



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

**Tuesday, February 24, 2015 at 6:00 PM**

**City Council Chambers**

**701 Laurel Street, Menlo Park, CA 94025**

***The agenda is amended to add Closed Session Item CL2***

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

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

**CL1.** Closed Session pursuant to Government Code Section §54957 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA)

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

**CL2.** Closed Session pursuant to Government Code Section §54957 to conference with labor negotiators regarding labor negotiations with the Police Sergeants' Association (PSA)

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

**7:00 P.M. REGULAR SESSION**

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

**PLEDGE OF ALLEGIANCE**

**REPORT FROM CLOSED SESSION**

**ANNOUNCEMENTS**

**SS. STUDY SESSION**

**SS1.** Provide feedback on a boutique hotel development at 1400 El Camino Real  
([Staff Report #15-041](#))

**A. PRESENTATIONS AND PROCLAMATIONS**

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS –**

**B1.** Transportation Commission quarterly report on the status of their 2 Year Work

**C. PUBLIC COMMENT #1**

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.** Approve an appropriation of \$41,500 and authorize the City Manager to execute an agreement, not to exceed a total of \$41,500, with Up Urban, Inc. for Phase II of the Menlo Park Economic Development Plan Update and facilitation of a City Council Study Session on Public Benefit Strategies ([Staff Report #15-039](#))
- D2.** Authorize the City Manager to exceed his purchase authority for the purchase and processing of library materials from Baker & Taylor in an amount not to exceed \$105,000 ([Staff Report #15-031](#))
- D3.** Adopt a resolution to request \$354,100 of Lifeline Transportation Program funds from the Metropolitan Transportation Commission to fund 50-percent of the proposed \$708,200 three year operations budget for the City’s Midday Shuttle Service spanning Fiscal Years 2015-16 through 2017-18 ([Staff Report #15-029](#))
- D4.** Adopt a resolution supporting San Mateo County Community Choice Aggregation ([Staff Report #15-030](#))
- D5.** Authorize the Public Works Director to accept the work performed by Del Conte’s Landscaping, Inc. for the El Camino Real Trees Project – Phase III ([Staff Report #15-033](#))
- D6.** Adopt a resolution accepting dedication of public access easements from Giant Properties LLC (Facebook West Campus) and Wilson Menlo Park Campus, LLC (Facebook East Campus) and authorize the City Manager to sign agreements and easements required by conditions of approval of the project ([Staff Report #15-032](#))
- D7.** Accept Council minutes for the meetings of January 26, and January 27, 2015 ([Attachment](#))
- D8.** Authorize the City Manager to enter into a contract with Socrata, Inc. for development of an open data portal and appropriate \$14,820 for the project budget ([Staff Report #15-042](#))

**E. PUBLIC HEARING**

- E1. Adopt a resolution approving the El Camino Real/Downtown Specific Plan Proportionate Cost-Sharing Program Study and adopt the proposed Supplemental Transportation Impact fees as identified in the study ([Staff Report #15-036](#))

**F. REGULAR BUSINESS**

- F1. Approval of the City Council's Fiscal Year 2015-16 Work Plan ([Staff Report #15-037](#))
- F2. Status update and possible Council feedback on the Environmental Review for the 1300 El Camino Real Project ([Staff Report #15-016](#)) - Continued from January 23, 2015
- F3. Discuss and provide guidance to voting delegate for a vacancy on the League of California Cities Peninsula Division Executive Committee ([Staff Report #15-035](#))

**G. CITY MANAGER'S REPORT – None**

**H. WRITTEN COMMUNICATION – None**

**I. INFORMATIONAL ITEMS**

- I1. Quarterly review of data captured by Automated License Plate Readers (ALPR) for the period beginning October 1, 2014 through January 1, 2015 ([Staff Report #15-028](#))
- I2. Quarterly financial review of General Fund operations as of December 31, 2014 ([Staff Report #15-027](#))
- I3. Review of the City's Investment Portfolio as of December 31, 2014 ([Staff Report #15-026](#))
- I4. Revised Economic Development Goals ([Staff Report #15-038](#))
- I5. ConnectMenlo (General Plan and M-2 Area Zoning Update) Status Update ([Staff Report #15-040](#))

**J. COUNCILMEMBER REPORTS**

**K. PUBLIC COMMENT #2**

Under "Public Comment #2", the public if unable to address the Council on non-agenda items during Public Comment #1, may do so at this time. Each person is limited to three minutes. Please clearly state your name and address or jurisdiction in which you live.

**L. ADJOURNMENT**

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at <http://www.menlopark.org/AgendaCenter> and can receive e-mail notification of agenda and staff report postings by subscribing to the [Notify Me](#) service on the City's homepage at [www.menlopark.org/notifyme](http://www.menlopark.org/notifyme). Agendas and staff reports may also be obtained by contacting the City Clerk at (650) 330-6620. Copies of the entire packet are available at the library for viewing and copying. (Posted: 2/19/2015)

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](mailto:city.council@menlopark.org). These communications are public records and can be viewed by any one by clicking on the following link: <http://ccin.menlopark.org>.

City Council meetings are televised live on Government Access Television Cable TV Channel 26. Meetings are re-broadcast on Channel 26 on Thursdays and Saturdays at 11:00 a.m. A DVD of each meeting is available for check out at the Menlo Park Library. Live and archived video stream of Council meetings can be accessed at <http://www.menlopark.org/streaming>. Persons with disabilities, who require auxiliary aids or services in attending or participating in City Council meetings, may call the City Clerk's Office at (650) 330-6620.



## OFFICE OF THE CITY MANAGER

Council Meeting Date: February 24, 2015  
Staff Report #: 15-041

**STUDY SESSION:** Provide Feedback on a Boutique Hotel Development at 1400 El Camino Real

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### RECOMMENDATION

Staff recommends that the City Council review and provide feedback on a proposed hotel project at 1400 El Camino Real.

At this meeting, no formal action will be taken by the City Council. Public meetings for a potential future full application would be scheduled as needed, if the applicant elects to proceed.

### POLICY ISSUES

The proposed hotel project is consistent with the goals of El Camino Real/Downtown Specific Plan as well as the approved Economic Development Goals.

### BACKGROUND

The Applicant, Pollock Financial is proposing to develop a boutique hotel at 1400 El Camino Real, formerly a Shell gas station. The 0.5 acre lot is in the El Camino Real/Downtown Specific Plan (SP-ECR/D) zoning district. Within the Specific Plan, the 1400 El Camino Real parcel is in the El Camino Real Mixed Use land use designation and the ECR NE zoning district. As proposed, the project would consist of a 33,750 sqft, 63-room boutique style hotel with a full service bar and restaurant, pool and meeting room. The hotel will have a 17,600 sqft underground valet parking utilizing 2-tier mechanical stackers.

### ANALYSIS

The Applicant has requested a City Council study session to garner feedback on the potential development of a hotel on the vacant lot at 1400 El and the City's willingness to consider possible revenue-sharing options. The Applicant has provided a project description letter which discusses their proposal in more detail (Attachment A) as well as initial project conception plans (Attachment B).

### **Public Benefit Density Bonus**

The Applicant will seek the Public Benefit Density Bonus level of development. The Specific Plan establishes a two-tier density/intensity system, in which uses that exceed the Base level dwelling units per acre and/or Floor Area Ratio (FAR) standards are required to pursue a discretionary Public Benefit Bonus process. The ECR NE zone establishes a Base level maximum FAR of 1.10, and a Public Benefit Bonus level maximum FAR of 1.50. The applicant is proposing a 33,750 sf. Hotel on a 22,500 sf. lot, which results in a Public Benefit level of 1.50 FAR.

The Public Benefit Bonus process as outlined in the Specific Plan provides a flexible structure for consideration of such requests, requiring a study session informed by appropriate fiscal/economic review, and providing some suggested elements for consideration. In particular, hotels are called out as one recommended option, as such a facility “generates higher tax revenue for the City while also enhancing downtown vibrancy.”

### **Parking Rate**

The Applicant will also seek a reduced parking rate due to the unique nature of their hotel. The Specific Plan established the parking rate for hotel uses is 1.25 spaces per room which, for a 62 room hotel, results in a requirement for 78-off street parking spaces. The Applicant is proposing to provide 75 spaces in the underground parking garage, resulting in a parking ratio of 1.19. Staff is generally supportive of this lower ratio because the proposed project has fewer supporting facilities than are accounted for in the standard hotel parking rate. The Specific Plan Hotel (per room) parking ratio accounts for facilities including conference rooms, a restaurant, a bar and a publically accessible fitness center. The proposed project includes a small, 1,700 sqft restaurant and bar, and a meeting room that will only be available for hotel guests and their visitors. Staff feels that these amenities will not generate a parking demand separate from that of the hotel use due to the small size of the bar and restaurant and the fact that the meeting room will not be available to the general public. Additionally, as the Applicant stated in their project description letter, the restaurant and meeting space utilize parking differently throughout the day. Meeting and restaurant space is primarily used during the day, while the hotel rooms are used primarily in the evening, making the uses complimentary in regards to parking.

This justification for a reduced parking ratio is similar to that of the Marriot Residence Inn at 555 Glenwood Ave, where a parking ratio of 0.85 was granted, in part, because the project was a limited-service hotel that had few supporting facilities than accounted for in the standard hotel parking ratio. Table 1 shows the uses accounted for in the Specific Plan's standard hotel parking ratio in comparison to the in the 555 Glenwood project and the hotel proposed for 1400 El Camino Real.

Table 1

	Parking Ratio	Hotel Rooms	Conference Rooms	Restaurant	Bar	Fitness Center
Specific Plan	1.25	X	X	X	X	X
1400 ECR	1.19	X	X	X	X	
Marriot Residence Inn	0.85	X	X			

A more in depth parking study will be conducted as the project progresses, but based on the initial proposal Staff believes there is a precedent for granting an alternate ratio.

**Transient Oriented Tax**

According to the Applicant, the proposed project is projected to generate roughly \$8.5 million in TOT over ten years, and roughly one million in sales and property tax.

**IMPACT ON CITY RESOURCES**

Assuming the Applicant chooses to move forward with the project, they Applicant will be required to pay planning permit fees based on the City’s Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The Applicant is also required to bear the cost of the associated environmental review and fiscal analysis. For the environmental review and fiscal analysis, the Applicant deposits money with the City and the City pays the consultants.

**ENVIRONMENTAL REVIEW**

Study sessions do not result in an action, and as such are not subject to the requirements of CEQA. Project review would require a finding of compliance with the El Camino Real/Downtown 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. Project Description Letter
- B. Project Conception Plans

Report prepared by:  
*Jim Cogan*  
*Economic Development Specialist*

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Boutique Hotel, 1400 El Camino Real, Menlo Park

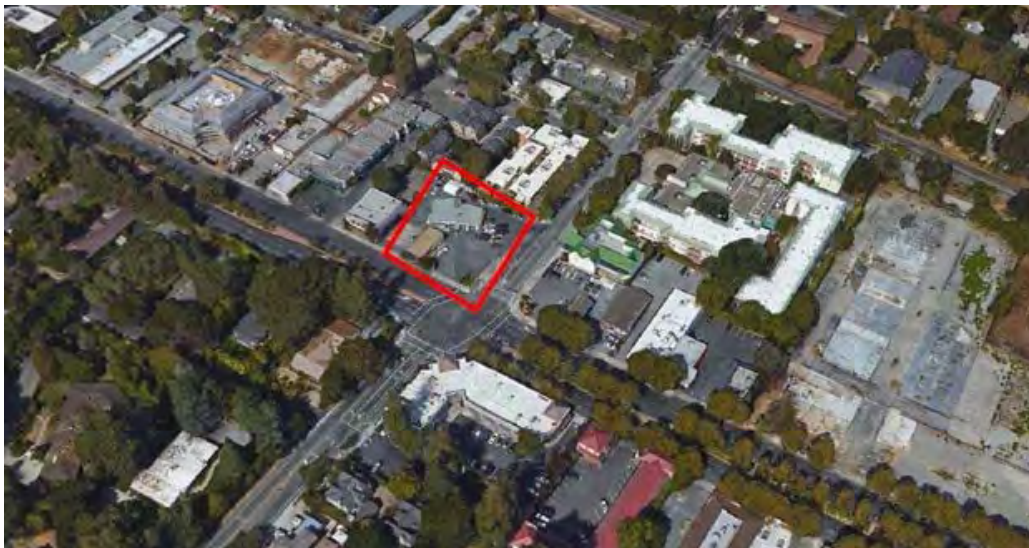
Pollock 1400 ECR, LLC (the "Company") is in contract to purchase the property at 1400 El Camino Real, a former Shell station site. The Company's intent is to build a boutique hotel utilizing the 1.5 FAR density bonus per Menlo Park's Specific Plan. The Company is presenting this project in study session in order to get feedback from Council about how the developer and city may best work together to bring this mutually beneficial boutique hotel project to fruition.

The Company intends to purchase the property as an assignee of the rights of Pollock Realty Corporation under a Purchase and Sale Agreement and Joint Escrow Instructions, dated November 24, 2014 (as amended, the "Purchase Agreement"), with the Gounas Living Trust ("GLT"). The developer, Pollock Realty Corporation, is a local, family owned financial business and real estate developer, founded in 1960 by Jim Pollock, who is currently serving as Chairman of the Board. PFG has a 50+ year track-record, who, with its affiliates, have acquired and managed, approximately 95 properties since buying the first building at 801 Welch Rd. in Palo Alto in 1966. They have a history of giving back to the community, such as through Heart of Silicon Valley ([www.hosv.org](http://www.hosv.org)) which Jeff Pollock founded and Jim Pollock's serving on the board of United Way.

Notably in Menlo Park, their team has entitled and built an office building at 321 Middlefield and Menlo Square near the train station with Bradley's restaurant. Our architect, Mark Hornberger, has built numerous hotels (see below).

### **PROJECT LOCATION**

The Property is located at 1400 El Camino Real at the intersection of El Camino Real to the east, and Glenwood/Valparaiso to the south. The northern property line abuts a commercial office building, while the eastern property line abuts the corner of a multifamily residential development and separate commercial office building. The Property is currently in the ECR NE (El Camino Real North – East) zone where hotel development is permitted under El Camino Real/Downtown Specific Plan. The site is two blocks from the Menlo Park Caltrain Station (roughly a quarter mile) and should be considered a transit-oriented site.



## **EXISTING CONDITIONS**

The project site consists of two parcels: APN 061-422-190 and APN 061-422-330, which total 22,500 square feet (0.52 acres). The site was previously a Shell Service Station. All structures have been removed and any site contamination was remediated to the standard of the San Mateo County Health System. The site is now a fenced in vacant lot.



## **PROJECT OBJECTIVE**

The development of a vibrant, tax-generating, business oriented, destination, boutique hotel pursuant to the vision of the Menlo Park El Camino Real/Downtown Specific Plan.

## **PROJECT DESCRIPTION**

### **DESIGN**

Located on a prominent site at the corner of El Camino Real and Glenwood Avenue, the Menlo Park Hotel is proposed to be developed as a 4-story building containing 63 hotel guestrooms, public and back-of-house space. The hotel will have a single basement level which will accommodate approximately 75 cars, in a valet service configuration, utilizing 2-tier mechanical stackers.

The hotel building is organized in an "L" shape which reinforces the El Camino Real and Glenwood Avenue corner and defines an outdoor south-facing landscaped pool court along El Camino in the southwest quadrant of the site. An arrival and passenger drop-off area is located adjacent to El Camino Real as well. This drop-off and arrival area is connected to the below-grade valet parking area with a two-way ramp. Service and maintenance access is accommodated in a loading area accessed along the northern property line at Glenwood Avenue. Utilizing the 1.5 F.A.R bonus provision, the building will contain 33,750 square feet of conditioned area plus the 17,600 square foot below-grade parking level.

The hotel's public spaces, including lobby check-in, a bar and restaurant, and a meeting room are located at the ground level. These spaces share views of the landscaped pool court and outdoor seating and dining areas adjacent to Glenwood and El Camino.

The contemporary design of the hotel features the use of locally sourced materials – integral color plaster, natural stone, and wood panels – with accents of painted metal. The hotel’s fenestration will incorporate clear Low-E glass and will feature full-height glazing and sliding wall elements at ground level public spaces to enhance the connection between indoor and outdoor spaces.

Proposed Hotel Spaces	
Room Description / Use	Approx. Square Footage
Guestroom Level 4	9,002
Guestroom Level 3	9,002
Guestroom Level 2	9,002
Restaurant + Bar	1,700
Function Space	950
Kitchen	850
Lobby	480
Restrooms	320
Back-of-House	1,042
Mechanical	347
Circulation	1,055
Subtotal (Level 1)	6,744
Total	33,750
Basement Parking Level	18,869 (75 cars)
Ramp	2,968

Each guestroom will have a set of glazed inward-opening French doors and an exterior “Juliet” balcony. The project will be designed to meet California’s Building Energy Efficiency Standards (codified in Title 24, Part 6 of the California Code of Regulations) and meet LEED Silver standards.

**MANAGEMENT AGREEMENTS**

The Company plans to select a management company or companies to run the hotel and restaurant operations following the acquisition of the property. The Manager has broad discretion under the LLC Agreement to determine the identity of the manager(s) and the terms of these arrangements.

The current list of hotel management companies that the Manager is considering include:

- Woodside Hotels
- Waterford Hotels
- Destination Hotels & Resorts
- Benchmark Hospitality
- HEI Hotels & Resorts

**CONSTRUCTION AGREEMENT**

The Company intends to use Build Group, Inc, as the general contractor for the Project. A construction agreement will be entered into after the key design elements are finalized. The Manager has broad discretion under the LLC Agreement to determine the identity of the contractor(s), as well as the terms of any construction agreements.

**SPECIFIC PLAN**

Because of the Company’s deep ties to Menlo Park, we wanted to bring forward a project that would enhance the community and help the city realize the Specific Plan. One of the Specific Plan’s Guiding

Principles is to generate vibrancy. The Specific Plan states that the community desires “a more active, vibrant downtown and station areas, with a mix of retail, residential and office uses that complement and support one another and bring vitality, including increased retail sales to the area” in a way that “encourage[s] redevelopment of underutilized and vacant land on El Camino Real”. The proposed hotel will offer guests a premier location within walking distance of Caltrain and downtown. Additionally, the hotel will be a destination location. People will come to the area in order to visit the hotel as well as its bar and restaurant.

Another Guiding Principle that the proposed project realizes is enhancing public space “that invites strolling and public gathering and allows for community life, identity and sense of place”. The proposed project will transform what is currently an uninviting vacant lot into an attractive and vibrant destination through landscaping improvements, sidewalk widening and a ground floor restaurant and bar with outdoor dining. The enhanced vibrancy and public space will also help achieve the Specific Plan’s Guiding Principle of enhancing connectivity and walkability by integrating “downtown, the Caltrain station area and the Civic Center”. The proposed project would provide wider sidewalks, more inviting streetscape and vibrancy near the downtown and Caltrain station.

### **PUBLIC BENEFIT DENSITY BONUS**

The feasibility of this project relies on securing the Public Benefit Bonus level of development. The Specific Plan’s ECR NE area allows for a base line FAR of 1.1 with the ability to go up to a 1.5 FAR utilizing the public density bonus. The Specific Plan visioning processes revealed that the community believes “hotels are a desirable use for the City from a fiscal and economic development perspective.” Accordingly, the Plan identifies the hotel use by itself could be considered a public benefit and there is precedent for this determination in the approval of the 555 Glenwood project.

#### Vibrancy

As aforementioned, the proposed hotel will offer guests a premier location within walking distance of Caltrain and downtown. The Plan states, “There is a relatively weak connection between the train station and downtown, with limited foot traffic and activities that would otherwise generate more vibrancy in the area.” This proposed would help improve this weak connection by generating foot traffic between the station and the hotel.

#### Transient Occupancy Tax Revenue

Besides enhancing downtown vibrancy, hotels generate substantial tax benefits in the form of 12% Transient Occupancy Tax (“TOT”) on Gross Rental Revenue, 1% Sales Tax on restaurant and bar and 12% of the 1.1% property tax. The proposed boutique hotel would introduce 63 hotel rooms to the City, which, assuming a stabilized occupancy rate of 76% and a first year room rate of \$350, will conservatively generate approximately \$700,000 in TOT revenue at the beginning and close to \$1,000,000 in year 10. The TOT tax alone will generate a projected \$8.5M in tax revenue over 10 years. Adding in conservative sales and property tax, we estimate over \$9M in total tax revenue, with no risk to the City of Menlo Park.

#### Direct Economic Stimulus to the Community

In addition to the transient occupancy tax revenue, the hotel will generate economic stimulus within the community on a direct basis. The project will provide a boutique luxury hotel which will serve business and leisure guests alike. The project’s location, within walking distance of Santa Cruz Avenue (the site sits within a 5 minute walking radius of the Santa Cruz/El Camino Real intersection) will create more business for the downtown area. Additionally, the project will include a high end restaurant and bar. This will provide tax revenue for the city as well as providing another option for members of the community to enjoy.

#### On-Site Improvements

- The project site plan is being designed to accommodate a right hand turn lane from Glenwood onto El Camino, thus improving traffic flow at that key intersection.
- Landscaping and site improvements planned for the setbacks along both El Camino and Glenwood will dramatically improve the public facing appearance of this key corner property.
- The public sidewalk along Glenwood will be reconfigured and widened.
- New curbs and gutters will be constructed along both El Camino and Glenwood.

The hotel will be aesthetically and energetically inviting, encouraging street level activity and enhancing the pedestrian environment. Menlo Park will get a new hotel while still preserving its village character.

#### Healthy Living and Sustainability

Sustainability and environmental stewardship will be at the forefront of the development and design team's thinking as this project moves ahead. Designed to meet LEED Silver equivalent standards, the hotel will be built and operated with resource efficiency in mind, focusing on energy and water conservation and the use of recycled material and locally sourced products.

#### Community Advocacy

Our boutique hotel would like to be an active member of the community. We anticipate the proposed hotel will:

- Participate in various local community programs
- Donate rooms to local schools for charity purposes (fundraisers), when appropriate
- Be a member of the chamber of commerce and will be involved in their events and causes
- Be actively involved in local festivals
- Seek ways to give back to the community
- Advertise in local papers
- Refer out to and promote local businesses

#### **PARKING RATE**

The Downtown Specific Plan calls for a parking ratio of 1.25 cars per hotel room, resulting in a requirement of 79 parking spaces. The Specific Plan hotel parking rate includes parking for amenities such as bars, restaurants, publically available meeting rooms and a fitness center. The proposed project is unique from the type of hotel used to calculate the standard Specific Plan hotel parking rate because it is boutique hotel with smaller scale amenities which require less parking. Additionally, due limited acreage the site can only accommodate 75 spaces in our proposed one level of underground parking. To achieve the parking rate of 1.25 per room would require provision of an additional level of underground parking which would make the project financially infeasible.

The reduction of four parking spaces is not expected to negatively impact the business operations or surrounding neighborhood for a number of reasons:

- Restaurants and meeting rooms typically utilize the most parking during the day, while hotel rooms utilize the most parking in the evening
- The meeting room will be primarily available to guests and will not generate additional parking demand
- The location is highly accessible to alternative transportation options. The hotel is 0.3 mile from the Menlo Park's Caltrain Station and four SamTrans bus routes (one Express, one Community, and two Caltrain connecting routes, one of which also connects to BART).
- Our client profile is business travelers who are likely to utilize car-pool, taxi, ride share or car service.

Initial discussions with Transpiration Staff have indicated that 75 parking spaces should be adequate for our proposed project. We remain open to working with the City should additional parking be needed.

### **THE CHALLENGE**

Hotels of the type we are proposing typically require sites with a minimum of 2 acres. This site is approximately 0.5 acres. The constraints of this site require flexibility and creativity to ensure the likelihood of a successful project, and our project relies on securing reduced parking requirements and the Public Benefit Bonus level of development. Fortunately, with the help of our longtime construction client, friend and WEBCOR founder, Ross Edwards, Sr., we have assembled an expert team of creative professionals including San Francisco Architect Mark Hornberger of Hornberger Worstell and premier hotel analyst PKF Consultants. Our team has been working with City Staff to design a project that meets the Specific Plan requirements, however, in order to raise the capital investment necessary to purchase the site we need to ensure a level of profitability for our primary institutional investor. The sellers of the site have given us until March 18, 2015 to provide non-refundable payment. In order to do that we are requesting feedback from the City Council regarding their openness to sharing TOT revenue for a limited period in order to ensure the necessary return to our primary institutional investor.

### **TOT SHARING**

Our high profile institutional investors will not invest in the project unless the hotel can achieve enough Net Operating Income (NOI) to meet their return parameters, and without their financing we will have to let the property go. Based on PKF's projections, years 2-6 will *not* meet those requirements, therefore, we are asking that the city consider sharing a relatively small portion (about 11 %) of the total estimated TOT this project will generate in the first 10 years in order to meet our investors' requirements. Specifically, we are suggesting we share the hotel's TOT during years 2-6, 75/25, which would generate approximately \$200,000 per year for 5 years. This sharing agreement would result in the City receiving an estimated \$7.5 million in TOT revenue in the first 10 years of operation while also allowing us to meet our institutional investors' requirements.

Given a projected cost of \$31.5M, or \$936 per square foot, there are considerable risks involved with endeavoring such an expensive project. Pollock Realty Corporation will be paying all of the costs to operate and manage the hotel, as well as the cost of the \$23M amortizing permanent loan. Only when the annual debt service payment is paid off will the investors and then Pollock receive the remaining cash flow. In contrast, the proposed boutique hotel's tax revenue is *pure bonus revenue* to the City with no accompanying economic disadvantages to local businesses. It is unlikely that another developer would propose a hotel for this site given its limited acreage. If Pollock Realty Corporation is unable to acquire the property, some sort of mixed use project with commercial, residential and some retail is likely to be proposed...and the city will not receive any of the estimated \$8.5M of TOT tax.

### **DEVELOPER and CONSULTANTS' TRACK RECORDS**

The developer, **Pollock Realty Corporation**, has been in business since Jim Pollock founded it in 1960.

**Pollock Realty Corporation** or its affiliates have acquired and managed, either by themselves or with others, approximately 95 properties since buying the first building at 801 Welch Rd. in Palo Alto in 1966. During this time Pollock Realty Corporation has worked with a number of management partners including Ned Spieker, Trammel Crow, Bill Wilson, Bob Courson and Roger Stuhlmuller. Pollock Realty Corporation's recent projects have included two \$90,000,000 funds consisting of three properties each, known as Pollock 2006 Properties and Pollock 2007-2008 Properties, to accommodate tax-free exchange properties in the Pollock portfolio which were sold. Pollock Realty

Corporation is responsible for all aspects of the management of the portfolios from building maintenance and property management to investor relations and portfolio performance. It handles the leasing and marketing needs, builds tenant relationships, and manages the property maintenance and improvements. Investor relations and communication is a priority as well. Pollock Realty Corporation distributes the partnership tax returns, annual reports and cash flow. It also monitors the performance of the portfolios and determines when the market is best for acting on key investment decisions such as refinancing, selling or adjusting cash flow. Its market expertise, community relationships, and management skills guide it in operating and managing its successful real estate investments.

One building of note included in the Pollock 2006 Properties portfolio is 321 Middlefield Medical Suites: A 45,000 square foot Class A Medical Office Building, leased primarily to Stanford Medical and its affiliates. The building was given an Environmental Quality award in 2008 for Sustainable Renovation.

**Consultant Ross Edwards, Sr.** (Founder of Webcor): as part of Oak Grove and Merrill Associates, developed Menlo Square which has 25 condominium units with three BMR units at Menlo Park Train Station and the restaurant building, now "Bradley's Fine Diner."

**Mark Hornberger**, FAIA, NCARB, Design Principal  
Hornberger + Worstell Architects

Mark Hornberger is a co-Founding Principal and design leader of the firm. He brings a keen understanding of the complex and integrated nature of urban hospitality, conference centers and mixed-use projects, knowing that success depends on their ability to achieve distinction as inviting and memorable environments as well as highly functional properties.

As Principal-in-Charge of Design, Mark directs the firm's master planning and design efforts. In addition, he leads the firm's public approvals process, working closely with state and local agencies, community leaders and related stakeholders to ensure a full understanding and acceptance of a project's program and design goals.

Over the last two decades, Mr. Hornberger and his design team have completed over forty major hospitality projects. These designs are focused on sites across North America, Latin America, and the Pacific Rim/Asia. Mr. Hornberger's hotel architecture consistently employs regional materials and geographically inspired forms to create memorable guest environments. His hotel design projects include, among others, the W Scottsdale, W San Francisco, Ritz-Carlton Lake Tahoe, Omni San Diego, InterContinental San Francisco, La Cantera Hill Country Resort, Hyatt Regency Scottsdale Resort at Gainey Ranch and The Proper San Francisco.

Go to [www.hornbergerworstell.com](http://www.hornbergerworstell.com) for biography and portfolio

Please direct all correspondence regarding the enclosed to:

Jeff Pollock  
Pollock Financial Group  
150 Portola Rd.  
Portola Valley, CA 94028-7852  
650-529-0500, ext. 217

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## Study Session - Boutique Hotel at 1400 El Camino Real | Menlo Park, California

MENLO PARK BOUTIQUE HOTEL



Prepared for:  
**Pollock Financial Group**

by:  
**Hornberger + Worstell Architects**

February 10, 2015

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**Menlo Park Boutique Hotel - City Council Study Session**

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- Typical Hotel Floor Plans 4
- Below Grade Level - Stacking Parking Options 5
- Stacking Parking Images 6
- Hotel Sections A-A and B-B 7
- Hotel Elevation 8
- Precedent Image Sheets 9-11



## DESIGN NARRATIVE

### Menlo Park Boutique Hotel

Located on a prominent site at the corner of El Camino Real and Glenwood Avenue, the Menlo Park Hotel is proposed to be developed as a 4-story building containing 63 hotel guestrooms, public and back-of-house space. The hotel will have a single basement level which will accommodate approximately 75 cars, in a valet service configuration, utilizing 2-tier mechanical stackers.

The hotel building is organized in an “L” shape which reinforces the El Camino Real and Glenwood Avenue corner and defines an outdoor south-facing landscaped pool court along El Camino in the southwest quadrant of the site. An arrival and passenger drop-off area is located adjacent to El Camino Real as well. This drop-off and arrival area is connected to the belowgrade valet parking area with a two-way ramp. Service and maintenance access is accommodated in a loading area accessed along the northern property line at Glenwood Avenue. Utilizing the 1.5 F.A.R bonus provision, the building will contain 33,750 square feet of conditioned area plus the 18,869 square foot below-grade parking level.

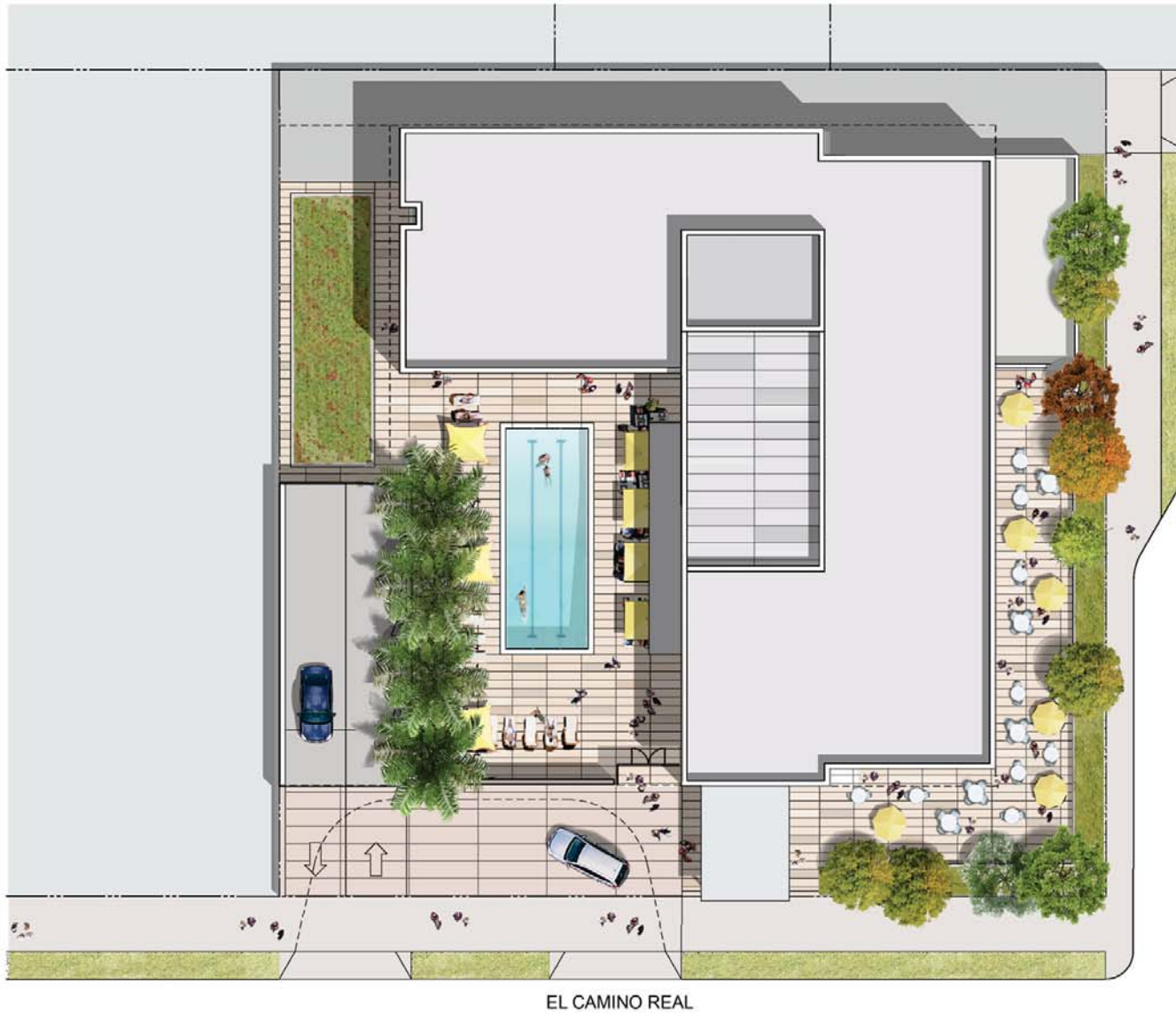
The hotel’s public spaces, including lobby check-in, a bar and restaurant, and a meeting room are located at the ground level. These spaces share views of the landscaped pool court and outdoor seating and dining areas adjacent to Glenwood and El Camino.

The contemporary design of the hotel features the use of locally sourced materials – integral color plaster and wood panels – with accents of painted metal. The hotel’s fenestration will incorporate clear Low-E glass and will feature full-height glazing and sliding wall elements at ground level public spaces to enhance the connection between indoor and outdoor spaces.

Each guestroom will have a set of glazed inward-opening French doors and an exterior sliding privacy/ sunscreen panel. This sliding screen will give each guest the ability to control light and views from the room. The various and constantly changing positions of these screens will activate and enliven the façade of the hotel.

The project will be designed to meet LEED Silver standards.





EL CAMINO REAL

GLENWOOD AVE.

Plan | Roof/Site Plan

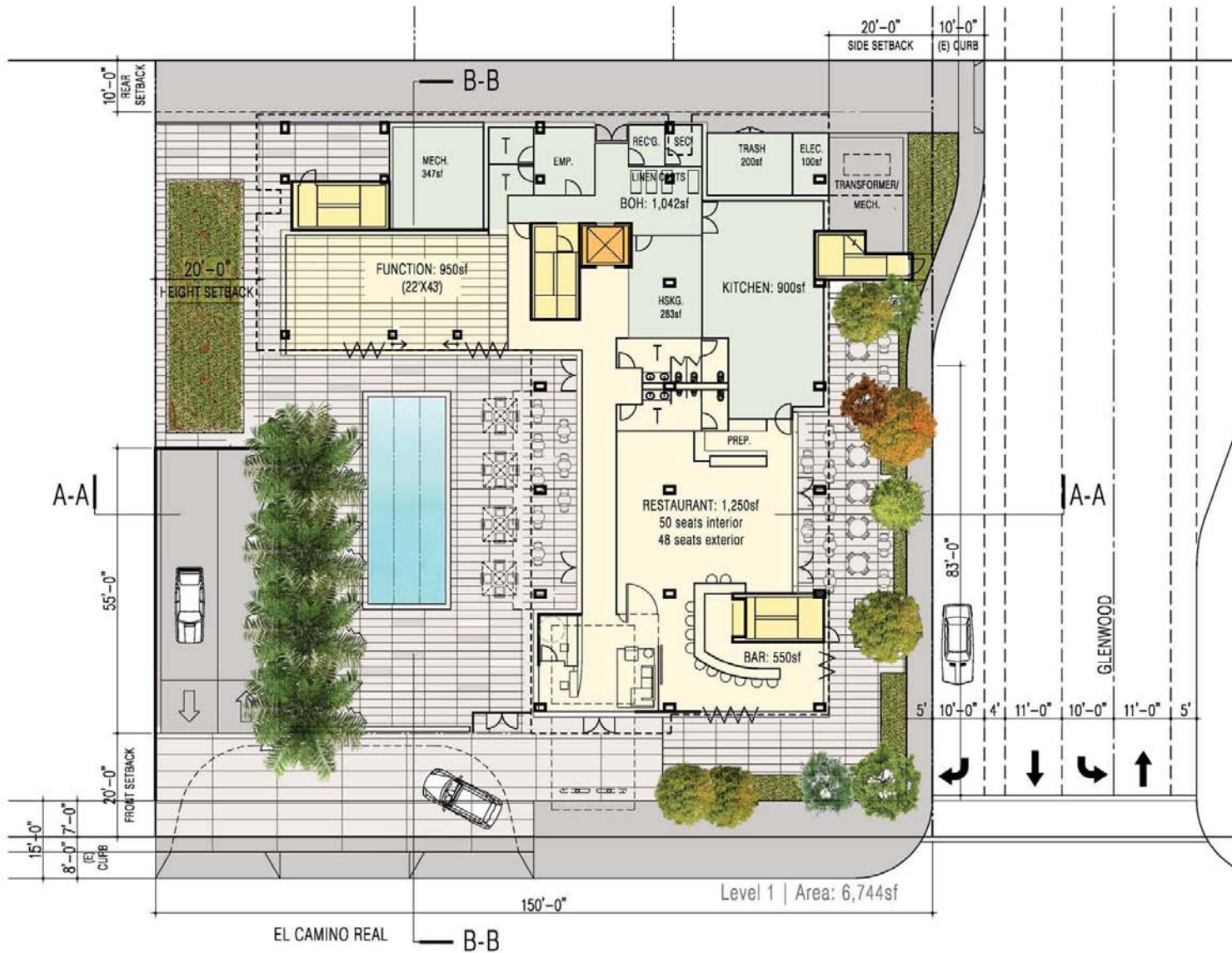


February 10, 2015 | 2

Study Session - Boutique Hotel at 1400 El Camino Real | Menlo Park, California

Hornberger + Worstell Architects  
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**MENLO PARK BOUTIQUE HOTEL:**

Level 1:	6,744sf
Level 2:	9,002sf
Level 3:	9,002sf
Level 4:	9,002sf
<b>Total:</b>	<b>33,750sf</b>

Site Area: 150' x 150' = 22,500sf  
 Allowable FAR of 1.5 = 33,750sf  
 Open Space = 9,161sf or 41%

**Hotel, Ramp and Porte Cochere Coverage:**

Level 1 (hatch footprint):	8,231sf
Service Alley:	1,888sf
Garage Ramp & Porte Cochere:	3,220sf
<b>Total:</b>	<b>13,339sf or 59%</b>

Guestroom Keys: 3x21 = 63 Keys

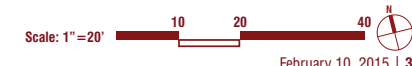
**Parking Requirement:**

.86 spaces per Key: .86x63 = 54 spaces	
Public Spaces = 3,500sf	
6 per 1,000 = 21 spaces	
<b>Total Required / Provided</b>	<b>75 spaces</b>

**Parking Area Calculation:**

Parking Area	= 18,869sf
Ramp Area	= 2,968sf
<b>Total Area</b>	<b>= 21,837sf</b>

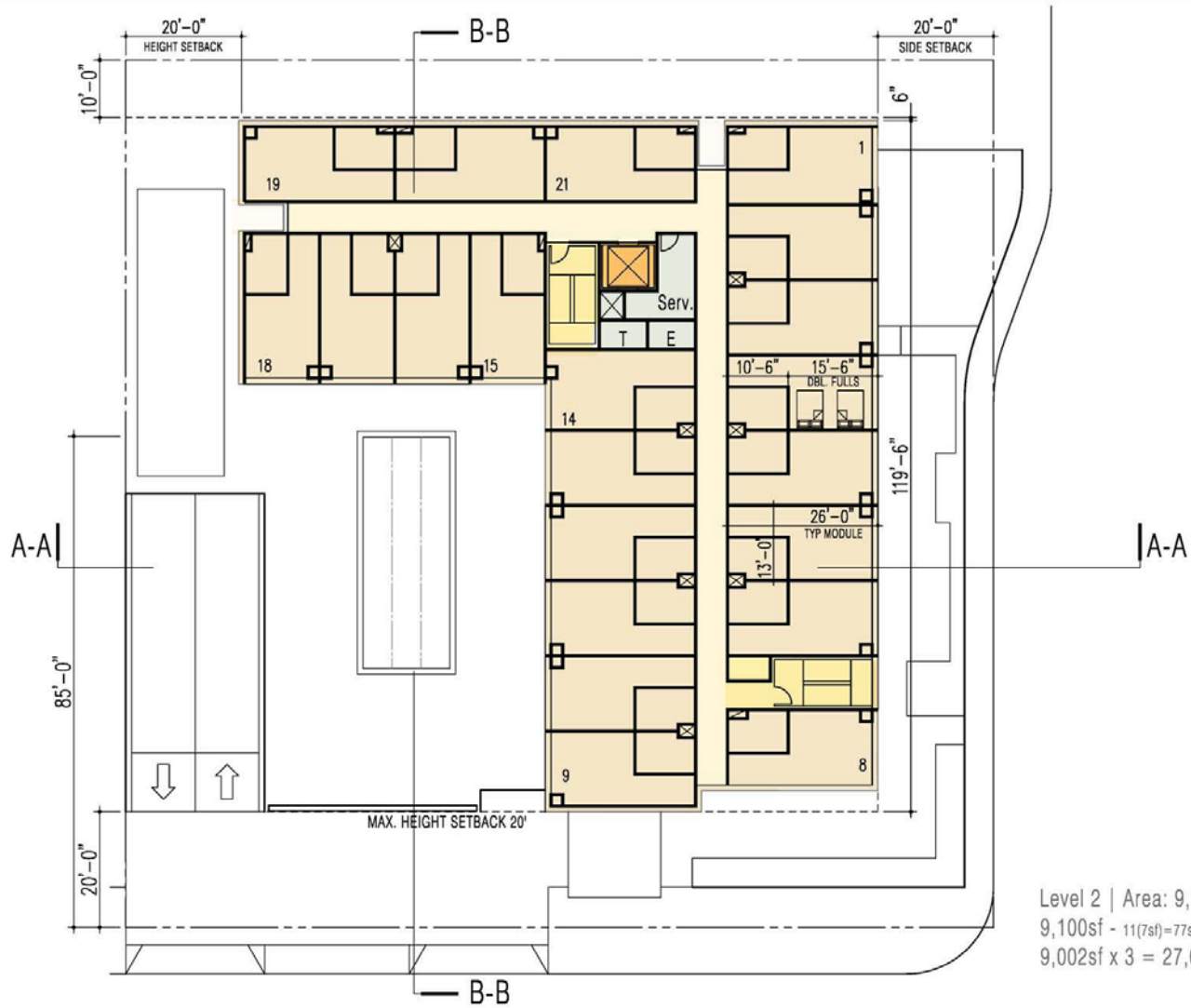
Floor Plan | Ground Level



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Level 2 | Area: 9,100sf  
 9,100sf - 11(7sf)=77sf - 21sf (chute) = 9,002sf  
 9,002sf x 3 = 27,006sf

Floor Plan | Typical Guestroom Levels 2,3,4

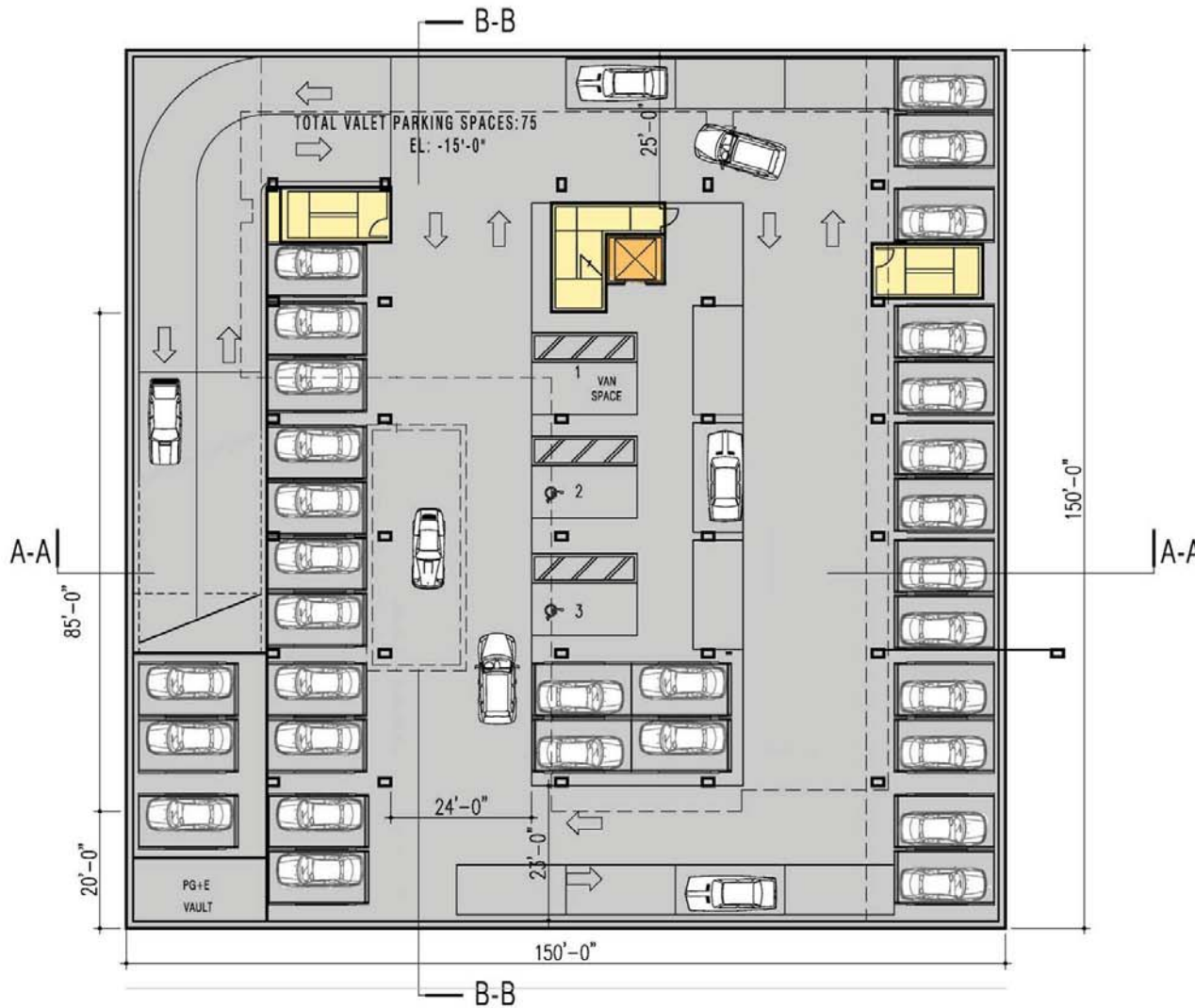


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Study Session - Boutique Hotel at 1400 El Camino Real | Menlo Park, California

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City of Menlo Park Handicap Parking Design Guidelines  
Disabled Parking Spaces:

