



**SPECIAL AND REGULAR MEETING AGENDA**

**Date:** 3/15/2016  
**Time:** 5:30 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**5:30 p.m. Closed Session (City Hall Administration Building, 1<sup>st</sup> floor conference room)**

Public Comment on this item will be taken before adjourning to Closed Session.

- CL1.** Closed Session pursuant to Government Code Section §54957.6 to confer with labor negotiators regarding current labor negotiations with Service Employees International Union (SEIU), American Federation of State, County and Municipal Employees (AFSCME) and the Menlo Park Police Sergeants' Association (PSA)

Attendees: City Manager Alex McIntyre, Administrative Services Director Nick Pegueros, Finance and Budget Manager Rosendo Rodriguez, Human Resources Manager Lenka Diaz, City Attorney Bill McClure, Labor Counsel Charles Sakai

**7:00 p.m. Regular Session**

**A. Call To Order**

**B. Roll Call**

**C. Pledge of Allegiance**

**D. Report from Closed Session**

**E. Study Session**

- E1. Provide feedback on the draft 2015 Urban Water Management Plan (UWMP) which includes the proposed Water Shortage Contingency Plan (WSCP) (Staff Report# 16-053-CC)

**F. Presentations and Proclamations**

- F1. Proclamation recognizing Eagle Scout Henry Marks for completing the renovation of Plant Identification Trail on the civic center campus

F2. Proclamation recognizing Menlo Park employee Mary Liedl on her retirement

F3. Proclamation declaring March Red Cross Month

**G. Commissioner Reports**

- G1. Quarterly update from the Environmental Quality Commission

- G2. Quarterly update from the Parks and Recreation Commission (Attachment)

## **H. Public Comment**

Under "Public Comment," the public may address the City Council on any subject not listed on the agenda. Each speaker may address the City 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 City Council cannot act on items not listed on the agenda and, therefore, the City Council cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

## **I. Consent Calendar**

- I1. Amend the Gymnastics Center Power Purchase Agreement (PPA) to incorporate a revised Schedule 10, amend the Corporation Yard PPA to incorporate a revised Schedule 10, and authorize the Public Works Director to accept the work performed by Cupertino Electric (CEI, Solar One) for solar photo voltaic (PV) installations at the Arrillaga Gymnasium, Arrillaga Gymnastics Center, Onetta Harris Community Center, and City Corporation Yard (Staff Report# 16-046-CC)
- I2. Approve a resolution authorizing submittal of application for CalRecycle payment programs and related authorizations (Staff Report# 16-045-CC)
- I3. Authorize the City Manager to sign a contract in the amount of \$631,300 with AECOM for the Ravenswood Avenue Grade Separation Project Study Report and authorize the City Manager to enter into all agreements for this project (Staff Report# 16-051-CC)
- I4. Adopt a resolution supporting the City's Shuttle Program for application to the San Mateo County Shuttle Program FY 2016-2017 and FY 2017-2018 funding and authorize the City Manager to enter into funding agreements (Staff Report# 16-054-CC)
- I5. Authorize the City Manager to enter into agreements with Casey Construction, Express Plumbing and Farallon Company for on-call routine and emergency water system services for the Menlo Park Municipal Water District (Staff Report# 16-052-CC)
- I6. Authorize the City Manager to approve a contract with ICF International in the amount of \$255,660 and future augments as may be necessary to prepare an infill Environmental Impact Report for the Middle Plaza at 500 El Camino Real Project (Staff Report# 16-044-CC)
- I7. Adopt a resolution authorizing the position of Administrative Services Director as Plan Coordinator for the City's IRS 401a and 457 Plans administered by ICMA-RC (Staff Report# 16-048-CC)
- I8. Approve minutes for the City Council meetings of February 9 and 23, 2016 (Attachment)

## **J. Regular Business**

- J1. Accept the 2015-16 Mid-Year Financial Summary and approve recommended 2015-16 budget adjustments (Staff Report# 16-056-CC)
- J2. Review and accept the Annual Report on the status and progress in implementing the City's Housing Element and the Annual Housing Successor Report (Staff Report# 16-049-CC)

**K. Informational Items**

- K1. Update on the status of bus shelter installation in Belle Haven (Staff Report# 16-055-CC)
- K2. Update on the Water System Master Plan (WSMP) -Recycled Water (Staff Report# 16-050-CC)
- K3. Review of the City's Investment Portfolio as of December 31, 2015 (Staff Report# 16-047-CC)

**L. Councilmember Reports**

**M. City Manager's Report**

**N. Adjournment**

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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 any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during the City 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 Chair, 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 City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours.

