. He said he had a personal concern that they continue to allow projects without solving the roadway issue.

1. Certification of the Environmental Impact Report for the Commonwealth Corporate Center Project located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commission Action: M/S Strehl/Ferrick to recommend that the City Council adopt a resolution certifying the Environmental Impact Report.

Motion carried 6-0 with Commissioner Bressler absent.

2. Required CEQA Findings, Statement of Overriding Consideration, and Mitigation Monitoring and Report Program for the Commonwealth Corporate Center Project located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commissioner Kadvany said he thought they should recommend to the City Council to push harder on revenue benefit to the City as the general fund was important. He said that they should get away from the emphasis on LEED certification and focus on building performance as the buildings would exist for 50 years. He said they should be looking at the highest level of energy efficiencies. He said regarding traffic that he foresaw that his project would easily become part of the larger Transportation Management Association that was in the works for this corridor.

Chair Eiref suggested if under the General Plan Update a supplement cost-sharing traffic impact structure was developed that it be retroactive to this project.

Ms. Leigh Prince, City Attorney's Office, said that this project needed to be looked at under the General Plan and the fee structure that was in effect. She said if there were specific things they were looking for in the public benefit that the applicant was present and they were the ones making the offer and was not something the City could impose upon the applicant.

Mr. Truempler said one thing they were offering was a guarantee and the project was the opportunity to generate much more. He said the FIA used the median which would be about \$40,000 sales tax revenue and they were guaranteeing \$75,000 at a minimum for 10 years. He said if they have a project that was marketable and easy to lease they would do much better than that.

Commissioner Onken said in terms of public benefit and funds the City would receive that he would suggest moving to recommend to the City Council approval of the findings, the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program and defer to the City Council to determine what the appropriate public benefits were. He said they have heard good arguments about generous public benefit but they were not in the best position to make a determination of what the best outcome to the City was. He said regarding energy efficiencies that the model for speculative office buildings was glass with non-operable windows and a large parking area. Commissioner Kadvany said he would second the motion with the addition to recommend that the City Council make the determination that the energy efficiencies for this project should be world scale standard given the restraints of a speculative office building.

Commissioner Combs said he did not know what world class energy efficiency standard was or whether staff and the applicant would know.

Chair Eiref said he noted there were no solar panels.

Commissioner Strehl said she was not comfortable with telling the City Council that the project should go beyond the requirements of Title 24, the state standard, which was more stringent than the national standard.

Commissioner Ferrick said she appreciated the applicant was striving for LEED gold. She said there were a number of things that would improve on that depending on what the interior buildout would be and for instance the addition of solar in the parking lot.

Commissioner Kadvany said there was an organization Menlo Spark working with the Packard Foundation who were looking at carbon neutrality for Menlo Park.

Commissioner Ferrick suggested allowing the City Council to define the specificity related to the Commission recommending greater energy efficiency from the project.

Commission Action: M/S Onken/Kadvany to recommend that the City Council adopt a resolution adopting the findings required by the California Environmental Quality Act, adopting the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program, with the exception to defer to Council to determine the amount of public benefit that provides the best possible outcome to the City and to recommend greater energy efficiency from the project.

Motion carried 5-1 with Commissioner Combs opposed and Commissioner Bressler absent.

3. Rezoning the property at 151 Commonwealth Drive and 164 Jefferson Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development Overlay).

Commission Action: M/S Eiref/Strehl to recommend that the City Council introduce an Ordinance Rezoning property at 151 Commonwealth Drive and 164 Jefferson Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development Overlay).

Motion carried 6-0 with Commissioner Bressler absent.

4. Conditional Development Permit for the property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commission Action: M/S Kadvany/Eiref to recommend that the City Council adopt a resolution approving a Conditional Development Permit for property located at 151 Commonwealth Drive and 164 Jefferson Drive, with a recommendation that the public benefit amount that provides the best possible outcome to the City be determined by the City Council and to recommend greater energy efficiency from the project.

Motion carried 5-1 with Commissioner Combs opposed and Commissioner Bressler absent.

5. Tentative Parcel Map for property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commissioner Onken confirmed with staff that the entitlements would be very clear as related to the subdivision.

Commission Action: M/S Onken/Strehl to recommend that the City Council adopt a resolution approving a Tentative Parcel Map for property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Motion carried 6-0 with Commissioner Bressler absent.

6. Below Market Rate Housing Agreement with The Sobrato Organization for property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commission Action: M/S Eiref/Combs to recommend that the City Council adopt a resolution approving a Below Market Rate Housing Agreement with The Sobrato Organization for property located at 151 Commonwealth Drive and 164 Jefferson Drive

Motion carried 6-0 with Commissioner Bressler absent.

Commissioner Strehl asked about the proposed signage plan. Mr. Almeleh stated that the scale is appropriate for the location and the overall sign area would allow for more than one user. Senior Planner Chow said signage was based upon how large the street frontage was but in general in the M2 zoning district most of the street frontage has the maximum size signage allowed. She said because of the height of the building and distance from the highway greater signage limits might be appropriate. She said through the Master Sign Program staff could work with letter sizing on the signage which typically was about 24-inches on signage along Hwy. 101.

7. Heritage Tree Removal Permits for the properties located at 151 Commonwealth Drive and 164 Jefferson Drive.

Commission Action: M/S Strehl/Onken to recommend that the City Council adopt a resolution approving the Heritage Tree Removal Permits for property located at 151 Commonwealth Drive and 164 Jefferson Drive.

Motion carried 6-0 with Commissioner Bressler absent.

ADJOURNMENT

The meeting adjourned at 9:29 p.m.

Staff Liaison: Thomas Rogers, Senior Planner

Recording Secretary: Brenda Bennett

**DRAFT
RESOLUTION NO. _____**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK, CALIFORNIA, CERTIFYING THE FINAL ENVIRONMENTAL
IMPACT REPORT FOR THE COMMONWEALTH CORPORATE
CENTER PROJECT LOCATED AT 151 COMMONWEALTH DRIVE AND
164 JEFFERSON DRIVE**

WHEREAS, The Sobrato Organization (“Project Sponsor”) submitted an application to construct two four-story office buildings at 151 Commonwealth Drive and 164 Jefferson Drive in the City of Menlo Park (“City”); and

WHEREAS, the California Environmental Quality Act (“CEQA”, Public Resources Code Section §21000 et seq.) and CEQA Guidelines (Cal. Code of Regulations, Title 14, §15000 et seq.) require analysis and a determination regarding the Project’s environmental impacts and mitigation measures that, in the City’s view, justify approval of the Project; and

WHEREAS, the City released a Notice of Preparation (“NOP”) for the Project on August 6, 2012 for a 30-day public review period; and

WHEREAS, the City held a public scoping meeting on August 30, 2012, before the City’s Planning Commission; and

WHEREAS, comments received by the City on the NOP and at the public scoping meeting were taken into account during preparation of the Draft Environmental Impact Report; and

WHEREAS, a Notice of Completion was filed with the State Clearinghouse on February 28, 2014; and

WHEREAS, the Draft EIR was released on February 28, 2014 for a 45-day review and comment period that ended on April 14, 2014; and.

WHEREAS, during the public review period included one Planning Commission hearing on March 24, 2014, which was open to the public; and.

WHEREAS, during the public review period comments on the Draft EIR were received from one public agency, one individual, and several members of the Planning Commission; and

WHEREAS, all comments on the environmental issues received during the public comment period were evaluated and responded to in writing by the City as the Lead Agency in accordance with Section 15088 of the CEQA Guidelines; and

WHEREAS, the comments on the Draft EIR and the written responses were packaged into a Response to Comments Document that was published on July 10, 2014, and copies of the Response to Comments Document were made available at the Community Development Department, on the City's website, and at the Menlo Park and Belle Haven Libraries; and

WHEREAS, after notice having been lawfully given, a public hearing was held before the City Planning Commission on July 21, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to find that the Final EIR was prepared in compliance with CEQA, and to certify the Final EIR pursuant to CEQA; and

WHEREAS, after notice having been lawfully given, a public hearing was held before the City Council of the City of Menlo Park on August 19, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, on August 19, 2014, the City Council of the City of Menlo Park reviewed and considered all the information in the Final EIR and all the testimony and evidence submitted in this matter found that the Final EIR was prepared in compliance with CEQA; and

WHEREAS, after closing the public hearing, the City Council acting on its independent judgment and analysis voted affirmatively to certify the Final EIR pursuant to CEQA.

NOW, THEREFORE, BE IT RESOLVED that the City of Menlo Park, acting by and through its City Council hereby certifies the Final EIR pursuant to the CEQA.

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 19th day of August, 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 19th day of August, 2014.

Pamela Aguilar
City Clerk

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**DRAFT
RESOLUTION NO. _____**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK ADOPTING FINDINGS REQUIRED BY THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT, STATEMENT OF OVERRIDING
CONSIDERATIONS, AND ADOPTING A MITIGATION MONITORING
AND REPORTING PROGRAM FOR THE PROPERTY LOCATED AT
151 COMMONWEALTH DRIVE AND 164 JEFFERSON DRIVE AND
ALSO KNOWN AS ASSESSORS PARCEL NUMBERS 055-243-240
AND 055-243-050**

WHEREAS, The Sobrato Organization (“Project Sponsor”) submitted an application to construct two office buildings at 151 Commonwealth Drive and 164 Jefferson Drive in the City of Menlo Park (“City”); and

WHEREAS, the City released a Notice of Preparation (“NOP”) for the Project on August 6, 2012 for a 30-day public review period. The City held a public scoping meeting on August 30, 2012 before the City’s Planning Commission. Comments received by the City on the NOP and at the public scoping meeting were taken into account during preparation of the Draft Environmental Impact Report (“EIR”); and

WHEREAS, the Draft EIR was released on February 28, 2014 for a 45-day extended review period that ended on April 14, 2014. The public review period included one Planning Commission hearing on March 24, 2014, which was open to the public. Comments on the Draft EIR were received from one public agency, one individual, and several members of the Planning Commission. On July 10, 2014, the City published a Response to Comments Document. The Draft EIR and Response to Comments Document constitute the Final EIR; and

WHEREAS, the California Environmental Quality Act (“CEQA”, Pub. Resources Code Section §21000 et seq.) and CEQA Guidelines (Cal. Code of Regulations, Title 14, §15000 et seq.) require analysis and a determination regarding the Project’s environmental impacts and mitigation measures that, in the City’s view, justify approval of the Project; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public hearing was held before the City Planning Commission on July 21, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, the City Planning Commission having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter, voted affirmatively to recommend to the City Council to make the findings required by CEQA, adopt the

Statement of Overriding Considerations and adopt the Mitigation Monitoring and Reporting Program; and

WHEREAS, after notice having been lawfully given, a public hearing was held before the City Council on August 19, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, the City Council having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter, voted affirmatively to make the findings required by CEQA, adopt the Statement of Overriding Considerations, and adopt the Mitigation Monitoring and Reporting Program.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby makes the following findings with respect to the Project's significant effects on the environment as identified in the Final EIR and hereby adopts the Mitigation Monitoring and Reporting Program ("MMRP"):

I. RECORD OF PROCEEDINGS

For purposes of CEQA and these findings, the record of proceedings consists of the following documents and testimony:

- (a) The NOP and all other public notices issued by the City in conjunction with the Project;
- (b) All applications for approvals and development entitlements related to the Project and submitted to the City;
- (c) The Draft EIR for the Project, dated February 2014;
- (d) All comments submitted by agencies or members of the public during the public comment period on the Draft EIR;
- (e) The Final EIR for the Project, including comments received on the Draft EIR, responses to those comments, and the technical appendices, dated July 2014;
- (f) The MMRP for the Project;
- (h) All reports, studies, memoranda, maps, staff reports, or other planning documents related to the Project prepared by the City, or consultants to the City with respect to the City's compliance with the requirements of CEQA and with respect to the City's action on the Project;
- (i) All documents submitted to the City (including the Planning Commission and City Council) by other public agencies or members of the public in connection with the Project, up through the close of the public review period on April 14, 2014;

(j) Any minutes and/or verbatim transcripts of all information sessions, public meetings, and public hearings held by the City in connection with the Project;

(k) All matters of common knowledge to the Planning Commission and City Council, including, but not limited to:

- (i) The City's General Plan and other applicable policies;
- (ii) The City's Zoning Ordinance and other applicable ordinances;
- (iii) Information regarding the City's fiscal status; and
- (iv) Applicable City policies and regulations;

(l) Any other materials required for the record of proceedings by Public Resources Code §21167.6(e).

The documents described above comprising the record of proceedings are located in the Community Development Department, City of Menlo Park, 701 Laurel Street, Menlo Park, California 94025. The custodian of these documents is the Community Development Director or his/her designee.

II. FINDINGS FOR SIGNIFICANT IMPACTS AVOIDED OR MITIGATED TO A LESS-THAN-SIGNIFICANT LEVEL

The EIR for the Project concluded that there would be significant environmental impacts.

A. AESTHETICS

Impact AES-2: The Project could create a new source of substantial light or glare that could adversely affect daytime or nighttime views in the area.

Mitigation Measure AES-2.1: Design Lighting to Meet Minimum Safety and Security Standards. Concurrent with the building permit submittal, the Project Sponsor shall incorporate lighting design specifications to meet minimum safety and security standards. The comprehensive site lighting plans shall be subject to review and approval by the City's Community Development Department Planning Division prior to building permit issuance of the first building on that site. The following measures shall be included in all lighting plans.

- Luminaries shall be designed with cutoff-type fixtures or features that cast low-angle illumination to minimize incidental spillover of light onto adjacent private properties. Fixtures that shine light upward or horizontally shall not spill any light onto adjacent private properties.
- Luminaries shall provide accurate color rendering and natural light qualities. Low-pressure sodium and high-pressure sodium fixtures that are not color-corrected shall not be used, except as part of an approved sign or landscape plan.

- Luminary mountings shall be downcast and pole heights minimized to reduce potential for back scatter into the nighttime sky and incidental spillover light onto adjacent properties and undeveloped open space. Light poles shall be no higher than 20 feet. Luminary mountings shall be treated with non-glare finishes.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that the lighting designs are feasible and would reduce potential light spillage impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to light spillage would not be significant.

Mitigation Measure AES-2.2: Treat Reflective Surfaces. The Project Sponsor shall ensure application of low-emissivity coating on exterior glass surfaces of the proposed structures. The low-emissivity coating shall reduce visible light reflection of the visible light that strikes the glass exterior and prevent interior light from being emitted brightly through the glass.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that the anti-reflection designs are feasible and would reduce light reflection and glare impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to light reflection and glare would not be significant.

B. AIR QUALITY

Impact AQ-2: The Project could result in the violation of a BAAQMD air quality standard or substantial contribution to an existing or projected air quality violation during Project construction.

Mitigation Measure AQ-2.2: Implement BAAQMD Basic Construction Mitigation Measures to Reduce Construction-Related Dust. BAAQMD does not have mass emission thresholds for fugitive emissions, but considers dust impacts to be less than significant if Best Management Practices (BMPs) are employed to reduce these emissions. Therefore, the Project Sponsor shall require all construction contractors to implement the basic construction mitigation measures recommended by BAAQMD to reduce fugitive dust emissions. Emission reduction measures shall include, at a minimum, the following measures. Additional measures may be identified by BAAQMD or contractor as appropriate.

- All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
- All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
- All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
- All vehicle speeds on unpaved roads shall be limited to 15 mph.
- All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.

A publicly visible sign shall be posted with the telephone number and name of the person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. BAAQMD's phone number shall also be visible to ensure compliance with applicable regulations.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that dust control measures are feasible and would ensure that air emissions during construction impacts remain at a less-than-significant level.

Remaining Impacts: Any remaining impacts related to construction air emissions would not be significant.

C. GREENHOUSE GAS EMISSIONS

Impact GHG-1: The Project would generate greenhouse gas emissions during Project construction.

Mitigation Measure GHG-1.1: Implement BAAQMD Best Management Practices (BMPs) for Construction. The Project Sponsor shall require all construction contractors to implement the BMPs recommended by the BAAQMD to reduce GHG emissions. Emission reduction measures shall include, at a minimum, the use of local building materials of at least 10 percent, the reuse of materials, such as concrete on site of at least 20 percent, and the use of alternative fueled vehicles for construction vehicles/equipment.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that BAAQMD BMPs are

feasible and would reduce potential greenhouse gas impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to greenhouse gas emissions would not be significant.

D. NOISE

Impact NOI-1: The Project could generate construction equipment noise in excess of 85 dBA L_{MAX} at 50 feet from the construction equipment.

Mitigation Measure NOI-1.1: Implement noise control measures to reduce construction noise during Project construction. The Project Sponsor shall implement the following measures during demolition and construction of the Project as needed to maintain off-site construction-related noise at 90 dBA or less. The noise control measures may include, but are not limited to, the following.

- To the extent feasible, the noisiest construction activities (primarily demolition and grading activities) shall be scheduled during times that would have the least impact on nearby office uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 a.m. to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday through Friday.
- Equipment and trucks used for Project construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically attenuating shields or shrouds).
- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures shall be used, such as drills rather than impact equipment, whenever feasible.
- Construction contractors, to the maximum extent feasible, shall be required to use “quiet” gasoline-powered compressors or other electric-powered compressors, and use electric rather than gasoline or diesel powered forklifts for small lifting. Stationary noise sources, such as temporary generators, shall be located at least 50 feet from the property line and as far from nearby sensitive receptors as possible, and shall be located at least muffled and enclosed within temporary sheds, incorporate insulation barriers, or other measures.
- Install temporary noise barriers eight feet in height around the construction site to minimize construction noise to 90 dBA as measured at the applicable property lines of the adjacent uses, unless an acoustical engineer submits documentation that confirms that the barriers are not necessary to achieve the attenuation levels.

- Trucks shall be prohibited from idling along streets serving the construction site for more than five minutes.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that the noise control measures are feasible and would reduce potential construction equipment noise impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to construction equipment noise would not be significant.

E. CULTURAL RESOURCES

Impact CUL-2: The Project has the potential to encounter and damage or destroy previously unknown subsurface archaeological resources during construction.

Mitigation Measure CUL-2.1: Perform construction monitoring, evaluate uncovered archaeological features, and mitigate potential disturbance for identified significant resources at the Project Site. Prior to demolition, excavation, grading, or other construction-related activities on the Project Site, the applicant shall hire a qualified professional archaeologist (i.e., one who meets the Secretary of the Interior's professional qualifications for archaeology or one under the supervision of such a professional) to monitor, to the extent determined necessary by the archaeologist, Project-related earth-disturbing activities (e.g., grading, excavation, trenching). In the event that any prehistoric or historic-period subsurface archaeological features or deposits, including locally darkened soil (midden), that could conceal cultural deposits, animal bone, obsidian, and/or mortar are discovered during demolition/ construction-related earth-moving activities, all ground-disturbing activity within 100 feet of the discovery shall be halted immediately, and the Planning and Building Divisions shall be notified within 24 hours. City staff shall consult with the Project archeologist to assess the significance of the find. Impacts on any significant resources shall be mitigated to a less-than-significant level through data recovery or other methods determined adequate by the City and that are consistent with the Secretary of the Interior's Standards for Archaeological Documentation. If Native American archaeological, ethnographic, or spiritual resources are discovered, all identification and treatment of the resources shall be conducted by a qualified archaeologist and Native American representatives who are approved by the local Native American community as scholars of the cultural traditions. In the event that no such Native American is available, persons who represent tribal governments and/or organizations in the locale in which resources could be affected shall be consulted. When historic archaeological sites or historic architectural features are involved, all identification and treatment is to be carried out by historical archaeologists or architectural historians who meet the Secretary of the Interior's professional qualifications for archaeology and/or architectural history.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that monitoring, evaluation, and mitigation of archaeological features is feasible and would reduce potential impacts to archaeological features to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to archaeological features would not be significant.

Impact CUL-3: The Project could destroy a unique paleontological resource or site or unique geologic feature.

Mitigation Measure CUL-3.1: Conduct protocol and procedures for encountering paleontological resources. Prior to the start of any subsurface excavations that would extend beyond previously disturbed soils, all construction forepersons and field supervisors shall receive training by a qualified professional paleontologist, as defined by the Society of Vertebrate Paleontology (SVP), who is experienced in teaching non-specialists, to ensure they can recognize fossil materials and shall follow proper notification procedures in the event any are uncovered during construction. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who shall evaluate its significance. If a fossil is determined to be significant and avoidance is not feasible, the paleontologist shall develop and implement an excavation and salvage plan in accordance with SVP standards. Construction work in these areas shall be halted or diverted to allow recovery of fossil remains in a timely manner. Fossil remains collected during the monitoring and salvage portion of the mitigation program shall be cleaned, repaired, sorted, and cataloged. Prepared fossils, along with copies of all pertinent field notes, photos, and maps, shall then be deposited in a scientific institution with paleontological collections. A final paleontological mitigation plan report shall be prepared that outlines the results of the mitigation program. The City shall be responsible for ensuring that monitor's recommendations regarding treatment and reporting are implemented.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that the protocol and procedures for encountering paleontological resources is feasible and would reduce potential impacts to paleontological features to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to paleontological features would not be significant.

Impact CUL-4: The Project has the potential to encounter or discover human remains during excavation or construction.

Mitigation Measure CUL-4.1: Comply with state regulations regarding the discovery of human remains at the Project Site. If human remains are discovered during any construction activities, all ground-disturbing activity within 50 feet of the remains shall be halted immediately, and the County Coroner shall be notified immediately, according to Section 5097.98 of the State Public Resources Code and Section 7050.5 of California's Health and Safety Code. Additionally, the Building Division shall be notified. If the remains are determined by the County Coroner to be Native American, the Native American Heritage Commission (NAHC) shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The Project Sponsor shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. As necessary, the archaeologist may provide professional assistance to the Most Likely Descendant, including the excavation and removal of the human remains. The City of Menlo Park Community Development Department Planning Division shall be responsible for approval of recommended mitigation as it deems appropriate, taking account of the provisions of state law, as set forth in State CEQA Guidelines Section 15064.5(e) and Public Resources Code Section 5097.98. The applicant shall implement approved mitigation, to be verified by the Planning Division, before the resumption of ground-disturbing activities within 50 feet of where the remains were discovered.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that the State regulations for discovery of human remains during construction are feasible and would reduce potential impacts to human remains at a less-than-significant level.

Remaining Impacts: Any remaining impacts related to human remains would not be significant.

Impact C-CUL-2: Construction activities on the Project site and other cumulative development could result in impacts on archaeological resources.

Mitigation Measure: Mitigation Measures CUL-2.1, CUL-3.1, and CUL-4.1, prescribe discovery procedures for any previously unknown archaeological, paleontological resources, or human remains encountered during Project construction.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant

environmental effect as identified in the EIR. The City finds compliance with these mitigation measures would reduce the Project's contribution to the cumulative impacts associated with the loss of archaeological, paleontological resources, and the disturbance of human remains to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to cumulative archaeological resource impacts would not be significant.

F. HAZARDS AND HAZARDOUS MATERIALS

Impact HAZ-2: The Project could create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

Mitigation Measure HAZ-2.1: Utilize engineering controls and Best Management Practices (BMPs) during construction. During construction the contractor shall employ use of BMPs to minimize human exposure to potential contaminants. Engineering controls and Construction BMPs shall include the following.

- Contractor employees working on site shall be certified in OSHA's 40-hour Hazardous Waste Operations and Emergency Response (HAZWOPER) training.
- Contractor shall monitor area around construction site for fugitive vapor emissions with appropriate field screening instrumentation.
- Contractor shall water/mist soil as its being excavated and loaded onto transportation trucks.
- Contractor shall place any stockpiled soil in areas shielded from prevailing winds.

Contractor shall cover the bottom of excavated areas with sheeting when work is not being performed.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that measures to reduce accidental release of hazardous materials are feasible and would reduce potential impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to accidental release of hazardous materials would not be significant.

Mitigation Measure HAZ-2.2: Develop Construction Activity Dust Control Plan (DCP) and Asbestos Dust Management Plan (ADMP). Prior to commencement of site grading, the Project Sponsor shall retain a qualified professional to prepare a DCP/ADMP. The DCP shall incorporate the applicable BAAQMD pertaining to fugitive dust control. The ADMP shall be submitted to and approved by the BAAQMD prior to the beginning of construction, and the Project Sponsor must ensure the implementation of all specified

dust control measures throughout the construction of the Project. The ADMP shall require compliance with specific control measures to the extent deemed necessary by the BAAQMD to meet its standard.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that preparation of a Construction Activity Dust Control Plan and Asbestos Dust Management Plan is feasible and would reduce potential construction dust and asbestos impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to construction dust and asbestos would not be significant.

Impact HAZ-3: The Project could emit hazardous emissions or involve handling hazardous or acutely hazardous materials, substances, or waste within 0.25 mile of an existing or proposed school. As such, the impact would be potentially significant.

Mitigation Measure: Implementation of Mitigation Measures HAZ-2.1, and HAZ-2.2 would reduce the impact to schools.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that measures to reduce exposure of hazardous emissions to schools are feasible and would reduce potential impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to exposure of hazardous emissions to schools would not be significant.

G. BIOLOGICAL RESOURCES

Impact BIO-1: The Project could have an impact on species identified as candidate, sensitive, or special-status in local or regional plans, policies, or regulations.

Mitigation Measure BIO-1.1: Identify and protect roosting and breeding bats on the Project site and provide alternative roosting habitat. The Project Sponsor shall implement the following measures to protect roosting and breeding bats found in a tree or structure to be removed with the implementation of the Project. Prior to tree removal or demolition activities, the Project Sponsor shall retain a qualified biologist to conduct a focused survey for bats and potential roosting sites within buildings to be demolished or trees to be removed. The surveys can be conducted by visual identification and can

assume presence of hoary and/or pallid bats or the bats can be identified to a species-level with the use of a bat echolocation detector such as an “Anabat” unit. If no roosting sites or bats are found, a letter report confirming absence shall be sent to the California Department of Fish and Wildlife (CDFW) and no further mitigation is required. If roosting sites or hoary bats are found, then the following monitoring and exclusion, and habitat replacement measures shall be implemented. The letter or surveys and supplemental documents shall be provided to the City of Menlo Park (City) prior to demolition permit issuance.

- a. If bats are found roosting outside of nursery season (May 1st through October 1st), then they shall be evicted as described under (c) below. If bats are found roosting during the nursery season, then they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under (c). Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. A 250-foot (or as determined in consultation with CDFW) buffer zone shall be established around the roosting site within which no construction or tree removal shall occur.
- b. Eviction of bats shall be conducted using bat exclusion techniques, developed by Bat Conservation International (BCI) and in consultation with CDFW that allow the bats to exit the roosting site but prevent re-entry to the site. This would include, but not be limited to, the installation of one-way exclusion devices. The devices shall remain in place for seven days and then the exclusion points and any other potential entrances shall be sealed. This work shall be completed by a BCI-recommended exclusion professional. The exclusion of bats shall be timed and carried concurrently with any scheduled bird exclusion activities.
- c. Each roost lost (if any) will be replaced in consultation with the Department of Fish and Game and may include construction and installation of BCI-approved bat boxes suitable to the bat species and colony size excluded from the original roosting site. Roost replacement will be implemented before bats are excluded from the original roost sites. Once the replacement roosts are constructed and it is confirmed that bats are not present in the original roost site, the structures may be removed or sealed.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that the identification and protection of roosting and breeding bats is feasible and would reduce potential impacts to roosting and breeding bats to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to roosting and breeding bats would not be significant.

Impact BIO-2: The removal of trees, shrubs, or woody vegetation during Project construction could have an impact on the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites. In addition, the proposed buildings and lighting would have the potential to injure or cause death to birds from collision and other factors.

Mitigation Measure BIO-2.1: Conduct pre-construction surveys for nesting migratory birds. The Project Sponsor shall implement the following measures to reduce impacts to nesting migratory birds.

- a. To facilitate compliance with state and federal law (CDFW Code and the MBTA) and prevent impacts on nesting birds, the Project Sponsor shall avoid the removal of trees, shrubs, or weedy vegetation February 15 through August 31 during the bird nesting period. If no vegetation or tree removal is proposed during the nesting period, no surveys are required. If it is not feasible to avoid the nesting period, a survey for nesting birds shall be conducted by a qualified wildlife biologist no earlier than seven days prior to the removal of trees, shrubs, weedy vegetation, buildings, or other construction activity.
- b. Survey results shall be valid for the tree removals for 21 days following the survey. If the trees are not removed within the 21-day period, then a new survey shall be conducted. The area surveyed shall include all construction areas as well as areas within 150 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.

In the event that an active nest for a protected species of bird is discovered in the areas to be cleared or in other habitats within 150 feet of construction boundaries, clearing and construction shall be postponed for at least 2 weeks or until the biologist has determined that the young have fledged (left the nest), the nest is vacated, and there is no evidence of second nesting attempts.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that preconstruction surveys are feasible and would reduce potential impacts to nesting birds to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to nesting birds would not be significant.

Mitigation Measure BIO-2.2: Implement Bird-Safe Design Standards into Project Buildings and Lighting Design. All new buildings and lighting features constructed or installed at the Project site shall be implemented to at least a level of “Select Bird-Safe Building” standards as defined in the City of San Francisco Planning Department’s “Standards for Bird-Safe Buildings,” adopted July 14, 2011. These design features shall

include minimization of bird hazards as defined in the standards. With respect to lighting, the Project site shall:

- Be designed to minimize light pollution including light trespass, over-illumination, glare, light clutter, and skyglow while using bird-friendly lighting colors when possible.
- Avoid uplighting, light spillage, event search lights, and use green and blue lights when possible.
- Turn off unneeded interior and exterior lighting from dusk to dawn during migrations: February 15 through May 31 and August 15 through November 30.

Include window coverings on rooms where interior lighting is used at night that adequately block light transmission and motion sensors or controls to extinguish lights in unoccupied spaces.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the EIR. The City finds that bird-safe design standards are feasible and would reduce potential bird hazards to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to birds would not be significant.

III. FINDINGS AND RECOMMENDATIONS REGARDING SIGNIFICANT AND UNAVOIDABLE IMPACTS

The Final EIR for the Project concluded that there would be significant environmental impacts. The City finds that by incorporating into the Project all the mitigation measures outlined in the MMRP, the impacts are reduced. However, even after mitigation, some impacts are significant and unavoidable. The City finds that there is no additional feasible mitigation that could be imposed beyond what is detailed herein. For the reasons set forth in the Statement of Overriding Considerations below, the City finds that there are economic, legal, social, technological or other benefits of the Project that override the significant and unavoidable impacts.

A. TRANSPORTATION

Impact TRA-1: Increases in traffic generated by the Project under Near Term 2015 Plus Project Conditions would result in increased delays during AM and PM Peak Hours causing a potentially significant impact on the operation of several of the study intersections.

Mitigation Measure TRA-1.1: Implement Intersection Improvements to address Near Term Effects on Study Intersections. The following mitigation measures were considered to reduce potentially significant impacts on study intersections.

a. Marsh Road and Bayfront Expressway (#1)

A portion of the proposed mitigation measure for the intersection of Marsh Road and Bayfront Expressway is the same as the mitigation measure proposed for the Housing Element Environmental Assessment (EA) (TR-1g, TR-2w). The measure includes restriping the existing southbound approach of Haven Avenue from one shared left-turn and through lane, one through lane, and one right-turn lane to one shared left-turn and through lane, one shared through and right-turn lane, and one right-turn lane (the single through-lane will be combined with a right-turn lane). The improvements also include bicycle and pedestrian enhancements to the Haven Avenue approach. The improvements to the southbound leg are the responsibility of the St. Anton (Haven Avenue Residential) development per the Housing Element EA and are currently in the design phase.

Additionally, the eastbound approach of Marsh Road would be widened to accommodate a third right-turn lane. This has potentially significant secondary effects on bicyclists by requiring them to cross multiple lanes of traffic to make a left-turn or proceed through the intersection; and on pedestrians by increasing the crossing distance, exacerbating the multiple threat scenario (where vehicles block sight lines between drivers in adjacent lanes and crossing pedestrians), and exposure time to vehicle traffic. This improvement would therefore be required to include enhancements to bicycle and pedestrian infrastructure along Marsh Road in the area between the US 101 NB off-ramp and Bayfront Expressway to reduce the secondary effects of this mitigation measure. The Project Sponsor is responsible for the third right-turn lane and bicycle/pedestrian improvements for the eastbound approach on Marsh Road.

Prior the issuance of a grading permit, the Project Sponsor shall prepare detailed improvement construction plans for the proposed mitigation measures on the eastbound approach at the intersection of Marsh Road and Bayfront Expressway for review and approval by the Public Works Director. Prior to the issuance of a building permit for the shell, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 15 percent contingency. Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans.

The Project Sponsor shall complete and submit a Caltrans encroachment permit within 30 days of receiving City approval of the plans. The Project Sponsor shall commence the construction of the improvements within 180 days of receiving Caltrans approval Caltrans and any other applicable agencies and diligently prosecute such construction until it is completed. If Caltrans does not approve the proposed intersection improvements within five years from the CDP effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction

of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City with priority given to portions of the City east of US 101. Construction of this improvement, or in the case that Caltrans does not approve the intersection improvement, payment of funds equal to the bid construction cost to the City, by the Project Sponsor shall count as a future credit toward payment of the Transportation Impact Fee (TIF) pursuant to the TIF Ordinance. Although the proposed mitigation would fully mitigate the impact, it remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.

b. Marsh Road and US 101 Northbound Off-Ramp (#3)

The proposed mitigation measures for the intersection of Marsh Road and the US 101 northbound off-ramp includes widening the northbound off-ramp to add a second right-turn lane. This would be accomplished by widening the western side of the approach and shifting the existing lanes, resulting in two left-turn lanes and two right-turn lanes. This improvement will require relocation of existing traffic signal poles, utility relocation, tree removal, and reconstruction of the curb ramp on the southwest corner of the intersection.

According to the Facebook East Campus Development Agreement (FECPPDA), Facebook is responsible for implementing this mitigation measure. However, even though the proposed mitigation would fully mitigate the impact, the impact remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.

c. Independence Drive and Constitution Drive (#8)

A potential mitigation measure for the intersection of Independence Drive and Constitution Drive would include restricting left-turns from Constitution Drive to Independence Drive. This restriction would affect less than five vehicles during each peak hour. Because the number of affected vehicles is small, it is anticipated that traffic patterns would shift to alternative routes if peak hour congestion warrants. The impact remains significant and unavoidable because it is infeasible. No other feasible mitigation measures are available for this intersection at this time.

d. Chrysler Drive and Bayfront Expressway (#9)

The proposed mitigation measure for the intersection of Chrysler Drive and Bayfront Expressway includes restriping the existing eastbound right-turn lane to a shared left/right-turn lane.

According to the FECPPDA, Facebook is responsible for implementing this mitigation measure. However, although the proposed measure would fully mitigate the

impact, it remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.

e. Chrysler Drive and Jefferson Drive (#11)

A potential mitigation measure for the intersection of Chrysler Drive and Jefferson Drive includes signaling the intersection. With the addition of Project traffic, the intersection meets the peak hour signal warrants defined in the California Manual on Uniform Traffic Control Devices (California MUTCD) during the PM Peak Hour (Appendix 3.3-G). However, the California MUTCD includes eight criteria used to evaluate the potential installation of a traffic signal and cautions that installing a signal should only occur after “an engineering study indicates that installing a traffic control signal will improve the overall safety and/or operation of the intersection.” While signaling the intersection would mitigate the Project’s peak hour impact, only one of the eight criteria is met and given intersection spacing, installation of a signal would not be good traffic engineering practice. After conducting a comprehensive traffic study, the City will have discretion as to if and when a traffic signal may be installed based on California MUTCD requirements. Thus, at this time, the City cannot guarantee that a traffic signal would be installed, and therefore, the impact remains significant and unavoidable.

As a partial mitigation measure, the Project Sponsor shall be required to construct sidewalks along 138 and 160 Jefferson Drive and the Jefferson Drive frontage of 1150 Chrysler Drive, as well as install a crosswalk and Americans with Disabilities Act (ADA)-compliant pedestrian curb ramps across the Jefferson Drive leg of the Chrysler Drive and Jefferson Drive intersection, and contribute a fair share contribution toward the future improvement of this intersection, which may include future signalization (if determined to be appropriate at a later date) or installation of other traffic control devices such as a roundabout or traffic circle. If a traffic signal is not installed, the City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City. The design of the sidewalks and related improvements shall be prepared by the Project Sponsor, in collaboration with the City’s Transportation Manager to work around obstacles in the public right-of-way, such as utility poles and heritage trees. The sidewalks and related improvements shall be constructed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. The fair share contribution for intersection improvements shall be paid prior to the issuance of a building permit. Construction of these improvements is not eligible for TIF credit.

f. Chrysler Drive and Independence Drive (#12)

The proposed mitigation measure for the intersection of Chrysler Drive and Independence Drive includes signaling the intersection. The signal warrant is met for the PM Peak Hour as shown in Appendix 3.3-G. However, the California MUTCD includes eight criteria used to evaluate the potential installation of a traffic signal and cautions that installing a signal should only occur after “an engineering study indicates

that installing a traffic control signal will improve the overall safety and/or operation of the intersection.” While signalizing the intersection would mitigate the Project’s peak hour impact, only one of the eight criteria is met and given intersection spacing, installation of a signal would not be good traffic engineering practice. After conducting a comprehensive traffic study, the City will have discretion as to if and when a traffic signal may be installed based on California MUTCD requirements. Thus, at this time, the City cannot guarantee that a traffic signal would be installed, and therefore, the impact remains significant and unavoidable.

As a partial mitigation measure, the Project Sponsor shall be required to construct sidewalks along the Chrysler Drive frontage of 1150 Chrysler Drive, as well as install a crosswalk and ADA-compliant pedestrian curb ramps across the east leg of Chrysler Drive at the Chrysler Drive and Independence Drive intersection, and contribute a fair share contribution toward the future improvement of this intersection, which may include future signalization (if determined to be appropriate at a later date) or installation of other traffic control devices such as a roundabout or traffic circle. If a traffic signal is not installed, the City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City. The design of the sidewalks and related improvements prepared by the Project Sponsor, in collaboration with the City’s Transportation Manager to work around obstacles in the public right-of-way, such as utility poles and heritage trees. The sidewalks and related improvements shall be constructed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. The fair share contribution for intersection improvements shall be paid prior to the issuance of a building permit. Construction of these improvements is not eligible for a TIF credit.

g. Chilco Street and Constitution Drive (#14)

The proposed mitigation measure for the Chilco Street and Constitution Drive intersection includes striping the southbound approach to include one left-turn lane and one shared through/right-turn lane. The striping improvements shall be installed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. Alternatively, the Project Sponsor may choose to pay the cost of the approved striping improvement to the City prior to final inspection so that the City can use the Project Sponsor’s funds to install the proposed improvements. Payment toward construction of these improvements is not eligible for a TIF credit. With the implementation of this mitigation measure, the impact would be reduced to a less-than-significant level.

h. Willow Road and Bayfront Expressway (#15)

The proposed mitigation measure for the Willow Road and Bayfront Expressway intersection includes the addition of a third right-turn lane for the eastbound approach on Willow Road. This improvement is identified in the City’s TIF and also includes construction of a shoulder-side bike path between the railroad crossing and Bayfront Expressway on the eastbound approach.

According to the FECPDA, Facebook is responsible for implementing this mitigation measure. Although the proposed mitigation would fully mitigate the impact, it remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.

i. Willow Road and Newbridge Street (#19)

A potential mitigation measure for the intersection of Willow Road and Newbridge Street includes restriping the southbound approach on Newbridge Street from one left-turn lane, one through lane, and one right-turn lane to one shared left-turn and through lane, one shared through and right-turn lane, and one right-turn lane, adding one additional receiving lane on the south leg of Newbridge Street accordingly, and adding a westbound shared through and right-turn lane, and an additional receiving lane for the westbound through traffic.

According to the FECPDA, Facebook is responsible for the improvements to the westbound approach. Restriping the left-turn lane and through lane on the southbound approach to a shared through and right-turn lane and a shared through and right-turn lane carries potentially significant secondary effects on bicyclists, making it difficult for them to position appropriately in the intersection and navigate, and for pedestrians, because of the multiple lanes of traffic permitted to turn across the crosswalk that could affect their walk phase. Additionally, providing a receiving lane on the south leg of Newbridge Street is not feasible due to right-of-way acquisition and property impacts in the City of East Palo Alto.

Although the proposed mitigation would fully mitigate the impact, it remains significant and unavoidable because the improvement is infeasible. No other feasible mitigation measures are available for this intersection at this time.

j. University Avenue and Bayfront Expressway (#25)

A potential mitigation measure for the intersection of University Avenue and Bayfront Expressway includes adding a fourth southbound through lane. The additional southbound through lane, and required southbound receiving lane, are not feasible due to the right-of-way acquisition that would be needed from multiple property owners, potential occurrence of wetlands, relocation of the Bay Trail, and substantial intersection modifications, which are under Caltrans jurisdiction.

Although the proposed mitigation would fully mitigate the impact, the impact remains significant and unavoidable because the improvement is infeasible. No other feasible mitigation measures are available for this intersection at this time.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure TRA-1.1 involves intersection improvements to mitigate or reduce the impacts of the Project. However, intersection impacts would remain significant and unavoidable since the impact cannot be fully mitigated as described above under each specific intersection.

Remaining Impacts: The Project-specific impacts at the affected intersections would remain significant and unavoidable.

Impact TRA-2: Increases in traffic associated with the Project under the Near Term 2015 Plus Project Conditions would result in increased ADT volumes on Project area roadway segments resulting in potentially significant impacts.

Mitigation Measure TRA-2.1: Implement Roadway Segment Improvements to address Near Term Effects. The following mitigation measures were considered to reduce potentially significant impacts on study area roadway segments.

a. *Constitution Drive between Independence Drive and Chrysler Drive (G)*

As a partial mitigation measure to reduce the Project's impact on this roadway segment, the Project Sponsor shall be required to construct a Class III bicycle route on Constitution Drive between Independence Drive and Chrysler Drive. The facility, at a minimum, shall include bicycle route signs and shared-lane markings. This improvement was identified in the City's Comprehensive Bicycle Development Plan (2005).