# of Parking Spaces	min. disable spaces
1 to 25	1
26 to 50	2
51 to 75	3

Stackers	62 Cars
Non-Stackers	10 Cars
Handicap	03 Cars
<b>Total</b>	<b>75 Cars</b>



Floor Plan | Below Grade Level - Stacked Parking

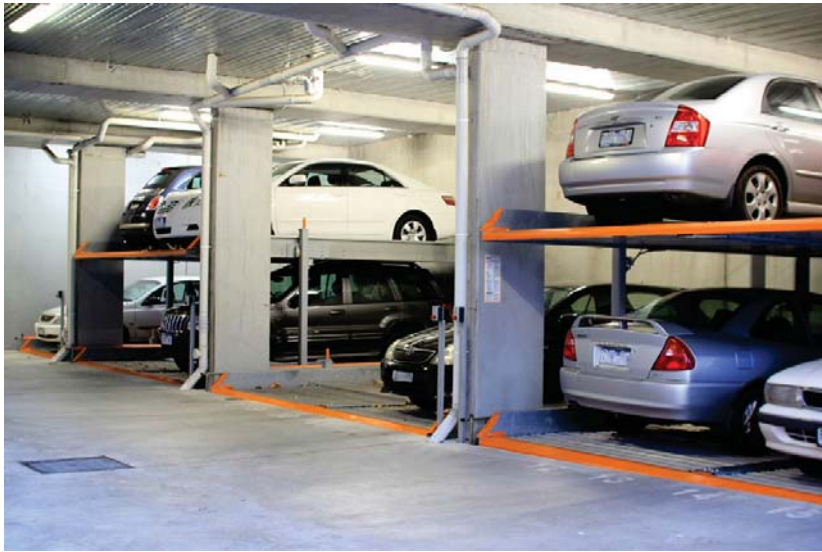
Scale: 1"=20'

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Study Session - Boutique Hotel at 1400 El Camino Real | Menlo Park, California

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Precedent Images | Stack Parkers by Klaus Multiparking

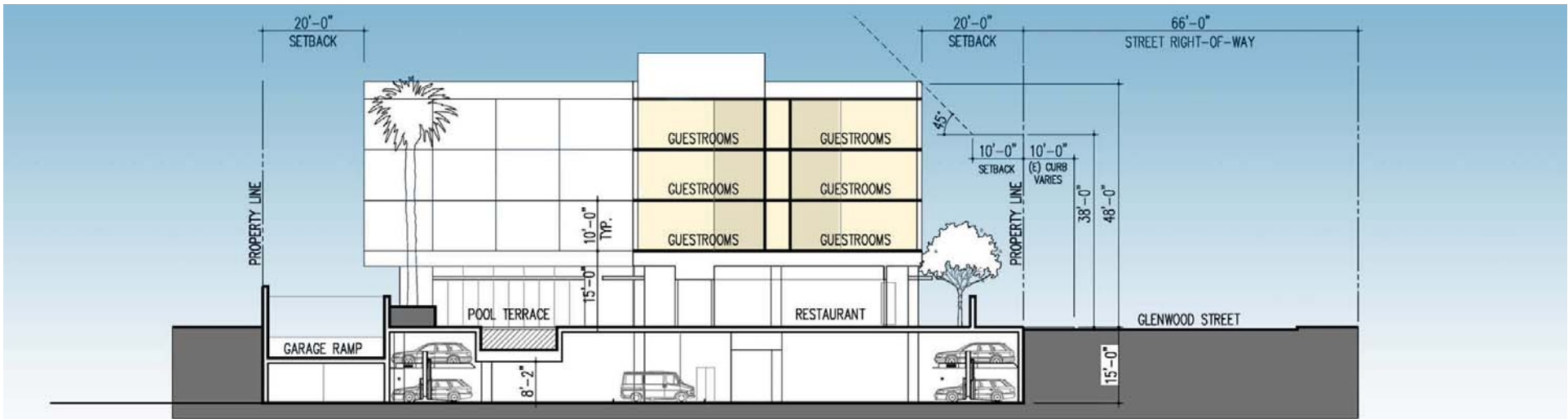
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Study Session - Boutique Hotel at 1400 El Camino Real | Menlo Park, California

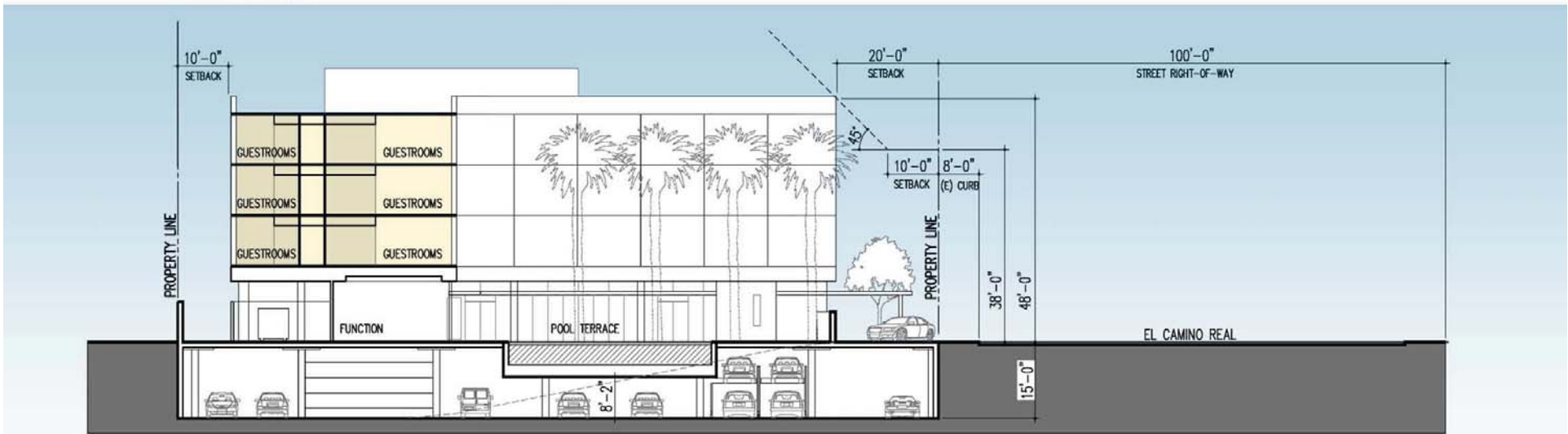
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Section A-A | Option A



Section B-B | Option A

Building Sections | Option A - Section A-A and Section B-B

Scale: 1"=20' 10 20 40

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Study Session - Boutique Hotel at 1400 El Camino Real | Menlo Park, California

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MENLO PARK HOTEL

MKH  
-14-

El Camino Real Elevation

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Study Session - Boutique Hotel at 1400 El Camino Real | Menlo Park, California

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Precedent Images | Hotel Healdsburg and H2 Hotel

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Study Session - Boutique Hotel at 1400 El Camino Real | Menlo Park, California



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Precedent Images | Shore Santa Monica & Heathman Hotel, Kirkland

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Precedent Images | The Epiphany

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## OFFICE OF THE CITY MANAGER

Council Meeting Date: February 24, 2015

Staff Report #: 15-039

**CONSENT CALENDAR:**                    **Approve an Appropriation of \$41,500 and Authorize the City Manager to Execute an Agreement, not to Exceed a Total of \$41,500, with Up Urban, Inc. for Phase II of the Menlo Park Economic Development Plan Update and Facilitation of a City Council Study Session on Public Benefit Strategies**

### RECOMMENDATION

Staff recommends that the City Council approve the appropriation of \$41,500 and authorize the City Manager to execute an agreement, not to exceed a total of \$41,500, with Up Urban, Inc. for Phase II of the Menlo Park Economic Development Plan Update and facilitation of a City Council Study Session on Public Benefit Strategies

### POLICY ISSUES

Updating the Economic Development Plan is a City Council Goal and the City Council has approved the Economic Development Plan Goals. Phase II of this effort will provide the City with strategies for realizing the Economic Development Plan Goals. This action also includes services for facilitating Council review and direction on refining public benefit, which will be helpful as the City considers projects within the El Camino Real/Downtown Specific Plan area and provides direction for the General Plan Update.

### BACKGROUND

While the nation has shifted from a manufacturing based to an innovation based economy, Menlo Park's land use, transportation and economic strategies have not followed suit. As a result, Menlo Park is losing ground compared to neighboring cities, and the residents are missing out on the benefits of the innovation economy for the community. To address this, City Council directed staff to update the Economic Development Plan to make Menlo Park more competitive in the regional and global economy.

Up Urban Inc., the consultant selected to assist with the Economic Development Plan, expanded on the Economic Trends Report in the Comparative Economic Advantage Study (CEAS). The CEAS analyzes Menlo Park's existing economic conditions in comparison to other Bay Area cities, characterizes the role Menlo Park plays in the regional economy, identifies areas where Menlo Park could improve in order to become more competitive,

and examines how other cities are attempting to capture the value of development in their community.

On November 14, 2014, the Economic Development Plan Stakeholder Group met to discuss the findings of the CEAS and to brainstorm Plan goals. The results of this brainstorming session were used by UP in their drafting of an Economic Development Plan that was presented to the Stakeholder group on December 9, 2014 in a public meeting.

On December 16, 2014, the City Council hosted a study session on efforts to update the Economic Development Plan. The Council provided feedback on the Economic Development Goals and suggested potential strategies that will be incorporated into the next phase of drafting the new Economic Development Plan.

On January 27, 2015, the City Council approved the Economic Development Plan Goals and directed staff to return with a budget and scope of work for completing Phase II of the Economic Development Plan.

## **ANALYSIS**

The contract for the scope of work in Phase II (Attachment A) is within the City Manager's signature authority. However, the combined contracts of Phase I (\$40,235) and II total \$81,735 exceeding the City Manager's authority. Therefore, Staff recommends that the City Council authorize the City Manager to execute an agreement for Phase II, not to exceed a total of \$41,500, with Up Urban, Inc. Below is the proposed scope of work and timeline that has been negotiated with the Up Urban, Inc.

### Scope of work

1. Drafting of a high-level strategic document that contains specific policy recommendations for each of Menlo Park's 11 Economic Development Goals, identified in Phase I.
2. Working with City staff and the public stakeholder group, UP will identify a subset of the 11 Economic Development Goals (3-4 max.) that most directly inform and support Menlo Park's current General Plan update and the unique and time-sensitive rezoning and development opportunities in the City's M-2 and Belle Haven neighborhood. UP will develop more detailed recommendations and specific value capture strategies for these Goals.
3. UP will combine the deliverables of Phase I (the comparative advantage study and economic development goals) with these Phase II elements (the strategic policy document and the value capture strategies) to form the City's Economic Development Plan.
4. In addition to the services outlined above, UP will facilitate a Council Study Session on Value Capture/Public Benefit Strategies.



Timeline: based on a February 24<sup>th</sup> Council approval:

Council Study Session on Value Capture/Public Benefit Strategies	March 24 <sup>th</sup>
Draft Strategic Policy Document to City for Feedback	March 30 <sup>th</sup>
Feedback on Draft Strategic Policy Document from City	April 2 <sup>nd</sup>
Final Draft Strategic Policy Document to City	April 17 <sup>th</sup>
Draft Implementation Strategies to City for Feedback	May 1 <sup>st</sup>
Feedback on Draft Implementation Strategies from City	May 8 <sup>th</sup>
Final Draft Implementation Strategies to City	May 29 <sup>th</sup>
Presentation of Strategic Policies and Implementation Strategies to public stakeholder group for feedback	June 2 <sup>nd</sup>
Presentation of Strategic Policies and Implementation Strategies to City Council for Feedback	June 9 <sup>th</sup>
Final presentation of the Economic Development Plan to Council and submission of final documents	June 22 <sup>nd</sup>

**IMPACT ON CITY RESOURCES**

The contract with Up Urban Inc. will not exceed \$41,500 and no additional staff resources are anticipated for development of the Economic Development Plan.

**ENVIRONMENTAL REVIEW**

The Economic Development Plan is not a project under 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. Phase II Scope of Services for Menlo Park’s Economic Development Plan

Report prepared by:  
*Jim Cogan*  
*Economic Development Manager*

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February 12, 2015

Attention: Jim Cogan

Subject: **Phase II Scope of Services for Menlo Park's Economic Development Plan -- Policy Recommendations & Implementation Strategies**

Dear Jim:

We are pleased to offer this proposed Phase II scope of services for Menlo Park.

## **GENERAL**

This Scope of Work ("Scope") describes the tasks to be performed by UP Urban, Inc. ("UP"), a 501(c)(3) non-profit corporation, for the City of Menlo Park ("the City"), for Phase II of the Menlo Park Economic Development Plan.

In Phase I, UP completed a comparative economic advantage analysis to frame the City's thinking about economic development goals relative to their regional strengths and weaknesses. Working with a public stakeholder group and the City Council, UP used this background study to define and clarify the City's economic development goals.

Phase II builds upon this effort to deliver actionable policies and implementation strategies to support the economic development goals with the production of specific policy recommendations and implementation strategies based on the City's newly identified Economic Development Goals. UP will focus a greater share of its time and resources on policies and strategies related to the City's current General Plan update and immediate development and rezoning opportunities in the City's M-2 District and Belle Haven neighborhood.

The deliverables from Phase I will be combined with those of Phase II to form the City's final Economic Development Plan, to be reviewed and adopted by Council in June, 2015.

## **SUMMARY OF SERVICES**

### **Phase II – Policy Recommendations & Implementation Strategies**

Phase II will include the following elements:

1. Drafting of a high-level strategic document that contains specific policy recommendations for each of Menlo Park's 11 Economic Development Goals, identified in Phase I.
2. Working with City staff and the public stakeholder group, UP will identify a subset of the 11 Economic Development Goals (3-4 max.) that most directly inform and support Menlo Park's current General Plan update and the unique and time-sensitive rezoning and development opportunities in the City's M-2 and Belle Haven neighborhood. UP will develop more detailed recommendations and specific value capture strategies for these Goals.

A non profit venture dedicated to civic entrepreneurship.

[www.upurban.org](http://www.upurban.org) 315 Linden Street San Francisco, CA 94102 415 551.7610



- UP will combine the deliverables of Phase I (the comparative advantage study and economic development goals) with these Phase II elements (the strategic policy document and the value capture strategies) to form the City’s Economic Development Plan.
- In addition to the services outlined above, UP will facilitate a Council Study Session on Value Capture/Public Benefit Strategies in order to educate the Council about these types of public benefit strategies.

**TIMELINE**

**Phase II Timeline**, based on a **February 24<sup>th</sup>** Council approval:

<b><i>Council Study Session on Value Capture/Public Benefit Strategies</i></b>	<b><i>March 24<sup>th</sup></i></b>
Draft Strategic Policy Document to City for Feedback	March 30 <sup>th</sup>
Feedback on Draft Strategic Policy Document from City	April 2 <sup>nd</sup>
Final Draft Strategic Policy Document to City	April 17 <sup>th</sup>
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Presentation of Strategic Policies and Implementation Strategies to City Council for Feedback	June 9 <sup>th</sup>
Final presentation of the Economic Development Plan to Council and submission of final documents	June 22 <sup>nd</sup>

**FEE**

**PHASE II - \$40,000 fee** paid in four installments:

- \$10,000 due upon execution of contract (February 24<sup>th</sup>)
- \$10,000 due upon submission of Final Draft Strategic Policy Document (April 17<sup>th</sup>)
- \$10,000 due upon submission of Final Draft Implementation Strategies (May 29<sup>th</sup>)
- \$10,000 due upon completion of final deliverable, the presentation of the Economic Development Plan to City Council and submission of final documents. (June 22<sup>nd</sup>)

**Direct expenses:** Not to exceed \$1,500 for Phase II. Direct expenses will be billed with invoices, and include but are not limited to printed materials and travel expenses.



## LIBRARY SERVICES DEPARTMENT

Council Meeting Date: February 24, 2015

Staff Report #: 15-031

**CONSENT CALENDAR:**                    **Authorize the City Manager to Exceed his Purchase Authority for the Purchase and Processing of Library Materials from Baker & Taylor in an Amount not to Exceed \$105,000**

### RECOMMENDATION

Authorize the City Manager to exceed his purchase authority for the purchase and processing of library materials from Baker & Taylor in an amount not to exceed \$105,000.

### POLICY ISSUES

Outsourcing the materials processing of Library items to vendors like Baker and Taylor supports Council's adopted 2014 goal #12 – Exploring shared services with other agencies.

### BACKGROUND

The Library Services Department purchases books, DVDs, magazines, music CDs, and electronic content (e-books, e-magazines and database subscriptions) from many vendors. These include larger publishing houses and library materials distributors like Ingram, Midwest Tapes, Recorded Books, Ebsco, and Baker & Taylor; web retailers like Amazon, smaller presses, resale markets for out of print materials, and individual film and book creators. The Library's budget for materials in 2014/2015 is \$211,300. Baker & Taylor is a large distributor of books and electronic content and the major vendor used by the Library for purchasing materials. They also provide value-added services like the physical processing of books and audio visual items (applying RFID tags, barcodes, stickers and property stamps to purchased items), and electronic bibliographic material for the Library's catalog. The Library has purchased materials from Baker & Taylor for more than 20 years and value added services for 16 years. Based on year-to-date expenditures with Baker and Taylor, as well as historical expenditures, the Library anticipates exceeding the City Manager's existing approval authority with its cumulative purchases from Baker & Taylor this fiscal year.

## **ANALYSIS**

The purpose of the recommended increase in purchasing authority for the City Manager is to comply with existing purchasing policy restrictions. This is not a request for additional funds. In addition to getting Council's approval, the Library is working with the Finance Department to set up blanket purchase orders for their larger vendors. Setting up a blanket purchase order with a vendor like Baker & Taylor will increase staff efficiencies by reducing the number of individual invoices processed by Library and Finance staff.

## **IMPACT ON CITY RESOURCES**

Authorizing the use of this vendor for more than the existing cap of \$50,000 will provide efficiencies for the Library Services Department and the Finance Department. The Library will remain within its budget limits.

## **ENVIRONMENTAL REVIEW**

No environmental review is required for these purchases.

## **PUBLIC NOTICE**

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

Report prepared by:

*Nick Szegda*

*Librarian III, Collection Development Coordinator*



## PUBLIC WORKS DEPARTMENT

Council Meeting Date: February 24, 2015

Staff Report #: 15-029

**CONSENT CALENDAR:**                    **Adopt a Resolution to Request \$354,100 of Lifeline Transportation Program funds from the Metropolitan Transportation Commission to Fund 50-percent of the Proposed \$708,200 Three Year Operations Budget for the City's Midday Shuttle Service Spanning Fiscal Years 2015-16 through 2017-18**

### RECOMMENDATION

Staff recommends that Council adopt a resolution (Attachment A) to request \$354,100 of Lifeline Transportation Program funds from the Metropolitan Transportation Commission (MTC) to fund 50-percent of the proposed \$708,200 three year budget for the City's Midday Shuttle Service spanning Fiscal Years (FY) 2015-16 through 2017-18.

### POLICY ISSUES

This project is in line with several policies in the 1994 General Plan Circulation and Transportation Element. These policies seek to promote the use of public transit and to promote the use of alternatives to the single-occupant automobile.

### BACKGROUND

The MTC (the Bay Area's regional transportation planning, coordinating and financing agency) established a Lifeline Transportation Program to assist in funding projects that are primarily intended to result in improved mobility for those with low-income.

On October 24, 2014, C/CAG issued a competitive call for projects for funding assistance through the Lifeline Transportation Program over the next three years. The Midday Shuttle is currently partially funded by the Lifeline Transportation Program through June 30, 2015. City staff submitted an application on December 5, 2014 for the Lifeline Program call for projects; a resolution of support from the City Council is required by June 30, 2015 before funding may be awarded through this program.

### ANALYSIS

The Midday Shuttle has been providing the Belle Haven community and other neighborhoods with reliable local transit since 1998. The Midday Shuttle has continued to

be successful in attracting riders, providing critical transportation needs, and meeting on-time performance goals. Annually, the route services over 23,700 passengers and exceeds Samtrans' performance goals: passengers per service hour (10.8 actual vs. 10.0 goal); and cost per passenger (\$7.24 actual vs. \$9.00 goal) for the most recent fiscal year of service.

The following table shows the proposed budget for the Midday Shuttle over the next three years, including anticipated revenue sources if the Lifeline Transportation Program application is successful. The application to the Lifeline Transportation Program includes a request for 50 percent of the Midday Shuttle cost over the next three years, or \$354,100.

<b>Expenditures</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Total</b>
Shuttle Operator Cost	\$198,000	\$210,500	\$223,100	\$631,600
Administrative Expenses	\$ 22,200	\$ 23,500	\$ 24,900	\$ 70,600
Samtrans Admin Fee*	\$ 6,000	\$ 0	\$ 0	\$ 6,000
<b>Total Expenses</b>	<b>\$226,200</b>	<b>\$234,000</b>	<b>\$248,000</b>	<b>\$708,200</b>

<b>Revenue</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Total</b>
MTC Lifeline Grant	\$113,100	\$117,000	\$124,000	\$354,100
C/CAG-TA Grant	\$113,100	\$117,000	\$124,000	\$354,100
<b>Total Revenue</b>	<b>\$226,200</b>	<b>\$234,000</b>	<b>\$248,000</b>	<b>\$708,200</b>

\*An administrative oversight fee is required as a condition of accepting Lifeline funding.

**IMPACT ON CITY RESOURCES**

Accepting \$354,100 from the MTC relieves the City from having to seek and acquire this amount from other sources, but in order to guarantee receipt of this total amount the City must raise a 50 percent funding match to support the Midday Shuttle's proposed total operations budget of \$708,200 over the next three years. The proposed match, as shown in the table above, relies on funding awarded from C/CAG through FY 2016-2017 to guarantee current service levels.

Should the City be unsuccessful in securing the additional needed funds from C/CAG or alternative sources in FY 2017-18, future Midday Shuttle service may have to be scaled back and the amount of Lifeline funding available for reimbursement may be reduced proportionately.

**ENVIRONMENTAL REVIEW**

This proposed action is categorically exempt under the current California Environmental Quality Act Guidelines as this is a service already operated by the City.

**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:  
*Deborah Helming*  
*TSM Coordinator*

Report prepared by:  
*Nikki Nagaya*  
*Transportation Manager*

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**RESOLUTION NO.****RESOLUTION TO REQUEST LIFELINE TRANSPORTATION GRANT FUNDS FROM MTC TO PARTIALLY FUND THE MIDDAY SHUTTLE SERVICE**

WHEREAS, the Metropolitan Transportation Commission (MTC) has established a Lifeline Transportation Program to assist in funding projects that 1) are intended to result in improved mobility for low-income residents of the nine San Francisco Bay Area counties, 2) are developed through a collaborative and inclusive planning process and 3) are proposed to address transportation gaps and/or barriers identified through a substantive community-based transportation plan or are otherwise based on a documented assessment of needs; and

WHEREAS, MTC has adopted principles, pursuant to MTC Resolution No. 4159, to guide implementation of the Lifeline Transportation Program for the three year period from Fiscal Year 2013-14 through Fiscal Year 2015-16, and has designated the County Congestion Management Agency (or another countywide entity) in each of the nine bay area counties to help with recommending project selections and project administration; and

WHEREAS, the City/County Association of Governments of San Mateo County (C/CAG) has been designated by MTC to assist with the Lifeline Transportation Program in San Mateo County on behalf of MTC; and

WHEREAS, C/CAG conducted a competitive call for projects for the Lifeline Transportation Program in San Mateo County; and

WHEREAS, the City of Menlo Park submitted a project in response to the competitive call for projects; and

WHEREAS, C/CAG has confirmed that the City of Menlo's proposed project, described more fully on Attachment A to this Resolution, attached to and incorporated herein as though set forth at length, is consistent with the Lifeline Transportation Program goals as set out in MTC Resolution No. 4159; and

WHEREAS, C/CAG, after review, recommends the City of Menlo's proposed project, described more fully on Attachment A to this Resolution, attached to and incorporated herein as though set forth at length, be funded in part under the Lifeline Transportation Program; and

WHEREAS, the City of Menlo Park agrees to meet project delivery and obligation deadlines, comply with funding conditions placed on the receipt of funds allocated to the Lifeline Transportation Program, provide for the required local matching funds, and satisfy all other conditions set forth in MTC Resolution No. 4159; and

WHEREAS, the City of Menlo Park certifies that the project and purpose for which funds are being requested is in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations

Section 1500 et seq.) and if relevant the National Environmental Policy Act (NEPA), 42 USC Section 4-1 et seq. and the applicable regulations there under; and

WHEREAS, there is no legal impediment to the City of Menlo Park making the funding request; and

WHEREAS, there is no pending or threatened litigation which might in any way adversely affect the ability of the City of Menlo Park to deliver the proposed project for which funds are being requested, now therefore be it

RESOLVED, that the City of Menlo Park requests that MTC program funds available under its Lifeline Transportation Program, in the amounts requested for which the City of Menlo Park is eligible, for the project described in Attachment A of this Resolution; and be it further

RESOLVED, that staff of the City of Menlo Park shall forward a copy of this Resolution, and such other information as may be required, to MTC, C/CAG, and such other agencies as may be appropriate.

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 tenth day of February, 2015, 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 tenth day of February, 2015.

---

Pamela Aguilar  
City Clerk

**SAMPLE ATTACHMENT A**  
**Lifeline Transportation Program Cycle 4 Projects**

<b>Project Name</b>	<b>Project Description</b>	<b>Lifeline Transportation Program Funding Amounts</b>					<b>Local Match Amount</b>	<b>Total Project Cost</b>
		<b>1B</b>	<b>STA</b>	<b>JARC</b>	<b>STP</b>	<b>Total Lifeline Funding</b>		
Menlo Park Midday Shuttle Operations	Free weekday community shuttle serving the Belle Haven neighborhood and low-income and/or senior housing developments throughout the City of Menlo Park	\$0	\$354,100	\$0	\$0	\$354,100	\$354,100	\$708,200

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## PUBLIC WORKS DEPARTMENT

Council Meeting Date: February 24, 2015

Staff Report #: 15-030

**CONSENT CALENDAR:**                    **Adopt a Resolution Supporting San Mateo County Community Choice Aggregation**

---

### RECOMMENDATION

Staff recommends that Council adopt a resolution (Attachment A) supporting progress toward creation of a San Mateo County-wide Community Choice Aggregation (CCA) for the procurement of environmentally preferable electrical power.

### POLICY ISSUES

The resolution of support is consistent with the City of Menlo Park's Climate Action Plan.

### BACKGROUND

CCA allows cities and counties to aggregate the buying power of individual customers within a defined jurisdiction in order to secure alternative energy supply contracts on a community-wide basis. It also allows consumers to opt-out if they do not wish to participate. CCAs are operational in Marin and Sonoma counties, and several others are under consideration throughout the State of California, including an effort in San Mateo County.

In 2009, Menlo Park City Council adopted a Climate Action Plan (CAP) and in 2011, City Council adopted a greenhouse gas (GHG) reduction target of 27% below 2005 levels by 2020. By 2020, it is estimated statewide initiatives will reduce Menlo Park's GHG emissions by 10%, leaving the remaining 17% to be provided by Menlo Park initiatives.

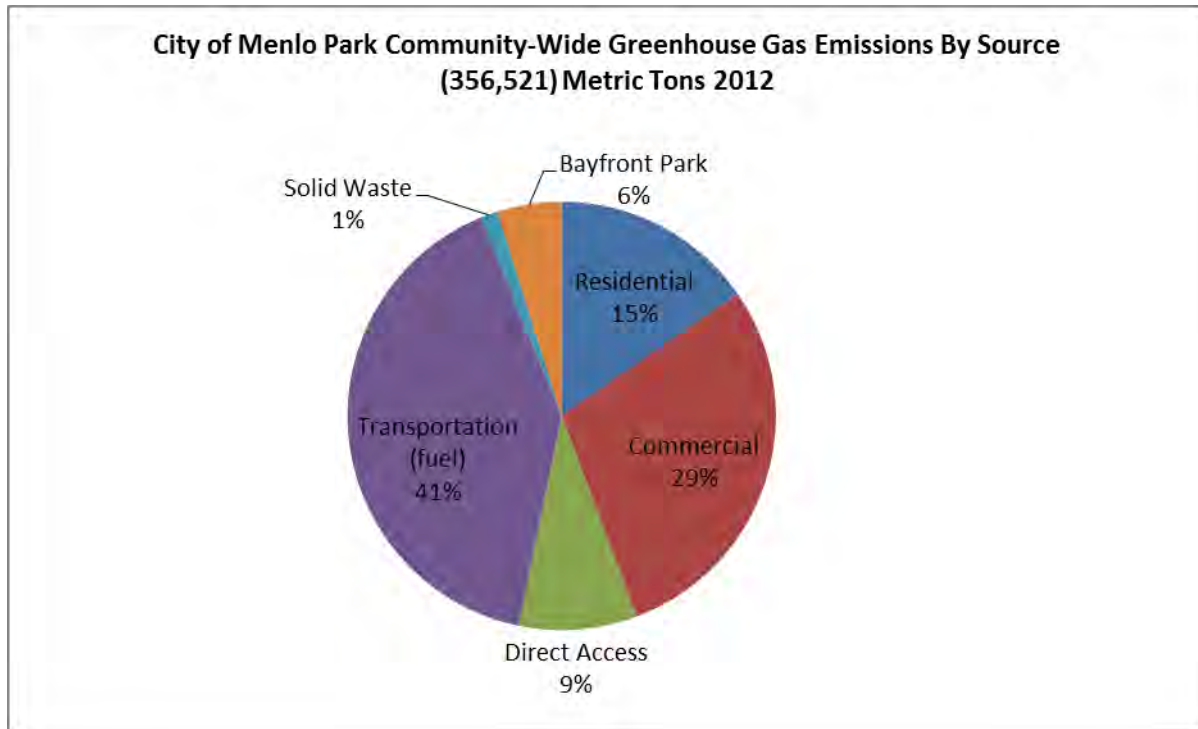
In June 2014, the City Council approved the Five-Year Climate Action Plan strategy, which included consideration of a feasibility study for a CCA. The County of San Mateo is considering developing a CCA that could procure electricity from renewable energy sources and deliver it to residents and businesses through the existing PG&E electrical power transmission grid. Staff and the Environmental Quality Commission have been following the County's efforts to begin this process. The County of San Mateo is currently initiating a feasibility study of a County-wide CCA and is requesting a resolution of support from interested local agencies in this effort.

## ANALYSIS

### ***What is a CCA?***

CCA's promise of significantly reducing GHG emissions without disrupting resident and business behavior is very attractive to many cities. A CCA supplying 100% renewable energy could allow Menlo Park to reduce GHG emissions approximately 15%, whereas a CCA with 50% renewables could cut GHG emissions approximately 7%.

Below is the latest GHG data for Menlo Park.



As shown in the chart above, 15% of energy usage is residential and 29% is commercial. Thus, approximately 44% of Menlo Park's GHG emissions are attributed to energy use in buildings, which is made up primarily of natural gas and electricity.

CCA can address the electricity portion of energy usage. PG&E estimates 36% of Menlo Park's combined energy usage is electricity. Specifically, 76% of commercial energy usage is electricity and 24% of Menlo Park's residential energy use is electricity.

Lean Energy is the County's consultant on CCA. Attachment B contains selected slides from Lean Energy's presentation on CCA. Included on the first page is an info-graphic that further explains how CCA would fit into the electrical power delivery system.



### ***Benefits of a CCA***

From the customer's perspective, a CCA would change very little. Customers would continue to receive power through the existing PG&E grid and customers would continue to pay for power through their PG&E bill. A case study by Lean Energy provided a comparison of costs of the different options offered by the Marin County CCA (Attachment B). The default option in Marin offers a small savings over PG&E prices without the CCA and provides 50% renewable electricity sources, as compared with approximately 20% from PG&E. The Deep Green and 100% Local Solar options provide 100% renewable electricity at slightly higher than standard PG&E prices.

Customers have the option to opt-out of the CCA and continue to have power sourced by PG&E. If the CCA were to fail, customers would immediately revert to PG&E electricity sources without service disruptions.

### ***Next Steps***

An initial step in the CCA process requires a feasibility study to determine if forming a County CCA would be cost effective and achieve the desired renewable energy portfolio.

The County has committed funds to conducting the feasibility study, and has not asked cities to contribute to the funding. If the study concludes the CCA to be feasible, it is likely the CCA would borrow start-up capital until it begins gathering revenue from customers who buy its power, at which point it would be self-sustaining. If any profits are generated, they could be used to fund local energy savings or environmentally preferable energy generation projects.

There are also other options available. Menlo Park could join the San Mateo County CCA, potentially link with the City of Palo Alto's municipal electric utility, or work with PG&E to decrease GHG emissions from their electrical sources. Staff is also aware that Santa Clara County and several local cities are interested in forming a CCA. At this stage, providing a resolution of support for the San Mateo County CCA does not preclude Menlo Park from pursuing these other options.

As background information, Attachment C shows a rough order of magnitude cost estimates for each stage of CCA formation, from Sunnyvale City staff working on the CCA effort currently being funded by Sunnyvale, Mountain View, Cupertino, and Santa Clara County.

The CCA would be formed as Joint Powers Authority (JPA) with officials from each of its member cities having voting power on its Board of Directors. Conducting the feasibility study and approving the attached resolution of support do not commit the City of Menlo Park to join the CCA, even if they express initial support for the idea.

## **IMPACT ON CITY RESOURCES**

Staff time to attend county-wide CCA meetings, coordinate efforts, and provide information to the public will be required to support the CCA effort. The staff time needed to support the feasibility study can be absorbed with current staffing levels.

## **ENVIRONMENTAL REVIEW**

The adoption of a resolution of support does not require an action under CEQA at this time. A future CCA project, if deemed feasible, will require complete CEQA environmental clearance at such time as 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. Selected Slides from CCA Presentation
- C. City of Sunnyvale's CCA cost estimates

Report prepared by:

*Heather Abrams*

*Environmental Programs Manager*

**RESOLUTION NO.**

**RESOLUTION OF SUPPORT TO PARTICIPATE IN A FEASIBILITY STUDY OF A COMMUNITY CHOICE AGGREGATION PROGRAM FOR SAN MATEO COUNTY**

WHEREAS, The City of Menlo Park has demonstrated its commitment to an environmentally sustainable future through its policy goals and actions, including energy reduction and the adoption of clean energy and sustainability programs,

WHEREAS, The County of San Mateo and the City Council of Menlo Park have identified Community Choice Aggregation as a promising strategy to meet local clean energy goals and projected greenhouse gas reduction targets; and,

WHEREAS, Community Choice Aggregation is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with Pacific Gas & Electric Co. (PG&E); and,

WHEREAS, Community Choice Aggregation, if determined to be technically and financially feasible, could provide substantial environmental and economic benefits to all residents and businesses in Menlo Park; and,

WHEREAS, Community Choice Aggregation also provides the opportunity to fund and implement a wide variety of energy-related programs of interest to the community; and,

WHEREAS, In addition to technical and financial feasibility, it is important to determine whether there is adequate public support for Community Choice Aggregation; and,

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

The City of Menlo Park indicates its commitment to participate in the feasibility phase of Community Choice Aggregation in partnership with San Mateo County without obligation of the expenditure of any of the General Funds of the Menlo Park unless otherwise authorized by the City Council.

The City of Menlo Park may choose to participate on an inter-jurisdictional CCA Steering Committee (if one is formed) and may authorize staff to participate in the preparation of the CCA technical study.

Adoption of this resolution in no way binds or otherwise obligates the City of Menlo Park to participate in Community Choice Aggregation, unless it so chooses by passage of a City ordinance.

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 twenty-fourth day of February, 2015, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-fourth day of February, 2015.

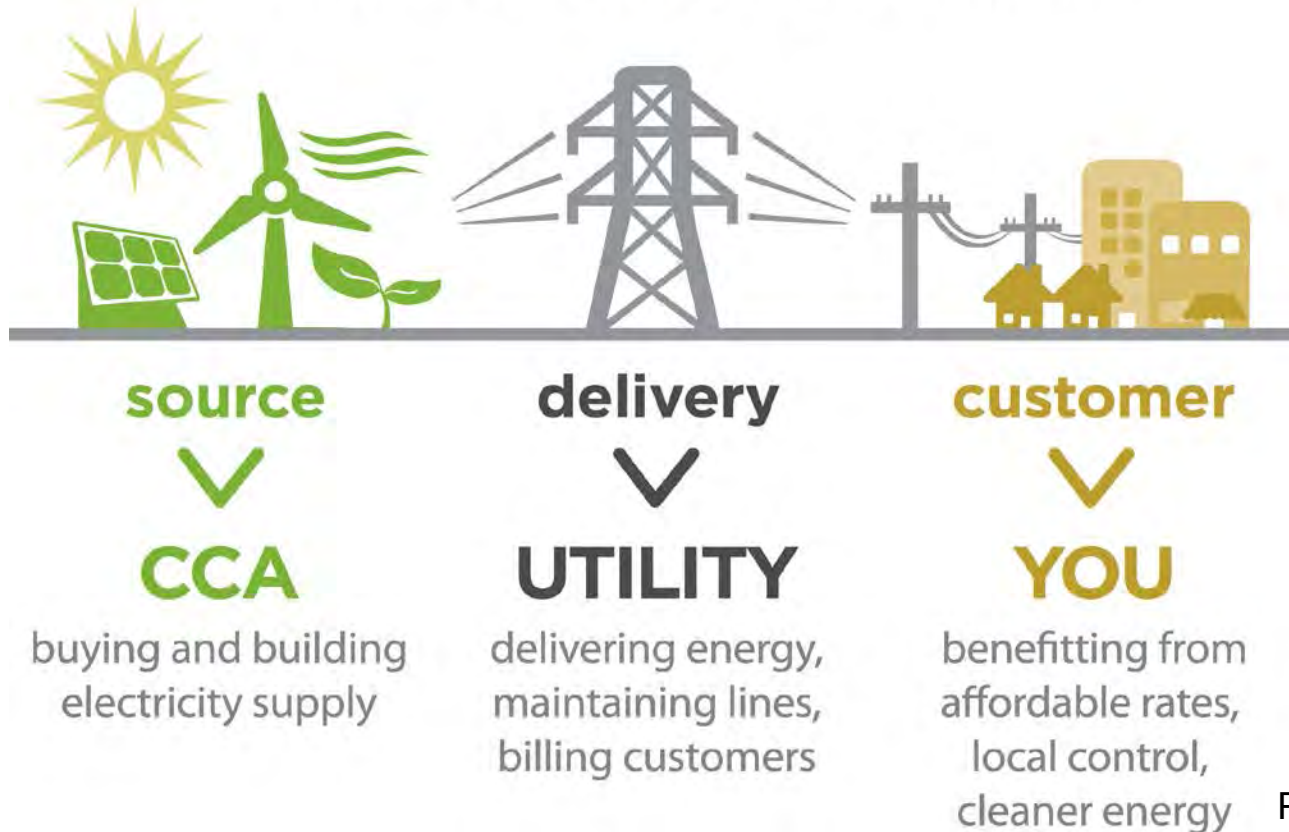
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Pamela Aguilar  
City Clerk

# WHAT IS CCA?

**CCA leverages the market power of group purchasing, consumer choice, and local decision-making.** It enables local governments to procure and/or develop power on behalf of their public facilities, residents and businesses. CCA creates a functional partnership between municipalities and existing utilities. It has the proven ability to lower electricity rates and rapidly green the grid.

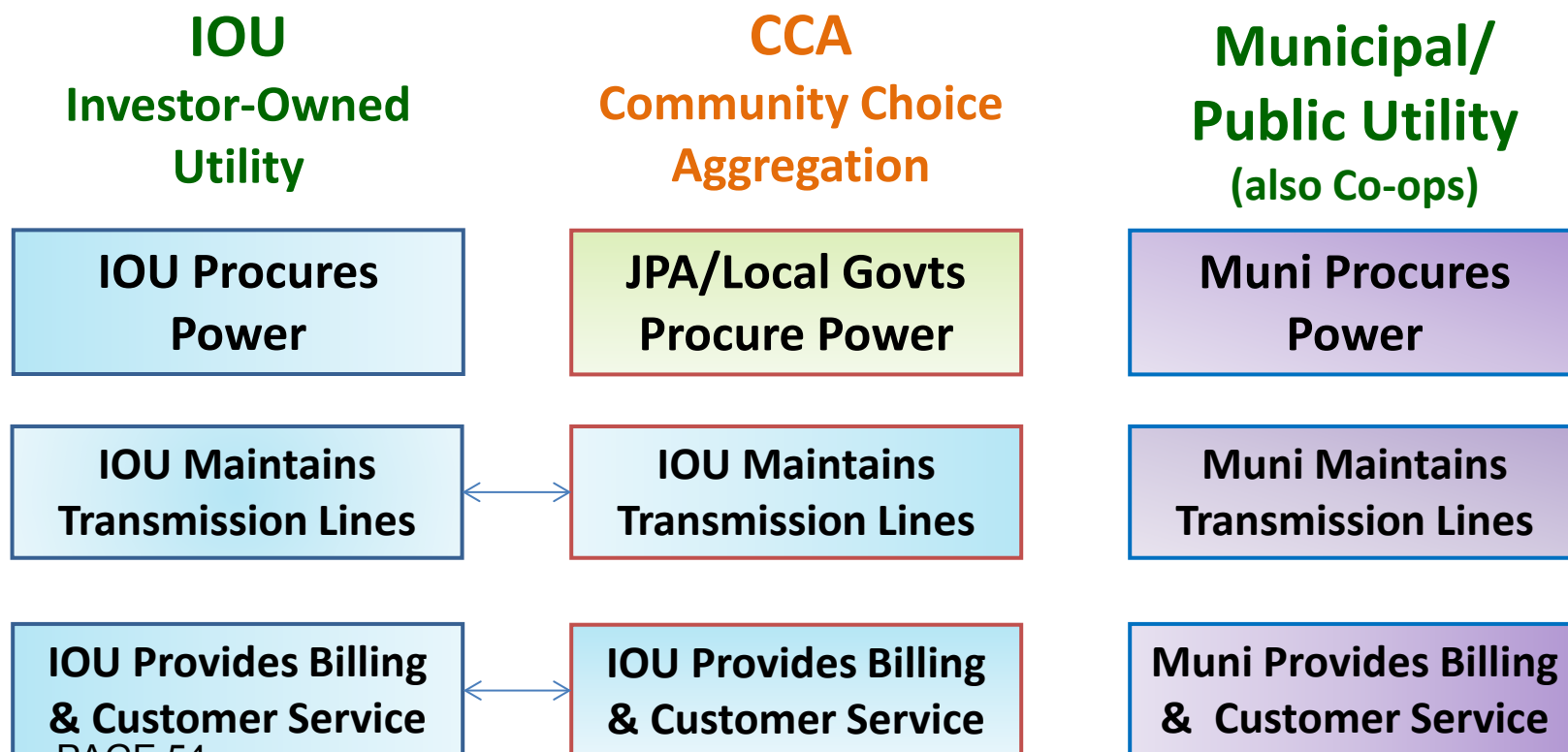
## How Local Energy Aggregation Works



# A HYBRID APPROACH



Roughly 70% of U.S. electricity is supplied by vertically integrated investor-owned utilities (IOUs), with much of the balance coming from publicly-owned municipal utilities and co-ops. *CCA offers a third, hybrid option, where the supply and transmission functions are split between a public entity and the IOU.*



# WHY IS CCA SO POWERFUL?



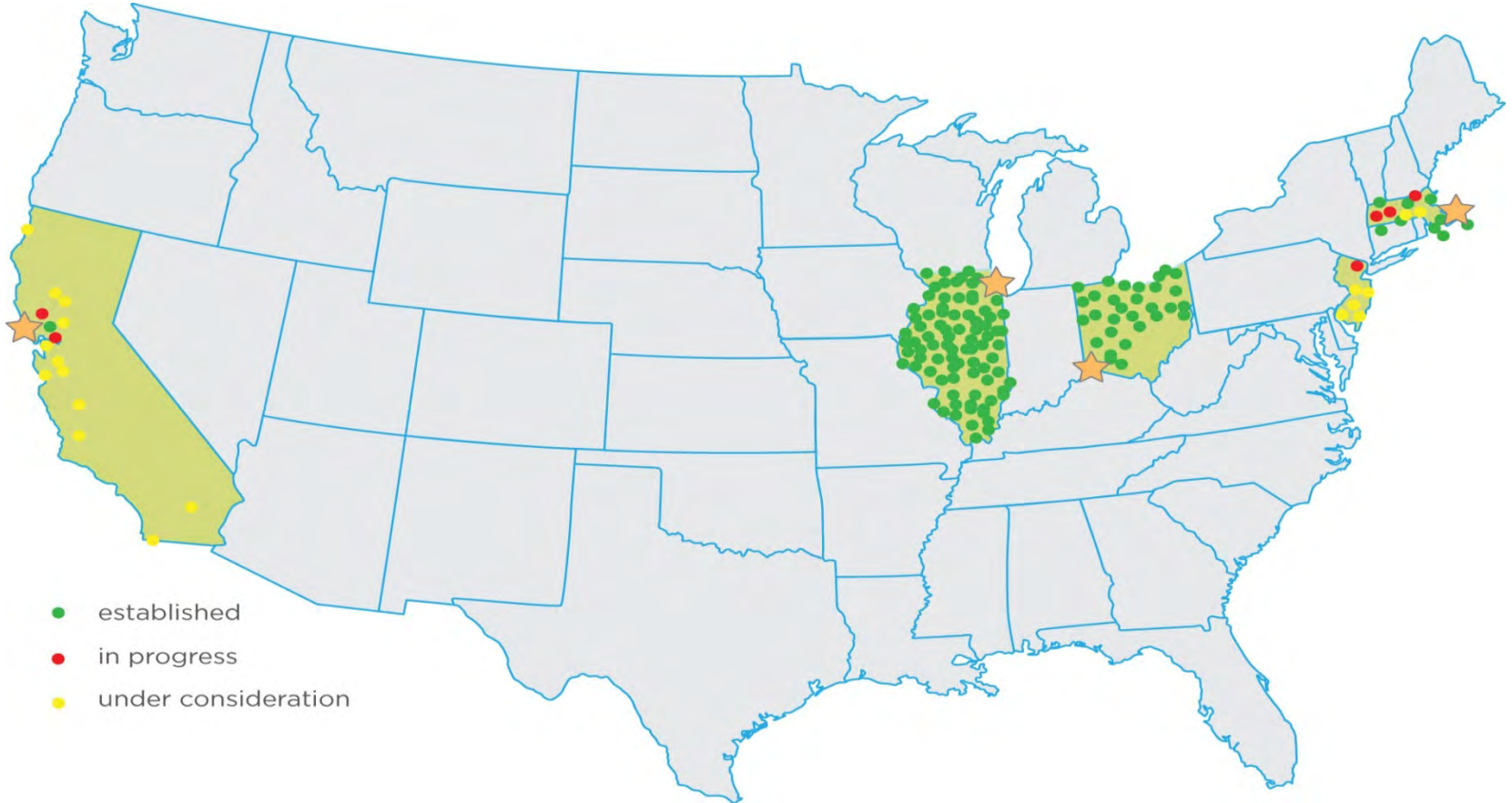
- Responsive to *Local* Environmental and Economic Goals
- Offers Consumers a Choice
- Revenue Supported, Not Taxpayer Subsidized
- Stable, Often Cheaper, Electricity Rates
- Allows for Rapid Switch to Cleaner Power Supply
- Leverages Public and Private Sector \$\$ and Opportunities  
New local programs, renewable generation, job creation, and economic development

## CCA Responds to California State Climate & Clean Energy Policy

<b>2002/2011</b>	<b>AB 117 and SB 790</b> - CCA Legislation
<b>2006</b>	<b>AB 32</b> – Global Warming Solutions Act 15% below 1990 levels by 2020
<b>Revised 2011</b>	<b>CA State RPS and RA requirements</b> Laws governing utility renewable energy standards and resource adequacy (RPS = 33% by 2020)
<b>2011/2012</b>	<b>Governor’s Renewable Energy Mandate</b> - 12,000 MW local/distributed RE by 2020 <a href="http://www.law.berkeley.edu/12901.htm">http://www.law.berkeley.edu/12901.htm</a>



# CCA ACROSS THE COUNTRY



## CCA By the Numbers:

(as of 10/2013)

Illinois – 650

Ohio – 260

Rhode Island – 42

Massachusetts - 26

California – 2+

New Jersey – 6

# KEY PROGRAM FEATURES

## *“CCA: The Biggest Change You’ll Never Notice”*


- JPA or special district can operate a CCA in CA; local governments participate by passing an ordinance
- Utility continues to provide billing, customer service, line maintenance and repair; codified in Service Agreement
- CCA electricity charges appear as a new section of the utility bill – all other charges the same
- CCA is an opt-out program; Customers receive 4 opt-out notices over 120 day period and can return to PG&E any time.
- CPUC certifies CCA plan; oversees relationship between utility/CCA



# Sample Bill – Marin Clean Energy

SAMPLE BILL: PAGE ONE

1



## ENERGY STATEMENT

[www.pge.com/MyEnergy](http://www.pge.com/MyEnergy)

Account No: 1234567890-1

Statement Date: 10/01/2013

**Due Date: 10/22/2013**

**Service For:**

MARY SMITH  
1234 STREET AVENUE  
SAN RAFAEL, CA  
94804

**Questions about your bill?**

24 hours per day, 7 days per week  
Phone: 1-866-743-0335  
[www.pge.com/MyEnergy](http://www.pge.com/MyEnergy)

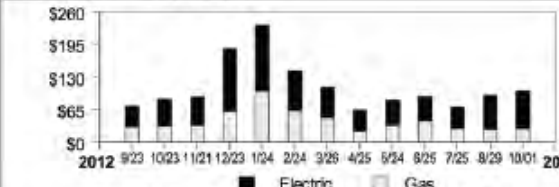
**Local Office Address**

750 LINDARO STREET, STE 160  
SAN RAFAEL, CA 94901

**Your Account Summary**

Amount Due on Previous Statement	82.85
Payments Received Since Last Statement	82.85
<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">2</span> Previous Unpaid Balance	\$0.00
<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">3</span> Current PG&E Electric Delivery Charges	\$39.32
MCE Electric Generation Charges	\$42.81
Current Gas Charges	\$27.20
Total Amount Due	\$109.33
<span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">4</span> <b>Total Amount Due</b>	<b>\$109.33</b>

**Monthly Billing History**



Visit [www.pge.com/MyEnergy](http://www.pge.com/MyEnergy) for a detailed bill comparison

**Important Messages**

Your charges on this page are separated into delivery charges from PG&E and generation or procurement charges from an energy provider other than PG&E. These two charges are for different services and are not duplicate charges.