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## STAFF REPORT

**City Council**  
**Meeting Date:** 3/15/2016  
**Staff Report Number:** 16-053-CC

**Study Session:** Provide feedback on the draft 2015 Urban Water Management Plan (UWMP) which includes the proposed Water Shortage Contingency Plan (WSCP)

### Recommendation

Staff recommends that the City Council provide feedback on the draft 2015 Urban Water Management Plan (UWMP) which includes the proposed Water Shortage Contingency Plan (WSCP).

### Policy Issues

There is no change to existing City policy.

### Background

The Menlo Park Municipal Water District (MPMWD) provides water to approximately 16,000 residents through 4,300 service connections within two pressure areas. MPMWD purchases 100% of its water from the San Francisco Public Utilities Commission (SFPUC), which delivers water from the San Francisco Regional Water System to the City through 5 turnout connections. The 2015 average daily demand was around 2.3 million gallons per day (mgd).

In 1983, the California Legislature passed Assembly Bill (AB) 797, referred to as the Urban Water Management Planning Act (Act) requiring every urban water supplier serving more than 3,000 customers, or providing more than 3,000 acre-feet of water annually, to prepare and adopt an UWMP every five years. The Act requires urban water suppliers to describe and evaluate their water supply sources and reliability, how delivery will be prioritized in the event of a water shortage, what measures are and will be taken to improve efficient uses of water, and other relevant information over the next 20 years. In 1991, the State added the requirement to include a WSCP to outline the water supplier's response and plan for changes or shortages in water supplies. In 2009, the Legislature passed Senate Bill x7-7 (SBx7-7) requiring that all agencies reduce their water consumption 20% by 2020, and that the new urban water use targets required by the legislation be included in the 2015 UWMP.

Water suppliers are required to update and submit their Plan to the Department of Water Resources (DWR) every five years. Compliance with the Act is necessary to be eligible for State grants, loans, and drought assistance. The City Council adopted the 2010 UWMP in June 2011 (DWR extended the submittal deadline from December 2010 to June 2011). The 2010 UWMP is available at [www.menlopark.org/watermanagement](http://www.menlopark.org/watermanagement) plan.

On October 7, 2014, the City Council approved an agreement with EKI to develop the 2015 UWMP and coordinate activities with the City's General Plan Update and M-2 Area Zoning Update. Staff and EKI have

been working together to compile the necessary data for the UWMP, and staff is currently reviewing the administrative draft.

On January 14, 2016, as required by the Act, staff mailed notices to local governmental agencies and other water suppliers in the area that MPMWD is considering revisions to its UWMP. In addition, staff is maintaining a webpage that provides up-to-date information on the status of developing the 2015 UWMP ([www.menlopark.org/watermanagementplan](http://www.menlopark.org/watermanagementplan)).

Staff is also currently developing the Water System Master Plan (WSMP) which is a separate document from the UWMP. Whereas the UWMP evaluates and compares future water demand to water supply, the WSMP enables MPMWD to maintain the water system infrastructure to meet current demands, future growth, and emergency situations.

**Analysis**

The 2015 UWMP evaluates the following through the year 2040:

- Water supply and supply reliability
- Water demand
- Water Shortage Contingency Plan (drought stages and actions)
- Water conservation programs

Water supply reliability and the WSCP are discussed in more detail below.