The Project Sponsor shall install the proposed bicycle improvements prior to final inspection. Payment toward construction of these improvements is not eligible for a TIF credit.

b. *Constitution Drive between Jefferson Drive and Chilco Street (I)*

As a partial mitigation measure to reduce the Project's impact on this roadway segment, the Project Sponsor shall be required to construct a Class III bicycle route on Constitution Drive between Independence Drive and Chilco Street. The facility, at a minimum, shall include bicycle route signs and shared-lane markings. This improvement was identified in the City's Comprehensive Bicycle Development Plan (2005).

The Project Sponsor shall install the proposed bicycle improvements prior to final inspection. Payment toward construction of these improvements is not eligible for a TIF credit.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: To improve daily roadway operations a typical mitigation measure would seek to widen roads to add travel lanes and capacity. However, intersection impacts would remain significant and unavoidable since the impact cannot be fully mitigated as described above under each specific road segment.

Remaining Impacts: The Project-specific impacts to roadway segments would remain significant and unavoidable.

Impact TRA-3: Increases in traffic associated with the Project under the Near Term 2015 Plus Project Conditions would result in potentially significant impacts on several Routes of Regional Significance.

Mitigation Measure TRA-3.1: The following mitigation measures were considered to reduce potentially significant impacts on Regional Routes of Significance.

Routes of Regional Significance could be widened to add travel lanes, but the routes are under the jurisdiction of Caltrans. Adding a travel lane would increase capacity, but adding an additional lane to the roadway is not a feasible mitigation measure due to right-of-way constraints. Therefore, the following impacts remain significant and unavoidable.

- a. SR 84 between Willow Road and University Avenue
- b. SR 84 between University Avenue and the County Line
- c. US 101 between Marsh Road and Willow Road
- d. US 101 between Willow Road and University Avenue
- e. US 101 south of University Avenue

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: A typical mitigation measure would seek to widen the road to add travel lanes and capacity. However, impacts to Routes of Regional Significance would remain significant and unavoidable because these roadways are not under the jurisdiction of the City. In addition, freeway improvement projects, which add travel lanes are planned and funded on a regional scale and would be too costly for a single project to be expected to fund.

Remaining Impacts: The Project-specific impacts at the foregoing Routes of Regional Significance would remain significant and unavoidable.

Impact TRA-6: Increases in traffic associated with the Project under the Cumulative 2030 Plus Project Conditions would result in increased delays at several intersections during peak hours causing a potentially significant impact on the operation of several study intersections.

Mitigation Measure TRA-6.1: Implement Intersection Improvements to address Cumulative 2030 Conditions Effects on Study Intersections. The following mitigation measures were considered to reduce potentially significant impacts on study intersections.

- a. *Marsh Road and Bayfront Expressway (#1)*
See Near Term 2015 Plus Project Conditions TRA-1.1a.
- b. *Marsh Road and US 101 Northbound Off-Ramp (#3)*
See Near Term 2015 Plus Project Conditions TRA-1.1b.
- c. *Marsh Road and US 101 Southbound Off-Ramp (#4)*

A potential mitigation measure for the intersection of Marsh Road and US 101 southbound off-ramp includes widening the southbound off-ramp and adding an additional right-turn lane along with restriping the existing right-turn lanes into a shared

left and right-turn lane and adding an additional receiving lane on eastbound Marsh Road accordingly. However, this improvement is not feasible due to the right-of-way requirements that would be needed for the receiving lane on the eastbound Marsh Road bridge over US 101.

Although the proposed mitigation would fully mitigate the impact, the impact remains significant and unavoidable because the improvement is infeasible. No other feasible mitigation measures are available for this intersection at this time.

d. Marsh Road and Scott Drive (#5)

A potential mitigation measure for the intersection of Marsh Road and Scott Drive includes widening the westbound approach and adding a shared right-turn and through lane. The west side of Marsh Road would also need to be widened to accommodate an additional receiving lane. This improvement would require relocation of existing traffic signal poles, utility relocation, and relocation and reconstruction of the sidewalk and curb ramp on the southwest corner of the intersection. The improvement would also require acquisition of right-of-way, which is not feasible.

While the intersection is under City jurisdiction, the east leg of the intersection is located within Caltrans right-of-way, requiring coordination between the two jurisdictions for implementation of the improvements described above. As such, the City cannot guarantee the mitigation measure would be implemented. Although the proposed mitigation would fully mitigate the impact, the impact remains significant and unavoidable because the improvement is infeasible. No other feasible mitigation measures are available for this intersection at this time.

e. Marsh Road and Middlefield Road (#7)

The proposed mitigation measure for the intersection of Marsh Road and Middlefield Road includes the addition of a second southbound left-turn lane on Middlefield Road and one receiving lane on Marsh Road accordingly. This measure has been identified in past studies, and, is potentially feasible to construct within the existing right-of-way on Marsh Road. However, based on consultation with the Town of Atherton, widening Marsh Road may require covering Atherton Channel and removal of numerous heritage trees, and, thus, the Town of Atherton considers it infeasible. No other feasible mitigation measure has been identified by the Town of Atherton at the time this EIR was prepared. Because the improvement is under the Town of Atherton jurisdiction, which considers the improvements infeasible, the City cannot guarantee it would be implemented. Therefore, the impact remains significant and unavoidable.

f. Independence Drive and Constitution Drive (#8)

See Near Term 2015 Plus Project Conditions TRA-1.1c.

g. Chrysler Drive and Bayfront Expressway (#9)

See Near Term 2015 Plus Project Conditions TRA-1.1d.

h. Chrysler Drive and Jefferson Drive (#11)

See Near Term 2015 Plus Project Conditions TRA-1.1e.

- i. Chilco Street and Constitution Drive (#14)*
See Near Term 2015 Plus Project Conditions TRA-1.1g.
- j. Willow Road and Bayfront Expressway (#15)*
See Near Term 2015 Plus Project Conditions TRA-1.1h.
- k. Willow Road and Newbridge Street (#19)*
See Near Term 2015 Plus Project Conditions TRA-1.1i.
- l. Willow Road and Middlefield Road (#24)*

The proposed mitigation measure for the intersection of Willow Road and Middlefield Road includes widening the eastbound approach to add a second through lane on Willow Road. This improvement is identified in the City's TIF. Prior to the issuance of a building permit the Project Sponsor shall pay the adopted TIF in effect at the time the permit is issued. Payment of the TIF would reduce this cumulative impact to a less-than-significant level.

- m. University Avenue and Bayfront Expressway (#25)*
See Near Term 2015 Plus Project Conditions TRA-1.1j.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: These mitigation measures involve intersection improvements to mitigate or reduce the impacts of the Project. However, intersection impacts would not be reduced to less than significant because many improvements require obtaining additional right-of-way and several intersections are not under the City's jurisdiction.

Remaining Impacts: The Project-specific impacts to intersections would remain significant and unavoidable.

Impact TRA-7: Increases in traffic associated with the Project under the Cumulative 2030 Plus Project Conditions would result in increased average daily traffic causing a potentially significant impact on the operation of several study roadway segments.

Mitigation Measure TRA-7.1: Implement Roadway Segment Improvements to address Cumulative 2030 Conditions. The following mitigation measures were considered to reduce potentially significant impacts on roadway segments.

- a. Constitution Drive between Independence Drive and Chrysler Drive (G)*
See Near Term 2015 Plus Project Conditions TRA-2.1.
- b. Constitution Drive between Jefferson Drive and Chilco Street (I)*
See Near Term 2015 Plus Project Conditions TRA-2.1.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure TR-7.1 involves roadway improvements to mitigate or reduce the impacts of the Project on roadway segment operations. However, to improve roadway operations, a typical mitigation measure would seek to widen the road to add travel lanes and capacity. These roadway impacts would not be reduced to less than significant because much of the City and surrounding areas are built out, making roadway widening difficult because right-of-way acquisition impacts local property owners.

Remaining Impacts: The Project-specific impacts to roadway segment operations would remain significant and unavoidable.

Impact TRA-8: Increases in traffic associated with the Project under the Cumulative 2030 Plus Project Conditions would result in potentially significant impacts on several Routes of Regional Significance.

Mitigation Measure TRA-8.1: Implement Routes of Regional Significance Improvements to address Cumulative 2030 Conditions Effects. The following mitigation measures were considered to reduce potentially significant impacts on Regional Routes of Significance. Routes of Regional Significance could be widened to add travel lanes, but the freeways are under the jurisdiction of Caltrans. Adding a travel lane would increase capacity, but adding an additional lane to the roadway is not a feasible mitigation measure due to right-of-way constraints. Therefore, the following impacts remain significant and unavoidable.

- a. SR 84 between Willow Road and University Avenue
- b. SR 84 between US 101 and Bayfront Expressway
- c. US 101 between Marsh Road and Willow Road
- d. US 101 between Willow Road and University Avenue
- e. US 101 south of University Avenue

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure TRA-8.1 involves roadway improvements to mitigate or reduce the impacts of the Project on Routes of Regional Significance. A typical mitigation measure would seek to widen the road to add travel lanes and capacity. However, impacts to Routes of Regional Significance would not be reduced to less-than-significant levels because these roadways are not under the jurisdiction of the City. In addition, freeway improvement projects, which add travel lanes, are planned and funded on a regional scale and would be too costly for a single project to be expected to fund.

Remaining Impacts: The Project-specific impacts to Routes of Regional Significance would remain significant and unavoidable.

B. AIR QUALITY

Impact AQ-2: The Project could result in the violation of a BAAQMD air quality standard or substantial contribution to an existing or projected air quality violation during Project construction.

Mitigation Measure AQ-2.1: Implement Tailpipe Emission Reduction for Project Construction. NO_x emissions generated during construction are primarily contributed by tailpipe exhaust emissions from diesel powered construction equipment and haul trucks. Therefore, in order to reduce the NO_x emissions, mitigation measures to reduce tailpipe exhaust emissions during construction shall be implemented according to the mitigation measures recommended by the BAAQMD's CEQA Guidelines. The Project Sponsor shall require all construction contractors to implement the Basic Construction Mitigation Measures and Additional Construction Mitigation Measures recommended by BAAQMD to control tailpipe emissions. Emission reduction measures shall include at least the following measures and may include other measures identified as appropriate by the air district and/or contractor:

- Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 2 minutes.
- All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator.
- The simultaneous occurrence of excavation, grading, and ground-disturbing construction activities in the same area at any one time shall be limited. Activities shall be phased to reduce the amount of disturbed surfaces at any one time.

The Project shall develop a plan that demonstrates that the offroad equipment (more than 50 horsepower) to be used in construction of the Project (i.e., owned, leased, and subcontractor vehicles) shall achieve a Project-wide fleet-average 20 percent NO_x reduction and 45 percent PM reduction compared with the most recent ARB fleet average. Acceptable options for reducing emissions include the use of late-model engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, add-on devices such as particulate filters, and/or other options as such become available.

- All construction equipment, diesel trucks, and generators shall be required to be equipped with Best Available Control Technology for emission reductions of NO_x and PM.

All contractors shall be required to use equipment that meets ARB's most recent certification standard for offroad heavy-duty diesel engines.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure AQ-2.1 involves implementing Basic Construction Mitigation Measures and Additional Construction Mitigation Measures to mitigate or reduce the impacts of the Project.

Remaining Impacts: The NO_x impacts would remain significant and unavoidable.

Impact C-AQ-2: Construction activities associated with the Project, in combination with other construction activities in the City, could generate substantial NO_x emissions in excess of BAAQMD threshold.

Mitigation Measure: Mitigation Measure AQ-1, as discussed in Impact AQ-2, has been identified to reduce the exhaust NO_x emissions.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure AQ-1 would not reduce cumulative construction NO_x emissions below the BAAQMD threshold.

Remaining Impacts: The Project-specific impacts to construction NO_x emissions would remain significant and unavoidable.

C. NOISE

Impact NOI-4: The Project would generate ground-borne vibration levels in excess of 65 VdB at nearby office buildings but would not exceed vibration levels in excess of 80 VdB and noise levels in excess of 43 dBA at nearby residences.

Mitigation Measure NOI-4.1: Notify Nearby Businesses of Project Construction Activities that Could Affect Vibration-Sensitive Equipment. The Project Sponsor shall provide notification to property owners and occupants of vibration-sensitive buildings within 225 feet of construction activities, prior to the start of Project construction, informing them of the estimated start date and duration of vibration-generating construction activities, such as would occur during site preparation, demolition, excavation, and grading. This notification shall include information warning about potential for impacts related to vibration-sensitive equipment. The Project Sponsor shall provide a phone number for the property owners and occupants to call if they have vibration-sensitive equipment on their sites. A copy of the notification and any responses shall be provided to the Planning Division prior to building permit issuance.

Mitigation Measure NOI-4.2: Implement Construction Best Management Practices to Reduce Construction Vibration. If vibration-sensitive equipment is identified within 225 feet of construction sites, the Project Sponsor shall implement the following measures during construction.

- To the extent feasible, construction activities that could generate high vibration levels at identified vibration-sensitive locations shall be scheduled during times that would have the least impact on nearby office uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 am to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday through Friday, or to those times as may be mutually agreed to the adjacent vibration-sensitive businesses, the Project Sponsor, and the City.

- Stationary sources, such as construction staging areas and temporary generators, hammer mill, or other crushing/breakup equipment, etc. shall be located as far from nearby vibration-sensitive receptors as possible.
- Trucks shall be prohibited from idling along Commonwealth Drive where vibration-sensitive equipment is located, as requested by a vibration-sensitive business.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigations: Construction of the Project would have the potential to result in significant ground-borne vibration that would disturb vibration-sensitive land uses. Although implementation of these measures would reduce ground-borne vibration impacts from construction, vibration-sensitive equipment could still be exposed to excessive construction-generated vibration levels. Therefore, this impact is considered significant and unavoidable.

Remaining Impacts: The Project-specific increase in ground-borne vibration would remain significant and unavoidable.

IV. STATEMENT OF OVERRIDING CONSIDERATIONS

The City Council adopts and makes the following Statement of Overriding Considerations regarding the significant unavoidable impacts of the Project. After review of the entire administrative record, the City Council finds that, pursuant to CEQA section 21081(b) and CEQA Guidelines section 15093, specific economic, legal, social, technological and other benefits of the Project outweigh the Project's unavoidable adverse impacts and the City Council finds that the significant and unavoidable adverse impacts are acceptable in light of the Project's benefits.

A. Significant Unavoidable Impacts

With respect to the foregoing findings and in recognition of those facts that are included in the entire administrative record, the City has determined that the Project would result in significant unavoidable transportation impacts to intersections, roadway segments, and Routes of Regional Significance. Significant and unavoidable impacts would also occur associated with an increase in air pollutants due to an increase in vehicle trips and an increase in ambient noise levels associated with an increase in vehicle trips.

The City hereby finds that, where possible, changes or alterations have been required in or incorporated into the Project that substantially lessen the significant environmental effects identified in the Final EIR. The City further finds that there are no additional feasible mitigation measures that could be imposed to reduce and/or eliminate the significant and unavoidable impacts listed above. These impacts could not be reduced to a less-than-significant level by feasible changes, mitigation measures or alterations to the Project.

B. Overriding Considerations

The City Council finds that each of the overriding considerations set forth below constitutes a separate and independent ground for a finding that the benefits of the Project outweigh its significant adverse environmental impacts and is an overriding consideration warranting approval of the Project.

The Project will redevelop an unoccupied site and the Project Sponsor has offered a number of public and community benefits to the City including, committing to build the buildings LEED Gold or equivalent; contributing \$150,000 to be used by the City for capital improvement projects; dedicating an easement for future public access from Commonwealth Drive to the Dumbarton Rail Corridor; and providing a sales tax guarantee of a minimum of \$75,000 per year in sales tax to the City for each of the first 10 years of project occupancy.

Having identified the significant environmental effects of the Project, adopted all feasible mitigation measures, identified all unavoidable significant impacts, and balanced the specific economic, legal, social, technological, and other benefits of the Project, the City Council has determined that the significant and unavoidable adverse impacts are outweighed by the benefits and may be considered acceptable, and therefore approves the Project as described herein.

V. ADOPTION OF THE MMRP

The City Council hereby adopts the mitigation measures set forth for the Project in the Final EIR and the MMRP attached hereto as Exhibit A and incorporated herein by this reference.

VI. SEVERABILITY

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project, shall continue in full force and effect unless amended or modified by the City.

I, 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 19th day of August, 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 19th day of August, 2014.

Pamela Aguilar
City Clerk

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Commonwealth Corporate Center Project Mitigation Monitoring and Reporting Program

Introduction

The California Environmental Quality Act (CEQA) requires the adoption of feasible mitigation measures to reduce the severity and magnitude of significant environmental impacts associated with project development. The Environmental Impact Report (EIR) prepared for the proposed Commonwealth Corporate Center Project (Project) includes mitigation measures to reduce the potential environmental effects of the Project.

CEQA also requires reporting on and monitoring of mitigation measures adopted as part of the environmental review process (Public Resources Code Section 21081.6). This Mitigation Monitoring and Reporting Program (MMRP) is designed to aid the City of Menlo Park in its implementation and monitoring of measures adopted from the certified EIR.

The mitigation measures in this MMRP are assigned the same number they had in the EIR. The MMRP is presented in table format and describes the actions that must take place to implement each mitigation measure, the timing of those actions, the entities responsible for implementing and monitoring the actions, and verification of compliance.

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
AESTHETICS				
IMPACT BEING ADDRESSED: The Project could create a new source of substantial light or glare that could adversely affect daytime or nighttime views in the area. (AES-2)				
<p><i>AES-2.1: Design Lighting to Meet Minimum Safety and Security Standards.</i></p> <p>Concurrent with the building permit submittal, the Project Sponsor shall incorporate lighting design specifications to meet minimum safety and security standards. The comprehensive site lighting plans shall be subject to review and approval by the City's Community Development Department Planning Division prior to building permit issuance of the first building on that site. The following measures shall be included in all lighting plans.</p> <ul style="list-style-type: none"> • Luminaries shall be designed with cutoff-type fixtures or features that cast low-angle illumination to minimize incidental spillover of light onto adjacent private properties. Fixtures that shine light upward or horizontally shall not spill any light onto adjacent private properties. • Luminaries shall provide accurate color rendering and natural light qualities. Low-pressure sodium and high-pressure sodium fixtures that are not color-corrected shall not be used, except as part of an approved sign or landscape plan. • Luminary mountings shall be downcast and pole heights minimized to reduce potential for back scatter into the nighttime sky and incidental spillover light onto adjacent properties and undeveloped open space. Light poles shall be no higher than 20 feet. Luminary mountings shall be treated with non-glare finishes. 	<p>Incorporate lighting design specification to meet minimum safety and security standards.</p>	<p>Submittal of lighting plan concurrent with building permit application</p>	<p>Project Sponsor</p>	<p>City of Menlo Park Community Development Department (CDD)</p>

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<p><i>AES-2.2: Treat Reflective Surfaces.</i></p> <p>The Project Sponsor shall ensure application of low-emissivity coating on exterior glass surfaces of the proposed structures. The low-emissivity coating shall reduce visible light reflection of the visible light that strikes the glass exterior and prevent interior light from being emitted brightly through the glass.</p>	Apply low-emissivity coating on exterior glass surfaces of the proposed structures	Concurrent with building permit application	Project Sponsor	CDD
TRANSPORTATION				
<i>IMPACT BEING ADDRESSED: Increases in traffic generated by the Project under Near Term 2015 Plus Project Conditions would result in increased delays during AM and PM Peak Hours causing a potentially significant impact on the operation of several of the study intersections. (TRA-1)</i>				
<p><i>TRA-1.1: Implement Intersection Improvements to address Near Term Effects on Study Intersections.</i></p> <p>The following mitigation measures were considered to reduce potentially significant impacts on study intersections.</p>	See below	See below	See below	See below
<p><i>a. Marsh Road and Bayfront Expressway (#1)</i></p> <p>A portion of the proposed mitigation measure for the intersection of Marsh Road and Bayfront Expressway is the same as the mitigation measure proposed for the Housing Element Environmental Assessment (EA) (TR-1g, TR-2w). The measure includes restriping the existing southbound approach of Haven Avenue from one shared left-turn and through lane, one through lane, and one right-turn lane to one shared left-turn and through lane, one shared through and right-turn lane, and one right-turn lane (the single through-lane will be combined with a right-turn lane). The improvements also include bicycle and pedestrian enhancements to the Haven Avenue approach. The improvements to the southbound leg are the responsibility of the St. Anton (Haven Avenue Residential) development per the Housing Element EA and are currently in the design phase.</p> <p>Additionally, the eastbound approach of Marsh Road would be widened to accommodate a third right-turn</p>	<p>Prepare detailed improvement construction plans for the proposed mitigation measures on the eastbound approach at the intersection of Marsh Road and Bayfront Expressway.</p> <p>Obtain approval for the improvement construction plans and provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 15 percent contingency.</p> <p>Submit plans to the PW (Public Works) Director and Caltrans.</p> <p>Complete and submit a Caltrans encroachment permit.</p>	<p>Prior to issuance of a grading permit</p> <p>Prior to the issuance of a building permit for the shell</p> <p>After approval of the PW Director</p> <p>Within 30 days of receiving City approval</p>	Project Sponsor	PW Caltrans

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<p>lane. This has potentially significant secondary effects on bicyclists by requiring them to cross multiple lanes of traffic to make a left-turn or proceed through the intersection; and on pedestrians by increasing the crossing distance, exacerbating the multiple threat scenario (where vehicles block sight lines between drivers in adjacent lanes and crossing pedestrians), and exposure time to vehicle traffic. This improvement would therefore be required to include enhancements to bicycle and pedestrian infrastructure along Marsh Road in the area between the US 101 NB off-ramp and Bayfront Expressway to reduce the secondary effects of this mitigation measure. The Project Sponsor is responsible for the third right-turn lane and bicycle/pedestrian improvements for the eastbound approach on Marsh Road.</p> <p>Prior the issuance of a grading permit, the Project Sponsor shall prepare detailed improvement construction plans for the proposed mitigation measures on the eastbound approach at the intersection of Marsh Road and Bayfront Expressway for review and approval by the Public Works Director. Prior to the issuance of a building permit for the shell, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 15 percent contingency. Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans.</p> <p>The Project Sponsor shall complete and submit a Caltrans encroachment permit within 30 days of receiving City approval of the plans. The Project Sponsor shall commence the construction of the improvements within 180 days of receiving Caltrans</p>	<p>Commence the construction of the improvements.</p>	<p>Within 180 days of Caltrans approval</p>		

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<p>approval Caltrans and any other applicable agencies and diligently prosecute such construction until it is completed. If Caltrans does not approve the proposed intersection improvements within 5 years from the CDP effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City with priority given to portions of the City east of US 101. Construction of this improvement, or in the case that Caltrans does not approve the intersection improvement, payment of funds equal to the bid construction cost to the City, by the Project Sponsor shall count as a future credit toward payment of the Transportation Impact Fee (TIF) pursuant to the TIF Ordinance. Although the proposed mitigation would fully mitigate the impact, it remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.</p>				
<p><i>e. Chrysler Drive and Jefferson Drive (#11)</i> A potential mitigation measure for the intersection of Chrysler Drive and Jefferson Drive includes signaling the intersection. With the addition of Project traffic, the intersection meets the peak hour signal warrants defined in the California Manual on Uniform Traffic Control Devices (California MUTCD) during the PM Peak Hour (Appendix 3.3-G). However, the California MUTCD includes eight criteria used to evaluate the potential installation of a traffic signal and cautions that installing a signal should only occur after “an engineering study indicates that installing a traffic</p>	<p>Construct sidewalks, as well as install a crosswalk and Americans with Disabilities Act (ADA)-compliant pedestrian curb ramps, and contribute a fair share contribution toward the future improvement of this intersection. Work with the City’s Transportation Manager during design.</p>	<p>Construction of improvements: prior to the final inspection of the proposed buildings</p> <p>Payment of contribution: prior to the issuance of a building permit</p>	<p>Project Sponsor</p>	<p>City’s Transportation Manger</p> <p>PW</p>

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<p>control signal will improve the overall safety and/or operation of the intersection.” While signalizing the intersection would mitigate the Project’s peak hour impact, only one of the eight criteria is met and given intersection spacing, installation of a signal would not be good traffic engineering practice. After conducting a comprehensive traffic study, the City will have discretion as to if and when a traffic signal may be installed based on California MUTCD requirements. Thus, at this time, the City cannot guarantee that a traffic signal would be installed, and therefore, the impact remains significant and unavoidable.</p> <p>As a partial mitigation measure, the Project Sponsor shall be required to construct sidewalks along 138 and 160 Jefferson Drive and the Jefferson Drive frontage of 1150 Chrysler Drive, as well as install a crosswalk and Americans with Disabilities Act (ADA)-compliant pedestrian curb ramps across the Jefferson Drive leg of the Chrysler Drive and Jefferson Drive intersection, and contribute a fair share contribution toward the future improvement of this intersection, which may include future signalization (if determined to be appropriate at a later date) or installation of other traffic control devices such as a roundabout or traffic circle. If a traffic signal is not installed, the City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City. The design of the sidewalks and related improvements shall be prepared by the Project Sponsor, in collaboration with the City’s Transportation Manager to work around obstacles in the public right-of-way, such as utility poles and heritage trees. The sidewalks and related improvements shall be constructed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. The fair share contribution for intersection improvements shall be paid prior to the issuance of a building permit. Construction of these improvements is</p>				

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not eligible for TIF credit.				
<p><i>f. Chrysler Drive and Independence Drive (#12)</i></p> <p>The proposed mitigation measure for the intersection of Chrysler Drive and Independence Drive includes signalizing the intersection. The signal warrant is met for the PM Peak Hour as shown in Appendix 3.3-G. However, the California MUTCD includes eight criteria used to evaluate the potential installation of a traffic signal and cautions that installing a signal should only occur after “an engineering study indicates that installing a traffic control signal will improve the overall safety and/or operation of the intersection.” While signalizing the intersection would mitigate the Project’s peak hour impact, only one of the eight criteria is met and given intersection spacing, installation of a signal would not be good traffic engineering practice. After conducting a comprehensive traffic study, the City will have discretion as to if and when a traffic signal may be installed based on California MUTCD requirements. Thus, at this time, the City cannot guarantee that a traffic signal would be installed, and therefore, the impact remains significant and unavoidable.</p> <p>As a partial mitigation measure, the Project Sponsor shall be required to construct sidewalks along the Chrysler Drive frontage of 1150 Chrysler Drive, as well as install a crosswalk and ADA-compliant pedestrian curb ramps across the east leg of Chrysler Drive at the Chrysler Drive and Independence Drive intersection, and contribute a fair share contribution toward the future improvement of this intersection, which may include future signalization (if determined to be appropriate at a later date) or installation of other traffic control devices such as a roundabout or traffic circle. If a traffic signal is not installed, the City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and</p>	<p>Construct sidewalks, as well as install a crosswalk and ADA-compliant pedestrian curb ramps, and contribute a fair share contribution toward the future improvement of this intersection. Work with the City’s Transportation Manager during design.</p>	<p>Construction of improvements: prior to the final inspection of the proposed buildings</p> <p>Payment of contribution: prior to the issuance of a building permit</p>	<p>Project Sponsor</p>	<p>City’s Transportation Manger</p> <p>PW</p>

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transit improvements and TDM programs, throughout the City. The design of the sidewalks and related improvements prepared by the Project Sponsor, in collaboration with the City's Transportation Manager to work around obstacles in the public right-of-way, such as utility poles and heritage trees. The sidewalks and related improvements shall be constructed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. The fair share contribution for intersection improvements shall be paid prior to the issuance of a building permit. Construction of these improvements is not eligible for a TIF credit.				
<i>g. Chilco Street and Constitution Drive (#14)</i> The proposed mitigation measure for the Chilco Street and Constitution Drive intersection includes striping the southbound approach to include one left-turn lane and one shared through/right-turn lane. The striping improvements shall be installed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. Alternatively, the Project Sponsor may choose to pay the cost of the approved striping improvement to the City prior to final inspection so that the City can use the Project Sponsor's funds to install the proposed improvements. Payment toward construction of these improvements is not eligible for a TIF credit. With the implementation of this mitigation measure, the impact would be reduced to a less-than-significant level.	Install striping improvements.	Prior to final inspection	Project Sponsor	PW
<i>IMPACT BEING ADDRESSED: Increases in traffic associated with the Project under the Near Term 2015 Plus Project Conditions would result in increased ADT volumes on Project area roadway segments resulting in potentially significant impacts. (TRA-2)</i>				
<i>TRA-2.1: Implement Roadway Segment Improvements to address Near Term Effects. The following mitigation measures were considered to reduce potentially significant impacts on study area roadway segments.</i>	See below	See below	See below	See below

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<p>a. <i>Constitution Drive between Independence Drive and Chrysler Drive (G)</i></p> <p>As a partial mitigation measure to reduce the Project's impact on this roadway segment, the Project Sponsor shall be required to construct a Class III bicycle route on Constitution Drive between Independence Drive and Chrysler Drive. The facility, at a minimum, shall include bicycle route signs and shared-lane markings. This improvement was identified in the City's Comprehensive Bicycle Development Plan (2005).</p> <p>The Project Sponsor shall install the proposed bicycle improvements prior to final inspection. Payment toward construction of these improvements is not eligible for a TIF credit.</p>	<p>Construct a Class III bicycle route on Constitution Drive between Independence Drive and Chrysler Drive.</p>	<p>Prior to final inspection</p>	<p>Project Sponsor</p>	<p>PW</p>
<p>b. <i>Constitution Drive between Jefferson Drive and Chilco Street (I)</i></p> <p>As a partial mitigation measure to reduce the Project's impact on this roadway segment, the Project Sponsor shall be required to construct a Class III bicycle route on Constitution Drive between Independence Drive and Chilco Street. The facility, at a minimum, shall include bicycle route signs and shared-lane markings. This improvement was identified in the City's Comprehensive Bicycle Development Plan (2005).</p> <p>The Project Sponsor shall install the proposed bicycle improvements prior to final inspection. Payment toward construction of these improvements is not eligible for a TIF credit.</p>	<p>Construct a Class III bicycle route on Constitution Drive between Independence Drive and Chilco Street.</p>	<p>Prior to final inspection</p>	<p>Project Sponsor</p>	<p>PW</p>

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<i>IMPACT BEING ADDRESSED: Increases in traffic associated with the Project under the Cumulative 2030 Plus Project Conditions would result in increased delays at several intersections during peak hours causing a potentially significant impact on the operation of several study intersections. (TRA-6)</i>				
<i>TRA-6.1: Implement Intersection Improvements to address Cumulative 2030 Conditions Effects on Study Intersections.</i> The following mitigation measures were considered to reduce potentially significant impacts on study intersections.	See below	See below	See below	See below
<i>a. Marsh Road and Bayfront Expressway (#1)</i> See Near Term 2015 Plus Project Conditions TRA-1.1a.	See above	See above	See above	See above
<i>b. Marsh Road and US 101 Northbound Off-Ramp (#3)</i> See Near Term 2015 Plus Project Conditions TRA-1.1b.	See above	See above	See above	See above
<i>l. Willow Road and Middlefield Road (#24)</i> The proposed mitigation measure for the intersection of Willow Road and Middlefield Road includes widening the eastbound approach to add a second through lane on Willow Road. This improvement is identified in the City's TIF. Prior to the issuance of a building permit the Project Sponsor shall pay the adopted TIF in effect at the time the permit is issued. Payment of the TIF would reduce this cumulative impact to a less-than-significant level.	Widen the eastbound approach to add a second through lane on Willow Road. Provide payment to the TIF.	Prior to issuance of a building permit	Project Sponsor	PW
<i>IMPACT BEING ADDRESSED: Increases in traffic associated with the Project under the Cumulative 2030 Plus Project Conditions would result in increased average daily traffic causing a potentially significant impact on the operation of several study roadway segments. (TRA-7)</i>				
<i>TRA-7.1: Implement Roadway Segment Improvements to address Cumulative 2030 Conditions.</i> The following mitigation measures were considered to reduce potentially significant impacts on roadway segments.	See above	See above	See above	See above
<i>a. Constitution Drive between Independence Drive and Chrysler Drive (G)</i> See Near Term 2015 Plus Project Conditions TRA-2.1.	See above	See above	See above	See above
<i>b. Constitution Drive between Jefferson Drive and Chilco Street (I)</i>	See above	See above	See above	See above

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See Near Term 2015 Plus Project Conditions TRA-2.1.				
<i>IMPACT BEING ADDRESSED: Increases in traffic associated with the Project under the Cumulative 2030 Plus Project Conditions would result in potentially significant impacts on several Routes of Regional Significance. (TRA-8)</i>				
AIR QUALITY				
<i>IMPACT BEING ADDRESSED: The Project could result in the violation of a BAAQMD air quality standard or substantial contribution to an existing or projected air quality violation during Project construction. (AQ-2)</i>				
<p><i>AQ-2.1: Implement Tailpipe Emission Reduction for Project Construction.</i></p> <p>NO_x emissions generated during construction are primary contributed by tailpipe exhaust emissions from diesel powered construction equipment and haul trucks. Therefore, in order to reduce the NO_x emissions, mitigation measures to reduce tailpipe exhaust emissions during construction shall be implemented according to the mitigation measures recommended by the BAAQMD's CEQA Guidelines.</p> <p>The Project Sponsor shall require all construction contractors to implement the Basic Construction Mitigation Measures and Additional Construction Mitigation Measures recommended by BAAQMD to control tailpipe emissions. Emission reduction measures shall include at least the following measures and may include other measures identified as appropriate by the air district and/or contractor:</p> <ul style="list-style-type: none"> • Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 2 minutes. • All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator. • The simultaneous occurrence of excavation, grading, and ground-disturbing construction activities in the same area at any one time shall be 	<p>Implement the Basic Construction Mitigation Measures and Additional Construction Mitigation Measures recommended by BAAQMD to reduce tailpipe exhaust emissions during construction.</p>	<p>During construction</p>	<p>Project Sponsor and Contractor(s)</p>	<p>PW / CDD</p>

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<p>limited. Activities shall be phased to reduce the amount of disturbed surfaces at any one time.</p> <p>The Project shall develop a plan that demonstrates that the offroad equipment (more than 50 horsepower) to be used in construction of the Project (i.e., owned, leased, and subcontractor vehicles) shall achieve a Project-wide fleet-average 20 percent NO_x reduction and 45 percent PM reduction compared with the most recent ARB fleet average. Acceptable options for reducing emissions include the use of late-model engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, add-on devices such as particulate filters, and/or other options as such become available.</p> <ul style="list-style-type: none"> • All construction equipment, diesel trucks, and generators shall be required to be equipped with Best Available Control Technology for emission reductions of NO_x and PM. • All contractors shall be required to use equipment that meets ARB's most recent certification standard for offroad heavy-duty diesel engines. 				
<p><i>AQ-2.2: Implement BAAQMD Basic Construction Mitigation Measures to Reduce Construction-Related Dust.</i></p> <p>BAAQMD does not have mass emission thresholds for fugitive emissions, but considers dust impacts to be less than significant if BMPs are employed to reduce these emissions. Therefore, the Project Sponsor shall require all construction contractors to implement the basic construction mitigation measures recommended by BAAQMD to reduce fugitive dust emissions. Emission reduction measures shall include, at a minimum, the following measures. Additional measures may be identified by BAAQMD or contractor as appropriate.</p> <ul style="list-style-type: none"> • All exposed surfaces (e.g., parking areas, staging 	<p>Implement the basic construction mitigation measures recommended by BAAQMD to reduce fugitive dust emissions.</p>	<p>During construction</p>	<p>Project Sponsor and Contractor(s)</p>	<p>PW / CDD</p>

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<p>areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.</p> <ul style="list-style-type: none"> • All haul trucks transporting soil, sand, or other loose material off-site shall be covered. • All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited. • All vehicle speeds on unpaved roads shall be limited to 15 mph. • All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used. • A publicly visible sign shall be posted with the telephone number and name of the person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. BAAQMD's phone number shall also be visible to ensure compliance with applicable regulations. 				
<p>IMPACT BEING ADDRESSED: Construction activities associated with the Project, in combination with other construction activities in the City, could generate substantial NO_x emissions in excess of BAAQMD threshold. (C-AQ-2)</p>				
<p>See Mitigation Measure AQ-1</p>				
<p>GREENHOUSE GAS EMISSIONS</p>				
<p>IMPACT BEING ADDRESSED: The Project would generate greenhouse gas emissions during Project construction. (GHG-1)</p>				
<p><i>GHG-1.1: Implement BAAQMD Best Management Practices for Construction.</i></p> <p>The Project Sponsor shall require all construction contractors to implement the BMPs recommended by the BAAQMD to reduce GHG emissions. Emission reduction measures shall include, at a minimum, the use of local building materials of at least 10 percent, the reuse of materials, such as concrete on site of at least 20</p>	<p>Implement the BMPs recommended by the BAAQMD to reduce GHG emissions.</p>	<p>During construction</p>	<p>Project Sponsor and Contractor(s)</p>	<p>PW / CDD</p>

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percent, and the use of alternative fueled vehicles for construction vehicles/equipment.				
NOISE				
IMPACT BEING ADDRESSED: The Project could generate construction equipment noise in excess of 85 dBA L_{max} at 50 feet from the construction equipment. (NOI-1)				
<p><i>NOI-1.1: Implement Noise Control Measures to Reduce Construction Noise during Project Construction.</i></p> <p>The Project Sponsor shall implement the following measures during demolition and construction of the Project as needed to maintain off-site construction-related noise at 90 dBA or less. The Noise Control Measures may include, but are not limited to, the following.</p> <ul style="list-style-type: none"> • To the extent feasible, the noisiest construction activities (primarily demolition and grading activities) shall be scheduled during times that would have the least impact on nearby office uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 a.m. to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday through Friday. • Equipment and trucks used for Project construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically attenuating shields or shrouds). • Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible, 	Implement noise control measures to reduce construction noise during construction.	During construction	Project Sponsor and Contractor(s)	CDD

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<p>and this could achieve a reduction of 5 dBA. Quieter procedures shall be used, such as drills rather than impact equipment, whenever feasible.</p> <ul style="list-style-type: none"> • Construction contractors, to the maximum extent feasible, shall be required to use “quiet” gasoline-powered compressors or other electric-powered compressors, and use electric rather than gasoline or diesel powered forklifts for small lifting. Stationary noise sources, such as temporary generators, shall be located at least 50 feet from the property line and as far from nearby sensitive receptors as possible, and shall be located at least muffled and enclosed within temporary sheds, incorporate insulation barriers, or other measures. • Install temporary noise barriers eight feet in height around the construction site to minimize construction noise to 90 dBA as measured at the applicable property lines of the adjacent uses, unless an acoustical engineer submits documentation that confirms that the barriers are not necessary to achieve the attenuation levels. • Trucks shall be prohibited from idling along streets serving the construction site for more than five minutes. 				
<p><i>IMPACT BEING ADDRESSED: The Project would generate ground-borne vibration levels in excess of 65 VdB at nearby office buildings but would not exceed vibration levels in excess of 80 VdB and noise levels in excess of 43 dBA at nearby residences. (NOI-4)</i></p>				
<p><i>NOI-4.1: Notify Nearby Businesses of Project Construction Activities that Could Affect Vibration-Sensitive Equipment.</i></p> <p>The Project Sponsor shall provide notification to property owners and occupants of vibration-sensitive buildings within 225 feet of construction activities, prior to the start of Project construction, informing them of the estimated start date and duration of vibration-generating construction activities, such as would occur during site preparation, demolition, excavation, and grading. This notification shall include</p>	<p>Provide notification to adjacent property owners and occupants, informing them of the estimated start date and duration of vibration-generating construction activities.</p>	<p>Prior to construction</p>	<p>Project Sponsor</p>	<p>CDD</p>

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<p>information warning about potential for impacts related to vibration-sensitive equipment. The Project Sponsor shall provide a phone number for the property owners and occupants to call if they have vibration-sensitive equipment on their sites. A copy of the notification and any responses shall be provided to the Planning Division prior to building permit issuance.</p>				
<p><i>NOI-4.2: Implement Construction Best Management Practices to Reduce Construction Vibration.</i></p> <p>If vibration-sensitive equipment is identified within 225 feet of construction sites, the Project Sponsor shall implement the following measures during construction.</p> <ul style="list-style-type: none"> • To the extent feasible, construction activities that could generate high vibration levels at identified vibration-sensitive locations shall be scheduled during times that would have the least impact on nearby office uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 am to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday through Friday, or to those times as may be mutually agreed to the adjacent vibration-sensitive businesses, the Project Sponsor, and the City. • Stationary sources, such as construction staging areas and temporary generators, hammer mill, or other crushing/breakup equipment, etc. shall be located as far from nearby vibration-sensitive receptors as possible. • Trucks shall be prohibited from idling along Commonwealth Drive where vibration-sensitive equipment is located, as requested by a vibration-sensitive business. 	<p>Implement construction best management practices to reduce construction vibration.</p>	<p>Measures shown on plans, construction documents and specification and ongoing through construction</p>	<p>Project Sponsor and Contractor(s)</p>	<p>CDD</p>