**Electric power line safety** PG&E cares about your safety. Be aware of your surroundings and keep yourself, tools, equipment and antennas at least 10 feet away from overhead power lines. If you see an electric power line fall to the ground, keep yourself and others away, call 9-1-1 and then PG&E at 1-800-743-5000.

# CCA AS A LOCAL ENERGY STIMULUS



- Power Purchase Agreements (PPA) w/ optional buy-out provisions
- CCA-sponsored energy projects; team with private company to leverage investment tax credits
- Local Feed-in-Tariff and Net Energy Metering programs for small projects and residential/commercial solar
- Community solar gaining in popularity; EV charging stations
- Energy Efficiency funding is available; on-bill repayment for building upgrades, solar installs
- Organizational partnerships for local job training, energy audits, building upgrades and installations

# WHAT ARE THE RISKS...

*And how are they mitigated?*



**Rate Competition:** Market expertise and well crafted power RFP is essential; Long vs. short term contracts; Diversified supply portfolio and integrated energy plan



**Customer Opt-Out:** Competitive rates are a must; Articulate additional consumer and community benefits; Opt-outs in CA typically in 10%-20% range



**Political:** Align CCA to state and local policy objectives; Appeal to both progressive and conservative minds; Local education and advocacy is key



**Regulatory/Legislative:** Track influencing statutes and legislation; Participate in the CA regulatory process

## 1. Political/Community

- Resolutions of support and participation
- Community education/endorsements
- JPA Ordinance
- Marketing and outreach/opt-out notices

## 2. Technical

- Technical Study - load and rate analysis, economic impacts, environmental attributes and supply options
- JPA - legal formation, vendor contracts
- Implementation Plan, Service Agreement, etc.

## 3. Financial Considerations

- Technical study and community outreach
- CCA formation costs
- Bridge financing from 1<sup>st</sup> contract to 1<sup>st</sup> revenue

***Remember: All development and formation costs are reimbursable from early program revenue!***



# Case Study: Marin Clean Energy

- May 2010: Start of service for Phase I customers
- As of 2014: 125,000 customers; 77% of customer base
- Service area includes City of Richmond and Marin County
- 13-Member Board of Directors
- 67,500+ tons of GHG reductions to date



# Residential Cost Comparison

MCE proposed rates effective April 6, 2014

PG&E proposed rates effective May 1, 2014

	PG&E	MCE Light Green	MCE Deep Green
<i>508 kWh, E-1/Res-1</i>	19%	50%	100%
Electric Generation	\$46.74	\$40.13	\$45.21
Added PG&E Fees	-	\$5.89	\$5.89
Electric Delivery	\$36.26	\$36.26	\$36.26
<b>Total Electric Cost</b>	<b>\$83.00</b>	<b>\$82.28</b>	<b>\$87.36</b>



# Commercial Cost Comparison

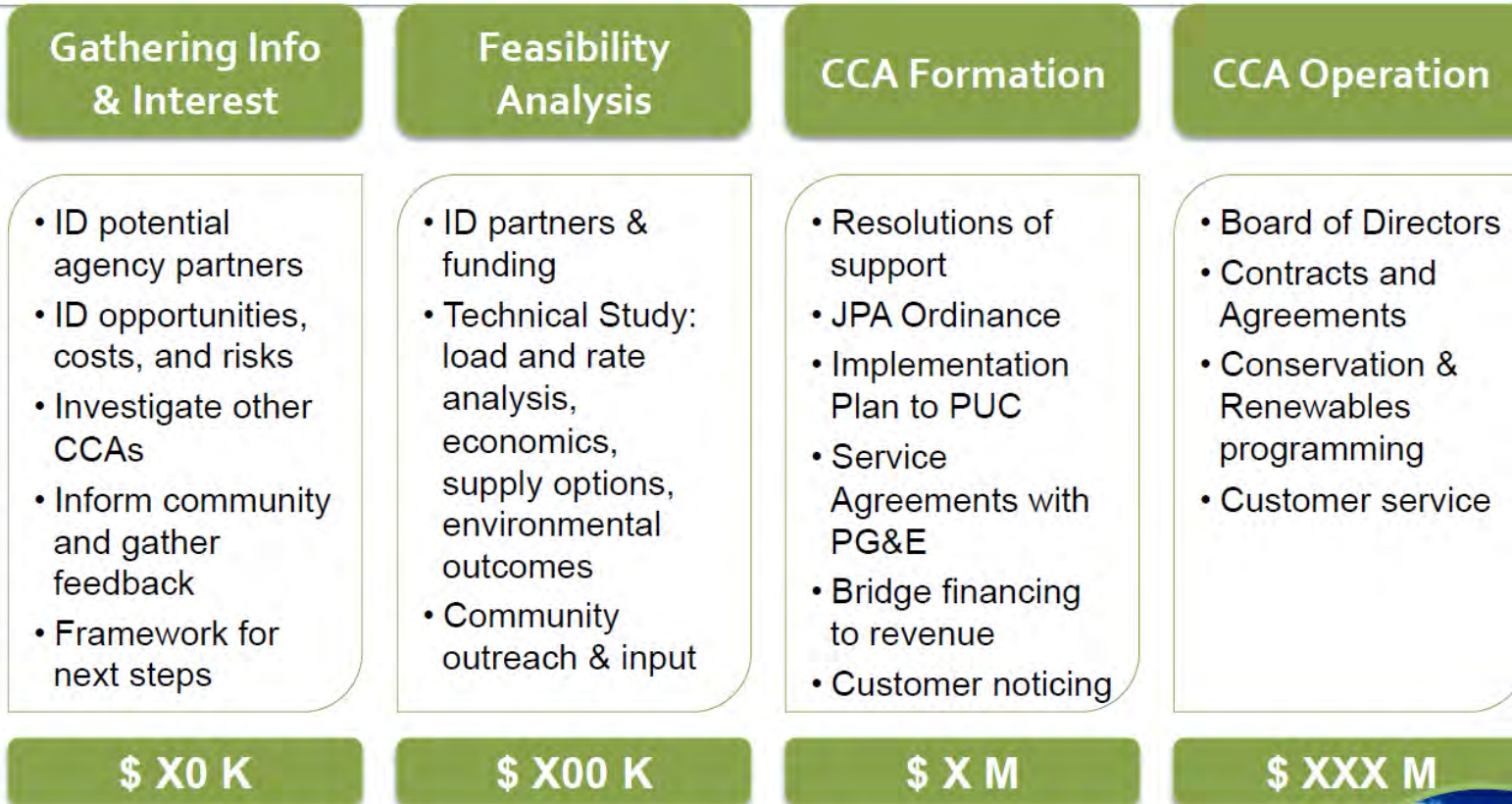
MCE proposed rates effective April 6, 2014

PG&E proposed rates effective May 1, 2014

<i>1,182 kWh, A-1/Com-1</i>	PG&E 19%	MCE Light Green 50%	MCE Deep Green 100%
Electric Generation	\$138.44	\$112.29	\$124.11
Added PG&E Fees	-	\$12.19	\$12.19
Electric Delivery	\$131.51	\$131.51	\$131.51
<b>Total Electric Cost</b>	<b>\$269.94</b>	<b>\$255.98</b>	<b>\$267.81</b>

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# The Journey Begins



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## PUBLIC WORKS DEPARTMENT

Council Meeting Date: February 24, 2015

Staff Report #: 15-033

**CONSENT CALENDAR:**            **Authorize the Public Works Director to Accept the Work Performed by Del Conte's Landscaping, Inc. for the El Camino Real Trees Project - Phase III**

---

### RECOMMENDATION

Staff recommends that the City Council authorize the Public Works Director to accept the work performed by Del Conte's Landscaping, Inc. for the El Camino Real Trees Project - Phase III.

### POLICY ISSUES

Acceptance by the City Council of the work performed by the contractor begins the one-year construction warranty period.

### BACKGROUND

On January 28, 2014, the City Council awarded a contract to Del Conte's Landscaping, Inc. in the amount of \$225,362 with an authorized project budget of \$285,362 including contingencies. The project consisted of planting London Plane trees along El Camino Real from Middle Avenue to Oak Grove Avenue. The project installed trees in both the median islands and sidewalks and it included the installation of an irrigation system.

### ANALYSIS

The work for the El Camino Real Trees Project - Phase III has been completed in accordance with the plans and specifications. A notice of completion will be filed accordingly. The project was completed within the approved budget.

Contractor:            Del Conte's Landscaping, Inc.  
                              41900 Boscell Rd.  
                              Fremont, CA 94538

## **IMPACT ON CITY RESOURCES**

### Construction Contract Budget

Construction Contract	\$225,362
Contingency and Construction Engineering	<u>\$60,000</u>
<b>Total Construction Budget</b>	<b>\$285,362</b>

### Construction Expenditures

Construction Contract	\$222,090
Change Order (credit)	<u>(\$7,951)</u>
	<b>\$214,139</b>

The remaining balance will be credited to the project balance. The above expenditures are only costs associated with the construction contract with Del Conte's Landscaping, Inc. The change order credit is a result of fewer trees installed as well as a reduction in the system. We were able to use existing irrigation lines.

## **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**

None

Report prepared by:  
*Rene Punsalan*  
*Associate Civil Engineer*

*Ruben Nino*  
*Assistant Public Works Director*



## PUBLIC WORKS DEPARTMENT

Council Meeting Date: February 24, 2015

Staff Report #: 15-032

### CONSENT CALENDAR:

**Adopt a Resolution Accepting Dedication of Public Access Easements from Giant Properties LLC (Facebook West Campus) and Wilson Menlo Park Campus, LLC (Facebook East Campus) and Authorize the City Manager to Sign Agreements and Easements required by Conditions of Approval of the Project**

---

### RECOMMENDATION

Staff recommends that the City Council adopt two resolutions (included as Attachment A and Attachment B) accepting dedication for two public access easements from Giant Properties LLC and Wilson Menlo Park Campus, LLC and authorize the City Manager to sign agreements and easements required by conditions of approval of the project.

### POLICY ISSUES

In order for the access easement to become public it must be accepted by the City Council. The acceptance of access easements is consistent with the approved Development Agreements for the Facebook projects.

### BACKGROUND

The Facebook Campus Project includes two project sites, specifically, the East Campus and West Campus. Each site has its own Development Agreement and Conditional Development Permit. The land use entitlements and development agreements were also processed in phases, with the East Campus entitlement process being completed first.

The 56.9-acre East Campus is located at 1 Hacker Way (previously 1601 Willow Road) at the end of Willow Road at Bayfront Expressway. This developed site was previously occupied by Oracle and Sun Microsystems. The approximately 22-acre West Campus is located at 1 Facebook Way (previously 312 and 313 Constitution Drive) at the northwest corner of Bayfront Expressway and Willow Road. The new 433,555 square foot building over surface parking is currently under construction and is expected to be completed in March 2015.

On April 2, 2013, the City approved conditions of approval for the Facebook West Campus project. The East Campus and West Campus are connected by a undercrossing underneath Bayfront Expressway near Willow Road. As part of the approval of the West Campus project, Facebook was required to dedicate to the City public access easements for utilization of the undercrossing and pathways from both the West and East campus sites.

## **ANALYSIS**

The easement on the West Campus is owned by Giant Properties LLC and the easement on East Campus is owned by Wilson Menlo Park Campus, LLC. The public pathways dedicated to the City will provide access for pedestrians and bicyclist from Willow Road to the undercrossing at Bayfront Expressway and then to the Bay Trail that surrounds the East Campus. The improvements are substantially complete include the undercrossing. The proposed easement dedication is shown in Attachment C. The final easement description will be approved by the City Attorney and Public Works Director. Acceptance and recordation of the easement dedications are a condition of approval for the West Campus project.

Facebook and the City are also working on finalizing other agreements as required by condition of approval of the West Campus. Staff is requesting authorization for the City Manager to sign these agreements which will be reviewed and approved by the City Attorney and Public Works Director.

Facebook is working to obtain temporary occupancy in early March 2015 and final occupancy in late March 2015.

## **IMPACT ON CITY RESOURCES**

The staff time associated with review and acceptance of the easement dedications and access agreement are fully recoverable through fees collected from the applicant.

## **ENVIRONMENTAL REVIEW**

The acceptance of the dedication of the Public Access Easements is categorically exempt under Class I of the current State of California Environmental Quality Act Guidelines. On April 2, 2013, the City Council approved the Environmental Impact Report for the 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**

- A. Resolution of the City of Menlo Park Accepting a Public Access Easement from Giant Properties LLC
- B. Resolution of the City of Menlo Park Accepting a Public Access Easement from Wilson Menlo Park Campus LLC
- C. Master Easement Exhibit

Report prepared by:  
*Ebby Sohrabi*  
*Senior Civil Engineer*

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RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY OF MENLO PARK ACCEPTING A PUBLIC  
ACCESS EASEMENT FROM GIANT PROPERTIES LLC**

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 accept the public access from Giant Properties LLC:

BE IT AND IT IS HEREBY ALSO RESOLVED that the City Council authorizes the City Manager to sign the certificate of acceptance for said easement.

I, PAMELA AGUILAR, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on this twenty-fourth day of February, 2015, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-fourth day of February, 2015.

---

Pamela Aguilar  
City Clerk

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RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY OF MENLO PARK ACCEPTING A PUBLIC  
ACCESS EASEMENT FROM WILSON MENLO PARK CAMPUS LLC**

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 accept the public access easement from Wilson Menlo Park Campus LLC:

BE IT AND IT IS HEREBY ALSO RESOLVED that the City Council authorizes the City Manager to sign the certificate of acceptance for said easement.

I, PAMELA AGUILAR, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on this twenty-fourth day of February, 2015, by the following votes:

AYES:

NOES:

ABSENT:

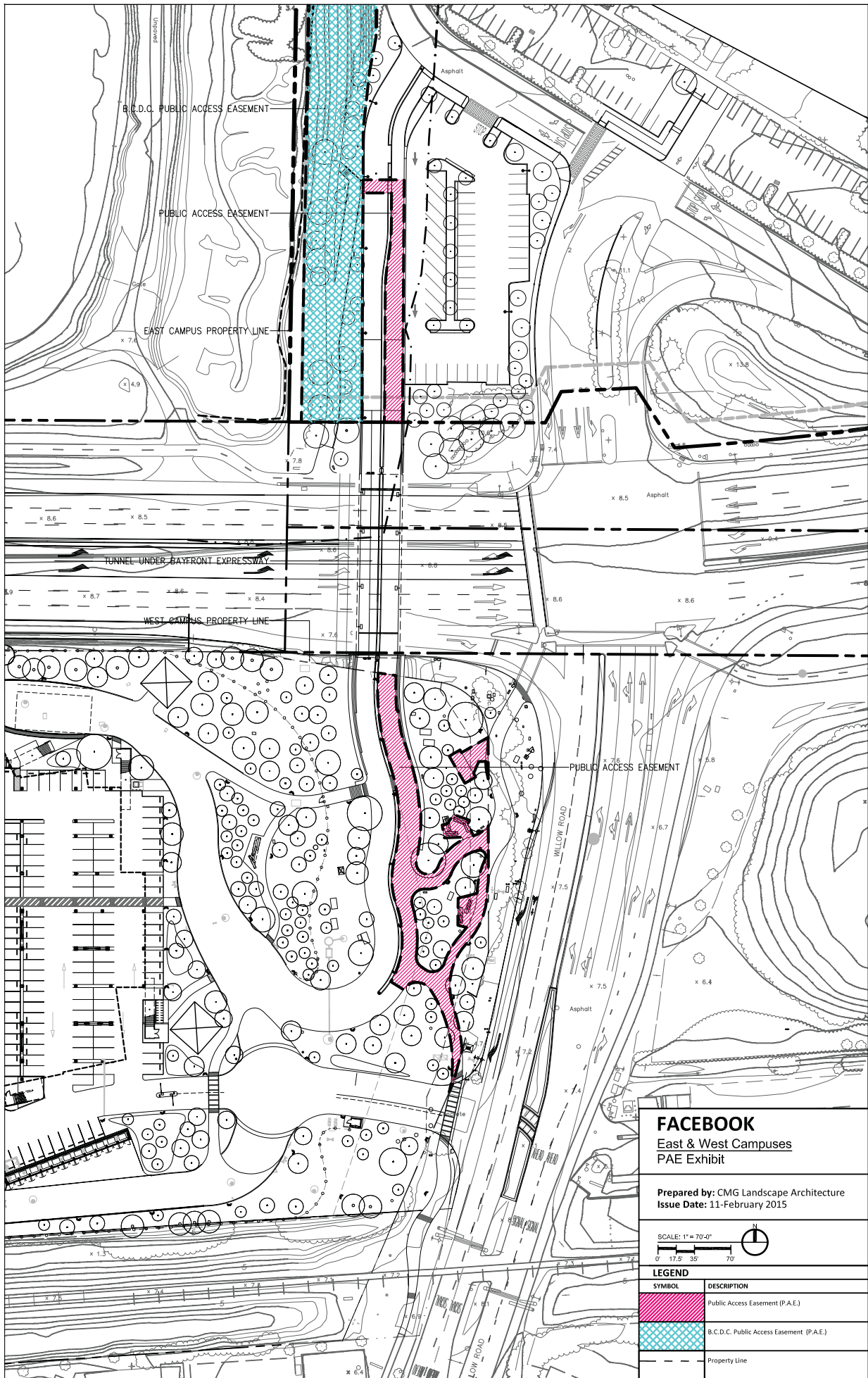
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-fourth day of February, 2015.

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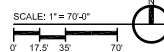
Pamela Aguilar  
City Clerk

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**FACEBOOK**  
 East & West Campuses  
 PAE Exhibit

Prepared by: CMG Landscape Architecture  
 Issue Date: 11-February 2015



**LEGEND**

SYMBOL	DESCRIPTION
	Public Access Easement (P.A.E.)
	B.C.D.C. Public Access Easement (P.A.E.)
	Property Line

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

**Monday, January 26, 2015 at 12:00 PM  
Arrillaga Family Recreation Center, Oak Room  
700 Alma Street, Menlo Park, CA 94025**

---

**12:00 P.M. SPECIAL SESSION**

Mayor Carlton called the meeting to order at 12:20 p.m. All Councilmembers were present.

Staff present:

- Alex McIntyre, City Manager
- Bill McClure, City Attorney
- Bob Jonsen, Chief of Police
- Jesse Quirion, Director of Public Works
- Arlinda Heineck, Community Development Director
- Drew Corbett, Finance Director
- Cherise Brandell, Community Services Director
- Gina Donnelley, Human Resources Director
- Pamela Aguilar, City Clerk
- Jim Cogan, Economic Development Manager
- Clay Curtin, Assistant to the City Manager
- Gene Garces, Information Services Manager
- Ruben Nino, Assistant Public Works Director
- Nikki Nagaya, Transportation Manager
- Derek Schweigart, Community Services Manager

**A. PUBLIC COMMENT**

- Mitch Slomiak spoke regarding Menlo Spark and keeping the Climate Action Plan as a priority
- Heyward Robinson spoke regarding Dumbarton Rail, transparency, and Public Records Act requests
- Fran Dehn spoke regarding the continuing partnership between the Chamber and the City

**B. DISCUSSION OF COUNCIL GOALS**

1. Review Workshop Agenda and Meeting Objectives (*Handout #1: [Agenda](#)*)  
At the start of the workshop, Facilitator Perkins reviewed the agenda and suggested several ground rules to help the group have a successful workshop and achieve the results they intended to achieve through the goal setting process.
2. Discussion of Staffing Capacity – Key Points
  - The City has hired highly qualified staff who have less years of experience
  - ‘Right’ staffing – are the right positions being filled?
  - Compensation study, salary ranges and labor relations

3. Accomplishments and Key Policy Areas (*Handout #2: Interviews Themes*)  
Facilitator Perkins reviewed a partial list of City accomplishments that had been identified in her interviews with Councilmembers. Council and staff identified the key factors that contributed to the accomplishments.

Facilitator Perkins presented the five areas most raised by Councilmembers as important policy areas:

- Solving the staff capacity problem so goals can be accomplished
- Successful implementation of approved, pending and proposed commercial developments
- Being proactive with transportation/traffic
- New housing units and affordability of housing
- Water issues including response to drought, recycling, groundwater and flood control

4. Setting Priorities and Confirming Consensus on Priorities  
(*Handout #3: Organizational Capacity Matrix*) (*Handout #4: Status of 2014 Goals*)

Council and staff reviewed and discussed a list of identified priorities, their status and staffing

5. Next Steps

City Manager McIntyre will return to Council with confirmation that resources are available to accomplish all the priorities and to ask for Council's approval at a future Council meeting.

**C. ADJOURNMENT** at 5:55 p.m.

Pamela Aguilar  
City Clerk



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

**Tuesday, January 27, 2015 at 5:30 PM  
City Council Chambers  
701 Laurel Street, Menlo Park, CA 94025**

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**5:30 P.M. CLOSED SESSION (1st floor Council Conference Room, Administration Building)**

Mayor Carlton called the Closed Session to order at 5:45 p.m. All Councilmembers are present. Staff present: City Manager Alex McIntyre, Special Counsel Greg Rubens (for Closed Session #1 only), Director of Public Works Jesse Quirion, Interim Transportation Manager Nikki Nagaya

**CL1.** Closed session pursuant to Government Code Section 54956.9. Conference with Legal Counsel regarding anticipated litigation: One (1) Case

Public Comment:

- Kathy Hamilton
- Adina Levin
- James Janz
- Roxy Rorapaugh

**CL2.** Closed session pursuant to Government Code Section 54956.8 regarding real property negotiations (1 matter):

Property: 1000 El Camino Real, Menlo Park

City Negotiators: Bill McClure, City Attorney, Alex McIntyre, City Manager

Negotiating Parties: City of Menlo Park (Lessor) and MPOC Investors, LLC (Lessee)

Under Negotiation: Potential amendment to Ground Lease, including extension of Term, annual rent and other terms

There was no Public Comment on Closed Session #2.

**7:00 P.M. REGULAR SESSION**

Mayor Carlton called the meeting to order at 7:16 p.m. All Councilmembers are present. Staff present: City Manager Alex McIntyre, City Attorney Bill McClure, City Clerk Pamela Aguilar

Mayor Carlton led the pledge of allegiance.

**REPORT FROM CLOSED SESSION**

Mayor Carlton stated that the Council supports Caltrain electrification. Council has given direction to initiate litigation pending negotiations. If mitigation issues are met, the City will not pursue litigation.

## **A. PRESENTATIONS AND PROCLAMATIONS**

**A1.** Certificate of Recognition awarded to Mia Wurster for participating in MasterChef Junior competition ([Attachment](#))

Mia Wurster accepted the award.

**A2.** Proclamation recognizing January as a National Anti-HumanTrafficking Month ([Attachment](#))

Katrina Rill of Congresswoman Jackie Speier's office accepted the proclamation.

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS –**  
None

## **C. PUBLIC COMMENT #1**

- Aaron Kiesler, Office of Congresswoman Jackie Speier, spoke regarding Healthcare 411 Event
- Aram James spoke regarding demographics on the Palo Alto City Council
- Brielle Johnck spoke regarding Communications Consultant Malcolm Smith
- Don Tyler spoke regarding the permit for the Connosseurs' Marketplace
- Kip Husty spoke regarding human trafficking
- Heyward Robinson spoke regarding his Public Records Act requests pertaining to Measure M

## **D. CONSENT CALENDAR**

In response to Mayor Carlton, City Attorney McClure advised that it is at her discretion whether to recuse herself from voting on Item D6 because her children participate in the program that is the subject of the item.

Councilmember Ohtaki requested Items D1 and D7 be pulled for further discussion.

**D1.** Approve and authorize the Mayor to execute Cultural Exchange Agreements between the City of Menlo Park and the Xinbei District, China; City of Kochi, India; and City of Bizen, Japan ([Staff Report #15-020](#))

**D2.** Authorize the City Manager to execute the Water Main Cost Sharing Agreement with Anton Menlo, LLC and Greystar GP, LLC ([Staff Report #15-009](#))

**D3.** Authorize the Public Works Director to accept the work performed by C.F. Archibald Paving Inc. for the 2014-2015 Resurfacing of Federal Aid Routes Project (Federal Aid Project No. STPL 5273 023) ([Staff Report #15-013](#))

**D4.** Initiate the Menlo Park Landscape Assessment District proceedings for fiscal year 2015-2016 and adopt **Resolution 6252** describing the improvements and direct preparation of the Engineer's Report ([Staff Report #15-008](#))

- D5.** Waive the reading and adopt **Ordinances 1012 and 1013** rezoning properties located at 700 Oak Grove Avenue and 1231 Hoover Street and amendment to the P-F (Public Facilities) zoning district related to the construction of a new fire station ([Staff Report #15-012](#))
- D6.** Approve a contract with Q2Kicks Inc., (Menlo Park Kuk Sool Won) for rental of space in the Arrillaga Family Recreation Center beginning January 1, 2015 through December 31, 2015 ([Staff Report #15-015](#))
- D7.** Approval of Economic Development Plan Goals ([Staff Report #15-019](#))
- D8.** Accept Council minutes for the meeting of January 13, 2015 ([Attachment](#))

**ACTION:** Motion and second (Cline/Keith) to approve items D2 – D6 and D8 on the Consent Calendar passes unanimously.

Regarding Item D1, Councilmember Ohtaki requested the Mayor be given discretion to amend any of the cultural agreements so long as the City is not bound to any financial obligation(s).

**ACTION:** Motion and (Ohtaki/Keith) to authorize the Mayor to execute Cultural Exchange Agreements between the City of Menlo Park and the Xinbei District, China, City of Kochi, India and City of Bizen, Japan with the discretion to make amendments as appropriate so long as the City is not bound to any financial obligation(s) passes unanimously.

In response to Council questions regarding Item D7, Economic Development Manager Jim Cogan stated that a consultant would assist with developing tactical strategies and that public benefit and parking would be addressed.

**ACTION:** Motion and second (Ohtaki/Keith) to approve Economic Development Plan Goals passes with direction to staff to revise Goal #10 regarding parking passes unanimously.

**E. PUBLIC HEARING - None**

**F. REGULAR BUSINESS**

- F1.** Provide direction for the expansion of the Santa Cruz Avenue Enhanced On-Street Seating Pilot Program ([Staff Report #15-018](#))  
Economic Development Manager Jim Cogan introduced the item and ED Specialist Amanda Wallace gave a presentation. ([presentation](#))

Public Comment:

- Fran Dehn spoke in support of the program and addressed maintenance and parking

**ACTION:** Motion and second (Keith/Ohtaki) to direct staff to expand the program by pursuing Options 1 and 2 as presented by staff in its report passes unanimously.

**F2.** Request by Councilmember Mueller to Modify the City Code Relating to Purchasing Authority ([Staff Report #15-022](#))

Councilmember Mueller introduced the item. City Manager Alex McIntyre made a brief statement on the item.

Public Comment:

- Heyward Robinson thanked Council for discussing this topic

**ACTION:** Motion and second (Ohtaki/Cline) to direct the City Attorney to draft language related to the City Manager's purchasing authorization with options regarding the reporting of contracts for the City Council to review. Councilmember Cline added review of the purchasing policy and reporting of consultants broadly. The motion passes unanimously.

**F3.** Authorize travel to Kochi, India by Mayor Catherine Carlton and approve the expenditure of city funds not to exceed \$2,000 for travel expenses to sign a cultural exchange agreement ([Staff Report #15-017](#))

Mayor Carlton introduced the item.

**ACTION:** Motion and second (Ohtaki/Cline) to authorize travel to Kochi, India by Mayor Catherine Carlton and approve the expenditure of city funds not to exceed \$2,000 for travel expenses to sign a cultural exchange agreement passes unanimously.

**F4.** Review and discuss the Police Department's Policy on the use of body cameras and the retention of recordings and determine whether Council desires to adopt a policy or ordinance ([Staff Report#15-014](#))

Police Chief Bob Jonsen introduced the item. Commander Dave Bertini gave a presentation regarding the body camera policy.

Public Comment:

- Aram James spoke regarding transparency
- Elias Blawie spoke regarding retention timeframe

Council recommended edits be made to the language of the policy to reflect that officers should turn on body-worn cameras "prior to arrival" at any in-progress "or" serious "or" high priority situation, to obtain feedback from the Chief's community advisory group regarding retention timeframes and to bring the item back in one year for review.

**F5.** Consider a resolution ratifying the Menlo Park Fire Protection District's ordinance for the adoption of and local amendments to the 2013 California Fire Code ([Staff Report #15-011](#))

Assistant Community Development Director Ron LaFrance introduced the item.

Public Comment:

- Church Bernstein spoke in support of adopting the ordinance

**ACTION:** Motion and second (Cline/Keith) to adopt **Resolution 6253** ratifying the Menlo Park Fire Protection District's ordinance for the adoption of and local amendments to the 2013 California Fire Code passes unanimously.

**F6.** Status update and possible Council feedback on the Environmental Review for the 1300 El Camino Real Project – Continuation to February 24, 2015

([Staff Report #15-016](#))

At 11:30 p.m., City Attorney McClure left the chambers because he is recused from this item.

**F7.** Discuss recommendations for various vacant seats on regional boards to be voted on at the City Selection Committee meeting of January 30, 2015

([Staff report #15-023](#))

City Clerk Pamela Aguilar introduced the item.

**ACTION:** Council recommended that the voting delegate select Councilmember Alicia Aguirre for the MTC seat and Councilmember Cary Weist for the LAFCo seat.

**G. CITY MANAGER’S REPORT – None**

**H. WRITTEN COMMUNICATION – None**

**I. INFORMATIONAL ITEMS**

No staff presentations.

**I1.** Update on the Priority Conservation Area Program and a potential application partnering with the City of East Palo Alto, City of Palo Alto and the Midpeninsula Open Space District for the Baylands ([Staff Report #15-021](#))

**I2.** 2014 Commissions Attendance Report ([Staff Report #15-010](#))

**J. COUNCILMEMBER REPORTS**

Mayor Carlton reported on attending the Conference of Mayors in Washington, D.C. and the League of California Cities New Mayors Conference. Councilmember Keith reported on C/CAG and Community Choice Aggregation, and a Safer Bay discussion by Len Materman of SFCJPA and the League’s Revenue and Taxation Committee meeting. Councilmember Cline reported that the Stanford subcommittee held its first meeting. Councilmember Ohtaki reported on the League’s Housing, Communities and Economic Development meeting.

**K. PUBLIC COMMENT #2**

Wynne Grcich was not present but submitted a DVD regarding fluoride.

**L. ADJOURNMENT** at 11:42 p.m.

Pamela Aguilar  
City Clerk

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## OFFICE OF THE CITY MANAGER

Council Meeting Date: February 24, 2015

Staff Report #: 15-042

**Revised**

*Recommendation updated to include necessary appropriation*

**CONSENT CALENDAR:**                    **Authorize the City Manager to Enter into a Contract with Socrata, Inc. for Development of an Open Data Portal and Appropriate \$14,820 for the Project Budget**

### RECOMMENDATION

It is recommended that the City Council 1) authorize the City Manager to enter into a contract with Socrata, Inc. for development of an open data portal that can be used to publically report public information and data, including contracts and staff/consultant hiring; and 2) appropriate \$14,820 for the project budget.

### POLICY ISSUES

This appropriation is being requested to fund a solution that will achieve the City Council's direction to report staff/consultant hiring and make city contracts/agreements available online.

### BACKGROUND

At its regular meeting on January 27, 2015, the City Council asked for ongoing reporting of staff hiring and consultant agreement data. City staff sought a solution that would accomplish this directive and make our other existing public data more accessible for the public.

### ANALYSIS

The City already posts public information and data to its website, including accounts payable and payroll ledgers, crime statistics, as well as budget and capital improvement project costs. Currently, this data is either difficult to access or situated in different locations and not always available in a consistent format. This project will enable both internal departments and the public to access, view, and work with city data more effectively. It will also provide for more user-friendly and insightful visualizations of information that currently may only be available in person, upon request or via static PDF files. Staff from the various departments will be able to use the system to upload data. The system will provide a valuable tool for the City Council, the public, and department

managers. Several area jurisdictions have implemented similar software including Palo Alto, the County of San Mateo, and San Francisco.

### **IMPACT ON CITY RESOURCES**

The fiscal impact for implementation and first year costs of this project are \$14,820. Any future costs will be presented for approval as part of the regular operating budget.

### **ENVIRONMENTAL REVIEW**

No environmental review is necessary.

### **PUBLIC NOTICE**

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

### **ATTACHMENTS**

- A. Socrata Product and Service Description

Report prepared by:

*Clay J. Curtin*

*Assistant to the City Manager*



## Socrata Product and Service Description

### Socrata Open Data Apps

These apps are ready-to-deploy consumer apps that are purpose built for specific high-value datasets.

- ◆ **Open Budget:** A ready-to-deploy app that allows citizens explore their government's budget, along every step of the process, and at every level of the allocation hierarchy. Users, with and without budget data expertise, are able to understand how the budget impacts their interests and their neighborhood, via an intuitive and location-aware UX. For use with Socrata Open Data Portal and as part of the Socrata Financial Transparency Suite of apps that used together, provide an end-to-end view of the flow of public money.
- ◆ **Open Expenditures:** A ready-to-deploy app that provides easy, intuitive ways for any user to explore and visualize their government's expenditures, by department, by type, and by vendor, for any given date range. The intuitive consumer-style user interface allows users to visualize trends, compare expenditures across departments, find total spend by vendor, and drill-down to the checkbook-level data.

### Socrata Open Data Portal

The Socrata Open Data Portal enables government leaders to deliver on their transparency and digital government initiatives with unprecedented speed and costs savings. The Portal offers a complete software-as-a-service platform that unlocks the organization's data from its legacy silos and puts it into people's hands. It simplifies the entire data lifecycle, from capture and collection to distribution and consumption. Key Open Data Portal functionality includes:

- ◆ **Socrata DataSpace:** Elastic cloud-based data storage, indexing and retrieval service that simplifies data management and automatically optimizes access for a wide variety of data sources.
- ◆ **Socrata Data Publishing Services:** Easy-to-use tools for publishing and updating data from spreadsheets, file systems and transactional databases, including real-time automated publishing.
- ◆ **Socrata Data Discovery and Visualization:** Consumer friendly interfaces that make it easy to discover data, explore it online, visualize it with charts and maps, and share it with others.
- ◆ **Socrata Open Data API (SODA):** An open, standards-based API that automatically provides RESTful access and an expressive query language for every dataset.
- ◆ **Socrata Open Data Federation Services:** A game-changing technology that enables two or more organizations to exchange and aggregate their data, with one click.
- ◆ **Socrata Data Player:** A web widget that allows government agencies to embed live data, maps and charts on their agency websites.
- ◆ **Socrata Sitewide Analytics:** Real-time analytics on usage, distribution and traffic patterns for each dataset in the Open Data Portal.
- ◆ **Socrata Mondara:** Extends the open data experience to geospatial data that was previously only accessible to GIS experts. Mondara makes it easy for the other 99% of users to create rich online maps instantly, and use this valuable data to power location-based services.
- ◆ **Socrata API Foundry:** a powerful wizard-based application that simplifies the creation, deployment and management of enterprise-class APIs for mission-critical cloud and mobile applications. It dynamically creates an API catalog featuring documentation, client code libraries, and an interactive test console for each API to help developers discover, explore, and start using your APIs right away. It also includes enterprise-class capabilities

for IT administrators to control fine-grained API access and security, management of application tokens, throttling, and API analytics to monitor trends and usage patterns in real-time.

- ◆ **Socrata Microsites:** This enterprise feature allows a parent organization in a large-scale deployment to provide branded microsites to its smaller city and county partners, on a shared open data portal. This shared services model supports the creation of regional data hubs, and allows multiple jurisdictions to pool their data for economies of scale and reach. Citizens benefit from a unified data access experience, while government participants enjoy greater collaboration and deeper insights. **Microsite Limitations:** Microsites share the capacity limits of the parent's site. Each Microsite has a limit of 50 datasets.

### Socrata API Foundry

Socrata API Foundry offers data-rich organizations a powerful new way to modernize their data integration infrastructure, participate in the data economy, and support developer ecosystems around their data. API Foundry extends any enterprise system or data source with Application Programming Interfaces (APIs) that can be created and deployed in minutes to internal IT programmers, partner organizations, or external developer communities.

Socrata API Foundry includes powerful features that simplify the creation, deployment, and management of developer-ready APIs, including:

- ◆ A wizard-based application that allows a business analyst that creates, customizes, and deploys an API in minutes, from virtually any data source.
- ◆ Dynamic creation of an API catalog featuring documentation, client code libraries and an interactive test console for each API, to help developers discover, explore and start using your APIs right away.
- ◆ Enterprise-class capabilities for IT administrators to control fine-grained API access and security, manage application tokens, and allocate API resources in real-time.
- ◆ Internet-scale SLAs to support API deployments for mission-critical web and mobile applications and other enterprise integration interfaces.
- ◆ API analytics to monitor trends and application usage patterns in real-time.

## Socrata Professional Services Descriptions

### Application Launch Package

For each of the applications:

- ◆ Creation of project charter including goals for go-live
- ◆ App Activation
- ◆ (1) Kickoff Call and weekly followup meetings through launch date
- ◆ DNS setup
- ◆ Administrative training on the app including content management
- ◆ Training and education on the app and on the data schema including supporting documentation
- ◆ Training and education on data ingress and our toolset, including DataSync™
- ◆ Data integration services within scope of total hours budgeted
- ◆ Total professional services hours not to exceed 15 hours in aggregate among Socrata staff

### Portal Launch Package

The Socrata Client Services Methodology (CSM) will allow us to quickly and efficiently deploy your Open Data solution. As part of the CSM process the Socrata team will guide you from project kickoff and charter through to Go-live and launch. This service includes a Program Manager to lead the deployment, a Socrata Designer to work with you to design your Open Data Portal, and a Socrata Data Analyst will help you identify, transform, load, and visualize your data. The Socrata data analyst will help you curate your datasets for quality and will pay special attention to visual presentation and end consumer result. Weekly meetings will be run by the Socrata team throughout your deployment and up until your launch date, to assure success and deliver the anticipated results.

#### Usage Details:

- ◆ Includes 20 datasets
- ◆ Project charter
- ◆ Kickoff Call and up to (4) weekly meetings through launch date
- ◆ DNS and SSL setup
- ◆ Site skinning, styling, and CSS
- ◆ Custom header and footer
- ◆ Integration of “suggest a dataset” functionality
- ◆ Real-time integrated help connector for [support.socrata.com](https://support.socrata.com)
- ◆ Administrative training
- ◆ Training on the upload of your first dataset via Socrata University
- ◆ Enrollment in Socrata University 101, and API 101 classes
- ◆ Up to 50 Hours of Customer Success

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## PUBLIC WORKS DEPARTMENT

Council Meeting Date: February 24, 2015  
Staff Report #: 15-036

**PUBLIC HEARING:**                      **Adopt a Resolution Approving the El Camino Real/Downtown Specific Plan Proportionate Cost-Sharing Program Study and Adopt the Proposed Supplemental Transportation Impact Fees as Identified in the Study**

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### RECOMMENDATION

Staff recommends the Council adopt a resolution (Attachment A) approving the El Camino Real/Downtown Specific Plan Proportionate Cost-Sharing Study and adopt the proposed Supplemental Transportation Impact fees as identified in the Study.

### POLICY ISSUES

The Study is consistent with General Plan Policy II-A-8:

“New development shall be restricted or required to implement mitigation measures in order to maintain the levels of service and travel speeds specified in Policies II-A-1 through II-A-3.”

### BACKGROUND

Transportation infrastructure modifications are needed to accommodate the existing local and regional traffic, as well as new travel demands generated by redevelopment projects in the Downtown Specific Plan area. To fund these infrastructure modifications, the City uses three funding sources:

1. Local funds – General, San Mateo County Measure A, Gas taxes.
2. Grant funds – Federal, State, and Regional sources.
3. Contributions from new developments.

State Government Code Sections 66000 through 66008 (also known as Assembly Bill (AB) 1600) outlines the process local agencies can take to allocate a portion of the cost for new transportation infrastructure to new development projects. In October 2009, the City Council adopted a Transportation Impact Fee (TIF) Program. The improvements identified in the City’s TIF are often identified as mitigation measures for significant transportation impacts in environmental clearance documents for development projects. Either construction of the improvements or payment of the TIF can mitigate transportation impacts. However, frequently, development projects trigger additional

mitigation measures beyond those currently in the adopted TIF program. Construction of these additional improvements is then imposed on individual development projects as mitigation measures where required by the City's Transportation Impact Analysis Guidelines.

In June 2012, the City Council adopted the El Camino Real/Downtown Specific Plan (Specific Plan) and certified the associated program-level Environmental Impact Report (EIR). The EIR prepared for the Specific Plan outlined transportation mitigation measures associated with the increased land use development anticipated under the Plan. Some of these measures were previously identified in the 2009 TIF Program and are identified in the EIR as such. However, transportation mitigation measures at eight locations beyond those included in the TIF Program are also identified in the EIR. The EIR requires new development in the Specific Plan area to pay a proportional share of the cost for these mitigation measures. The City must establish a mechanism to proportion the cost of the infrastructure between existing traffic and future growth attributable to the Specific Plan area to collect funds towards the mitigation measures as a condition of the new development. To do this, the *El Camino Real/Downtown Specific Plan Proportionate Cost-Sharing Program Study* (Attachment B) was prepared.

## **ANALYSIS**

The *El Camino Real/Downtown Specific Plan Proportionate Cost-Sharing Program Study* summarizes the improvements identified in the Specific Plan EIR, provides a conceptual-level construction cost for each, and calculates a proportional cost-share to be attributed to new development within the Specific Plan area. Public improvements identified as part of the Specific Plan (e.g., plazas, pedestrian improvements, paseos, etc.) are not included in this *Proportionate Cost-Sharing Program Study*, since they are not measures identified to reduce or eliminate impacts of the Specific Plan, but defined as elements of the Specific Plan itself. The cost of these public improvements would be borne by the City, negotiated through public benefits, or funded via regional, state, or federal grant programs. The *Study* does not require that all the improvements in the Specific Plan be constructed. A summary of the *Study* methods are outlined below.

### Methods

In summary, the following method is used to determine and allocate the cost of the transportation mitigation measures (in 2014 Dollars) in the Study:

1. Determine cost of each improvement (=\$A).
2. Determine the proportion of traffic that is attributable to new development in the Specific Plan area (=B%).
3. Determine the proportional cost of each improvement attributable to new development in the Specific Plan area ( $C = A \times B$ ).
4. Determine the anticipated amount of added traffic from new development in the Specific Plan Area [D, in vehicle trips during evening peak commute hour].



5. Develop cost-sharing rate that can be readily applied to each new development in the Specific Plan area [E = C/D, in 2014 US Dollars per vehicle trip].

Attachment C summarizes the locations and improvements identified in the Study, as well as the anticipated cost for design and construction. For the eight (8) improvements, the total cost is estimated to be nearly \$3,500,000.

As shown in Attachment C the proportion of cost of the improvements allocated to new development ranges from 4% to 27% at any given intersection based on the amount of added traffic during the evening commute peak hour. This method is consistent with that used in the 2009 Citywide TIF. The proportional cost of each improvement is listed in Table 1. Based on the allocation, it is expected that the City could recoup approximately \$476,000 of the cost of these improvements, or 13.7 percent.

The final step in the methodology is to determine a proportional cost rate that can be readily applied to each new development in the Specific Plan area. The 2009 Citywide TIF is based on PM peak hour trips (i.e., a cost per trip), thus, a similar method was used for this Study. The Specific Plan EIR estimated 1,319 evening commute peak hour trips [D] to be generated by new development in the Specific Plan area.

Thus, the proportional cost for transportation mitigation measures attributable to new development in the Specific Plan area was calculated to be \$361.33 per evening commute peak trip [E = C/D, or \$476,600 divided by 1,319 trips].

#### Fee Program Adoption

The City Council's action to certify the Final Environmental Impact Report and adopt the Mitigation and Monitoring Program for the Specific Plan in June 2012 established the legal nexus, or basis, to establish this program. However, adoption of the *Proportionate Cost-Sharing Study* by the City Council is needed to establish the cost rates summarized above.

This program would be considered a development impact fee pursuant to Government Code 66000 through 66008, thus, property owners were noticed consistent with such a fee. Staff mailed notices to property owners in the Specific Plan Area and within a 300 foot radius of the Plan Area on Friday, February 6, 2015.

If City Council moves forward with adoption of this Supplemental Transportation Impact Fee, it would be collected for all new development projects within the Specific Plan area, effective 60 days after Council adoption. It will be listed in the City's Master Fee Schedule, and updated annually to account for inflation in construction costs, according to the Engineering News Record (ENR) Construction Cost Index for the San Francisco Bay Area. This methodology for inflationary escalation is consistent with the methods used in the Citywide Transportation Impact Fee.

## **IMPACT ON CITY RESOURCES**

The total study budget included \$15,000 for consultant costs. The study was funded in part by the Marriott Residence Inn at 555 Glenwood Avenue, the first project to pursue approvals under the Specific Plan. The remainder was funded by the Transportation Impact Fee fund.

If adopted, the study would establish a cost-sharing mechanism for the City to receive revenue dedicated to transportation improvements within the Specific Plan area from new developments. The new fee would not cover the full cost of the improvements and some improvements would potentially require additional funding to implement. This funding could include other City funding sources, regional funds, federal sources, and grants.

## **ENVIRONMENTAL REVIEW**

This *Proportional Cost-Sharing Study* is not considered a project under the California Environmental Quality Act. Individual improvements identified in the study will be required to undergo the applicable environmental review process prior to implementation.