**Water Supply Reliability**

On February 9, 2016, the City Council meeting included an informational item on the Water Supply Assessment (WSA) for the Facebook Campus Expansion Project and the Water Supply Evaluation (WSE) for the ConnectMenlo General Plan Update and M-2 Area Zoning Update. The 2015 UWMP incorporates the future water demands included in the WSA and WSE in addition to future water demands for a small high school project. During a normal water use year, the UWMP projects that MPMWD will remain slightly below its SFPUC Individual Supply Guarantee (ISG) of 1,630 MG (million gallons per year), or 4.465 mgd (million gallons per day), by the year 2040.

The Act requires that agencies consider water supply reliability for a single dry year and for multiple dry years. Based on SFPUC’s water supply reliability data received in January 2016, the table below shows that MPMWD could experience a water supply shortfall of up to 31% by 2040 during a multiple dry year.

	2020	2025	2030	2035	2040
MPMWD SFPUC ISG (MG)	1,630	1,630	1,630	1,630	1,630
MPMWD Projected Demand (MG)	1,341	1,403	1,468	1,539	1,614
Single Dry Year % and Multiple Dry Year (Year 1) Shortfall	4.5%	8.7%	13%	17%	21%
Multiple Dry Year % (Years 2 and 3) Shortfall	17%	21%	24%	28%	31%

To help offset the potential water supply shortfall in the future, the WSMP will include evaluating the feasibility of developing a recycled water program. With an additional source of water, potable water demand could be offset with recycled water for uses allowed by the State (i.e., irrigation, cooling, and toilet / urinal flushing). There is an informational item on the City Council’s March 15, 2016 meeting agenda that fully discusses the WSMP – Recycled Water tasks.



**Water Shortage Contingency Plan (WSCP)**

The Act requires the 2015 UWMP to include a WSCP. On November 18, 2014, the City Council adopted Resolution 6241 (see Attachment A) to implement stage 2 (up to 20% conservation goal) of the 2014 WSCP (see Attachment B) in order to meet the State Water Resources Control Board’s (SWRCB) emergency drought regulations. On May 5, 2015, the City Council adopted Resolution 6261 (see Attachment C) implementing additional stage 2 measures in order to be in compliance with SWRCB’s additional emergency drought regulations (see Attachment D). As part of the 2015 UWMP, staff is proposing to revise the WSCP’s stages and actions to better reflect targeted conservation goals as shown in the table below.

Stage	2014 WSCP	Proposed WSCP	Rational for Proposed Revision
1	N/A	N/A	Mandatory prohibitions
2	up to 20%	up to 10%	SFPUC called for 10% rationing in 2007-2009 and 2014
3	up to 30%	up to 20%	<ul style="list-style-type: none"> <li>Estimated single dry year shortfall in 2040 is 21%</li> <li>MPMWD’s 2015 SWRCB target is 16%</li> </ul>
4	up to 40%	up to 30%	Estimated multiple dry year shortfall in 2040 is 31%
5	up to 50%	up to 50%	Required by UWMP Act

In order to remain in compliance with the up to 20% conservation goal, which is stage 3 of the proposed WSCP instead of stage 2 of the current WSCP, there are two additional steps that would need to occur.

- Step 1: The Council would need to adopt the 2015 UWMP (which contains the proposed WSCP) at a public hearing which is planned for May 17, 2016.
- Step 2: The Council would need to adopt a resolution to implement Stage 3 of the proposed WSCP (Attachment E) which staff will present as a separate agenda item on May 17, 2016.

Compared to the existing drought regulations currently in place for stage 2 of the 2014 WSCP, staff is recommending one additional measure for stage 3 of the proposed WSCP: potable water shall not be used for street cleaning. Drought surcharges adopted by City Council on July 21, 2015 will remain the same for each water reduction goal (i.e. the drought surcharge of the 20% goal in stage 2 of the 2014 WSCP is \$0.29 per hundred cubic foot which equals the drought surcharge of the 20% goal in stage 3 of the proposed WSCP) and does not require Proposition 218 noticing requirements.

Like the 2014 WSCP, the proposed WSCP provides flexibility to incorporate additional water regulations based on any future emergency water regulations adopted by the SWRCB or drought-related actions imposed by SFPUC. Each of the five stages list particular water regulations and the option for City Council to select other appropriate water regulations in order to meet the water reduction goal.