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CULTURAL RESOURCES				
<i>IMPACT BEING ADDRESSED: The Project has the potential to encounter and damage or destroy previously unknown subsurface archaeological resources during construction. (CUL-2)</i>				
<p><i>CUL-2.1: Perform Construction Monitoring, Evaluate Uncovered Archaeological Features, and Mitigate Potential Disturbance for Identified Significant Resources at the Project Site.</i></p> <p>Prior to demolition, excavation, grading, or other construction-related activities on the Project site, the applicant shall hire a qualified professional archaeologist (i.e., one who meets the Secretary of the Interior’s professional qualifications for archaeology or one under the supervision of such a professional) to monitor, to the extent determined necessary by the archaeologist, Project-related earth-disturbing activities (e.g., grading, excavation, trenching).</p> <p>In the event that any prehistoric or historic-period subsurface archaeological features or deposits, including locally darkened soil (midden), that could conceal cultural deposits, animal bone, obsidian, and/or mortar are discovered during demolition/construction-related earth-moving activities, all ground-disturbing activity within 100 feet of the discovery shall be halted immediately, and the Planning and Building Divisions shall be notified within 24 hours. City staff shall consult with the Project archeologist to assess the significance of the find. Impacts on any significant resources shall be mitigated to a less-than-significant level through data recovery or other methods determined adequate by the City and that are consistent with the Secretary of the Interior’s Standards for Archaeological Documentation.</p> <p>If Native American archaeological, ethnographic, or spiritual resources are discovered, all identification and treatment of the resources shall be conducted by a qualified archaeologist and Native American representatives who are approved by the local Native</p>	<p>Retain a qualified archeologist to monitor project-related earth-disturbing activities.</p> <p>Halt all ground-disturbing activity within 100 feet of any discovery of an archaeological feature. Notify the City of Menlo Park Community Development Department within 24 hours.</p> <p>If any Native American resources are discovered, all identification and treatment of the resources shall be conducted by a qualified archaeologist and Native American representatives.</p>	<p>Prior to grading activities and during construction</p>	<p>Qualified Archaeologist retained by Project Sponsor</p>	<p>CDD</p>

**COMMONWEALTH CORPORATE CENTER PROJECT
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>American community as scholars of the cultural traditions. In the event that no such Native American is available, persons who represent tribal governments and/or organizations in the locale in which resources could be affected shall be consulted. When historic archaeological sites or historic architectural features are involved, all identification and treatment is to be carried out by historical archaeologists or architectural historians who meet the Secretary of the Interior's professional qualifications for archaeology and/or architectural history.</p>				
<p>IMPACT BEING ADDRESSED: The Project could destroy a unique paleontological resource or site or unique geologic feature. (CUL-3)</p>				
<p><i>CUL-3.1: Conduct Protocol and Procedures for Encountering Paleontological Resources.</i></p> <p>Prior to the start of any subsurface excavations that would extend beyond previously disturbed soils, all construction forepersons and field supervisors shall receive training by a qualified professional paleontologist, as defined by the Society of Vertebrate Paleontology (SVP), who is experienced in teaching non-specialists, to ensure they can recognize fossil materials and shall follow proper notification procedures in the event any are uncovered during construction. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who shall evaluate its significance.</p> <p>If a fossil is determined to be significant and avoidance is not feasible, the paleontologist shall develop and implement an excavation and salvage plan in accordance with SVP standards. Construction work in these areas shall be halted or diverted to allow recovery of fossil remains in a timely manner. Fossil remains collected during the monitoring and salvage portion of the mitigation program shall be cleaned, repaired, sorted, and cataloged. Prepared fossils, along with copies of all pertinent field notes, photos, and maps,</p>	<p>Provide training by a qualified professional paleontologist to construction personnel.</p> <p>If paleontological materials are discovered, an excavation and salvage plan shall be developed and construction in the affected area shall be halted.</p>	<p>Prior to grading activities and during construction</p>	<p>Qualified Paleontologist retained by Project Sponsor and Project Sponsor</p>	<p>CDD</p>

**COMMONWEALTH CORPORATE CENTER PROJECT
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>shall then be deposited in a scientific institution with paleontological collections. A final Paleontological Mitigation Plan Report shall be prepared that outlines the results of the mitigation program. The City shall be responsible for ensuring that monitor's recommendations regarding treatment and reporting are implemented.</p>				
<p>IMPACT BEING ADDRESSED: The Project has the potential to encounter or discover human remains during excavation or construction. (CUL-4)</p>				
<p><i>CUL-4.1: Comply with State Regulations Regarding the Discovery of Human Remains at the Project Site.</i></p> <p>If human remains are discovered during any construction activities, all ground-disturbing activity within 50 feet of the remains shall be halted immediately, and the County Coroner shall be notified immediately, according to Section 5097.98 of the State Public Resources Code and Section 7050.5 of California's Health and Safety Code. Additionally, the Building Division shall be notified.</p> <p>If the remains are determined by the County Coroner to be Native American, the Native American Heritage Commission (NAHC) shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The Project Sponsor shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. As necessary, the archaeologist may provide professional assistance to the Most Likely Descendant, including the excavation and removal of the human remains. The City of Menlo Park Community Development Department Planning Division shall be responsible for approval of recommended mitigation as it deems appropriate, taking account of the provisions of state law, as set forth in State CEQA Guidelines Section 15064.5(e) and Public Resources Code Section 5097.98. The applicant shall implement approved</p>	<p>Halt ground-disturbing activities within 50 feet of discovered human remains if human remains are discovered during any construction activities. Notify the County Coroner shall be notified immediately.</p> <p>If remains are determined to be Native American, NAHC guidelines shall be followed and a qualified archaeologist shall determine the Most Likely Descendant.</p>	<p>During construction</p>	<p>Qualified Archeologist retained by the Project Sponsor</p>	<p>CDD</p>

**COMMONWEALTH CORPORATE CENTER PROJECT
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
mitigation, to be verified by the Planning Division, before the resumption of ground-disturbing activities within 50 feet of where the remains were discovered.				
IMPACT BEING ADDRESSED: Construction activities on the Project site and other cumulative development could result in impacts on archaeological resources. (C-CUL-2)				
See Mitigation Measures CUL-2.1, CUL-3.1, and CUL-4.1				
HAZARDS AND HAZARDOUS MATERIALS				
IMPACT BEING ADDRESSED: The Project could create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. (HAZ-2)				
<p><i>HAZ-2.1: Engineering Controls and Best Management Practices during Construction.</i></p> <p>During construction the contractor shall employ use of BMPs to minimize human exposure to potential contaminants. Engineering controls and Construction BMPs shall include the following.</p> <ul style="list-style-type: none"> • Contractor employees working on site shall be certified in OSHA's 40-hour Hazardous Waste Operations and Emergency Response (HAZWOPER) training. • Contractor shall monitor area around construction site for fugitive vapor emissions with appropriate field screening instrumentation. • Contractor shall water/mist soil as its being excavated and loaded onto transportation trucks. • Contractor shall place any stockpiled soil in areas shielded from prevailing winds. • Contractor shall cover the bottom of excavated areas with sheeting when work is not being performed. 	Employ the use of BMPs to minimize human exposure to potential contaminants.	During construction	Project Sponsor and Contractor(s)	CDD

**COMMONWEALTH CORPORATE CENTER PROJECT
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p><i>HAZ-2.2: Develop Construction Activity Dust Control Plan (DCP) and Asbestos Dust Management Plan (ADMP).</i></p> <p>Prior to commencement of site grading, the Project Sponsor shall retain a qualified professional to prepare a DCP/ADMP. The DCP shall incorporate the applicable BAAQMD pertaining to fugitive dust control. The ADMP shall be submitted to and approved by the BAAQMD prior to the beginning of construction, and the Project Sponsor must ensure the implementation of all specified dust control measures throughout the construction of the Project. The ADMP shall require compliance with specific control measures to the extent deemed necessary by the BAAQMD to meet its standard.</p>	<p>Prepare a DCP/ADMP</p>	<p>Prior to site grading</p>	<p>Qualified professional retained by the Project Sponsor</p>	<p>CDD/ BAAQMD</p>
<p>IMPACT BEING ADDRESSED: The Project could emit hazardous emissions or involve handling of hazardous or acutely hazardous materials, substances, or waste within 0.25 miles of an existing or proposed school. (HAZ-3)</p>				
<p>See Mitigation Measures HAZ-2.1 and HAZ-2.2.</p>				
<p>BIOLOGICAL RESOURCES</p>				
<p>IMPACT BEING ADDRESSED: The Project could have an impact on species identified as candidate, sensitive, or special-status in local or regional plans, policies, or regulations. (BIO-1)</p>				
<p><i>BIO-1.1: Identify and protect roosting and breeding bats on the Project site and provide alternative roosting habitat.</i></p> <p>The Sobrato Organization (Project Sponsor) shall implement the following measures to protect roosting and breeding bats found in a tree or structure to be removed with the implementation of the Project.</p> <p>Prior to tree removal or demolition activities, the Project Sponsor shall retain a qualified biologist to conduct a focused survey for bats and potential roosting sites within buildings to be demolished or trees to be removed. The surveys can be conducted by visual identification and can assume presence of hoary and/or pallid bats or the bats can be identified to a species-level with the use of a bat echolocation detector</p>	<p>Retain a qualified biologist to conduct a focused survey for bats and potential roosting sites within buildings to be demolished or trees to be removed. If bats are found, monitor to determine nature of roost or evict using BCI techniques.</p>	<p>Prior to building demolition or tree removal</p>	<p>Qualified Biologist retained by Project Sponsor</p>	<p>CDD</p>

**COMMONWEALTH CORPORATE CENTER PROJECT
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>such as an “Anabat” unit. If no roosting sites or bats are found, a letter report confirming absence shall be sent to the California Department of Fish and Wildlife (CDFW) and no further mitigation is required. If roosting sites or hoary bats are found, then the following monitoring and exclusion, and habitat replacement measures shall be implemented. The letter or surveys and supplemental documents shall be provided to the City of Menlo Park (City) prior to demolition permit issuance.</p> <p>a. If bats are found roosting outside of nursery season (May 1st through October 1st), then they shall be evicted as described under (c) below. If bats are found roosting during the nursery season, then they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under (c). Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. A 250-foot (or as determined in consultation with CDFW) buffer zone shall be established around the roosting site within which no construction or tree removal shall occur.</p> <p>b. Eviction of bats shall be conducted using bat exclusion techniques, developed by Bat Conservation International (BCI) and in consultation with CDFW that allow the bats to exit the roosting site but prevent re-entry to the site. This would include, but not be limited to, the installation of one-way exclusion devices. The devices shall remain in place for seven days and then the exclusion points and any other potential entrances shall be sealed. This work shall be completed by a BCI-recommended exclusion</p>				

**COMMONWEALTH CORPORATE CENTER PROJECT
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>professional. The exclusion of bats shall be timed and carried concurrently with any scheduled bird exclusion activities.</p> <p>c. Each roost lost (if any) will be replaced in consultation with the Department of Fish and Game and may include construction and installation of BCI-approved bat boxes suitable to the bat species and colony size excluded from the original roosting site. Roost replacement will be implemented before bats are excluded from the original roost sites. Once the replacement roosts are constructed and it is confirmed that bats are not present in the original roost site, the structures may be removed or sealed.</p>				
<p><i>IMPACT BEING ADDRESSED: The removal of trees, shrubs, or woody vegetation during Project construction could have an impact on the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites. In addition, the proposed buildings and lighting would have the potential to injure or cause death to birds from collision and other factors. (BIO-2)</i></p>				
<p><i>BIO-2.1: Conduct pre-construction surveys for nesting migratory birds.</i></p> <p>The Project Sponsor shall implement the following measures to reduce impacts to nesting migratory birds.</p> <p>a. To facilitate compliance with state and federal law (CDFW Code and the MBTA) and prevent impacts on nesting birds, the Project Sponsor shall avoid the removal of trees, shrubs, or weedy vegetation February 15 through August 31 during the bird nesting period. If no vegetation or tree removal is proposed during the nesting period, no surveys are required. If it is not feasible to avoid the nesting period, a survey for nesting birds shall be conducted by a qualified wildlife biologist no earlier than seven days prior to the removal of trees, shrubs, weedy vegetation, buildings, or other construction activity.</p> <p>b. Survey results shall be valid for the tree removals for 21 days following the survey. If the trees are not removed within the 21-day period, then a new survey shall be conducted. The area surveyed shall</p>	<p>Prepare nesting bird survey if trees, shrubs, or weedy vegetation will be removed between February 1 through August 31.</p>	<p>Prior to grading and construction</p>	<p>Qualified Biologist retained by Project Sponsor</p>	<p>CDD</p>

**COMMONWEALTH CORPORATE CENTER PROJECT
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>include all construction areas as well as areas within 150 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.</p> <p>In the event that an active nest for a protected species of bird is discovered in the areas to be cleared or in other habitats within 150 feet of construction boundaries, clearing and construction shall be postponed for at least 2 weeks or until the biologist has determined that the young have fledged (left the nest), the nest is vacated, and there is no evidence of second nesting attempts.</p>				
<p><i>BIO-2.2: Implement Bird-Safe Design Standards into Project Buildings and Lighting Design.</i></p> <p>All new buildings and lighting features constructed or installed at the Project site shall be implemented to at least a level of “Select Bird-Safe Building” standards as defined in the City of San Francisco Planning Department’s “Standards for Bird-Safe Buildings,” adopted July 14, 2011. These design features shall include minimization of bird hazards as defined in the standards. With respect to lighting, the Project site shall:</p> <ul style="list-style-type: none"> • Be designed to minimize light pollution including light trespass, over-illumination, glare, light clutter, and skyglow while using bird-friendly lighting colors when possible. • Avoid uplighting, light spillage, event search lights, and use green and blue lights when possible. • Turn off unneeded interior and exterior lighting from dusk to dawn during migrations: February 15 through May 31 and August 15 through November 30. • Include window coverings on rooms where interior lighting is used at night that adequately block light transmission and motion sensors or controls to extinguish lights in unoccupied spaces. 	<p>Implement Bird-Safe Design Standards into building and lighting design.</p>	<p>Prior to issuance of building permit for building shell and duration of use of the building</p>	<p>Project Sponsor</p>	<p>CDD</p>

**DRAFT
ORDINANCE NO. _____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK REZONING PROPERTIES LOCATED AT 151
COMMONWEALTH DRIVE AND 164 JEFFERSON DRIVE AND ALSO
KNOWN AS ASSESSORS PARCEL NUMBERS 055-243-240 AND 055-
243-050**

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

SECTION 1. The Zoning Map of the City of Menlo Park is hereby amended such that certain real properties with the addresses of 151 Commonwealth Drive and 164 Jefferson Drive (also identified with Assessor’s Parcel Numbers of 055-243-240 and 055-243-050) are hereby rezoned from M-2 (General Industrial District) to M-2(X) (General Industrial, Conditional Development Overlay) as more particularly described and shown in Exhibit “A.” This rezoning is consistent with the existing General Plan land use designation of Limited Industry for the property.

SECTION 2. This ordinance shall become effective thirty (30) days after the date of its adoption. Within fifteen (15) days of its adoption, the ordinance shall be posted in three (3) public places within the City of Menlo Park, and the ordinance, or a summary of the ordinance prepared by the City Attorney, shall be published in a local newspaper used to publish official notices for the City of Menlo Park prior to the effective date.

INTRODUCED on the 19th day of August, 2014.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the _____ day of _____, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

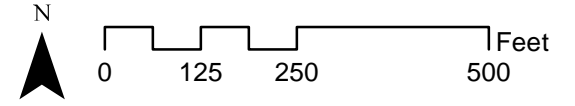
Ray Mueller
Mayor, City of Menlo Park

ATTEST:

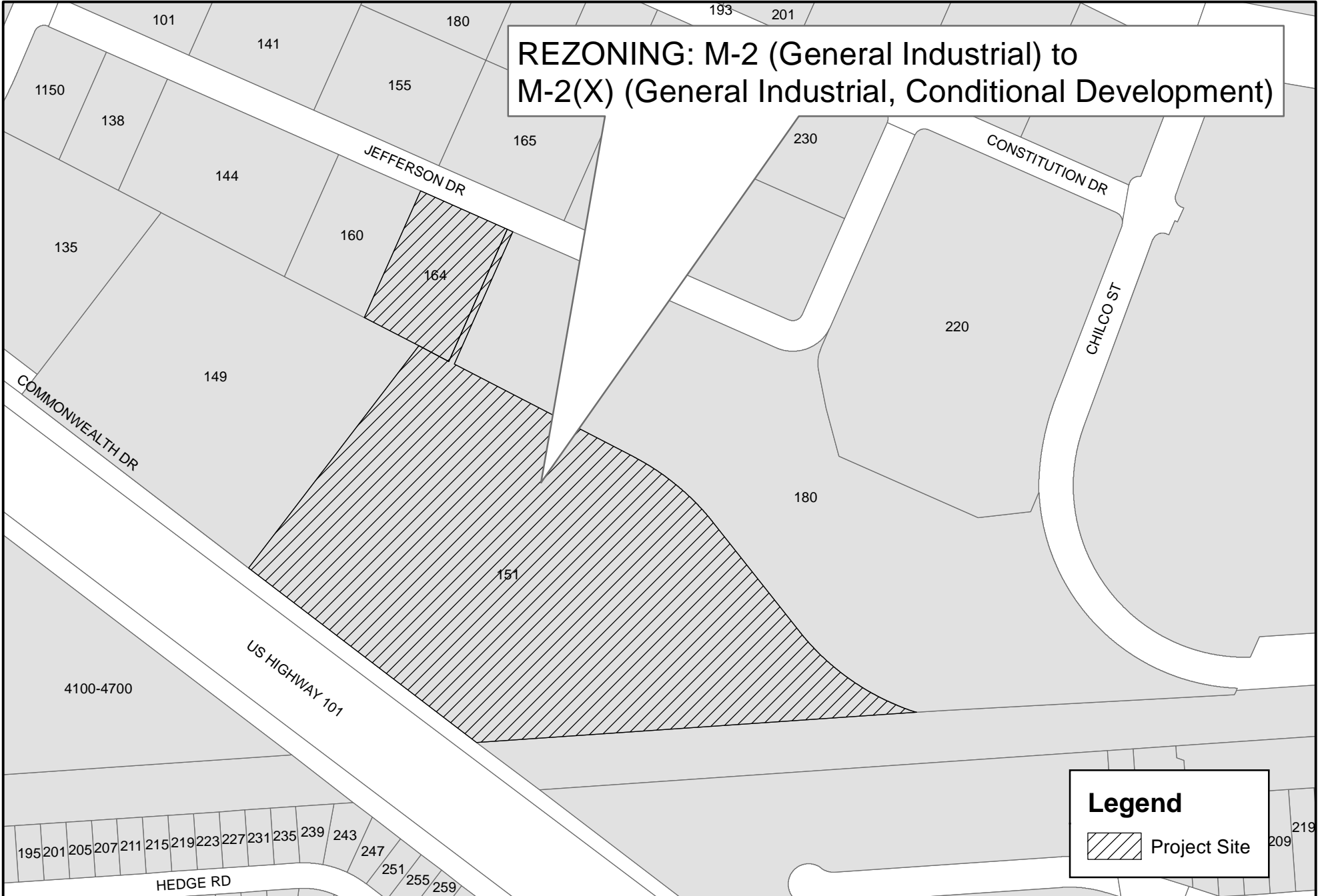
Pamela Aguilar
City Clerk

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CITY OF MENLO PARK
COMMONWEALTH CORPORATE CENTER PROJECT
151 Commonwealth Drive and 164 Jefferson Drive



**REZONING: M-2 (General Industrial) to
M-2(X) (General Industrial, Conditional Development)**



Legend

 Project Site

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**DRAFT
RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK APPROVING A CONDITIONAL DEVELOPMENT PERMIT FOR
THE PROPERTY LOCATED AT 151 COMMONWEALTH DRIVE AND
164 JEFFERSON DRIVE AND ALSO KNOWN AS ASSESSORS
PARCEL NUMBERS 055-243-240 AND 055-243-050**

WHEREAS, the City of Menlo Park (“City”) received an application from The Sobrato Group to redevelop the property located at 151 Commonwealth Drive and 164 Jefferson Drive (“Property”) by demolishing the existing buildings and developing the Property with two four-story office buildings, the height of which may not exceed 63.3 feet (to the top of the parapet wall), totaling no more than 259,920 square feet, and constructing various site improvements; and

WHEREAS, the Conditional Development Permit runs with the land and the Property would continue to be subject to its limitations; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on July 21, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve a Conditional Development Permit; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on August 19, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, on August 19, 2014, the City Council of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to approve a Conditional Development Permit.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approves the Conditional Development Permit for the Property attached hereto as Exhibit A and incorporated herein by this reference.

I, 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 19th day of August, 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 19th day of August, 2014.

Pamela Aguilar
City Clerk

Draft
CONDITIONAL DEVELOPMENT PERMIT

Commonwealth Corporate Center
151 Commonwealth Drive and 164 Jefferson Drive

1. GENERAL INFORMATION:

- 1.1 Applicant: The Sobrato Organization (and its successors and assigns)
- 1.2 Nature of Project: Rezoning, Conditional Development Permit, Tentative Parcel Map, Below Market Rate Housing Agreement, Heritage Tree Removal Permits, and Environmental Impact Report (EIR) for the demolition of the existing buildings and structures totaling approximately 237,858 square feet and the subsequent redevelopment of the Project Site with two buildings totaling 259,920 square feet (Project). All of the development standards are based upon the entire Project Site.
- 1.3 Project Location (Project Site): 151 Commonwealth Drive and 164 Jefferson Drive
- 1.4 Assessor's Parcel Numbers: 055-243-240 and 055-243-050
- 1.5 Area of Project Site: 13.28 acres (578,472 square feet)
- 1.6 Zoning: M-2(X) (General Industrial, Conditional Development Overlay)
- 1.7 Conditions Precedent: Applicant's obligations as set forth herein are expressly conditioned on the resolution of all legal challenges, if any, to the EIR and/or the Project. If no litigation or referendum is commenced challenging the EIR and/or the Project, Applicant's obligations will vest on the passing of all applicable statutes of limitation.

2. DEVELOPMENT STANDARDS:

- 2.1 Floor Area Ratio (FAR) shall not exceed **45 percent** of the Project Site.
- 2.2 Building coverage shall not exceed **15 percent** of the Project Site.
- 2.3 Building setbacks shall be in accordance with the approved plans. Setbacks for accessory structures shall be regulated by the provisions of Section 16.68.030. For the purposes of determining setbacks, Jefferson Drive is the front property line and US101 and the Dumbarton Rail Corridor are the rear property line. All other property lines are side property lines.
- 2.4 Building height shall not exceed **68 feet**. All heights shall be measured from the average level of the highest and lowest point of the finished grade of that portion of the lot covered by the structure (the building height excludes elevator

equipment rooms, ventilating and air conditioning equipment, and associated screening).

- 2.5 The landscaped and pervious areas shall not be less than **25 percent** of the Project Site.
- 2.6 The on-site circulation and number of parking spaces shall be installed in a manner that is substantially in the form contained in the Project Plans. Parking shall be provided at a ratio of one parking space for every 300 square feet of gross floor area.
- 2.7 All rooftop equipment shall be fully screened and integrated into the design of the building. Roof-top equipment shall comply with requirements of Section 16.08.095 (Roof Mounted Equipment) and Chapter 8.06 (Noise) of the Municipal Code.

3. USES:

- 3.1 Permitted uses on the Project Site shall include the following:
 - 3.1.1 Administrative and professional offices, excluding medical and dental offices;
 - 3.1.2 Amenities and related uses of the project site such as fitness facilities and cafes, including those that serve alcoholic beverages;
 - 3.1.3 Outdoor seating and tables (including those intended to be used for the consumption of food and beverages) and events associated with those uses listed above on the Project Site, subject to approved building permits and Fire District permits, as applicable; and
 - 3.1.4 Use of hazardous materials (diesel fuel) for use with emergency power generators subject to an approved Hazardous Materials Business Plan, City Building Permit, San Mateo County Health Permit, and Menlo Park Fire Protection District Permit.
- 3.2 Conditionally permitted uses in the M-2 Zoning District that may be allowed through a use permit process, unless otherwise allowed in Section 3.1.

4 SIGNS:

- 4.1 The maximum permissible sign area for the Project Site is 512 square feet, for the following signs: a 56 square foot freestanding sign along Jefferson Drive, a 56 square foot freestanding sign on Commonwealth Drive, and one 200 square foot building-mounted sign on each building.
- 4.2 A Master Sign Program shall be established for the project with a maximum allowed sign area of 512 square feet. The master sign program shall include project specific criteria for total sign area, letter size, sign structure size, requirements for individual building tenants, locations, materials, and colors. The Master Sign Program must be generally consistent with the Sign Design

Guidelines but the Master Sign Guidelines may approve sign criteria and standards that are different from the Sign Design Guidelines such as height of the monument sign and size of lettering. The Master Sign Program shall be submitted to, reviewed and approved by the Planning Division prior to the issuance of the first building permit described in CDP Section 7.1.4.

- 4.3 All signs must be reviewed and approved through the Sign Permit process (with an application and applicable filing fees). All signage must be consistent with the approved Master Sign Program.

5 RECORDATION:

- 5.1 The Conditional Development Permit shall be recorded with the County of San Mateo prior to the recordation of the lot merger.

6. MODIFICATIONS:

- 6.1 Modifications to the approved Project may be considered according to the following four tier review process:

- 6.1.1 Substantially Consistent Modifications are reviewed at the staff level. Substantially Consistent Modifications are changes to or modifications of the Project that are in substantial compliance with and/or substantially consistent with the Project Plans and the Project Approvals. Substantially Consistent Modifications are generally not visible to the public and do not affect permitted uses, intensity of use, restrictions and requirements relating to subsequent discretionary actions, monetary obligations, conditions or covenants limiting or restricting the use of the Property or similar material elements based on the determination that the proposed modification(s) is consistent with other building and design elements of the approved Conditional Development Permit, and will not have an adverse impact on the character and aesthetics of the Property. In addition, changes to the sequencing of construction permits related to the Project will be considered a Substantially Consistent Modification. The determination as to whether a requested change is a Substantially Consistent modification will be made by the Community Development Director (in his/her reasonable discretion).

- 6.1.2 Minor Modifications are reviewed at the staff level, but the Planning Commission is provided information regarding these modifications. The determination as to whether a requested change is a Minor Modification is determined by the Community Development Director (in his/her reasonable discretion). A Minor Modification is similar in nature to a Substantially Consistent Modification, except that Minor Modifications generally are visible to the public and result in minor exterior changes to the Project aesthetics. Any member of the Commission may request within seven (7) days of receipt of the

informational notice that the item(s) be reviewed by the Planning Commission.

- 6.1.3 Major Modifications are reviewed by the Planning Commission as a Regular Business item, and publicly noticed. Major Modifications are changes or modifications to the Project that are not in substantial compliance with and/or substantially consistent with the Project Plans and Project Approvals. Major modifications include, but are not limited to, significant changes to the exterior appearance of the buildings or appearance of the Property, and changes to the Project Plans, which are determined by the Community Development Director (in his/her reasonable discretion) to not be in substantial compliance with and/or substantially consistent with the Project Plans and Project Approvals. The Planning Commission's decision shall be based on the determination that the proposed modification is compatible with other building and design elements or onsite/offsite improvements of the Conditional Development Permit and would not have an adverse impact on safety and/or the character and aesthetics of the site. Planning Commission decisions on Major Modifications may be appealed to the City Council. City Council shall have final authority to approve Major Modifications. If a Conditional Development Permit Amendment includes a Major Modification, which standing alone would be reviewed pursuant to this Section 6.1.3, such Major Modification shall be reviewed as part of the Conditional Development Permit Amendment process described in Section 6.2, below.
- 6.2 Conditional Development Permit Amendments are reviewed by the Planning Commission and the City Council. Conditional Development Permit Amendments are required where the Applicant seeks revisions to the Project which involve either: (a) the relaxation of the development standards identified in Section 2, (b) material changes to the uses identified in Section 3, (c) exceedances of the maximum permissible signage area identified in Section 4, or (d) material modifications to the conditions of approval identified in Sections 8, 9, and 10. If the Applicant wishes to make a change that requires an amendment to this Conditional Development Permit, it shall apply, in writing, to the Planning Division for review and recommendation to the Planning Commission. The Planning Commission shall then forward its recommendation to the City Council for revision(s) to the Conditional Development Permit.

7 CONSTRUCTION PERMITS SEQUENCING:

- 7.1 The following outlines the basic sequencing of construction permits related to the Project. Completion of each phase (e.g., Address Change, Make Ready Work, Main Construction, etc.) is required to proceed to the next phase. Application for any given permit must be accompanied by all required documentation and complete plan sets. All required fee payments shall be made for each permit. Changes to the sequencing of construction permits

related to the Project will be considered a Substantially Consistent Modification and be subject to the procedure outlined in Section 6.1.1.

7.1.1 **Address Change:** If a change to the site address is desired, the request for the address change shall be completed prior to the submittal of any permits associated with project construction.

7.1.2 **Merger of the Existing Lots:** Prior to the issuance of a grading permit, the following items shall be completed.

7.1.2.1 Apply for a lot merger; and

7.1.2.2 Record the lot merger.

7.1.3 **Make Ready Work:** All Make Ready Work permits can be applied for sequentially, alternatively, they can also be applied for simultaneously, subject to the approval of the Building Official. The Project cannot proceed to the Main Construction Phase until all Make Ready Work permits have been finalized.

7.1.3.1 Demolition:

7.1.3.1.1 Apply for demolition permits including, but not limited to work related to removal of on-site structures, removal of hardscape, and removal and capping of utilities;

7.1.3.1.2 Complete utility separation; and

7.1.3.1.3 Complete demolition of existing on-site structures and receive building permit finals for the demolition permits.

7.1.3.2 Grading:

7.1.3.2.1 Apply for grading permit; and

7.1.3.2.2 Complete all grading work and receive building permit final.

7.1.4 **Main Construction Phase:** All Main Construction Phase Permits can be applied for simultaneously; however, the permits shall be issued sequentially and a succeeding permit cannot be issued until the preceding permit is finalized, unless otherwise approved by the Building Official. At a minimum, complete architectural, structural, mechanical, electrical, plumbing, green building plans and supporting documentation associated with cold shell (no interior improvements, heating or cooling) or shell and core (no interior improvements other than restroom facilitation, heating, and cooling) shall be submitted.

7.1.4.1 Utility Work:

7.1.4.1.1 Apply utility installation permit; and

7.1.4.1.2 Complete utility installation work and receive building permit final.

7.1.4.1.3 Per Fire District requirements, no combustible building materials are allowed on the Project Site until fire water is available and fire access is provided.

7.1.4.2 Foundation Only Permit:

- 7.1.4.2.1 Apply for foundation only permit. This permit will not be issued until the following structural drawings for the entire building have received preliminary approval (the Applicant's design team will resubmit substantially consistent structural drawings with the cold shell or shell and core permit application);
- 7.1.4.2.2 Applicant to provide pad certifications documenting the constructed elevations of the building pads; and
- 7.1.4.2.3 Complete foundation and receive building permit final.

7.1.4.3 Cold Shell or Shell and Core Permit: If elements of the interior build-out or HVAC system are still being developed, then an application for cold shell or shell and core permit can be made.

- 7.1.4.3.1 Complete cold shell or shell and core permit and receive building permit final.

7.1.4.4 Interior Build-out Permit: Apply for interior build-out (tenant improvement) permit.

- 7.1.4.4.1 Complete interior build-out permit and receive building permit final.

7.1.4.5 Occupancy of the office building shall not be granted until the interior build-out permit passes final inspection and all required improvements and landscaping have been installed and approved by the Community Development and Public Works Departments.

7.1.5 **Parcel Map:** If the Applicant decides to apply for a final parcel map, the following shall be undertaken. This process may be initiated anytime after the completion of all of the Make Ready Tasks described in Section 7.1.3.

- 7.1.5.1 Apply for a final parcel map, including the required CC&Rs (as described in Section 8.22); and
- 7.1.5.2 Record final map, with appropriate CC&Rs.

8 PROJECT SPECIFIC CONDITIONS - GENERAL:

- 8.1 Project Plans: Development of the Project shall be substantially in conformance with the plans submitted by Arc Tec dated July 16, 2014 consisting of 40 plan sheets, recommended for approval to the City Council by the Planning Commission on July 21, 2014 (Project Plans), and approved by the City Council on _____, 2014, except as modified by the conditions contained herein and in accordance with Section 6 (Modifications) of this document.

- 8.2 Below Market Rate Housing Agreement: Concurrently with the recordation of the 151 Commonwealth Drive and 164 Jefferson Drive Conditional Development Permit pursuant to the provisions of Section 5.1, the Applicant shall execute the Below Market Rate (BMR) Housing Agreement. The BMR Housing Agreement requires that the Applicant satisfy its obligations under the BMR Ordinance and Guidelines. The final fee shall be calculated at the time the fee is paid and shall be paid prior to issuance of the first building permit. Based upon the current per square foot fee, the BMR fee for the subject project would be \$3,948,184.80 less the credit for the existing buildings (at the current rate for FY 2014-2015) of \$2,093,202.27. The remaining balance of the BMR Fee is **\$1,854,982.53**.
- 8.3 Truck Route Plan: The Applicant shall submit a truck route plan concurrent with the building permit application for each stage of construction based on the City's municipal code requirements, for review and approval by the Transportation Division. The Applicant shall also submit a permit application and pay applicable fees relating to the truck route plan, to the satisfaction of the Public Works Director.
- 8.4 Salvaging and Recycling of Construction and Demolition Debris: The Applicant shall comply with the requirements of Chapter 12.48 (Salvaging and Recycling of Construction and Demolition Debris) of the Municipal Code, which compliance shall be subject to review and approval by the Public Works Department.
- 8.5 Utility Improvements: Concurrent with submittal of the Grading and Utility Building Permit application, the Applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions prior to building permit issuance. Landscaping shall properly screen all utility equipment that is installed outside of a building and cannot be placed underground; subject, however, to the requirements of the Menlo Park Fire Protection District, the West Bay Sanitary District, PG&E and any other applicable agencies regarding utility clearances and screening. The plan for new utility installations/upgrades shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes and other equipment boxes. The screening shall be compatible and unobtrusive and subject to the review and approval of the Planning Division which approval will be required prior to the City's approval of the final building permit inspection for the building shell.
- 8.6 Grading and Drainage Plan, Inclusive of Erosion and Sedimentation Control Plan: Concurrent with submittal of the Grading and Utility Building Permit application, the Applicant shall submit a Grading and Drainage Plan, including an Erosion and Sedimentation Control Plan, for review and approval by the Engineering Division prior to building permit issuance. The Grading and Drainage Plan shall be prepared based on the City's Grading and Drainage Plan Guidelines and Checklist, the City approved Hydrology Report for the

Project, and the Project Applicant Checklist for the National Pollution Discharge Elimination System (NPDES) Permit Requirements.

- 8.7 Landscape Plan: During the Main Construction Phase (7.1.4), the Applicant shall submit a detailed on-site landscape plan, including the size, species, and location, and an irrigation plan shall be submitted for review and approval by the Planning, Engineering, and Transportation Divisions, prior to building permit issuance. The landscape plan shall be reviewed and approved by the Community Development Director and Public Works Director prior to building permit issuance. The landscape plan shall include all onsite landscaping, adequate sight distance visibility, screening for outside utilities with labels for the utility boxes sizes and heights, and documentation confirming compliance with the Water Efficient Landscaping Ordinance, Chapter 12.44 of the Municipal Code. The landscape plan shall also illustrate the retention of the Coast Live Oak Tree located along the northeastern edge of the site, to the satisfaction of the Planning Division and City Arborist in conformity with the Heritage Tree requirements in Section 8.8. All required landscaping shall be installed prior to building occupancy.
- 8.8 Heritage Tree Protection: Concurrent with grading permit submittal, the Applicant shall submit a heritage tree preservation plan, detailing the location of and methods for all tree protection measures. The project arborist shall submit a letter confirming adequate installation of the tree protection measures. The Applicant shall retain an arborist throughout the term of the project, and the project arborist shall submit periodic inspection reports to the Building Division. The heritage tree preservation plan shall be subject to review and approval by the Planning Division and City Arborist prior to grading permit issuance.
- 8.9 Landscape Maintenance: Site landscaping shall be maintained to the satisfaction of the Community Development Director so long as a building constructed as part of the Project is located on the Project Site. Significant revisions to site landscaping shall require review by the Building Official, Public Works Director and Community Development Director to confirm the proposed changes comply with accessibility and exiting requirements, stormwater requirements and are substantially consistent with the Conditional Development Permit approval consistent with the procedure outline in Section 6, Modifications.
- 8.10 Stationary Noise Source Compliance Data: Concurrent with the Main Construction Phase (7.1.4) building permit submittal, the applicant shall provide a plan that details that all on-site stationary noise sources comply with the standards listed in Section 08.06.030 of the Municipal Code. This plan shall be subject to review and approval by the Planning and Building Divisions prior to each building permit issuance.
- 8.11 Compliance with City Requirements: The Applicant shall comply with all requirements of the Building Division, Engineering Division, and

- Transportation Division that are directly applicable to the Project to the satisfaction of the Community Development Director.
- 8.12 Building Construction Street Impact Fee: Prior to issuance of each building permit, the Applicant shall pay the applicable Building Construction Street Impact Fee in effect at the time of payment, to the satisfaction of the Public Works Director. The current fee is calculated by multiplying the valuation of the construction by 0.0058. The fee to be paid shall be the fee in effect at the time of payment.
 - 8.13 School Impact Fee: Prior to issuance of the building permit for the Main Construction Phase, the Applicant shall pay the applicable School Impact Fee for the Project in effect at the time of payment, to the satisfaction of the Building Official. The current school impact fees \$0.51 per square foot of gross floor area for the Sequoia Union High School District and \$0.47 per square foot of gross floor area for the Ravenswood City School District. The fees to be paid shall be the fee in effect at the time of payment.
 - 8.14 West Bay Sanitary District Requirements: The Applicant shall comply with all regulations of the West Bay Sanitary District that are directly applicable to the Project to the satisfaction of the Building Official.
 - 8.15 Menlo Park Fire Protection District Requirements: The Applicant shall comply with all Menlo Park Fire Protection District regulations governing site improvements, Fire Code compliance, and access verification that are directly applicable to the Project to the satisfaction of the Building Official.
 - 8.16 Power and Communications Requirements: The Applicant shall comply with all regulations of PG&E and other applicable communication providers (i.e., AT&T and Comcast) that are directly applicable to the Project to the satisfaction of the Building Official.
 - 8.17 Stormwater Operations and Maintenance Agreement: Prior to building permit final for the Main Construction Phase (7.1.4), the Applicant shall enter into an Operations and Maintenance Agreement with the City. The Operations and Maintenance Agreement shall establish a self-perpetuating drainage system maintenance program (to be managed by the Applicant) that includes annual inspections of any infiltration features and stormwater detention devices (if any), and drainage inlets, flow through planters, and other Best Management Practices (BMPs). Any accumulation of sediment or other debris shall be promptly removed. Funding for long-term maintenance of all BMPs must be specified in the Operations and Maintenance Agreement. The Operation and Maintenance Agreement shall be subject to review and approval of the City Attorney and the Public Works Director and shall be recorded prior to building permit final inspection. An annual report documenting the inspection and any remedial action conducted shall be submitted to the Public Works Department for review. This condition shall be in effect for the life of the Project.

- 8.18 Accessibility: All pedestrian pathways shall comply with applicable Federal and State accessibility requirements, to the satisfaction of the Public Works Director and Building Official.
- 8.19 Refuse and Recyclables: All garbage bins and carts shall be located within a trash enclosure that meets the requirements of the solid waste disposal provider (Recology), and the City Public Works Department and Planning Division for the lifetime of the project. If additional trash enclosures are required to address the on-site trash bin and cart storage requirements of the Applicant, a complete building permit submittal shall be submitted inclusive of detailed plans, already approved by Recology, for review and approval of the Planning Division and the Public Works Department prior to each building permit issuance.
- 8.20 Lighting: Concurrent with building permit submittal for the Main Construction Phase (7.1.4), the Applicant shall submit a lighting plan, including photometric contours, manufacturer's specifications on the fixtures, and mounting heights to ensure safe access and to illustrate the light and glare do not spillover to neighboring properties, to the satisfaction of the Community Development Director and Public Works Director.
- 8.21 Transportation Demand Management (TDM) Program: Concurrent with the submittal of the permits for the Main Construction Phase (as described in Section 7.1.4) the Applicant shall submit a TDM for the review and approval of the Public Works Department. The TDM program shall be consistent with the TDM Program outlined in the Final Environmental Impact Report and shall be approved prior to building occupancy. The TDM Program shall include details on how each measure will be continuously implemented through the life of the project, including annual payments to support area shuttle operations.
- 8.22 Parcel Map CC&Rs: Concurrent with the submittal of a final parcel map, the applicant shall submit Covenants, Conditions and Restrictions (CC&R's) or other acceptable mechanism for the approval of the City Engineer and the City Attorney. The CC&R's or other acceptable mechanism shall be approved and recorded concurrently with the final parcel map. The CC&R's or other acceptable mechanism shall include the restrictions of buildings on Parcels A and B, a description of how Parcel C will managed, onsite easements, and provisions regarding the allocation of features and requirements that are shared between parcels including, but not limited to the following: shared parking, shared access, emergency vehicle access and circulation, joint use of common facilities, storm drainage, and administration of the Transportation Demand Management (TDM) plan, as discussed in Condition 8.21.

9 PROJECT SPECIFIC CONDITIONS - MITIGATION MEASURES

The following mitigation measures for the Commonwealth Corporate Center shall be implemented by the Applicant (Project Sponsor) as described in the Final Environmental Impact Report and the Mitigation Monitoring and Reporting Program.

- 9.1 Design Lighting to Meet Minimum Safety and Security Standards. Concurrent with the building permit submittal, the Project Sponsor shall incorporate lighting design specifications to meet minimum safety and security standards. The comprehensive site lighting plans shall be subject to review and approval by the City's Community Development Department Planning Division prior to building permit issuance of the first building on that site. The following measures shall be included in all lighting plans.

Luminaries shall be designed with cutoff-type fixtures or features that cast low-angle illumination to minimize incidental spillover of light onto adjacent private properties. Fixtures that shine light upward or horizontally shall not spill any light onto adjacent private properties.

Luminaries shall provide accurate color rendering and natural light qualities. Low-pressure sodium and high-pressure sodium fixtures that are not color-corrected shall not be used, except as part of an approved sign or landscape plan.