## **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 to Adopt the El Camino Real/Downtown Specific Plan Proportionate Cost-Sharing Study
- B. El Camino Real/Downtown Specific Plan Proportionate Cost-Sharing Program Study
- C. Summary of Transportation Improvements and Cost Allocation

Report prepared by:  
*Nicole H. Nagaya, P.E.*  
*Transportation Manager*

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADOPTING EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN  
SUPPLEMENTAL TRANSPORTATION IMPACT FEE PROGRAM**

The City of Menlo Park makes the following findings:

1. In 2009, the City of Menlo Park adopted Ordinance No. 964 adding Chapter 13.26 [Transportation Impact Fee] to Title 13 [Streets, Sidewalks and Utilities] to the Menlo Park Municipal Code; and

2. In 2012, the City of Menlo Park adopted Ordinance No. 979 adding Chapter 16.58 [SP-ECR/D El Camino Real/Downtown Specific Plan to Title 16 [Zoning] to the Menlo Park Municipal Code; and

3. Additional development potential identified in the El Camino Real/Downtown Specific Plan would require additional transportation infrastructure beyond what is currently specified in the Transportation Impact Fee Program; and

4. As outlined in the El Camino Real/Downtown Specific Plan Environmental Impact Report, developments within the El Camino Real/Downtown Specific Plan Area will pay fair-share cost of transportation improvements needed to accommodate additional development potential in the El Camino Real/Downtown Specific Plan; and

5. In determining the Supplemental Transportation Impact Fee Program for the El Camino Real/Downtown Specific Plan Area, the City Council of the City of Menlo Park considered that each type of development shall contribute to the needed improvements as described in the El Camino Real/Downtown Specific Plan Proportional Cost-Sharing Study.

NOW, THEREFORE, 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 Supplemental Transportation Impact Fee Program is hereby adopted, shall increase annually pursuant to Section 13.26.120 in accordance with the Engineering News Record Construction Cost Index for the San Francisco Bay Area without further action by the Council, and shall be effective 60 days from the adoption of this resolution.

I, Pamela Aguilar, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-fourth day of February, 2015, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

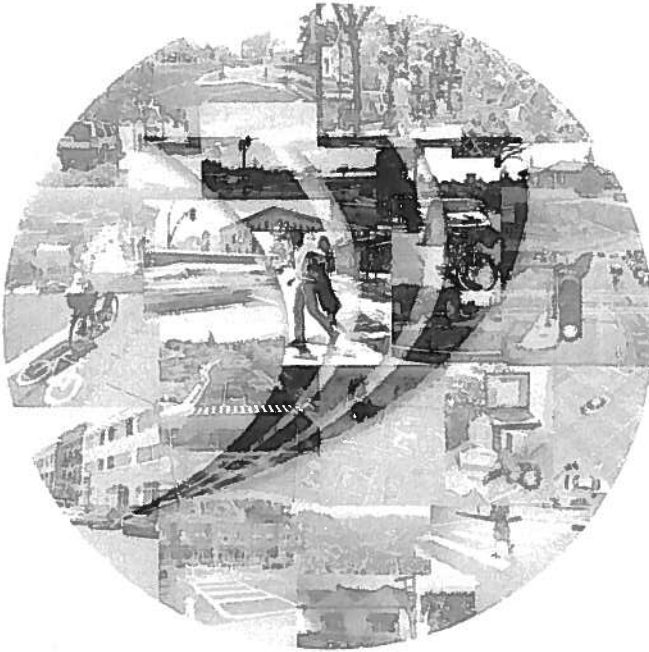
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-fourth day of February, 2015.

\_\_\_\_\_  
Pamela Aguilar  
City Clerk

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# Proportionate Cost Sharing Program Study



Prepared for the  
**City of Menlo Park**



Submitted by

**Whitlock & Weinberger Transportation, Inc.**

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August 14, 2014

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## Executive Summary

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The City of Menlo Park adopted a Transportation Impact Fee Program in October 2009. The Program contained a variety of road widening or improvement projects at various locations in the City that are necessary to support expected traffic growth. Subsequent to the Transportation Impact Fee, the *El Camino Real/Downtown Specific Plan* was adopted after an environmental review was completed in 2012. This study included a list of several roadway and intersection improvement measures recommended to mitigate environmental impacts associated with the El Camino Real/Downtown Specific Plan. These measures were intended to supplement the projects included in the 2009 Transportation Impact Fee Program.

Based on the required mitigation measures in the El Camino Real/Downtown Specific Plan and its Environmental Impact Report, each new development or redevelopment project is required to make a proportional share contribution towards each improvement. This report summarizes the improvements identified in the environmental impact study and provides conceptual level construction costs for each. Finally, a proportional cost share per trip has been calculated using the following method: the costs were proportioned to new development, and the resulting proportioned cost is divided by the number of net new vehicle trips associated with the El Camino Real/Downtown Specific Plan.

## Introduction

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### Introduction

This report presents a list of improvement projects that were recommended in the *Menlo Park El Camino Real/Downtown Specific Plan Final Environmental Impact Report (Specific Plan FEIR, City of Menlo Park, June 2012)*, and estimates of construction costs for the projects. The costs developed for this report and the total number of net new vehicle trips reported in the Specific Plan FEIR has been used to calculate the proportional cost share per trip that will be applied to new developments in the Specific Plan area, generally including properties along El Camino Real in Menlo Park plus properties in the downtown area. The downtown area includes properties fronting Oak Grove, Santa Cruz, and Menlo Avenues from University Avenue on the west to the Caltrain station on the east.

### Background

The City of Menlo Park adopted a Transportation Impact Fee (TIF) Program in October 2009. This program was the result of a Citywide analysis of traffic generated by potential developments and the street and intersection improvements that would be required to support traffic generated by those developments. It resulted in a traffic impact fee to be assessed as part of the approval requirements for new developments in the City. A copy of the full report can be found online at: [http://service.govdelivery.com/docs/CAMENLO/CAMENLO\\_101/CAMENLO\\_101\\_20090921\\_en.pdf](http://service.govdelivery.com/docs/CAMENLO/CAMENLO_101/CAMENLO_101_20090921_en.pdf). The fee is adjusted annually based on the change in construction costs for the San Francisco Bay Area from the Engineering News Record (ENR).

In 2012, the City certified the Final Environmental Impact Report (FEIR) for the El Camino Real/Downtown Specific Plan that identified required mitigation measures including street and intersection improvements needed to support the expected growth in the downtown and along El Camino Real. The *Specific Plan FEIR* is available at: [http://www.menlopark.org/departments/pln/ecrd/eir/feir/Menlo%20Park%20Specific%20Plan%20FEIR\\_Vol1.pdf](http://www.menlopark.org/departments/pln/ecrd/eir/feir/Menlo%20Park%20Specific%20Plan%20FEIR_Vol1.pdf)

While some of the mitigation measures are already included in the City's TIF Program, several are not listed in the TIF. Thus, the City requested preparation of this study to determine the proportion of the costs of these mitigation measures, not currently listed in the TIF, attributable to new development in the Plan area. This resulting "fair-share" proportional cost would be allocated to each new development project within the Plan area to offset the cost burden borne by the City for additional transportation infrastructure needed to support development under the Specific Plan.

### Project Profile

The list of eight projects, as reported in the *Specific Plan FEIR*, is summarized in Table I. Concept sketches were developed for seven of the eight study intersections to serve as the basis for estimating construction costs for this report. The concept sketches are presented in Appendix A. No concept sketches are included for one of the intersections because the modifications have already been implemented. For these two intersections, the City's share of the cost is already known and the amount is included in the total cost for those intersections in lieu of a new estimated amount.



**Table I  
Study Intersections**

<b>Study Intersection (Jurisdiction)</b>	<b>FEIR Intersection #</b>	<b>Proposed Modification</b>
University Dr N/Santa Cruz Ave (Menlo Park)	17	<ul style="list-style-type: none"> <li>• Signalize and interconnect with University Dr S/ Santa Cruz Ave</li> </ul>
Middlefield Rd/Marsh Rd (Atherton)	18	<ul style="list-style-type: none"> <li>• Add 2<sup>nd</sup> WB left-turn lane and a second receiving lane on the southern leg of the intersections</li> </ul>
Middlefield Rd/Glenwood Ave-Linden Ave (Atherton)	20	<ul style="list-style-type: none"> <li>• Signalize intersection</li> </ul>
Middlefield Rd/Linfield Dr (Menlo Park)	24	<ul style="list-style-type: none"> <li>• Signalize intersection</li> </ul>
Coleman Ave/Willow Rd (Menlo Park)	27	<ul style="list-style-type: none"> <li>• Restripe SB approach to left-turn only and shared through/right-turn lanes</li> </ul>
Durham St/Willow Rd (Menlo Park)	28	<ul style="list-style-type: none"> <li>• Add SB left-turn lane</li> <li>• Change NB and SB signal phasing from permitted to protected left-turn movements</li> </ul>
Bay Rd/Willow Rd (Caltrans)	29	<ul style="list-style-type: none"> <li>• Add second SB left-turn lane</li> <li>• Add crosswalk on east leg</li> </ul>
Orange Ave/Santa Cruz Ave-Avy Ave (Menlo Park)	33	<ul style="list-style-type: none"> <li>• Signalize intersection</li> </ul>

Notes: NB = Northbound; SB = Southbound; EB = Eastbound; WB = Westbound

Source: *Menlo Park El Camino Real/Downtown Specific Plan Final Environmental Impact Report*, City of Menlo Park, 2012

## Vehicle Trip Generation

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The vehicle trip generation used for this analysis was taken from Table 4.13-6 of the *Menlo Park El Camino Real/Downtown Specific Plan Final Environmental Impact Report (Specific Plan FEIR)*, which shows a total net addition of 1,319 p.m. peak hour trips. Projected p.m. peak hour trips were used to conform to the methodology used in the City's 2009 Transportation Impact Fee program.

These trips are expected to be generated from a combination of the proposed land uses identified in the Specific Plan and Environmental Impact Report. The total of 1,319 net-new p.m. peak hour trips was used to calculate the proportional cost share per trip.

## Construction Cost Estimates

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### Methodology

Descriptions of the recommended modifications at each study intersection (see Table I for list) were obtained from the *Specific Plan FEIR*. Concept sketches were drawn for seven of the eight study intersections with enough detail to estimate quantities of typical construction bid items. These sketches are provided in Appendix A. At the eighth intersection the work is already under construction and the actual cost borne by the City is known.

In many cases, supporting calculations were also performed to determine the needed length of left turn pockets or transition areas. Construction bid prices from recent City of Menlo Park projects were applied to the quantities of work measured from the concept sketches to determine total costs for each intersection.

### Intersection Descriptions

#### University Drive North/Santa Cruz Avenue

The recommended modifications at the University Drive North/Santa Cruz Avenue intersection include a new traffic signal along with interconnection to the existing traffic signal at the University Drive (S)/Santa Cruz Avenue intersection. Lengthening right-turn pockets is also included for the southbound right turn (lengthen to 150 feet) and the eastbound right turn (lengthen to 500 feet). A sketch of the installation is shown in Figure A-1.

#### Middlefield Road/Marsh Road

The Middlefield Road/Marsh Road intersection is another location with overlapping improvements. The intersection is located within the Town of Atherton. The *Specific Plan FEIR* includes a recommendation to widen the westbound approach on Marsh Road to add a second left-turn lane; however, implementation and timing of such modifications would be led by the Town of Atherton, since they have jurisdiction over this location.

This additional lane would in turn require widening of the southbound departure leg on Middlefield Road to provide two receiving lanes for traffic from Marsh Road. On the westbound Marsh Road approach, the left-turn storage must be increased from the existing 250 feet to a minimum of 500 feet for each lane. To provide this widening would require removal of at least 15 mature trees on the north side of Marsh Road, which, as noted above, would be at the discretion of the Town of Atherton. A concept sketch of the modifications is shown in Figure A-2.

#### Middlefield Road/Glenwood Avenue-Linden Avenue

A new traffic signal is the recommended modification at Middlefield Road/Glenwood Avenue-Linden Avenue, which is located within the Town of Atherton. A sketch of the traffic signal is shown in Figure A-3.

#### Middlefield Road/Linfield Drive

For the intersection of Middlefield Road/Linfield Drive intersection, the recommended improvement is also a new traffic signal. A sketch of the traffic signal is shown in Figure A-4.

### Coleman Avenue/Willow Road

The improvement recommended for Coleman Avenue/Willow Road includes a roadway striping modification to provide an exclusive right-turn lane on the southbound Coleman Avenue approach. It would also require red curbs to prohibit parking on each side of Coleman Avenue for 210 feet north of Willow Road, as shown in Figure A-5. The new red curbs would result in loss of about 20 parking spaces.

### Durham Street/Willow Road

The recommended modification at the Durham Street/Willow Road intersection is currently under construction (as of May 2014), led by the Veteran's Administration (VA). The City's portion of the cost has been established as \$150,000. The City's cost attributed to these improvements is less than if it were to be pursued without the VA; thus, this represents a cost savings over assuming implementation fully led by the City.

### Bay Road/Willow Road

For the intersection of Bay Road/Willow Road the improvements recommended include widening of the north leg of the intersection to provide a second southbound left-turn lane from Bay Road onto Willow Road. It was assumed for purposes of this report that the widening would be completed on the east side of Bay Road along the frontage of the auto service business. The widening would likely require relocation of existing overhead electric lines to an underground utility trench.

Further, a new crosswalk is to be provided on the east leg of the intersection, with traffic signal modifications required to accommodate the crosswalk. A Class II bicycle lane is also shown on the westbound approach in anticipation of bicycle lanes to be added as part of the proposed US-101/Willow Road interchange upgrade project. A sketch of the modifications is shown in Figure A-6.

### Orange Avenue/Santa Cruz Avenue-Avy Avenue

A traffic signal is recommended for the Orange Avenue/Santa Cruz Avenue-Avy Avenue intersection. A sketch of the traffic signal is shown in Figure A-7.

### **Estimated Construction Costs**

Quantities of construction work items were developed from the concept sketches provided in Appendix A. Unit prices from recent construction bids received by the City of Menlo Park, supplemented with unit prices from data for other traffic signal and striping work, were applied to the quantities to estimate item prices. Miscellaneous work, staff charges, and contingencies were estimated using a percentage of the construction cost, and using the same percentage values as were used in the 2009 TIF Program. The results are summarized in Table 2.

**Table 2  
Construction Cost Summary**

<b>Study Intersection</b>	<b>Traffic Signal Modification</b>	<b>Pavement Widening/ Other</b>	<b>Right-of-Way Acquisition</b>	<b>Subtotal</b>
University Dr N/Santa Cruz Ave	\$144,000	\$61,000	\$0	\$205,000
Middlefield Rd/Marsh Rd	\$200,000	\$300,000	\$0	\$500,000
Middlefield Rd/Glenwood Ave-Linden Ave	\$198,100	\$21,300	\$0	\$219,400
Middlefield Rd/Linfield Dr	\$203,900	\$0	\$0	\$203,900
Coleman Ave/Willow Rd	\$6,000	\$11,600	\$0	\$17,600
Durham St/Willow Rd				\$150,000
Bay Rd/Willow Rd	\$99,500	\$120,100	\$105,800	\$325,400
Orange Ave/Santa Cruz Ave-Avy Ave	\$246,000	\$54,200	\$0	\$300,200
<b>Total Estimated Costs</b>	<b>\$1,097,500</b>	<b>\$568,200</b>	<b>\$105,800</b>	<b>\$1,921,500</b>

Table 3 shows the effect of the following add-on cost categories:

- Construction mobilization at 5 percent
- Design at 10 percent
- Surveys (for right-of-way acquisition)
- Contract administration and construction management at 10 percent each
- Contingencies at 30 percent

The table also shows the "fair share" percent calculated as the p.m. peak hour from the Specific Plan trips divided by total traffic volume.

**Table 3  
Fair Share Allocation to New Development**

<b>Study Intersection</b>	<b>Construction Cost Total</b>	<b>Additional Costs</b>	<b>% PM Peak Hour Traffic</b>	<b>Fair Share Cost</b>
University Dr N/Santa Cruz Ave	\$205,000	\$174,300	27	\$102,400
Middlefield Rd/Marsh Rd	\$500,000	\$425,000	4	\$37,000
Middlefield Rd/Glenwood Ave-Linden Ave	\$219,400	\$186,500	9	\$36,500
Middlefield Rd/Linfield Dr	\$203,900	\$173,300	26	\$98,100
Coleman Ave/Willow Rd	\$17,600	\$15,000	10	\$3,300
Durham St/Willow Rd	\$150,000	-	10	\$15,000
Bay Rd/Willow Rd	\$325,400	\$316,600	8	\$51,400
Orange Ave/Santa Cruz Ave-Avy Ave	\$300,200	\$255,200	19	\$105,500
<b>Total Estimated Cost</b>	<b>\$1,921,500</b>	<b>\$1,545,900</b>		<b>\$476,600</b>

### **Calculation of Proportional Cost Share**

The total cost of the recommended improvements is \$3,432,200. The percent of new trips at each intersection was applied to the construction cost estimate, resulting in a total of \$476,600. Divided by the 1,319 net new trips, the resulting proportional cost share per trip is \$361.33.

## Conclusions

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### Conclusions

- After adoption of the El Camino Real/Downtown Specific Plan and certification of its Environmental Impact Report, the City of Menlo Park requested preparation of this *Proportionate Cost Sharing Program Study* to determine the proportion of the costs of these mitigation measures, not currently listed in the TIF, attributable to new development in the Plan area.
- The ten improvement projects associated solely with the El Camino Real/Downtown Specific Plan are expected to cost approximately \$3,467,400 to accommodate the estimated 1,319 p.m. peak hour trips. The “fair share” proportional cost allocated to each new development project within the Plan area, to offset the cost burden borne by the City, is \$476,600.
- The proportionate cost share was calculated to be \$361.33 per p.m. peak hour trip.

## Study Participants and References

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### Study Participants

Principal in Charge: Mark E. Spencer, TE  
Traffic Engineer: Steve Fitzsimons, PE, TE  
Assistant Engineer: Lauren Davini, EIT  
Editing/Formatting: Angela McCoy  
Quality Control: Dalene J. Whitlock, PE, PTOE

### References

*Final Report: City of Menlo Park Transportation Impact Fee Study, TJKM, 2009*  
*Menlo Park El Camino Real and Downtown Specific Plan Final Environmental Impact Report, ESA, 2012*  
*Staff Report #09-135: Waiver of Reading and Adoption of an Ordinance Establishing a Transportation Impact Fee for the City of Menlo Park and Approval of a Resolution Setting the Transportation Impact Fee Rates, City of Menlo Park Public Works Department, Council Meeting Date: October 6, 2009*

### Communications

E-mail communications with Nicole Nagaya, Senior Transportation Engineer, Menlo Park, dated July 22, March 10, March 6, March 4, and February 25, 2014

MPA902

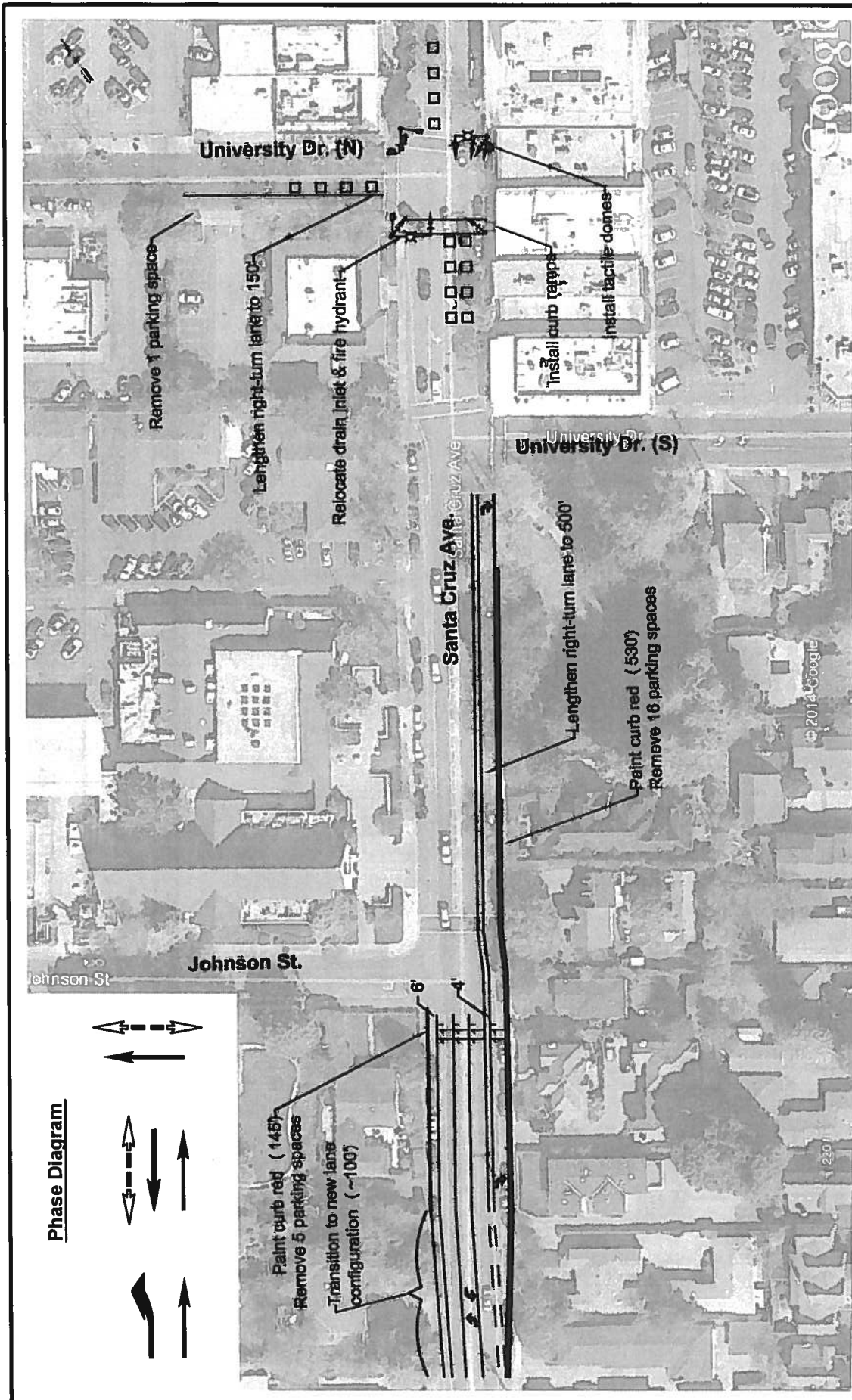




## Appendix A

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### Intersection Concept Sketches



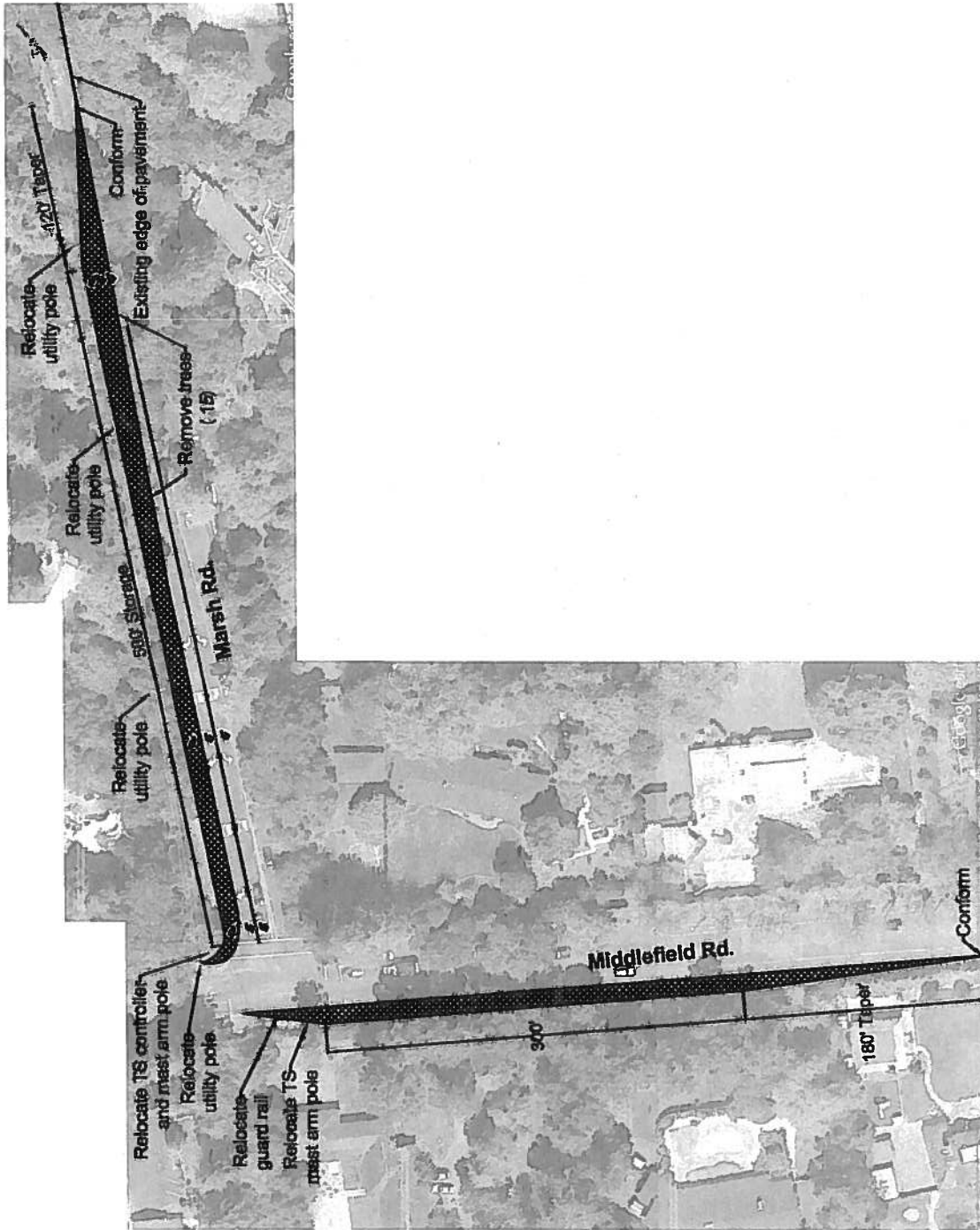
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DATE:	7/8/14
JOB NO.:	MPA902
SHEET:	1 of 7
DRAWN:	LD
DESIGN:	SF

# Menlo Park TIF Intersection

## Figure A-1. Santa Cruz Ave. & University Dr.



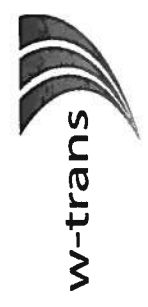
**Whitlock & Weinberger  
Transportation, Inc**  
490 Mendocino Ave, Suite 201  
Santa Rosa, CA  
(707)542-9500 Fax (707)542-9590



# Menlo Park TIF Intersection

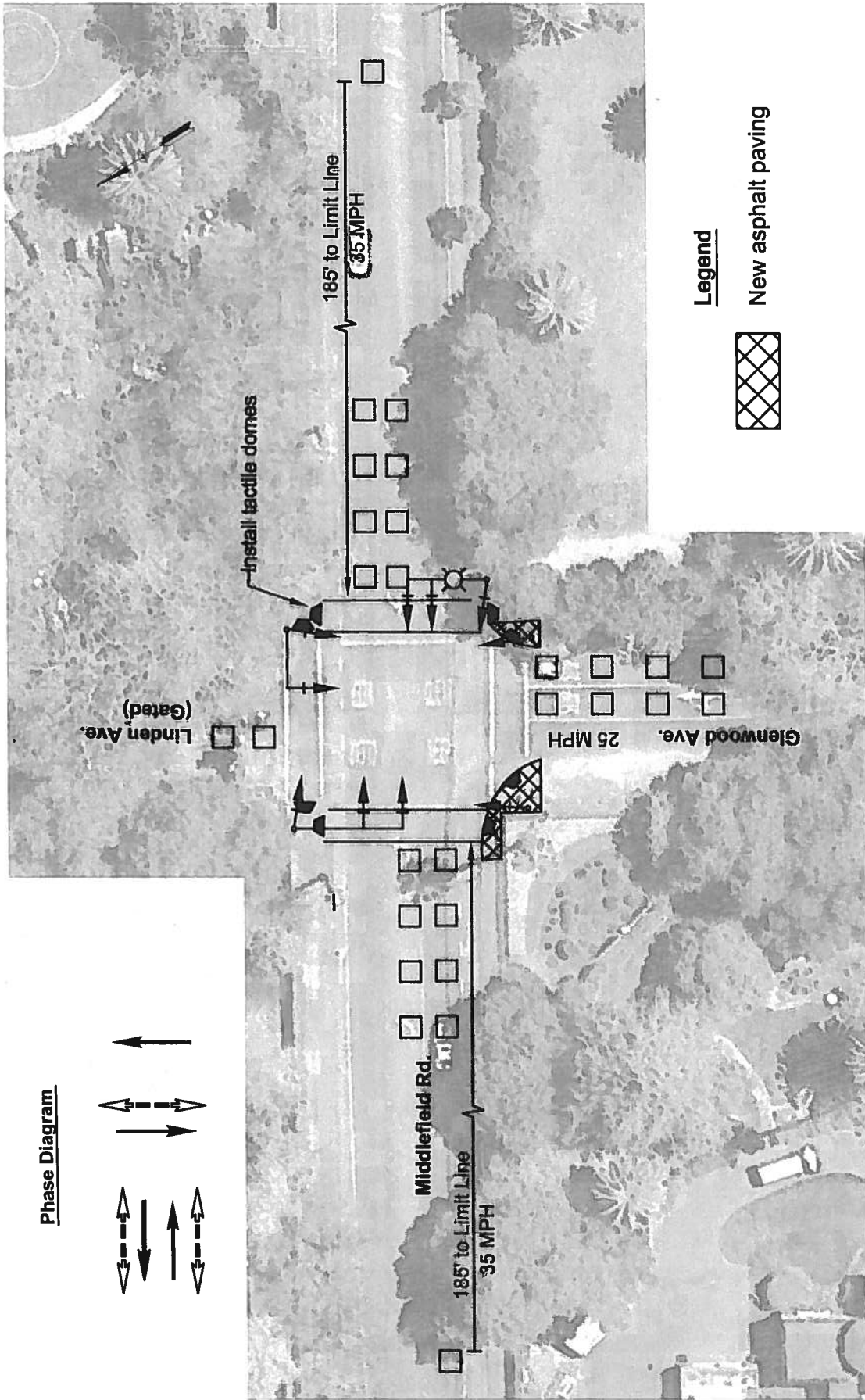
Figure A-2. Middlefield Ave. & Marsh Rd.

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Phase Diagram



Legend



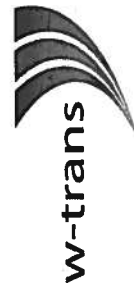
New asphalt paving

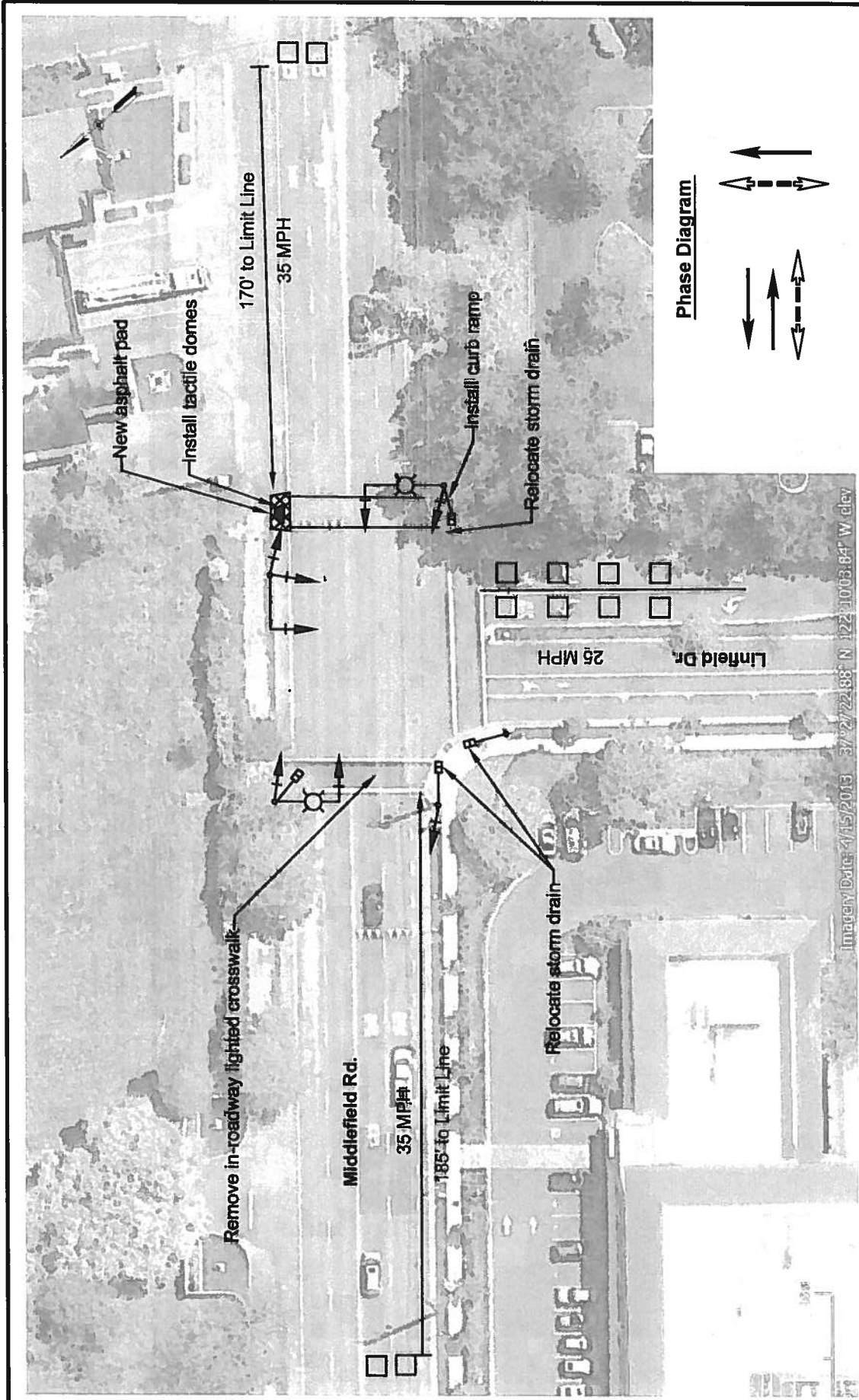
# Menlo Park TIF Intersection

Figure A-3. Middlefield Rd. & Glenwood Ave.

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DESIGN: SF	DATE: 7/8/14
SHEET 3 of 7	JOB NO. MPA902

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Santa Rosa, CA  
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Imagery Date: 4/15/2013 37°27'22.88" N 122°10'03.84" W elev

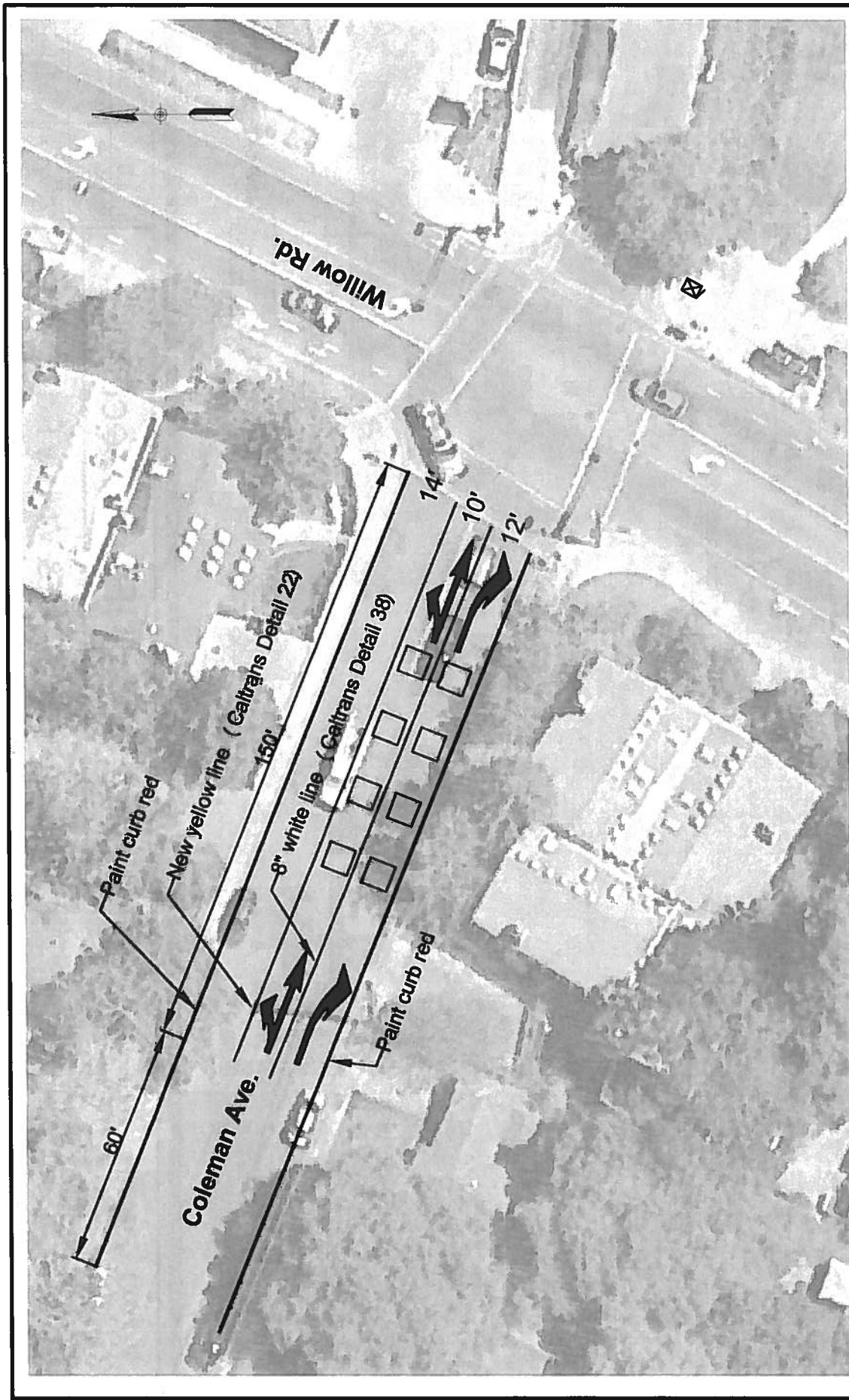
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# Menlo Park TIF Intersection

## Figure A-4. Middlefield Rd. & Linfield Dr.

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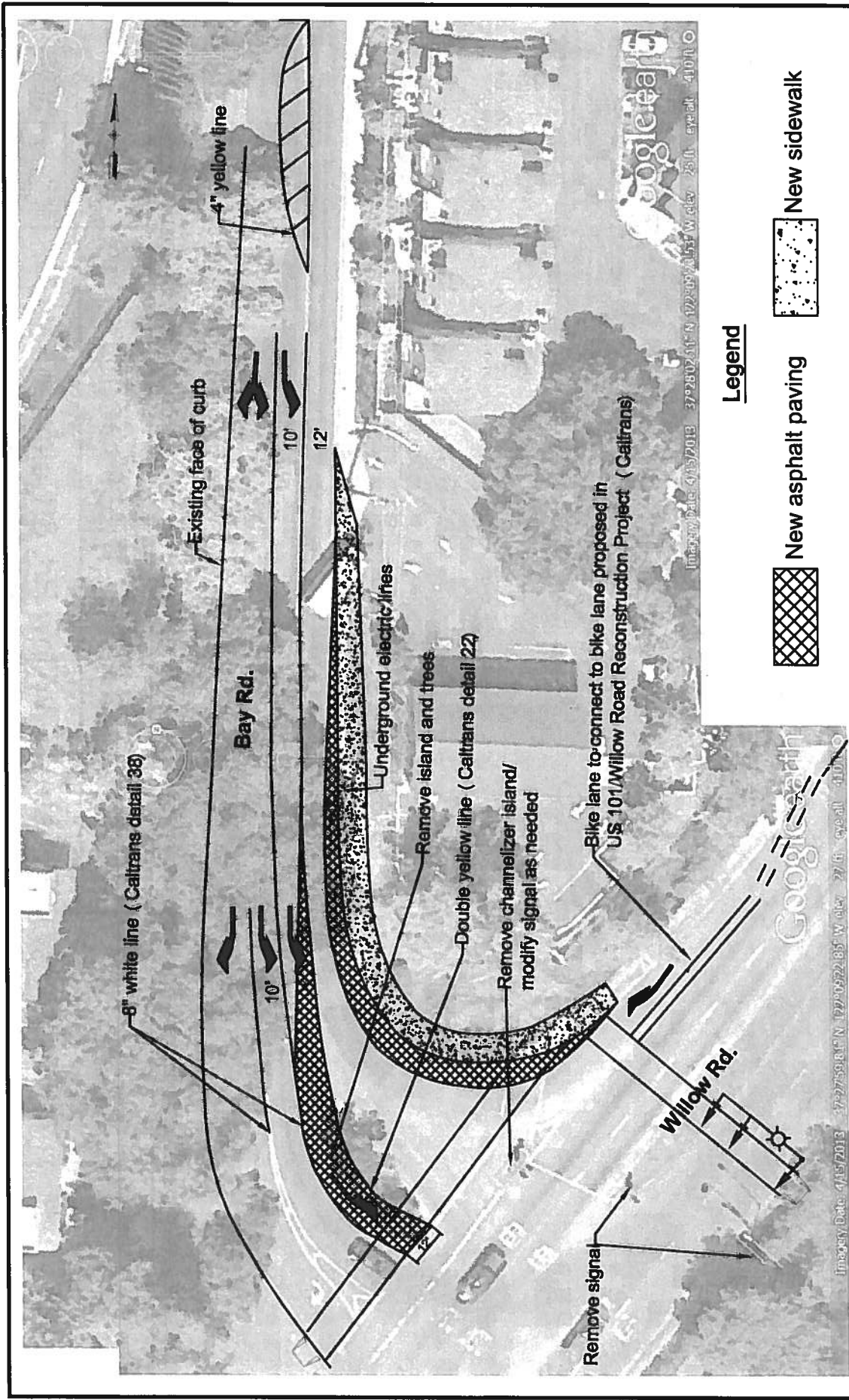
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# Menlo Park TIF Intersection

## Figure A-5. Willow Rd. & Coleman Ave.



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**Legend**



New asphalt paving



New sidewalk

# Menlo Park TIF Intersection

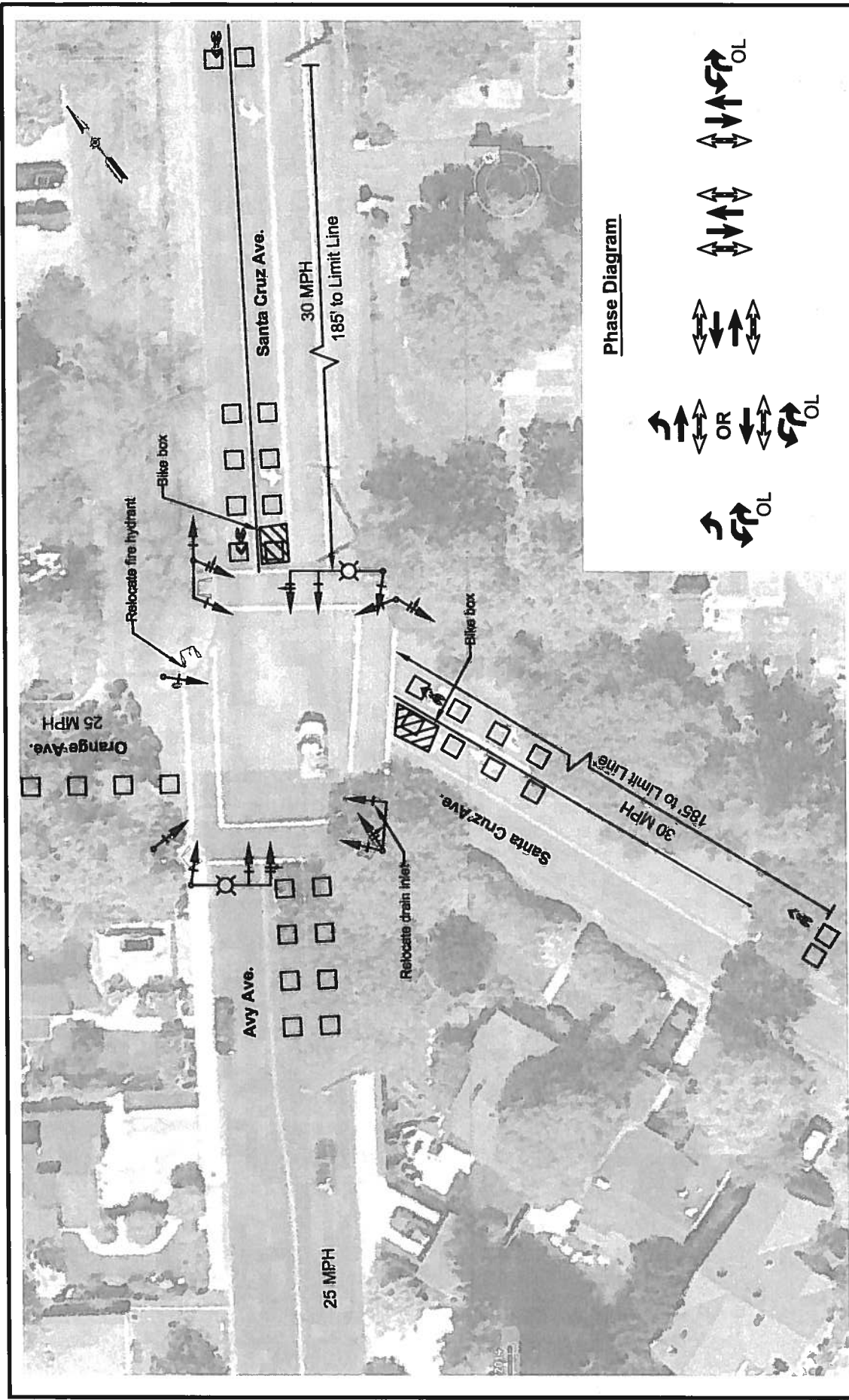
## Figure A-6. Bay Rd. & Willow Rd.