**Next Steps**

As required by the Act, the City Council must hold a public hearing and adopt the 2015 UWMP by June 30, 2016 (DWR extended the submittal deadline from December 2015 to June 2016) and submit the adopted UWMP to DWR by July 1, 2016. The public hearing is scheduled for May 17, 2016. The City must also make the draft UWMP available for public review (i.e. water bill insert, webpage) prior to holding the public hearing.



Tentative schedule to adopt the 2015 UWMP	
March 15, 2016	City Council Study Session of draft 2015 UWMP
Early-April 2016	Draft 2015 UWMP available for public review
Early-May 2016	Newspaper ads for Public Hearing
May 17, 2016	City Council Public Hearing to adopt the 2015 UWMP
June 2016	Submit adopted 2015 UWMP to the Department of Water Resources
July 2016	Make final 2015 UWMP available to the public.

### Impact on City Resources

The UWMP Project is funded by the Water Fund.

### Environmental Review

As a study session item, environmental review is not required.

### Public Notice

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

### Attachments

- A. Resolution adopting a Water Conservation Plan (No. 6241 – November 18, 2015)
- B. Adopted 2014 WSCP - November 18, 2014
- C. Resolution adopting additional Water Use Regulations (No. 6261 – May 5, 2015)
- D. Summary of additional drought measures added to stage 2 of the 2014 WSCP in order to meet the SWRCB's Emergency Drought Regulations - May 5, 2015
- E. Proposed WSCP (to be included in the draft 2015 UWMP)

Report prepared by:  
Pam Lowe, Senior Civil Engineer

Reviewed By  
Ruben Niño , Assistant Public Works Director



## RESOLUTION NO. 6241

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADOPTING A WATER CONSERVATION PLAN

WHEREAS, on August 26, 2014 the City Council of the City of Menlo Park adopted Resolution No. 6230 to implement Stage 3 of Water Shortage Contingency Plan (“WSCP”) contained in the 2010 Urban Water Management Plan (“UWMP”); and

WHEREAS, subsequent to the adoption of Resolution No. 6230 the City Council of the City of Menlo Park adopted an amendment to the UWMP, which amended the WSCP, on November 18, 2014 (hereinafter referred to as “2014 UWMP” and “2014 WSCP”, respectively); and

WHEREAS, to comply with the State Water Board’s Emergency Regulations (“Emergency Regulations”) which became effective on July 28, 2014 pursuant to Section 1058.5 of the California Water Code, under the 2014 UWMP, Stage 2 of the 2014 WSCP (as opposed to Stage 3 of the WSCP) must be implemented; and

WHEREAS, the City Council of the City of Menlo Park wishes to amend Resolution No. 6230 and replace Stage 3 of the WSCP with Stage 2 of the 2014 WSCP.

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby approve and adopt the following Water Conservation Plan, implementing Stage 2 of the 2014 WSCP:

1. **Definitions.** For the purposes of this Resolution, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word “shall” is always mandatory and not merely directory.
  - a. “Water District” means the Menlo Park Municipal Water District, an agency of the City of Menlo Park.
  - b. “Customer” means any person using water supplied by the Water District.
  - c. “Public Works Director” means the City of Menlo Park Public Works Director or his/her designee.
  
2. **Conservation Measures.** Stage 2 of the 2014 WSCP implements the following water conservation measures:
  - a. Hoses must be equipped with a shut-off valve for washing vehicles, sidewalks, walkways, or buildings.
  - b. Broken or defective plumbing and irrigation systems must be repaired or replaced within a reasonable period.
  - c. Potable water shall not be applied in any manner to any driveway or sidewalk, except when necessary to address immediate health or safety concerns.
  - d. Potable water shall not be used to water outdoor landscapes in a manner that causes runoff onto non-irrigated areas, walkways, roadways, parking

- lots, or other hard surfaces.
- e. Restaurants and other food service operations shall serve water to customers only upon request.
- f. Use only re-circulated or recycled water to operate ornamental fountains.
- g. Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.