Luminary mountings shall be downcast and pole heights minimized to reduce potential for back scatter into the nighttime sky and incidental spillover light onto adjacent properties and undeveloped open space. Light poles shall be no higher than 20 feet. Luminary mountings shall be treated with non-glare finishes. (MM AES-2.1)

- 9.2 Treat Reflective Surfaces. The Project Sponsor shall ensure application of low-emissivity coating on exterior glass surfaces of the proposed structures. The low-emissivity coating shall reduce visible light reflection of the visible light that strikes the glass exterior and prevent interior light from being emitted brightly through the glass. This shall be verified prior to the issuance of a building permit in Section 7.1.4. (MM AES-2.2)
- 9.3 Intersection of Marsh Road and Bayfront Expressway. A portion of the proposed mitigation measure for the intersection of Marsh Road and Bayfront Expressway is the same as the mitigation measure proposed for the Housing Element Environmental Assessment (EA) and are shown under CDP Section 10.4 (MM TRA-1g and TRA-2w).

In addition to improvements required by the St Anton's Project, the eastbound approach of Marsh Road would be widened to accommodate a third right-turn lane. This has potentially significant secondary effects on bicyclists because it would require them to cross multiple lanes of traffic to make a left-turn or proceed through the intersection. This improvement would also affect pedestrians by increasing the crossing distance, exacerbating the multiple threat scenario (where vehicles block sight lines between drivers in adjacent

lanes and crossing pedestrians), and increasing exposure time to vehicle traffic. This improvement would therefore be required to include enhancements to bicycle and pedestrian infrastructure along Marsh Road in the area between the US101 NB off-ramp and Bayfront Expressway to reduce the secondary effects of this mitigation measure. The Project Sponsor is responsible for the third right-turn lane and bicycle and pedestrian improvements for the eastbound approach on Marsh Road.

Prior to submitting an application for a grading permit, the Project Sponsor shall prepare detailed construction plans for the proposed mitigation measures on the eastbound approach at the intersection of Marsh Road and Bayfront Expressway for review and approval by the Public Works Director. Prior to the issuance of a building permit, the Project Sponsor shall obtain the approval from the Public Works Director for the improvement construction plans and shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 15 percent contingency. Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans.

The Project Sponsor shall complete and submit a Caltrans encroachment permit within 30 days of receiving City approval of the plans. The Project Sponsor shall commence the construction of the improvements within 180 days of receiving Caltrans approval Caltrans and any other applicable agencies and diligently prosecute such construction until it is completed.

If Caltrans does not approve the proposed intersection improvements within 5 years from the CDP effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City with priority given to portions of the City east of US 101. Construction of this improvement, or in the case that Caltrans does not approve the intersection improvement, payment of funds equal to the bid construction cost to the City, by the Project Sponsor shall count as a future credit toward payment of the Transportation Impact Fee (TIF) pursuant to the TIF Ordinance. (MM TRA-1.1.a)

- 9.4 Intersection of Chrysler Drive and Jefferson Drive. A potential mitigation measure for the intersection of Chrysler Drive and Jefferson Drive includes signaling the intersection. With the addition of Project traffic, the intersection meets the peak hour signal warrants defined in the California Manual on

Uniform Traffic Control Devices (California MUTCD) during the PM Peak Hour (Appendix 3.3-G). However, the California MUTCD includes eight criteria used to evaluate the potential installation of a traffic signal and cautions that installing a signal should only occur after “an engineering study indicates that installing a traffic control signal will improve the overall safety and/or operation of the intersection.” While signalizing the intersection would mitigate the Project’s peak hour impact, only one of the eight criteria is met and given intersection spacing, installation of a signal would not be good traffic engineering practice. After conducting a comprehensive traffic study, the City will have discretion as to if and when a traffic signal may be installed based on California MUTCD requirements.

As a partial mitigation measure, the Project Sponsor shall be required to construct sidewalks along 138 and 160 Jefferson Drive and the Jefferson Drive frontage of 1150 Chrysler Drive, as well as install a crosswalk and Americans with Disabilities Act (ADA)-compliant pedestrian curb ramps across the Jefferson Drive leg of the Chrysler Drive and Jefferson Drive intersection, and contribute a fair share contribution toward the future improvement of this intersection, which may include future signalization (if determined to be appropriate at a later date) or installation of other traffic control devices such as a roundabout or traffic circle. If a traffic signal is not installed, the City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City. The design of the sidewalks and related improvements shall be prepared by the Project Sponsor, in collaboration with the City’s Transportation Manager to work around obstacles in the public right-of-way, such as utility poles and heritage trees. The sidewalks and related improvements shall be constructed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. The City will interface with the private property owners to obtain any temporary rights to enter onto private property for construction and to work with the property owners on any private facilities with the public right-of-way that may require relocation. The fair share contribution for intersection improvements shall be paid prior to the issuance of a building permit. Construction of these improvements is not eligible for a TIF credit. (MM TRA-1.1.e)

- 9.5 Intersection of Chrysler Drive and Independence Drive. The proposed mitigation measure for the intersection of Chrysler Drive and Independence Drive includes signalizing the intersection. The signal warrant is met for the PM Peak Hour as shown in Appendix 3.3-G. However, the California MUTCD includes eight criteria used to evaluate the potential installation of a traffic signal and cautions that installing a signal should only occur after “an engineering study indicates that installing a traffic control signal will improve the overall safety and/or operation of the intersection.” While signalizing the intersection would mitigate the Project’s peak hour impact, only one of the eight criteria is met and given intersection spacing, installation of a signal would not be good traffic engineering practice. After conducting a

comprehensive traffic study, the City will have discretion as to if and when a traffic signal may be installed based on California MUTCD requirements.

As a partial mitigation measure, the Project Sponsor shall be required to construct sidewalks along the Chrysler Drive frontage of 1150 Chrysler Drive, as well as install a crosswalk and ADA-compliant pedestrian curb ramps across the east leg of Chrysler Drive at the Chrysler Drive and Independence Drive intersection, and contribute a fair share contribution toward the future improvement of this intersection, which may include future signalization (if determined to be appropriate at a later date) or installation of other traffic control devices such as a roundabout or traffic circle. If a traffic signal is not installed, the City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City. The design of the sidewalks and related improvements shall be prepared by the Project Sponsor, in collaboration with the City's Transportation Manager to work around obstacles in the public right-of-way, such as utility poles and heritage trees. The sidewalks and related improvements shall be constructed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. The fair share contribution for intersection improvements shall be paid prior to the issuance of a building permit. Construction of these improvements is not eligible for a TIF credit. (MM TRA-1.1.f)

- 9.6 Chilco Street and Constitution Drive. The proposed mitigation measure for the Chilco Street and Constitution Drive intersection includes striping the southbound approach to include one left-turn lane and one shared through/right-turn lane. The striping improvements shall be installed by the Project Sponsor and approved by the Public Works Director prior to the final inspection of the proposed buildings. Alternatively, the Project Sponsor may choose to pay the cost of the approved striping improvement to the City prior to final inspection so that the City can use the Project Sponsor's funds to install the proposed improvements. Payment toward construction of these improvements is not eligible for a TIF credit. (MM TRA-1.1.g)
- 9.7 Constitution Drive between Independence Drive and Chilco Drive. As a partial mitigation measure to reduce the Project's impact on this roadway segment, the Project Sponsor shall be required to construct a Class III bicycle route on Constitution Drive between Independence Drive and Chilco Street. The facility, at a minimum, shall include bicycle route signs and shared-lane markings. This improvement was identified in the City's Comprehensive Bicycle Development Plan (2005). The improvements are subject to the review and approval of the Public Works Department. The Project Sponsor shall install the proposed bicycle improvements prior to final inspection. Payment toward construction of these improvements is not eligible for a TIF credit. (MM TRA-2.1.a and MM TRA-2.1.b)
- 9.8 Intersection of Willow Road and Middlefield Road. The proposed mitigation measure for the intersection of Willow Road and Middlefield Road includes

widening the eastbound approach to add a second through lane on Willow Road. This improvement is identified in the City's Traffic Impact Fee (TIF). Prior to the issuance of a building permit, the Project Sponsor shall pay the adopted TIF in effect at the time the permit is issued. The current Transportation Impact Fee, assuming a credit for the existing structures, is \$655, 012.76. (MM TRA-6.1.I)

- 9.9 Implement Tailpipe Emission Reduction for Project Construction. NOX emissions generated during construction are primarily contributed by tailpipe exhaust emissions from diesel powered construction equipment and haul trucks. Therefore, in order to reduce the NOX emissions, mitigation measures to reduce tailpipe exhaust emissions during construction shall be implemented according to the mitigation measures recommended by the BAAQMD's CEQA Guidelines.

The Project Sponsor shall require all construction contractors to implement the Basic Construction Mitigation Measures and Additional Construction Mitigation Measures recommended by BAAQMD to control tailpipe emissions. Emission reduction measures shall include at least the following measures and may include other measures identified as appropriate by the air district and/or contractor:

- Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 2 minutes.
- All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator.
- The simultaneous occurrence of excavation, grading, and ground-disturbing construction activities in the same area at any one time shall be limited. Activities shall be phased to reduce the amount of disturbed surfaces at any one time.
- The Project shall develop a plan that demonstrates that the offroad equipment (more than 50 horsepower) to be used in construction of the Project (i.e., owned, leased, and subcontractor vehicles) shall achieve a Project-wide fleet-average 20 percent NOX reduction and 45 percent PM reduction compared with the most recent ARB fleet average. Acceptable options for reducing emissions include the use of late-model engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, add-on devices such as particulate filters, and/or other options as such become available.
- All construction equipment, diesel trucks, and generators shall be required to be equipped with Best Available Control Technology for emission reductions of NOX and PM.

- All contractors shall be required to use equipment that meets ARB's most recent certification standard for off road heavy-duty diesel engines. (MM AQ-2.1)

The Applicant shall provide written verification that these measures will be implemented prior to issuance of a grading permit and compliance report shall be submitted quarterly.

9.10 Implement BAAQMD Basic Construction Mitigation Measures to Reduce Construction-Related Dust. The Project Sponsor shall require all construction contractors to implement the basic construction mitigation measures recommended by BAAQMD to reduce fugitive dust emissions. Emission reduction measures shall include, at a minimum, the following measures. Additional measures may be identified by BAAQMD or contractor as appropriate.

- All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
- All haul trucks transporting soil, sand, or other loose material offsite shall be covered.
- All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
- All vehicle speeds on unpaved roads shall be limited to 15 mph.
- All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
- A publicly visible sign shall be posted with the telephone number and name of the person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. BAAQMD's phone number shall also be visible to ensure compliance with applicable regulations. (MM AQ-2.2)

The Applicant shall provide written verification that these measures will be implemented prior to issuance of a grading permit and compliance report shall be submitted quarterly.

9.11 Implement BAAQMD Best Management Practices for Construction. The Project Sponsor shall require all construction contractors to implement the BMPs recommended by the BAAQMD to reduce GHG emissions. Emission reduction measures shall include, at a minimum, the use of local building materials of at least 10 percent, the reuse of materials, such as concrete on

site of at least 20 percent, and the use of alternative fueled vehicles for construction vehicles/equipment. (MM GHG-1.1)

The Applicant shall provide written verification that these measures will be implemented prior to issuance of a grading permit and compliance report shall be submitted quarterly.

9.12 Implement Noise Control Measures to Reduce Construction Noise during Project Construction. The Project Sponsor shall implement measures during demolition and construction of the Project as needed to maintain off-site construction-related noise at 90 dBA or less. The Noise Control Measures may include, but are not limited to, the following.

- Concentrate the noisiest construction activities (primarily the demolition and grading) during times that would have the least impact on nearby office uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 a.m. to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday through Friday.
- Equipment and trucks used for Project construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically attenuating shields or shrouds).
- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures shall be used, such as drills rather than impact equipment, whenever feasible.
- Construction contractors, to the maximum extent feasible, shall be required to use “quiet” gasoline-powered compressors or other electric-powered compressors, and use electric rather than gasoline or diesel powered forklifts for small lifting. Stationary noise sources, such as temporary generators, shall be located at least 50 feet from the property line and as far from nearby sensitive receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or other measures.
- Install temporary noise barriers eight feet in height around the northern sides of the construction site (excluding the areas adjacent to the Dumbarton Rail Corridor and US 101) to minimize construction noise to 90

dBA as measured at the applicable property lines of the adjacent uses, unless an acoustical engineer submits documentation that confirms that the barriers are not necessary to achieve the desired noise attenuation levels. The temporary noise barrier shall be shown on the approved demolition plans and shall be installed prior to the start of demolition.

- Trucks shall be prohibited from idling along streets serving the construction site for more than five minutes. (MM NOI-1.1)

9.13 Notify Nearby Businesses of Project Construction Activities that Could Affect Vibration-Sensitive Equipment. The Project Sponsor shall provide notification to property owners and occupants of vibration-sensitive buildings within 225 feet of construction activities 10 days prior to the start of Project construction, informing them of the estimated start date and duration of vibration-generating construction activities, such as would occur during site preparation, demolition, excavation, and grading. This notification shall include information warning about potential for impacts related to vibration-sensitive equipment. The Project Sponsor shall provide a phone number for the property owners and occupants to call if they have vibration sensitive equipment on their sites. A copy of the notification and any responses shall be provided to the Planning Division prior to building permit issuance. (MM NOI-4.1)

9.14 Implement Construction Best Management Practices to Reduce Construction Vibration. If vibration-sensitive equipment is identified within 225 feet of construction sites, the Project Sponsor shall implement the following measures during construction.

- To the extent feasible, construction activities that could generate high vibration levels at identified vibration-sensitive locations shall be scheduled during times that would have the least impact on nearby office uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 am to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday through Friday, or to those times as may be mutually agreed to adjacent vibration-sensitive businesses, the Applicant, and the City.
- Stationary sources, such as construction staging areas and temporary generators, hammer mill or other crushing/breakup equipment, etc. shall be located as far from nearby vibration-sensitive receptors as possible.
- Trucks shall be prohibited from idling along Commonwealth Drive where vibration-sensitive equipment is located, as requested by vibration-sensitive business. (MM NOI-4.2)

9.15 Perform Construction Monitoring, Evaluate Uncovered Archaeological Features, and Mitigate Potential Disturbance for Identified Significant Resources at the Project Site. Prior to demolition, excavation, grading, or

other construction-related activities on the Project site, the applicant shall hire a qualified professional archaeologist (i.e., one who meets the Secretary of the Interior's professional qualifications for archaeology or one under the supervision of such a professional) to monitor, to the extent determined necessary by the archaeologist, Project related earth-disturbing activities (e.g. grading, excavation, trenching). In the event that any prehistoric or historic-period subsurface archaeological features or deposits, including locally darkened soil (midden), that could conceal cultural deposits, animal bone, obsidian, and/or mortar are discovered during demolition/ construction-related earth-moving activities, all ground-disturbing activity within 100 feet of the discovery shall be halted immediately, and the Planning and Building Divisions shall be notified within 24 hours. City staff shall consult with the Project archeologist to assess the significance of the find. Impacts on any significant resources shall be mitigated to a less-than-significant level through data recovery or other methods determined adequate by the City and that are consistent with the Secretary of the Interior's Standards for Archaeological Documentation. If Native American archaeological, ethnographic, or spiritual resources are discovered, all identification and treatment of the resources shall be conducted by a qualified archaeologist and Native American representatives who are approved by the local Native American community as scholars of the cultural traditions. In the event that no such Native American is available, persons who represent tribal governments and/or organizations in the locale in which resources could be affected shall be consulted. When historic archaeological sites or historic architectural features are involved, all identification and treatment is to be carried out by historical archaeologists or architectural historians who meet the Secretary of the Interior's professional qualifications for archaeology and/or architectural history. (MM CUL-2.1)

- 9.16 Conduct Protocol and Procedures for Encountering Paleontological Resources. Prior to the start of any subsurface excavations that would extend beyond previously disturbed soils, all construction forepersons and field supervisors shall receive training by a qualified professional paleontologist, as defined by the Society of Vertebrate Paleontology (SVP), who is experienced in teaching non-specialists, to ensure they can recognize fossil materials and shall follow proper notification procedures in the event any are uncovered during construction. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who shall evaluate its significance.

If a fossil is determined to be significant and avoidance is not feasible, the paleontologist shall develop and implement an excavation and salvage plan in accordance with SVP standards. Construction work in these areas shall be halted or diverted to allow recovery of fossil remains in a timely manner. Fossil remains collected during the monitoring and salvage portion of the mitigation program shall be cleaned, repaired, sorted, and cataloged. Prepared fossils, along with copies of all pertinent field notes, photos, and maps, shall then be deposited in a scientific institution with paleontological

collections. A final Paleontological Mitigation Plan Report shall be prepared that outlines the results of the mitigation program. The City shall be responsible for ensuring that monitor's recommendations regarding treatment and reporting are implemented. (MM CUL-3.1)

9.17 Comply with State Regulations Regarding the Discovery of Human Remains at the Project Site. If human remains are discovered during any construction activities, all ground-disturbing activity within 50 feet of the remains shall be halted immediately, and the County Coroner shall be notified immediately, according to Section 5097.98 of the State Public Resources Code and Section 7050.5 of California's Health and Safety Code. Additionally, the Building Division shall be notified. If the remains are determined by the County Coroner to be Native American, the Native American Heritage Commission (NAHC) shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The Project Sponsor shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. As necessary, the archaeologist may provide professional assistance to the Most Likely Descendant, including the excavation and removal of the human remains. The City of Menlo Park Community Development Department Planning Division shall be responsible for approval of recommended mitigation as it deems appropriate, taking account of the provisions of state law, as set forth in State CEQA Guidelines Section 15064.5(e) and Public Resources Code Section 5097.98. The applicant shall implement approved mitigation, to be verified by the Planning Division, before the resumption of ground disturbing activities within 50 feet of where the remains were discovered. (MM CUL-4.1)

9.18 Engineering Controls and Best Management Practices during Construction. During construction the contractor shall employ use of BMPs to minimize human exposure to potential contaminants. Engineering controls and Construction BMPs shall include the following.

- Contractor employees working on site shall be certified in OSHA's 40-hour Hazardous Waste Operations and Emergency Response (HAZWOPER) training.
- Contractor shall monitor area around construction site for fugitive vapor emissions with appropriate field screening instrumentation.
- Contractor shall water/mist soil as its being excavated and loaded onto transportation trucks.
- Contractor shall place any stockpiled soil in areas shielded from prevailing winds.

- Contractor shall cover the bottom of excavated areas with sheeting when work is not being performed. (MM HAZ-2.1)

The Applicant shall provide written verification that these measures will be implemented prior to issuance of a grading permit and compliance report shall be submitted quarterly.

- 9.19 Develop Construction Activity Dust Control Plan (DCP) and Asbestos Dust Management Plan (ADMP). Prior to commencement of site grading, the Project Sponsor shall retain a qualified professional to prepare a DCP/ADMP. The DCP shall incorporate the applicable BAAQMD pertaining to fugitive dust control. The ADMP shall be submitted to and approved by the BAAQMD prior to the beginning of construction, and the Project Sponsor must ensure the implementation of all specified dust control measures throughout the construction of the Project. The ADMP shall require compliance with specific control measures to the extent deemed necessary by the BAAQMD to meet its standard. The approved plans shall be provided to the City prior to the approval of the demolition and grading permits. (MM HAZ-2.2)
- 9.20 Identify and protect roosting and breeding bats on the Project site and provide alternative roosting habitat. The Sobrato Organization (Project Sponsor) shall implement the following measures to protect roosting and breeding bats found in a tree or structure to be removed with the implementation of the Project. Prior to tree removal or demolition activities, the Project Sponsor shall retain a qualified biologist to conduct a focused survey for bats and potential roosting sites within buildings to be demolished or trees to be removed. The surveys can be conducted by visual identification and can assume presence of hoary and/or pallid bats or the bats can be identified to a species level with the use of a bat echolocation detector such as an "Anabat" unit. If no roosting sites or bats are found, a letter report confirming absence shall be sent to the California Department of Fish and Wildlife (CDFW) and no further mitigation is required. If roosting sites or hoary bats are found, then the following monitoring and exclusion, and habitat replacement measures shall be implemented. The letter or surveys and supplemental documents shall be provided to the City of Menlo Park (City) prior to demolition permit issuance.
- a. If bats are found roosting outside of nursery season (May 1st through October 1st), then they shall be evicted as described under (b) below. If bats are found roosting during the nursery season, then they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under (b). Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. A 250-foot (or as determined in consultation with CDFW) buffer zone shall be established around the roosting site within which no construction or tree removal shall occur.

- b. Eviction of bats shall be conducted using bat exclusion techniques, developed by Bat Conservation International (BCI) and in consultation with CDFW that allow the bats to exit the roosting site but prevent re-entry to the site. This would include, but not be limited to, the installation of one-way exclusion devices. The devices shall remain in place for seven days and then the exclusion points and any other potential entrances shall be sealed. This work shall be completed by a BCI-recommended exclusion professional. The exclusion of bats shall be timed and carried concurrently with any scheduled bird exclusion activities.
 - c. Each roost lost (if any) will be replaced in consultation with the Department of Fish and Game and may include construction and installation of BCI-approved bat boxes suitable to the bat species and colony size excluded from the original roosting site. Roost replacement will be implemented before bats are excluded from the original roost sites. Once the replacement roosts are constructed and it is confirmed that bats are not present in the original roost site, the structures may be removed or sealed. (MM BIO-1.1)
- 9.21 Conduct pre-construction surveys for nesting migratory birds. The Project Sponsor shall implement the following measures to reduce impacts to nesting migratory birds.
- a. To facilitate compliance with state and federal law (CDFW Code and the MBTA) and prevent impacts on nesting birds, the Project Sponsor shall avoid the removal of trees, shrubs, or weedy vegetation February 15 through August 31 during the bird nesting period. If no vegetation or tree removal is proposed during the nesting period, no surveys are required. If it is not feasible to avoid the nesting period, a survey for nesting birds shall be conducted by a qualified wildlife biologist no earlier than seven days prior to the removal of trees, shrubs, weedy vegetation, buildings, or other construction activity.
 - b. Survey results shall be valid for the tree removals for 21 days following the survey. If the trees are not removed within the 21-day period, then a new survey shall be conducted. The area surveyed shall include all construction areas as well as areas within 150 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist. In the event that an active nest for a protected species of bird is discovered in the areas to be cleared or in other habitats within 150 feet of construction boundaries, clearing and construction shall be postponed for at least 2 weeks or until the biologist has determined that the young have fledged (left the nest), the nest is vacated, and there is no evidence of second nesting attempts. (MM BIO-2.1)
- 9.22 Implement Bird-Safe Design Standards into Project Buildings and Lighting Design. All new buildings and lighting features constructed or installed at the

Project site shall be implemented to at least a level of “Select Bird-Safe Building” standards as defined in the City of San Francisco Planning Department’s “Standards for Bird-Safe Buildings,” adopted July 14, 2011. These design features shall include minimization of bird hazards as defined in the standards. With respect to lighting, the Project site shall adhere to the following standards.

- Be designed to minimize light pollution, including light trespass, over-illumination, glare, light clutter, and skyglow, while using bird-friendly lighting colors when possible.
- Avoid uplighting, light spillage, event search lights, and use green and blue lights when possible.
- Turn off unneeded interior and exterior lighting from dusk to dawn during migrations: February 15 through May 31 and August 15 through November 30.
- Include window coverings on rooms where interior lighting is used at night that adequately block light transmission and motion sensors or controls to extinguish lights in unoccupied spaces. (MM BIO-2.2)

10 ADDITIONAL PROJECT BENEFITS OFFERED BY THE APPLICANT AND ACCEPTED BY CITY:

10.1 The Applicant has offered a number of additional public and community benefits, described below, to the City of Menlo Park and the City has accepted.

10.1.1 Leadership in Energy and Environmental Design: The Applicant will design the building to perform to LEED Building Design and Construction (BD+C) Gold equivalency. The Applicant may satisfy this obligation by delivering a report from its LEED consultant. That report shall be submitted prior to or concurrent with the Main Construction Phase (Section 7.1.4) and is subject to approval by the Community Development Director (not to be unreasonably withheld or conditioned).

10.1.2 Capital Improvement Project Funding. The Applicant will contribute \$150,000 that can be used by the City for capital improvement projects. Payment of this contribution shall be made prior to issuance of the first building permit.

10.1.3 Public Access Easement. The Applicant will dedicate an easement for future public access from Commonwealth Drive to the Dumbarton Rail Corridor. The easement shall be provided by a legal mechanism acceptable to the Community Development and Public Works Departments and the City Attorney.

- 10.1.4 Sales/Use Tax Guarantee. Applicant will guarantee a minimum of \$75,000 per year in sales and use taxes to the City for each of the first 10 years of project occupancy. This shall be determined for the four quarters following the occupancy of the building (recognizing that it can take up to 90 days to receive the final sales/use tax data for the preceding quarter), and each subsequent four quarter period thereafter. The Applicant shall pay difference between the amount of actual sales and use taxes collected for the four quarters and the \$75,000 annual guarantee within 30 days of receipt of an invoice.
- 10.1.5 Sales and Use Taxes. For all construction work performed as part of the Project, Applicant agrees to make diligent, good faith efforts, with the assistance of the City designated representative to include a provision in all construction contracts for \$5 million or more with qualifying contractors, subcontractors and material suppliers holding resellers permits to obtain a sub-permit from the California State Board of Equalization to book and record construction materials purchases/sales as sales originating within the City. Upon request of the City Manager or the City's designated representative, owner shall make available copies of such contracts or other documentation demonstrating compliance with these requirements. Applicant shall have the right to redact unrelated portions of the contracts. The provisions of this section shall not be applicable to any subsequent remodeling or construction following the final building permit sign-off for the initial occupancy of the buildings.
- 10.1.6 Solid Waste and Recycling. Applicant agrees to use, or cause to be used, the City's franchisee for all trash and recycling services once the project is constructed, provided the rates charged to Applicant by the franchisee for trash and recycling removal services are the same as those charged by such franchisee to other commercial users in the City.
- 10.1.7 Water Main Replacement. Applicant shall enter into a funding agreement with the Menlo Park Municipal Water District to share the costs of replacing the existing water main crossing the site.

11 GENERAL CONDITIONS:

- 11.1 Indemnity By Applicant: Applicant shall indemnify, defend and hold harmless the City, and its elective and appointive boards, commissions, officers, agents, contractors, and employees (collectively, City Indemnified Parties) from any and all claims, causes of action, damages, costs or expenses (including reasonable attorneys' fees) arising out of or in connection with, or caused on account of, the development and occupancy of the Project, any Approval with respect thereto, or claims for injury or death to persons, or damage to property, as a result of the operations of Applicant or its employees, agents, contractors, representatives or tenants with respect to

the Project (collectively, Applicant Claims); provided, however, that the Applicant shall have no liability under this Section for Applicant Claims that (a) arise from the gross negligence or willful misconduct of any City Indemnified Party, or (b) arise from, or are alleged to arise from, the repair or maintenance by the City of any improvements that have been offered for dedication by the Applicant and accepted by the City.

- 11.2 Covenants Run with the Land. All of the conditions contained in this Conditional Development Permit shall run with the land comprising the Property and shall be binding upon, and shall inure to the benefit of the Applicant and its heirs, successors, assigns, devisees, administrators, representatives and lessees, except as otherwise expressly provided in this Conditional Development Permit.
- 11.3 Severability: If any condition of this Conditional Development Permit, or any part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or enforceable, such condition, or part hereof, shall be deemed severable from the remaining conditions of this Conditional Development Permit and shall in no way affect the validity of the remaining conditions hereof.
- 11.4 Exhibits: The exhibits referred to herein are deemed incorporated into this Conditional Development Permit in their entirety.

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**DRAFT
RESOLUTION NO. _____**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK APPROVING A TENTATIVE PARCEL MAP FOR PROPERTY
LOCATED AT 151 COMMONWEALTH DRIVE AND 164 JEFFERSON
DRIVE AND ALSO KNOWN AS ASSESSORS PARCEL NUMBERS 055-
243-240 AND 055-243-050**

WHEREAS, on December 3, 2012, the City of Menlo Park (“City”) received an application from The Sobrato Organization (“Project Sponsor”) to subdivide the existing properties located at 154 Commonwealth Drive and 164 Jefferson Drive (“Project Site”) as more particularly described and shown in “Exhibit A”; and

WHEREAS, the request of the Project Sponsor included an application for a Tentative Parcel Map to reconfigure the Project Site into three parcels; and

WHEREAS, Chapter 15.28 of the Municipal Code establishes the requirements for the processing and approving of parcel maps; and

WHEREAS; the proposed subdivision is technically correct and in compliance with all applicable State regulations, City General Plan, Zoning and Subdivision Ordinances, and the State Subdivision Map Act; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on July 21, 2014, whereat all persons interested therein might appear and be heard; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve the Tentative Parcel Map; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on August 19, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, on August 19, 2014 the City Council of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to approve the Minor Subdivision.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approves a Minor Subdivision for Project Site substantially in the form depicted on Sheet 2 of the Tentative Parcel Map and attached by this reference herein as Exhibit A.

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 19th day of August, 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 19th day of August, 2014.

Pamela Aguilar
City Clerk

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**DRAFT
RESOLUTION NO. _____**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK APPROVING HERITAGE TREE REMOVAL PERMITS FOR THE
PROPERTY LOCATED AT 151 COMMONWEALTH DRIVE AND 164
JEFFERSON DRIVE AND ALSO KNOWN AS ASSESSORS PARCEL
NUMBERS 055-243-240 AND 055-243-050**

WHEREAS, on December 3, 2012, the City of Menlo Park (“City”) received an application from The Sobrato Organization (“Project Sponsor”) for removal of 22 heritage trees at the property located at 154 Commonwealth Drive and 164 Jefferson Drive (“Project Site”) as more particularly described and shown in “Exhibit A”; and

WHEREAS, the requested tree removals are necessary in order to redevelop the Project Site; and

WHEREAS, the removal of Heritage Trees within the City is subject to the requirements of Municipal Code Chapter 13.24, Heritage Trees; and

WHEREAS, the City Arborist reviewed the revised requested tree removals on February 3, 2014; and

WHEREAS, the City Arborist determined that 22 of the Heritage Trees are impeding the redevelopment of the Project Site; and

WHEREAS, the City Arborist determined that the 22 Heritage Trees proposed for removal were of inferior species and that the majority of the Heritage Trees are in fair to poor health or dead; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the Environmental Quality Commission of the City of Menlo Park on February 26, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, the Environmental Quality Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the Planning Commission and City Council of the City of Menlo Park to approve the Heritage Tree Removal Permit; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on July 21, 2014, whereat all persons interested therein might appear and be heard; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve the Heritage Tree Removal Permit; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on August 19, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, on August 19, 2014 the City Council of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to approve the Heritage Tree Removal Permit.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approves the Heritage Tree Removal Permits as depicted on Sheet 7 of the Tentative Parcel Map and attached by this reference herein as Exhibit A, which shall be valid until _____, 2014 and can be extended for a period of one-year by the Community Development Director if requested by the applicant.

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 19th day of August, 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 19th day of August, 2014.

Pamela Aguilar
City Clerk

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**DRAFT
RESOLUTION NO. _____**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
APPROVING THE BELOW MARKET RATE HOUSING AGREEMENT
BETWEEN THE CITY OF MENLO PARK AND THE SOBRATO
ORGANIZATION FOR PROPERTY LOCATED AT 151 COMMONWEALTH
DRIVE AND 164 JEFFERSON DRIVE AND ALSO KNOWN AS ASSESSORS
PARCEL NUMBERS 055-243-240 AND 055-243-050**

WHEREAS, the City of Menlo Park (“City”) received an application from The Sobrato Group (“Developer”), to redevelop the property located at 151 Commonwealth Drive and 164 Jefferson Drive (“Property”) by demolishing the existing buildings and developing the Property with two four-story office buildings, the height of which may not exceed 63.3 feet (to the top of the parapet wall), totaling no more than 259,920 square feet, and constructing various site improvements; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on July 21, 2014 whereat all persons interested therein might appear and be heard; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve an Conditional Development Permit; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on August 19, 2014 whereat all persons interested therein might appear and be heard.

WHEREAS, on August 19, 2014 the City Council of the City of Menlo Park (“City”) has read and considered that certain Below Market Rate Housing Agreement (“BMR Agreement”) between the City and The Sobrato Organization (“Developer”) that satisfies the requirement that Developer comply with Chapter 16.96 of the City’s Municipal Code and with the Below Market Rate Housing Program Guidelines.

NOW, THEREFORE, the City Council of the City does RESOLVE as follows:

1. Public interest and convenience require the City to enter into the Agreement described above.
2. The City Council of the City of Menlo Park hereby approves the Agreement and the City Manager is hereby authorized on behalf of the City to execute the Agreement.

I, 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 19th day of August, 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 19th day of August, 2014.

Pamela Aguilar
City Clerk

DRAFT
BELOW MARKET RATE HOUSING IN-LIEU FEE AGREEMENT

This Below Market Rate Housing In Lieu Fee Agreement (“Agreement”) is made as of this ___ day of _____, 2014 by and between the City of Menlo Park, a California municipality (“City”) and The Sobrato Organization (“Applicant”), with respect to the following:

RECITALS

- A. Applicant owns property located in the City of Menlo Park, County of San Mateo, State of California, consisting of approximately 13.3 acres, more particularly described as Assessor’s Parcel Numbers: 055-243-050 and 055-243-240 (“Property”), more commonly known as 151 Commonwealth Drive and 164 Jefferson Drive, Menlo Park, California.
- B. The Property currently contains multiple buildings containing a combination of manufacturing, warehouse, and office spaces. The existing gross floor area of these buildings is 237,858 square feet.
- C. Applicant proposes the construction approximately 259,920 square feet of office space in two buildings. The Applicant has applied to the City for planning approval to demolish the existing buildings and construct the two proposed office buildings.
- D. Applicant is required to comply with Chapter 16.96 of City’s Municipal Code (“BMR Ordinance”) and with the Below Market Rate Housing Program Guidelines (“Guidelines”) adopted by the City Council to implement the BMR Ordinance. In order to process its application, the BMR Ordinance requires Applicant to submit a Below Market Rate Housing Agreement. This Agreement is intended to satisfy that requirement. Approval of a Below Market Rate Housing Agreement is a condition precedent to the approval of the applications and the issuance of a building permit for the project.
- E. Residential use of the property is not allowed by the applicable zoning regulations. Applicant does not own any sites in the City that are available and feasible for construction of sufficient below market rate residential housing units to satisfy the requirements of the BMR Ordinance. Based on these facts, the City has found that development of such units off-site in accordance with the requirements of the BMR Ordinance and Guidelines is not feasible.
- F. Applicant, therefore, is required to pay an in lieu fee as provided for in this Agreement. Applicant is willing to pay the in lieu fee on the terms set forth in this Agreement, which the City has found are consistent with the BMR Ordinance and Guidelines.

NOW, THEREFORE, the parties agree as follows:

1. Applicant shall pay the in lieu fee as provided for in the BMR Ordinance and Guidelines. The applicable in lieu fee is that which is in effect on the date the payment is made. The in lieu fee will be calculated as set forth in the table below; however, the applicable fee for the project will be based upon the amount of square footage within Group A and Group B at the time of payment. The estimated in lieu fee is provided below.

	Use Group	Fee/SF	Square Feet	Component Fees
Existing Building - Office Areas	A-Office/R&D	\$15.19	19,173	(\$291,237.87)
Existing Building - Non-Office Areas	B- Non-Office C/I	\$8.24	218,685	(\$1,801,964.40)
Proposed Buildings Office Areas	A-Office/R&D	\$15.19	259,920	\$3,948,184.80
Total Estimated In Lieu Fee				\$1,854,982.53

2. Applicant shall pay the fee before the City issues a building permit for the project. The fee may be paid at any time after approval of this Agreement by the City Council. If for any reason, a building permit is not issued within a reasonable time after Applicant's payment of the fee, upon request by Applicant, City shall promptly refund the fee, without interest, in which case the building permit shall not be issued until payment of the fee is again made at the rate applicable at the time of payment.
3. This Agreement shall be binding on and inure to the benefit of the parties hereto and their successors and assigns. Each party may assign this Agreement, subject to the reasonable consent of the other party, and the assignment must be in writing.
4. If any legal action is commenced to interpret or enforce this Agreement or to collect damages as a result of any breach of this Agreement, the prevailing party shall be entitled to recover all reasonable attorney's fees and costs incurred in such action from the other party.
5. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the venue for any action shall be the County of San Mateo.
6. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by all of the parties hereto.

7. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof.
8. Any and all obligations or responsibilities of the Applicant under this Agreement shall terminate upon the payment of the required fee.
9. To the extent there is any conflict between the terms and provisions of the Guidelines and the terms and provisions of this Agreement, the terms and provisions of this Agreement shall prevail.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CITY OF MENLO PARK

The Sobrato Organization

By: _____
Alex D. McIntyre, City Manager

By: _____

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FUNDING AGREEMENT

This Funding Agreement ("Agreement") is made this ___ day of _____, 2014 ("Execution Date") by and between the City of Menlo Park ("City") and the Sobrato Organization ("Sobrato"), each of which is referred to herein individually as "Party" and jointly as "Parties."

RECITALS

WHEREAS, the City received an application from Sobrato to redevelop the property located at 151 Commonwealth Drive and 164 Jefferson Drive ("Property") by demolishing the existing buildings and developing the Property with two four-story office buildings ("Development"); and

WHEREAS, Sobrato offered to enter into a funding agreement to share the costs of replacing the existing water main that crosses the Property ("Project") and this was incorporated into the Conditional Development Permit approved for the Property; and

WHEREAS, the City and Sobrato have agreed to share the cost of the Project on the terms and conditions contained herein.

NOW, THEREFORE, the Parties agree as follows:

SECTION 1: Scope of Work and Reporting

1.1 Scope of Work. Sobrato is responsible for the completion of the Scope of Work as described in Exhibit A, which is attached to this Agreement and incorporated herein by this reference. Sobrato is responsible for procuring and administering any professional service and/or other contracts entered into in connection with the Scope of Work. Sobrato will oversee completion of the Scope of Work. Sobrato may appoint a designee or engage contractor(s) to perform work necessary to complete the Scope of Work, but Sobrato remains responsible to the City for the completion of the Scope of Work.

1.2 Required Approvals: Compliance with Laws. Prior to commencement of the Scope of Work, Sobrato or its designee (e.g., a consultant) will obtain all applicable local, state and federal approvals and permits for the Scope of Work. In addition, Sobrato must comply with all applicable federal, state and local laws and regulations applicable to the Project, including, but not limited to, prevailing wage requirements.

1.3 Access to Records and Record Retention. At all reasonable times, Sobrato will permit the City access to all reports, designs, drawings, plans, specifications, schedules and other materials prepared, or in the process of being prepared, for the Scope of Work by Sobrato or any contractor or consultant of Sobrato. Sobrato will provide copies of any documents described in this Section to the City upon request. Sobrato will retain all records pertaining to the Scope of Work for at least three years after completion of the Project.

SECTION 2: Funding and Payment

2.1 Funding Commitment. The City agrees to pay to Sobrato Fifty-Three Thousand Three Hundred Dollars (\$53,300) for expenditures related to the Scope of Work ("City Funding"). The City Funding is a fixed contribution; therefore, public bidding/contracting requirements do not apply as they would not result in any cost savings or benefit to the City.

Sobrato agrees to pay the entire amount in excess of the City Funding needed to complete the Scope of Work. The City's funding commitment under this Agreement in no way establishes a right for Sobrato to receive additional funding from the City.

2.2 Use of Funds.

a) Sobrato agrees that it shall use the City Funding only for the Scope of Work. Sobrato shall document, in accordance with generally-accepted accounting principles, the costs paid to complete the Scope of Work. Sobrato shall not use the City Funding to pay for costs which are unrelated to the Scope of Work. As identified in Exhibit A, the costs for any connections, fittings, or other appurtenances needed for making water connections to serve the proposed redevelopment of the Property will be paid solely by Sobrato.

b) If the City determines that Sobrato has used City Funding to pay for costs other than for the approved Scope of Work, the City will notify Sobrato of its determination. Sobrato shall, within 30 days of notification of the City's determination, either (i) repay such funds to the City, or (ii) provide to the City an answer detailing Sobrato's understanding of how the funds in question were spent for the approved Scope of Work, to which the City will respond within 30 days of receipt. The City's response will be final, unless otherwise stated in the response, and Sobrato shall repay any funds determined to have been used other than for the approved Scope of Work within 30 days.

2.3 Payment of Funds. The City will pay to Sobrato the City Funding only upon completion and acceptance of the work by the City. At such time, Sobrato will provide an accounting of the costs for the Scope of Work as described in this Section 2 and an invoice requesting payment of the City Funding. Provided there is no question regarding the use of funds, the City will pay the City Funding to Sobrato within 30 days of the date of the invoice.

SECTION 3: Term

3.1 Term. The term of this Agreement will commence on the Execution Date and conclude upon the City's payment of the City Funding to Sobrato upon the successful completion of the Scope of Work.

3.2 Time of Performance. The Scope of Work must be completed prior to the City's final inspection allowing occupancy of the first of the two buildings that comprise the Development.

SECTION 4: Indemnification and Insurance

4.1 Indemnity by Sobrato. Sobrato shall indemnify, keep and save harmless the City and its directors, officers, agents and employees against any and all suits, claims or actions arising out of any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of the Project or implementation of this Agreement. Sobrato further agrees to defend any and all such actions, suits or claims and pay all charges of attorneys and all other costs and expenses of defenses as they are incurred. If any judgment is rendered, or settlement reached, against the City or any of the individuals enumerated above in any such action, Sobrato shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of the Agreement.

4.2 Insurance. For the purposes of this Insurance section, "Entity" is defined as any entity designing, approving designs and/or performing the Scope of Work funded by this

Agreement. Entities may include Sobrato, a contractor of Sobrato, another body on behalf of which Sobrato submitted its funding application, and/or a contractor of such other body.