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Santa Rosa, CA  
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**w-trans**

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DATE:	7/8/14
JOB NO.	MPA902
SHEET	7 of 7 SHEETS
DESIGN:	SF
DRAWN:	LD

# Menlo Park TIF Intersection

## Figure A-7. Santa Cruz Ave. & Avy Ave.



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Santa Rosa, CA  
(707) 542-9500 Fax (707) 542-9590



## Summary of Transportation Improvements and Cost Allocation

<b>Intersection (Specific Plan EIR Identification Number)</b>	<b>Jurisdiction</b>	<b>Improvement Description</b>	<b>Total Cost<sup>1</sup> [A]</b>	<b>Percent Traffic from Specific Plan New Development<sup>2</sup> [B]</b>	<b>Proportional Cost Allocated to Specific Plan New Development<sup>3</sup> [C = A x B]</b>
<b>University Drive (north)/ Santa Cruz Avenue (#17)</b>	Menlo Park	<ul style="list-style-type: none"> <li>• Signalize</li> <li>• Interconnect with University Drive (south)/Santa Cruz Avenue</li> </ul>	\$379,300	27%	\$102,400
<b>Middlefield Road/ Marsh Road (#18)</b>	Atherton	<ul style="list-style-type: none"> <li>• Add 2<sup>nd</sup> left-turn lane from Marsh to Middlefield</li> <li>• Add 2<sup>nd</sup> receiving lane on south leg of Middlefield Road</li> </ul>	\$925,000	4%	\$37,000
<b>Middlefield Road/ Glenwood Avenue- Linden Avenue (#20)</b>	Atherton	<ul style="list-style-type: none"> <li>• Signalize</li> </ul>	\$405,900	9%	\$36,500
<b>Middlefield Road/ Linfield Drive (#24)</b>	Menlo Park	<ul style="list-style-type: none"> <li>• Signalize</li> </ul>	\$377,200	26%	\$98,100
<b>Coleman Avenue/ Willow Road (#27)</b>	Menlo Park	<ul style="list-style-type: none"> <li>• Restripe southbound approach of Coleman to left-turn only lane and shared through/right-turn lanes</li> </ul>	\$32,600	10%	\$3,300
<b>Durham Street/ Willow Road (#28)</b>	Menlo Park	<ul style="list-style-type: none"> <li>• Add southbound left-turn lane</li> <li>• Change signal phasing on Durham Street-Veterans Hospital approaches</li> </ul>	\$150,000 <sup>4</sup>	10%	\$15,000

Intersection (Specific Plan EIR Identification Number)	Jurisdiction	Improvement Description	Total Cost <sup>1</sup> [A]	Percent Traffic from Specific Plan New Development <sup>2</sup> [B]	Proportional Cost Allocated to Specific Plan New Development <sup>3</sup> [C = A x B]
<b>Bay Road/ Willow Road (#29)</b>	Caltrans	<ul style="list-style-type: none"> <li>• Add 2<sup>nd</sup> southbound left-turn lane from Bay to Willow</li> <li>• Add crosswalk across Willow on east leg</li> </ul>	\$642,000	8%	\$51,400
<b>Orange Avenue/ Santa Cruz Avenue- Avy Avenue (#33)</b>	Menlo Park	<ul style="list-style-type: none"> <li>• Signalize</li> </ul>	\$555,400	19%	\$105,500
<b>Total</b>			<b>\$3,467,400</b> [A]	--	<b>\$476,600</b> [C]
Notes:					
1 Total cost includes estimate of construction costs (pavement/widening, right-of-way acquisition, traffic signal modifications), plus design, survey, construction management/administration, and contingencies.					
2 At each intersection, the amount of traffic growth that is generated by new development within the Specific Plan area during the PM peak hour divided by the total amount of traffic growth estimated in 2030 in the Specific Plan EIR.					
3 Proportion of the total cost attributable to new development in the Specific Plan area during the PM peak hour, based on Note 2 above.					
4 This work was already under construction at the time the Study was being prepared. Therefore, the cost borne by the City was already known and is reflected in the Study.					



## OFFICE OF THE CITY MANAGER

Council Meeting Date: February 24, 2015

Staff Report #: 15-037

**REGULAR BUSINESS:**                    **Approval of the City Council's Fiscal Year 2015-16 Work Plan**

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### RECOMMENDATION

It is recommended that the City Council approve the Fiscal Year 2015-16 work plan with the expectation that the City Manager will bring forward additional policy changes and implementation steps as described.

### POLICY ISSUES

The City Council is being asked to approve the attached work plan, with consideration of the need to

1. Make changes to the City's compensation policy to place Menlo Park in a competitive labor market position;
2. Create organizational capacity to meet increasing service level expectations; and
3. Create an efficient and professional work space.

### BACKGROUND

The City Council held a Special Meeting on January 26, 2015, at the Arrillaga Family Recreation Center, with the objective to develop a list of achievable goals for 2015 (Attachment A). The public workshop was facilitated by Jan Perkins, Senior Partner with Management Partners, who provided a summary report of the workshop outcomes (Attachment B).

The City Council, City Manager, and City Attorney spent the first part of the goal-setting workshop discussing impediments to moving forward in a timely manner with priority projects. The primary impediment agreed to is lack of sufficient organizational capacity.

The City Council asked the City Manager to return with a plan for creating the capacity and making the organization "market-ready". Anticipated in that plan is:

1. Focus first on the difficult-to-recruit positions in Community Development and Public Works and make immediate compensation adjustments;

2. Conduct a comprehensive classification and compensation study for non-public safety positions and make appropriate adjustments;
3. Identify and/or create professional and efficient work spaces to accommodate this new capacity; and
4. Authorize an increase in staff in order to implement the City Council's work plan over a five-year time horizon.

Following the adoption of the work plan, and working with the affected labor groups, staff will return to the City Council in March with a two-pronged approach:

- First, a budget appropriation request to: adjust compensation, increase capacity, retain a compensation consultant and fund the City Hall remodel.
- Then, the balance of the unmet needs will be reflected in the proposed FY2015-16 budget which the City Council will review and consider in June 2015.

## **ANALYSIS**

The City continues to have problems attracting staff. While the City Council approved a number of new positions in its FY 2014-15 budget, several were for provisional (fixed-term) positions or contract positions, both of which in this economy are particularly difficult to attract and retain. Of particular concern was the fact that vacancies remain unfilled in Public Works and Community Development departments. It was acknowledged during the goal-setting meeting that without sufficient capacity, projects will be slowed and many will be placed on hold.

Findings from the classification and compensation study would be used in preparation for the coming year's budget. The plan to create capacity for the City Council work plan calls for approximately 22 new positions to be hired in two installments. The installment approach and sequenced implementation will allow management to ensure that the staffing and resources allocated during the budget process match the resources necessary for success. These requests will be limited to creating capacity for the City Council work plan over a five year time horizon.

The City Council previously approved a concept to remodel the City Hall to create more and improved work spaces. This project will need to be updated and implemented to accommodate the increased capacity.

Finally, when the upcoming FY 2015-20 Capital Improvement Plan budget is presented in April, additional CIP-specific staffing requests may be included.

## **IMPACT ON CITY RESOURCES**

Much of the anticipated cost for the proposed action is driven by the compensation and capacity changes which, once known, can be readily calculated. Much of the new staffing will have revenue offsets from development fees and charges. This will all be calculated once the final plan is presented to the City Council.

## **ENVIRONMENTAL REVIEW**

No environmental review is necessary.

## **PUBLIC NOTICE**

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

## **ATTACHMENTS**

- A. Draft 2015 City Council Work Plan
- B. City Council Goal-Setting Workshop Report by Management Partners

Report prepared by:

*Alex D. McIntyre*

*City Manager*

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#	Description	Lead Department	Anticipated Additional Staffing Required (FTE)	Anticipated Additional Appropriation Needed
1.	Staffing (update job descriptions, fill vacancies, add capacity, reduce turnover)	Human Resources	1.5	\$200,000
2.	General Plan process; stay on schedule with revitalization of commercial areas / M-2	Community Development	0.625	\$0
3.	Housing Element implementation programs	Community Development	0	\$0
4.	Grant-funded projects (with deadlines for completion) for <ul style="list-style-type: none"> <li>– Traffic signal improvements (Willow, Sand Hill)</li> <li>– Bicycle/pedestrian improvements (Haven, O'Connor School area, Valparaiso, citywide)</li> <li>– Determine vision and funding for El Camino/Ravenswood/Alma intersections (grade separation study)</li> </ul>	Public Works	1.5	\$0
5.	El Camino Real Corridor study & design implementation	Public Works	0.625	\$0
6.	Renewable energy – solar installation at City buildings	Public Works	0.375	\$0
7.	Climate Action Plan implementation	Public Works	0.5	\$100,000
8.	101/Willow Road interchange – Caltrans improvements design & construction	Public Works	0.375	\$0
9.	Administration building space planning implementation	Public Works	1.125	\$500,000 to 1,500,000
10.	Update to Heritage Tree ordinance	Public Works	0.5	\$0

#	Description	Lead Department	Anticipated Additional Staffing Required (FTE)	Anticipated Additional Appropriation Needed
11.	<p>Active projects in construction:</p> <ul style="list-style-type: none"> <li>Facebook East</li> <li>Hunter Mixed Use</li> <li>Marriott Residence Inn</li> <li>Quadrus Building #4</li> <li>Facebook West</li> <li>CS Bio</li> <li>Mermaid Inn</li> <li>Beechwood School</li> <li>Anton Menlo</li> <li>Commonwealth Corporate Center</li> </ul> <p>Projects pending or under review for building permits:</p> <ul style="list-style-type: none"> <li>BBC Restaurant</li> <li>Facebook Northwest</li> <li>Hamilton Housing</li> <li>Greystar Housing</li> <li>Core Housing</li> </ul> <p>Projects Pending Land Use Entitlements:</p> <ul style="list-style-type: none"> <li>500 El Camino Real/Stanford (negotiations including bicycle/pedestrian tunnel funding)</li> <li>1300 El Camino Real/Green Heart</li> <li>Menlo Gateway</li> <li>SRI</li> <li>Hunter/Roger Reynolds</li> <li>Alma Station</li> <li>MidPeninsula Housing/Willow</li> <li>650 Live Oak Mixed Use</li> <li>1400 El Camino Real/Hotel</li> </ul>	Community Development	15.375	\$75,000



#	Description	Lead Department	Anticipated Additional Staffing Required (FTE)	Anticipated Additional Appropriation Needed
12.	Improve relationships with other agencies	City Manager's Office	0	\$0
13.	Upgrade existing financial system	Finance	0	\$50,000
14.	Belle Haven Action Plan Phase III Implementation	Community Services	0	\$125,000
15.	Achieve City Council-approved Cost Recovery Levels in all Community Services programs	Community Services	0	\$25,000
16.	Downtown/EI Camino Real Specific Plan Bi-Annual Review	Community Development	0.125	\$0
17.	Create a community disaster preparedness partnership w/ citizens, businesses & schools, utilizing existing agreement w/ Fire District	Police	0	\$0
18.	Complete sidewalks on Santa Cruz Ave	Public Works	0.5	\$500,000 to \$1,500,000
19.	Address downtown parking garage	Public Works	0.5	\$150,000
20.	Establish public benefits approach for Development projects	City Manager's Office, Community Development	0	\$20,000
21.	Develop a water master plan <ul style="list-style-type: none"> <li>- Add additional emergency well</li> <li>- Develop a recycled water program</li> <li>- Recycled water study for Sharon Heights Golf and Country Club and West Bay Sanitary District</li> </ul>	Public Works	1	\$0
22.	Transit improvements (TMA's, etc.)	Public Works	0.625	\$150,000
23.	Explore Dumbarton rail corridor activation / re-use	Public Works	0.125	\$150,000
24.	Implement Economic Development plan	City Manager's Office	0	\$50,000

#	Description	Lead Department	Anticipated Additional Staffing Required (FTE)	Anticipated Additional Appropriation Needed
25.	Develop IT master plan <ul style="list-style-type: none"> <li>New planning/building system software that will also allow for online permitting for basic residential permits (roof replacements, water heater replacements, kitchen/bath remodels, overnight parking permits)</li> </ul>	City Manager's Office	1	\$0
26.	Expand Downtown outdoor seating pilot program	City Manager's Office	0.25	\$150,000
27.	Caltrain electrification design review	Public Works	0.125	\$0
28.	Address traffic issues on Willow Road	Public Works	0.5	\$150,000
29.	Implementation of recommendations from the department operational reviews (including, among others): <ul style="list-style-type: none"> <li>Developing the Library and Community Services Departmental Strategic Plans</li> <li>Implementing the Administrative Services Study recommendations</li> <li>Updating the Library and Community Services departmental policies and procedures</li> <li>Improving relationships with stakeholders (school districts, user groups, etc.)</li> </ul>	Community Services, Library	0	\$100,000
		City Manager's Office	1	\$0
		Community Services, Library	0	\$75,000
		Community Services, Library	0	\$0
30.	Friendship/Sister City program	City Manager's Office	0.25	\$25,000

**NOT INCLUDED IN CITY COUNCIL WORK PLAN**

<b>#</b>	<b>Description</b>	<b>Lead Department</b>	<b>Anticipated Additional Staffing Required (FTE)</b>	<b>Anticipated Additional Appropriation Needed</b>
31.	High speed rail environmental process (expected to start mid 2015)	Public Works		
32.	Pope/Chaucer bridge improvements	Public Works		
33.	Bayfront canal/Atherton channel flooding in Redwood City/Menlo Park agreement on costs	Public Works		
34.	Downtown utility undergrounding	Public Works		
35.	Downtown Specific Plan Streetscape implementation (Ex: paseo, parklets)	Public Works		
36.	Complete Library Space Needs Study	Public Works, Library		
37.	Improve communications with the community	City Manager's Office		
38.	Prioritization of what is most important to the City Council so that staff can focus the work on those priorities	City Manager's Office		
39.	Create capacity for IT	City Manager's Office		
40.	Analysis and prioritization of alternative service delivery model goals, what outcome is desired (financial, service changes, etc.) and what metrics determine success	Community Services		
41.	Improve and enhance special events	Community Services		
42.	Belle Haven Pool Facility Analysis for year-round operations	Community Services		

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**City of Menlo Park  
City Council Goal Setting Workshop  
Held January 26, 2015**

**February 9, 2015**

**Management  
Partners**



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## Workshop Report

“Put First Things First.”

Stephen Covey

The City of Menlo Park held a workshop on January 26, 2015 in the Oak Room at the Arrillaga Family Recreation Center in Menlo Park. The retreat was an opportunity for the City Council and executive staff to discuss important City issues and identify the priority goals for the year.

Jan Perkins, Senior Partner with Management Partners facilitated the workshop. Several members of the public attended the workshop. Executive staff participated in order to provide expert advice where needed.

### ***Participants***

- Mayor Catherine Carlton
- Mayor Pro Tem Richard Cline
- Council Member Kirsten Keith
- Council Member Ray Mueller
- Council Member Peter Ohtaki
- City Manager Alex McIntyre
- City Attorney Bill McClure
- Police Chief Bob Jonsen
- Community Development Director Arlinda Heineck
- Economic Development Manager Jim Cogan
- Finance Director Drew Corbett
- Public Works Director Jesse Quirion
- Community Services Director Cherise Brandell
- Human Resources Director Gina Donnelly
- Library Services Director Susan Holmer
- Assistant to the City Manager Clay Curtin

- City Clerk Pamela Aguilar
- Information Services Manager Gene Garces
- Interim Transportation Manager Nicole Nagaya
- Assistant Public Works Director Ruben Niño
- Community Services Manager Derek Schweigart

## ***Workshop Objectives and Preparation***

### **Workshop Objectives**

- Agreement on a list of realistic and achievable priorities for the next year
- Agreement on a method of handling new/emerging issues that arise during the year
- Strengthen teamwork

### **Agenda**

- Welcome and introductions
- Public comments
- Discussion of staff capacity
- Celebrating our accomplishments
- Discussion of major policy areas
- Establish priorities
- Consensus on how to stay focused on these priorities
- Review next steps

### **Retreat Ground Rules**

At the start of the workshop, the facilitator suggested several ground rules to help the group have a successful workshop and achieve the results they intended to achieve through their time together.

- Seek consensus
- Create realistic priorities
- Council focus on policy and staff focus on “how” to achieve it
- Assume good intent
- Listen

### **Retreat Preparation**

To prepare for the retreat, facilitator Jan Perkins conducted individual interviews with each Councilmember and held a meeting with the executive team. The purpose of these meetings was to obtain input that would help in creating an agenda for the workshop. During these



meetings, Councilmembers and executive staff were asked the following questions:

- What accomplishments over the past year are you most pleased about?
- What are the key challenges facing the City?
- What do you hope will be different in Menlo Park five years from now?
- What is your vision for Menlo Park in each of these areas: public safety; cultural enrichment; beautification, development and transportation; and, how the City Council governs and leads.
- What legacy do you hope to leave when you end your tenure on the Council?
- What big policy issues will drive where Menlo Park goes over the next five years?
- What are your priorities for achievement during the next year?
- What did you like about last year's goal setting workshop held in January 2014? What do you hope will be different at the upcoming one in January 2015?

The City Manager provided the Council with a status report on current goals and priorities in advance of the workshop.

### ***Discussion of Staffing Challenges***

The Council, City Manager and City Attorney spent the first part of the workshop discussing impediments to moving forward in a timely manner with priority projects. The primary impediment is lack of sufficient capacity to get the work done. The City is having challenges in retaining and attracting staff. Additionally, there are not enough positions in the key areas with primary responsibility for major projects. The two department most affected are Public Works and Community Development. It was acknowledged that without sufficient capacity, projects will not be completed in a timely manner and many will be placed on hold until there is capacity.

Among the options identified for addressing the recruitment and retention problems were being competitive with compensation; being able to increase and adjust staffing levels based on needs; the need for more time to be spent by executive managers with less seasoned, although highly qualified staff; changes in CalPERS; and the need for stability and consistency of staffing for effectiveness.

It was noted that turnover comes with a high cost, both through lost time for projects, experience level that is lost, and the need to orient new people to the specific issues within Menlo Park. With turnover comes increased management oversight responsibilities at the executive level. It was also noted that many agencies are currently hiring, with the “retirement tsunami” being well underway, and therefore it is highly a competitive environment for top talent.

The consensus was that the City Manager would return with a plan for making the organization “market-ready” over a period of time. Among the steps that may be taken are a compensation study, and other changes that would enable the City to recruit and retain talent in order to achieve the work program desired by the City Council. It was also noted that new positions would be required to provide added capacity for projects now underway or planned, particularly in engineering and planning.

### ***Factors Contributing To Goal Achievement***

Jan Perkins reviewed a partial list of City accomplishments that had been identified in her interviews with Councilmembers. Then in small groups, the Council and staff identified the key factors that contributed to the accomplishments.

*The highlighted accomplishments included:*

- Belle Haven: substation opened; visioning process engaged leaders from the area; improved safety
- Pension reserve fund set up
- Affirmation of the specific plan through the election
- Housing element completion
- Downtown: outdoor dining at Left Bank, food truck Wednesdays
- Community garden
- Environment goal established of reducing carbon footprint
- Improved traffic flow
- Adequate union negotiations
- Correcting internal process problems (HR); some streamlining; IT
- Balanced budget
- AB1690 regarding housing element change – allowed the city to include mixed use in sites
- Additional tools for community policing (license plate readers, body cameras)
- Progress on the general plan
- More green lanes for bicycles

*Factors that contributed to the City's success with these accomplishments were:*

- Council and staff collaboration and consensus
- Improved financial picture
- Teamwork
- Staying focused on priorities
- Project prioritization
- Community support
- Economic climate allowing for adequate funding of priority projects
- Perseverance
- Clear direction
- Courage
- Sufficient staff to accomplish goal
- Foresight
- Creativity
- Capable staff
- Departments working together
- Open and honest communication
- Problem resolution

### ***Discussion of Key Policy Areas***

Five policy areas were discussed by small groups of Councilmembers and staff. The discussions were of a brainstorming nature, with no direction, narrowing or consensus intended or created.

The questions posed for each policy area were (1) what are the policy questions that will need to be addressed over the next year years and (2) how could success be measured for 2015.

The brainstormed ideas are recorded below.

#### ***Organization capacity***

##### *Policy questions*

- How does Menlo Park remain competitive; how to incentivize for hiring and retention
- Staffing HR strategies, roles within organization; where do we want to be as employer of choice;

##### *Ways to measure success in 2015*

- Lower attrition rates
- Getting projects done in a timely manner
- Improved morale

- Successful recruitments; ratio of qualified applicants-to-open positions
- Discussions with unions regarding key areas (planning, engineering...)
- Space planning needs addressed

### ***Commercial developments***

#### *Policy questions*

- General plan update process needs to answer what M-2 should be (future orientation\_
- Organization capacity is linked; need staffing
- Transportation is linked, regional issues
- Balance commercial uses, revenue generation, office
- Engaging community better on this
- Parking garage
- Commercial development should pay for itself
- Streamlining how we deal with applicants and online permits

#### *Ways to measure success in 2015*

- Hiring and retaining staff
- Staying on timeline for general plan M-2 zoning
- Completion of some projects; entitlements
- Transparency

### ***Transportation/traffic***

#### *Policy questions*

- Safer pedestrian and biking areas; adults and safe routes to school
- Encouraging alternative modes
- Collaborate with neighboring cities
- Downtown parking
- Better framework for public benefit for projects
- Thresholds for “significant” impacts
- Projecting residential areas from traffic
- Creativity regarding east-west connectivity
- Dumbarton rail JPA
- How to deal with El Camino
- Willow Road

#### *Ways to measure success in 2015*

- Create additional capacity
- Sidewalks on Santa Cruz for safer biking, etc.
- Release report showing impact of Palo Alto on our streets

## **Water**

### *Policy questions*

- Need to paint the big picture – master plan
- Find out how other cities are staffed for these issues
- Work with other agencies to find alternate means of water
- Encourage county to form flood control district
- Unmetered homes in Menlo Park

### *Ways to measure success in 2015*

- Amount of water saved
- Quality of our water
- Metrics per capita (use)
- Building code; residential vs. commercial uses of water

## **Housing**

### *Policy questions*

- Addressing impacts of more housing – e.g. traffic, water, safety...
- Monitor staff requirements as housing units come online
- Affordability: need for new model to finance affordable housing, e.g. partnership with large employers, secondary units
- Trade offs between parking and nearby housing to incentivize developers
- Availability of land
- M-2 general plan update
- Loss of employment land
- Unbundling parking from housing units
- Nexus study regarding below market rate fees
- Size of housing units
- There is no staff assigned to housing

### *Ways to measure success in 2015*

- Utilizing Heart staffing
- Encourage Stanford to use land for housing
- Rejoin commute.org

## ***Discussion of Priorities***

A short orientation on the factors contributing to effective goal setting was provided by Jan Perkins, as follows.

<b>Best Goal Setting</b>	<b>Not so Great</b>
<ul style="list-style-type: none"><li>• Options provided</li><li>• Goals set through council/staff collaboration and consensus</li><li>• Sufficient resource allocated</li><li>• Agreement on desired outcomes</li><li>• Not a list of tasks</li><li>• Council sets policy objective, staff determines the “how” to achieve it</li><li>• Data is provided to assist</li></ul>	<ul style="list-style-type: none"><li>• 1 or 2 councilmembers drive workload</li><li>• Distractions</li><li>• New projects are put on staffs’ plate during the year, without taking off previously set priorities</li><li>• Disagreement on the council over expectations</li><li>• Council into the details rather than at the policy level</li></ul>

### **List of Priorities**

The priorities noted by Councilmembers in their individual interviews with Jan Perkins were placed into a chart (see Attachment A). Other projects that were either previously authorized or were identified by staff as important were also placed on the list. The staff noted which were underway, which would need new resources, and other comments for each project.

### ***Discussion Process***

- Of the 46 items on the list, 18 were considered “underway” and would proceed. Sufficient resources are not available for all of those, and the City Manager will determine what resources are required to complete those projects.
- Considering only the remaining items, Councilmembers placed red dots by the items they considered top priority.
- The Council and staff discussed each of the items receiving Councilmembers’ dots.
- A second round of dot voting, using green dots, was held in order to determine what the highest priorities were.

*The projects emerging with yellow, green and red dots are shown in Attachment A. Those are the ones for which the City Manager will identify capacity resource needs (staffing and/or consultants) and return to the Council for discussion.*

- **Yellow dots:** These are all projects budgeted and underway. There are 18 of those projects. In many cases, additional capacity will be needed to accomplish the projects in a timely manner even though they are underway. The City Manager will identify recommended resources.
- **Green dots:** These are the ones that emerged from the second round of dot voting by Councilmembers. The City Manager will identify the resources that would be required to pursue these projects.
- **Red dots:** These are the ones that emerged from the first round of dot voting by Councilmembers. Six projects are in this group. The City Manager will identify the resources that would be required to pursue these projects.

### ***Staying Focused On Agreed-Upon Priorities***

The Council consensus was that once the final decisions are made in a Council meeting about priorities, the established priorities would be adhered to. This means that other than emergencies, new projects or tasks will not be added to staffs' workload.

### ***Next Steps***

The City Manager will return to the Council with recommendations about resources that will be needed to accomplish the items on the list of priorities. It was understood that new resources (staff and consultants) will be needed in order to move forward on the projects identified by the Council as priorities. Absent new resources, some of the projects will be placed on hold until such time that capacity is created.

Once the City Manager provides new resource recommendations, the Council will determine its actual priorities, based on its decisions about what additional resources to authorize.

## Attachment A – Organization Capacity Matrix

#	Identified Priorities	Currently Budgeted	Sufficient Staffing for Best Practices Outcomes	Recommended as “Must Do” in 2015	Currently Underway	Lead Department
1.	Staffing (update job descriptions, fill positions, add capacity, reduce turnover)	YES	NO	YES	YES	HUMAN RESOURCES
2.	General Plan process; stay on schedule with revitalization of commercial areas/M-2	YES	YES	YES	YES	COMMUNITY DEVELOPMENT
3.	Active projects in construction: Facebook East Hunter Mixed Use Marriott Residence Inn Quadrus Building #4 Facebook West CS Bio Mermaid Inn Beechwood School Anton Menlo Commonwealth Corporate Center	YES	NO	YES	YES	COMMUNITY DEVELOPMENT
4.	Projects pending or under review for building permits: BBC Restaurant Facebook Northwest Hamilton Housing Greystar Housing Core Housing	YES	NO	YES	YES	COMMUNITY DEVELOPMENT



#	Identified Priorities	Currently Budgeted	Sufficient Staffing for Best Practices Outcomes	Recommended as “Must Do” in 2015	Currently Underway	Lead Department
5.	Projects Pending Land Use Entitlements: 500 El Camino Real/Stanford (negotiations including bicycle/pedestrian tunnel funding) 1300 El Camino Real/Green Heart Menlo Gateway SRI Hunter/Roger Reynolds Alma Station Mid Peninsula Housing/Willow 650 Live Oak Mixed Use 1400 El Camino Real/Hotel	YES	NO	YES	YES	COMMUNITY DEVELOPMENT
6.	Housing Element implementation programs	YES	YES	YES	YES	COMMUNITY DEVELOPMENT
7.	Grant-funded projects (with deadlines for completion) for Traffic signal improvements (Willow, Sand Hill) Bicycle/pedestrian improvements (Haven, O’Connor School area, Valparaiso, citywide)  Determine vision and funding for El Camino/Ravenswood/Alma intersections (grade separation study)	YES  YES	YES  NO	YES  NO	YES  NO	PUBLIC WORKS
8.	El Camino Real Corridor study & design implementation	STUDY ONLY	STUDY ONLY	YES	YES	PUBLIC WORKS
9.	Renewable energy – solar installation at City buildings	YES	YES	YES	YES	PUBLIC WORKS

#	Identified Priorities	Currently Budgeted	Sufficient Staffing for Best Practices Outcomes	Recommended as “Must Do” in 2015	Currently Underway	Lead Department
10.	Climate Action Plan implementation	PARTIALLY	PARTIALLY	YES	YES	PUBLIC WORKS
11.	101/Willow Road interchange – Caltrans improvements design & construction	PARTIALLY	YES	YES	YES	PUBLIC WORKS
12.	Administration building space planning implementation	PARTIALLY	YES	YES	YES	PUBLIC WORKS
13.	Update to Heritage Tree ordinance	YES	YES	YES	YES	PUBLIC WORKS
14.	Improve relationships with other agencies (Fire District, school district, etc.)	YES	YES	YES	YES	CITY MANAGER’S OFFICE
15.	Upgrade existing financial system	YES	YES	YES	YES	FINANCE
16.	Belle Haven Action Plan implementation	YES	YES	YES	YES	COMMUNITY SERVICES
17.	Cost recovery in all Community Services programs	YES	YES	YES	YES	COMMUNITY SERVICES
18.	Specific Plan review	YES	NO	YES	YES	COMMUNITY DEVELOPMENT
19.	Online permitting for basic residential permits (roof replacements, water heater replacements, kitchen/bath remodels, overnight parking permits)	NO	NO	NO	NO	INFORMATION TECHNOLOGY
20.	Create a community disaster preparedness partnership (outside group with fire district and chamber of commerce, schools, neighborhood groups; get the fire district to staff this)	NO	NO	YES	NO	POLICE
21.	Complete sidewalks on Santa Cruz Ave	PARTIALLY	YES	NO	YES	PUBLIC WORKS

#	Identified Priorities	Currently Budgeted	Sufficient Staffing for Best Practices Outcomes	Recommended as “Must Do” in 2015	Currently Underway	Lead Department
22.	Address downtown parking garage	NO	NO	NO	NO	PUBLIC WORKS
23.	Establish public benefits approach for development projects	NO	NO	NO	YES To Be Scheduled	ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT
24.	Develop a water master plan	NO	NO	NO	NO	PUBLIC WORKS
	– Add additional emergency well	NO	NO	NO	NO	
	– Develop a recycled water program	NO	NO	NO	NO	
	– Recycled water study for Sharon Heights Golf and Country Club and West Bay Sanitary District	NO	NO	NO	YES (West Bay Study)	
25.	Transit improvements (TMA’s, etc.)	NO	NO	NO	NO	PUBLIC WORKS
26.	Dumbarton rail corridor	NO	NO	NO	NO	PUBLIC WORKS
27.	Implement economic development plan	NO	YES	YES	YES	ECONOMIC DEVELOPMENT
28.	Expand Downtown outdoor seating pilot program	YES	YES	NO	YES	ECONOMIC DEVELOPMENT
29.	Caltrain electrification design review	NO	NO	YES	YES	PUBLIC WORKS
30.	Address traffic issues on Willow Road	NO	NO	YES	NO	PUBLIC WORKS

#	Identified Priorities	Currently Budgeted	Sufficient Staffing for Best Practices Outcomes	Recommended as “Must Do” in 2015	Currently Underway	Lead Department
31.	Implementation of recommendations from department operational reviews (including, among others):					COMMUNITY SERVICES, LIBRARY
	– Updating the Library and Community Services Departmental Strategic Plans	NO	NO	YES	NO	
	– Updating City administrative policies/procedures, documenting procedures	NO	NO	YES	NO	
	– Updating the Library and Community Services departmental policies	NO	NO	YES	NO	
	– Improving relationships with stakeholders (school districts, user groups, etc.)	NO	NO	YES	NO	
32.	Develop IT master plan	YES	NO	YES	NO	INFORMATION TECHNOLOGY
33.	Friendship/Sister City program	NO	NO	NO	YES	CITY MANAGER’S OFFICE
34.	High speed rail environmental process (expected to start mid 2015)	NO	NO	YES	YES	PUBLIC WORKS
35.	Pope/Chaucer bridge improvements	YES	NO	NO	NO	PUBLIC WORKS
36.	Bayfront canal/Atherton channel flooding in Redwood City/Menlo Park agreement on costs	NO	NO	YES	YES	PUBLIC WORKS
37.	Downtown utility undergrounding	YES	NO	NO	YES	PUBLIC WORKS
38.	Downtown Specific Plan Streetscape implementation (Ex: paseo, parklets)	YES	YES	NO	YES	PUBLIC WORKS
39.	Complete Library Space Needs Study	YES	NO	NO	NO	PUBLIC WORKS, LIBRARY

#	Identified Priorities	Currently Budgeted	Sufficient Staffing for Best Practices Outcomes	Recommended as “Must Do” in 2015	Currently Underway	Lead Department
40.	Improve communications with the community	YES	YES	YES	NO	CITY MANAGER’S OFFICE
41.	Prioritization of what is most important to the City Council so that staff can focus the work on those priorities	YES	YES	YES	YES	CITY MANAGER’S OFFICE
42.	Create capacity for IT	NO	NO	YES	NO	INFORMATION TECHNOLOGY
43.	Analysis and prioritization of alternative service delivery model goals, what outcome is desired (financial, service changes, etc.) and what metrics determine success	YES	YES	YES	NO	COMMUNITY SERVICES
44.	Improve and enhance special events	YES	NO	YES	YES	COMMUNITY SERVICES
45.	Belle Haven Pool Facilities Analysis for year-round operations	NO	NO	YES	NO	COMMUNITY SERVICES

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## COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: February 24, 2015

Staff Report #: 15-016

**REGULAR BUSINESS:**                    **Status Update and Possible Council Feedback on the Environmental Review for the 1300 El Camino Real Project**

### RECOMMENDATION

At its September 9, 2014 meeting, the City Council asked that they have a chance to review the scope of work for preparation of the environmental review for the 1300 El Camino Real project. No action is required at this preliminary stage of the project review, but Council Members may provide feedback to staff and the applicant.

### POLICY ISSUES

The proposed 1300 El Camino Real project will ultimately require the Planning Commission and City Council to consider certain land use entitlements, including the applicability of a Public Benefit Bonus for density/intensity greater than the Base level specified in the Specific Plan. The policy implications of such actions are considered on a case-by-case basis, and will be informed by additional analysis as the project review proceeds.

### BACKGROUND

#### Project Overview

Greenheart Land Company (“Greenheart”) is proposing to redevelop a multi-acre site on El Camino Real and Oak Grove Avenue with up to 217,000 square feet of non-residential uses and up to 220 dwelling units. The project site consists of 15 legal parcels (11 assessor’s parcels) addressed 1258-1300 El Camino Real, 550-580 Oak Grove Avenue, and 540-570 Derry Lane. The project site would be approximately 6.4 acres in size, after a proposed abandonment of Derry Lane, and dedication of a planned extension of Garwood Way (aligning with Merrill Street) and a partial widening of the Oak Grove Avenue right-of-way. The project site is within the El Camino Real/Downtown Specific Plan (“Specific Plan”) area.

**CEQA Review**

The Specific Plan process included the preparation of a program-level Environmental Impact Report (EIR), to consider the impacts of development throughout the Specific Plan area, in accordance with California Environmental Quality Act (CEQA) guidelines. For the proposed project, staff and an independent CEQA consulting firm (ICF International, with support from W-Trans, a transportation analysis subconsultant) determined that, due to a number of unique characteristics (including right-of-way changes and the fact that separate CEQA-related projects were previously proposed on portions of the project site), a project-level EIR needs to be prepared. The specific type of project-level EIR is defined by Senate Bill (SB) 226 as an “Infill EIR,” as the project would meet certain criteria defined by that legislation. The EIR will analyze four topic areas:

- Air Quality (construction)
- Hazards and Hazardous Materials
- Noise (traffic noise)
- Transportation and Traffic

Other environmental analysis areas were scoped out of the EIR, since they have been adequately addressed in the Specific Plan EIR:

Since the determination was made that a project-level EIR is required, the CEQA review has proceeded as follows:

<b>Date</b>	<b>Milestone</b>	<b>Hearing Body</b>
6/17/14	EIR Process Information Item	City Council
7/13/14	Notice of Preparation (NOP) Issuance	n/a
8/4/14	EIR Scoping Session (held in conjunction with general project Study Session)	Planning Commission
8/13/14	NOP Comment Deadline	n/a
9/9/14	Environmental Impact Report (EIR) Contract Approval	City Council

All CEQA-related materials for the proposal are available for review at City offices and on the project page’s CEQA subpage:

<http://www.menlopark.org/833/CEQA>

The EIR scope is included as Attachment A. The scope reflects a standard review process established by CEQA. The scope includes a project description that represents the applicant’s proposed project, as submitted previously. As discussed later in this report, the applicant has since submitted minor refinements to the proposed land uses, including a commitment for a greater proportion of community-serving uses (retail, personal services, banking, etc.). The project description is also the basis on which the environmental analysis is conducted and sets an upper limit on what can ultimately be approved by the



City. The CEQA document is primarily a public information document and provides necessary information to enable decision-makers to make final project determinations.

### **Overall Project Review Process**

The Specific Plan is set up to allow most projects to be acted on by the Planning Commission, although all Commission actions may be appealed to the City Council. Because the Greenheart proposal includes the abandonment and dedication of public right-of-way, the final actions will be made by the City Council. In addition, the applicant has requested that the City Council consider the pending Public Benefit Bonus proposal in a study session, which the Specific Plan acknowledges may be warranted for larger and more complex projects. The following represents the minimum set of public meetings required to review the project, in one possible sequencing:

- Planning Commission Study Session on Public Benefit
- City Council Study Session on Public Benefit
- Planning Commission Meeting on Draft EIR
- Environmental Quality Commission (EQC) recommendation on Heritage Tree removals
- Housing Commission recommendation on Below Market Rate (BMR) Housing proposal
- City Council Notice of Intent to Abandon Right-of-Way (ROW)
- Planning Commission Meeting(s) to make recommendations on all actions
- City Council Meeting(s) on all actions, including Environmental Review, Public Benefit Bonus determination, and ROW actions

In addition, at the September 9, 2014 meeting to approve the EIR contract, the City Council requested a pre-Draft EIR “check-in,” which is the subject of this report.

### **ANALYSIS**

No City Council action is required at this point, but Council Members may provide comments regarding the topics listed below. The overall project review process will provide a full and robust opportunity for similar/additional subjects to be discussed in more detail.

### **Land Use Scenarios**

The September 9, 2014 City Council meeting included comments/questions related to the project’s proposed inclusion of “flex” space (a term used by staff to relay the possible flexibility of uses) and how that could potentially affect the CEQA analysis. Specifically, the applicant is proposing the uses summarized in the table on the following page.

<b>Component</b>	<b>Square Feet</b>	<b>% of Overall Project</b>
Apartments (up to 202)	202,100	48.1%
Non-Medical Office	188,900-199,300	44.9%-47.4%
El Camino Real Community-Serving Uses	10,700-21,100	2.5%-5.0%
Oak Grove Avenue Community Service Uses	7,900	1.7%
<u>Total</u>	<u>420,000</u>	<u>100.0%</u>

For reference, a site plan with ground-floor uses is included as Attachment B. The proposal above has been refined slightly since the City Council review of the EIR budget on September 9, 2014. In particular, the applicant has increased the amount of community-serving uses that would be guaranteed as part of the project, and has also provided greater definition on the range of such uses. With regard to the latter, the community-serving uses category would include permitted non-residential/non-office uses in the “El Camino Real Mixed Use/Residential” land use designation, for example:

- General Retail Sales
- Full/Limited Service Restaurants
- Food and Beverage Sales
- General Personal Services
- Banks and Financial Institutions
- Business Services
- Personal Improvement Services (subject to a per-business size limit)

In addition, the applicant is requesting that 2,500 square feet of this area could be used for a single real estate office, associated with the property owner. The community-serving uses would wrap around both the El Camino Real and Oak Grove Avenue frontages, helping ensure greater activity and vibrancy on the public-facing sides of the project, and a potential amenity for the general public.

Additional community-serving uses could be considered through case-by-case Administrative Permit and Use Permit review, as specified in Specific Plan Table E1. For example, a restaurant with alcohol service and/or live entertainment would require Administrative Permit review.

The minimum-maximum ranges in the above table account for the fact that a small percentage of the project (10,400 square feet, or 2.5% of the overall project) could vary between non-medical offices and community-serving uses. The applicant has incorporated this concept to be able to address changing market conditions over the life of the project. However, as noted earlier, the amount of such space has been reduced from the previous submittal, in order to increase the amount of street-facing active uses. The maximum possible total office square footage would still adhere to the Specific Plan limit on non-

medical office, which is restricted to no more than one-half of any individual proposal's maximum Floor Area Ratio (FAR).

Flexible scenarios such as the above can be considered and approved under CEQA, provided the range of potential uses is described in the project description, and provided the analysis considers the relevant "reasonable worst-case" scenario for each topic. For example, the CEQA approvals for the Sand Hill Property Company 1300 El Camino Real project in 2009 included the flexibility for a number of different commercial uses in that proposed development.

Since the City Council's EIR contract authorization, staff and the consultant have focused on determining which land use scenario would generate the most significant transportation-related effects, in order to ensure that the pending analysis fully addresses CEQA requirements. Specifically, staff has conducted preliminary analyses regarding three different land use scenarios that could potentially result:

- 1) Non-medical office uses are maximized
- 2) Community-serving uses are maximized, with a mix of such uses
- 3) Community-serving uses are maximized, with restaurant uses occupying up to 50 percent of that space (the latter a likely maximum, due to physical constraints and market interest)

The amount of traffic generated by the proposed land use scenarios will be projected using rates published in the Ninth Edition of the Institute of Transportation Engineers' (ITE) *Trip Generation*. The trip rates in this publication do not account for land uses that are close to transit centers or the internalization for trips within a mixed-use development. Internal trips are those trips that occur within the site (e.g., a resident that also shops or dines at retail or restaurant uses). However, ITE has recently updated the recommended methods (Trip Generation Handbook, 3<sup>rd</sup> Edition in August 2014) for estimating internal trips in mixed-use developments. This method also incorporates reductions for transit, walking, and biking trips given the site's proximity to downtown Menlo Park and the Caltrain station. These updated and recommended methods will be applied in the analysis for this project. The data to be applied would be consistent with the Specific Plan EIR and the best available transportation data at the time of the analysis from the US Census (2010) and American Community Survey (2011-2013).

Based on preliminary transportation impact analyses, land use scenario #2 featuring maximum community-serving uses (with a mix of such uses) would generate the highest number of new daily and PM peak hour vehicle trips, and a similar AM trip generation to scenario #1 featuring non-medical office uses maximized. Land use scenario #3 would generate similar/lesser impacts to scenario #2, due to restaurant uses typically having a higher internal trip rate (i.e., such businesses are often patronized by users of other nearby uses).

As a result, land use scenario #2 is anticipated to be the focus of analysis in the EIR, in order to ensure that the greatest potential traffic effects are disclosed. However, although

the traffic analysis will focus on one land use scenario, it does not mean that this land use scenario is the only one that can be permitted. As the project review proceeds, the Planning Commission and City Council may discuss and potentially take action on alternate land use scenarios, provided that they have similar/lesser impacts. Although none of the currently proposed uses are conditional uses, the overall project is proposed at the Public Benefit Bonus level, which allows for discretionary action and the ability to determine what may justify the enhanced density/intensity. In addition, if the project-level EIR determines that significant and unavoidable impacts would result from the project, the City would need to approve a Statement of Overriding Considerations in order to approve the overall project. This process likewise allows for consideration of whether a project's benefits outweigh the projected impacts, with land uses as one potential discussion area.

### **Alternatives**

The project-level EIR is not required to include an analysis of alternatives, as SB 226 does not mandate these for Infill EIRs. However, the approved EIR contract includes an alternatives analysis, in order to allow for a fuller discussion. Per CEQA, alternatives should represent a reasonable range that would achieve most of the basic objectives of the project, but would avoid or reduce the project's significant environmental effects.

At this point, the analysis is expected to include the following alternatives:

- 1) **No Project Alternative:** Per CEQA, this alternative would consider re-use of the existing buildings on the site, but no new construction or other site improvements;
- 2) **Base-Level Project – Residential/Office Mixed Use:** The project is proposed at the discretionary Public Benefit Bonus level, which requires case-by-case negotiation. In order to address the possibility that the City does not consider the public benefits to justify the increased density/intensity, this alternative would consider a similar mixed-use project at a Base-level density/intensity. This proposal would also include some community-serving uses; and
- 3) **Base-Level Project – Predominantly Residential:** Similar to the above alternative, but with a residential focus, in order to address the potential for changes to the office market prior to final actions on the project. This proposal would also include some community-serving uses.

This information on alternatives is provided for reference, although Council Members may provide feedback. The alternatives will be described in more detail in the EIR, including square footage and unit count estimates.

### **IMPACT ON CITY RESOURCES**

The applicant is required to pay planning permit fees, based on the Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant is also required to bear the cost of the associated EIR preparation. For the EIR, the applicant deposits money with the City and the City pays the consultants.

## **ENVIRONMENTAL REVIEW**

An EIR will be prepared for the 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**

- A. 1300 El Camino Real Greenheart Project EIR – Scope of Work, prepared by ICF International, dated September 2, 2014, with schedule updated December 18, 2014
- B. Site Plan

Report prepared by:  
*Thomas Rogers*  
*Senior Planner*

*Kristiann Choy, P.E.*  
*Senior Transportation Engineer*

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## Scope of Work

### Infill Environmental Impact Report

### Project Understanding

The City of Menlo Park (City) has developed the El Camino Real/Downtown Specific Plan (Specific Plan) to establish a framework for private and public improvements in the Specific Plan area for the next 30 years. The Specific Plan addresses approximately 130 acres of land and focuses on the character and density of private infill development, the character and extent of enhanced public spaces, and circulation and connectivity improvements. On June 5, 2012, the City Council certified the Menlo Park El Camino Real and Downtown Specific Plan Program EIR (Program EIR). According to the Program EIR, the Specific Plan does not propose specific private developments, but establishes a maximum development capacity of 474,000 square feet (sf) of non-residential development (inclusive of retail, hotel, and commercial development) and 680 new residential units.

Greenheart Land Company (Project Sponsor) is proposing to redevelop 11 Assessor's parcels of land between El Camino Real and the Caltrain right-of-way into a mixed-use development. The Project site includes the former Derry Lane Site (3.5 acres), the former 1300 El Camino Real Sand Hill Site (3.4 acres), and 1258 El Camino Real (0.3 acres), which total approximately 7.2 acres in their current state. These parcels generally consist of vacant, previously developed land in the northern area and commercial buildings along Derry Lane and Oak Grove Avenue in the southern area.

The 1300 El Camino Real Greenheart Project (Project) would demolish the existing structures in the southern portion of the site and construct approximately 420,000 square feet (sf) of mixed uses at the Project site. In total, the Project would include three mixed-use buildings, a surface parking lot, underground parking garages, onsite linkages, and landscaping. The uses at the Project site would include a range of approximately 188,000 sf to 210,000 sf of non-medical office space in two buildings; approximately 203,000 sf to 210,000 sf of residential space (220 housing units) in one building; and up to 29,000 sf of retail/restaurant space throughout the proposed office and residential buildings. The Project would provide approximately 1,158 parking spaces within parking garages and a surface parking lot. After street abandonment and dedication actions under the Project, the total site area would consist of approximately 6.4 acres.

### General Approach

Based on ICF's original scope and discussions with the City, ICF has prepared an Appendix N: Infill Environmental Checklist (checklist) per Senate Bill (SB) 226 guidelines. The Infill checklist was released for public review on July 14, 2014, which scopes out several topics from further environmental review. Per discussions with the City, it has been determined that the El Camino Real/Downtown Specific Plan EIR will be used to streamline the Greenheart Project CEQA review in accordance with SB 226. Therefore,

the Infill Checklist (as included in a separate scope of work) scoped out all topics but the following: Air Quality during construction, Hazardous Materials, Noise, and Transportation. These topics, along with an Alternatives analysis, will be included in the Infill EIR. The Infill EIR would be subject to the same procedures and noticing requirements as for any “normal” EIR, as described below.

The below scope includes the work that would be conducted by ICF. Additionally, ICF has included W-Trans as a subconsultant for the transportation analysis. Although this work will be summarized below, W-Trans’s complete scope is included in Attachment A.

## Scope of Work

### Task 1. Project Initiation and EIR Project Description

The Infill EIR process will be initiated by discussing key issues, reviewing completed environmental documents, planning data collection efforts including a site visit, and refining the schedule for completion of individual tasks. At the outset of the EIR process, ICF will meet with City of Menlo Park staff and the Project Sponsor team. At this meeting, the team will:

- Discuss comments received on the Notice of Preparation (NOP) for incorporation into the EIR.
- Discuss data needs to complete the EIR.
- Confirm procedures for contacting the Project Sponsor team, City staff, and public agencies.
- Review and agree on schedules and deadlines.
- Discuss City preferences regarding EIR format and organization. The team will discuss how the proposed phasing will be presented and analyzed in the EIR.

The Project initiation effort will also include a review of approaches to impact significance thresholds, mitigation techniques, and Project alternatives.

After the discussion at the project initiation meeting, public scoping meeting, and responses to the NOP and checklist, ICF will revise the Project Description from the Infill Checklist for incorporation into the EIR. The revised Project Description will include updated Project parameters and more detailed Project-specific information requested during NOP scoping, such as the lot merger/lot line adjustment and heritage tree removal.

#### *Deliverables*

- Data request for the City and Project Sponsor
- Preliminary Infill EIR format and outline
- Revised Project Description

#### *City Involvement*

Participation in EIR project initiation meeting and collection of requested information. Identify additional revisions and supplementary work, as necessary.



## Task 2. Administrative Draft Infill EIR 1

The purpose of this task is to prepare the Administrative Draft Infill EIR. This task will synthesize background information for use in the existing setting, evaluate changes to those baseline conditions resulting from implementation of the Project to identify significant impacts, and identify mitigation measures to reduce potentially significant impacts to a less-than-significant level. Where appropriate, ICF will refer to the analysis and mitigation measures presented in the Program EIR. The Project Description drafted for the checklist effort will also be used in the Draft EIR.