3. **Penalties.** Violations of the water conservation measures listed above are punishable by fines as described below. Fines must be paid within thirty (30) days. If fines are not paid when due, Customer's water service may be discontinued.

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

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

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

**Charges for Disconnecting and Reconnecting Service**

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

4. **Appeal Process.** Customer may contest a fine by submitting a written appeal to the Public Works Director within thirty (30) days of the date of the fine. Customer may request a meeting with the Public Works Director to present evidence that a violation does not exist. If a meeting is requested, the Public Works Director shall meet with the Customer within fifteen (15) days of the appeal date. The Public Works Director shall make a final, non-appealable decision in writing within fifteen (15) days of the appeal date if no meeting requested or within fifteen (15) days of the meeting date. If the fine is upheld, the Customer shall have ten (10) days from the date of the Public Works Director's decision to pay

the fine. If the fine is not paid when due, Customer's water service may be discontinued.

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

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

AYES: Carlton, Keith, Ohtaki, Mueller

NOES: None

ABSENT: Cline

ABSTAIN: None

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



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PAMELA AGUILAR,  
City Clerk

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## 2014 Water Shortage Contingency Plan

Menlo Park Municipal Water District  
(Adopted November 18, 2014)

Stage	Water Use Regulations	% Goal
1	<ul style="list-style-type: none"> <li>• Hoses must be equipped with a shut-off valve for washing vehicles, sidewalks, walkways, or buildings.</li> <li>• Broken or defective plumbing and irrigation systems must be repaired or replaced within a reasonable period.</li> <li>• Other measures as may be approved by Resolution of the City Council.</li> </ul>	NA
2	<ul style="list-style-type: none"> <li>• Continue with actions and measures from Stage 1, except where superseded by more stringent requirements.</li> <li>• Potable water shall not be used to water outdoor landscapes in a manner that causes runoff onto non-irrigated areas, walkways, roadways, parking lots, or other hard surfaces.</li> <li>• Potable water shall not be applied in any manner to any driveway or sidewalk, except when necessary to address immediate health or safety concerns.</li> <li>• Restaurants and other food service operations shall serve water to customers only upon request.</li> <li>• Use only re-circulated or recycled water to operate ornamental fountains.</li> <li>• Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction</li> </ul>	Up to 20%
3	<ul style="list-style-type: none"> <li>• Continue with actions and measures from Stage 2, except where superseded by more stringent requirements.</li> <li>• Potable water shall not be used for street cleaning.</li> <li>• Limit outdoor irrigation to occur during specific hours, as determined by the Public Works Director, or his designee.</li> <li>• Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.</li> </ul>	Up to 30%
4	<ul style="list-style-type: none"> <li>• Continue with actions and measures from Stage 3, except where superseded by more stringent requirements.</li> <li>• No new landscaping shall be installed at new construction sites.</li> <li>• Limit outdoor irrigation to a set number of days per week, as determined by the Public Works Director, or his designee.</li> <li>• Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.</li> </ul>	Up to 40%
5	<ul style="list-style-type: none"> <li>• Continue with actions and measures from Stage 4, except where superseded by more stringent requirements.</li> <li>• Newly constructed pools, spas and hot tubs shall not be filled.</li> <li>• Existing irrigation systems shall not be expanded.</li> <li>• Turf irrigation is prohibited at all times.</li> <li>• Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.</li> </ul>	Up to 50%

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**RESOLUTION NO 6261****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
APPROVING ADDITIONAL WATER USE REGULATIONS REQUIRED TO  
ACHIEVE AN OVERALL PERCENTAGE REDUCTION COMMENSURATE WITH  
STAGE 2 OF THE WATER SHORTAGE CONTINGENCY PLAN**

WHEREAS, on November 18, 2014 the City Council of the City of Menlo Park approved, adopted and implemented Stage 2 of the 2014 Water Shortage Contingency Plan (“WSCP”); and

WHEREAS, Stage 2 of the WSCP provides that Menlo Park Municipal Water District (“MPMWD”) achieve up to a 20% reduction in water use by mandating all MPMWD users implement the following water conservation measures:

- Hoses must be equipped with a shut-off valve for washing vehicles, sidewalks, walkways, or buildings.
- Broken or defective plumbing and irrigation systems must be repaired or replaced within a reasonable period.
- Potable water shall not be applied in any manner to any driveway or sidewalk, except when necessary to address immediate health or safety concerns.
- Potable water shall not be used to water outdoor landscapes in a manner that causes runoff onto non-irrigated areas, walkways, roadways, parking lots, or other hard surfaces.
- Restaurants and other food service operations shall serve water to customers only upon request.
- Use only re-circulated or recycled water to operate ornamental fountains.
- Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.

WHEREAS, on March 27, 2015 the State Water Resources Control Board (“State Water Board”) approved emergency regulatory action to further amend its previous two emergency regulations pertaining to drought emergency water conservation; and

WHEREAS, the State Water Board emergency regulations from March 27, 2015 require each urban water supplier to implement the following restrictions within forty-five (45) days:

- Prohibit application of potable water to outdoor landscapes during and within forty-eight (48) hours after measurable rainfall;
- Prohibit the serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food and drink are served and/or purchased;
- Require operators of hotels and motels to provide guests with the option of choosing not to have towels and linens laundered daily;
- Implement the stage of its WSCP that includes a mandatory restriction on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed.

WHEREAS, on April 1, 2015 the Governor issued Executive Order B-29-15 (“Executive Order”) directing the State Water Board to impose restrictions to achieve an aggregate statewide 25% reduction in potable urban water use for the period of June 1, 2015 through February 28, 2016, as compared to January 1, 2013 through February 28, 2013 and June 1, 2013 through December 31, 2013 water use, and proposing flexibility in how to achieve this reduction in recognition of the level of conservation already achieved by many communities around the State; and

WHEREAS, in response to the Executive Order the State Water Board proposed conservation standards relative to the per capita water usage of each water suppliers’ service area, requiring those areas with high per capita use to achieve proportionally greater reductions than those with low use; and

WHEREAS, the State Water Board originally proposed a four (4) tier system placing each water supplier into a tier based on the water supplier’s R-GPCD usage in September 2014. Water suppliers are required to reach the percentage reduction in water use associated with tier the water supplier is placed in, when compared to the water supplier’s 2013 water use. The State Water Board’s April 18, 2015 Draft Regulations propose an expansion of the four (4) tier system to a nine (9) tier system based on R-GPCD Range for the July through September of 2014. The Draft Regulations of April 18, 2015 place the MPMWD into tier four (4), requiring the MPMWD to achieve a 16% reduction in water use from its use in January through February of 2013 and June through December of 2013. On or about May 5, 2015 the State Water Board will adopt final Regulations. Based on the final regulations the MPMWD will be placed into a tier and required to meet the specified reduction in water use when compared to its January through February of 2013 and June through December of 2013 water use; and

WHEREAS, on or about May 5, 2015, in order to achieve the percentage reduction requirement, the State Water Board intends to pass additional regulations prohibiting the following:

- The use of potable water outside of newly constructed homes and buildings that is not delivered by drip or micro-spray systems;
- The use of potable water to irrigate ornamental turf on public street medians.

WHEREAS, the MPMWD’s WSCP Stage 2 permits the MPMWD to implement other measures as may be approved by Resolution of the City Council to achieve up to 20% in an overall reduction of water use.

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 HEREBY RESOLVED by the City Council of the City of Menlo that:

1. The above recitals are true and accurate.
2. The MPMWD is required to achieve an overall reduction of 16% water use, as compared to 2013. [Required percentage reduction will be adjusted, if necessary, to be consistent with the State Water Board’s final Regulations.]
3. All MPMWD users are required to implement water conservation measures necessary to assist the MPMWD in achieving its mandatory water reduction percentage requirement. Individual users are not each required to meet the percentage reduction required of the MPMWD as a whole. Rather, individuals that have already implemented measures are not expected to achieve the same



percentage reduction in water use as individuals that have not implemented such measures. At the same time, individuals that have not implemented water conservation measures may need to achieve a water reduction percentage greater than the percentage reduction the MPMWD is required to meet per the State Water Board regulations.