All Entities will provide the appropriate insurance covering the work being performed. The insurance requirements specified in this section will cover each Entity's own liability and any liability arising out of work or services of Entity subcontractors, subconsultants, suppliers, temporary workers, independent contractors, leased employees, or any other persons, firms or corporations (hereinafter collectively referred to as "Agents") working on the Project.

a) **Minimum Types and Scope of Insurance.** Each Entity is required to procure and maintain at its sole cost and expense insurance subject to the requirements set forth below. Such insurance will remain in full force and effect throughout performance of the Scope of Work. All policies will be issued by insurers acceptable to the City (generally with a Best's Rating of A-10 or better). Each Entity is also required to assess the risks associated with work to be performed by Agents and to require that Agents maintain adequate insurance coverages with appropriate limits and endorsements to cover such risks. To the extent that its Agent does not procure and maintain such insurance coverage, an Entity is responsible for and assumes any and all costs and expenses that may be incurred in securing said coverage or in fulfilling Entity's indemnity obligations as to itself or any of its Agents in the absence of coverage. Entities may self-insure against the risks associated with the Scope of Work, but in such case, waive subrogation in favor of the City respecting any and all claims that may arise.

i. **Workers' Compensation and Employer's Liability Insurance.** Worker's Compensation coverage must meet statutory limits and Employer's Liability Insurance must have minimum limits of One Million Dollars. Insurance must include a Waiver of Subrogation in favor of the City.

ii. **Commercial General Liability Insurance.** The limit for Commercial General Liability Insurance in each contract and subcontract cannot be less than One Million Dollars. Commercial General Liability Insurance must be primary to any other insurance, name the City as an Additional Insured, include a Separation of Interests endorsement and include a Waiver of Subrogation in favor of the City.

iii. **Business Automobile Liability Insurance.** The limit for Business Automobile Liability Insurance in each contract and subcontract cannot be less than One Million Dollars. Insurance must cover all owned, non-owned and hired autos, and include a Waiver of Subrogation in favor of the City.

iv. **Property Insurance.** Property Insurance must cover an Entity's and/or Agent's own equipment as well as any materials to be installed. Property Insurance must include a Waiver of Subrogation in favor of the City.

v. **Professional Liability Insurance.** If deemed appropriate by an Entity in consideration of the work required for the Project, insurance should cover each Entity's and any Agent's professional work on the Project. The limit for Professional Liability Insurance in each appropriate contract and subcontract should not be less than One Million Dollars.

vi. **Contractors' Pollution Liability Insurance and/or Environmental Liability Insurance.** If deemed appropriate by an Entity in consideration of the work required for the Project, insurance should cover potential pollution or environmental contamination or

accidents. The limit for Pollution and/or Environmental Liability Insurance in each appropriate contract and subcontract should not be less than One Million Dollars. Such insurance must name the City as an Additional Insured and include a Waiver of Subrogation in favor of the City.

vii. Railroad Protective Liability Insurance. Insurance is required if the Project will include any construction or demolition work within 50 feet of railroad tracks. The limit for Railroad Protective Liability Insurance in each appropriate contract and subcontract cannot be less than Two Million Dollars per occurrence and Six Million Dollars annual aggregate.

b) Excess or Umbrella Coverage. Sobrato and/or any other Entity may opt to procure excess or umbrella coverage to meet the above requirements, but in such case, these policies must also satisfy all specified endorsements and stipulations for the underlying coverages and include provisions that the policy holder's insurance is to be primary without any right of contribution from the City.

c) Deductibles and Retentions. Sobrato must ensure that deductibles or retentions on any of the above insurance policies are paid without right of contribution from the City. Deductible and retention provisions cannot contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the named insured is unacceptable. In the event that any policy contains a deductible or self-insured retention, and in the event that the City seeks coverage under such policy as an additional insured, Sobrato will ensure that the policy holder satisfies such deductible to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of the Entity or Agents, even if neither the Entity nor Agents are named defendants in the lawsuit.

d) Claims Made Coverage. If any insurance specified above is provided on a claim-made basis, then in addition to coverage requirements above, such policy must provide that:

i. Policy retroactive date coincides with or precedes the Entity's start of work (including subsequent policies purchased as renewals or replacements).

ii. Entity will make every effort to maintain similar insurance for at least three years following Project completion, including the requirement of adding all additional insureds.

iii. If insurance is terminated for any reason, each Entity agrees to purchase an extended reporting provision of at least three years to report claims arising from work performed in connection with this Agreement.

iv. Policy allows for reporting of circumstances or incidents that might give rise to future claims.

e) Failure to Procure Adequate Insurance. Failure by any Entity to procure sufficient insurance to financially support Section 4.1, Indemnity by Sobrato, of this Agreement does not excuse Sobrato from meeting all obligations of Section 4.1 and the remainder of this Agreement, generally. Prior to beginning work under this Agreement, Sobrato must obtain, and produce upon request of the City, satisfactory evidence of compliance with the insurance requirements of this section.

SECTION 5: Miscellaneous

5.1 Notices. All notices required or permitted to be given under this Agreement must be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or by personal delivery or overnight courier to the appropriate address indicated below or at such other place(s) that either Party may designate in written notice to the other. Notices are deemed received upon delivery if personally served, one day after mailing if delivered via overnight courier, or two days after mailing if mailed as provided above.

To City : City of Menlo Park
701 Laurel St.
Menlo Park, CA 94025
Attn: Jesse Quirion
Interim Public Works Director

To Sobrato: The Sobrato Organization
Attn: John Michael Sobrato
10600 N. De Anza Blvd., Suite 200
Cupertino, CA 95014

5.2 No Waiver. No waiver of any default or breach of any covenant of this Agreement by either Party will be implied from any omission by either Party to take action on account of such default if such default persists or is repeated. Express waivers are limited in scope and duration to their express provisions. Consent to one action does not imply consent to any future action.

5.3 Assignment. Parties are prohibited from assigning, transferring or otherwise substituting their interests or obligations under this Agreement without the written consent of all other Parties, provided however, Sobrato shall have the right to assign this Agreement to an affiliated entity of Sobrato that is the owner of the Property, without the prior approval or consent of the City.

5.4 Governing Law. This Agreement is governed by the laws of the State of California as applied to contracts that are made and performed entirely in California.

5.5 Compliance with Laws. In performance of this Agreement, the Parties must comply with all applicable Federal, State and local laws, regulations and ordinances.

5.6 Modifications. This Agreement may only be modified in a writing executed by both Parties.

5.7 Attorneys' Fees. In the event legal proceedings are instituted to enforce any provision of this Agreement, the prevailing Party in said proceedings is entitled to its costs, including reasonable attorneys' fees.

5.8 Relationship of the Parties. It is understood that this is an Agreement by and between Independent Contractors and does not create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship other than that of Independent Contractor.

5.9 Ownership of Work. All reports, designs, drawings, plans, specifications, schedules, studies, memoranda, and other documents assembled for or prepared by or for, in the process of being assembled or prepared by or for, or furnished to Sobrato under this Agreement are the joint property of the City and Sobrato, and will not be destroyed without the prior written consent of the City. The City is entitled to copies and access to these materials during the progress of the Project and upon completion or termination of the Project or this Agreement. Sobrato may retain a copy of all material produced under this Agreement for its use in its general activities. This Section does not preclude additional shared ownership of work with other entities under contract with Sobrato for funding of the Project.

5.10 Non-discrimination. Sobrato and any contractors performing services on behalf of Sobrato will not discriminate or permit discrimination against any person or group of persons on the basis of race, color, religion, national origin or ancestry, age, sex, sexual orientation, marital status, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status, or in any manner prohibited by federal, state or local laws.

5.11 Warranty of Authority to Execute Agreement. Each Party to this Agreement represents and warrants that each person whose signature appears hereon is authorized and has the full authority to execute this Agreement on behalf of the entity that is a Party to this Agreement.

5.12 Severability. If any portion of this Agreement, or the application thereof is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining portions of this Agreement, or the application thereof, will remain in full force and effect.

5.13 Counterparts. This Agreement may be executed in counterparts.

5.14 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to its subject matter and supersedes any prior or contemporaneous written or oral agreement between the Parties on the same subject.

IN WITNESS WHEREOF, the Parties have hereunder subscribed their names the day and year indicated below.

CITY OF MENLO PARK

THE SOBRATO ORGANIZATION,
a California limited liability company

By: Alex McIntyre
Its: City Manager

By: John Michael Sobrato
Its: Manager

Approved as to Form:

City Attorney
City of Menlo Park

Exhibit A: Scope of Work Information

**EXHIBIT A
SCOPE OF WORK**

Replacement of approximately 600 linear feet of 10 inch diameter water main running along the complete length of the property line parallel to Highway 101. Said pipe to be replaced with new C900 pipe 10 inches in diameter, including the installation of isolation valves at each end to facilitate future operation and maintenance. Work will also include the abandonment of the existing 600 linear feet of 10 inch AC water pipe by means of filling it with slurry and capping both ends. The costs for any connections, fittings, or other appurtenances needed for making water connections to serve the proposed redevelopment of the Property will be paid for solely by Sobrato.

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POLICE DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-130

Agenda Item #: F-1

REGULAR BUSINESS: **Consider and Introduce an Ordinance to Amend Chapter 8.04 [Nuisances] of Title 8 [Peace, Safety and Morals] of the Menlo Park Municipal Code, to Include Payday Lenders and Auto Title Lenders as Added Nuisances**

RECOMMENDATION

Staff recommends that the City Council consider an ordinance to amend Chapter 8.04 [Nuisances] of Title 8 [Peace, Safety, and Morals] of the Menlo Park Municipal Code, to include payday lenders and auto title lenders as added nuisances.

BACKGROUND

On September 11, 2012, the Police Department presented to the City Council, information on pursuing regulation or a possible ban of payday and auto title lenders, also known as alternative financial services (AFS). AFS and traditional federally-insured banks form a two-tiered financial services industry. This two-tiered financial services industry is the result of the inability of low-income consumers with poor credit history to obtain certain services from federally insured banks. Often times, it is these lower-income and financially vulnerable customers that rely on alternative financial services, which are predatory by the nature in which they lend money.

Auto title lenders are businesses that give loans against a borrower's title to their vehicle. Typically, a borrower would bring their vehicle to a lender, who would inspect it, and provide a loan for up to half the value of the vehicle. If the loan amount is under \$2,500, State law provides interest rate caps and regulations. In the event that the loan is greater than \$2,500, there is no cap on the annualized interest rate and interest rates can range from 6.5% to 15% per month. If a loan is defaulted on, the borrower's vehicle is forfeited.

Payday lenders offer borrowers short-term loans in which the lender provides immediate cash to the borrower in exchange for a post-dated check (to be cashed on the borrower's next payday). In addition to the principal amount advanced to the borrower, the value of the borrower's check includes the fee charged by the lender for the loan. Under California law, payday loans, also referred to as cash advances or deferred

deposit transactions, have a \$300 limit on the face value of the check and a 15% fee cap. Thus, a borrower who wishes to borrow the maximum amount would write a check for \$300 to a payday lender in exchange for \$255 in immediate cash. As an example, the borrower would pay \$45 to receive \$255 a few weeks before their next payday. This 15% fee for a loan over a few weeks works out to a very high interest rate. In 2010, the average APR (annual percentage rate) for payday loans in California was 414%.

On September 11, 2012, the City Council voted unanimously to direct staff to prepare an interim ordinance establishing a temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park. On October 9, 2012, Ordinance 968 was passed unanimously by the City Council after a public hearing. This interim ordinance establishing a temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park was in effect for a period of 45 days. On November 13, 2012, City Council unanimously passed Ordinance 987, extending the moratorium for an additional 22 months and 15 days. The extended moratorium will expire on September 28, 2014.

ANALYSIS

In the past year, staff has worked with the City Attorney's office to explore and examine options to address the issue of payday and auto title lenders. The attached draft ordinance will amend the Menlo Park Municipal Code to add payday and auto title lenders to the existing list of public nuisances found in §8.04.010, which would declare these types of business to be a menace to the public health, safety and welfare of the community. If adopted, these types of businesses would be barred from operating within the City.

The adoption of this amendment to the Menlo Park Municipal Code will have a positive impact, especially on children, youth and seniors because these businesses have been found to negatively impact the financial stability of low-income communities in the surrounding cities and the City of Menlo Park. Since there is limited state and federal legislation restricting payday and auto title lenders, the City of Menlo Park would be following several other local jurisdictions who had decided to regulate these types of industries themselves.

During council deliberations in November of 2012, direction was given to staff to also create a list of resources for those who may be affected by a ban of payday and auto title lenders. Attached is a draft tri-fold brochure that will be available in both English and Spanish, if this ordinance is adopted.

IMPACT ON CITY RESOURCES

No anticipated impact on City resources.

POLICY ISSUES

Adopting the proposed ordinance will add payday and auto title loans to the list of nuisances enumerated in Section 08.04.010 [Enumerated] of Chapter 8.04 [Nuisances] of Title 8 [Peace, Safety and Morals] of the Menlo Park Municipal Code.

ENVIRONMENTAL REVIEW

This action is not subject to the provisions of the California Environmental Quality Act ("CEQA").

PUBLIC NOTICE

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

ATTACHMENTS

- A. Draft Ordinance
- B. Draft "Alternatives to Payday Lenders" information pamphlet

Report prepared by:
Dave Bertini
Police Commander

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ORDINANCE NUMBER _____

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
AMENDING THE NUISANCE CHAPTER OF THE MENLO PARK
MUNICIPAL CODE TO ADD PAYDAY LENDER AND AUTO TITLE
LENDER TO THE LIST OF ENUMERATED NUISANCES**

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

SECTION 1. FINDINGS AND DETERMINATIONS.

A. The City of Menlo Park has had in place a temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park. After further investigation, the City Council of the City of Menlo Park finds that prohibition of these alternative financial services is appropriate to protect the public health, safety and welfare of the City of Menlo Park. The City Council of the City of Menlo Park further finds the addition of payday lenders and auto title lenders to the list of enumerated nuisances is appropriate as these lenders threaten public health, safety, and welfare.

B. The City Council of the City of Menlo Park finds and declares the amendment to Section 08.04.010 [Enumerated] of Chapter 8.04 [Nuisances] of Title 8 [Peace, Safety and Morals] to include payday lenders and auto title lenders as a nuisance is necessary for the following reasons:

1. The inability of low-income consumers with poor credit history to obtain certain services from federally-insured banks has resulted in a two-tiered financial services industry. More financially-stable consumers are generally able to use traditional banks, which charge lower fees for checking and issue loans regulated by the federal government. Lower-income, financially vulnerable consumers, however, often have to rely upon the alternative financial services industry for the same services. Payday lending and auto title lending businesses, along with check casing businesses, are part of the growing alternative financial services industry.

2. Payday lending businesses typically offer borrowers short-term loans in which the lender provides immediate cash to the borrower in exchange for a post-dated check to be cashed on the borrower's next payday. The lender charges a fee for the loan. California law currently caps individual payday loans at Three Hundred Dollars (\$300), from which a 15 percent fee can be deducted. For example, a borrower would write a check for Three Hundred Dollars (\$300) in exchange for Two Hundred Fifty-Five Dollars (\$255) in immediate cash. The end result is a very high interest rate. In 2010, the average annual percentage rate was 414 percent.

3. Studies have shown that most payday loan borrowers are not one-time customers. In 2010, California payday lenders issued 12 million payday loans to 1.6 million borrowers. According to a 2007 survey conducted by the California Department

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of Corporations, more than one-third of borrowers took out payday loans from multiple lenders at the same time. Studies have also shown that most of these businesses operate in low-income neighborhoods and target the most vulnerable consumers.

4. Auto title lenders are businesses that give loans against a borrower's title to their vehicle. Typically, a borrower would bring their vehicle to a lender, who would inspect it, and provide a loan for up to half of the value of the vehicle. If the loan amount is below Two Thousand Five Hundred Dollars (\$2,500), interest rate caps exist and regulations apply. If the loan is above that amount, there is no cap on the annualized interest rate. If a loan is defaulted on, the borrower's vehicle is forfeited.

SECTION 2. ADDITION OF CODE. Section 08.04.010 [Enumerated] of Chapter 8.04 [Nuisances] of Title 8 [Peace, Safety and Morals] is hereby amended to include an additional enumerated nuisance as follows:

“(22) Payday Lenders and Auto Title Lenders. Payday lender is defined as a retail business owned or operated by a “licensee” as that term is defined in California Financial Code section 23001(d), as amended from time to time. Auto title lender is defined as a motor vehicle title lender who offers short-term loans secured by title to a motor vehicle. Payday lender and auto title lender as used in this section shall not include state or federally chartered banks, savings and loan associations, industrial loan companies, credit unions and credit agencies, mortgage lenders, investment companies, and non-profit financial institutions providing retail banking services to individuals and businesses.”

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

SECTION 4. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act (“CEQA”) because the activity is not a project as defined by Section 15378 of the CEQA Guidelines. The ordinance has no potential for resulting in physical change to the environment either directly or indirectly.

SECTION 5. EFFECTIVE DATE AND PUBLISHING. This ordinance shall take effect 30 days after adoption. The City Clerk shall cause publication of the ordinance within 15 days after passage in a newspaper of general circulation published and circulated in the city or, if none, the posted in at least three public places in the city. Within 15 days after the adoption of the ordinance amendment, a summary of the amendment shall be published with the names of the council members voting for and against the amendment.

INTRODUCED on the ___ day of _____, 2014.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the ___ day of _____, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Ray Mueller
Mayor

ATTEST:

Pamela Aguilar
City Clerk

AVOID THE PAYDAY LOAN TRAP

CITY OF MENLO PARK

Alternatives



To Payday Lenders

And
Auto Title Lenders

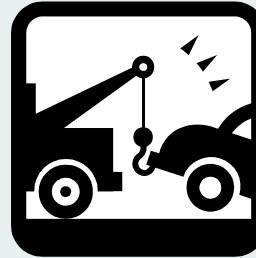
- NOTE:** PAYDAY LOANS ARE:
- Short-Term Loans
 - High Interest
 - Due By Next Paycheck

A payday loan is a short-term loan of up to \$300. Payday loans have exceptionally high fees and can trap even the most disciplined borrower on a debt treadmill.

Learn more about Menlo Park's Municipal Code against Payday Lending and healthy alternatives for Menlo Park residents.



An Auto Title Loan is a high-cost loan secured by the title of a motor vehicle. If the loan is not paid back, the vehicle is forfeited.



MENLO PARK POLICE

City of Menlo Park Police
Department
701 Laurel Street
Menlo Park, Ca. 94025
www.menlopark.org
650.330.6300



What Are Payday Loans?

Payday loans are small, short-term loans. Borrowers write a personal check to the lender for cash, plus a fee. On the date of your next payday, usually two weeks, you have to repay the loan and the fee in cash or let the lender deposit your check. A payday borrower who writes a check for \$300, receives \$255 in cash, and pays \$45 in fees. And the borrower has to pay back the full \$300 in two weeks.

The Payday Loan Cycle of Debt

Payday lenders charge VERY HIGH fees for very short-term loans. The average payday borrower takes out an average of 7 loans per year from a single lender. To make a profit, payday lenders count on the fact people become trapped in a cycle of debt that often ends in default or bankruptcy.

Menlo Park's Municipal Code against Payday Lending

In July of 2014, the City of Menlo Park City Council voted to amend the Municipal Code to add Payday and Auto Title lenders to the list of nuisances not allowed within the City.

Learn more about the code by visiting: www.menlopark.org/police under Online Services

Avoid the Cycle of Payday Debt. Explore all Your Options



RECONSIDER:

Do you really need this money? A payday loan will often make things worse.

FIND OTHER MONEY:

If you really need the money, there are many much more affordable, convenient ways to get money. Ask your employer for an advance on your paycheck.

BORROW BETTER:

- Get a low-cost personal loan from a Credit Union.
- Apply for a credit card - they can be a much more affordable option than a payday loan.



ASK FOR HELP:

Call 2-1-1 for a list of cash assistance, rent assistance and free food programs in your area. Locally, call :

- El Concilio for emergency rental assistance. 650.330.7443.
- Society of St. Vincent de Paul for rental and other short-term cash assistance. 650.780.7500.

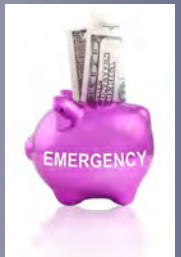


Avoid the Cycle of Payday Debt. Plan for the Future.



SAVE:

Start an emergency savings fund with your local financial institution. Savings just \$5 from each paycheck adds up. Savings \$50 a month will add up to \$600 in just one year!



LEARN ABOUT YOUR FINANCES:

Seek credit counseling or enroll in a financial education program such as *Secure Future*\$. 650-321-2193 x1103.

REDUCE YOUR EXPENSES:

- Lower your telephone and cell phone bill. www.fcc.gov/lifeline.
- Cut your PGE bill. PGE.com/reach.
- Qualify for low-cost auto insurance. Call 211 or visit 211BayArea.org
- Call a credit counselor to deal with your debt.

GET ASSISTANCE:

- Find out about long-term employment, food, medical and cash assistance. 800-223-8383.
- Get public benefits screening at Single Stop USA. 650-330-6428.
- Job Train provides career development, job training and placement help. 650-330-6429.



JOB TRAINING THAT WORKS

FORMERLY OICW**Board of Directors:**

August 11, 2014

Chairman:

Wade W. Loeb

Ruben Abrica
 Jesse Cool
 Teri Eyre
 Clarence J. Ferrari, Jr.
 Richard Hanley
 Jerry Hurwitz
 J. Scott Kaspick
 Vivian L. Kral
 Rob Kricena
 Tamar Pichette
 Ian Thomson
 Elvin Tyler
 Tara VanDerveer
 Isaiah Vi
 Michael Williams
 Rita C. Williams

Menlo Park City Council
 Honorable Mayor and Council Members
 Menlo Park City Hall
 701 Laurel St.
 Menlo Park, CA 94025

Dear Mayor Mueller, Mayor Pro Tem Carlton and City Council Members:

I'm writing on behalf of JobTrain, a nonprofit organization located at 1200 O'Brien Drive in Menlo Park. JobTrain is committed to helping those who are most in need to succeed. Our purpose is to improve the lives of people in our community through assessment, attitude and job skills training, and career placement.

We are writing regarding the Payday Lending and Auto Title Lending Ordinance going to a vote on August 19, 2014. We support the proposed ordinance amending the Menlo Park municipal code which would ban payday lenders and auto title lenders under the code's nuisance provisions. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park.

Strategic Advisory Committee:**Chairman:**

Paul M. Cook

Frank Caufield, Co-Founder
 Kleiner Perkins Caufield & Byers
Paul M. Cook, Co-Founder
 Raychem Corporation
Susan Ford Dorsey, President
 Sand Hill Foundation
William C. Edwards, Partner
 Edwards Partners
Dick Gould, Director of Tennis
 Stanford University
Ronnie Lott
 NFL Hall of Fame
John Lovewell, President
 The Lovewell Company
Duncan L. Matteson, Chairman
 The Matteson Companies
Hon. Becky Morgan, President
 Morgan Family Foundation
Dean Morton, Former COO
 Hewlett-Packard
Russell Pyne, Managing Director
 Atrium Capital
John Sobrato, Chairman
 Sobrato Companies
John Volckmann
 Chairman & Founder
 J. Volckmann & Associates, Inc.

We are concerned about the high-cost loans sold by these businesses. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment.

At JobTrain, we believe that the financial health and well-being of all Menlo Park families is vital to the growth and prosperity of the community. Payday Lenders pose a serious detriment to this process and we respectfully urge the council to vote in favor of the proposed ordinance.

Thank you for your time and consideration,

Nora Sobolov
 Executive Director

Executive Director:

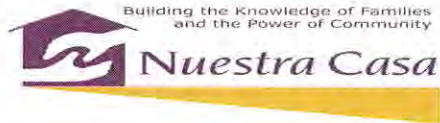
Nora Sobolov

1200 O'Brien Drive, Menlo Park, CA 94025

T/ (650) 330-6429 F/ (650) 330-6401 W/ JobTrainworks.org

AN AFFILIATE OF OIC OF AMERICA





**SUPPORT FOR MENLO PARK'S
PAYDAY LENDING AND AUTO TITLE LENDING ORDINANCE**

8/12/14

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025

Sent via Email to Menlo Park City Clerk Pam Aguilar: piaguilar@menlopark.org

Dear Mayor Mueller, Mayor Pro Tem Carlton and Members of the City Council:

I'm writing on behalf of **Nuestra Casa**, a community based organization specializing in serving the needs of low-income families in East Palo Alto and the Belle Haven region of Menlo Park. In collaboration with Community Legal Services in EPA (CLSEPA), we have engaged in a multi-year education and advocacy campaign, educating hundreds of southern San Mateo county residents on the dangers of payday lending/auto title loans. Through our direct, on-the-ground work with local residents, we have first-hand knowledge of the distress caused by these financial service providers.

We are writing in regard to the Payday Lending and Auto Title Lending Ordinance going to a vote on August 19, 2014. We support the proposed ordinance amending the Menlo Park municipal code which would effectively ban payday lenders and auto title lenders under the code's nuisance provisions. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park.

We're concerned about the high-cost loans sold by these businesses. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Quite simply, payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment.

At **Nuestra Casa**, we believe that the financial health and well-being of all Menlo Park families is vital to the growth and prosperity of the community. Payday Lenders pose a serious detriment to this process and we respectfully urge the council to vote in favor of the proposed ordinance.

Thank you for your time and consideration,

Andrés R. Connell, MNA
Executive Director



CALIFORNIA REINVESTMENT COALITION

SENT VIA E-MAIL

August 12, 2014

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel Street
Menlo Park, CA 94025

Dear Mayor Mueller and Members of the City Council:

I'm writing on behalf of the California Reinvestment Coalition (CRC). CRC advocates for the right of low-income communities and communities of color to have fair and equal access to banking and other financial services. We have a membership of over 300 nonprofit organizations and public agencies across the state. CRC has been a leading voice in the struggle against predatory payday lending in local jurisdictions and at the state Capitol. We were instrumental in working with concerned residents, community organizations, council members and city staff in Fresno, San Francisco, Sacramento, San Jose, Long Beach and other cities to enact land use restrictions on the payday loan industry.

We fully support the proposed ordinance to restrict payday lenders from establishing storefronts in Menlo Park. We believe it is in the interest of Menlo Park residents and communities for the Council to approve an ordinance that would prohibit payday lenders from locating in the City.

We believe there are a few key reasons for these restrictions:

1. In a 2007 payday loan study by the state Department of Corporations, researchers found that 24% of borrowers found out about their payday lender because they "saw a payday location and went in." We know that payday loan consumers utilize this product because of the easy accessibility. When neighborhoods have an abundance of payday lenders and other high cost financial services, they will often use those services because it's "convenient," even if it's to their financial detriment. By restricting the proliferation of such asset-stripping entities, the City makes it more difficult for payday lenders to prey upon economically vulnerable consumers.
2. In a recent national study by Pew Charitable Trusts, "Payday Lending in America," researchers found 73% of payday loan consumers exclusively use storefront payday lenders. This study also found that in states with laws that restrict storefront payday lending, 95 out of 100 would-be borrowers elect not to use payday loans at all, and just 5 borrow online or elsewhere. In California, the state legislature has failed to enact any real

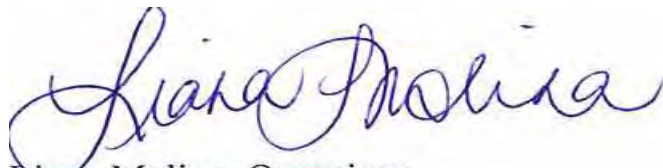
consumer protections and restrictions on high cost payday lending. This creates an imperative for cities to use all authority available to restrict this harmful financial practice and make it less convenient for consumers to access these loans and more difficult for lenders to inundate consumers with this product in their neighborhoods.

3. A 2009 study by the Center for Responsible Lending found that payday lenders are eight times as concentrated in neighborhoods with the largest shares of African Americans and Latinos as compared to white neighborhoods. Even after controlling for income and other important factors, payday lenders are 2.4 times more concentrated in African American and Latino communities. This data suggests that the industry targets ethnic minority communities. Cities must set restrictions to ensure that certain neighborhoods are not being disproportionately and unfairly burdened by this industry.

Unfortunately, the City Council cannot take any action to address the usurious 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for borrowers. However, you can take steps to limit the easy accessibility of this product, especially to individuals who can least afford the loans. Since there's enough evidence to suggest that these businesses target low and moderate-income neighborhoods and communities of color, it makes sense for local policy makers to implement safeguards to prevent the establishment and over-proliferation of these businesses.

We commend the City of Menlo Park for your leadership and anticipated support for a "ban" of these entities through a nuisance ordinance. We respectfully urge the Council's support and adoption of this proposal. If you have any questions, please don't hesitate to contact us.

Thank you for your time and consideration,



Diana Molina, Organizer
California Reinvestment Coalition

Cc: Keith Ogden, Community Legal Services of East Palo Alto



August 12, 2014

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025

Dear Mayor Mueller, Mayor Pro Tem Carlton and Members of the City Council:

I'm writing on behalf of **Project Read-North San Mateo County**. Our organization provides assistance to adults in the communities of South San Francisco, San Bruno and Daly City to meet their literacy and financial education goals. We are writing in regard to the Payday Lending and Auto Title Lending Ordinance going to a vote on August 19, 2014. We support the proposed ordinance amending the Menlo Park municipal code which would effectively ban payday lenders and auto title lenders under the code's nuisance provisions. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park.

We're concerned about the high-cost loans sold by these businesses. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Quite simply, payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment.

Project Read North San Mateo County provides much needed financial literacy to low income adults, particularly the immigrant communities of North County. It is our goal to show people how to properly manage their meager financial resources to meet their basic needs. Predatory lending is a social pariah that threatens the economic well-being of the impoverished people we serve. At **Project Read**, we also believe that the financial health and well-being of all Menlo Park families is vital to the growth and prosperity of this community.

We urge the council to vote in favor of the proposed ordinance.

Respectfully submitted,

Fernando Cordova
Literacy Services Coordinator
Project Read-North San Mateo County
South San Francisco Main Library

840 West Orange Avenue, South San Francisco, CA 94080
www.ssflibrary.net/ProjectRead

(650) 829-3871
Fax (650) 829-3869



Ravenswood Family Health Center

South County Community Health Center, Inc.
dba Ravenswood Family Health Center

Ravenswood Family Health Center Board of Directors

Julio Garcia, Chair
Jonathan Lindeke, Vice-Chair
Gordon Russell, Treasurer
Karen Hernandez, Secretary
Manuel Arteaga
Karen Blackwell
Vernal Bailey
Marcelline Combs
Senseria Conley, Parliamentarian
Siteri Maravou
Melieni Talakai
Raymond Mills, Board Liaison
Sherri Sager, Board Liaison

Advisory Council

Patricia Breese, Chair, Commissioner, Superior Court of San Mateo County (ret.)
Maya Altman, Executive Director, Health Plan of San Mateo
Greg Avis, Founding Managing Director, Summit Partners
Caretha Coleman, Principal, Coleman Consulting
Chris Dawes, CEO, Lucile Packard Children's Hospital
Rob Freelen, Vice President of Business Development, Silicon Valley Bank
Greg Gallo, Partner, DLA Piper
Rose Jacobs Gibson, San Mateo County District 4 Board of Supervisors (ret.)
Ross Jaffe, MD, Managing Director, Versant Ventures
Jim Koshland, Partner, DLA Piper
Phil Lee, MD, Faculty, UCSF & Former US Assistant Secretary of Health
Dr. Richard Levy, CEO, Varian Medical Systems (ret.)
John A. Sobrato, Founder & Principal, Sobrato Organization
Dr. Fred St. Goar, Cardiologist, Director, Fogarty Institute for Innovation
Jane Williams, CEO, Sand Hill Advisors
Gordon Russell, RFHC Board Member & Partner, Sequoia Capital (ret.)
Melieni Talakai, RFHC Board Member & Registered Nurse, San Mateo County

Executive Staff

Luisa Buada, RN, MPH, Chief Executive Officer
Jaime Chavarria, M.D., Chief Medical Officer
Wayne Yost, CPA, CFE, Chief Financial Officer
Kathleen Alexander, Director, Communications & Marketing
Catherine Benedict, Compliance Officer
Jessica Chiu, MURP, Development, Planning & Evaluation Director
Laila Gulzar, PhD, RN, Quality Improvement, RN Training Officer
Gralyn Jacques, Controller
Erika Simpson, MPH, Senior Operations Director
Yogita Butani Thakur, DDS, MS, Dental Director
Justin Wu, M.D., Associate Medical Director, Family Practice

August 12, 2014

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025

Dear Mayor Mueller, Mayor Pro Tem Carlton and Members of the City Council:

I am writing on behalf of South County Community Health Center, Inc. dba Ravenswood Family Health Center (RFHC). RFHC's mission is to improve the health status of the community we serve by providing high-quality, culturally competent primary and preventive health care to people of all ages regardless of their ability to pay. We provide a continuum of health care services and programs to low-income, underserved populations, including Pediatrics; Family Practice; Family Dentistry; Integrated Behavioral Health Services; Women's Health; Health Education and Prevention; Pharmacy; and Enrollment. 97% of RFHC's patients are people of color. Among our patients, 86% come from households with incomes 100% below the federal poverty level (\$23,850 for a family of four) and live in a place where unemployment is now 10.4% (U.S. Bureau of Labor Statistics, April 2014) and has reached as high as 21% during the recent recession and population density is three times higher than neighboring communities.

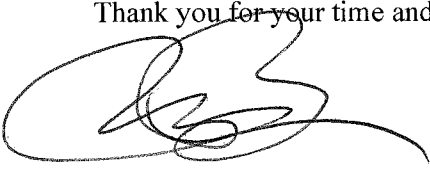
We are writing in regard to the Payday Lending and Auto Title Lending Ordinance going to a vote on August 19, 2014. We support the proposed ordinance amending the Menlo Park municipal code which would effectively ban payday lenders and auto title lenders under the code's nuisance provisions. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park.

We're concerned about the high-cost loans sold by these businesses. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Quite simply, payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment.

1798A Bay Road
East Palo Alto, CA 94303
Tel: 650.330.7400 Fax: 650.321.1156

At RFHC, we believe that the financial health and well-being of all Menlo Park families is vital to the growth and prosperity of the community. Payday Lenders pose a serious detriment to this process and we respectfully urge the council to vote in favor of the proposed ordinance.

Thank you for your time and consideration,

A handwritten signature in black ink, appearing to be 'Luisa Buada', written in a cursive style.

Luisa Buada, RN, MPH
Chief Executive Officer
South County Community Health Center
d.b.a. Ravenswood Family Health Center

**SUPPORT FOR MENLO PARK'S
PAYDAY LENDING AND AUTO TITLE LENDING ORDINANCE**

Sent via Email to Menlo Park City Clerk Pam Aguilar: piaguilar@menlopark.org

August 12, 2014

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025

Dear Mayor Mueller, Mayor Pro Tem Carlton and Members of the City Council:

I'm writing on behalf of Renaissance Entrepreneurship Center. Our organization empowers and increases entrepreneurship among socio-economically diverse people, strengthening communities through the creation of sustainable businesses, new jobs and the promotion of economic self-sufficiency. Renaissance is recognized as a regional leader and innovator in providing small business training and support services in English and Spanish to under-resourced populations and communities throughout the greater Bay Area. We operate through our four Centers in SoMa and Bayview in San Francisco, East Palo Alto on the Peninsula and San Rafael in Marin County, and offsite programs in Redwood City, Daly City, Richmond, and the San Francisco County Men's Jail.

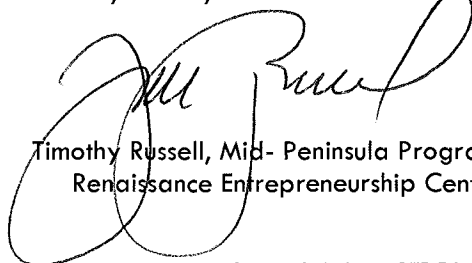
Renaissance Mid-Peninsula actively supports support low to moderate income individuals and families improve their financial knowledge, develop sound fiscal practices, establish asset-building goals, and access fair and appropriate financial services and products through its Secure Future\$ Financial Capability Program.

We are writing in regard to the Payday Lending and Auto Title Lending Ordinance going to a vote on August 19, 2014. We support the proposed ordinance amending the Menlo Park municipal code which would effectively ban payday lenders and auto title lenders under the code's nuisance provisions. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park.

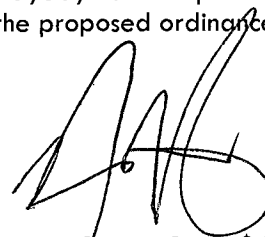
We're concerned about the high-cost loans sold by these businesses. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Quite simply, payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment.

At Renaissance Entrepreneurship Center we believe that the financial health and well-being of all Menlo Park families is vital to the growth and prosperity of the community. Payday Lenders pose a serious detriment to this process and we respectfully urge the council to vote in favor of the proposed ordinance.

Thank you for your time and consideration,



Timothy Russell, Mid- Peninsula Program Director
Renaissance Entrepreneurship Center



Nora Razón, Secure Future\$ Program Coordinator
Renaissance Entrepreneurship Center



August 12, 2014

Honorable Ray Mueller
Menlo Park City Council
Menlo Park City Hall
701 Laurel Street
Menlo Park, California 94025

Re: Payday Lending and Auto Title Lending Ordinance -- Support

Dear Mayor Mueller:

On behalf of Silicon Valley Community Foundation (SVCF), I am writing to express strong SUPPORT for the Payday Lending and Auto Title Lending Ordinance that will be considered by City Council on August 19, 2014 to amend the City's municipal code, which would effectively ban payday and auto title lenders under the code's nuisance provisions.

Silicon Valley Community Foundation was formed in 2007 and since that time has been engaged in efforts to curb predatory lending locally and statewide, including issuing a report in 2009 about the abuses committed by the payday loan industry, promoting responsible alternatives for low-income borrowers and increasing public awareness about the negative impact of these loans on family balance sheets.

As you may know, payday lenders purposefully target low-income and communities of color, often clustering themselves in economically vulnerable neighborhoods. According to our 2009 report, payday lenders in Silicon Valley are eight times more likely to locate in areas with high concentrations of low-income residents and those with households where a language other than English is spoken at home. These are the very populations least able to absorb the high cost of a payday loan and those most at-risk of falling into a vicious cycle of debt.

We strongly believe that the financial health and well-being of all Menlo Park families is critical to the City's continued economic growth and prosperity and that payday lenders present a serious threat to achieving this goal. As such, we respectfully urge the council to vote in favor of the proposed ordinance to ban payday lenders and auto title lenders from the City of Menlo Park.

If you would like to discuss our support further, please do not hesitate to contact me at 650.450.5536. It would be a pleasure to speak with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Erica K. Wood", is written over a faint, larger version of the same signature.

Erica K. Wood
Chief Community Impact Officer

cc: Mayor Pro Tem Catherine Carlton
Members of the City Council



**SUPPORT FOR MENLO PARK'S:
PAYDAY LENDING AND AUTO TITLE LENDING ORDINANCE**

8/12/14

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025

Dear Mayor Mueller, Mayor Pro Tem Carlton and Members of the City Council:

I'm writing on behalf of the Youth Leadership Institute (YLI). For over 20 years YLI has sparked the leadership of young people to solve pressing social issues and serve our communities. YLI works to build the skills of youth to identify and influence policy and community change on issues related to environmental justice, equity in health, economic justice, and educational equity.

We are writing in regard to the Payday Lending and Auto Title Lending Ordinance going to a vote on August 19, 2014. We support the proposed ordinance amending the Menlo Park municipal code which would effectively ban payday lenders and auto title lenders under the code's nuisance provisions. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park. We're concerned about the high-cost loans sold by these businesses. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Quite simply, payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment.

YLI has a long history of success working with young people, youth-serving organizations, community coalitions, schools, and service providers to improve nutrition and increase healthy food consumption among children, youth, their families, and communities. In San Mateo County, YLI's innovative approach to engaging low-income youth and students of color in these efforts has gained critical media coverage over the years, built deep relationships with community partners and elected officials, and received recognition along the way. YLI San Mateo currently supports several distinct youth-led projects across varying issue areas, including healthy food access; alcohol, tobacco, and other drug prevention; financial justice; and environmental equity. **Yesterday, August 11th marked the victory of YLI youth as they successfully advocated for the official passage of an ordinance that will limit payday lenders from operating in Daly City, the city with the most payday lenders in the County.**

At YLI, we believe that the financial health and well-being of all Menlo Park families is vital to the growth and prosperity of the community. Payday Lenders pose a serious detriment to this process and we respectfully urge the council to vote in favor of the proposed ordinance.

Thank you for your time and consideration,

Fahad Qurashi, Senior Director of San Mateo County Programs
Youth Leadership Institute

**SUPPORT FOR MENLO PARK'S
PAYDAY LENDING AND AUTO TITLE LENDING ORDINANCE**

August 13, 2014

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025

Dear Menlo Park City Council:

I'm writing to express my support for an ordinance that will prevent and ban PayDay and Auto Title Lending services from conducting business within Menlo Park.

Businesses like these prey on low to moderate-income communities such as the Belle Haven neighborhood with little regard to the impact and consequences it has on families and individuals who use them. Because a high percentage of Belle Haven households list their primary language as one other than English, mastery and understanding of the loan terminology is not always clear and the ease of receiving the money in a short amount of time usually becomes the sole focus. In addition to the high cost of the loans that trap many borrowers, people who use them often begin a vicious cycle of debt that is very difficult for borrowers to recover from. In many instances, borrowers often find themselves paying up to 15 to 30 percent of the amount being borrowed on just a few weeks that is comparable to getting a loan with an annual percentage rate of nearly 800 percent.

As a 10 year resident of Menlo Park who is very intimate with the pulse of the Belle Haven community, I ask council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in this city. Over the past few years, Belle Haven has been experiencing a renaissance of new partnerships, involvement and vibrancy amongst its residents. Payday Lenders pose a serious detriment to this emerging community spirit and I respectfully urge the council to vote in favor of the proposed ordinance.