For this task, there will be four principal activities:

- Determine, by individual resource topic, the significance criteria to be used in the analysis.
- Present the analysis at full buildout of the Project.
- Perform the analysis and make determinations of impact significance.
- Recommend mitigation measures to reduce impacts, if needed.

The ICF team will collect the information necessary to define baseline conditions in the Project area. It is anticipated that baseline conditions will reflect the conditions at the time of the NOP release.

For each environmental topic, significance thresholds or criteria will be defined in consultation with the City so that it is clear how the EIR classifies an impact. These criteria will be based on CEQA Guidelines, Appendix G, standards used by the City, and our experience in developing performance standards and planning guidelines to minimize impacts.

The analysis will be based on standard methodologies and techniques, and will focus on the net changes anticipated at the Project site. The text will clearly link measures to impacts and indicate their effectiveness (i.e., ability to reduce an impact to a less-than-significant level), identify the responsible agency or party, and distinguish whether measures are proposed as part of the Project, are already being implemented (such as existing regulations), or are to be considered. This approach facilitates preparation of the Mitigation Monitoring and Reporting Program (MMRP) that follows certification of an EIR.

The Administrative Draft Infill EIR will incorporate the baseline conditions data as well as impact analysis and mitigation measures, plus the alternatives and other CEQA considerations. It is envisioned that the City's initial review of the document will consider content, accuracy, validity of assumptions, classification of impacts, feasibility of mitigation measures, and alternatives analyses. Because the impacts and mitigations are subject to revision based on staff review of the Administrative Draft Infill EIR, the Executive Summary will be prepared only for the Screencheck Draft. The following task descriptions summarize the data to be collected, impact assessment methodologies to be used, and types of mitigation measures to be considered, by environmental issue.

### Air Quality

ICF conducted an Air Quality preliminary analysis in the checklist. The following topics will be scoped out of review in the EIR because, although some are considered significant and unavoidable, the Project impacts would not exceed those evaluated in the Program EIR:

- Conflict with or obstruct implementation of the applicable air quality plan. (Significant and Unavoidable)
- Violate any air quality standard or contribute substantially to an existing or project air quality violation. (Significant and Unavoidable)
- Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is a nonattainment area for an applicable federal state ambient air quality standard. (Significant and Unavoidable)
- Create objectionable odors. (No Impact)

Therefore, since the above topics do not need to be addressed for the Project, the EIR will focus on the exposure of sensitive receptors to substantial pollutant concentrations during construction. However, due to the lack of site-specific construction information, the Specific Plan EIR did not conduct an analysis related to toxic air contaminants (TAC) exposure during construction. Therefore, the Infill EIR will quantify construction and demolition-related emissions and contain a health risk assessment (HRA) that evaluates potential health risks to existing sensitive receptors. ICF will quantify construction and demolition-related emissions of using the CalEEMod model and construction data (i.e., anticipated construction schedule and equipment) provided by the Project Sponsor.

Once construction emissions have been quantified, ICF will prepare a health risk assessment (HRA) evaluating potential health risks to existing sensitive receptors near the Project. Typical construction activities considered in HRA assessments include project-related demolition, grading, excavation, infrastructure installation, and structure construction. Health risks to nearby receptors from exposure to construction-related diesel particulate matter and PM<sub>2.5</sub> exhaust emissions will be characterized using diesel-related exhaust as determined from the CalEEMod modeling, the AERMOD dispersion model or other dispersion model (e.g., ISCST3, AERSCREEN, etc.) based on consultation with the BAAQMD, and methodology consistent with the BAAQMD and Office of Environmental Health Hazard Assessment. Identified health risks and pollutant concentrations will be compared to the BAAQMD's thresholds of significance to determine Project-level and cumulative health impacts.

The HRA will be embedded within the EIR and not prepared as a stand-alone report.

### Hazards and Hazardous Materials

Several hazardous materials have been identified at the Project site including perchloroethylene (PCE) and PCE degradation products trichloroethene (TCE), dichloroethene (DCE), and vinyl chloride in site soil, soil vapor, and groundwater at concentrations posing a risk to human health and the environment. The presence of these contaminants is reportedly due to the release of PCE from a former dry cleaning business (Wo Sing Cleaners) that operated at 570 Derry Lane from 1981 to 2011. The portion of the Project site located at 1300 El Camino Real includes 21 hydraulic lifts with potential residual hydraulic oil in the lifts and hydraulic oil impacts on the soil at the locations of the lifts. The portion of the Project site at 1258 El Camino Real Site includes groundwater, saturated soils, soil vapor, and indoor air are affected by a past release of dry cleaning solvent to the subsurface at the adjoining property to the east (570 Derry Lane). ICF will conduct the following tasks to complete the Hazards and Hazardous Materials section of the EIR:

- Identify potential exposure to hazardous materials or waste during construction activities and during long-term operation at the Project site.
- Describe applicable federal, state, and local regulations and how these regulations apply to the Project and reduce the potential for impact.
- Evaluate potential public health risks at the site from groundwater and soil contamination from prior land uses. In addition, the analysis will focus on any potentially poor hazardous materials “housekeeping” practices at the site or from nearby uses. This information will be augmented by the Phase I ESAs prepared for the individual components of the Project site.
- Describe current remediation activities underway or future required activities, particularly those associated with the California Department of Toxic Substance Control (DTSC), which issued an Imminent and Substantial Endangerment Determination and Order and Remedial Action Order (2011 DTSC Order) for the Derry Lane Site and 1258 El Camino Real Site.
- Include a discussion of the potential hazardous materials that could be used during the operation of the Project and any potential releases of these materials.
- Include a discussion of the potential public health risk from exposure to hazardous building components in the structures to be demolished at the Project site (e.g., asbestos, PCBs, etc.).

## Noise

As described below in the Transportation scope, the EIR will include an analysis of impacts to nearby intersections and roadway segments. Increased traffic resulting from the Project could result in significant increase in noise. For those roadway segments not considered in the Program EIR, ICF will analyze the exposure of existing noise sensitive land uses to Project-related changes in traffic noise. Existing noise conditions in the project area will be described in the setting section. Noise sensitive land uses and noise sources in the Project area will be identified. No noise measurements will be conducted. Instead, existing traffic noise conditions in the Project area will also be modeled using the FHWA Traffic Noise Model (TNM) version 2.5 and traffic data to be provided by W-Trans. Traffic noise along as many as ten roadway segments will be modeled.

## Transportation/Traffic

Due to the level of technical detail in the transportation scope, the full text has been included as Attachment A. In summary, W-Trans has identified 27 study intersections and 14 roadway segments that will be considered in the analysis. W-Trans will also prepare the analysis in the format of a chapter to the EIR. All technical data will be appended to the EIR. The analysis will be prepared consistent with the City of Menlo Park and San Mateo County Congestion Management Program (CMP) requirements.

ICF, in conjunction with the City, will provide third party review of the TIA and the EIR chapter.

## Other CEQA Considerations

This task involves documenting unavoidable adverse impacts and cumulative effects of the Project:

- The unavoidable effects will be summarized.
- Cumulative effects where relevant will be addressed in Task 4 and summarized as part of this section of the EIR. The future projects in the vicinity of the Project site will be considered as they relate to potential cumulative impacts. This scope assumes the City will help develop the approach for analyzing cumulative effects, typically a combination of using the General Plan and a list of reasonably foreseeable planned projects.

The Other CEQA Considerations chapter will also include a discussion of energy conservation per Appendix F of the CEQA Guidelines. In order to assure that energy implications are considered in project decisions, CEQA requires that EIRs include a discussion of the potential energy impacts of proposed projects, with particular emphasis on avoiding or reducing inefficient, wasteful, and unnecessary consumption of energy. The EIR will consider the energy implications of the Project to the extent relevant and applicable to the Project.

### *Alternatives*

ICF recognizes that the City would like to include at least one alternative in the EIR. While SB 226 does not require that an Infill EIR evaluate alternative locations, densities, or building intensities, there is nothing restricting the City from analyzing such an alternative. The alternatives to the Project must serve to substantially reduce impacts identified for the Project while feasibly attaining most of the Project objectives. ICF assumes that the three alternatives will be quantitatively analyzed, where appropriate, while the rest of the analysis will be qualitative. The EIR will also include the evaluation of a No Project Alternative. ICF will consider the alternatives proposed during the NOP scoping process.

### *Deliverables*

- Five (5) hard copies of Administrative Draft EIR 1
- One (1) electronic copy of Administrative Draft EIR 1 in MS Word
- One (1) electronic copy of Administrative Draft EIR 1 in Adobe PDF format

### *City Involvement*

Review and comment on the document.

## **Task 3. Administrative Draft Infill EIR 2 and Screencheck Draft Infill EIR**

The purpose of this task is to prepare the Administrative Draft EIR 2 and the Screencheck Draft EIR for City staff review. ICF will prepare an Administrative Draft EIR 2 and a Screencheck Draft EIR to respond to the City's comments on the prior drafts. This scope assumes that comments from multiple reviewers will be consolidated with any conflicting comments resolved, and that comments do not result in substantial revisions or additional analyses. The Screencheck Draft EIR will include an Executive Summary section, which will summarize the Project Description, impacts and mitigations, and alternatives. Impacts and mitigations will be presented in a table that identifies each impact, its significance, and proposed mitigation as well as the level of significance following adoption for the mitigation measures.

### *Deliverables*

- Five (5) hard copies of Administrative Draft EIR 2
- Electronic copies of Administrative Draft EIR 2 in MS Word and Adobe PDF format
- Five (5) hard copies of Screencheck Draft EIR
- Electronic copies of Screencheck Draft EIR in MS Word and Adobe PDF format

### *City Involvement*

Review and comment on the document.

## **Task 4. Public Draft Infill EIR**

The purpose of this task is to prepare and submit the Draft EIR to the City for distribution to the public. ICF will revise the Screencheck Draft to incorporate modifications identified by the City. The revised document will be a Draft EIR, fully in compliance with State CEQA Guidelines, City guidelines, and SB 226. The Draft EIR will be circulated among the public agencies and the general public as well as specific individuals, organizations, and agencies expressing an interest in receiving the document. During this task, ICF will also compile the appendices that will be distributed with the Draft EIR and produce a version of the full document that can be uploaded onto the City's website. ICF will also prepare a Notice of Completion (NOC) to accompany the copies that must be sent to the State Clearinghouse. This scope of work and budget assumes that ICF will send the required documents to the State Clearinghouse and that the City will distribute the Draft EIRs to all other recipients.

### *Deliverables*

- Thirty (30) hard copies of the Draft EIR
- Electronic copies of the Draft EIR in MS Word and in Adobe PDF format
- Notice of Completion
- Fifteen hard copies of the Executive Summary, along with 15 electronic copies of the entire Draft EIR on CD, for the State Clearinghouse

### *City Involvement*

Review the NOC. Prepare and file the Notice of Availability (NOA) with the County Clerk. Distribute the NOA and Draft EIRs (other than to the State Clearinghouse), and handle any additional noticing (e.g., newspaper, posting at site).

## **Task 5. Public Review and Hearing**

The City will provide a 45-day review period during which the public will have an opportunity to review and comment on the Draft EIR. During the 45-day review period, the City will hold a public hearing to receive comments on the Draft EIR. ICF key team members will attend and participate as requested. ICF will prepare a PowerPoint presentation for the public hearing. This scope of work does not include preparing other meeting materials (e.g., handouts) or providing meeting transcript/minutes; but the scope can be amended to include these items.

### *City Involvement*

Coordinate the public hearing – prepare and distribute any meeting materials, accept comments, and hold public meeting.

## **Task 6. Draft Responses to Comments and Administrative Final Infill EIR**

The purpose of this task is to prepare responses to the comments received on the Draft EIR and incorporate these responses into an Administrative Final EIR for City review. The Administrative Final EIR will include:

- Comments received on the Draft EIR, including a list of all commenters and the full comment letters and public meeting transcripts with individual comments marked and numbered;
- Responses to all comments; and
- Revisions to the Draft EIR in errata format as necessary in response to comments.

All substantive comments for each written and oral comment will be reviewed, bracketed, and coded for a response. Prior to preparing responses, ICF will meet with staff to review the comments and suggest strategies for preparing responses. This step is desirable to ensure that all substantive comments are being addressed and that the appropriate level of response will be prepared. This scope of work and budget assumes ICF will prepare responses for up to 30 substantive discrete, non-repeating comments and will coordinate integrating the responses prepared by other consultants. However, the number and content of public comments is unknown at this time. Therefore, following the close of the Draft EIR public review period and receipt of all public comments, ICF will meet with the City to revisit the budget associated with this effort to determine if additional hours are needed.

Frequently raised comments of a substantive nature may be responded to in a Master Response, which allows for a comprehensive response to be presented upfront for all interested commenters. ICF will identify and recommend possible Master Responses for City consideration during the initial meeting to discuss strategies for preparing responses.

Following the strategy session, ICF will prepare Master Responses (as appropriate) and individual responses to the bracketed and coded comments. Individual responses to each comment letter will be placed immediately after the comment letter. As necessary, responses may indicate text revisions, in addition to clarifications and explanations. All text changes stemming from the responses to the comments, as well as those suggested by City staff, will be compiled into an errata included as part of the Final EIR.

Following City's review of the Administrative Final EIR, ICF will address all comments received and prepare a Screencheck Final EIR for City review to ensure that all comments on the Draft were adequately addressed.

### *Deliverables*

- Five (5) hard copies of the Administrative Final EIR
- Electronic copies Administrative Final EIR in MS Word and in Adobe PDF format
- Five (5) hard copies of the Screencheck Final EIR
- Electronic copies of the Screencheck Final EIR in MS Word and in Adobe PDF format

### *City Involvement*

Participate in strategy session to provide guidance on the responses to comments. Assist with response to comments on process, procedures, and City policy. Review and comment on the Administrative Final EIR and Screencheck Final EIR.

## **Task 7. Final Infill EIR**

Based on comments received from City staff, the Screencheck Responses to Comments will be revised and appropriate revisions to the Draft EIR will be noted. The Final EIR will then consist of the Draft EIR and the Responses to Comments document. Revisions to the Draft EIR will be presented as a separate chapter in the Final EIR. The revised Responses to Comments document will be submitted to the City for discussion by the Planning Commission and subsequent certification by the City Council.

### *Deliverables*

- Fifteen (15) hard copies of the Final EIR
- Electronic copies of the Final EIR in MS Word and Adobe PDF format

## **Task 8. Certification Hearings, MMRP, Statement of Overriding Considerations, and Administrative Record**

The purpose of this task is to attend meetings to certify the EIR. Team members will attend and participate in up to two meetings to certify the EIR. If requested by City staff, ICF will present the conclusions of the EIR and a summary of the comments and responses.

As part of this task, ICF will also prepare a draft and final MMRP for the project, as required by Section 15097 of the State CEQA Guidelines. The MMRP will be in a tabular format and include:

- The mitigation measures to be implemented, including those outlined in the Specific Plan EIR and presented in the Infill Checklist
- The entity responsible for implementing a particular measure
- The entity responsible for verifying that a particular measure has been completed
- A monitoring milestone(s) or action(s) to mark implementation/completion of the mitigation measure

In addition, ICF will prepare the Statement of Overriding Considerations and Findings of Fact pursuant to Section 15093 of the CEQA Guidelines. CEQA requires the decision-making agency to balance the economic, legal, social, and technological benefits of a proposed project against its unavoidable environmental impacts. The Statement of Overriding Considerations includes the specific reasons to support its action based on the Final EIR and other information in the record. Upon certification, ICF will prepare the Notice of Determination (NOD) for the City to file with the County Clerk.

ICF will also compile the Administrative Record, assembling background documents, e-mail records, correspondence or telephone notes that are cited as sources in the EIR.

### *Deliverables*

- Electronic copies of the Draft MMRP in MS Word and Adobe PDF format

- Electronic copies of the Final MMRP in MS Word and Adobe PDF format
- One electronic copy (on CD or DVD) of the Administrative Record (submitted at the Draft EIR phase and the Final EIR phase)

### *City Involvement*

Review and comment on the draft MMRP and Findings of Fact. Coordinate any meetings. File the NOD with the County Clerk.

## Task 9. Meetings

The purpose of this task is to attend meetings to accomplish the above tasks. Team members will attend and participate in meetings on an as-needed basis. For purposes of the cost estimates, ICF has assumed two City staff and/or Project Sponsor face-to-face meetings and four phone conference calls. Additional meetings may be appropriate during the course of this effort, and will be invoiced on a time-and-materials basis. The estimated cost for additional meetings is included in the discussion of the project budget. ICF will notify the City once the allocated hours for meetings are exhausted and request authorization for additional meetings before any are held.

### *City Involvement*

Organize, announce, conduct, and prepare any materials for public meetings.

## Task 10. Project Management

The purpose of this task is to effectively manage the above tasks, and maintain communication with City staff. ICF project management will be responsible for coordination activities, will maintain QA/QC requirements for document preparation, and will monitor schedule and performance for all EIR work tasks. Project management subtasks also include maintaining internal communications among ICF staff and W-Trans and with City staff and other team members through emails and frequent phone contact, as well as the preparation of all correspondence. The Project Manager will coordinate internal staff, project guidance, and analysis criteria.

### *City Involvement*

Coordination with ICF Project Manager.

## Cost

The cost estimate to prepare the EIR is \$206,698 as detailed in Attachment B.

## Schedule

A schedule for the EIR is included as Attachment C. This schedule assumes that the start date will correspond with contract approval and will need to be revised once a more definitive timeline is established.



## 1300 El Camino Real - Greenheart, EIR Transportation Workslope

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The following tasks will provide a transportation impact analysis report that meets current City of Menlo Park and San Mateo County Congestion Management Program (CMP) requirements, and provide focused information on the proposed 1300 El Camino Real - Greenheart project.

### **Task 1: Data Collection and Field Reconnaissance**

There are 27 study intersections and 14 roadway segments assumed in this analysis. These are:

#### Intersections:

1. *El Camino Real and Encinal Avenue*
2. *El Camino Real and Valparaiso Avenue/Glenwood Avenue*
3. *El Camino Real and Oak Grove Avenue*
4. *El Camino Real and Santa Cruz Avenue*
5. *El Camino Real and Ravenswood Avenue/Menlo Avenue*
6. *El Camino Real and Roble Avenue*
7. *El Camino Real and Middle Avenue*
8. *El Camino Real and Cambridge Avenue*
9. University Drive and Valparaiso Avenue
10. Laurel Street and Oak Grove Avenue
11. Laurel Street and Ravenswood Avenue
12. Middlefield Road and Willow Road
13. Middlefield Road and Ringwood Avenue
14. Middlefield Road and Ravenswood Avenue
15. Santa Cruz Avenue and University Drive (S)
16. Laurel Street and Glenwood Avenue (four-way stop)
17. Alma Street and Ravenswood Avenue (two-way stop)
18. Alma Street and Oak Grove Avenue (two-way stop)
19. Garwood Way and Glenwood Avenue (two-way stop)
20. Derry Lane (Garwood Way)/Merrill Street and Oak Grove Avenue (two-way stop)
21. Santa Cruz Avenue and University Drive (N) (unsignalized)
22. Oak Grove Avenue and University Drive (unsignalized)
23. Encinal Avenue and Laurel Street (unsignalized)
24. Middlefield Road and Oak Grove Avenue [Atherton]
25. Middlefield Road and Marsh Road [Atherton]
26. Middlefield Road and Glenwood Avenue [Atherton] (two-way stop)
27. Encinal Avenue and Middlefield Road [Atherton] (unsignalized)

\*State-controlled intersections are shown with *italic* type.

\*\*It is assumed that all a.m. and p.m. intersection turning movement counts will provided by the City of Menlo Park in fall 2014. There is a nominal reserve budget available should additional data collection be needed.

## 1300 El Camino Real - Greenheart, EIR Transportation Workslope

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### Residential and Non-Residential Roadway Segments:

1. Middlefield Road north of Glenwood Avenue
2. Middlefield Road south of Oak Grove Ave.
3. Ravenswood Avenue east of Laurel Street.
4. Valparaiso Avenue west of El Camino Real
5. Oak Grove Avenue west of Laurel Street
6. Oak Grove Avenue east of Laurel Street
7. Glenwood Avenue west of Laurel Street
8. Glenwood Avenue east of Laurel Street
9. Encinal Avenue east of Laurel Street.
10. Laurel Street south of Oak Grove Avenue
11. Laurel Street north of Glenwood Avenue
12. Alma Street south of Oak Grove Avenue
13. Merrill Street south of Oak Grove Avenue
14. Garwood Way south of Glenwood Avenue

\*It is assumed that all 24-hour roadway segment counts will be provided by City of Menlo Park staff. There is a nominal reserve budget available should additional data collection be needed.

The list of intersections and roadway segments represent those facilities that are most likely to be potentially impacted by the proposed project. If it is found, through the course of the transportation analysis, that additional intersections or roadway segments should be analyzed, then we will bring that to the attention of City staff at that time. The incremental cost of adding study intersections or roadway segments is noted on the budget table under optional tasks.

### **Field Reconnaissance**

W-Trans staff will conduct field visits during the AM and PM peak periods on a typical weekday (Tuesday, Wednesday or Thursday) for those intersections not recently evaluated under other projects such as the SRI Master Plan EIR or the El Camino Real Corridor Study. W-Trans will observe:

- Traffic patterns and circulation in the site vicinity
- Study intersection lane geometrics
- Traffic control
- Pedestrian circulation and facilities/amenities
- Bicycle circulation and facilities/amenities
- Proximity of public transit service
- Sight distance issues at study intersections
- Potential access issues

## 1300 El Camino Real - Greenheart, EIR Transportation Workscope

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### **Task 2: Transportation Impact Analysis**

#### **Project Trip Generation and Distribution**

The trip generation and CSA trip distribution assumptions that were used to the Initial Study will be applied to the EIR analysis. If the project description has changed since the Initial Study was prepared then W-Trans will calculate an updated trip generation projection.

#### **Near-Term Trip Generation and Distribution**

Near-term traffic will be based on a list (and the traffic studies if possible) of pending and approved projects that will be provided by City of Menlo Park staff. We will also ask City of Menlo Park staff to provide a list (and the traffic studies if possible) of any pending and approved projects from the cities of Palo Alto, East Palo Alto, and Redwood City, and the Town of Atherton that should be included in the near-term transportation analysis.

#### **Study Intersection Traffic Analysis**

The AM and PM peak hour operational Levels of Service (LOS) will be analyzed at the study intersections. The analysis will include the following scenarios:

- a. Existing Conditions
- b. Near Term Conditions (Existing [a] + Approved and Pending Projects, plus one percent per year of background growth)
- c. Near Term [b] + Project Conditions
- d. Cumulative Conditions (No Project Alternative, Approved and Pending Projects plus one percent per year of background growth [based on C\CAG 2040 Travel Forecast Model projections])
- e. Cumulative [d] + Project Conditions (based on proposed project full build out)

All study intersections will be evaluated during the AM and PM peak hours using VISTRO software and the 2000 Highway Capacity Manual methodology. This traffic analysis will include estimates of average vehicle delays on all approaches. For any impact found to be significant, we will determine the traffic contribution from the proposed project. The suggested mitigation measures for other development projects in Menlo Park, as detailed in the EIRs prepared for those projects, will also be included if they are within the jurisdiction of Menlo Park.

W-Trans will confirm with City staff the list of approved and pending projects prior to conducting analysis, including the status of projects proposed as part of the Downtown Specific Plan.

#### **Arterial and Collector Streets Assessment**

W-Trans will estimate the daily traffic on nearby minor arterials and collector streets and estimate whether the proposed project will result in a significant impact under the City's significance criteria. For any study intersections or roadway segments not in Menlo Park, W-Trans will apply the local agency's adopted analysis methods and significance criteria.

## 1300 El Camino Real - Greenheart, EIR Transportation Workscope

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### **Site Plan and Parking Evaluation**

To the extent that the site plan has been developed, W-Trans will review the site plans for the project site, and access locations with respect to on-site traffic circulation, proposed site access and operational safety conditions.

We will also review the proposed parking supply in light of the City's Code requirements and also the anticipated peak parking demand based on ITE Parking Generation rates. A shared parking analysis will be completed using methodology published by the Urban Land Institute. Feasible circulation and parking modifications, if needed, will be evaluated and suggested in the EIR transportation study.

### **Railroad Gate Downtime Evaluation**

We will provide a qualitative discussion of the effects of railroad gate downtime on local street and intersection operation. This will include potential for queuing and delay with respect to the frequency of gate downtime occurrence.

### **Pedestrian Conditions, Bicycle Access and Transit Impacts Analysis**

W-Trans will review the proposed project with respect to the potential effects on pedestrian and bicyclist facilities. This includes sidewalks, bicycle lanes, and amenities to promote the safe use of alternate modes of transportation, and connections to the existing bicycle and pedestrian network. The analysis will consider the project's proposed elements with respect to the City's Bicycle Plan and Sidewalk Master Plan. W-Trans will estimate the potential number of additional transit riders that may be generated by the proposed project, and qualitatively assess whether they would constitute an impact on transit load factors.

### **San Mateo County CMP Analysis**

The proposed project will be subject to review by the San Mateo County Congestion Management Program (CMP) and its requirements. As such, W-Trans will evaluate the following Routes of Regional Significance:

1. SR 84 Willow Road to University Avenue
2. SR 84 University Avenue to County Line
3. SR 114 US 101 to Bayfront Expressway
4. SR 82 north of Ravenswood Avenue
5. SR 82 south of Ravenswood Avenue
6. US 101 North of Marsh Road
7. US 101 Marsh Road to Willow Road
8. US 101 Willow Road to University Avenue
9. US 101 South of University Avenue

The identification of the potential impacts of adding project-generated trips to these routes will be examined. This will include the volume of project-generated traffic added to the US 101/Willow Road interchange ramps and adjacent freeway segments. Evaluation of the CMP routes will be based on the most recently approved CMP Traffic Impact Analysis guidelines in the Land Use section of the CMP.

## 1300 El Camino Real - Greenheart, EIR Transportation Workscope

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### **Planned Transportation Improvements**

W-Trans will incorporate any planned transportation improvements as part of the EIR analysis. We will consider the timing and funding for any improvements prior to its inclusion in the analysis.

### **Development of Mitigation Measures**

W-Trans will discuss specific mitigation measures to address project traffic impacts. We will provide a table comparing analysis results before and after mitigation, and follow the TIA guidelines for mitigation measure preparation. While a TDM program may be recommended as a mitigation measure, a detailed TDM program is not part of the EIR report. Should significant impacts be identified, W-Trans will recommend the mitigation measures needed to alleviate such impacts and improve operational conditions. Potential impacts may include those to intersections, roadways, on-site circulation and access, as well as parking, bicyclist, pedestrian and transit operations. The analysis shall first concentrate on short-term strategies that can be implemented by the applicant, and then longer-term joint effort strategies. Mitigation measures identification and selection process will be coordinated with City staff. As part of this task, W-Trans will provide conceptual drawings and corresponding construction cost estimates for recommended improvement measures, up to the budget resources available.

### **Analysis of Project Alternatives**

The Cumulative Conditions No Project Alternative, as noted above, will be analyzed in full quantitative detail. Up to three other alternatives will be analyzed in a qualitative manner. This includes a trip generation comparison of the alternative to the proposed project and a qualitative assessment of whether the potential impacts of the alternative would be more or less than those of the proposed project.

### **VMT Analysis**

The following task is proposed to provide information related to pending changes in state law for transportation analyses under CEQA (SB 743). This information may or may not be included in the Environmental Impact Report, but no impacts or mitigation measures should be proposed based on this analysis. It is for informational purposes only. W-Trans will work with C/CAG to obtain cumulative baseline and project conditions travel forecast model runs for the proposed project. We will ask C/CAG to:

- a. Identify the TAZ (assuming it's just one TAZ) where the Greenheart project is located.
- b. Provide daily, a.m. peak hour and p.m. peak hour VMT for the existing and model buildout year (Cumulative No Project).
- c. Provide the number of jobs forecast for this TAZ in the model buildout year.
- d. Based on the net change in jobs and housing in this TAZ associated with the proposed Greenheart project, re-run model and provide daily, a.m. peak hour and p.m. peak hour VMT for the model buildout year (Cumulative with Project). The VMT can be provided for the entire county, or for a subarea, as long as there is consistency between model runs and VMT calculations in tasks b and d.
- e. Provide change in VMT, and also VMT per capita, based on the results of items b and d above.

## 1300 El Camino Real - Greenheart, EIR Transportation Workslope

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### **Task 3: Two (2) Administrative Draft EIR Chapters**

W-Trans will document all work assumptions, analysis procedures, findings, graphics, impacts and recommendations in an Administrative Draft EIR Chapter for review and comments by City staff and the environmental consultant. The Chapter will also include:

- Description of new or planned changes to the street system serving the site, including changes in driveway location and traffic control, if any
- Future Project Condition Volumes (ADTs, a.m. peak hour, p.m. peak hour)
- Project trip generation rates
- Project trip distribution
- Discussion of impact of project trips on study intersections
- Levels of service discussion and table for each study scenario
- Comparison table of Project Condition and Existing LOS along with average delay and percent increases at intersections
- Impacts of additional traffic volumes on city streets
- Intersection level of service calculation sheets (electronic format)

We have assumed preparation of two Administrative Drafts of the EIR Transportation Chapter.

W-Trans will respond to one set of consolidated comments on the first Administrative Draft Report. The text, graphics and analysis will be modified as needed. The second Administrative Draft Report will then be prepared. W-Trans will coordinate with the environmental consultant and provide both pdf and WORD versions of the EIR Transportation Chapter to the environmental consultant, as well as intersection and roadway segment traffic data for use in air and noise analysis.

The environmental consultant will provide W-Trans with an outline of the format to be used for the EIR Transportation Chapter. To support the EIR Transportation Chapter, W-Trans will provide a technical appendix. The appendix may include more detailed transportation analysis such as level of service calculations, technical memoranda that were developed as part of this proposal, and other supporting materials. To expedite the review process, and if requested, W-Trans will provide a separate copy of the EIR Transportation Chapter with its appendix to City staff for their review.

*Deliverable: Electronic Copy of Administrative Draft EIR Transportation Chapter (pdf, WORD)*

### **Task 4: Draft EIR Transportation Chapter**

W-Trans will respond to one set of consolidated comments on the second Administrative Draft EIR Transportation Chapter. The text, graphics and analysis will be modified as needed. The Draft EIR Transportation Chapter will then be prepared.

*Deliverable: Electronic Copy of Draft EIR Transportation Chapter (pdf, WORD)*

### **Task 5: Final EIR - Response to Comments**

W-Trans will respond in writing to comments received on the Draft EIR Transportation Chapter. We have assumed preparation of comment responses as well as revisions to the responses based on City staff review.

## 1300 El Camino Real - Greenheart, EIR Transportation Workscope

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*Deliverable: Electronic Copy of Comments and Responses Memo [and Comments and Responses Matrix if requested] (pdf, WORD)*

### **Task 6: Meetings (6)**

This work scope includes up to six meetings related to this project. These could be with project team members, public hearings or other formal meetings.

#### Exclusions:

- City staff shall provide recent traffic data as noted above (intersection and roadway segment counts, CSA and other data);
- All study scenarios will be evaluated based on existing intersection geometrics. Should significant impacts be determined with the proposed project development, mitigation measures which may include changes to the intersection geometrics will be recommended;
- Any material modifications to the site plan, driveway locations or project description once W-Trans has begun the traffic analysis may constitute a change in work scope and/or budget;
- Should analysis of additional phases, scenarios, intersections, or roadway segments be requested, or additional meetings, a modification to this scope and budget will be requested. The cost for each additional intersection or roadway segment is noted as “optional” on the budget table;
- Should additional time be necessary to prepare the Final EIR beyond the budgeted hours (as it is unknown how many comments or the level of effort that will be required to respond to Draft EIR comments) we will request additional budget at that time, and proceed only after receiving written authorization for additional services;
- Any services not explicitly identified above are excluded.

Task	HOURS BY STAFF MEMBER					Misc	Total Hours
	Dalene Whitlock	Mark Spencer	Project Eng	Tech/ Admin			
1. Data Collection & Field Reconnaissance	0	0	8	1		\$3,400	9
2. Transportation Impact Analysis	2	45	246	93		\$0	386
3. Administrative Draft EIR Chapters (2)	5	15	46	56		\$0	122
4. Draft EIR Chapter	0	7	14	6		\$0	27
5. Final EIR	2	14	14	3		\$0	33
6. Meetings (6)	0	24	10	0		\$600	34
7. Project Management	0	16	0	2		\$0	18
	9	121	338	161		\$4,000	629

Task	FEE AT HOURLY RATES INDICATED					TOTAL
	\$220	\$205	\$120	\$85	LS	
1. Data Collection & Field Reconnaissance	\$0	\$0	\$960	\$85	\$3,400	\$4,445
2. Transportation Impact Analysis	\$440	\$9,225	\$29,520	\$7,905	\$0	\$47,090
3. Administrative Draft EIR Chapters (2)	\$1,100	\$3,075	\$5,520	\$4,760	\$0	\$14,455
4. Draft EIR Chapter	\$0	\$1,435	\$1,680	\$510	\$0	\$3,625
5. Final EIR	\$440	\$2,870	\$1,680	\$255	\$0	\$5,245
6. Meetings (6)	\$0	\$4,920	\$1,200	\$0	\$600	\$6,720
7. Project Management	\$0	\$3,280	\$0	\$170	\$0	\$3,450
	\$1,980	\$24,805	\$40,560	\$13,685	\$4,000	\$85,030

**Optional Tasks**

Each additional intersection (including traffic count, analysis, and incorporation into report text, tables and figures)	\$1,600
Each additional roadway segment (including traffic count, analysis, and incorporation into report text, tables and figures)	\$800



**Attachment B: 1300 El Camino Real Greenheart Project - Infill EIR**

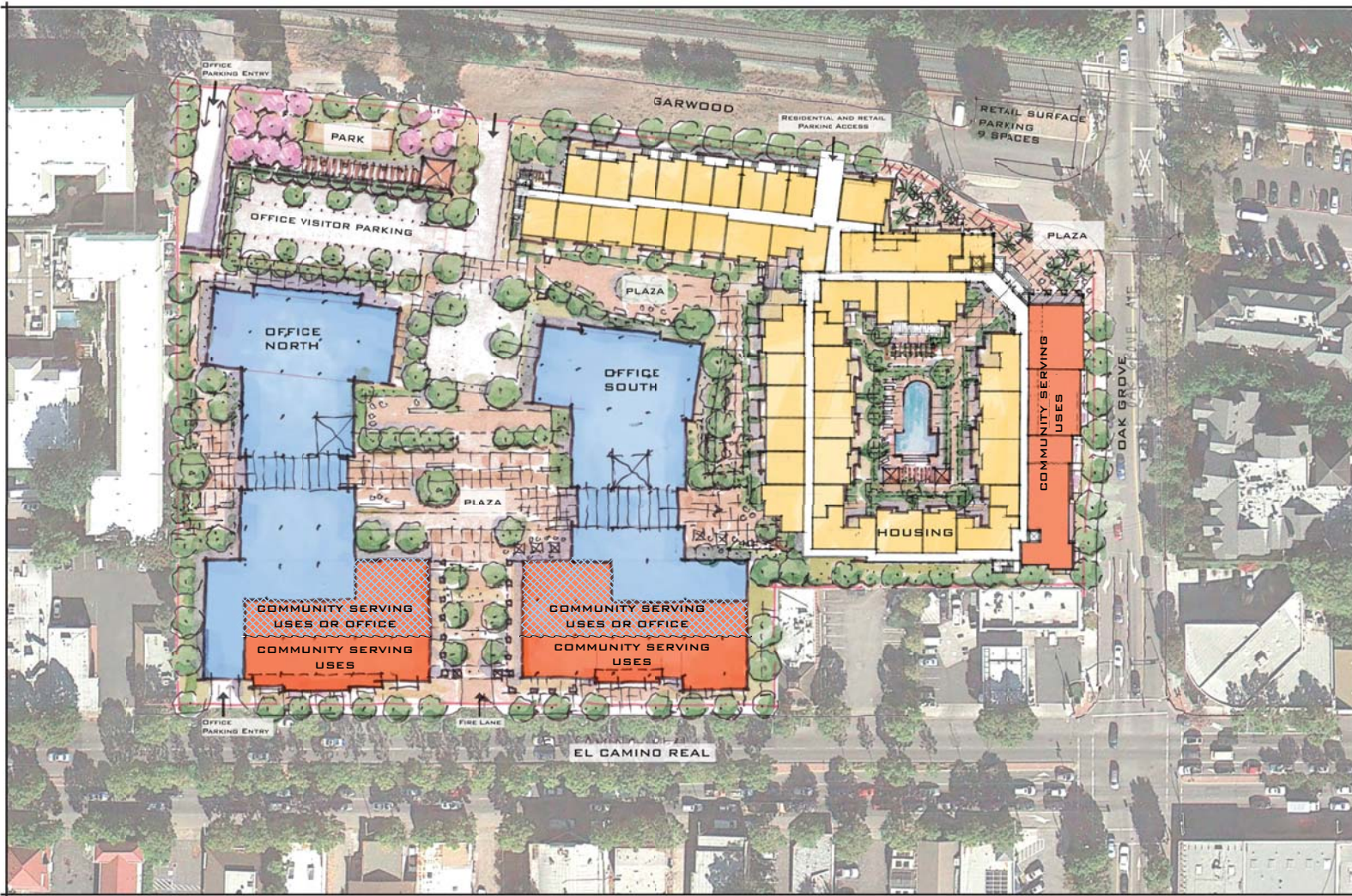
Task	Labor Classification	Employee Name										Subcontractor			Production Staff			Labor Total	Direct Expenses	Total Price
		Walter Ric	Efner Eri	Chapman Kir	Matsui Cor	Kuo Kai	Hatcher Sha	Barrera Mar	Buehler Dav	Messick Tim	W-Trans		Monzon S	Jew D						
		Project Director	Project Manager	Deputy PM	AQ, Noise	Trans	AQ	HazMat/Geo	Noise	Graphics			Editor	Support Editor						
Task	Proj Dir	Mng Consult	Sr Consult I	Assoc Consult II	Sr Consult II	Mng Consult	Sr Consult I	Proj Dir	Assoc Consult III	Subtotal		Subtotal	Editor	Support Editor	Subtotal					
Task 1. Project Initiation and Infill EIR Scope Definition	2	4	8			4			4	\$3,488		\$0			\$0	\$3,488				
Task 2. Administrative Draft EIR 1										\$0		\$0			\$0	\$0				
Air Quality	2	4	2	80		16				\$11,374		\$0	4	2	\$570	\$11,944				
Noise		2	2	32				4		\$4,330		\$0	3	2	\$475	\$4,805				
Hazards and Hazardous Materials		4	4						70	\$9,092		\$0	3	2	\$475	\$9,567				
Transportation	2	4	2		10				6	\$3,638	\$85,030	\$85,030	6	6	\$1,140	\$89,808				
Other CEQA Considerations		1	6	2	30					\$4,950		\$0	1	1	\$190	\$5,140				
Alternatives	8	18	32	40	8	4	24	2		\$17,632		\$0	4	4	\$760	\$18,392				
Task 3. Admin Draft 2 and Screencheck	2	6	24	24		4		4		\$8,176		\$0	3	10	\$1,235	\$9,411				
Task 4. Public Draft Infill EIR		4	8	2						\$1,876		\$0		4	\$380	\$2,256				
Task 5. Public Review and Hearing		6	6							\$1,878		\$0			\$0	\$1,878				
Task 6. Draft RTCs and Admin Final EIR	2	10	24	32	4	2		2	2	\$9,606		\$0	10	16	\$2,470	\$12,076				
Task 7. Final Infill EIR	2	6	10	4						\$3,182		\$0	4	4	\$760	\$3,942				
Task 8. Certification, MMRP, SOC	4	8	12							\$3,972		\$0	4	4	\$760	\$4,732				
Task 9. Meetings	4	6	6			2				\$3,264		\$0			\$0	\$3,264				
Task 10. Project Management	8	25	40							\$11,552		\$0			\$0	\$11,552				
Total hours	36	108	186	216	52	32	94	12	12				42	55						
ICF E&P 2013 Billing Rates	\$254	\$200	\$113	\$86	\$130	\$185	\$112	\$238	\$134				\$95	\$95						
Subtotals	\$9,144	\$21,600	\$21,018	\$18,576	\$6,760	\$5,920	\$10,528	\$2,856	\$1,608	\$98,010	\$85,030	\$85,030	\$3,990	\$5,225	\$9,215	\$192,255				
<b>Direct Expenses</b>																				
523.02 Reproductions																	\$5,000			
523.04 Postage and Delivery																	\$250			
523.05 Travel, Auto, incld. Mileage at current IRS rate (.555/mile)																	\$150			
Mark up on all non-labor costs and subcontractors: 10%																	\$9,043			
Direct expense subtotal																	\$14,443			
Total price																	\$206,698			

1300 El Camino Real Infill EIR Schedule

ID	Task Name	Duration	Start	Finish	Qtr 1, 2015					Qtr 3, 2015				
					January		April			July			October	
					B	M	E	B	M	E	B	M	E	
0	<b>1300 El Camino Real Infill EIR</b>	<b>395 days</b>	<b>Wed 6/25/14</b>	<b>Thu 1/14/16</b>										
1	<b>Project Initiation/Data Collection</b>	<b>61 days</b>	<b>Wed 6/25/14</b>	<b>Mon 9/22/14</b>										
2	Prepare Draft NOP and Screencheck Checklist	5 days	Wed 6/25/14	Tue 7/1/14										
3	City/Applicant Review NOP, Sign Off on Checklist	5 days	Wed 7/2/14	Wed 7/9/14										
4	Prepare NOP and Screencheck for Public Review	5 days	Wed 7/9/14	Tue 7/15/14										
5	30-Day Scoping Period	30 edays	Tue 7/15/14	Thu 8/14/14										
6	Project Kick-Off	0 days	Mon 9/22/14	Mon 9/22/14										
7	<b>Prepare TIA (presented as Trans EIR Chapter)</b>	<b>91 days</b>	<b>Fri 1/9/15</b>	<b>Fri 5/15/15</b>										
8	Receipt of all Traffic Counts from City	1 day	Fri 1/9/15	Fri 1/9/15										
9	W-Trans Prepares TIA-1	30 days	Mon 1/12/15	Fri 2/20/15										
10	City/Applicant Reviews TIA-1	21 days	Mon 2/23/15	Mon 3/23/15										
11	W-Trans Prepares TIA-2	15 days	Tue 3/24/15	Mon 4/13/15										
12	City/Applicant Reviews TIA-2	14 days	Tue 4/14/15	Fri 5/1/15										
13	Develop EIR Alternatives	5 days	Mon 5/4/15	Fri 5/8/15										
14	W-Trans Prepares Final TIA	5 days	Mon 5/11/15	Fri 5/15/15										
15	<b>Prepare Draft EIR</b>	<b>105 days</b>	<b>Mon 5/11/15</b>	<b>Sat 10/3/15</b>										
16	ICF Prepares Administrative Draft EIR	10 days	Mon 5/11/15	Fri 5/22/15										
17	City/Applicant Reviews Administrative Draft EIR	21 days	Mon 5/25/15	Mon 6/22/15										
18	ICF Prepares Screencheck Draft EIR	21 days	Tue 6/23/15	Tue 7/21/15										
19	City/Applicant Reviews Screencheck Draft EIR	14 days	Wed 7/22/15	Mon 8/10/15										
20	ICF Prepares Draft EIR	7 days	Tue 8/11/15	Wed 8/19/15										
21	45-Day Public Review	45 edays	Wed 8/19/15	Sat 10/3/15										
22	<b>Prepare Final EIR</b>	<b>69 days</b>	<b>Mon 10/5/15</b>	<b>Thu 1/14/16</b>										
23	ICF Prepares Administrative Final EIR	25 days	Mon 10/5/15	Fri 11/6/15										
24	City/Applicant Reviews Administrative Final EIR	21 days	Mon 11/9/15	Wed 12/9/15										
25	ICF Prepares Final EIR	15 days	Thu 12/10/15	Mon 1/4/16										
26	Certification Hearings	7 days	Tue 1/5/16	Wed 1/13/16										
27	Prepare Notice of Determination	1 day	Thu 1/14/16	Thu 1/14/16										

Project: 1300 El Camino Real Infill  
Date: Thu 12/18/14

Public Review Period City/Applicant Task Consultant Task



Community Serving Uses include Restaurants, Retail & Personal/Business Services



**1300 EL CAMINO REAL MIXED-USE**  
Menlo Park, California

Site Plan at Ground Level

Owner: GREENHEART LAND CO.

Date: 07.29.2014

Project No.: 12060

**BAR**architects

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## OFFICE OF THE CITY MANAGER

Council Meeting Date: February 24, 2015  
Staff Report #: 15-035

**REGULAR BUSINESS:**                    **Discuss and Provide Guidance to Voting Delegate for a Vacancy on the League of California Cities Peninsula Division Executive Committee**

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### RECOMMENDATION

Staff recommends the City Council discuss the candidates for the office of Vice President of the League of California Cities Peninsula Division with guidance for voting at the next Division meeting scheduled for February 26, 2015.

### BACKGROUND

The Peninsula Division includes 36 cities in San Francisco, San Mateo and Santa Clara counties and provides members with the opportunity to exchange ideas and information and share the advantages of cooperative advocacy.

The division is guided by an executive committee under the leadership of a Division President. Elected city officials and professional city staff attend division meetings throughout the year to share what they are doing and advocate for their interests in Sacramento. Division members also participate in the development of League policy.

The office of Vice President is currently vacant and will be voted on at the next quarterly meeting on February 26, 2015 in Mountain View.

The following are candidates for the office:

- Jim Davis, Council Member, City of Sunnyvale
- Liz Kniss, Council Member, City of Palo Alto
- Emily Lo, Council Member, City of Saratoga

The City's ballot (Attachment A) is due to the Division at the February 26<sup>th</sup> meeting. Biographies for each candidate (Attachment B) are provided for Council's review and consideration.

### POLICY ISSUES

The proposed action is consistent with current practices.

## **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. 2014-15 Executive Committee Vice President Ballot
- B. Candidates' Biographies

Report prepared by:  
*Pamela Aguilar*  
*City Clerk*



**PENINSULA DIVISION  
MEMBER CITIES**

- ATHERTON
- BELMONT
- BRISBANE
- BURLINGAME
- CAMPBELL
- COLMA
- CUPERTINO
- DALY CITY
- EAST PALO ALTO
- FOSTER CITY
- GILROY
- HALF MOON BAY
- HILLSBOROUGH
- LOS ALTOS
- LOS ALTOS HILLS
- LOS GATOS
- MENLO PARK
- MILLBRAE
- MILPITAS
- MONTE SERENO
- MORGAN HILL
- MOUNTAIN VIEW
- PACIFICA
- PALO ALTO
- PORTOLA VALLEY
- REDWOOD CITY
- SAN BRUNO
- SAN CARLOS
- SAN FRANCISCO
- SAN JOSE
- SAN MATEO
- SANTA CLARA
- SARATOGA
- SOUTH SAN FRANCISCO
- SUNNYVALE
- WOODSIDE

**DIVISION OFFICERS**

**PRESIDENT**

KIRSTEN KEITH  
COUNCILMEMBER  
CITY OF MENLO PARK

**VICE PRESIDENT**

VACANT

**SECRETARY/TREASURER**

ALICIA AGUIRRE  
COUNCILMEMBER  
CITY OF REDWOOD CITY

**DIRECTOR**

MARILYN LIBRERS  
COUNCILMEMBER  
CITY OF MORGAN HILL

**AT LARGE REPRESENTATIVES**

JIM DAVIS  
COUNCILMEMBER, SUNNYVALE

**ART KIESEL**

MAYOR, FOSTER CITY

**STAFF LIAISON**

JESSICA STANFILL MULLIN  
REGIONAL MANAGER

EMAIL: [JSTANFILL@CACITIES.ORG](mailto:JSTANFILL@CACITIES.ORG)

**PENINSULA DIVISION  
2014-15 EXECUTIVE COMMITTEE VICE PRESIDENT BALLOT**

**CITY:**

Please return to Jessica Stanfill Mullin, PO Box 5630, So San Francisco, CA 94080 by February 24<sup>th</sup> or deliver at the Peninsula Division Quarterly Dinner on February 26<sup>th</sup>.