4. Per the option for other measures to be approved by Stage 2 of the WSCP for the MPMWD to achieve up to a 20% reduction in water usage, the following measures, in addition to those already listed above and included in Table 5.11, Stage 2 of the WSCP are hereby approved and required by all MPMWD users:
  - Potable water shall not be used to water outdoor landscapes during and within 48 hours after measurable rainfall.
  - Hotels and motels shall provide guests an option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.
  - Potable water to irrigate outdoor ornamental landscapes or turf shall be limited to no more than two days per week between designated hours, as determined by the Public Works Director. Water customers may be granted an exception upon review and approval of a Drought Response Plan by the Public Works Director pursuant to such polices and procedures as may be established by the Public Works Director provided that such plan results in an equivalent or greater reduction in water use.
  - Single-pass cooling systems on new construction shall not be allowed.
  - Pools, spas, and hot tubs shall be covered when not in use.
  - Permits for construction of new pools shall include a requirement that MPMWD water shall not be used to fill new pools.
  - Newly constructed homes and buildings must deliver potable water through drip or micro-spray systems to water outside.
  - Potable water shall not be used to irrigate ornamental turf on public street medians.
  
5. Penalties. Except for egregious violations of the water conservation measures listed above, violations are punishable by fines as described below. Fines must be paid within thirty (30) days. If fines are not paid when due, Customer's water service may be discontinued.

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

Notwithstanding the above, if the Director of Public Works determines that a violation is egregious, in his/her reasonable determination based on the severity of the

violation, a fine may be levied in an amount equal to the greater of \$500.00 or triple the normal rate for the amount of water wasted.

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

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

**Charges for Disconnecting and Reconnecting Service**

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

6. Appeal Process. Customer may contest a fine by submitting a written appeal to the Public Works Director within thirty (30) days of the date of the fine. Customer may request a meeting with the Public Works Director to present evidence that a violation does not exist. If a meeting is requested, the Public Works Director shall meet with the Customer within fifteen (15) days of the appeal date. The Public Works Director shall make a final, non-appealable decision in writing within fifteen (15) days of the appeal date if no meeting requested or within fifteen (15) days of the meeting date. If the fine is upheld, the Customer shall have ten (10) days from the date of the Public Works Director's decision to pay the fine. If the fine is not paid when due, Customer's water service may be discontinued.

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

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

AYES: Carlton, Keith, Ohtaki

NOES: None

ABSENT: Cline, Mueller

ABSTAIN: None

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park on this fifth day of May, 2015.



Pamela Aguilar  
City Clerk

**2014 Water Shortage Emergency Plan  
Additional Drought Measures Added to Stage 2  
In Order to Meet State Water Resources Control Board's Emergency Drought Regulations**

**Menlo Park Municipal Water District  
(Adopted May 5, 2015)**

Stage	Water Use Regulations	% Goal
1	<ul style="list-style-type: none"> <li>• Hoses must be equipped with a shut-off valve for washing vehicles, sidewalks, walkways, or buildings.</li> <li>• Broken or defective plumbing and irrigation systems must be repaired or replaced within a reasonable period.</li> <li>• Other measures as may be approved by Resolution of the City Council.</li> </ul>	NA
2	<ul style="list-style-type: none"> <li>• Continue with actions and measures from Stage 1, except where superseded by more stringent requirements.</li> <li>• Potable water shall not be used to water outdoor landscapes in a manner that causes runoff onto non-irrigated areas, walkways, roadways, parking lots, or other hard surfaces.</li> <li>• Potable water shall not be applied in any manner to any driveway or sidewalk, except when necessary to address immediate health or safety concerns.</li> <li>• Restaurants and other food service operations shall serve water to customers only upon request.</li> <li>• Use only re-circulated or recycled water to operate ornamental fountains.</li> <li>• Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.</li> </ul> <p align="center"><b>Additional Drought Measures Added to Stage 2</b></p> <ul style="list-style-type: none"> <li>• Potable water shall not be used to water outdoor landscapes during and within 48 hours after measurable rainfall.</li> <li>• Hotels and motels shall provide guests an option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.</li> <li>• Potable water to irrigate outdoor ornamental landscapes or turf shall be limited to no more than two days per week between designated hours, as determined by the Public Works Director. Water customers may be granted an exception upon review and approval of a Drought Response Plan by the Public Works Director pursuant to such policies and procedures as may be established by the Public Works Director provided that such plan results in an equivalent or greater reduction in water use.</li> <li>• Single-pass cooling systems on new construction shall not be allowed.</li> <li>• Pools, spas, and hot tubs shall be covered when not in use.</li> <li>• Permits for construction of new pools shall include a requirement that MPMWD water shall not be used to fill new pools.</li> <li>• Newly constructed homes and buildings must deliver potable water through drip or micro-spray systems to water outside.</li> <li>• Potable water shall not be used to irrigate ornamental turf on public street medians.</li> </ul>	Up to 20%