Thank you for your time and consideration,

Alejandro Vilchez,
1149 Howard Ave
Menlo Park, CA 94025



Asian Law Alliance

991 West Hedding Street Suite 202
San Jose, California 95126-1248
Tel (408) 287-9710 • Fax (408) 287-0864

**SUPPORT FOR MENLO PARK'S
PAYDAY LENDING AND AUTO TITLE LENDING ORDINANCE**

Sent via Email to Menlo Park City Clerk Pam Aguilar: piaguilar@menlopark.org

August 13, 2014

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025

Dear Mayor Mueller, Mayor Pro Tem Carlton and Members of the City Council:

I'm writing on behalf of **Asian Law Alliance**. Our organization provides legal assistance to low income Asian and Pacific Islanders residing in Silicon Valley.

We are writing in regard to the Payday Lending and Auto Title Lending Ordinance going to a vote on August 19, 2014. We support the proposed ordinance amending the Menlo Park municipal code which would effectively ban payday lenders and auto title lenders under the code's nuisance provisions. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park.

We're concerned about the high-cost loans sold by these businesses. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Quite simply, payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment.

At **Asian Law Alliance**, we believe that the financial health and well-being of all Menlo Park families is vital to the growth and prosperity of the community. Payday Lenders pose a serious detriment to this process and we respectfully urge the council to vote in favor of the proposed ordinance.

Thank you for your time and consideration,

Sincerely,

Richard Konda
Executive Director

HERA

housing and
economic
rights advocates

*Sent via Email to Menlo Park City Clerk Pam Aguilar:
piaguilar@menlopark.org*

August 13, 2014

Menlo Park City Council
Honorable Mayor and Council Members
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025

RE: SUPPORT FOR MENLO PARK'S PAYDAY LENDING AND AUTO TITLE LENDING ORDINANCE

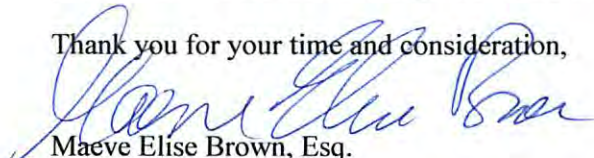
Dear Mayor Mueller, Mayor Pro Tem Carlton and Members of the City Council:

I'm writing on behalf of **Housing and Economic Rights Advocates (HERA, www.heraca.org)**. We are a California statewide non-profit law office, located in Oakland, California. We have an economic justice and anti-discrimination mission, and, through our free legal services, we support low and moderate income Californians' ability to build and preserve their assets, free of discrimination. We work extensively in San Mateo County, as well as across California. We are writing to express our support for the City of Menlo's Park Payday Lending and Auto Title Lending Ordinance. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park.

We're concerned about the high-cost loans sold by Payday and Auto Title lenders. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Quite simply, payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 in fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment. Auto title loans that HERA has worked on addressing have had Annual Percentage rates over 110%.

At HERA, we believe that the financial health and well-being of all Menlo Park families is vital to the growth and prosperity of the community. Payday and Auto Title Lenders pose a serious detriment to this process and we respectfully urge the council to vote in favor of the proposed ordinance.

Thank you for your time and consideration,



Maeve Elise Brown, Esq.
Executive Director

phone 510.271.8443
fax 510.868.4521

HERACA.ORG

1814 franklin st., ste. 1040, oakland ca 94612

LAW FOUNDATION OF SILICON VALLEY

152 North Third Street, 3rd Floor
San Jose, California 95112
Telephone (408) 293-4790 • Fax (408) 293-0106
www.lawfoundation.org

August 14, 2014

Via email

Menlo Park City Council
Menlo Park City Hall
701 Laurel St.
Menlo Park, CA 94025
piaguilar@menlopark.org

RE: Support of Payday Lending and Auto Title Lending Ordinance

Dear Mayor Mueller, Mayor Pro Tem Carlton and Members of the City Council:

I write to you representing the Law Foundation of Silicon Valley's Public Interest Law Firm, one of the lead organizations in the Coalition Against Payday Predators (CAPP). As you may know, CAPP is a coalition of community organizations¹ committed to combating the negative impacts of payday lending in San José and Santa Clara County more broadly. CAPP believes that sensible regulation of payday lending will lead to greater economic security and prosperity. We've worked with residents, community organizations, advocates and policy makers in several cities to raise awareness of this issue and enact local policies to restrict the growth of payday lenders and other high-cost fringe financial businesses.

We are writing in regard to the Payday Lending and Auto Title Lending Ordinance going to a vote on August 19, 2014. We support the proposed ordinance amending the Menlo Park municipal code which would effectively ban payday lenders and auto title lenders under the code's nuisance provisions. We urge the City Council to approve this policy to prevent predatory payday lenders and auto title lenders from establishing themselves in Menlo Park.

We're concerned about the high-cost loans sold by these businesses. We're especially concerned that these lenders target low and moderate-income communities, and tend to cluster in economically vulnerable neighborhoods. Quite simply, payday loans trap many borrowers on a debt treadmill, exacerbating the financial challenges faced by many lower-income families. The typical payday borrower in California pays over \$270 in fees to borrow \$255. Consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care and staying in their home or apartment.

Payday lending won't help Menlo Park or its families. Adopting the proposed ordinance will ensure and protect Menlo Park's economic growth, communities of color, and working-class families from payday lenders establishing themselves in Menlo Park. This unscrupulous industry needs to be reined in at the local, state and federal level.

¹ Other current active members of CAPP are United Way Silicon Valley, Working Partnerships USA, Asian Law Alliance, Sunnyvale Community Services, Opportunity Fund, St. Joseph's Family Services, and West Valley Community Services.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Zahradka". The signature is stylized with a large initial "J" and a long horizontal stroke extending to the right.

James Zahradka
Supervising Attorney
Public Interest Law Firm
Law Foundation of Silicon Valley

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-141

Agenda Item #: F-2

REGULAR BUSINESS: **Presentation of Information Regarding Employee Compensation and Receipt of Public Comment Relating to Upcoming Labor Negotiations with All Units**

RECOMMENDATION

Accept public input on the upcoming labor negotiations.

BACKGROUND

Pursuant to the Public Input and Outreach Regarding Labor Negotiations policy approved by the City Council March 1, 2011, staff is to bring forward to the City Council a regular business item in advance of upcoming labor negotiations to provide an opportunity for the public to be informed about the City's labor negotiations before the City commences negotiations and to provide the City Council input before the negotiations begin. This report will provide the public an opportunity to have information related to labor negotiations in advance of the commencement of negotiations and to provide input to the City Council.

This memo provides 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 and appropriate compensation package.

The following chart shows the City's five bargaining units, and the expiration of their most recent contract. In addition to the bargaining units listed below, there are approximately 21 unrepresented employees and five Councilmembers serving the City.

BARGAINING UNIT	CONTRACT EXPIRATION
Menlo Park Police Sergeants' Association (PSA)	06/30/14
American Federation of State, County and Municipal Employees, Local 829 (AFSCME)	06/30/15
Service Employees International Union, Local 521, CTW, CLC (SEIU)	06/30/15
Menlo Park Police Officers' Association (POA)	06/30/13
Service Employees International Union, Temporary Employees Unit, Local 521, CTW, CLC (SEIU)	10/22/11

As indicated in the chart above, the agreement between the City and the POA has been expired for approximately one year and the negotiations for a successor agreement that commenced on April 17, 2013, are still in progress. The established contracts between the City and AFSCME as well as the City and SEIU do not expire until the end of the current fiscal year. Negotiations for successor agreements with AFSCME and SEIU will commence early in 2015. Negotiations for a successor agreement to the recently expired agreement between the City and the PSA will commence subsequent to the conclusion of this period of public input to the City Council.

ANALYSIS

Personnel Costs

One of the primary functions of the City is to provide services to the community. As a service organization, the great majority of the City's costs pay for the employees who provide those services. Accordingly, 66% of the General Fund is allocated to personnel services.

The following chart demonstrates the annual value of a 1% increase in compensation for each bargaining unit based upon Fiscal Year 2014-2015 Adopted Budget costs.

Bargaining Unit	Full Time Equivalents (FTE's)	Value of 1% Compensation Increase
SEIU	131	\$113,885
AFSCME	35.5	\$40,810
POA	37	\$60,017
PSA	8	\$15,964
Total	211.5¹	\$230,676

¹ This FTE total does not include the City's 21 unrepresented positions and five Council seats.

Principle Components for Determining Compensation

Determining the City's bargaining principles will assist with aligning the bargaining efforts with the service and financial priorities established by both the Council and the community. The following principles will be considered in preparation for, and throughout labor negotiations over successor agreements:

- The total cost for service delivery
- The City's fiscal condition
- The impact of Council policy decisions on bargaining
- Preservation of the City's market competitiveness as an employer, to the extent possible
- Availability of short and long-term strategies to effectively provide services that aligns with both the priorities of the community and the City Council

Meyers-Milias-Brown Act (MMBA)

The MMBA governs the labor-management relations in California local government, including cities, counties, and most special districts. The MMBA provides the right to organize, sets guidelines for such things as the scope of representation and the requirement to meet and confer in good faith.

The MMBA states that the governing body of a public agency shall meet and confer in good faith regarding wages, hours and other terms and conditions of employment with representatives of recognized employee organizations (i.e. unions/bargaining units). Although it is commonly referred to as an obligation to "negotiate", the MMBA refers to the obligation to "meet and confer" in good faith. The MMBA defines meeting and conferring in good faith as having the mutual obligation to personally meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinions, and proposals and to endeavor to reach agreement on matters within the scope of representation.

The MMBA defines the scope of representation as all matters related to employment conditions and employer-employee relations, including, but not limited to, wages, hours and other terms and conditions of employment, except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order.

Negotiation/"Meet and Confer" Process

As mentioned above, under the Meyers-Milias-Brown Act (MMBA), the City has an obligation to "meet and confer" in good faith with the City's bargaining units regarding wages, hours and other terms and conditions of employment. The City Manager has delegated the authority to meet and confer to the Human Resources Department. The negotiations for a new agreement typically commence prior to the expiration of an existing Memorandum of Understanding (MOU).

The City and the Union each establish a negotiating team. Several of the existing MOU's provide paid release time for designated bargaining unit team members for time spent during the negotiation meetings that coincide with the employees' normal work hours. During the negotiations, the City team meets with the union team to discuss various issues and interests for the new contract. The City's negotiating team is provided negotiation authorization by the City Council through the City Manager. Proposals are exchanged related to the issues presented during the negotiations. Tentative agreements are often reached on individual issues as part of the negotiation process and ultimately, a tentative agreement is reached on the entire contract. All tentative agreements are contingent upon ratification of the union membership and approval of the City Council in open session. If negotiations do not result in a tentative agreement on a new contract, impasse procedures may be invoked by either party and would then proceed to mediation as the impasse procedure. If mediation assists the parties in reaching an agreement, it is still contingent upon ratification of the union membership and approval of the City Council in open session.

Impasse Procedures - Fact-Finding -for Local Public Employee Organizations

As a result of the passage of Assembly Bill 646 (AB646), effective January 1, 2012, local Government agencies, like the City of Menlo Park, are required to include fact finding in their impasse procedures for any bargaining unit requesting to do so that is not subject to binding interest arbitration; it is worth noting that fact finding can be requested solely by the bargaining unit and not the agency. Additionally, Assembly Bill 1606 (AB1606) was passed in 2012 and provided additional requirements regarding fact finding. Previously, if the parties reached an impasse and have exhausted any applicable impasse procedures, a public agency had the option to unilaterally implement its last, best, and final offer; however, fact finding has added additional layers of time and complexity. The notable changes brought by fact finding includes the agency holding a public hearing on the impasse; a written, non-binding, findings of fact and recommended terms of settlement issued by the fact finding panel; and the prohibition on a public agency from unilateral implementation of its last, best, and final offer until certain time criteria are met. Fact finding, if invoked by a bargaining unit, will increase the costs as well as increase the use of resources and time associated with the bargaining process.

It is the goal of both parties to reach a negotiated agreement. However, the MMBA states that a public agency may, after impasse procedures have been exhausted, including fact finding if invoked, implement its last, best, and final offer. In addition, after impasse procedures have been concluded and an agreement has not been reached on a new contract, the bargaining unit has the right to strike and/or engage in other protected concerted activity, except for police officers who do not have the right to strike.

Public Employees' Pension Reform Act (PEPRA)

The passage of Assembly Bill 340 (AB340) along with the clean-up language of Assembly Bill 197 (AB197) enacted what is now known as the Public Employees' Pension Reform Act (PEPRA). Effective January 1, 2013, local Government agencies sponsoring a public retirement system in California, like the City of Menlo Park, are subject to limits on the pension benefits offered to new employees and increased flexibility for employee and employer cost sharing for current employees. Because the most significant savings will be realized only as new members are hired in the future, short-term savings will be minimal. However, to realize short-term savings, the City has established greater employee cost sharing with each bargaining unit beginning Fiscal Year 2011-2012.

Fiscal Year 2014-15 Labor Negotiations

The City anticipates beginning negotiations over a successor agreement with the Menlo Park Police Sergeants' Association (PSA) subsequent to the completion of this period for public input provided to the City Council regarding labor negotiations.

In early 2015, the City anticipates beginning negotiations over successor agreements with those bargaining units whose current agreements expire on June 30, 2015, including the American Federation of State, County and Municipal Employees, Local 829 (AFSCME) and the Service Employees International Union, Local 521, CTW, CLC (SEIU). In addition, the Service Employees International Union, Temporary Employees Unit, Local 521, CTW, CLC (SEIU) currently has an expired agreement.

IMPACT ON CITY RESOURCES

There are no impacts on City resources as a result of receiving input on this issue.

POLICY ISSUES

This report is prepared to support the Council's policy for public input prior to commencing negotiations.

ENVIRONMENTAL REVIEW

Not a project.

PUBLIC NOTICE

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

ATTACHMENTS

None

Report prepared by:
Gina Donnelly
Human Resources Director



OFFICE OF THE CITY MANAGER

Council Meeting Date: August 19, 2014
Memorandum #: 14-136

Agenda Item #: F-3

REGULAR BUSINESS: Provide Direction Regarding The Resolution To Be Voted On At The League of California Cities Annual Conference

RECOMMENDATION

It is recommended that Council authorize the City's voting delegate to support the resolution to be voted on at the League of California Cities Annual Conference.

BACKGROUND

The League of California Cities (League) Annual Conference will be held in Los Angeles September 3-5, 2014. One resolution will be considered and voted on during the annual business meeting. On July 15, 2014, the Council assigned Mayor Pro Tem Carlton to be the City's Voting Delegate at the conference and Councilmember Keith to be the Alternate.

ANALYSIS

This year, one resolution has been introduced for consideration by the Annual Conference. League staff has provided an analysis of the resolution which is included in the Annual Conference Resolution Packet (Attachment A). Below are the title of the resolution and a short summary.

Resolution #1

Title: Resolution Calling Upon the Governor and Legislature to Convene a Summit to Address the Devastating Environmental Impacts of Illegal Marijuana Grows on Both Private and Public Lands Throughout California and the Increasing Problems to Public Safety Related to These Activities by Working in Partnership with the League of California Cities to Develop Responsive Solutions and to Secure Adequate Funding for Cost-Effective Implementation Strategies

Source: Redwood Empire Division

Referred to: Environmental Quality and Public Safety Policy Committees

Recommendation to General Resolutions Committee: None provided as of the date the Resolution packet was received

Summary:

The resolution seeks to highlight the environmental and public safety issues triggered by illegal marijuana cultivation, and calls upon the League, the Governor and the Legislature to take action by convening a summit to address the environmental impact of such cultivation sites. It also calls upon the State of California to provide solutions in response, including sufficient funding to decisively address the problem.

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. Annual Conference Resolution Packet

Memorandum prepared by:

Pamela Aguilar

City Clerk



*Annual Conference
Resolutions Packet*

2014 Annual Conference Resolutions



*116th Annual Conference
Los Angeles
September 3 - 5, 2014*

INFORMATION AND PROCEDURES

RESOLUTIONS CONTAINED IN THIS PACKET: The League bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, one resolution has been introduced for consideration by the Annual Conference and referred to the League policy committees.

POLICY COMMITTEES: Two policy committees will meet at the Annual Conference to consider and take action on the resolution referred to them. The committees are Environmental Quality and Public Safety. These committees will meet on Wednesday, September 3, 2014, at the JW Marriott Hotel in Los Angeles. The sponsor of the resolution has been notified of the time and location of the meetings.

GENERAL RESOLUTIONS COMMITTEE: This committee will meet at 1:00 p.m. on Thursday, September 4, at the Los Angeles Convention Center, to consider the reports of the two policy committees regarding the resolution. This committee includes one representative from each of the League's regional divisions, functional departments and standing policy committees, as well as other individuals appointed by the League president. Please check in at the registration desk for room location.

ANNUAL LUNCHEON/BUSINESS MEETING/GENERAL ASSEMBLY: This meeting will be held at 12:00 p.m. on Friday, September 5, at the Los Angeles Convention Center.

PETITIONED RESOLUTIONS: For those issues that develop after the normal 60-day deadline, a resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (47 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Annual Business Session of the General Assembly. This year, that deadline is 12:00 p.m., Thursday, September 4. If the petitioned resolution is substantially similar in substance to a resolution already under consideration, the petitioned resolution may be disqualified by the General Resolutions Committee.

Resolutions can be viewed on the League's Web site: www.cacities.org/resolutions.

Any questions concerning the resolutions procedures may be directed to Meg Desmond at the League office: mdesmond@cacities.org or (916) 658-8224

GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS

Policy development is a vital and ongoing process within the League. The principal means for deciding policy on the important issues facing cities is through the League's eight standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop League policy. Resolutions should adhere to the following criteria.

Guidelines for Annual Conference Resolutions

1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.
2. The issue is not of a purely local or regional concern.
3. The recommended policy should not simply restate existing League policy.
4. The resolution should be directed at achieving one of the following objectives:
 - (a) Focus public or media attention on an issue of major importance to cities.
 - (b) Establish a new direction for League policy by establishing general principals around which more detailed policies may be developed by policy committees and the board of directors.
 - (c) Consider important issues not adequately addressed by the policy committees and board of directors.
 - (d) Amend the League bylaws (requires 2/3 vote at General Assembly).

LOCATION OF MEETINGS

Policy Committee Meetings

Wednesday, September 3, 2014
JW Marriott Los Angeles Hotel
900 West Olympic Boulevard, Los Angeles

Environmental Quality: 9:00 a.m. – 10:30 a.m.
Public Safety: 10:30 a.m. – 12:00 p.m.

General Resolutions Committee

Thursday, September 4, 2014, 1:00 p.m.
Los Angeles Convention Center
1201 South Figueroa Street, Los Angeles

Annual Business Meeting and General Assembly Luncheon

Friday, September 5, 2013, 12:00 p.m.
Los Angeles Convention Center
1201 South Figueroa Street, Los Angeles

KEY TO ACTIONS TAKEN ON RESOLUTIONS

Resolutions have been grouped by policy committees to which they have been assigned.

Number	Key Word Index	Reviewing Body Action		
		1	2	3

- 1 - Policy Committee Recommendation to General Resolutions Committee
- 2 - General Resolutions Committee
- 3 - General Assembly

ENVIRONMENTAL QUALITY POLICY COMMITTEE

		1	2	3
1	Illegal Marijuana Grow Site			

PUBLIC SAFETY POLICY COMMITTEE

		1	2	3
1	Illegal Marijuana Grow Site			

Information pertaining to the Annual Conference Resolutions will also be posted on each committee's page on the League website: www.cacities.org. The entire Resolutions Packet will be posted at: www.cacities.org/resolutions.

KEY TO ACTIONS TAKEN ON RESOLUTIONS (Continued)

Resolutions have been grouped by policy committees to which they have been assigned.

KEY TO REVIEWING BODIES

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

KEY TO ACTIONS TAKEN

- | | |
|-----|---|
| A | Approve |
| D | Disapprove |
| N | No Action |
| R | Refer to appropriate policy committee for study |
| a | Amend+ |
| Aa | Approve as amended+ |
| Aaa | Approve with additional amendment(s)+ |
| Ra | Refer as amended to appropriate policy committee for study+ |
| Raa | Additional amendments and refer+ |
| Da | Amend (for clarity or brevity) and Disapprove+ |
| Na | Amend (for clarity or brevity) and take No Action+ |
| W | Withdrawn by Sponsor |

ACTION FOOTNOTES

- * Subject matter covered in another resolution
- ** Existing League policy
- *** Local authority presently exists

Procedural Note: Resolutions that are approved by the General Resolutions Committee, as well as all qualified petitioned resolutions, are reported to the floor of the General Assembly. In addition, League policy provides the following procedure for resolutions approved by League policy committees but *not* approved by the General Resolutions Committee:

Resolutions initially recommended for approval and adoption by all the League policy committees to which the resolution is assigned, but subsequently recommended for disapproval, referral or no action by the General Resolutions Committee, shall then be placed on a consent agenda for consideration by the General Assembly. The consent agenda shall include a brief description of the basis for the recommendations by both the policy committee(s) and General Resolutions Committee, as well as the recommended action by each. Any voting delegate may make a motion to pull a resolution from the consent agenda in order to request the opportunity to fully debate the resolution. If, upon a majority vote of the General Assembly, the request for debate is approved, the General Assembly shall have the opportunity to debate and subsequently vote on the resolution.

2014 ANNUAL CONFERENCE RESOLUTIONS

RESOLUTION REFERRED TO ENVIRONMENTAL QUALITY AND PUBLIC SAFETY POLICY COMMITTEES

1. **A RESOLUTION CALLING UPON THE GOVERNOR AND THE LEGISLATURE TO CONVENE A SUMMIT TO ADDRESS THE DEVASTATING ENVIRONMENTAL IMPACTS OF ILLEGAL MARIJUANA GROWS ON BOTH PRIVATE AND PUBLIC LANDS THROUGHOUT CALIFORNIA AND THE INCREASING PROBLEMS TO PUBLIC SAFETY RELATED TO THESE ACTIVITIES BY WORKING IN PARTNERSHIP WITH THE LEAGUE OF CALIFORNIA CITIES TO DEVELOP RESPONSIVE SOLUTIONS AND TO SECURE ADEQUATE FUNDING FOR COST-EFFECTIVE IMPLEMENTATION STRATEGIES.**

Source: Redwood Empire Division

Concurrence of five or more cities/city officials: Cities of Arcata; Blue Lake; Clearlake; Cloverdale; Crescent City; Eureka; Fort Bragg; Healdsburg; Lakeport; Trinidad; and Ukiah

Referred to: Environmental Quality and Public Safety Policy Committees

Recommendation to General Resolutions Committee:

WHEREAS, public concerns in response to widespread damage to fish and wildlife resources and degradation to California's environment, and threats to public safety resulting from illegal marijuana cultivation statewide requires urgent action by the Governor and the Legislature, and

WHEREAS, local governments and the public support the State's primary objectives in complying with environmental laws including the Clean Water Act, Porter-Cologne Water Quality Control Act, and Endangered Species Act and are supported by substantial public investments at all levels of government to maintain a healthy and sustainable environment for future citizens of California, and

WHEREAS, illegal marijuana cultivation activities include habitat destruction and fragmentation, poaching wildlife, illegal water diversions, unregulated use of fertilizers, pesticides, insecticides, rodenticides, soil amendments contaminating land and waters without regard for the cumulative impacts to the environment or public health, and

WHEREAS, changing global climate conditions are posing escalated threats in California to health, well-being, nature and property; as evidenced by critical water shortages across the state due to prolonged drought conditions, and

WHEREAS, illegal water diversion for the purpose of cultivating marijuana plantations poses a direct threat to California's endangered and threatened anadromous fish species, including coho salmon, Chinook salmon, steelhead trout and other aquatic species, especially at critical life phases during seasonally low flow conditions; and

WHEREAS, California is a leader in the global effort to fight climate change and is pursuing a broad, integrated strategy to reduce greenhouse gas emissions and conserve energy, yet in a recent Lawrence Livermore Lab study estimated that upwards of 10% of electricity usage statewide can be attributed to indoor marijuana cultivation; these sites are often the causation of fires and home invasion incidents due to criminal activity, and

WHEREAS, the presence of illegal marijuana growing sites on State and federal public lands is creating unsafe conditions for visitors; these lands are taxpayer supported and intended to be managed for recreation, resource conservation and the enjoyment by the public, and

WHEREAS, increasing violence and threats to public safety related to illegal marijuana grows is contributing to a sense of lawlessness and impacting nearby communities where criminal activities are expanding, and

WHEREAS, the issue of illegal marijuana grows has reached a crisis level across the state as evidenced by the murder of former League Board member, Fort Bragg Councilmember and veteran forester Jere Melo who was fatally shot down while investigating a report of a marijuana grow on private timberlands in northern California.

RESOLVED, at the League General Assembly, assembled at the League Annual Conference on September 5, 2014 in Los Angeles, that the League calls for the Governor and the Legislature to work with the League and other stakeholders to convene a summit to address the devastating environmental impacts of illegal marijuana grows on both private and public lands and the increasing problems to public safety related to these activities.

FURTHER RESOLVED, that the League will work with its member cities to educate State and federal officials regarding emerging concerns from their communities and citizenry and to the challenges facing local governments. Therefore, we request the Governor and the Legislature to work with the League to provide responsive solutions with adequate funding support and effective State and federal government leadership to address widespread environmental damage and associated threats to public safety impacting every region in the State of California.

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Background Information on Resolution No. 1

Source: Redwood Empire Division

Background:

When California voters approved Proposition 215 in 1996 there was little thought given to a wide range of problems which have emerged in association with the increased availability and demand for marijuana. Cities within the Redwood Empire Division have grappled with the impacts of illicit marijuana grow sites for decades. Yet in recent years the environmental degradation from marijuana growing operations and public safety threats has grown exponentially. In 2011, Fort Bragg City Council Member Jere Melo was fatally shot while investigating illegal marijuana cultivation on private timber lands in Mendocino County.

Illegal marijuana cultivation activities are causing extreme environmental degradation including habitat destruction and fragmentation, illegal water diversions, killing and poisoning wildlife, unregulated use of fertilizers, pesticides, rodenticides contaminating land and polluting waters without regard for the cumulative impacts to the environment and the public's health and safety. It is expensive to remediate this environmental destruction that often destroys significant, federal, state, local, tribal and private investments in restoring or protecting the surrounding landscape.

Public concern for widespread, landscape-level environmental damage resulting from unregulated growing operations and escalating violent crimes associated with the marijuana industry has reached a tipping point across the state. The Redwood Empire Division joins with other cities throughout the state in a call for action to reverse these trends.

Current Problem Facing California's Cities:

Cities throughout California state have struggled with regulating medical marijuana dispensaries and grow houses along with the associated community impacts of those facilities and land use activities. Many unforeseen environmental impacts and public safety concerns are now emerging as a consequence of increased production and demand for marijuana.

Critical water shortages across the state due to prolonged drought conditions have resulted in the Governor declaring a Drought State of Emergency. Illegal water diversions for the purposes of cultivating marijuana plantations are increasing throughout the state. These activities impact agricultural production and domestic water use. The cumulative impacts to watershed health are considerable and pose direct threats to California's salmon, trout and other sensitive aquatic species, especially at critical life stages during seasonally low flow conditions. In addition, under drought conditions, the risk of fire is elevated. The presence of marijuana grow sites in fire prone areas contributes to potential wildfire risks at the Wildland/Urban Interface.

The presence of illegal marijuana growing sites on state and federal public lands creates unsafe conditions for visitors. These lands are managed with taxpayer support and are intended to be for enjoyment by the public, recreation and conservation. However, the increasing level of violence and threats to public safety related to illegal marijuana grows on both private and public lands are contributing to a sense of lawlessness and impacting nearby communities where criminal activities are expanding.

The lack of oversight of marijuana cultivation operations to ensure compliance with existing state and federal environmental regulations is impacting water quality and quantity statewide. The current legal and regulatory framework is inadequate to address numerous environmental issues, as well as public health and safety.

Redwood Empire Division Resolution:

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the rising threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions, and secure adequate funding for implementation strategies.

The issues surrounding marijuana production and distribution are complex and require a comprehensive statewide approach. California cities need to have a strong voice in this process. The mission of the League of California Cities is to enhance the quality of life for all Californians and we believe that our strength lies in the unity of our diverse communities on issues of mutual concern.

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League of California Cities Staff Analysis on Resolution No. 1

Staff: Tim Cromartie (916) 658-8252
Committee: Public Safety Policy Committee

Summary:

This Resolution seeks to highlight the environmental and public safety issues triggered by illegal marijuana cultivation, and calls upon the League, the Governor and the Legislature to take action by convening a summit to address the environmental impacts of such cultivation sites. It also calls upon the State of California to provide solutions in response, including sufficient funding to decisively address the problem.

Background:

The sponsor of this resolution argues that when California voters approved Proposition 215 in 1996, little thought was given to a wide range of problems which have emerged in association with the increased availability and demand for marijuana. Cities within the Redwood Empire Division have grappled with the impacts of illicit marijuana cultivation sites for decades. Yet in recent years the environmental degradation from marijuana growing operations and public safety threats has grown exponentially. In 2011, Fort Bragg City Council Member Jere Melo was fatally shot while investigating illegal marijuana cultivation on private timber lands in Mendocino County.

Illegal marijuana cultivation activities are causing extreme environmental degradation including habitat destruction and fragmentation, illegal water diversions, killing and poisoning wildlife, unregulated use of fertilizers, pesticides, rodenticides contaminating land and polluting waters without regard for the cumulative impacts to the environment and the public's health and safety. It is expensive to remediate this environmental destruction which often destroys significant, federal, state, local, tribal and private investments in restoring or protecting the surrounding landscape.

Critical water shortages across the state due to prolonged drought conditions have resulted in the Governor declaring a Drought State of Emergency. Illegal water diversions for the purposes of cultivating marijuana plantations are increasing throughout the state. These activities impact agricultural production and domestic water use. The cumulative impacts to watershed health are considerable and pose direct threats to California's salmon, trout and other sensitive aquatic species, especially at critical life stages during seasonally low flow conditions. In addition, under drought conditions, the risk of fire is elevated. The presence of marijuana grow sites in fire prone areas contributes to potential wildfire risks at the Wildland/Urban Interface.

The lack of oversight of marijuana cultivation operations to ensure compliance with existing state and federal environmental regulations is impacting water quality and quantity statewide. The current legal and regulatory framework is inadequate to address numerous environmental issues, as well as public health and safety.

Public concern for widespread environmental damage resulting from unregulated growing operations and escalating violent crimes associated with the marijuana industry has reached a tipping point across the state. The Redwood Empire Division joins with other cities throughout the state in a call for action to reverse these trends.

Note: The League of Cities has joined with the California Police Chiefs Association to co-sponsor legislation, SB 1262 (Correa), to establish a regulatory scheme for medical marijuana that protects local control, addresses the public safety concerns triggered by marijuana regulation, and imposes health and safety standards on marijuana for the first time. However, the measure does not address environmental issues, due to the expense and complexity associated with adding that objective to a bill that already has far-reaching regulatory goals combined with a critical need to contain state costs.

Fiscal Impact:

If the policy advocated by the Resolution is implemented by the state, there will be ongoing and unspecified costs to the State General Fund for enforcement activities, primarily in the rural counties where many of the illicit marijuana cultivation sites are located. Conservatively, the annual costs could run in the hundreds of thousands to low millions to patrol likely grow sites, crack down on illegal water diversion activities, and provide consistent environmental clean-up made necessary by illegal rodenticides and pesticides.

Comment:

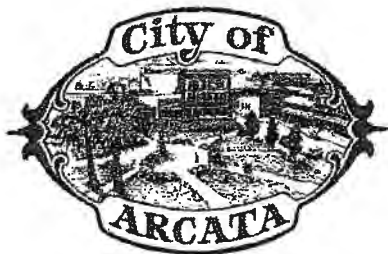
To assure success, counties will have to be actively involved in any policy change geared toward rigorous and consistent enforcement against illegal marijuana grows, given the fact that many of the cultivation sites are located in rural areas under the direct authority of county governments. This will require a dialogue with counties, during which the question of local political will to enforce the law, in addition to securing the necessary funding, will arise. If counties should opt not to play an active part in an aggressive enforcement strategy, the chances of success are questionable.

Existing League Policy:

Related to this Resolution, existing policy provides:

- The League opposes the legalization of marijuana cultivation and use for non-medicinal purposes.
- Reaffirming that local control is paramount, the League holds that cities should have the authority to regulate medical marijuana dispensaries, cooperatives, collectives or other distribution points if the regulation relates to location, operation or establishment to best suit the needs of the community.
- The League affirms that revenue or other financial benefits from creating a statewide tax structure on medical marijuana should be considered only after the public safety and health ramifications are fully evaluated.

LETTERS OF CONCURRENCE
Resolution No. 1
Illegal Marijuana Grow Site



736 F Street
Arcata, CA 95521

July 2, 2014

City Manager (707) 822-5953	Environmental Services 822-8184	Police 822-2428	Recreation 822-7091
Community Development 822-5955	Finance 822-5951	Public Works 822-5957	Transportation 822-3775

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

Dear President Cisneros:

The Arcata City Council supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California, and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies. ALL of the rural areas adjacent to the City of Arcata and throughout Humboldt County have been greatly affected by the devastating environmental impacts of illegal marijuana grows!

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact me at any time at mwheatley@cityofarcata.org if you have any questions.

Sincerely,

Mark E. Wheatley, Mayor

cc: Kathryn Murray, President, Redwood Empire Division, c/o Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division, via email srounds@cacities.org



CITY OF BLUE LAKE

Post Office Box 458, 111 Greenwood Road, Blue Lake, CA 95225
Phone 707.668.5655 Fax 707.668.5916

June 30, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

Dear President Cisneros:

The City of Blue Lake supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Lana Manzanita, Mayor Pro-Tem at 707-497-8159 or joe2zither1@gmail.com, if you have any questions.

Sincerely,

Lana Manzanita
Mayor Pro-Tem
City of Blue Lake

cc: Kathryn Murray, President, Redwood Empire Division c/o
Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division,
srounds@cacities.org



City of Clearlake

14050 Olympic Drive, Clearlake, California 95422
(707) 994-8201 Fax (707) 995-2653

July 2, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

Dear President Cisneros:

The City of Clearlake supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies. The City of Clearlake is experiencing significant issues with illegal grows in the city limits. Individuals are squatting on lands not belonging to them and planting large grows. Grows are being planted near and along creeks going through the city with unknown substances potentially leeching into the waterways. Others are renting properties and clear cutting them of oak and other trees for plant sites often without the knowledge of the property owner. Homeowners tell of not being able to enjoy their own properties with grow sites next to them creating untenable odors, spewing of foul language and concern of threats to their personal safety if they complain. We hear often the concern of increased crime due to the grows in the city.

As a member of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Joan Phillippe at 707-994-8201 x120 or city.administrator@clearlake.ca.us, if you have any questions.

Sincerely,

Joan L. Phillippe
City Manager

cc: Kathryn Murray, President, Redwood Empire Division c/o
Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division,
srounds@cacities.org



June 25, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

Dear President Cisneros:

The City of Cloverdale supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies. Throughout the Redwood Empire region including the City of Cloverdale, illegal marijuana grows negatively impact our environmental health and public safety. Last year, the Cloverdale Police Department eradicated over 300 plants within our City Limits. Please note that Cloverdale is a total of 2.5 square miles. These plants use scarce water resources during a water shortage emergency caused by the current drought and contribute to lawlessness that threatens the public safety of our citizens.

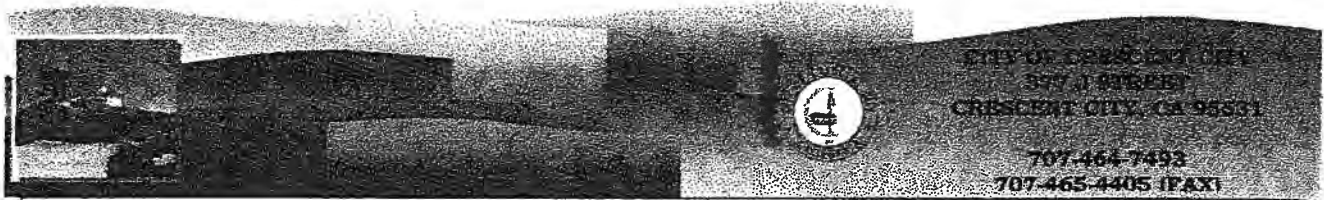
On a personal level, the City of Cloverdale continues to be heartsick for the loss of City of Fort Bragg Council Member JereMelo. Jere was murdered as a result of investigating an illegal marijuana grow. Jere was an exceptional leader in our region, the League of California Cities and the State of California. The City of Cloverdale misses him greatly.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Cloverdale City Manager Paul Cayler at 707-894-1710, if you have any questions.

Sincerely,

Carol Russell
Mayor
City of Cloverdale

cc: Kathryn Murray, President, Redwood Empire Division c/o
Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division,
srounds@cacities.org



Mayor Rick Holley * *Mayor Pro Tem Ron Gastheau*
Council Member Richard Enea * Council Member Kelly Schellong * Council Member Kathryn Murray
City Clerk Robin Patch * City Attorney Robert N. Black * City Manager Eugene M. Palazzo

June 23, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

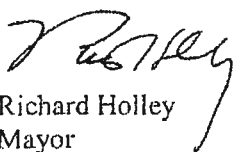
Dear President Cisneros:

The City of Crescent City supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies. Illegal marijuana grows have a devastating impact on the State and federal public lands surrounding our community. They create unsafe conditions for our visitors. The use of unregulated fertilizers, pesticides, insecticides and rodenticides contaminate the land and ground water.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Eugene Palazzo, City Manager at 707-464-7483 ex 232 or epalazzo@cresecentcity.org, if you have any questions.

Sincerely,


Richard Holley
Mayor
Crescent City

cc: Kathryn Murray, President, Redwood Empire Division c/o
Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division,
srounds@cacities.org



CITY OF EUREKA

531 K Street • Eureka, California 95501-1146 • (707) 441-4144
fax (707) 441-4138

CITY MANAGER

June 26, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

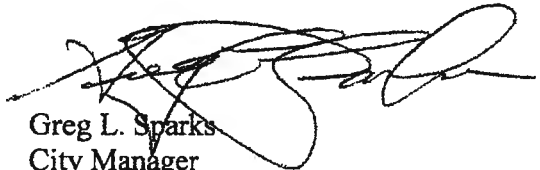
Dear President Cisneros:

The City of Eureka supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies. Our city has seen an increase in gang activity and organized crime within the Greater Eureka Area as a result of illegal growing operations. Our law enforcement and community safety have been negatively impacted by these criminal activities.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact City Manager Greg Sparks at 707.441.4140 or gsparks@ci.eureka.ca.gov, if you have any questions.

Sincerely,



Greg L. Sparks
City Manager
City of Eureka

cc: Kathryn Murray, President, Redwood Empire Division c/o
Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division,
srounds@cacities.org



CITY OF FORT BRAGG

Incorporated August 5, 1889
416 N. Franklin St.
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802
<http://city.fortbragg.com>

June 23, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

Dear President Cisneros:

The City of Fort Bragg supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.


The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies. The City of Fort Bragg lost City Councilmember and former Mayor Jere Melo in August 2011 when he walked into an illegal grow site and was shot and killed by the person guarding said site.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact City Manager Linda Ruffing at 707-961-2823 or lruffing@fortbragg.com, if you have any questions.


Sincerely,


Dave Turner
Mayor


Scott Deitz
Councilmember


Meg Courtney
Vice Mayor


Doug Hammerstrom
Councilmember


Heidi Kraut
Councilmember

cc: Kathryn Murray, President, Redwood Empire Division c/o Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division, srounds@cacities.org



**CITY OF HEALDSBURG
ADMINISTRATION**

401 Grove Street
Healdsburg, CA 95448-4723

Phone: (707) 431-3317
Fax: (707) 431-3321

Visit us at www.ci.healdsburg.ca.us

June 30, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

Dear President Cisneros:

The City of Healdsburg supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact me either by phone at (707) 431-3317 or by e-mail at jwood@ci.healdsburg.ca.us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "James D. Wood". The signature is stylized and fluid, with a long horizontal stroke at the end.

James D. Wood
Mayor
City of Healdsburg

cc: Kathryn Murray, President, Redwood Empire Division
c/o Sara Rounds, Regional Public Affairs Manager,
LOCC Redwood Empire Division, srounds@cacities.org

CITY OF LAKEPORT

*Over 100 years of community
pride, progress and service*



July 1, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: ENVIRONMENTAL AND PUBLIC SAFETY IMPACTS OF ILLEGAL MARIJUANA GROWS RESOLUTION

Dear President Cisneros:

The City of Lakeport supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact me at (707) 263-5615, Ext. 12 or by email at kparlet@cityoflakeport.com if you have any questions.

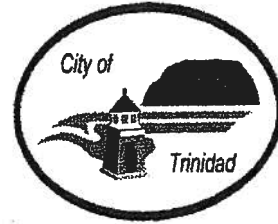
Sincerely,

Kenneth Parlet, II
Mayor

cc: Kathryn Murray, President, Redwood Empire Division c/o
Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division, srounds@cacities.org

CITY OF TRINIDAD

P.O. Box 390
409 Trinity Street
Trinidad, CA 95570
(707) 677-0223
Fax: (707) 677-3759



July 2, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

Dear President Cisneros:

The City of Trinidad supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue.

Sincerely,

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

Julie Fulkerson
Mayor

Cc: Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division



June 30, 2014

José Cisneros, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Public Safety Impacts of Illegal Marijuana Grows Resolution

Dear President Cisneros:

The City of Ukiah supports the Redwood Empire Division's effort to submit a resolution for consideration by the General Assembly at the League's 2014 Annual Conference in Los Angeles.

The Division's resolution seeks to address the devastating environmental impacts of illegal marijuana grows on both private and public lands throughout California and the increasing threat to public safety relating to these illegal sites. The resolution will provide the League with the direction to call upon the Governor and State Legislature to convene a summit to develop responsive solutions and to secure adequate funding for implementation strategies.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Jane Chambers, City Manager, at 7407-463-6210 or jchambers@cityofukiah.com, if you have any questions.