**Vice President (Vote for One):**

Jim Davis, Council Member, City of Sunnyvale      Yes\_\_\_

Liz Kniss, Council Member, City of Palo Alto      Yes\_\_\_

Emily Lo, Council Member, City of Saratoga      Yes\_\_\_

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

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**Candidates' Biographies for Vice President for the  
League of California Cities Peninsula Division Executive Committee**

**Candidate:** Jim Davis, Council Member, City of Sunnyvale

**Position:** Vice President



**Application Statement:** I am currently serving my second year as Director at Large for the Peninsula Division of the California League of Cities. I also serve on the League's Public Safety Policy Committee. I have previously served on the Helen Putman Award Committee and the 2012 Conference Committee. Above and beyond that I serve on the National League of Cities Crime Prevention Steering Committee. Last year I served as the Chairman of the National League of Cities Large Cities Council. I have had a long career in the advancement of legislative process. I served on the Board of Director and was a legislative advocate for the Peace Officers Research Association for 25 years. I am very familiar with the legislative process and how to be affective the legislative process on both a state and local level. I am currently retired and have time to dedicate myself to the interest of the League of California Cities and in particular to the Peninsula Division.

**Council Member Jim Davis - Biography**

**Education**

Associate of Science Degree, Administration of Justice, West Valley Community College (1970 – 1973)

Bachelor of Science, Political Science, Minor Psychology San Jose State University (1973- 1975)

**Professional Experience**

City Council Member City of Sunnyvale (January 2012 - Present)

Sunnyvale Public Safety Officer (July 1986 – October 2011)

San Jose Law Enforcement (October 1975 – July 1986)

**Professional Organizations**

California Narcotic Officers Association (19876 – Present)

Peace Officers Research Association of California (1975 – 2011)

Member, California Gang Investigators Association (Present)

Member, Central Coast Gang Investigators Association (Present)

Member, Sunnyvale Public Safety Officers Association (Present)

**Community Service**

Regional Advisor, Cali Nev Ha Key Club (2006 – Present)

Instructor, Parent Project (2008 – Present)

Advisor, Homestead High School Key Club (2001 – Present)

Advisor, Sunnyvale Middle School Builders Club (2003 – Present)

Chairman, Sunnyvale Pet Parade (2010)  
Member, Mayor's Reading by Third Grade Committee (2008)  
Sunnyvale Basketball Shoot-Off Program (2006 – 2011)  
Sunnyvale Charter Review Committee (1991)

### **Memberships**

Silicon Valley Kiwanis (1999 – Present)  
Cops Care Cancer (2006 – Present)  
Sunnyvale Challenge Team (Present)  
Mt. View Challenge Team (Present)

### **Commendation and Awards**

Advisor of the Year, Cali Nev Ha Key Club 2011  
Recognition of Service, SNAIL Neighborhood Association (2011)  
Public Safety Officer of the Year (2009)  
Certificate of Excellence, Sunnyvale Middle School (2009)  
Distinguished Service Award, Cal Nev Ha Kiwanis (2008)  
Distinguished Service, Vargas Elementary School (2006 – 2008)  
Ellis Elementary School Recognition of Service (2008 & 2009)  
Sunnyvale Volunteer of the Year Award (2005)  
California State Senate Recognition of Public Service (2005)  
California State Assembly Recognition of Public Service (2005)  
Santa Clara County Board of Supervisors Recognition of Public Service (2005)  
Kiwanis Member of the Year (2003)  
Alan J. Garcia Leadership Award (2001)  
Who's Who Leadership Recognition (1994)

### **Inter Governmental Assignments**

Representative to Association of Bay Area Governments  
Commissioner County Expressway Planning Advisory Board  
Member Grand Boulevard Task Force  
Member Moffett Field Restoration Advisory Board  
Commissioner County Emergency Operations Council  
Member Valley Transpiration Authority Policy Advisory Board  
Member Cal train Modernization Project Advisory Group  
Alternate to Silicon Valley Regional Interoperability Authority  
Chairman National League of Cities Large Cities Council  
Member National League of Cities Public Safety Policy Board  
Member California Leagues of Cities Public Safety Policy Board.

**Candidate: Liz Kniss, Council Member, City of Palo Alto**

**Position:** Vice President



**Application Statement:** I have lived and worked in Palo Alto and in Santa Clara County for many years, and have served in public office since 1985. As a school board member, City Council member and Supervisor in Santa Clara County, I have been involved with each governing body’s professional organization and have served in leadership on Palo Alto School Board, Palo Alto City Council and Santa Clara County Board of Supervisors, as well as many committees. (C V attached) I was Vice Mayor of the Palo Alto City Council in 2014. I have recently been appointed to the Employee Relations committee after being back on the PACC since 2013.

While on the City Council previously I was active in both the Peninsula League and in the League of California Cities. I am particularly interested in the “voice” that the League can have in Sacramento, and in Washington. We must establish good long term relationships with our elected officials on the Peninsula and Bay Area, and with longer terms for office in the California State legislature, we can work toward our League goals over a greatly increased period of time. Our relationships make us stronger and bring greater influence in decision making at that level.

While I was on the Board of Supervisors, I chaired the Legislative Committee for six years, and oversaw both our state and federal advocates, following the budgets, the bills, and the trends in public spending. I interacted with both our state lobbyists and the federal law firm who represented and advocated for us in Washington. We frequently visited Sacramento and DC to visit with our elected officials to work with them and their staff on issues important to our communities.

Also, I have participated in the Bocce Ball tournament.

Thank you!  
Liz Kniss

**Council Member Liz Kniss – Biography**

**Education**

BS, PHN, Simmons College, Boston, MA  
MPA, Public Administration and Health Care Policy, Cal State University  
Graduate work in Health Policy and Economics, UC Berkeley

**Professional Experience**

Manager, Marketing and Communications, Sun Microsystems Laboratories  
Director, Stanford Friends of Nursing, Stanford University Hospital  
Public Health Nurse, San Mateo County  
Public Health Nurse, Grant Writer, Cupertino Union School District

Registered Nurse, various hospitals

### **Public Service – Elected**

2013 – Present: Palo Alto City Council Member, **Vice Mayor 2014** (*see pg 3*)  
2001 - 2012: Santa Clara County Board of Supervisors, **President 2005 and 2009**  
1989 - 2000: Palo Alto City Council, Council Member, **Mayor 1994 and 2000**  
1985 - 1989: Palo Alto School Board, Member, **President 1988**

### **Palo Alto City Council- 2013-15**

Elected in November 2012 (Returning after 3 terms on Board of Supervisors\*)  
January - 2014, Elected Vice Mayor,  
Policy Committee – 2013 Chair  
Finance Committee- 2014  
LCC/ Peninsula Division- Employee Relations Committee -current  
Bay Area Air Quality Management District, -Reappointed Feb. 2013  
Secretary, Jan 2015 (leads to Chair)

### **Santa Clara County Board of Supervisors**

#### **Policy Committees**

Health and Hospital Committee; Vice-Chair 2001, Chair 2002 - 2012  
Legislative Committee; Vice-Chair 2001-2005, Chair 2006 - 2012  
Housing, Land Use, Environment, Transportation Committee; Vice-Chair 2009 – 2012  
Finance and Government Operations Committee; Vice-Chair 2006 – 2008  
Public Safety and Justice Committee; Chair 2001 Vice-Chair 2002 – 2005

### **County-Wide**

County Library District Joint Powers Authority; 2001 – 2012  
Santa Clara County Health Authority Board of Directors; 2001- 2011  
Santa Clara County Emergency Preparedness Council 2004 - 2011  
First Five Santa Clara County Board of Directors 2009  
SCC Cities Association Joint Economic Development Policy Committee; 2005-2008

### **County Internal**

County Fire Department Liaison; 2001- 2012  
County Planning Commission Liaison; 2001 - 2009  
Disaster Council 2006 – 2011  
Energy Task Force 2001  
Juvenile Detention Reform Planning Committee 2004  
Juvenile Detention Reform Oversight Committee 2005 – 2008

### **Regional Representation**

Bay Area Air Quality Management District; 2001- present  
Secretary, 2015, in line to be Chair  
Bay Conservation and Development Commission; 2001- 2011

Local Agency Formation Commission; 2009 – 2012  
Mid-Peninsula Regional Open Space District Financing Authority 2001- 2012  
Regional Hazardous Waste Management Facility Allocation; 2001-2006  
Valley Transportation Authority; 2005 - 2012, Chair 2008

### **State and National Representation**

California State Association of Counties Board of Directors; 2006 - 2012  
California State Association of Counties; Health and Human Services Committee; Member 2003  
- present, Vice-Chair 2006, Chair 2007 - 2012  
California Urban Counties Caucus; Member 2006 – present, **Chair 2011**  
National Association of Counties; 2006 – present, Board of Directors 2010 - 2012  
National Association of Counties; Health Steering Committee; Member 2004 - 2012, **Chair 2010  
- 2012**  
National Association of Counties; Large Urban County Caucus Steering Committee 2006 – 2012  
National Association of Counties; Sustainability Leadership Team 2003 - 2006

### **Palo Alto City Council**

Library Advisory Commission; 1999  
Palo Alto Community Child Care; 1990, 1993, 1995, 1998-1999  
Millennium Night/Year 2000 Committee; 1999  
**National League of Cities – Women in Municipal Government Board; 1998**  
**National League of Cities – Steering Committee; 1995, 1998-99**  
Santa Clara County Foundation (now Palo Alto Fund); 1990-99  
Telecommunications Advisory Board; 1998-99  
Senior Coordinating Council; 1991, 1998  
Finance Committee; 1997  
County Board of Supervisors Liaison; 1997  
California Avenue Area Development Association; 1997  
Palo Alto Chamber of Commerce; 1997  
Neighbors Abroad Liaison; 1993, 1997  
Palo Alto Housing Corporation; 1993, 1997  
Santa Clara Valley Water District Commission; 1997  
Stanford University Liaison; 1994-97  
Downtown Merchants' Association; 1995-97  
City/School Liaison Committee; 1992, 1994-97  
Historic Resources Board; 1995-96  
League of California Cities – Committee on Housing, Community and  
Association of Bay Area Governments; 1994-96  
League of California Cities – Peninsula Division; 1994-95  
Economic Development; 1991-95  
East Palo Alto Liaison Committee; 1993-95  
Santa Clara County Cities Association; 1994  
Family Resource Center Task Force; 1994

Santa Clara County Transportation Commission; 1991-94  
Palo Alto Centennial Committee; 1990-1994  
Council/CAO Ad Hoc Committee; 1993-94  
Disability Awareness Task Force; 1993  
Public Art Commission; 1992  
Santa Clara County Intergovernmental Council; 1992  
Senior Coordinating Council; 1992  
Santa Clara County Emergency Preparedness Council; 1990-91  
Santa Clara County Paratransit Coordinating Council; 1991

**Memberships, Affiliations and Community Service  
(partial list)**

AAUW, Palo Alto Chapter  
American Leadership Forum; Senior Fellow  
Association for Senior Day Health  
California Elected Women's Assoc. for Ed. & Research (CEWAR)  
Children's Health Awareness Council (CHAC) Advisory Council  
Democratic Activists for Women Now (DAWN)  
Democratic Forum of Santa Clara County  
Joint Venture Silicon Valley; current member and past Co-Chair  
League of Women Voters, Palo Alto Chapter  
Palo Alto Rotary  
Palo Alto Woman's Club  
Voices of Reform Advisory Board, Commonwealth Club of California 2004-2005

\*Three term limits

**Candidate: Emily Lo, Council Member, City of Saratoga**

**Position:** Vice President



**Application Statement:** I am a Councilmember and Former Mayor of Saratoga and have been an active participant in the Peninsula Division dinner meetings in the past 4 years.

I truly appreciate the effort of the Division to educate, communicate, and engage. I hope to leverage my experience (on the City Council, as well as a business owner and community leader) to contribute to the Division and continue the spirit of participation and collaboration. Attached is my bio.

### **Council Member Emily Lo – Biography**

#### **Public Services and Community Involvement:**

- Councilmember and Former Mayor of Saratoga;
- Chair of Joint Power Authority Santa Clara County Library District - present;
- Board of Directors, Hakone Foundation – present;
- Former Board Member, Cities Association of Santa Clara County
- Vice Mayor of Saratoga, Dec. 2012- 2013
- Former President, Saratoga Chamber of Commerce
- Former Board Member, Saratoga- Monte Sereno Community Foundation
- Former Co- president, Saratoga High School PTSA, 2001-03;
- Member of Saratoga Foothill Club, Saratoga Rotary, Saratoga Lions, Saratoga Country Club, Saratoga Historical Foundation, Organization of Chinese American Women, Chi Am Circle Club, Saratoga Sister City.

#### **Business Experience:**

- Operates a promotional product business for over 16 years

#### **Educational Background:**

- Obtained Bachelor of Social Sciences Degree from University of Hong Kong

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## **POLICE DEPARTMENT**

**Council Meeting Date: February 24, 2015**  
**Staff Report #: 15-028**

**INFORMATIONAL ITEM: Quarterly Review of Data Captured by Automated License Plate Readers (ALPR) for the Period Beginning October 1, 2014 through January 1, 2015**

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### **RECOMMENDATION**

Receive and file.

### **POLICY ISSUES**

Pursuant to Menlo Park Municipal Code, staff is required to present a quarterly review of the data captured from the Police Department's automated license plate readers.

### **BACKGROUND**

On September 24, 2013, the City Council approved the purchase and installation of mobile Automated License Plate Readers (ALPRs) mounted on three police vehicles.

At the May 13, 2014 City Council meeting, the Council approved Ordinance 1007 regarding the use of automated license plate readers.

It states, "Northern California Regional Information Center (NCRIC) will give a quarterly report to the Police Department which shall indicate the number of license plates captured by the ALPR in the City of Menlo Park, how many of those license plates were "hits" (on an active wanted list), the number of inquiries made by Menlo Park personnel along with the justifications for those inquiries, and information on any data retained beyond six months and the reasons for such retention."

### **ANALYSIS**

From October 1, 2014 through January 1, 2015, the ALPR's captured 172,001 license plates.

The data captured resulted in 124 "hits" that a captured license plate was currently on an active wanted list. The vast majority of the hits were subsequently deemed to be a "false read" after further review by the ALPR operator. Four unoccupied stolen vehicles were recovered (Menlo Park Police Department Case #'s 14-3505, 3676, 3956, & 3982).

During the listed time period, Menlo Park Police personnel made nine license plate inquiries into the database during the investigation of crimes occurring in Menlo Park or where a Menlo Park resident was known to have had an active warrant for their arrest or was wanted as a named suspect in connection to criminal activity.

There was no captured license plate data retained beyond the six month limitation set forth in the municipal code.

### **IMPACT ON CITY RESOURCES**

There is no impact on City resources.

### **ENVIRONMENTAL REVIEW**

N/A

### **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:  
*William A. Dixon*  
*Interim Police Commander*



## FINANCE DEPARTMENT

Council Meeting Date: February 24, 2015  
Staff Report #: 15-027

**INFORMATIONAL ITEM: Quarterly Financial Review of General Fund Operations as of December 31, 2014**

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### RECOMMENDATION

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

### 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.

### 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.

### ANALYSIS

#### Overview

The report 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 second quarter results from fiscal years 2014-15 and 2013-14. It is important to note that the 2014-15 budget was restructured to reflect Finance, Human Resources, the City Manager's Office, the City Attorney's Office and the City Council as separate departments as opposed to one Administrative Services Department. Attachment A reflects this new structure for both 2014-15 and 2013-14.

Because this report will be followed in several weeks by the Mid-Year Report for the General Fund, only a preliminary analysis has been completed based on actual transactions of the second quarter of each year as compared to the adjusted budget as it stood on December 31<sup>st</sup> of each year. The City's overall revenue and expenditure picture

will be discussed in greater detail in the Mid-Year Report, which is scheduled for consideration at the March 10<sup>th</sup> Council meeting.

Through the second quarter, the General Fund appears to be tracking as expected. The one major budget revision that has been incorporated so far this fiscal year is the carry-over of expenditure commitments funded in the prior year's budget, also known as encumbrances. For fiscal year 2013-14, General Fund encumbrances from the prior year amounted to an additional \$388,033 for the expenditure budget. In the current fiscal year, \$1,099,203 in commitments has been carried forward, with most attributable to Community Development for plan check services.

**Revenues**

The table below shows a summary of second quarter budget-to-actual revenues for fiscal years 2014-15 and 2013-14:

	2014-15 Adjusted Budget 12/31/2014	Actual 12/31/2014	% of Budget	2013-14 Adjusted Budget 12/31/2013	Actual 12/31/2013	% of Budget
Property Tax	\$14,698,775	\$7,060,500	48.03%	\$13,955,000	\$6,519,959	46.72%
Charges for Services	8,212,908	4,003,954	48.75%	7,795,222	3,854,257	49.44%
Sales Tax	6,618,595	3,180,855	48.06%	6,331,400	2,864,126	45.24%
Licenses and Permits	4,880,128	2,620,080	53.69%	5,559,465	3,316,479	59.65%
Transient Occupancy Tax	4,390,000	1,181,678	26.92%	3,743,000	1,057,430	28.25%
Franchise Fees	1,863,110	412,588	22.15%	1,812,300	256,712	14.16%
Fines & Forfeitures	1,319,980	565,857	42.87%	1,319,980	490,789	37.18%
Utility Users' Tax	1,129,632	431,160	38.17%	1,184,620	442,915	37.39%
Intergovernmental Revenue	716,268	468,572	65.42%	794,288	341,095	42.94%
Rental Income	405,004	51,472	12.71%	367,712	44,197	12.02%
Interest Income	310,000	447,934	144.49%	410,000	431,121	105.15%
Operating Transfers In/ Other Revenue	440,155	222,306	50.51%	1,201,266	986,992	82.16%
Use of Assigned Fund Balance	1,865,713	381,132	20.43%	0	0	0.00%
<b>Total Revenues:</b>	<b>\$46,850,268</b>	<b>\$21,028,088</b>	<b>44.88%</b>	<b>\$44,474,253</b>	<b>\$20,606,072</b>	<b>46.33%</b>

Through the second quarter of fiscal year 2014-15, General Fund revenues are slightly above revenues received through the same time period last year; however, it is often difficult to compare total revenues year-over-year due to one-time revenues and the timing of when certain revenues are remitted. For the revenue sources that are remitted on a timely basis such that a year-over-year comparison of second quarter results is applicable, a brief discussion of the variances is discussed below.

Property tax receipts, which represent the largest source of General Fund revenue, are up 8.3% over last year. This revenue is tracking slightly higher than expected through December 2014 due to the property transfer tax, which is a tax imposed on the documents exchanged in the transfer of interests in real estate, exceeding projections.

Charges for services are up 3.9% over last fiscal year, which is primarily due to Community Services rental and recreation fees and Public Works improvement plan check fees.

Although Sales tax has increased over last year, this increase includes a one-time transaction of \$400,000 related to the triple flip shortfall that was experienced in 2012-13. Excluding this transaction, sales tax revenues through December are down 2.9% from prior year. This is predominantly due to the loss of a large sales tax provider in early 2014. The short and long-term implications of this will be discussed in more detail in the Mid-Year Report.

License and permit revenues are down 21% over the second quarter results from last fiscal year. This decrease is primarily driven by lower building permit revenue. Last year, permit revenue was at unsustainably high levels due to a number of large projects, including the Facebook West project. This year-over-year reduction does not indicate a slowdown in activity, however, as there are many developments expected to submit payment for permits this year.

Transient occupancy tax (TOT) receipts reflected are for the first quarter only (September 30, 2014), since TOT is not paid to the City until the month following the close of each quarter (quarter ending December 31, 2014 is received at the end of January). Overall, TOT revenues are up nearly 11.8% over the same period from last fiscal year and are tracking as expected.

While interest income appears to be up through the second quarter, that amount does not reflect cash earned on the City's investment portfolio and instead is the annual first quarter adjustment to reverse prior year unrealized gains/losses required for fiscal year-end reporting. Specifically, this transaction reverses the unrealized loss that had to be booked to close out fiscal year 2013-14. Additional information on investment earnings on the City's portfolio is included in a staff report on February 10, 2015 Council agenda.

Use of assigned fund balance in the amount of \$1,865,713 is a combination of \$766,510 that has been assigned for development planning expenses and \$1,099,203 assigned for encumbrances that were budgeted in the prior year that will be expended in the current year. This total represents budgeted funds from 2013-14 that went unspent and closed to the General Fund's reserve balance, but were assigned for spending in the current fiscal year. At the end of the second quarter, \$381,132 in encumbrances has been expended.

The operating transfers in/other revenue category is down significantly due to the City receiving its share of the sale proceeds (\$772,000) from the sale of the Hamilton Avenue property in 2013-14. Excluding this revenue, this category is tracking closely to the second quarter of the previous fiscal year.

### **Expenditures**

Through the second quarter, General Fund operating expenditures are up \$1,225,104, or 6.6%, over the previous year. A year-over-year increase in total expenditures was budgeted, as the current year's operating budget as of the second quarter is 8% above the previous year's operating budget. In comparison to last fiscal year, expenditures are tracking slightly lower to budget this year (41.40% vs. 41.93%) through the second quarter. However, while total expenditures for the current year are 41.40% of budget (through 50% of the fiscal year), due to the lag in when payroll expenditures get incorporated into the

City’s general ledger, second quarter results shown in the table below only include payroll through mid-December. This is the case for both fiscal years, so the year-over-year comparison is still applicable.

	2014-15 Adjusted Budget 12/31/2014	Actual 12/31/2014	% of Budget	2013-14 Adjusted Budget 12/31/2013	Actual 12/31/2013	% of Budget
Police	15,423,288	6,997,441	45.37%	15,065,189	6,880,293	45.67%
Community Services	7,809,697	3,405,457	43.61%	7,677,392	3,377,702	44.00%
Public Works	7,062,344	2,860,339	40.50%	5,566,311	2,424,621	43.56%
Community Development	5,572,308	1,354,645	24.31%	4,614,042	1,305,165	28.29%
City Manager's Office	3,237,815	1,302,528	40.23%	1,938,508	658,607	33.97%
Library	2,268,285	1,078,278	47.54%	2,109,772	1,033,759	49.00%
Finance	1,571,824	674,561	42.92%	1,660,484	627,841	37.81%
Human Resources	1,159,281	377,813	32.59%	943,541	346,509	36.72%
City Council	440,318	172,478	39.17%	1,549,630	425,243	27.44%
City Attorney	362,990	138,851	38.25%	349,169	104,347	29.88%
Non-Departmental	2,648,200	1,324,100	50.00%	2,554,600	1,277,300	50.00%
<b>Total Expenditures:</b>	<b>\$47,556,350</b>	<b>\$19,686,491</b>	<b>41.40%</b>	<b>\$44,028,638</b>	<b>\$18,461,387</b>	<b>41.93%</b>

As demonstrated in the table above, six departments (Police, Community Services, Public Works, Community Development, Library, and Human Resources) are tracking lower to budget in comparison to fiscal year 2013-14. Based on total expenditures through the second quarter, total General Fund operating expenditures are on track to be within budgeted amounts for the fiscal year.

**IMPACT ON CITY RESOURCES**

There is no impact on City resources.

**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 December 31, 2014

Report prepared by:  
*Drew Corbett*  
 Finance Director

**City of Menlo Park - General Fund  
Budget-to-Actual Report, FY 2014-15  
As of December 31, 2014**

**ATTACHMENT A**

A	B	C	D	E	(E-C)/C Change 12/31/14 to Un- Audited Actual FY 13- 14	G	H	(H-G)/G %	G/C YTD 12/31/2013 to Actual FY 13- 14	G/D %	H/E %
	Adjusted Budget as of 6/30/14	Audited Actual FY 2013-14	2013-14 Adjusted Budget 12/31/2013	2014-15 Adjusted Budget 12/31/2014		Actual YTD 12/31/2013	Actual YTD 12/31/2014	% Actual Change		Actual-to- Budget 12/31/201 3	Actual-to- Budget 12/31/201 4
Property Tax	\$14,715,000	\$15,156,065	\$13,955,000	\$14,698,775	-3.02%	\$6,519,959	\$7,060,500	8.29%	43.02%	46.72%	48.03%
Charges for Services	7,595,222	7,681,433	7,795,222	8,212,908	6.92%	3,854,257	4,003,954	3.88%	50.18%	49.44%	48.75%
Sales Tax	6,136,400	6,444,292	6,331,400	6,618,595	2.70%	2,864,126	3,180,855	11.06%	44.44%	45.24%	48.06%
Licenses and Permits	6,559,465	5,782,225	5,559,465	4,880,128	-15.60%	3,316,479	2,620,080	-21.00%	57.36%	59.65%	53.69%
Transient Occupancy Tax	4,100,000	4,158,809	3,743,000	4,390,000	5.56%	1,057,430	1,181,678	11.75%	25.43%	28.25%	26.92%
Franchise Fees	1,812,300	1,841,851	1,812,300	1,863,110	1.15%	256,712	412,588	60.72%	13.94%	14.16%	22.15%
Fines & Forfeitures	1,149,980	1,253,261	1,319,980	1,319,980	5.32%	490,789	565,857	15.30%	39.16%	37.18%	42.87%
Utility Users' Tax	1,135,000	1,157,653	1,184,620	1,129,632	-2.42%	442,915	431,160	-2.65%	38.26%	37.39%	38.17%
Intergovernmental Revenue	841,717	888,131	794,288	716,268	-19.35%	341,095	468,572	37.37%	38.41%	42.94%	65.42%
Rental Income	367,712	355,904	367,712	405,004	13.80%	44,197	51,472	16.46%	12.42%	12.02%	12.71%
Interest Income	260,000	328,658	410,000	310,000	-5.68%	431,121	447,934	3.90%	131.18%	105.15%	144.49%
Operating Transfers In/ Other Revenue	1,201,266	1,237,838	1,201,266	440,155	-64.44%	986,992	222,306	-77.48%	79.74%	82.16%	50.51%
Use of Assigned Fund Balance	0	0	0	1,865,713	0.00%	0	381,132	0.00%	0.00%	0.00%	20.43%
<b>Total Revenues:</b>	<b>\$45,874,062</b>	<b>\$46,286,120</b>	<b>\$44,474,253</b>	<b>\$46,850,268</b>	<b>1.22%</b>	<b>\$20,606,072</b>	<b>\$21,028,088</b>	<b>2.05%</b>	<b>44.52%</b>	<b>46.33%</b>	<b>44.88%</b>
Police	15,065,189	14,284,054	15,065,189	15,423,288	7.98%	6,880,293	6,997,441	1.70%	48.17%	45.67%	45.37%
Community Services	7,720,025	7,480,372	7,677,392	7,809,697	4.40%	3,377,702	3,405,457	0.82%	45.15%	44.00%	43.61%
Public Works	5,642,673	5,183,204	5,566,311	7,062,344	36.25%	2,424,621	2,860,339	17.97%	46.78%	43.56%	40.50%
Community Development	4,614,041	3,765,303	4,614,042	5,572,308	47.99%	1,305,165	1,354,645	3.79%	34.66%	28.29%	24.31%
City Manager's Office	1,938,508	1,590,790	1,938,508	3,237,815	103.54%	658,607	1,302,528	97.77%	41.40%	33.97%	40.23%
Library	2,114,569	2,046,773	2,109,772	2,268,285	10.82%	1,033,759	1,078,278	4.31%	50.51%	49.00%	47.54%
Finance	1,625,634	1,478,364	1,660,484	1,571,824	6.32%	627,841	674,561	7.44%	42.47%	37.81%	42.92%
Human Resources	978,391	876,428	943,541	1,159,281	32.27%	346,509	377,813	9.03%	39.54%	36.72%	32.59%
City Council	1,699,630	1,032,141	1,549,630	440,318	-57.34%	425,243	172,478	-59.44%	41.20%	27.44%	39.17%
City Attorney's Office	349,169	380,496	349,169	362,990	-4.60%	104,347	138,851	33.07%	27.42%	29.88%	38.25%
Operating Transfers Out	2,554,600	2,554,600	2,554,600	2,648,200	3.66%	1,277,300	1,324,100	3.66%	50.00%	50.00%	50.00%
<b>Total Expenditures:</b>	<b>\$44,302,429</b>	<b>\$40,672,525</b>	<b>\$44,028,638</b>	<b>\$47,556,350</b>	<b>16.93%</b>	<b>\$18,461,387</b>	<b>\$19,686,491</b>	<b>6.64%</b>	<b>45.39%</b>	<b>41.93%</b>	<b>41.40%</b>
Preliminary addition/draw on General Fund Reserves	\$1,571,633	\$5,613,595	\$445,615	(\$706,082)		\$2,144,685	\$1,341,597				

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## FINANCE DEPARTMENT

Council Meeting Date: February 24, 2015  
Staff Report #: 15-026

**INFORMATIONAL ITEM:**            **Review of the City's Investment Portfolio as of December 31, 2014**

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### RECOMMENDATION

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

### 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.

### 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 December 31, 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 December was over \$97.8 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 \$37.3 million (38.1 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 \$60.5 million, \$23.9 million (24.4 percent) is invested in short-term Federal agency issues (U.S. Instrumentality), \$7.5 million (7.7 percent) in U.S. Treasury securities, \$26.6 million (27.3 percent) in medium-term corporate notes, and \$2.5 million (2.5 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 December, the fair value (market value) of the City's securities was over \$945,000 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. It is important to note that any unrealized loss or gain does not represent an actual cash transaction to the City, as the City generally holds securities to maturity to avoid market risk.

### **Current Market Conditions**

The U.S. economy grew at a strong rate during the last three quarters of 2014. After the slowdown in the first quarter, the second quarter experienced a 4.6 percent increase in Gross Domestic Product (GDP), with a year-over-year increase of 2.3 percent. The GDP growth rate during the third quarter is estimated to be near 5 percent. Even though consumer confidence dropped slightly in December, the fourth quarter GDP growth rate is expected to be close to 3 percent. The growth rate over the last three quarters has been the largest in the last 10 years. Additionally, employment indicators have been improving. During the fourth quarter, the unemployment rate dropped to 5.6%, while the number of jobs created increased by 214,000 in October, 321,000 in November and 252,000 in December. December marks the 11<sup>th</sup> consecutive month that employments gains exceeded 200,000 jobs per month.

The Federal Open Market Committee (FOMC) members are encouraged by the recent improvements in the economy and continue the easing of fiscal restrictions. By the end of October, the Committee's asset purchasing policy was discontinued, an indication of the committee's confidence in the economy. However, while two of the criteria used by the FOMC to judge the health of the economy (GDP growth and unemployment rate) are improving significantly, the third criteria (inflation rate) continues to be under the threshold the committee requires in order to start normalizing monetary policy. While the inflation rate is less than 2%, the federal funds rate is expected to remain at its current level of 0% to 0.25 percent. The FOMC has adopted a "wait and see" approach with regards to fiscal conditions. Once the FOMC decides to normalize monetary policy, it will do so in a slow and measured approach consistent to its long-term goals. It is unlikely that the federal funds rate will increase in the near future.

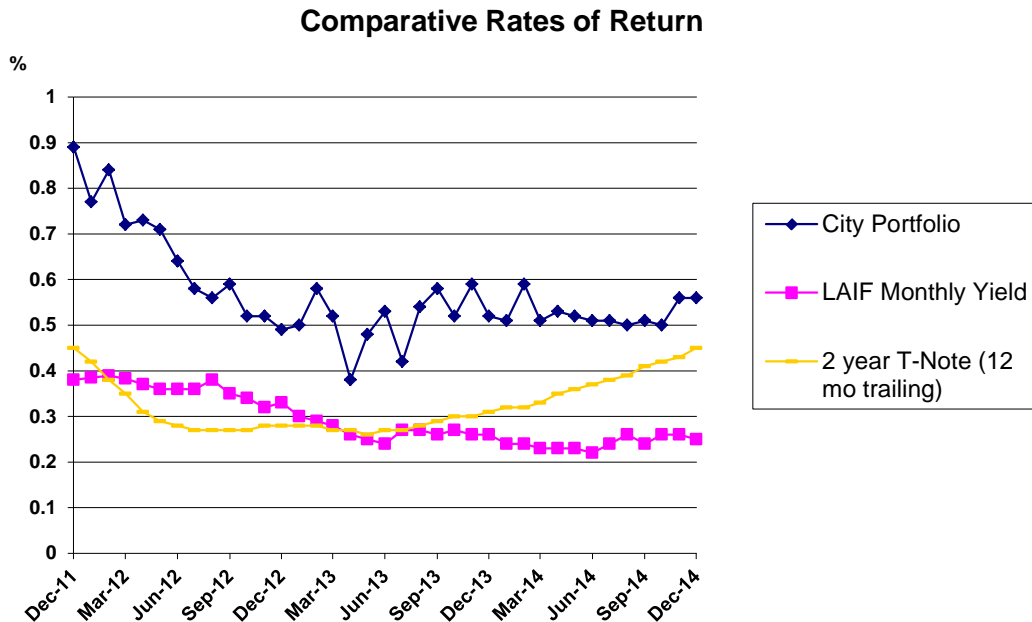
### **Investment Yield**

The annualized rate of return for the City's portfolio shown on the performance summary as of December 31, 2014, prepared by Cutwater, is 0.56 percent, net of fees. This rate of return is higher than the rate of the 2-year Treasury-Note (12-month trailing) of 0.45 percent and the rate of return earned through LAIF over the past quarter of 0.25 percent.

Over the fourth quarter of 2014, investment yields generally experienced slight increases for short-term bonds, increases for 2-year securities and decreases for long-term bonds 5 years and over, which supports the former FOMC monetary policy. Over the past year, interest rates decreased for all securities with an exception for 2-year Treasuries. The short-term Treasuries continue to offer yields significantly less than what is available with LAIF, while 2-year and 5-year securities offer significantly higher yields but at the exposure of interest rate risk. The difference can be seen by the change in U.S. Treasuries rates:

Term	December 31, 2013	September 30, 2014	December 31, 2014
3-month	0.07	0.02	0.04
6-month	0.09	0.03	0.04
2-year	0.31	0.57	0.66
5-year	1.74	1.76	1.65
10-year	3.03	2.49	2.17
30-year	3.97	3.20	2.81

As previously stated, less than 40 percent of the portfolio resides in the City’s LAIF account, yielding 0.25 percent for the quarter ending December 31, 2014. 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, as evidenced by the chart below, which shows the difference between the yield on the City’s portfolio and the LAIF monthly yield.



Fees paid to Cutwater (totaling \$11,033 for the quarter ended December 31, 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 Fourth 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 for well into 2015, and depending on inflation factors, staff has been investing in some shorter-term securities, such as commercial paper or callable bonds that are anticipated to be called in the near term. Corporate paper is a good short-term investment with maturities ranging from one to nine months and yields greater than those available with LAIF. The reasoning for preferring short-term securities at this time is that when interest rates do rise, they will do so slowly. Therefore, many 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 October 1, 2014 through December 31, 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>
10/01/14	Maturity	Wells Fargo	2.0 yrs	0.56	\$2,000,000
10/09/14	Purchased	Bank of America	2.0 yrs	1.12	\$2,000,000
11/17/14	Maturity	ING corporate paper	0.5 yrs	0.30	\$4,500,000
11/25/14	Purchased	FFCB callable	3.5 yrs	1.42	\$2,000,000
11/25/14	Purchased	T-Note	2.5 yrs	0.86	\$1,000,000
11/25/14	Purchased	T-Note	2.5 yrs	0.82	\$1,500,000
12/26/14	Purchased	FHLB callable	3.0 yrs	0.80	\$1,000,000
12/29/14	Purchased	FHLB callable	3.0 yrs	1.30	\$2,000,000
12/30/14	Purchased	FHLMC callable	3.0 yrs	1.26	\$1,000,000
12/30/14	Purchased	FHLB callable	2.0 yrs	0.80	\$1,000,000

The average number of days to maturity in the City's portfolio increased during the fourth quarter. The average number of days to maturity of the City's portfolio as of December 31, 2014 was 441 days as compared to 399 days as of September 30, 2014. The increase in the days to maturity is due to purchasing long-term callable securities with the expectation that they will be called before their maturity dates. The average life of securities in LAIF's portfolio as of December 31, 2014 was 200 days, which is indicative of LAIF's preference for liquidity.

**Cash and Investments by Fund**

Overall, the City’s investment portfolio increased by over \$5.7 million in the fourth quarter of 2014. The schedule below lists the change in cash balance by fund type.

<b>Fund/Fund Type</b>	<b>Cash Balance as of 12/31/14</b>	<b>Cash Balance as of 09/30/14</b>	<b>Difference</b>	<b>% Change</b>
General Fund	28,343,274	24,563,791	3,779,483	15.39%
Bayfront Park Maintenance Fund	573,338	593,933	(20,595)	-3.47%
Recreation -in-Lieu Fund	1,385,558	1,337,318	48,240	3.61%
Other Expendable Trust Funds	995,926	1,112,285	(116,359)	-10.46%
Transportation Impact Fee Fund	4,667,418	4,005,479	661,939	16.53%
Garbage Service Fund	1,101,857	1,081,438	20,419	1.89%
Parking Permit Fund	3,426,085	3,269,398	156,687	4.79%
BMR Housing Fund	7,110,788	6,961,039	149,749	2.15%
Measure A Funds	662,356	619,172	43,184	6.97%
Storm Water Management Fund	384,551	277,756	106,795	38.45%
Successor Agency Funds	3,087,065	3,088,565	(1,500)	-0.05%
Measure T Funds	328,486	328,351	135	0.04%
Other Special Revenue Funds	13,778,857	12,719,878	1,058,979	8.33%
Capital Project Fund- General	12,707,666	13,315,775	(608,109)	-4.57%
Water Operating & Capital	14,674,208	14,855,734	(181,526)	-1.22%
Debt Service Fund	1,532,241	602,611	929,630	154.27%
Internal Service Fund	3,077,320	3,349,069	(271,749)	-8.11%
<b>Total Portfolio of all Funds</b>	<b>97,836,994</b>	<b>92,081,592</b>	<b>5,755,402</b>	<b>6.25%</b>

Cash and investment holdings in the General Fund increased due to the first installment of property taxes in December, which was offset by normal operating costs. The next property tax installment will be in April. The City’s Debt Service Funds increased for the same reason as the General Fund and that the semi-annual interest payment was not due until the end of January 2015. In December, the Transportation Impact Fee Fund received over \$605,000 in developer payments. In Other Special Revenue Funds, the Construction Impact Fee Fund increased by \$418,000 from revenues related to new construction, while the Landscaping/Tree Assessment and the Sidewalk Assessment funds received over \$350,000 in property tax assessments. The General Capital Project Fund decreased by over \$600,000 due to payments made for the Federal Aid Street Resurfacing Project. A percentage of these expenditures will be reimbursed to the City by a federal grant.

**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.

## **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 December 1, 2014 – December 31, 2014.

Report prepared by:  
*Geoffrey Buchheim*  
*Financial Services Manager*

# CITY OF MENLO PARK

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Report for the period December 1, 2014 - December 31, 2014

Please contact Accounting by calling the number above or email [camreports@cutwater.com](mailto:camreports@cutwater.com) with questions concerning this report.

( This report was prepared on January 8, 2015 )

## Fixed Income Market Review December 31, 2014

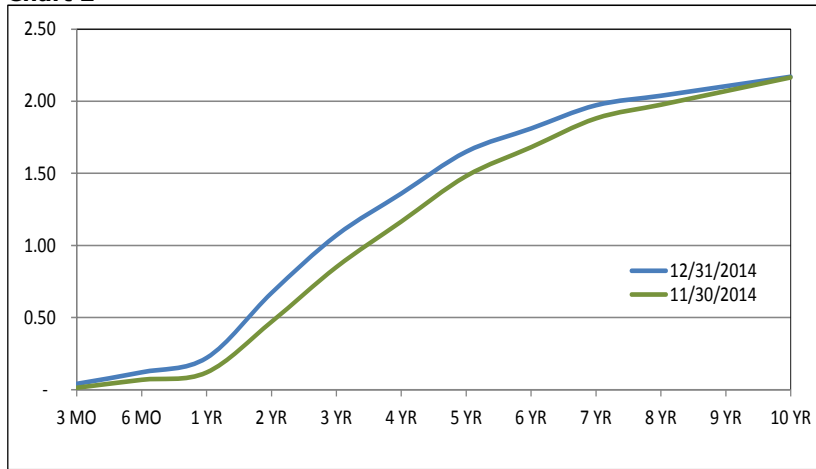
**Existing Home Sales**  
11/2005 – 11/2014

**Chart 1**



**Treasury Yield Curves**  
11/30/2014 – 12/31/2014

**Chart 2**



**Economic Indicators & Monetary Policy** – For the second consecutive month, the third quarter Gross Domestic Product (GDP) was revised upward. The final estimate reached 5.0 percent, marking the fastest rate of GDP growth in more than 10 years. Increased consumer spending and strong employment figures helped support the economic expansion throughout the third quarter. The Institute for Supply Management (ISM) manufacturing index decreased slightly to 58.7 from 59.0, while the non-manufacturing index increased to 59.3 from 57.1

New job growth surged in November, as non-farm payrolls increased by 321,000. Factory payrolls increased by the most in more than a year in November. The strong job growth, however, did not drive down the unemployment rate, as it stayed constant at 5.8 percent. The underemployment rate dropped to 11.4 percent from 11.5 percent and the participation rate remained at 62.8 percent.

Inflation stalled in November as the decrease in oil prices weighed negatively on both the Producer Price Index (PPI) and the Consumer Price Index (CPI). Including food and energy, the PPI decreased 0.2 percent on a month-over-month basis, while the CPI decreased 0.3 percent on a month-over-month basis. The Personal Consumption Expenditures Index also decreased by 0.2 percent on a month-over-month basis. On a year-over-year basis, the PPI and CPI increased at 1.4 percent and 1.3 percent respectively.

Home sales weakened slightly in November. Existing home sales fell 6.1 percent to an annualized rate of 4.93 million (see chart 1), while new home sales decreased 1.6 percent to an annualized rate of 438,000.

In its first meeting since the conclusion of quantitative easing, the Federal Open Market Committee (FOMC) maintained the Fed funds target rate at zero to .25 percent. The FOMC mentioned the importance of patience when raising interest rates in order to normalize monetary policy. FOMC Chair Janet Yellen indicated that the committee will not raise the Fed funds target rate at either of the next two meetings.

**Yield Curve & Spreads** - At the end of December, the 3-month Treasury bill yielded 0.04 percent, the 6-month Treasury bill yielded 0.04 percent, the 2-year Treasury note yielded 0.66 percent, the 5-year Treasury note yielded 1.65 percent, and the 10-year Treasury note yielded 2.17 percent (See Chart 2).



**Additional Information**  
**December 31, 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/](http://www.adviserinfo.sec.gov/).

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The information contained in this presentation comes from public sources which Cutwater Asset Management believes to be reliable. All opinions expressed in this document are solely those of Cutwater. A list of sources used for this document is available upon request.