Sincerely,

Philip E. Baldwin
Mayor

Mary Anne Landis
Vice Mayor

Benj Thomas
Councilmember

Douglas F. Crane
Councilmember

Steve Scalmanini
Councilmember

Cc: Kathryn Murray, President, Redwood Empire Division c/o
Sara Rounds, Regional Public Affairs Manager, LOCC Redwood Empire Division,
srounds@cacities.org

ADMINISTRATIVE SERVICES DEPARTMENT

**Council Meeting Date: August 19, 2014
Staff Report # 14-139**

Agenda Item #: I-1

INFORMATIONAL ITEM: Quarterly Financial Review of General Fund Operations as of June 30, 2014

RECOMMENDATION

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

BACKGROUND

In order to provide timely information to Council and the public, the City's Finance Department prepares a quarterly report on General Fund operations. The report provides a review of General Fund revenues and expenditures for the most recently completed quarter of the current fiscal year. These results are presented alongside results from the same time period for the previous year, with material differences being explained in the appropriate section of the staff report.

While revenues and expenditures presented in this report are through June 30th, which is the end of the fiscal year, additional revenues and expenditures will continue to be accrued to the 2013-14 fiscal year through the end of August. As such, the results presented in this report are not necessarily a good barometer for final General Fund operating results. A more complete picture of the General Fund's final results from fiscal year 2013-14 will be presented in October, when the preliminary year-end report is provided.

ANALYSIS**Overview**

The report itself, which is included as Attachment A, was developed to apprise Council of the year-to-date status of the General Fund. Information included in this staff report is intended to highlight some of the critical elements of Attachment A and supplement that information with explanations of significant differences between fourth quarter results from fiscal years 2013-14 and 2012-13.

Budget-to-actual comparisons shown reflect actual transactions through the fourth quarter of each year as compared to the adjusted budget as it stood on June 30th each year.

Revenues

The table below shows a summary of fourth quarter budget-to-actual revenues for fiscal years 2013-14 and 2012-13:

	2013-14 Adopted Budget	2013-14 Adjusted Budget 6/30/2014	Actual 6/30/2014	% of Budget	2012-13 Adjusted Budget 6/30/2013	Actual 6/30/2013	% of Budget
Property Tax	\$13,955,000	\$14,715,000	\$15,019,232	102.07%	\$13,853,000	\$15,591,002	112.55%
Sales Tax	6,331,400	6,136,400	6,115,914	99.67%	6,280,000	5,721,894	91.11%
Transient Occupancy Tax	3,743,000	4,100,000	2,982,082	72.73%	3,326,000	2,376,334	71.45%
Utility Users' Tax	1,184,620	1,135,000	1,066,639	93.98%	1,165,499	1,007,755	86.47%
Franchise Fees	1,812,300	1,812,300	1,739,217	95.97%	1,873,500	1,559,159	83.22%
Charges for Services	7,795,222	7,595,222	7,389,151	97.29%	7,080,246	7,067,163	99.82%
Licenses and Permits	4,459,465	6,559,465	5,803,836	88.48%	4,326,465	4,447,058	102.79%
Interest Income	410,000	260,000	610,729	234.90%	390,000	364,467	93.45%
Rental Income	367,712	367,712	355,904	96.79%	362,018	346,076	95.60%
Intergovernmental Revenue	741,704	841,717	808,364	96.04%	838,130	758,951	90.55%
Fines & Forfeitures	1,319,980	1,149,980	1,148,152	99.84%	991,400	987,698	99.63%
Operating Transfers In/ Other Revenue	429,444	1,201,266	1,202,117	100.07%	420,123	1,185,012	282.06%
Total Revenues:	\$42,549,847	\$45,874,062	\$44,241,337	96.44%	\$40,906,381	\$41,412,569	101.24%

Through the fourth quarter of fiscal year 2013-14, General Fund revenues are \$44.2 million, which is nearly a seven percent increase over the same time period in 2012-13. This increase is driven by several major revenue sources, including sales tax, transient occupancy tax, and development permitting activity.

Property tax represents the largest source of General Fund revenue, and results through June 30th are positive, as revenues have exceeded estimates by \$300,000. The reduction from the prior year is due to one-time revenues related to redevelopment dissolution and was expected. It is important to note that additional property tax revenues will continue to come in through the end of August.

Sales tax is tracking well above last fiscal year's amount through June 30th, as revenues are up nearly seven percent. One more remittance from the State is expected, and based on the estimate for that remittance, sales tax revenues for fiscal year 2013-14 are expected to exceed adjusted budget estimates.

The transient occupancy tax (TOT) projection was increased at mid-year based on revenues exceeding quarterly estimates. Overall, TOT revenues are up 25 percent over the same period from last fiscal year. This is largely the result of the 20 percent increase in the TOT rate (10 percent to 12 percent effective January 1, 2013), as well as strong occupancy and room rates. Revenue in this area is expected to exceed adjusted budget estimates.

Charges for services are up nearly five percent, or \$322,000, over the fourth quarter of fiscal year 2012-13 and should be close to meeting adjusted estimates, which were revised downward slightly at mid-year.

License and permit revenues are up significantly due to development activity in the City. Revenues in this area are well above last fiscal year through the fourth quarter; however, the revised estimate for this fiscal year appears to be behind due to development revenue of approximately \$700,000 that was expected to come in during fiscal year 2013-14 that will instead be recognized in the 2014-15 fiscal year. It is important to note that revenues in this category, particularly permitting revenues, lead expenditures, which means that revenues collected now will be followed by corresponding expenditures. Due to the timing of permitting activity, many of these have been budgeted in fiscal year 2014-15.

While interest income appears to be up significantly in the fourth quarter, this is due to an adjustment to reverse the prior year's "unrealized loss" required for fiscal year-end reporting. As of June 30, 2014 the annualized rate of return for the City's portfolio is 0.51 percent, net of fees. Additional information on the City's investment portfolio is included in staff report #14-134, which is also on the August 19, 2014 Council agenda.

Expenditures

As expected, through the fourth quarter General Fund operating expenditures are up \$1.9 million, or five percent, over the previous year. A year-over-year increase in total expenditures was budgeted, as the current year's operating budget as of the fourth quarter is nearly nine percent above the previous year's operating budget. In fact, in comparison to last fiscal year, expenditures are tracking slightly lower to budget this year (89.66% vs. 92.88%) through the fourth quarter. It is important to note, however, that expenditure accruals for fiscal year 2013-14 will continue through August, which means final expenditure results will be higher than what is presented in this report. This is the case for both fiscal years, so the year-over-year comparison is still applicable.

	2013-14 Adopted Budget	2013-14 Adjusted Budget 6/30/2014	Actual 6/30/2014	% of Budget	2012-13 Adjusted Budget 6/30/2013	Actual 6/30/2013	% of Budget
Police	14,860,547	15,065,189	14,077,224	93.44%	14,462,753	13,758,863	95.13%
Public Works	5,550,916	5,642,673	5,004,303	88.69%	5,535,334	4,954,669	89.51%
Community Services	7,309,436	7,376,748	7,147,413	96.89%	7,079,105	6,697,680	94.61%
Library	2,109,769	2,114,569	2,027,568	95.89%	2,042,465	1,985,812	97.23%
Community Development	3,369,769	4,614,041	3,554,779	77.04%	3,197,249	2,734,272	85.52%
Administrative Services	6,682,574	6,934,606	5,353,597	77.20%	5,898,280	5,186,105	87.93%
Operating Transfers Out	2,464,328	2,554,600	2,554,600	100.00%	2,464,328	2,464,328	100.00%
Total Expenditures:	\$42,347,339	\$44,302,426	\$39,719,484	89.66%	\$40,679,514	\$37,781,729	92.88%

As demonstrated in the table above, all departments with the exception of Community Services are tracking lower to budget in comparison to fiscal year 2012-13. Community Services is tracking slightly higher than the previous year due to a budgeted increase in contract services to meet the demands of recreation-based classes. This increase in cost is offset with increased program revenue.

Based on total expenditures through the fourth quarter, total General Fund operating expenditures are on track to be below budgeted amounts for the fiscal year when final results are available.

IMPACT ON CITY RESOURCES

There is no impact on City resources.

POLICY ISSUES

The quarterly budget-to-actual report is presented to facilitate better understanding of General Fund operations and the overall state of the City's current fiscal affairs by the public and the Council.

ENVIRONMENTAL REVIEW

This report is not subject to the California Environmental Quality Act (CEQA).

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. Comparative General Fund Budget-to-Actual Report as of June 30, 2014

Report prepared by:
Drew Corbett
Finance Director

City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2013-14
As of June 30, 2014

Attachment A

A	B	C	D	E	(E-C)/C	G	H	(H-G)/G	G/C	G/D
	Adjusted Budget as of 6/30/2013	Audited Actual 2012-13	2012-13 Budget 6/30/2013	2013-14 Budget 6/30/2014	% of Budget 6/30/14 to Audited Actual 2012-13	Actual 6/30/2013	Actual 6/30/2014	% Actual Change	% of Actual 6/30/13 to Audited Actual 2012-13	% Actual-to- Budget 6/30/2013
Property Tax	\$13,853,000	\$15,731,889	\$13,853,000	\$14,715,000	-6.46%	\$15,591,002	\$15,019,232	-3.67%	99.10%	112.55%
Sales Tax	6,280,000	6,043,870	6,280,000	6,136,400	1.53%	5,721,894	6,115,914	6.89%	94.67%	91.11%
Transient Occupancy Tax	3,326,000	3,468,256	3,326,000	4,100,000	18.22%	2,376,334	2,982,082	25.49%	68.52%	71.45%
Utility Users' Tax	1,165,499	1,095,256	1,165,499	1,135,000	3.63%	1,007,755	1,066,639	5.84%	92.01%	86.47%
Franchise Fees	1,873,500	1,765,216	1,873,500	1,812,300	2.67%	1,559,159	1,739,217	11.55%	88.33%	83.22%
Charges for Services	7,080,246	7,088,160	7,080,246	7,595,222	7.15%	7,067,163	7,389,151	4.56%	99.70%	99.82%
Licenses and Permits	4,326,465	4,447,630	4,326,465	6,559,465	47.48%	4,447,058	5,803,836	30.51%	99.99%	102.79%
Interest Income	390,000	221,974	390,000	260,000	17.13%	364,467	610,729	67.57%	164.19%	-7.52%
Rental Income	362,018	346,076	362,018	367,712	6.25%	346,076	355,904	2.84%	100.00%	95.60%
Intergovernmental Revenue	838,130	866,288	838,130	841,717	-2.84%	758,951	808,364	6.51%	87.61%	90.55%
Fines & Forfeitures	991,400	998,259	991,400	1,149,980	15.20%	987,698	1,148,152	16.25%	98.94%	99.63%
Operating Transfers In/ Other Revenue	670,123	1,386,961	420,123	1,201,266	-13.39%	1,185,012	1,202,117	1.44%	85.44%	282.06%
Total Revenues:	\$41,156,381	\$43,459,835	\$40,906,381	\$45,874,062	5.56%	\$41,412,569	\$44,241,337	6.83%	95.29%	101.24%
Police	14,462,753	13,809,282	14,462,753	15,065,189	9.09%	13,758,863	14,077,224	2.31%	99.63%	95.13%
Public Works	5,535,335	5,100,811	5,535,335	5,642,673	10.62%	4,954,669	5,004,303	1.00%	97.13%	89.51%
Community Services	7,079,105	6,810,375	7,079,105	7,376,748	8.32%	6,697,680	7,147,413	6.71%	98.35%	94.61%
Library	2,042,465	2,011,143	2,042,465	2,114,569	5.14%	1,985,812	2,027,568	2.10%	98.74%	97.23%
Community Development	3,197,249	2,774,032	3,197,249	4,614,041	66.33%	2,734,272	3,554,781	30.01%	98.57%	85.52%
Administrative Services	5,898,280	5,315,022	5,898,280	6,934,606	30.47%	5,186,105	5,353,595	3.23%	97.57%	87.93%
Operating Transfers Out	6,502,894	6,545,230	2,464,328	2,554,600	-60.97%	2,464,328	2,554,600	3.66%	37.65%	100.00%
Total Expenditures:	\$44,718,081	\$42,365,895	\$40,679,515	\$44,302,426	4.57%	\$37,781,729	\$39,719,484	5.13%	89.18%	92.88%
Preliminary addition/draw on General Fund Reserves	(\$3,561,700)	\$1,093,940	\$226,866	\$1,571,636		\$3,630,840	\$4,521,853			
Carry-over encumbrances and Reappropriations from prior year subtracted from adjusted budget.	272,551		272,551	388,033						
Net addition to/draw on General Fund Reserves	(\$3,289,149)		\$499,417	\$1,959,669						
Net Operating Revenue	(\$3,289,149)		\$499,417	\$1,959,669						

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-134

Agenda Item #: I-2

INFORMATIONAL ITEM: **Review of the City's Investment Portfolio as of June 30, 2014**

RECOMMENDATION

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

BACKGROUND

The City's investment policy requires a quarterly investment report to the Council, which includes all financial investments of the City and provides information on the investment type, value and yield for all securities. The report also provides Council an update on the cash balances of the City's various funds.

ANALYSIS

Investment Portfolio as of June 30, 2014

Various reports are prepared monthly by Cutwater Asset Management, the City's investment advisory firm, and are attached to this staff report. The "Recap Of Securities Held" confirms that the historical (book) value of the total portfolio at the end of June was over \$98 million. The portfolio includes the General Fund, Water Fund, Special Revenue Funds, Successor Agency Funds, Capital Project Fund and funds for debt service obligations. Funds are invested in accordance with the City Council policy on investments using safety, liquidity and yield as selection criteria. Approximately \$42.1 million (43 percent) is invested in the State investment pool, the Local Agency Investment Fund (LAIF). LAIF is considered a safe investment and it provides the liquidity of a money market fund. Of the remaining \$55.9 million, \$17.2 million (17.6 percent) is invested in short-term Federal agency issues (U.S. Instrumentality), \$5 million (5.1 percent) in U.S. Treasury securities, \$26.7 million (27.2 percent) in medium-term corporate notes, and \$7 million (7.1 percent) in short-term commercial paper. All the mentioned securities are prudent short-term investments, since they generally bear a higher interest rate than LAIF, provide investment diversification and remain secure investment instruments.

At the end of June, the fair value (market value) of the City's securities was over \$757,000 less than the historical cost, which is referred to as an unrealized loss. Fair value fluctuates from one period to another depending on the supply and demand for bonds and securities at a particular point in time. Therefore, there is often a difference between the historical cost (the value at the time of purchase) and the fair value (the value of the same security at a specific date), creating an unrealized gain or loss. While the information on the unrealized loss will be reported on the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2014, it is important to note that this does not represent an actual cash loss to the City, as the City generally holds securities to maturity to avoid market risk.

Current Market Conditions

The U.S. economy continues to grow at a slow pace. The growth in economic activity slowed during the winter months, mostly due to the severe weather, which helped cause a decrease of 2.9 percent in the Gross Domestic Product (GDP). Due to economic activity picking up during the second quarter of 2014, the economy is expanding and new jobs are being created. Since the unemployment rate has decreased over the last year, many markets have shifted their focus to wage growth, which is viewed as a precursor to inflation, which, in turn, is a precursor to higher interest rates. Now that the Federal Open Market Committee (FOMC) has discarded the 6.5% unemployment rate threshold as a measurement for fiscal policy, it will most likely closely watch wages as one of the measurements it considers for changing monetary policy, including increasing the federal funds rate. Therefore, it is expected that the current level of the federal funds rates will remain in effect regardless of employment levels.

The FOMC met on June 17th and July 29th to discuss monetary policy. The committee members judged that there is sufficient underlying strength in the recent improvement in the economy to support easing of fiscal restrictions. It will taper purchasing additional agency mortgage-backed securities from a pace of \$20 billion per month to \$15 billion per month and longer-term Treasury securities from a pace of \$25 billion per month to \$20 billion per month. It is still anticipated that these actions will continue to put a downward pressure on longer-term interest rates, support mortgage markets, and help improve other financial conditions. Many analysts are speculating that if the FOMC continues tapering the purchases of long-term securities at the present pace, the quantitative easing will cease sometime in the beginning of the fourth quarter of 2014. It is anticipated that the FOMC will not adjust the federal funds rate above its current level for at least six to twelve months after the quantitative easing has ceased. The FOMC meets again in September.

Investment Yield

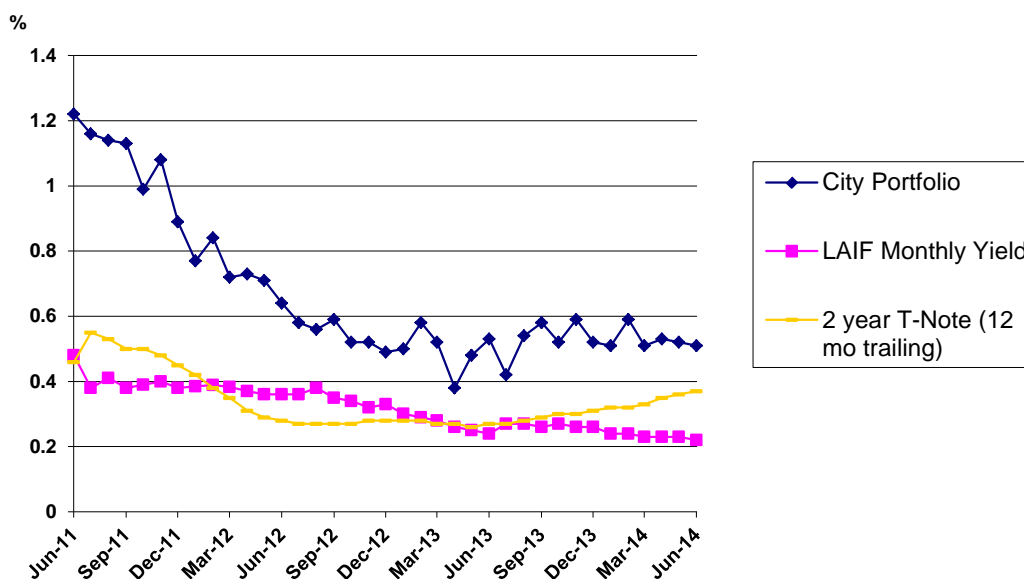
The annualized rate of return for the City's portfolio shown on the performance summary as of June 30, 2014, prepared by Cutwater, is 0.51 percent, net of fees. This rate of return is higher than the rate of the 2-year Treasury-Note (12-month trailing) of 0.37 percent and the rate of return earned through LAIF over the past quarter of 0.22 percent.

Over the second quarter of 2014, investment yields generally saw increases for short-term bonds and decreases for long-term bonds in support of the FOMC monetary policy. Over the past year, interest rates increased for long-term securities while short-term securities decreased. While investment opportunities in long-term Treasuries have improved compared to last year, they continue to be less attractive compared to agency securities and corporate bonds. The short-term Treasuries continue to offer yields significantly less than what is available with LAIF. The difference can be seen by the change in U.S. Treasuries rates:

Term	June 30, 2013	March 31, 2014	June 30, 2014
3-month	0.03	0.06	0.02
6-month	0.09	0.05	0.06
2-year	0.27	0.41	0.46
5-year	1.39	1.74	1.63
10-year	2.49	2.73	2.53
30-year	3.50	3.55	3.36

As previously stated, almost 43 percent of the portfolio resides in the City’s LAIF account, yielding 0.22 percent for the quarter ending June 30, 2014. The yields earned in the City’s portfolio and those earned from LAIF have leveled out over the last year after four years of significant differences. While LAIF is a good investment option for funds needed for liquidity, the City’s investment of excess funds in U.S. Treasury, agency, corporate notes and commercial paper is made in an effort to enhance yields.

Comparative Rates of Return



Fees paid to Cutwater (totaling \$10,841 for the quarter ended June 30, 2014) are deducted from investment earnings before calculating the City's net rate of return. Staff continues to work with the City's investment advisors to meet the City's investment objectives and rearrange the portfolio for maximum yield while providing safety for the principal amount.

Investment Transactions in the Second Quarter

Staff is continuing to purchase new investments as others are called or matured or as the City does not require as much liquidity. With the expectation that the federal funds rate will continue at its current level well into 2015, staff has been investing in some shorter-term securities, such as commercial paper, resulting in many being called or maturing during the second quarter. These funds, as well as some additional funds in LAIF, were re-invested in some short-term securities and longer-term securities with a maturity of no more than three years. The reasoning behind this strategy is that when interest rates do rise, they will do so slowly. Therefore, most of these securities will mature at a time when interest rates are expected to be higher, which mitigates interest rate risk and puts the City's portfolio in position to take advantage of increased interest rates.

Investments that matured, were called, or purchased during the period of April 1, 2014 through June 30, 2014 are shown in the schedule below:

<u>Date</u>	<u>Transaction</u>	<u>Description</u>	<u>Term</u>	<u>% Yield</u>	<u>Principal</u>
04/15/14	Purchase	Toyota Corp Bond	2.75 yrs	0.90	\$1,000,000
04/15/14	Maturity	Wal-Mart Bond	2.75 yrs	0.88	\$1,000,000
05/13/14	Call	FHLB Callable	0.25 yrs	0.50	\$1,000,000
05/15/14	Purchase	FHLMC Callable	2.75 yrs	0.90	\$1,000,000
05/15/14	Maturity	Johnson & Johnson	3.00 yrs	1.24	\$1,000,000
05/15/14	Purchase	T-Note	2.75 yrs	0.72	\$1,000,000
06/02/14	Maturity	Societe General CP	0.50 yrs	0.36	\$2,500,000
06/03/14	Call	FHLB Callable	0.25 yrs	0.63	\$1,000,000
06/03/14	Purchase	ING CP	0.50 yrs	0.30	\$2,500,000
06/04/14	Call	FNMA Callable	2.00 yrs	0.59	\$2,000,000
06/04/14	Purchase	US Bancorp Callable	2.75 yrs	1.08	\$2,000,000
06/05/14	Purchase	T-Note	2.75 yrs	0.82	\$2,000,000
06/06/14	Call	FHLB Callable	0.25 yrs	0.50	\$2,000,000
06/06/14	Purchase	FFCB	2.50 yrs	0.71	\$1,000,000
06/06/14	Purchase	ING CP	0.50 yrs	0.30	\$2,000,000
06/09/14	Maturity	GE Capital	2.50 yrs	1.86	\$750,000
06/09/14	Purchase	GE Capital	2.75 yrs	1.08	\$1,000,000

The average number of days to maturity in the City's portfolio decreased during the second quarter. The average number of days to maturity of the City's portfolio as of June 30, 2014 was 380 days as compared to 414 days as of March 31, 2014. The average life of securities in LAIF's portfolio as of June 30, 2014 was 232 days, which is indicative of LAIF's preference for liquidity.

Cash and Investments by Fund

Overall, the City's investment portfolio increased by almost \$4.3 million in the second quarter of 2014. The schedule below lists the change in cash balance by fund type.

Fund/Fund Type	Cash Balance as of 06/30/14	Cash Balance as of 03/31/14	Difference	% Change
General Fund	28,540,447	25,252,609	3,287,838	13.02%
Bayfront Park Maintenance Fund	620,202	637,054	(16,852)	-2.65%
Recreation -in-Lieu Fund	1,391,984	1,374,728	17,256	1.26%
Other Expendable Trust Funds	1,210,854	1,287,334	(76,480)	-5.94%
Transportation Impact Fee Fund	4,008,046	4,013,489	(5,443)	-0.14%
Garbage Service Fund	1,003,514	1,023,312	(19,798)	-1.93%
Parking Permit Fund	3,272,183	3,266,499	5,684	0.17%
BMR Housing Fund	8,034,917	8,001,193	33,724	0.42%
Measure A Funds	674,714	866,685	(191,971)	-22.15%
Storm Water Management Fund	339,020	244,480	94,540	38.67%
Successor Agency Funds	3,106,811	3,195,773	(88,962)	-2.78%
Measure T Funds	290,063	289,841	222	0.08%
Other Special Revenue Funds	11,985,735	11,206,723	779,012	6.95%
Capital Project Fund- General	13,161,634	13,265,673	(104,039)	-0.78%
Water Operating & Capital	14,639,742	14,775,907	(136,165)	-0.92%
Debt Service Fund	2,030,645	1,166,041	864,604	74.15%
Internal Service Fund	3,696,045	3,843,096	(147,051)	-3.83%
Total Portfolio of all Funds	98,006,556	93,710,437	4,296,119	4.58%

Cash and investment holdings in the General Fund increased due to the receipt of the April payment of the semi-annual property tax revenue in the amount of over \$4.5 million. These funds and additional revenues received during the quarter were offset by normal operating expenses. As with the General Fund, the City's Debt Service Funds increased from the receipt of the April property tax revenue. These revenues are being held in anticipation of the City's general obligation bonds' principal and interest payments that were due on July 31, 2014. The Measure A Fund decreased mainly due to payments for construction costs for the Street Resurfacing Capital Improvement Project during the quarter. The decrease in the Internal Service Funds is partly due to the purchase of seven new City vehicles from the Vehicle Replacement Fund.

IMPACT ON CITY RESOURCES

Due to the liquidity of LAIF accounts, the City has more than sufficient funds available to meet its expenditure requirements for the next six months.

POLICY ISSUES

The City and the Successor Agency funds are invested in full compliance with the City's Investment Policy and State Law, which emphasize the following criteria, in the order of importance: safety, liquidity and yield.

ENVIRONMENTAL REVIEW

This report is not subject to the California Environmental Quality Act (CEQA).

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. Cutwater Investment Reports (attachment) for the period of June 1, 2014 – June 30, 2014.

Report prepared by:
Geoffrey Buchheim
Financial Services Manager



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Tel: 303 860 1100
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CITY OF MENLO PARK

Report for the period June 1, 2014 - June 30, 2014

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

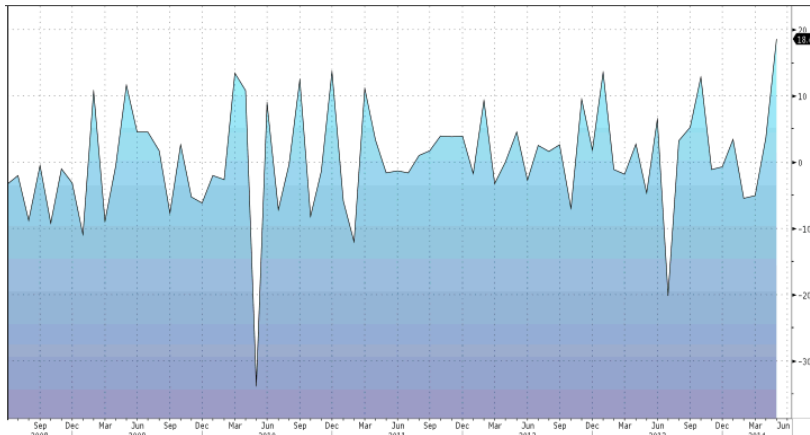
(This report was prepared on July 11, 2014)

Fixed Income Market Review

June 30, 2014

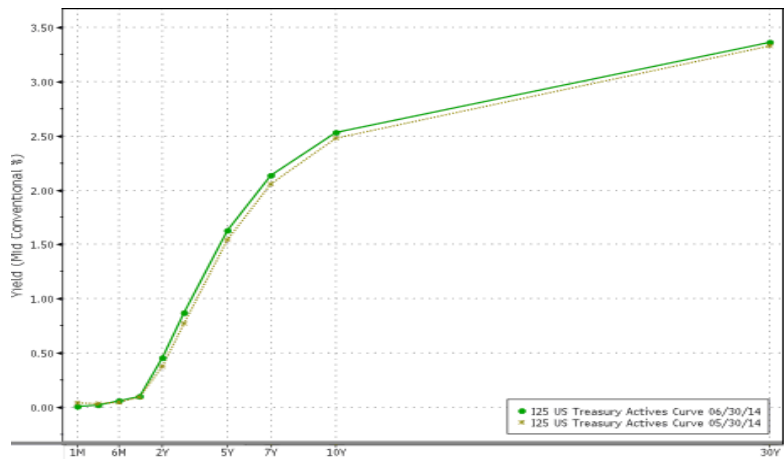
New Home Sales 6/2008 – 6/2014

Chart 1



Treasury Yield Curves 05/31/2014 - 06/30/2014

Chart 2



Economic Indicators & Monetary Policy – The final reading of the first quarter GDP was negative 2.9 percent. This marks the worst quarter for GDP since the first quarter of 2009. The change from the second reading of negative 1 percent is the largest downward revision since records were first kept in 1976. Lower health care spending and the extreme winter weather had a significant impact on GDP. Looking forward, the first reading of the second quarter GDP will be released on July 30.

Employment indicators released in June showed little movement. The unemployment rate remained at 6.3 percent in May, unchanged from the previous month. Underemployment decreased by .1 percent to 12.2 percent and the Labor Force Participation rate remained unchanged at 62.8 percent. 217,000 jobs were added in May, slightly higher than the monthly average this year of 213,600.

Inflation indicators remained relatively unchanged as well. Including food and energy, the headline Producer Price Index for May decreased .1 percent to 2.0 percent on a year-over-year basis. Year-over-year, the Consumer Price Index increased .1 percent to 2.1 percent including food and energy in May.

Meanwhile, housing indicators improved. Existing home sales increased to 4.9 percent in May from 1.3 percent in April. New home sales surged to 18.6 percent growth in May from 6.4 percent growth in April. (See Chart 1) The increase in new home sales represents the largest monthly gain since 1992.

The Federal Open Market Committee (FOMC) concluded its most recent meeting on June 18. The FOMC once again voted to leave the Fed Funds target rate at zero to .25 percent. The Committee also continued tapering its asset purchases. Current monthly purchases include \$20 billion of treasury securities and \$15 billion of mortgage backed securities. The FOMC will likely remain cautious when considering a future increase in interest rates. The Committee stated, “the unemployment rate, though lower, remains elevated...Inflation has been running below the Committee's longer-run objective, but longer-term inflation expectations have remained stable.”¹

Yield Curve & Spreads - At the end of June, the 3-month Treasury bill yielded 0.02 percent, the 6-month Treasury bill yielded 0.06 percent, the 2-year Treasury note yielded 0.46 percent, the 5-year Treasury note yielded 1.63 percent, the 10-year Treasury note yielded 2.53 percent, and the 30-year Treasury yielded 3.36 percent. (See Chart 2)

Additional Information
June 30, 2014

The opinions expressed above are those of Cutwater Asset Management and are subject to change without notice. All statistics represent month-end figures unless otherwise noted.

A current version of the investment adviser brochure for Cutwater Investor Services Corp., in the form of the Firm's ADV Part 2A, is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Services Corp.
Attention: Client Services
113 King Street
Armonk, NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

In addition, a copy of the most recent version of the Firm's complete Form ADV can be downloaded from the SEC website at www.adviserinfo.sec.gov/.

¹ Federal Reserve Board Press Release, June 18, 2014

**City of Menlo Park
Activity and Performance Summary
for the period June 1, 2014 - June 30, 2014**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	94,605,133.23
Additions	
Contributions	2,644,901.83
Interest Received	67,889.93
Accrued Interest Sold	4,062.50
Gain on Sales	0.00
Total Additions	2,716,854.26
Deductions	
Withdrawals	0.00
Fees Paid	3,695.25
Accrued Interest Purchased	24,246.56
Loss on Sales	0.00
Total Deductions	(27,941.81)
Accretion (Amortization) for the Period	(43,670.85)
Ending Amortized Cost Value	97,250,374.83
Ending Fair Value	97,249,317.84
Unrealized Gain (Loss)	(1,056.99)

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	8,005.57	0.00	0.00	8,005.57
Commercial Paper	0.00	1,770.84	0.00	1,770.84
U.S. Treasury	3,607.18	(671.48)	0.00	2,935.70
U.S. Instrumentality	22,143.68	(8,308.53)	0.00	13,835.15
Corporate	53,585.66	(34,475.27)	0.00	19,110.39
Sales and Maturities				
Commercial Paper	0.00	24.31	0.00	24.31
U.S. Instrumentality	277.78	(1,404.91)	0.00	(1,127.13)
Corporate	941.67	(605.81)	0.00	335.86
Total	88,561.54	(43,670.85)	0.00	44,890.69

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.08 %	0.08 %	0.10 %
Overnight Repo	0.06 %	0.06 %	0.11 %
3 Month T-Bill	0.03 %	0.03 %	0.02 %
6 Month T-Bill	0.05 %	0.05 %	0.04 %
1 Year T-Note	0.12 %	0.11 %	0.10 %
2 Year T-Note	0.37 %	0.40 %	0.45 %
5 Year T-Note	1.55 %	1.63 %	1.68 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	88,561.54	80,555.97
Accretion (Amortization)	(43,670.85)	(43,670.85)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	44,890.69	36,885.12
Average Daily Historical Cost	98,165,306.01	55,428,738.71
Annualized Return	0.56%	0.81%
Annualized Return Net of Fees	0.51%	0.73%
Annualized Return Year to Date Net of Fees	0.51%	0.73%
Weighted Average Effective Maturity in Days	380	665

**City of Menlo Park
Activity and Performance Summary
for the period June 1, 2014 - June 30, 2014**

Fair Value Basis Activity Summary

Beginning Fair Value	94,648,748.71
Additions	
Contributions	2,644,901.83
Interest Received	67,889.93
Accrued Interest Sold	4,062.50
Total Additions	2,716,854.26
Deductions	
Withdrawals	0.00
Fees Paid	3,695.25
Accrued Interest Purchased	24,246.56
Total Deductions	(27,941.81)
Change in Fair Value for the Period	(88,343.32)
Ending Fair Value	97,249,317.84

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	8,005.57	0.00	8,005.57
Commercial Paper	0.00	2,533.50	2,533.50
U.S. Treasury	3,607.18	(4,764.50)	(1,157.32)
U.S. Instrumentality	22,143.68	(19,580.32)	2,563.36
Corporate	53,585.66	(63,687.04)	(10,101.38)
Sales and Maturities			
Commercial Paper	0.00	20.00	20.00
U.S. Instrumentality	277.78	(1,889.96)	(1,612.18)
Corporate	941.67	(975.00)	(33.33)
Total	88,561.54	(88,343.32)	218.22

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.08 %	0.08 %	0.10 %
Overnight Repo	0.06 %	0.06 %	0.11 %
3 Month T-Bill	0.09 %	0.09 %	0.05 %
6 Month T-Bill	0.15 %	0.14 %	0.03 %
1 Year T-Note	0.31 %	0.32 %	0.12 %
BAML 1-3 Yr Tsy Index	0.76 %	0.83 %	-0.54 %
BAML 1-5 Yr Tsy Index	1.16 %	1.62 %	-1.22 %

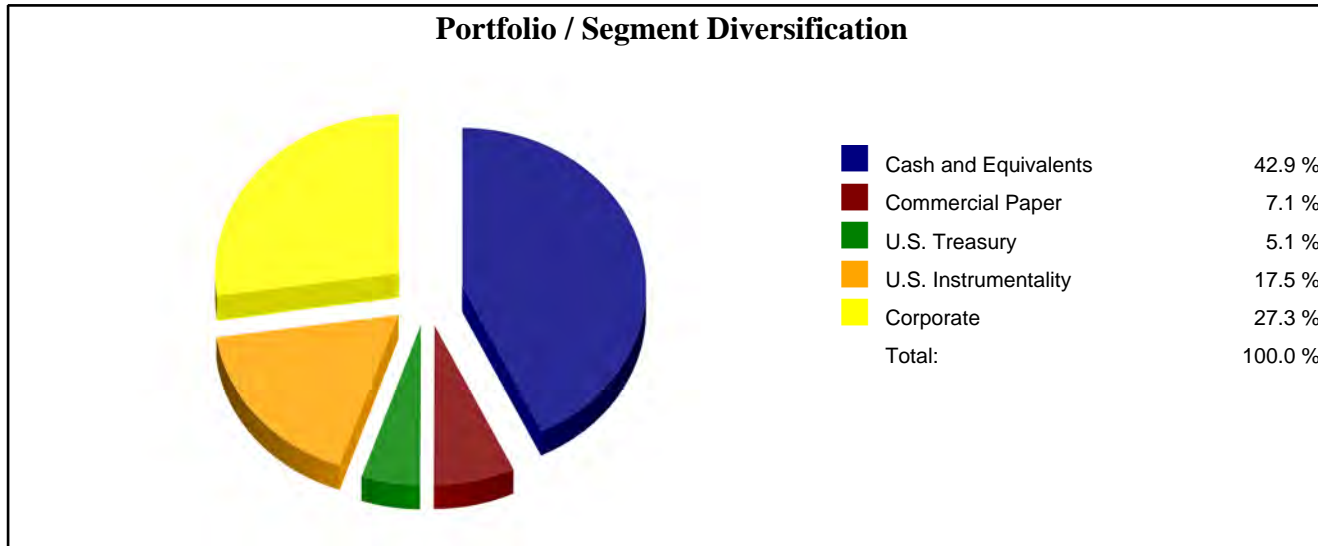
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	88,561.54	80,555.97
Change in Fair Value	<u>(88,343.32)</u>	<u>(88,343.32)</u>
Total Income on Portfolio	218.22	(7,787.35)
Average Daily Historical Cost	98,165,306.01	55,428,738.71
Annualized Return	0.00%	(0.17%)
Annualized Return Net of Fees	(0.04%)	(0.25%)
Annualized Return Year to Date Net of Fees	0.84%	1.31%
Weighted Average Effective Maturity in Days	380	665

**City of Menlo Park
Recap of Securities Held
June 30, 2014**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	42,076,567.30	42,076,567.30	42,076,567.30	0.00	1	1	42.93	0.23	0.00
Commercial Paper	6,986,850.00	6,992,809.03	6,994,641.00	1,831.97	118	118	7.13	0.33	0.00
U.S. Treasury	5,033,593.76	5,017,130.35	5,027,227.00	10,096.65	776	776	5.14	0.76	2.09
U.S. Instrumentality	17,198,293.04	17,044,679.45	17,007,446.15	(37,233.30)	994	877	17.55	0.92	2.27
Corporate	26,711,251.85	26,119,188.70	26,143,436.39	24,247.69	652	650	27.25	0.87	1.74
Total	98,006,555.95	97,250,374.83	97,249,317.84	(1,056.99)	401	380	100.00	0.56	0.98

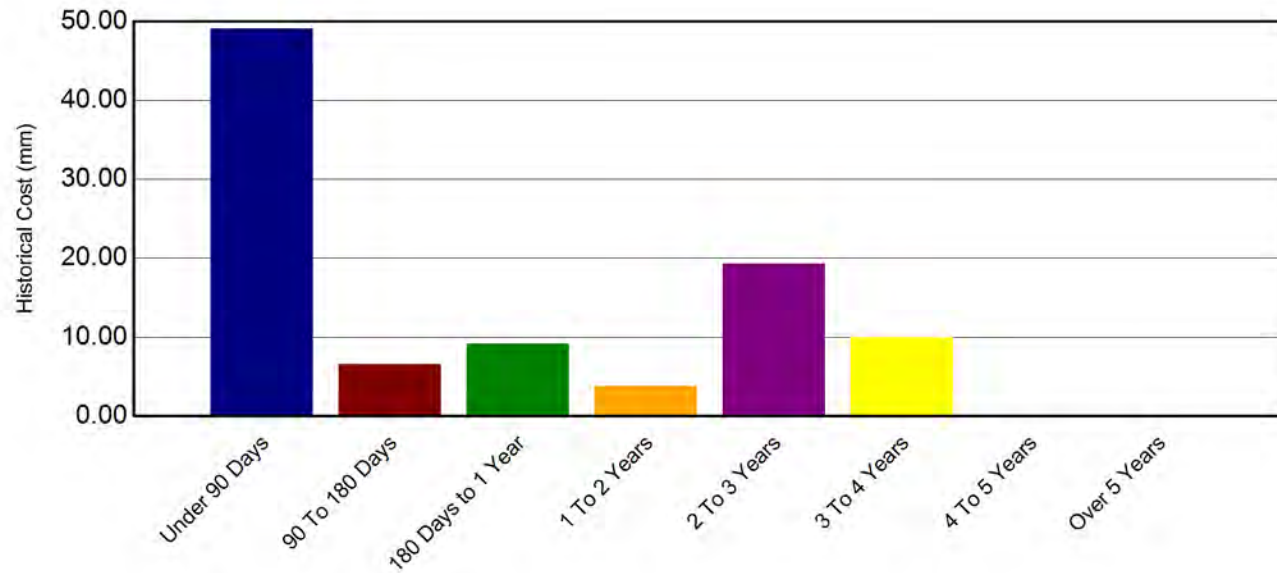
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Menlo Park
Maturity Distribution of Securities Held
June 30, 2014**

Maturity	Historical Cost	Percent
Under 90 Days	49,107,241.68	50.11 %
90 To 180 Days	6,616,667.50	6.75 %
180 Days to 1 Year	9,169,825.00	9.36 %
1 To 2 Years	3,813,376.85	3.89 %
2 To 3 Years	19,304,924.92	19.70 %
3 To 4 Years	9,994,520.00	10.20 %
4 To 5 Years	0.00	0.00 %
Over 5 Years	0.00	0.00 %
	98,006,555.95	100.00 %

Maturity Distribution



**City of Menlo Park
Securities Held
June 30, 2014**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
Cash and Equivalents													
LAIF - City 98-19-22	06/30/14	0.228V		42,076,567.30	42,076,567.30	42,076,567.30	42,076,567.30	0.00	0.00	8,005.57	24,788.30	42.93	0.23
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				42,076,567.30	42,076,567.30	42,076,567.30	42,076,567.30	0.00	0.00	8,005.57	24,788.30	42.93	
					0.00	0.00	0.00						
Commercial Paper													
06737JJG1	12/20/13	0.000	09/16/14	2,500,000.00	2,493,062.50	2,498,021.53	2,499,015.00	993.47	0.00	0.00	0.00	2.54	0.38
Barclays US Funding					0.00	770.84	695.00						
4497W1LH7	06/03/14	0.000	11/17/14	2,500,000.00	2,496,520.83	2,497,104.16	2,497,570.00	465.84	0.00	0.00	0.00	2.55	0.30
ING Funding					0.00	583.33	1,049.17						
4497W1LH7	06/06/14	0.000	11/17/14	2,000,000.00	1,997,266.67	1,997,683.34	1,998,056.00	372.66	0.00	0.00	0.00	2.04	0.30
ING Funding					0.00	416.67	789.33						
TOTAL (Commercial Paper)				7,000,000.00	6,986,850.00	6,992,809.03	6,994,641.00	1,831.97	0.00	0.00	0.00	7.13	
					0.00	1,770.84	2,533.50						
U.S. Treasury													
912828RB8	08/25/11	0.500	08/15/14	1,000,000.00	1,003,046.88	1,000,126.25	1,000,508.00	381.75	0.00	414.36	1,878.45	1.02	0.40
T-Note					0.00	(84.17)	(390.00)						
912828QX1	08/25/11	1.500	07/31/16	1,000,000.00	1,022,968.75	1,009,699.90	1,020,703.00	11,003.10	0.00	1,243.10	6,256.91	1.04	1.02
T-Note					0.00	(382.39)	(2,031.00)						
912828SJ0	05/15/14	0.875	02/28/17	1,000,000.00	1,004,140.63	1,003,949.84	1,003,516.00	(433.84)	0.00	713.31	2,924.59	1.02	0.72
T-Note					1,807.07	(121.78)	(1,406.00)						
912828WH9	06/05/14	0.875	05/15/17	2,000,000.00	2,003,437.50	2,003,354.36	2,002,500.00	(854.36)	0.00	1,236.41	2,235.05	2.04	0.82
T-Note					998.64	(83.14)	(937.50)						
TOTAL (U.S. Treasury)				5,000,000.00	5,033,593.76	5,017,130.35	5,027,227.00	10,096.65	0.00	3,607.18	13,295.00	5.14	
					2,805.71	(671.48)	(4,764.50)						
U.S. Instrumentality													
31398A3G5	09/28/11	1.500	09/08/14	1,500,000.00	1,535,565.00	1,502,280.66	1,503,879.00	1,598.34	0.00	1,875.00	7,062.50	1.57	0.69
FNMA					0.00	(991.58)	(1,846.50)						
3133XWNB1	09/28/11	2.875	06/12/15	1,500,000.00	1,606,845.00	1,527,323.26	1,538,181.00	10,857.74	21,562.50	3,593.75	2,276.04	1.64	0.92
FHLB					0.00	(2,369.07)	(4,038.00)						
31331XLG5	06/06/14	4.875	01/17/17	1,000,000.00	1,107,670.00	1,104,854.36	1,106,327.00	1,472.64	0.00	3,385.41	22,208.33	1.13	0.71
FFCB					18,822.92	(2,815.64)	(1,343.00)						
3134G54B8	Call	0.900	02/15/17	1,000,000.00	1,000,000.00	1,000,000.00	997,835.00	(2,165.00)	0.00	750.00	1,150.00	1.02	0.90
FHLMC			08/15/14		0.00	0.00	(888.00)						

**City of Menlo Park
Securities Held
June 30, 2014**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
3135G0VM2 FNMA	04/03/13	0.750	03/14/17	1,000,000.00	1,000,700.00 0.00	1,000,000.00 0.00	999,025.00 (353.00)	(975.00)	0.00	625.00	2,229.17	1.02	0.75
3128MBFA0 FHLMC	01/23/13	6.000	04/01/17	882,903.83	938,913.04 0.00	919,718.26 (1,098.94)	928,571.15 (1,697.82)	8,852.89	4,414.52	4,414.52	4,414.52	0.96	2.31
3130A0GF1 FHLB	Call 12/19/13	0.500V	06/19/17 09/19/14	2,000,000.00	1,999,000.00 0.00	1,999,151.80 23.47	2,001,082.00 (704.00)	1,930.20	2,500.00	833.33	333.33	2.04	0.99
3135G0PP2 FNMA	04/18/13	1.000	09/20/17	2,000,000.00	2,005,000.00 0.00	2,000,000.00 0.00	1,994,796.00 (3,550.00)	(5,204.00)	0.00	1,666.67	5,611.11	2.05	1.00
3137EADN6 FHLMC	01/22/13	0.750	01/12/18	2,000,000.00	1,984,380.00 0.00	1,988,895.69 258.04	1,969,748.00 (2,412.00)	(19,147.69)	0.00	1,250.00	7,041.67	2.02	0.91
3137EADN6 FHLMC	02/15/13	0.750	01/12/18	2,000,000.00	1,980,960.00 0.00	1,986,283.13 318.75	1,969,748.00 (2,412.00)	(16,535.13)	0.00	1,250.00	7,041.67	2.02	0.95
3136G1KN8 FNMA	Call 05/03/13	1.500	04/24/18 04/24/15	2,000,000.00	2,039,260.00 0.00	2,016,172.29 (1,633.56)	1,998,254.00 (336.00)	(17,918.29)	0.00	2,500.00	5,583.33	2.08	0.50
TOTAL (U.S. Instrumentality)				16,882,903.83	17,198,293.04 18,822.92	17,044,679.45 (8,308.53)	17,007,446.15 (19,580.32)	(37,233.30)	28,477.02	22,143.68	64,951.67	17.55	

Corporate

94974BET3 Wells Fargo	10/22/12	3.750	10/01/14	2,000,000.00	2,122,880.00 0.00	2,015,944.94 (5,199.43)	2,017,184.00 (6,052.00)	1,239.06	0.00	6,250.00	18,750.00	2.17	0.56
084664AT8 Berkshire Hathaway	10/23/12	4.850	01/15/15	3,000,000.00	3,284,850.00 0.00	3,069,287.84 (10,498.16)	3,074,256.00 (9,312.00)	4,968.16	0.00	12,125.00	67,091.67	3.35	0.56
713448BX5 PEPSICO Inc	09/21/12	0.750	03/05/15	1,000,000.00	1,005,430.00 0.00	1,001,498.56 (182.01)	1,003,016.00 (1,087.00)	1,517.44	0.00	625.00	2,416.67	1.03	0.53
717081DA8 Pfizer Inc	04/22/13	5.350	03/15/15	3,000,000.00	3,272,700.00 0.00	3,101,277.31 (11,822.26)	3,103,101.00 (10,947.00)	1,823.69	0.00	13,375.00	47,258.33	3.34	0.53
36962G5Z3 GE Capital	10/02/12	1.625	07/02/15	1,013,000.00	1,032,236.87 0.00	1,020,019.64 (575.38)	1,025,591.59 404.19	5,571.95	0.00	1,371.77	8,184.90	1.05	0.92
36962G4P6 GE Capital	09/21/12	1.000V	09/23/15	725,000.00	724,369.98 0.00	724,742.13 17.23	730,443.30 332.77	5,701.17	1,812.50	604.17	161.11	0.74	1.03
594918AG9 Microsoft	07/26/11	1.625	09/25/15	1,000,000.00	1,003,400.00 0.00	1,001,007.49 (67.02)	1,016,468.00 (1,557.00)	15,460.51	0.00	1,354.16	4,333.33	1.02	1.54
38259PAC6 Google	10/16/12	2.125	05/19/16	1,000,000.00	1,053,370.00 0.00	1,028,008.05 (1,221.29)	1,030,128.00 (2,608.00)	2,119.95	0.00	1,770.84	2,479.17	1.07	0.62
459200GX3 IBM Corp	11/09/12	1.950	07/22/16	2,000,000.00	2,076,820.00 0.00	2,042,759.91 (1,705.85)	2,052,282.00 (3,818.00)	9,522.09	0.00	3,250.00	17,225.00	2.12	0.89
89233P5S1 Toyota Motor Credit	04/15/14	2.050	01/12/17	1,000,000.00	1,031,090.00 5,295.83	1,028,703.23 (929.91)	1,027,077.00 (2,319.00)	(1,626.23)	0.00	1,708.33	9,623.61	1.05	0.90

**City of Menlo Park
Securities Held
June 30, 2014**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
084670BD9 Berkshire Hathaway	02/02/12	1.900	01/31/17	1,500,000.00	1,528,050.00	1,514,524.52	1,535,892.00	21,367.48	0.00	2,375.00	11,954.17	1.56	1.51
459200HC8 IBM Corp	01/07/14	1.250	02/06/17	1,500,000.00	1,509,975.00	1,508,424.71	1,511,992.50	3,567.79	0.00	1,562.50	7,552.08	1.54	1.03
36962G5W0 GE Capital	06/09/14	2.300	04/27/17	1,000,000.00	1,034,440.00	1,033,720.46	1,032,707.00	(1,013.46)	0.00	1,405.56	4,088.89	1.06	1.08
91159HHD5 US Bancorp	Call 06/04/14	1.650	05/15/17	2,000,000.00	2,032,160.00	2,031,329.87	2,028,032.00	(3,297.87)	0.00	2,475.00	4,216.67	2.07	1.08
88579YAE1 3M Company	12/19/12	1.000	06/26/17	2,000,000.00	2,014,560.00	2,009,627.25	1,999,594.00	(10,033.25)	10,000.00	1,666.67	277.78	2.06	0.84
037833AJ9 Apple Inc	05/20/13	1.000	05/03/18	2,000,000.00	1,984,920.00	1,988,312.79	1,955,672.00	(32,640.79)	0.00	1,666.66	3,222.22	2.03	1.16
TOTAL (Corporate)				25,738,000.00	26,711,251.85	26,119,188.70	26,143,436.39	24,247.69	11,812.50	53,585.66	208,835.60	27.25	
					9,720.83	(34,475.27)	(63,687.04)						

GRAND TOTAL **96,697,471.13** **98,006,555.95** **97,250,374.83** **97,249,317.84** **(1,056.99)** **40,289.52** **87,342.09** **311,870.57** **100.00**
31,349.46 **(41,684.44)** **(85,498.36)**

V = variable rate, current rate shown, average rate for Cash & Equivalents

City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2014

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>LAIF</u>												
	Cash and Equivalents	0.228	01/30/3100		NR	NR	42,076,567.30	42,076,567.30	42.93	42,076,567.30	43.27	0.00
ISSUER TOTAL							42,076,567.30	42,076,567.30	42.93	42,076,567.30	43.27	0.00
<u>FNMA</u>												
31398A3G5	U.S. Instrumentality	1.500	09/08/2014		AA+	Aaa	1,500,000.00	1,535,565.00	1.57	1,503,879.00	1.55	0.19
3135G0VM2	U.S. Instrumentality	0.750	03/14/2017		AA+	Aaa	1,000,000.00	1,000,700.00	1.02	999,025.00	1.03	2.67
3135G0PP2	U.S. Instrumentality	1.000	09/20/2017		AA+	Aaa	2,000,000.00	2,005,000.00	2.05	1,994,796.00	2.05	3.15
3136G1KN8	U.S. Instrumentality	1.500	04/24/2018	04/24/2015	AA+	Aaa	2,000,000.00	2,039,260.00	2.08	1,998,254.00	2.05	3.69
ISSUER TOTAL							6,500,000.00	6,580,525.00	6.71	6,495,954.00	6.68	2.56
<u>FHLMC</u>												
3128MBFA0	U.S. Instrumentality	6.000	04/01/2017		AA+	Aaa	882,903.83	938,913.04	0.96	928,571.15	0.95	1.43
3134G54B8	U.S. Instrumentality	0.900	02/15/2017	08/15/2014	AA+	Aaa	1,000,000.00	1,000,000.00	1.02	997,835.00	1.03	2.58
3137EADN6	U.S. Instrumentality	0.750	01/12/2018		AA+	Aaa	4,000,000.00	3,965,340.00	4.05	3,939,496.00	4.05	3.46
ISSUER TOTAL							5,882,903.83	5,904,253.04	6.02	5,865,902.15	6.03	2.99
<u>T-Note</u>												
912828RB8	U.S. Treasury	0.500	08/15/2014		AA+	Aaa	1,000,000.00	1,003,046.88	1.02	1,000,508.00	1.03	0.13
912828QX1	U.S. Treasury	1.500	07/31/2016		AA+	Aaa	1,000,000.00	1,022,968.75	1.04	1,020,703.00	1.05	2.04
912828SJ0	U.S. Treasury	0.875	02/28/2017		AA+	Aaa	1,000,000.00	1,004,140.63	1.02	1,003,516.00	1.03	2.63
912828WH9	U.S. Treasury	0.875	05/15/2017		AA+	Aaa	2,000,000.00	2,003,437.50	2.04	2,002,500.00	2.06	2.83
ISSUER TOTAL							5,000,000.00	5,033,593.76	5.14	5,027,227.00	5.17	2.09
<u>Berkshire Hathaway</u>												
084664AT8	Corporate	4.850	01/15/2015		AA	Aa2	3,000,000.00	3,284,850.00	3.35	3,074,256.00	3.16	0.53
084670BD9	Corporate	1.900	01/31/2017		AA	Aa2	1,500,000.00	1,528,050.00	1.56	1,535,892.00	1.58	2.50
ISSUER TOTAL							4,500,000.00	4,812,900.00	4.91	4,610,148.00	4.74	1.19
<u>ING Funding</u>												
4497W1LH7	Commercial Paper	0.000	11/17/2014		A-1	P-1	4,500,000.00	4,493,787.50	4.59	4,495,626.00	4.62	0.00
ISSUER TOTAL							4,500,000.00	4,493,787.50	4.59	4,495,626.00	4.62	0.00

City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2014

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
IBM Corp												
459200GX3	Corporate	1.950	07/22/2016		AA-	Aa3	2,000,000.00	2,076,820.00	2.12	2,052,282.00	2.11	2.01
459200HC8	Corporate	1.250	02/06/2017		AA-	Aa3	1,500,000.00	1,509,975.00	1.54	1,511,992.50	1.55	2.54
ISSUER TOTAL							3,500,000.00	3,586,795.00	3.66	3,564,274.50	3.67	2.23
FHLB												
3130A0GF1	U.S. Instrumentality	0.500	06/19/2017	09/19/2014	AA+	Aaa	2,000,000.00	1,999,000.00	2.04	2,001,082.00	2.06	0.22
3133XWNB1	U.S. Instrumentality	2.875	06/12/2015		AA+	Aaa	1,500,000.00	1,606,845.00	1.64	1,538,181.00	1.58	0.94
ISSUER TOTAL							3,500,000.00	3,605,845.00	3.68	3,539,263.00	3.64	0.53
Pfizer Inc												
717081DA8	Corporate	5.350	03/15/2015		AA	A1	3,000,000.00	3,272,700.00	3.34	3,103,101.00	3.19	0.69
ISSUER TOTAL							3,000,000.00	3,272,700.00	3.34	3,103,101.00	3.19	0.69
GE Capital												
36962G5Z3	Corporate	1.625	07/02/2015		AA+	A1	1,013,000.00	1,032,236.87	1.05	1,025,591.59	1.05	0.99
36962G4P6	Corporate	1.000	09/23/2015		AA+	A1	725,000.00	724,369.98	0.74	730,443.30	0.75	1.22
36962G5W0	Corporate	2.300	04/27/2017		AA+	A1	1,000,000.00	1,034,440.00	1.06	1,032,707.00	1.06	2.73
ISSUER TOTAL							2,738,000.00	2,791,046.85	2.85	2,788,741.89	2.87	1.70
Barclays US Funding												
06737JG1	Commercial Paper	0.000	09/16/2014		A-1	P-1	2,500,000.00	2,493,062.50	2.54	2,499,015.00	2.57	0.00
ISSUER TOTAL							2,500,000.00	2,493,062.50	2.54	2,499,015.00	2.57	0.00
US Bancorp												
91159HHD5	Corporate	1.650	05/15/2017	04/15/2017	A+	A1	2,000,000.00	2,032,160.00	2.07	2,028,032.00	2.09	2.72
ISSUER TOTAL							2,000,000.00	2,032,160.00	2.07	2,028,032.00	2.09	2.72
Wells Fargo												
94974BET3	Corporate	3.750	10/01/2014		A+	A2	2,000,000.00	2,122,880.00	2.17	2,017,184.00	2.07	0.25
ISSUER TOTAL							2,000,000.00	2,122,880.00	2.17	2,017,184.00	2.07	0.25
3M Company												
88579YAE1	Corporate	1.000	06/26/2017		AA-	Aa2	2,000,000.00	2,014,560.00	2.06	1,999,594.00	2.06	2.94
ISSUER TOTAL							2,000,000.00	2,014,560.00	2.06	1,999,594.00	2.06	2.94

City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2014

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>Apple Inc</u>												
037833AJ9	Corporate	1.000	05/03/2018		AA+	Aa1	2,000,000.00	1,984,920.00	2.03	1,955,672.00	2.01	3.74
ISSUER TOTAL							2,000,000.00	1,984,920.00	2.03	1,955,672.00	2.01	3.74
<u>FFCB</u>												
31331XLG5	U.S. Instrumentality	4.875	01/17/2017		AA+	Aaa	1,000,000.00	1,107,670.00	1.13	1,106,327.00	1.14	2.38
ISSUER TOTAL							1,000,000.00	1,107,670.00	1.13	1,106,327.00	1.14	2.38
<u>Google</u>												
38259PAC6	Corporate	2.125	05/19/2016		AA	Aa2	1,000,000.00	1,053,370.00	1.07	1,030,128.00	1.06	1.85
ISSUER TOTAL							1,000,000.00	1,053,370.00	1.07	1,030,128.00	1.06	1.85
<u>Toyota Motor Credit</u>												
89233P5S1	Corporate	2.050	01/12/2017		AA-	Aa3	1,000,000.00	1,031,090.00	1.05	1,027,077.00	1.06	2.45
ISSUER TOTAL							1,000,000.00	1,031,090.00	1.05	1,027,077.00	1.06	2.45
<u>Microsoft</u>												
594918AG9	Corporate	1.625	09/25/2015		AAA	Aaa	1,000,000.00	1,003,400.00	1.02	1,016,468.00	1.05	1.22
ISSUER TOTAL							1,000,000.00	1,003,400.00	1.02	1,016,468.00	1.05	1.22
<u>PEPSICO Inc</u>												
713448BX5	Corporate	0.750	03/05/2015		A-	A1	1,000,000.00	1,005,430.00	1.03	1,003,016.00	1.03	0.68
ISSUER TOTAL							1,000,000.00	1,005,430.00	1.03	1,003,016.00	1.03	0.68
GRAND TOTAL							96,697,471.13	98,006,555.95	100.00	97,249,317.84	100.00	0.98

Highlighted totals are issuers representing 5.00% or more of the portfolio's market value

**City of Menlo Park
Securities Purchased
June 1, 2014 - June 30, 2014**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<u>Cash and Equivalents</u>								
LAIF - City 98-19-228	06/03/2014	0.228V		3,500,000.00	100.000	3,500,000.00	0.00	0.23
TOTAL (Cash and Equivalents)				3,500,000.00		3,500,000.00	0.00	
<u>Commercial Paper</u>								
4497W1LH7 ING Funding	06/03/2014	0.000	11/17/2014	2,500,000.00	99.861	2,496,520.83	0.00	0.30
4497W1LH7 ING Funding	06/06/2014	0.000	11/17/2014	2,000,000.00	99.863	1,997,266.67	0.00	0.30
TOTAL (Commercial Paper)				4,500,000.00		4,493,787.50	0.00	
<u>U.S. Treasury</u>								
912828WH9 T-Note	06/05/2014	0.875	05/15/2017	2,000,000.00	100.172	2,003,437.50	998.64	0.82
TOTAL (U.S. Treasury)				2,000,000.00		2,003,437.50	998.64	
<u>U.S. Instrumentality</u>								
31331XLG5 FFCB	06/06/2014	4.875	01/17/2017	1,000,000.00	110.767	1,107,670.00	18,822.92	0.71
TOTAL (U.S. Instrumentality)				1,000,000.00		1,107,670.00	18,822.92	
<u>Corporate</u>								
91159HHD5 US Bancorp	Call 06/04/2014	1.650	05/15/2017 04/15/2017	2,000,000.00	101.608	2,032,160.00	1,741.67	1.08
36962G5W0 GE Capital	06/09/2014	2.300	04/27/2017	1,000,000.00	103.444	1,034,440.00	2,683.33	1.08
TOTAL (Corporate)				3,000,000.00		3,066,600.00	4,425.00	
GRAND TOTAL				14,000,000.00		14,171,495.00	24,246.56	

V = variable rate, current rate shown, average rate for Cash & Equivalents

City of Menlo Park
Securities Sold and Matured
June 1, 2014 - June 30, 2014

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<u>Cash and Equivalents</u>													
LAIF - City 98-19-228	06/05/2014	0.228V		900,000.00	900,000.00	900,000.00	100.00	900,000.00	0.00	0.00	0.00	0.00	0.23
						0.00		0.00					
LAIF - City 98-19-228	06/06/2014	0.228V		1,400,000.00	1,400,000.00	1,400,000.00	100.00	1,400,000.00	0.00	0.00	0.00	0.00	0.23
						0.00		0.00					
LAIF - City 98-19-228	06/18/2014	0.228V		450,000.00	450,000.00	450,000.00	100.00	450,000.00	0.00	0.00	0.00	0.00	0.23
						0.00		0.00					
LAIF - City 98-19-228	06/20/2014	0.228V		450,000.00	450,000.00	450,000.00	100.00	450,000.00	0.00	0.00	0.00	0.00	0.23
						0.00		0.00					
TOTAL (Cash and Equivalents)				3,200,000.00	3,200,000.00	3,200,000.00		3,200,000.00	0.00	0.00	0.00	0.00	
						0.00		0.00					
<u>Commercial Paper</u>													
83365SF24 Societe General	06/02/2014	0.000	06/02/2014	2,500,000.00	2,496,013.89	2,500,000.00	100.00	2,500,000.00	0.00	0.00	0.00	0.00	0.36
						24.31		20.00					
TOTAL (Commercial Paper)				2,500,000.00	2,496,013.89	2,500,000.00		2,500,000.00	0.00	0.00	0.00	0.00	
						24.31		20.00					
<u>U.S. Instrumentality</u>													
3128MBFA0 FHLMC	06/01/2014	6.000	04/01/2017	32,582.55	34,649.51	32,582.55	100.00	32,582.55	0.00	0.00	162.91	0.00	2.31
						(1,399.15)		(1,747.96)					
3130A13Q9 FHLB	Call 06/03/2014	0.625V	03/03/2017 09/03/2014	1,000,000.00	1,000,000.00	1,000,000.00	100.00	1,000,000.00	0.00	1,562.50	0.00	34.72	0.63
						0.00		(16.00)					
3136G0KG5 FNMA	06/04/2014	0.625	06/04/2015	2,000,000.00	2,001,400.00	2,000,000.00	100.00	2,000,000.00	0.00	0.00	6,250.00	104.17	0.59
						(5.76)		(48.00)					
3130A0XL9 FHLB	Call 06/06/2014	0.500V	03/06/2018 09/06/2014	2,000,000.00	2,000,000.00	2,000,000.00	100.00	2,000,000.00	0.00	2,500.00	0.00	138.89	0.50
						0.00		(78.00)					
TOTAL (U.S. Instrumentality)				5,032,582.55	5,036,049.51	5,032,582.55		5,032,582.55	0.00	4,062.50	6,412.91	277.78	
						(1,404.91)		(1,889.96)					
<u>Corporate</u>													
36962GX41	06/09/2014	5.650	06/09/2014	750,000.00	818,760.00	750,000.00	100.00	750,000.00	0.00	0.00	21,187.50	941.67	1.86

City of Menlo Park
Securities Sold and Matured
June 1, 2014 - June 30, 2014

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
GE Capital						(605.81)		(975.00)					
TOTAL (Corporate)				750,000.00	818,760.00	750,000.00		750,000.00	0.00	0.00	21,187.50	941.67	
						(605.81)		(975.00)					
GRAND TOTAL				11,482,582.55	11,550,823.40	11,482,582.55		11,482,582.55	0.00	4,062.50	27,600.41	1,219.45	
						(1,986.41)		(2,844.96)					

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Menlo Park
Transaction Report
for the period June 1, 2014 - June 30, 2014**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
06/01/2014	3128MBFA0	Paydown	INS	FHLMC	04/01/2017	32,582.55	32,582.55	4,577.43	37,159.98	37,159.98
06/02/2014	83365SF24	Maturity	CP	Societe Generale NA	06/02/2014	2,500,000.00	2,500,000.00	0.00	2,500,000.00	2,537,159.98
06/03/2014		Bought	CE	LAIF - City 98-19-22		3,500,000.00	3,500,000.00	0.00	(3,500,000.00)	(962,840.02)
06/03/2014	3130A13Q9	Call	INS	FHLB	03/03/2017	1,000,000.00	1,000,000.00	1,562.50	1,001,562.50	38,722.48
06/03/2014	4497W1LH7	Bought	CP	ING Funding	11/17/2014	2,500,000.00	2,496,520.83	0.00	(2,496,520.83)	(2,457,798.35)
06/04/2014	3136G0KG5	Call	INS	FNMA	06/04/2015	2,000,000.00	2,000,000.00	0.00	2,000,000.00	(457,798.35)
06/04/2014	3136G0KG5	Interest	INS	FNMA	06/04/2015	2,000,000.00	0.00	6,250.00	6,250.00	(451,548.35)
06/04/2014	91159HHD5	Bought	COR	US Bancorp	05/15/2017	2,000,000.00	2,032,160.00	1,741.67	(2,033,901.67)	(2,485,450.02)
06/05/2014		Sold	CE	LAIF - City 98-19-22		900,000.00	900,000.00	0.00	900,000.00	(1,585,450.02)
06/05/2014	912828WH9	Bought	TSY	T-Note	05/15/2017	2,000,000.00	2,003,437.50	998.64	(2,004,436.14)	(3,589,886.16)
06/06/2014		Sold	CE	LAIF - City 98-19-22		1,400,000.00	1,400,000.00	0.00	1,400,000.00	(2,189,886.16)
06/06/2014	3130A0XL9	Call	INS	FHLB	03/06/2018	2,000,000.00	2,000,000.00	2,500.00	2,002,500.00	(187,386.16)
06/06/2014	31331XLG5	Bought	INS	FFCB	01/17/2017	1,000,000.00	1,107,670.00	18,822.92	(1,126,492.92)	(1,313,879.08)
06/06/2014	4497W1LH7	Bought	CP	ING Funding	11/17/2014	2,000,000.00	1,997,266.67	0.00	(1,997,266.67)	(3,311,145.75)
06/09/2014	36962G5W0	Bought	COR	GE Capital	04/27/2017	1,000,000.00	1,034,440.00	2,683.33	(1,037,123.33)	(4,348,269.08)
06/09/2014	36962GX41	Maturity	COR	GE Capital	06/09/2014	750,000.00	750,000.00	0.00	750,000.00	(3,598,269.08)
06/09/2014	36962GX41	Interest	COR	GE Capital	06/09/2014	750,000.00	0.00	21,187.50	21,187.50	(3,577,081.58)
06/12/2014	3133XWNB1	Interest	INS	FHLB	06/12/2015	1,500,000.00	0.00	21,562.50	21,562.50	(3,555,519.08)
06/18/2014		Sold	CE	LAIF - City 98-19-22		450,000.00	450,000.00	0.00	450,000.00	(3,105,519.08)
06/19/2014	3130A0GF1	Interest	INS	FHLB	06/19/2017	2,000,000.00	0.00	2,500.00	2,500.00	(3,103,019.08)
06/20/2014		Sold	CE	LAIF - City 98-19-22		450,000.00	450,000.00	0.00	450,000.00	(2,653,019.08)
06/23/2014	36962G4P6	Interest	COR	GE Capital	09/23/2015	725,000.00	0.00	1,812.50	1,812.50	(2,651,206.58)
06/26/2014	88579YAE1	Interest	COR	3M Company	06/26/2017	2,000,000.00	0.00	10,000.00	10,000.00	(2,641,206.58)
Portfolio Activity Total										(2,641,206.58)

Net Contributions:	2,644,901.83
Net Withdrawals:	0.00

Fees Charged:	3,695.25
Fees Paid:	3,695.25

**City of Menlo Park
Securities Bid and Offer
for the period 6/1/2014 - 6/30/2014**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	06/03/2014	INGFDG 0 11/17/2014		WELLS	2,500,000	0.300	99.861	.30%	MS - LLOYDS CP 11/14/14 @ .27% BAML - PRUDENTIAL CP 11/12/14 @.20%
BUY	06/04/2014	USB 1.65 05/15/2017	04/15/17	WELLS	2,000,000		101.608	1.08%	RBC - TOYOTA 1.125% 5/16/17 .95% JPM - TOYOTA 1.125% 5/16/17 .96%
BUY	06/05/2014	T-Note .875 05/15/2017		WELLS	2,000,000		100.172	.82%	MS - T .875% 5/15/17 @ .81% UBS - T .875% 5/15/17 @ .81%
BUY	06/06/2014	FFCB 4.875 01/17/2017		WELLS	1,000,000		110.767	.71%	MS - 4.875% 1/17/17 @ .68% BAML - FNMA 1.25% 1/30/17 @ .69%
BUY	06/06/2014	INGFDG 0 11/17/2014		WELLS	2,000,000	0.300	99.863	.30	MS - PURDENTIAL CP 11/15/14 @ .20% BAML - WESTPAC CP 11/12/14 @ .20%
BUY	06/09/2014	GE 2.3 04/27/2017		RBC	1,000,000		103.444	1.08%	WSF - BBT 1% 4/03/17 @ 1.04% MIZ - APPLE 1% 5/05/17 @.97%

**City of Menlo Park
Upcoming Cash Activity
for the next 45 days**

Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
07/02/2014	Interest	36962G5Z3	GE Capital	1.625	07/02/2015		1,013,000.00	0.00	8,230.63	8,230.63
07/12/2014	Interest	3137EADN6	FHLMC	0.750	01/12/2018		2,000,000.00	0.00	7,500.00	7,500.00
07/12/2014	Interest	3137EADN6	FHLMC	0.750	01/12/2018		2,000,000.00	0.00	7,500.00	7,500.00
07/12/2014	Interest	89233P5S1	Toyota Motor Credit	2.050	01/12/2017		1,000,000.00	0.00	10,250.00	10,250.00
07/15/2014	Interest	084664AT8	Berkshire Hathaway	4.850	01/15/2015		3,000,000.00	0.00	72,750.00	72,750.00
07/15/2014	Estimated Paydown	3128MBFA0	FHLMC	6.000	04/01/2017		882,903.83	34,206.06	4,414.52	38,620.58
07/17/2014	Interest	31331XLG5	FFCB	4.875	01/17/2017		1,000,000.00	0.00	24,375.00	24,375.00
07/22/2014	Interest	459200GX3	IBM Corp	1.950	07/22/2016		2,000,000.00	0.00	19,500.00	19,500.00
07/31/2014	Interest	912828QX1	T-Note	1.500	07/31/2016		1,000,000.00	0.00	7,500.00	7,500.00
07/31/2014	Interest	084670BD9	Berkshire Hathaway	1.900	01/31/2017		1,500,000.00	0.00	14,250.00	14,250.00
08/06/2014	Interest	459200HC8	IBM Corp	1.250	02/06/2017		1,500,000.00	0.00	9,375.00	9,375.00

END OF REPORTS



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Armonk, NY 10504
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Fax: 914 765 3030

Colorado Office
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Denver, CO 80202
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For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: August 19, 2014
Staff Report #: 14-149

Agenda Item #: I-3

INFORMATIONAL ITEM: Pending Council-Directed Amendments to the El Camino Real/Downtown Specific Plan

RECOMMENDATION

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

BACKGROUND

In June 2012, the City Council approved the El Camino Real/Downtown Specific Plan, and these actions became effective one month later. New development proposals in the Plan area are required to adhere to the Specific Plan regulations, and the City is considering implementation of public space improvements on an ongoing basis through the 5-Year Capital Improvement Program (CIP) process.

In fall 2013, the Planning Commission and City Council conducted the required one-year review of the Specific Plan, taking place over five meetings in September through November. On November 19, 2014, after considering public comment and the Planning Commission's recommendations, the City Council directed that a number of changes be pursued. These changes included several text edits to clarify policy intentions, as well as the creation of a new limit on the absolute square footage of medical offices for El Camino Real parcels. The latter modification was intended to reduce the potential for a single development project to create what might be an immediate, clustered traffic impact. The staff summary of the Council's direction is included as Attachment A.

ANALYSIS

At the time of the City Council's direction, staff projected that minor modifications to the Specific Plan would likely take between three and six months to fully process, with a significant portion of the time required to conduct CEQA (California Environmental Quality Act) review (in this case, taking the form of a Negative Declaration). Since that time, the Planning Division had a number of staffing changes that delayed work on the Specific Plan amendments. However, with the recent hiring of new planners, staff is now able to focus on processing these changes.

Staff has identified the following tentative timeline for completing the Council-directed Specific Plan changes. If the work on the Negative Declaration proceeds quickly, it may

be possible to complete the Council actions one week earlier, but for the moment this is the projected schedule.

Milestone	Date
Negative Declaration Notice Publish Date	9/10/2014
Negative Declaration Circulation Start	9/12/2014
Negative Declaration Circulation Close	10/2/2014
Planning Commission Meeting	10/6/2014
City Council Meeting Notice	10/9/2014
City Council Meeting	10/28/2014

IMPACT ON CITY RESOURCES

The work required for these amendments to the Specific Plan can be absorbed within the Community Development Department budget, although it will affect somewhat the Planning Division's ability to address other projects and plans.

POLICY ISSUES

The fall 2013 one-year review of the Specific Plan included significant discussion of the policy-related implications of various potential actions, and resulted in the direction summarized in Attachment A. The completion of the review process will provide an opportunity to confirm that the amendments address the policy objectives of the City Council's direction.

ENVIRONMENTAL REVIEW

As noted above, review of the text amendments to the Specific Plan will include preparation of a Negative Declaration.

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. El Camino Real/Downtown Specific Plan - City Council-Directed Changes, November 19, 2014

Report prepared by:
Thomas Rogers
Senior Planner

Report reviewed by:
Arlinda Heineck
Community Development Director

**El Camino Real/Downtown Specific Plan
City Council-Directed Changes
November 19, 2013**

1) Burgess Park Linkage/Open Space Plaza – High Speed Rail Timing

p. D45, third paragraph – Revise text:

Because this open space and linkage amenity is located partly on Stanford University property, it should be part of development review with the City when Stanford University chooses to redevelop the land. ~~The rail crossing itself should be undertaken in conjunction with High Speed Rail improvements. The rail crossing itself should consider High Speed Rail improvements, but may be undertaken at any time.~~ The rail crossing itself should consider High Speed Rail improvements, but may be undertaken at any time.

2) Public Benefit Bonus and Structured Negotiation – LEED Platinum Removal

p. E17, right-hand bullet list – Delete entire bullet:

- ~~• Platinum LEED Certified Buildings, which would exceed the standards for sustainable practices found in Section E.3.8 “Sustainable Practices”~~

3) Medical Office on El Camino Real – Absolute Maximum

p. E6, columns “El Camino Real Mixed Use” and “El Camino Real Mixed Use/Residential”, row “Offices, Medical and Dental” (two cells total) – Revise text:

L (no greater than one-third the base or public benefit bonus FAR, up to a maximum of 33,333 square feet)

p. E15, footnote – Revise text:

- Specific Plan limits the amount of general office allowed and the amount of medical office, based on community concerns, to the following:
Office, General (inclusive of Medical and Dental Offices) – shall not exceed one half of the base FAR or public benefit bonus FAR
Office, Medical and Dental – shall not exceed one third of the base FAR or public benefit bonus FAR (in the ECR districts, this is additionally limited to an absolute maximum of 33,333 square feet per development project)

p. E16, lower left – Revise text:

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; in the ECR districts, this is additionally limited to an absolute maximum of 33,333 square feet per development project.

p. E49 (ECR NE-L)

p. E54 (ECR NE)

p. E59 (ECR NE-R)

p. E64 (ECR SE)

p. E69 (ECR NW)

p. E74 (ECR SW)

Zoning District Tables – Revise “Maximum FAR for Medical and Dental Offices” row:

One third of the Base or Public Benefit Bonus FAR, whichever is applicable, up to an absolute maximum of 33,333 square feet per development project



OFFICE OF THE CITY MANAGER

Council Meeting Date: August 19, 2014
Staff Report #: 14-150

Agenda Item #: I-4

INFORMATIONAL ITEM: **Update on the San Mateo County Mosquito & Vector Control District's Recent Mosquito Fogging in Menlo Park**

RECOMMENDATION

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

BACKGROUND

On Wednesday, August 6, 2014, the San Mateo County Mosquito and Vector Control District (SMCMVCD) detected West Nile Virus in adult mosquitoes from two areas of the 94025 zip code in Menlo Park. On Monday, August 11, 2014, the District completed ground fogging operations in a 1300 acre treatment area located in central and western parts of the city. Post-fogging samples indicated an 86% reduction in the adult mosquito population in the area and all post-fogging tests were negative, showing no new instances of the West Nile Virus.

The San Mateo County Mosquito and Vector Control District is an independent special district, which is a type of local government entity that delivers specific services to citizens within its boundaries (similar to the Menlo Park Fire Control District). The District's mission is, "To safeguard the health and comfort of the citizens of San Mateo County through a planned program to monitor and reduce mosquitoes and other vectors." The District is governed by a Board of Trustees consisting of one resident from each city. Menlo Park's representative is Valentina Cogoni.

ANALYSIS

There have been concerns from the public regarding the noticing prior to the District's recent ground fogging operations.

Shortly before noon on Friday, August 8, 2014, the City received a press release from the District announcing the truck-mounted mosquito fogging scheduled for Monday, August 11th starting at 9:00 pm. Upon receipt of the District's press release, the City shared the information with residents via multiple channels including the City website, news release delivered via email to subscribers, and on social media services including

Nixle, Nextdoor, Facebook, and Twitter. This occurred within one hour and was in an effort to augment the District's noticing and provide the information to the broadest possible audience. On Monday, August 11th, the City sent another reminder notice via the City's website, news release delivered via email to subscribers and social media. On Thursday, August 14th, the District released a press release, which the City again shared, announcing the successful reduction in the adult mosquito population and that post-fogging testing showed no new instances of the West Nile Virus.

The City will continue to support and encourage the District's efforts to provide timely and informative notifications to the public of the District's future operations.

In addition, the City's representative to the District's Board of Trustees, Valentina Cogoni, is scheduled to present a quarterly report at the City Council's meeting on August 26, 2014, and should be able to provide further information.

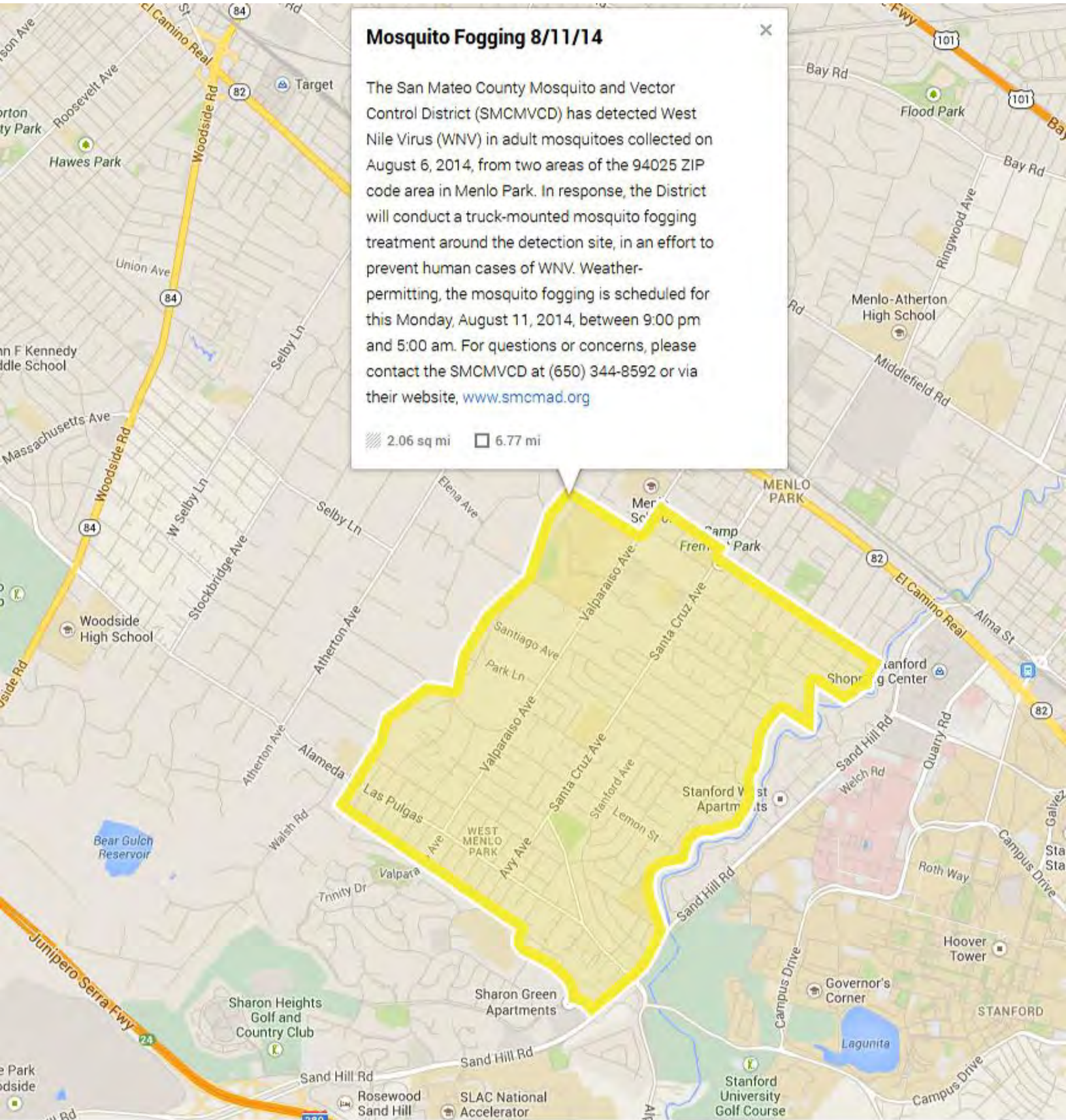
ATTACHMENTS

A. Mosquito Fogging Map

Report prepared by:

Clay J. Curtin

Assistant to the City Manager



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