**City of Menlo Park  
Activity and Performance Summary  
for the period December 1, 2014 - December 31, 2014**

**Amortized Cost Basis Activity Summary**

<b>Beginning Amortized Cost Value</b>		90,166,949.41
Additions		
Contributions	6,827,616.59	
Interest Received	42,412.10	
Accrued Interest Sold	0.00	
Gain on Sales	0.00	
<b>Total Additions</b>		6,870,028.69
Deductions		
Withdrawals	0.00	
Fees Paid	3,735.72	
Accrued Interest Purchased	0.00	
Loss on Sales	0.00	
<b>Total Deductions</b>		(3,735.72)
Accretion (Amortization) for the Period		(38,990.72)
<b>Ending Amortized Cost Value</b>		96,994,251.66
Ending Fair Value		96,891,718.44
Unrealized Gain (Loss)		(102,533.22)

**Detail of Amortized Cost Basis Return**

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
<b>Current Holdings</b>				
Cash and Equivalents	8,220.81	0.00	0.00	8,220.81
Commercial Paper	0.00	818.05	0.00	818.05
U.S. Treasury	5,416.12	(245.76)	0.00	5,170.36
U.S. Instrumentality	23,260.23	(7,793.48)	0.00	15,466.75
Corporate	49,996.77	(30,622.20)	0.00	19,374.57
<b>Sales and Maturities</b>				
U.S. Instrumentality	0.00	(1,147.33)	0.00	(1,147.33)
<b>Total</b>	<b>86,893.93</b>	<b>(38,990.72)</b>	<b>0.00</b>	<b>47,903.21</b>

**Annualized Comparative Rates of Return**

	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.09 %	0.09 %	0.12 %
Overnight Repo	0.08 %	0.10 %	0.17 %
3 Month T-Bill	0.02 %	0.01 %	0.01 %
6 Month T-Bill	0.05 %	0.04 %	0.08 %
1 Year T-Note	0.12 %	0.13 %	0.21 %
2 Year T-Note	0.45 %	0.51 %	0.64 %
5 Year T-Note	1.62 %	1.60 %	1.64 %

**Summary of Amortized Cost Basis Return for the Period**

	Total Portfolio	Excl. Cash Eq.
Interest Earned	86,893.93	78,673.12
Accretion (Amortization)	(38,990.72)	(38,990.72)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	47,903.21	39,682.40
Average Daily Historical Cost	93,095,711.66	56,035,743.62
Annualized Return	0.61%	0.83%
Annualized Return Net of Fees	0.56%	0.76%
Annualized Return Year to Date Net of Fees	0.52%	0.72%
Weighted Average Effective Maturity in Days	441	712

**City of Menlo Park  
Activity and Performance Summary  
for the period December 1, 2014 - December 31, 2014**

<u>Fair Value Basis Activity Summary</u>	
<b>Beginning Fair Value</b>	90,231,907.78
Additions	
Contributions	6,827,616.59
Interest Received	42,412.10
Accrued Interest Sold	0.00
<b>Total Additions</b>	6,870,028.69
Deductions	
Withdrawals	0.00
Fees Paid	3,735.72
Accrued Interest Purchased	0.00
<b>Total Deductions</b>	(3,735.72)
Change in Fair Value for the Period	(206,482.31)
<b>Ending Fair Value</b>	96,891,718.44

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
<b>Current Holdings</b>			
Cash and Equivalents	8,220.81	0.00	8,220.81
Commercial Paper	0.00	855.00	855.00
U.S. Treasury	5,416.12	(30,506.00)	(25,089.88)
U.S. Instrumentality	23,260.23	(81,136.34)	(57,876.11)
Corporate	49,996.77	(94,288.77)	(44,292.00)
<b>Sales and Maturities</b>			
U.S. Instrumentality	0.00	(1,406.20)	(1,406.20)
<b>Total</b>	<b>86,893.93</b>	<b>(206,482.31)</b>	<b>(119,588.38)</b>

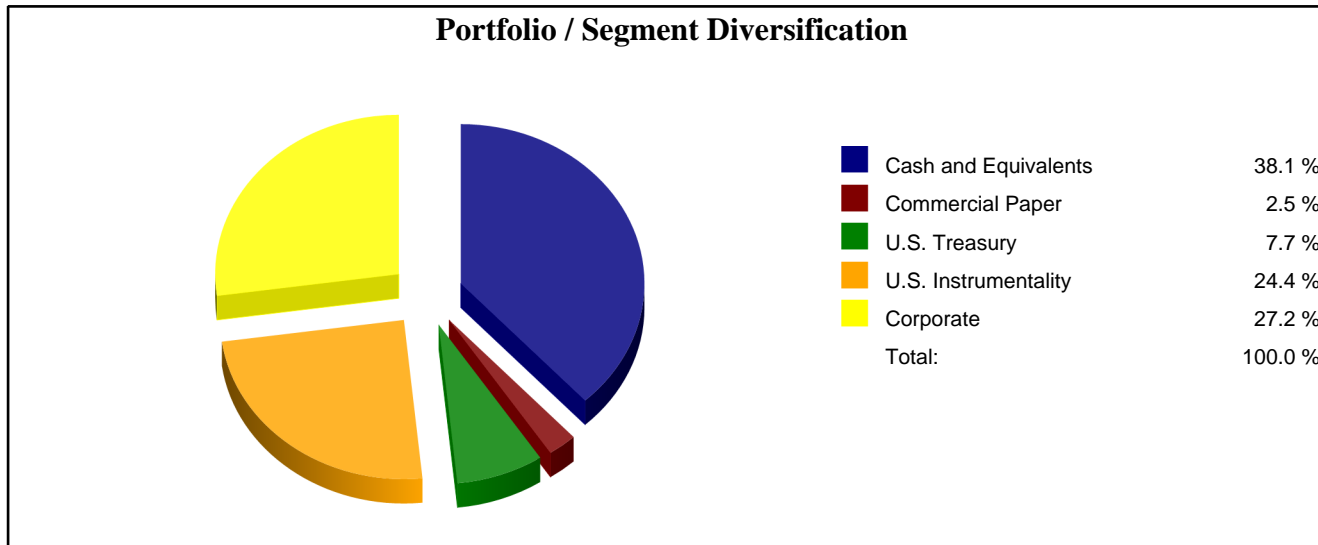
<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.09 %	0.09 %	0.12 %
Overnight Repo	0.08 %	0.10 %	0.17 %
3 Month T-Bill	0.06 %	0.04 %	0.00 %
6 Month T-Bill	0.12 %	0.10 %	0.11 %
1 Year T-Note	0.24 %	0.16 %	-0.03 %
BAML 1-3 Yr Tsy Index	0.62 %	0.41 %	-2.87 %
BAML 1-5 Yr Tsy Index	1.24 %	0.86 %	-3.91 %

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	86,893.93	78,673.12
Change in Fair Value	<u>(206,482.31)</u>	<u>(206,482.31)</u>
Total Income on Portfolio	(119,588.38)	(127,809.19)
Average Daily Historical Cost	93,095,711.66	56,035,743.62
Annualized Return	(1.51%)	(2.69%)
Annualized Return Net of Fees	(1.56%)	(2.76%)
Annualized Return Year to Date Net of Fees	0.57%	0.82%
Weighted Average Effective Maturity in Days	441	712

**City of Menlo Park  
Recap of Securities Held  
December 31, 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	37,324,484.17	37,324,484.17	37,324,484.17	0.00	1	1	38.15	0.26	0.00
Commercial Paper	2,493,006.94	2,495,830.55	2,496,775.00	944.45	159	159	2.55	0.39	0.00
U.S. Treasury	7,518,750.01	7,501,934.67	7,500,040.00	(1,894.67)	812	812	7.68	0.81	2.20
U.S. Instrumentality	23,912,260.51	23,750,380.48	23,679,730.28	(70,650.20)	945	945	24.44	1.01	2.50
Corporate	26,588,491.85	25,921,621.79	25,890,688.99	(30,932.80)	529	527	27.18	0.91	1.41
<b>Total</b>	<b>97,836,993.48</b>	<b>96,994,251.66</b>	<b>96,891,718.44</b>	<b>(102,533.22)</b>	<b>442</b>	<b>441</b>	<b>100.00</b>	<b>0.67</b>	<b>1.16</b>

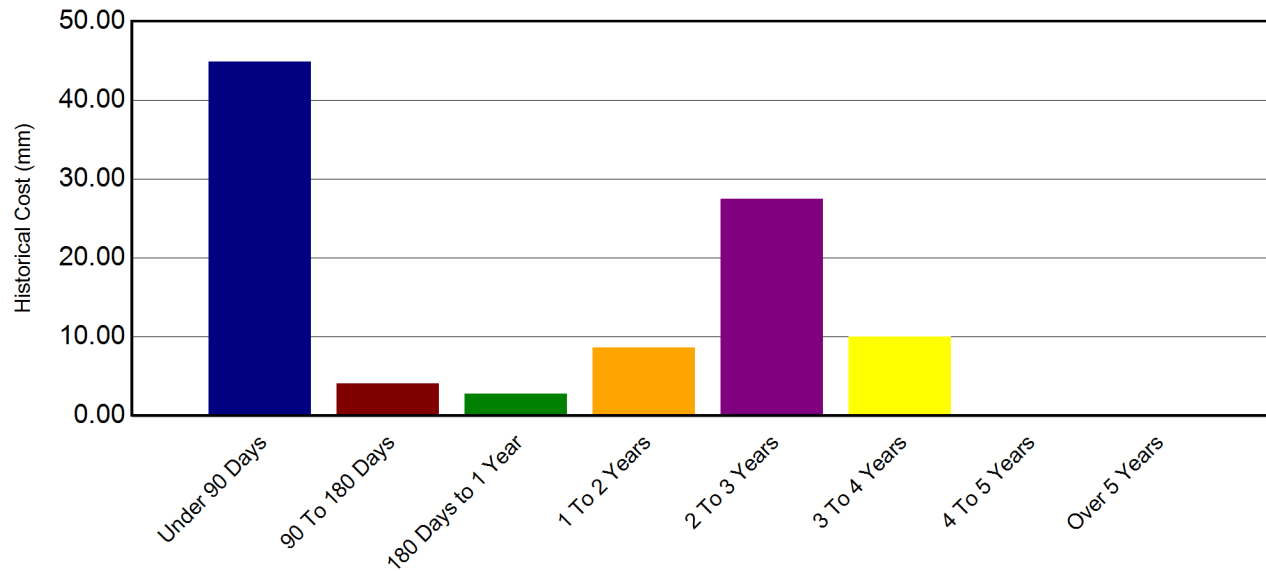
\* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Menlo Park  
Maturity Distribution of Securities Held  
December 31, 2014**

Maturity	Historical Cost	Percent
Under 90 Days	44,887,464.17	45.88 %
90 To 180 Days	4,099,851.94	4.19 %
180 Days to 1 Year	2,760,006.85	2.82 %
1 To 2 Years	8,653,591.25	8.84 %
2 To 3 Years	27,446,559.27	28.05 %
3 To 4 Years	9,989,520.00	10.21 %
4 To 5 Years	0.00	0.00 %
Over 5 Years	0.00	0.00 %
	<b>97,836,993.48</b>	<b>100.00 %</b>

**Maturity Distribution**



**City of Menlo Park  
Securities Held  
December 31, 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
<b>Cash and Equivalents</b>													
LAIF - City 98-19-22	12/31/14	0.261V		37,324,484.17	37,324,484.17	37,324,484.17	37,324,484.17	0.00	0.00	8,220.81	23,363.69	38.15	0.26
					0.00	0.00	0.00						
<b>TOTAL (Cash and Equivalents)</b>				37,324,484.17	37,324,484.17	37,324,484.17	37,324,484.17	0.00	0.00	8,220.81	23,363.69	38.15	
					0.00	0.00	0.00						
<b>Commercial Paper</b>													
06737JT88	09/16/14	0.000	06/08/15	2,500,000.00	2,493,006.94	2,495,830.55	2,496,775.00	944.45	0.00	0.00	0.00	2.55	0.39
Barclays US Funding					0.00	818.05	855.00						
<b>TOTAL (Commercial Paper)</b>				2,500,000.00	2,493,006.94	2,495,830.55	2,496,775.00	944.45	0.00	0.00	0.00	2.55	
					0.00	818.05	855.00						
<b>U.S. Treasury</b>													
912828QX1	08/25/11	1.500	07/31/16	1,000,000.00	1,022,968.75	1,007,354.59	1,015,117.00	7,762.41	0.00	1,263.58	6,277.17	1.05	1.02
T-Note					0.00	(395.13)	(4,102.00)						
912828WF3	08/15/14	0.625	11/15/16	1,000,000.00	1,000,312.50	1,000,259.72	999,844.00	(415.72)	0.00	535.22	811.46	1.02	0.61
T-Note					0.00	(11.77)	(3,281.00)						
912828SJ0	05/15/14	0.875	02/28/17	1,000,000.00	1,004,140.63	1,003,202.90	1,002,266.00	(936.90)	0.00	749.31	2,973.07	1.03	0.72
T-Note					0.00	(125.84)	(4,140.00)						
912828WH9	06/05/14	0.875	05/15/17	2,000,000.00	2,003,437.50	2,002,765.99	2,000,468.00	(2,297.99)	0.00	1,498.62	2,272.10	2.05	0.82
T-Note					0.00	(99.13)	(8,594.00)						
912828TB6	11/25/14	0.750	06/30/17	1,500,000.00	1,497,421.88	1,497,522.50	1,493,907.00	(3,615.50)	5,625.00	948.20	31.08	1.53	0.82
T-Note					0.00	84.30	(6,093.00)						
912828TG5	11/25/14	0.500	07/31/17	1,000,000.00	990,468.75	990,828.97	988,438.00	(2,390.97)	0.00	421.19	2,092.39	1.01	0.86
T-Note					1,589.67	301.81	(4,296.00)						
<b>TOTAL (U.S. Treasury)</b>				7,500,000.00	7,518,750.01	7,501,934.67	7,500,040.00	(1,894.67)	5,625.00	5,416.12	14,457.27	7.68	
					1,589.67	(245.76)	(30,506.00)						
<b>U.S. Instrumentality</b>													
3133XWNB1	09/28/11	2.875	06/12/15	1,500,000.00	1,606,845.00	1,512,792.97	1,518,133.50	5,340.53	21,562.50	3,593.75	2,276.04	1.64	0.92
FHLB					0.00	(2,448.04)	(3,717.00)						
3134G5HA6	Call	0.700	09/19/16	1,500,000.00	1,500,000.00	1,500,000.00	1,498,278.00	(1,722.00)	0.00	875.00	2,975.00	1.53	0.70
FHLMC			03/19/15		0.00	0.00	(1,623.00)						
3130A3Q23	Call	0.800	12/30/16	1,000,000.00	1,000,000.00	1,000,000.00	999,335.00	(665.00)	0.00	22.22	22.22	1.02	0.80
FHLB			03/30/15		0.00	0.00	(665.00)						
31331XLG5	06/06/14	4.875	01/17/17	1,000,000.00	1,107,670.00	1,084,131.27	1,082,499.00	(1,632.27)	0.00	4,062.50	22,208.33	1.13	0.71
FFCB					0.00	(3,491.39)	(7,617.00)						

**City of Menlo Park  
Securities Held  
December 31, 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
3134G54B8 FHLMC	Call 05/15/14	0.900	02/15/17 02/15/15	1,000,000.00	1,000,000.00 0.00	1,000,000.00 0.00	998,234.00 (2,408.00)	(1,766.00)	0.00	750.00	1,150.00	1.02	0.90
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	996,680.00 (3,188.00)	(3,320.00)	0.00	625.00	2,229.17	1.02	0.75
3128MBFA0 FHLMC	01/23/13	6.000	04/01/17	649,963.45	691,195.51 0.00	672,103.10 (835.96)	676,138.78 (1,984.34)	4,035.68	3,249.81	3,249.82	3,249.82	0.71	2.31
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	1,993,290.00 (10,106.00)	(6,710.00)	0.00	1,666.67	5,611.11	2.05	1.00
3130A2XY7 FHLB	Call 09/22/14	0.500V	09/22/17 03/22/15	2,000,000.00	1,997,500.00 0.00	1,997,730.38 70.71	1,996,058.00 (2,196.00)	(1,672.38)	0.00	833.33	2,750.00	2.04	1.34
3130A3P73 FHLB	Call 12/26/14	0.800V	12/26/17 03/26/15	1,000,000.00	1,000,000.00 0.00	1,000,000.00 0.00	997,022.00 (2,978.00)	(2,978.00)	0.00	111.11	111.11	1.02	0.80
3134G5UA1 FHLMC	Call 12/30/14	1.250	12/26/17 03/26/15	1,000,000.00	999,750.00 0.00	999,750.46 0.46	998,694.00 (1,056.00)	(1,056.46)	0.00	34.72	34.72	1.02	1.26
3130A3PF5 FHLB	Call 12/29/14	0.625V	12/29/17 12/29/15	2,000,000.00	1,999,000.00 0.00	1,999,002.74 2.74	1,999,400.00 400.00	397.26	0.00	69.44	69.44	2.04	1.30
3137EADN6 FHLMC	01/22/13	0.750	01/12/18	2,000,000.00	1,984,380.00 0.00	1,990,478.34 266.64	1,971,456.00 (9,456.00)	(19,022.34)	0.00	1,250.00	7,041.67	2.03	0.91
3137EADN6 FHLMC	02/15/13	0.750	01/12/18	2,000,000.00	1,980,960.00 0.00	1,988,238.13 329.38	1,971,456.00 (9,456.00)	(16,782.13)	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	2,006,153.09 (1,688.02)	1,996,620.00 (9,008.00)	(9,533.09)	0.00	2,500.00	5,583.33	2.08	0.50
3133EECV0 FFCB	Call 11/25/14	1.420	05/25/18 02/25/15	2,000,000.00	2,000,000.00 0.00	2,000,000.00 0.00	1,986,436.00 (16,078.00)	(13,564.00)	0.00	2,366.67	2,840.00	2.04	1.42
<b>TOTAL (U.S. Instrumentality)</b>				23,649,963.45	23,912,260.51 0.00	23,750,380.48 (7,793.48)	23,679,730.28 (81,136.34)	(70,650.20)	24,812.31	23,260.23	65,193.63	24.44	

**Corporate**

084664AT8 Berkshire Hathaway	10/23/12	4.850	01/15/15	3,000,000.00	3,284,850.00 0.00	3,004,899.14 (10,848.10)	3,003,480.00 (12,588.00)	(1,419.14)	0.00	12,125.00	67,091.67	3.36	0.56
713448BX5 PEPSICO Inc	09/21/12	0.750	03/05/15	1,000,000.00	1,005,430.00 0.00	1,000,382.22 (188.08)	1,000,547.00 (797.00)	164.78	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	3,028,767.49 (12,216.33)	3,027,285.00 (12,762.00)	(1,482.49)	0.00	13,375.00	47,258.33	3.35	0.53
36962G5Z3 GE Capital	10/02/12	1.625	07/02/15	1,013,000.00	1,032,236.87 0.00	1,016,490.64 (594.56)	1,019,444.71 (1,435.42)	2,954.07	0.00	1,371.77	8,184.90	1.06	0.92
36962G4P6 GE Capital	09/21/12	1.000V	09/23/15	725,000.00	724,369.98 0.00	724,847.81 17.81	728,189.28 (511.85)	3,341.47	1,812.50	604.17	161.11	0.74	1.03

**City of Menlo Park  
Securities Held  
December 31, 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
594918AG9 Microsoft	07/26/11	1.625	09/25/15	1,000,000.00	1,003,400.00	1,000,596.45	1,009,221.00	8,624.55	0.00	1,354.16	4,333.33	1.03	1.54
					0.00	(69.25)	(1,725.00)						
38259PAC6 Google	10/16/12	2.125	05/19/16	1,000,000.00	1,053,370.00	1,020,517.53	1,021,714.00	1,196.47	0.00	1,770.84	2,479.17	1.08	0.62
					0.00	(1,261.99)	(2,460.00)						
459200GX3 IBM Corp	11/09/12	1.950	07/22/16	2,000,000.00	2,076,820.00	2,032,297.38	2,038,136.00	5,838.62	0.00	3,250.00	17,225.00	2.12	0.89
					0.00	(1,762.71)	(5,324.00)						
06050TLR1 Bank of America	10/09/14	1.125	11/14/16	2,000,000.00	2,000,120.00	2,000,106.86	1,993,364.00	(6,742.86)	0.00	1,875.00	2,937.50	2.04	1.12
					0.00	(4.85)	(7,480.00)						
89233P5S1 Toyota Motor Credit	04/15/14	2.050	01/12/17	1,000,000.00	1,031,090.00	1,022,999.78	1,018,731.00	(4,268.78)	0.00	1,708.33	9,623.61	1.05	0.90
					0.00	(960.91)	(5,846.00)						
084670BD9 Berkshire Hathaway	02/02/12	1.900	01/31/17	1,500,000.00	1,528,050.00	1,511,696.47	1,521,729.00	10,032.53	0.00	2,375.00	11,954.17	1.56	1.51
					0.00	(476.46)	(9,904.50)						
459200HC8 IBM Corp	01/07/14	1.250	02/06/17	1,500,000.00	1,509,975.00	1,506,794.69	1,504,674.00	(2,120.69)	0.00	1,562.50	7,552.08	1.54	1.03
					0.00	(274.63)	(6,576.00)						
36962G5W0 GE Capital	06/09/14	2.300	04/27/17	1,000,000.00	1,034,440.00	1,027,702.45	1,024,312.00	(3,390.45)	0.00	1,916.67	4,088.89	1.06	1.08
					0.00	(1,013.90)	(5,693.00)						
91159HHD5 US Bancorp	Call 06/04/14	1.650	05/15/17 04/15/17	2,000,000.00	2,032,160.00	2,025,672.66	2,015,046.00	(10,626.66)	0.00	2,750.00	4,216.67	2.08	1.08
					0.00	(953.11)	(11,720.00)						
88579YAE1 3M Company	12/19/12	1.000	06/26/17	2,000,000.00	2,014,560.00	2,008,003.59	1,996,438.00	(11,565.59)	10,000.00	1,666.67	277.78	2.06	0.84
					0.00	(273.55)	(4,806.00)						
037833AJ9 Apple Inc	05/20/13	1.000	05/03/18	2,000,000.00	1,984,920.00	1,989,846.63	1,968,378.00	(21,468.63)	0.00	1,666.66	3,222.22	2.03	1.16
					0.00	258.42	(4,660.00)						
<b>TOTAL (Corporate)</b>				<b>25,738,000.00</b>	<b>26,588,491.85</b>	<b>25,921,621.79</b>	<b>25,890,688.99</b>	<b>(30,932.80)</b>	<b>11,812.50</b>	<b>49,996.77</b>	<b>193,023.10</b>	<b>27.18</b>	
					0.00	(30,622.20)	(94,288.77)						

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**GRAND TOTAL** **96,712,447.62** **97,836,993.48** **96,994,251.66** **96,891,718.44** **(102,533.22)** **42,249.81** **86,893.93** **296,037.69** **100.00**  
**1,589.67** **(37,843.39)** **(205,076.11)**

V = variable rate, current rate shown, average rate for Cash & Equivalents



**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**December 31, 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)
<b><u>LAIF</u></b>												
	Cash and Equivalents	0.261	01/30/3100		NR	NR	37,324,484.17	37,324,484.17	38.15	37,324,484.17	38.52	0.00
<b>ISSUER TOTAL</b>							37,324,484.17	37,324,484.17	38.15	37,324,484.17	38.52	0.00
<b><u>FHLMC</u></b>												
3128MBFA0	U.S. Instrumentality	6.000	04/01/2017		AA+	Aaa	649,963.45	691,195.51	0.71	676,138.78	0.70	1.18
3134G5HA6	U.S. Instrumentality	0.700	09/19/2016	03/19/2015	AA+	Aaa	1,500,000.00	1,500,000.00	1.53	1,498,278.00	1.55	1.70
3134G54B8	U.S. Instrumentality	0.900	02/15/2017	02/15/2015	AA+	Aaa	1,000,000.00	1,000,000.00	1.02	998,234.00	1.03	2.10
3134G5UA1	U.S. Instrumentality	1.250	12/26/2017	03/26/2015	AA+	Aaa	1,000,000.00	999,750.00	1.02	998,694.00	1.03	2.92
3137EADN6	U.S. Instrumentality	0.750	01/12/2018		AA+	Aaa	4,000,000.00	3,965,340.00	4.05	3,942,912.00	4.07	2.97
<b>ISSUER TOTAL</b>							8,149,963.45	8,156,285.51	8.34	8,114,256.78	8.37	2.47
<b><u>FHLB</u></b>												
3133XWNB1	U.S. Instrumentality	2.875	06/12/2015		AA+	Aaa	1,500,000.00	1,606,845.00	1.64	1,518,133.50	1.57	0.45
3130A3Q23	U.S. Instrumentality	0.800	12/30/2016	03/30/2015	AA+	Aaa	1,000,000.00	1,000,000.00	1.02	999,335.00	1.03	1.98
3130A2XY7	U.S. Instrumentality	0.500	09/22/2017	03/22/2015	AA+	Aaa	2,000,000.00	1,997,500.00	2.04	1,996,058.00	2.06	2.67
3130A3P73	U.S. Instrumentality	0.800	12/26/2017	03/26/2015	AA+	Aaa	1,000,000.00	1,000,000.00	1.02	997,022.00	1.03	2.93
3130A3PF5	U.S. Instrumentality	0.625	12/29/2017	12/29/2015	AA+	Aaa	2,000,000.00	1,999,000.00	2.04	1,999,400.00	2.06	2.94
<b>ISSUER TOTAL</b>							7,500,000.00	7,603,345.00	7.77	7,509,948.50	7.75	2.24
<b><u>T-Note</u></b>												
912828QX1	U.S. Treasury	1.500	07/31/2016		AA+	Aaa	1,000,000.00	1,022,968.75	1.05	1,015,117.00	1.05	1.56
912828WF3	U.S. Treasury	0.625	11/15/2016		AA+	Aaa	1,000,000.00	1,000,312.50	1.02	999,844.00	1.03	1.86
912828SJ0	U.S. Treasury	0.875	02/28/2017		AA+	Aaa	1,000,000.00	1,004,140.63	1.03	1,002,266.00	1.03	2.13
912828WH9	U.S. Treasury	0.875	05/15/2017		AA+	Aaa	2,000,000.00	2,003,437.50	2.05	2,000,468.00	2.06	2.34
912828TB6	U.S. Treasury	0.750	06/30/2017		AA+	Aaa	1,500,000.00	1,497,421.88	1.53	1,493,907.00	1.54	2.47
912828TG5	U.S. Treasury	0.500	07/31/2017		AA+	Aaa	1,000,000.00	990,468.75	1.01	988,438.00	1.02	2.55
<b>ISSUER TOTAL</b>							7,500,000.00	7,518,750.01	7.68	7,500,040.00	7.74	2.20
<b><u>FNMA</u></b>												
3135G0VM2	U.S. Instrumentality	0.750	03/14/2017		AA+	Aaa	1,000,000.00	1,000,700.00	1.02	996,680.00	1.03	2.17
3135G0PP2	U.S. Instrumentality	1.000	09/20/2017		AA+	Aaa	2,000,000.00	2,005,000.00	2.05	1,993,290.00	2.06	2.67
3136G1KN8	U.S. Instrumentality	1.500	04/24/2018	04/24/2015	AA+	Aaa	2,000,000.00	2,039,260.00	2.08	1,996,620.00	2.06	3.21
<b>ISSUER TOTAL</b>							5,000,000.00	5,044,960.00	5.16	4,986,590.00	5.15	2.79

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**December 31, 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)
<b><u>Berkshire Hathaway</u></b>												
084664AT8	Corporate	4.850	01/15/2015		AA	Aa2	3,000,000.00	3,284,850.00	3.36	3,003,480.00	3.10	0.04
084670BD9	Corporate	1.900	01/31/2017		AA	Aa2	1,500,000.00	1,528,050.00	1.56	1,521,729.00	1.57	2.03
<b>ISSUER TOTAL</b>							4,500,000.00	4,812,900.00	4.92	4,525,209.00	4.67	0.71
<b><u>IBM Corp</u></b>												
459200GX3	Corporate	1.950	07/22/2016		AA-	Aa3	2,000,000.00	2,076,820.00	2.12	2,038,136.00	2.10	1.52
459200HC8	Corporate	1.250	02/06/2017		AA-	Aa3	1,500,000.00	1,509,975.00	1.54	1,504,674.00	1.55	2.06
<b>ISSUER TOTAL</b>							3,500,000.00	3,586,795.00	3.67	3,542,810.00	3.66	1.75
<b><u>FFCB</u></b>												
31331XLG5	U.S. Instrumentality	4.875	01/17/2017		AA+	Aaa	1,000,000.00	1,107,670.00	1.13	1,082,499.00	1.12	1.93
3133EECV0	U.S. Instrumentality	1.420	05/25/2018	02/25/2015	AA+	Aaa	2,000,000.00	2,000,000.00	2.04	1,986,436.00	2.05	3.30
<b>ISSUER TOTAL</b>							3,000,000.00	3,107,670.00	3.18	3,068,935.00	3.17	2.82
<b><u>Pfizer Inc</u></b>												
717081DA8	Corporate	5.350	03/15/2015		AA	A1	3,000,000.00	3,272,700.00	3.35	3,027,285.00	3.12	0.21
<b>ISSUER TOTAL</b>							3,000,000.00	3,272,700.00	3.35	3,027,285.00	3.12	0.21
<b><u>GE Capital</u></b>												
36962G5Z3	Corporate	1.625	07/02/2015		AA+	A1	1,013,000.00	1,032,236.87	1.06	1,019,444.71	1.05	0.50
36962G4P6	Corporate	1.000	09/23/2015		AA+	A1	725,000.00	724,369.98	0.74	728,189.28	0.75	0.73
36962G5W0	Corporate	2.300	04/27/2017		AA+	A1	1,000,000.00	1,034,440.00	1.06	1,024,312.00	1.06	2.25
<b>ISSUER TOTAL</b>							2,738,000.00	2,791,046.85	2.85	2,771,945.99	2.86	1.21
<b><u>Barclays US Funding</u></b>												
06737JT88	Commercial Paper	0.000	06/08/2015		A-1	P-1	2,500,000.00	2,493,006.94	2.55	2,496,775.00	2.58	0.00
<b>ISSUER TOTAL</b>							2,500,000.00	2,493,006.94	2.55	2,496,775.00	2.58	0.00
<b><u>US Bancorp</u></b>												
91159HHD5	Corporate	1.650	05/15/2017	04/15/2017	A+	A1	2,000,000.00	2,032,160.00	2.08	2,015,046.00	2.08	2.24
<b>ISSUER TOTAL</b>							2,000,000.00	2,032,160.00	2.08	2,015,046.00	2.08	2.24
<b><u>3M Company</u></b>												
88579YAE1	Corporate	1.000	06/26/2017		AA-	Aa2	2,000,000.00	2,014,560.00	2.06	1,996,438.00	2.06	2.45
<b>ISSUER TOTAL</b>							2,000,000.00	2,014,560.00	2.06	1,996,438.00	2.06	2.45

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**December 31, 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)
<b><u>Bank of America</u></b>												
06050TLR1	Corporate	1.125	11/14/2016		A	A2	2,000,000.00	2,000,120.00	2.04	1,993,364.00	2.06	1.84
<b>ISSUER TOTAL</b>							2,000,000.00	2,000,120.00	2.04	1,993,364.00	2.06	1.84
<b><u>Apple Inc</u></b>												
037833AJ9	Corporate	1.000	05/03/2018		AA+	Aa1	2,000,000.00	1,984,920.00	2.03	1,968,378.00	2.03	3.26
<b>ISSUER TOTAL</b>							2,000,000.00	1,984,920.00	2.03	1,968,378.00	2.03	3.26
<b><u>Google</u></b>												
38259PAC6	Corporate	2.125	05/19/2016		AA	Aa2	1,000,000.00	1,053,370.00	1.08	1,021,714.00	1.05	1.36
<b>ISSUER TOTAL</b>							1,000,000.00	1,053,370.00	1.08	1,021,714.00	1.05	1.36
<b><u>Toyota Motor Credit</u></b>												
89233P5S1	Corporate	2.050	01/12/2017		AA-	Aa3	1,000,000.00	1,031,090.00	1.05	1,018,731.00	1.05	1.97
<b>ISSUER TOTAL</b>							1,000,000.00	1,031,090.00	1.05	1,018,731.00	1.05	1.97
<b><u>Microsoft</u></b>												
594918AG9	Corporate	1.625	09/25/2015		AAA	Aaa	1,000,000.00	1,003,400.00	1.03	1,009,221.00	1.04	0.73
<b>ISSUER TOTAL</b>							1,000,000.00	1,003,400.00	1.03	1,009,221.00	1.04	0.73
<b><u>PEPSICO Inc</u></b>												
713448BX5	Corporate	0.750	03/05/2015		A-	A1	1,000,000.00	1,005,430.00	1.03	1,000,547.00	1.03	0.18
<b>ISSUER TOTAL</b>							1,000,000.00	1,005,430.00	1.03	1,000,547.00	1.03	0.18
<b>GRAND TOTAL</b>							<b>96,712,447.62</b>	<b>97,836,993.48</b>	<b>100.00</b>	<b>96,891,718.44</b>	<b>100.00</b>	<b>1.17</b>

Highlighted totals are issuers representing 5.00% or more of the portfolio's market value

**City of Menlo Park  
Securities Purchased  
December 1, 2014 - December 31, 2014**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield	
<b><u>Cash and Equivalents</u></b>									
LAIF - City 98-19-228	12/17/2014	0.261V		8,500,000.00	100.000	8,500,000.00	0.00	0.26	
<b>TOTAL (Cash and Equivalents)</b>				<b>8,500,000.00</b>		<b>8,500,000.00</b>	<b>0.00</b>		
<b><u>U.S. Instrumentality</u></b>									
3130A3P73 FHLB	Call	12/26/2014	0.800V	12/26/2017 03/26/2015	1,000,000.00	100.000	1,000,000.00	0.00	0.80
3130A3PF5 FHLB	Call	12/29/2014	0.625V	12/29/2017 12/29/2015	2,000,000.00	99.950	1,999,000.00	0.00	1.30
3130A3Q23 FHLB	Call	12/30/2014	0.800	12/30/2016 03/30/2015	1,000,000.00	100.000	1,000,000.00	0.00	0.80
3134G5UA1 FHLMC	Call	12/30/2014	1.250	12/26/2017 03/26/2015	1,000,000.00	99.975	999,750.00	0.00	1.26
<b>TOTAL (U.S. Instrumentality)</b>				<b>5,000,000.00</b>		<b>4,998,750.00</b>	<b>0.00</b>		
<b>GRAND TOTAL</b>				<b>13,500,000.00</b>		<b>13,498,750.00</b>	<b>0.00</b>		

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Menlo Park  
Securities Sold and Matured  
December 1, 2014 - December 31, 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
<b><u>Cash and Equivalents</u></b>													
LAIF - City 98-19- 228	12/05/2014	0.261V		700,000.00	700,000.00	700,000.00	100.00	700,000.00	0.00	0.00	0.00	0.00	0.26
						0.00		0.00					
LAIF - City 98-19- 228	12/11/2014	0.261V		400,000.00	400,000.00	400,000.00	100.00	400,000.00	0.00	0.00	0.00	0.00	0.26
						0.00		0.00					
LAIF - City 98-19- 228	12/23/2014	0.261V		5,500,000.00	5,500,000.00	5,500,000.00	100.00	5,500,000.00	0.00	0.00	0.00	0.00	0.26
						0.00		0.00					
<b>TOTAL (Cash and Equivalents)</b>				<b>6,600,000.00</b>	<b>6,600,000.00</b>	<b>6,600,000.00</b>		<b>6,600,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
						<b>0.00</b>		<b>0.00</b>					
<b><u>U.S. Instrumentality</u></b>													
3128MBFA0 FHLMC	12/01/2014	6.000	04/01/2017	32,457.03	34,516.02	32,457.03	100.00	32,457.03	0.00	0.00	162.29	0.00	2.31
						(1,147.33)		(1,406.20)					
<b>TOTAL (U.S. Instrumentality)</b>				<b>32,457.03</b>	<b>34,516.02</b>	<b>32,457.03</b>		<b>32,457.03</b>	<b>0.00</b>	<b>0.00</b>	<b>162.29</b>	<b>0.00</b>	
						<b>(1,147.33)</b>		<b>(1,406.20)</b>					
<b>GRAND TOTAL</b>				<b>6,632,457.03</b>	<b>6,634,516.02</b>	<b>6,632,457.03</b>		<b>6,632,457.03</b>	<b>0.00</b>	<b>0.00</b>	<b>162.29</b>	<b>0.00</b>	
						<b>(1,147.33)</b>		<b>(1,406.20)</b>					

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Menlo Park  
Transaction Report  
for the period December 1, 2014 - December 31, 2014**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
12/01/2014	3128MBFA0	Paydown	INS	FHLMC	04/01/2017	32,457.03	32,457.03	3,412.10	35,869.13	35,869.13
12/05/2014		Sold	CE	LAIF - City 98-19-22		700,000.00	700,000.00	0.00	700,000.00	735,869.13
12/11/2014		Sold	CE	LAIF - City 98-19-22		400,000.00	400,000.00	0.00	400,000.00	1,135,869.13
12/12/2014	3133XWNB1	Interest	INS	FHLB	06/12/2015	1,500,000.00	0.00	21,562.50	21,562.50	1,157,431.63
12/17/2014		Bought	CE	LAIF - City 98-19-22		8,500,000.00	8,500,000.00	0.00	(8,500,000.00)	(7,342,568.37)
12/23/2014		Sold	CE	LAIF - City 98-19-22		5,500,000.00	5,500,000.00	0.00	5,500,000.00	(1,842,568.37)
12/23/2014	36962G4P6	Interest	COR	GE Capital	09/23/2015	725,000.00	0.00	1,812.50	1,812.50	(1,840,755.87)
12/26/2014	3130A3P73	Bought	INS	FHLB	12/26/2017	1,000,000.00	1,000,000.00	0.00	(1,000,000.00)	(2,840,755.87)
12/26/2014	88579YAE1	Interest	COR	3M Company	06/26/2017	2,000,000.00	0.00	10,000.00	10,000.00	(2,830,755.87)
12/29/2014	3130A3PF5	Bought	INS	FHLB	12/29/2017	2,000,000.00	1,999,000.00	0.00	(1,999,000.00)	(4,829,755.87)
12/30/2014	3130A3Q23	Bought	INS	FHLB	12/30/2016	1,000,000.00	1,000,000.00	0.00	(1,000,000.00)	(5,829,755.87)
12/30/2014	3134G5UA1	Bought	INS	FHLMC	12/26/2017	1,000,000.00	999,750.00	0.00	(999,750.00)	(6,829,505.87)
12/31/2014	912828TB6	Interest	TSY	T-Note	06/30/2017	1,500,000.00	0.00	5,625.00	5,625.00	(6,823,880.87)
<b>Portfolio Activity Total</b>									<b>(6,823,880.87)</b>	

<b>Net Contributions:</b>	<b>6,827,616.59</b>
<b>Net Withdrawals:</b>	<b>0.00</b>

<b>Fees Charged:</b>	<b>3,735.72</b>
<b>Fees Paid:</b>	<b>3,735.72</b>

**City of Menlo Park  
Securities Bid and Offer  
for the period 12/1/2014 - 12/31/2014**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	12/26/2014	FHLB .8 12/26/2017		RBC	1,000,000		100.000	1.26%/.80%	MS - FHLB 2% 12/23/15 @ .32% JPM - FHLB 1.9% 12/29/15 @ .27%
BUY	12/29/2014	FHLB .625 12/29/2017	12/29/15	RBC	2,000,000		99.950	1.30%/.68%	UBS - FHLB 2.125% 12/28/15 @ .30% BAML - FHLB 1.75% 12/29/15 @ .31%
BUY	12/30/2014	FHLB .8 12/30/2016	03/30/15	WELLS	1,000,000		100.000	.80%/.80%	MS - FHLB .625% 12/28/16 @ .67% BAML - FNMA 4.875% 12/15/16 @ .65%
BUY	12/30/2014	FHLMC 1.25 12/26/2017		RBC	1,000,000		99.975	1.25%/1.35	JEF - AT PAR MER - FNMA 0.875% 12/20/17 @ 1.13%

**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
01/02/2015	Interest	36962G5Z3	GE Capital	1.625	07/02/2015		1,013,000.00	0.00	8,230.63	8,230.63
01/12/2015	Interest	89233P5S1	Toyota Motor Credit	2.050	01/12/2017		1,000,000.00	0.00	10,250.00	10,250.00
01/12/2015	Interest	3137EADN6	FHLMC	0.750	01/12/2018		2,000,000.00	0.00	7,500.00	7,500.00
01/12/2015	Interest	3137EADN6	FHLMC	0.750	01/12/2018		2,000,000.00	0.00	7,500.00	7,500.00
01/15/2015	Estimated Paydown	3128MBFA0	FHLMC	6.000	04/01/2017		649,963.45	29,229.18	3,249.82	32,479.00
01/15/2015	Maturity	084664AT8	Berkshire Hathaway	4.850	01/15/2015		3,000,000.00	3,000,000.00	72,750.00	3,072,750.00
01/17/2015	Interest	31331XLG5	FFCB	4.875	01/17/2017		1,000,000.00	0.00	24,375.00	24,375.00
01/22/2015	Interest	459200GX3	IBM Corp	1.950	07/22/2016		2,000,000.00	0.00	19,500.00	19,500.00
01/31/2015	Interest	912828QX1	T-Note	1.500	07/31/2016		1,000,000.00	0.00	7,500.00	7,500.00
01/31/2015	Interest	084670BD9	Berkshire Hathaway	1.900	01/31/2017		1,500,000.00	0.00	14,250.00	14,250.00
01/31/2015	Interest	912828TG5	T-Note	0.500	07/31/2017		1,000,000.00	0.00	2,500.00	2,500.00
02/06/2015	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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For any questions concerning this report please contact accounting either by phone or email to [camreports@cutwater.com](mailto:camreports@cutwater.com).

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## OFFICE OF THE CITY MANAGER

Council Meeting Date: February 24, 2015

Staff Report #: 15-038

**INFORMATIONAL ITEM: Revised Economic Development Plan Goals**

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### **BACKGROUND**

On January 27, 2014, the City Council unanimously approved the Economic Development Plan Goals with one revision to the “development” language in Goal #10. The City Council made this revision in order to ensure its consistency with the Menlo Park El Camino Real/Downtown Specific plan.

Staff revised the language to clarify that the parking plazas are an opportunity to develop parking garages to address future parking needs. The revised Goals are presented in Attachment A.

### **ATTACHMENT A: Revised Economic Development Goals**

Report prepared by:

*Jim Cogan*

*Economic Development Manager*

# MENLO PARK

## ECONOMIC DEVELOPMENT GOALS

### Introduction

Situated at the center of one of the world's most dynamic innovation clusters, Menlo Park is already an extraordinary beneficiary of the regional economy. A large percentage of its highly educated and affluent resident population and its employee base work in the innovation sector. At the same time, Menlo Park is failing to capture many of the potential positive benefits that the innovation sector could bring to the local economy, in the form of a more diverse range of retail, recreational and cultural services and jobs, greater public amenities and revenue, a higher quality of life, and, ultimately, a broader array of new job opportunities beyond the innovation sector.

Through its future General Plan update, and the concurrent adoption of a new Economic Development Plan, Menlo Park has a chance to design and implement new policies and actions that will strengthen its economic competitiveness, quality of life and fiscal health. To this end, the Menlo Park Economic Development Advisory Group defined the following economic development goals that build on the opportunities identified in the Comparative Economic Advantage Study.

### 1. Diversify and Grow City Revenue Sources

*For decades, the El Camino Real was home to many car dealerships that produced a large, reliable sales tax base for the city. In recent years, these dealerships have moved out of Menlo Park, taking tax revenue elsewhere and leaving vacancies. Instead of "chasing" large sales tax generators like big box retail or auto dealerships, the City should cultivate a diverse range of new sources of public revenue to ensure Menlo Park's long-term fiscal health. Overreliance on one revenue source or tax does not produce long-term stability. The City should*

*be creative in how it generates new public revenue— capturing a greater share of the disposable income of its innovation sector workforce, for example, or leveraging new real estate development opportunities through intelligent land value capture policies.*

### 2. Grow "Walkable Urbanism" in a Few Strategic Locations

*It's unrealistic to expect all of Menlo Park to become an amenity rich "walkable" neighborhood. Instead, the City should identify a small subset of locations that are best situated for increased retail and cultural amenities, changes in land use and urban form and growth. The goal is to increase walkability and create neighborhood identity, and adding more neighborhood-serving retail is a strategy to get there.*

### 3. Capture the Economic Potential of "Pass-Through" Traffic

*An estimated 80% of east Menlo Park's daily traffic is "pass-through" – auto trips by individuals with no planned destination in Menlo Park. By offering better reasons to stop and spend time and money in Menlo Park, ideally through walkable and amenity rich retail and entertainment clusters, the City could increase its capture of the economic wealth of the larger region, without adding significant vehicle traffic, and also enhance retail and cultural amenities for Menlo Park's residents.*

### 4. Activate the East Side by Leveraging Planning and Real Estate Development Opportunities in the M-2

*Menlo Park's Belle Haven neighborhood lacks many resident-serving amenities, but it also holds some of the best economic and real estate development opportunities for Menlo Park. Many Belle Haven residents support a*

vision for development that could bring greater urban vitality, including adding a movie theater, supermarket, and other amenities that could improve their neighborhood but also give reasons for residents from west Menlo Park to visit east Menlo Park.

At the same time, the adjacent M2 zone in east Menlo Park is ripe for transformative development. If the city is strategic about how it plans and rezones this area it will gain much more than just increased property taxes—it can create a whole new live, work and play neighborhood that will provide new amenities for existing Belle Haven residents incubate new businesses, and generate funding for new public parks and plazas.

#### **5. Work with Neighboring Cities to Increase Transit & Cycling Options that Integrate Menlo Park into the Region**

Transit is a regional dilemma. Menlo Park cannot solve regional problems on its own. However, Menlo Park can make local, tactical improvements in cooperation with businesses like Facebook, institutions like Stanford, and with neighboring cities like Redwood City, to enhance its connection to regional transit, private shuttles, car-sharing and bicycle networks.

#### **6. Enhance Cultural/Arts Offerings**

Menlo Park should actively promote arts and culture as an economic development strategy.

#### **7. Preserve Housing Affordability and Income Diversity Wherever Possible**

Providing access to housing affordable to a range of incomes is a crucial component of economically vibrant and resilient communities, especially for small businesses like restaurants and retail that rely on lower-paid employees.

#### **8. Consider the Needs of the Market -- Now and in the Future**

Menlo Park must focus on the needs of the innovation sector with particular attention to the unique growth

stages of these companies. Ideally, Menlo Park can provide space for start-ups, room for them to grow, and even accommodate local businesses when they scale-up to larger sized, publicly traded companies. Focusing on the needs of employers and employees of this sector now and in the future will help capture the benefits of that sector, for the benefits of Menlo Park residents.

#### **9. Attend to the Details**

Menlo Park must not lose sight of the “small stuff,” which supports the overall quality of life. While the City should focus on some big strategic moves for economic development, it must also maintain focus on everyday services like maintenance and capital improvements of public infrastructure.

#### **10. Rethink Downtown**

Improving vibrancy downtown requires a plan that addresses retail offerings, the buildings that house them, and access to the area. Menlo Park’s parking replacement requirements for residential development in the downtown are inadvertently limiting development that could enhance its potential as a mixed-use urban village with vibrant retail. Further, Menlo Park owns the surface parking lots in its downtown, which represent a tremendous opportunity for the development of parking structures to enhance access to downtown amenities.

#### **11. Make Menlo Park a Predictable Place to Do Business**

The current planning and permitting process in Menlo Park is onerous and unpredictable, which can discourage new companies, developers, and business owners from wanting to locate in Menlo Park. By streamlining the planning and permitting process, the City can create a more welcoming environment for new businesses and residential development in Menlo Park.

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## COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: February 24, 2015

Staff Report #: 15-040

**INFORMATIONAL ITEM:**                    **ConnectMenlo (General Plan and M-2 Area Zoning Update) Status Update**

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### RECOMMENDATION

This is an information item and no action is required.

### POLICY ISSUES

The General Plan and M-2 Zoning update process will consider a number of policy issues. There is no policy issue related to this staff report.

### BACKGROUND

Staff intended to provide a status update to the Council on February 10, 2015, but the meeting was cancelled. In light of the cancellation, staff provided the Council with a [link](#) to the comparable status update prepared for the February 9<sup>th</sup> Planning Commission meeting. The remainder of this staff report focuses on updates since the release of the Planning Commission status update. Additional information, including presentations, summaries and handouts, is available for review on the ConnectMenlo webpage at [www.menlopark.org/connectmenlo](http://www.menlopark.org/connectmenlo).

### ANALYSIS

#### General Plan Advisory Committee (GPAC)

The GPAC conducted its fifth meeting on February 12, 2015, focused on transportation issues and a review of the *Preliminary* Draft M-2 Area Preferred Alternative map. After considering public comment and discussing, the GPAC dropped the word Preliminary and recommended a Draft M-2 Area Preferred Alternative map, which includes the following based on public comment at the meeting: adding the potential for new residential uses on the Prologis Site (recently purchased by Facebook) and the Facebook East Campus and adding the potential for mixed use at the corners of Willow Road and Newbridge Street. In addition, the GPAC considered the concept of establishing a new street classification based on the function and location of the various roadways instead of the current system which is based on vehicle capacity. The Summary of the Workshop and the Draft M-2 Area

Preferred Alternative map, which are currently being prepared, will be posted to the project webpage on February 23.

### Existing Conditions Report

On January 21, 2015, the Draft Existing Conditions Report ([link](#)) for ConnectMenlo was released for public review and comment. The Draft Existing Conditions Reports include information addressing Land Use, Circulation, and Economics, and are complemented by a Community Character Report that documents unique features of the city's many neighborhoods. In combination with the Guiding Principles established for the General Plan and M-2 Area Zoning Update, the information in these reports is intended to help the community create sound policies and programs to achieve the goals of the updated General Plan Land Use and Circulation Elements. The deadline for public comments was Thursday, February 19, 2015 at 5:00 p.m. As of the publishing of this staff report, 11 public comments were received on the Existing Conditions reports. All of the comments will be posted to the project website by the end of the day on February 23. The consultant team and staff will be reviewing the comments and making revisions to the documents as appropriate. The Council will have an opportunity to review the Revised Draft of the Existing Conditions report on March 31.

### Upcoming Milestones

The next community workshop and open house are scheduled for March 12 and 19, respectively. The focus of the workshop will be to review the Draft M-2 Area Preferred Alternative and begin the process of identifying priorities for potential community improvements that could result from the potential land use changes. The outcome of the workshop will be used to launch an on-line survey. The open house will provide another opportunity for people to learn about this stage of the process and prepare for participation in the on-line survey.

Following the workshop and open house, the GPAC is scheduled to convene on March 25 to review the findings from the workshop. This meeting will be followed by the City Council and Planning Commission joint study session scheduled for March 31 on the preferred land use alternative. Input from the public, Commission and Council will be evaluated, with changes brought forward to the City Council for acceptance of the Preferred Alternative at its meeting on **April 14, 2015** in order to maintain the overall schedule. The Preferred Alternative will be used in conducting the environmental impact report (EIR) and fiscal impact analysis (FIA), and for developing General Plan and zoning policies and standards. A summary of the upcoming schedule through April 2015 is included as Attachment. A.

## **IMPACT ON CITY RESOURCES**

The General Plan Update scope of services and budget was approved by the City Council on June 17, 2014.



## **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 as part of 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 ConnectMenlo project page, which is available at the following location: [www.menlopark.org/connectmenlo](http://www.menlopark.org/connectmenlo). 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.

## **ATTACHMENTS**

- A. ConnectMenlo Schedule through April 2014

Report prepared by:  
*Deanna Chow*  
*Senior Planner*

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### ConnectMenlo Upcoming Activities and Events\*

Event	Date	Time	Location
Workshop #3 – Review Preferred Land Use Alternative	Thursday, March 12, 2015	7-9:00 p.m.	City Council Chambers
Open House #3 – Review Preferred Land Use Alternative	Thursday, March 19, 2015	7-8:30 p.m.	Neighborhood Services Center
GPAC Meeting #6 – Review Findings from Workshop #3	Wednesday, March 25, 2015	6-8:00 p.m.	Oak Room, Arrillaga Family Recreation Center (700 Alma Street)
Joint City Council/Planning Commission Meeting on Preferred Land Use Alternative	Tuesday, March 31, 2015	7:00 p.m.	City Council Chambers
City Council Meeting on Acceptance of Preferred Land Use Alternative	Tuesday, April 14, 2015	7:00 p.m.	City Council Chambers
<b><i>Estimated Completion of Overall Project</i></b>	<b><i>Late June 2016</i></b>		

\*Note: For more information about the ConnectMenlo process, please visit the project webpage at [www.menlopark.org/connectmenlo](http://www.menlopark.org/connectmenlo). Actual meeting dates, times, and locations are subject to change.

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