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**Proposed Water Shortage Contingency Plan  
Menlo Park Municipal Water District**

Stage	Consumption Reduction Methods by Water Supplier	Restrictions and Prohibitions on End Uses (Customers)
<p><b>Stage 1 Mandatory Prohibitions</b></p> <p><b>Goal: N/A</b></p>	<p>N/A</p>	<ol style="list-style-type: none"> <li>1. Hoses must be equipped with a shut-off valve for washing vehicles, sidewalks, walkways, or buildings.</li> <li>2. Broken or defective plumbing and irrigation systems must be repaired or replaced within a reasonable period.</li> <li>3. Recreational water features shall be covered when not in use.</li> <li>4. Ornamental fountains shall use only re-circulated or recycled water.</li> <li>5. Single-pass cooling systems on new construction shall not be allowed.</li> <li>6. Other measures as may be approved by Resolution of the City Council.</li> </ol>
<p><b>Stage 2</b></p> <p><b>Goal: up to 10% Reduction</b></p>	<ol style="list-style-type: none"> <li>1. Inform customers that there is a water shortage emergency and the list of actions they can take to reduce water use (e.g., via direct mail, bill inserts, etc.).</li> <li>2. Increase public outreach, including information regarding fines or penalties for non-compliance.</li> <li>3. Expand outreach for existing water conservation programs.</li> <li>4. Conduct coordination with BAWSCA, SFPUC, and California Water Service Company (“Cal Water”).</li> <li>5. Conduct in-house training so City staff is prepared to respond to customer calls, reports and complaints, and to support enforcement actions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Continue with actions and measures from Stage 1 except where superseded by more stringent requirements.</li> <li>2. Potable water shall not be applied in any manner to any driveway, sidewalk, or other hard surface except when necessary to address immediate health or safety concerns.</li> <li>3. Potable water shall not be used to water outdoor landscapes in a manner that causes runoff onto non-irrigated areas, walkways, roadways, parking lots, or other hard surfaces.</li> <li>4. Hotels and motels shall provide guests an option whether to launder towels and linens daily. Hotels and motels shall prominently display notice of this option in each bathroom using clear and easily understood language.</li> <li>5. Restaurants and other food service operations shall serve water to customers only upon request.</li> <li>6. Irrigating outdoor ornamental landscapes or turf with potable water is limited to no more than three (3) days per week on a schedule established by the Director and posted on the City’s website.</li> <li>7. Other measures as may be approved by Resolution of the City Council.</li> </ol>
<p><b>Stage 3</b></p> <p><b>Goal: up to 20% Reduction</b></p>	<ol style="list-style-type: none"> <li>1. Continue with actions and measures from Stage 2.</li> <li>2. Increase public outreach, including a dedicated customer service hotline.</li> <li>3. Schedule staff for enforcement and customer service. May include hiring additional, temporary staff.</li> <li>4. Reduce frequency of water main flushing.</li> <li>5. Inform local fire department of water supply status and request cooperation in reducing of fire training exercises that use water.</li> <li>6. Increase public outreach to the top 10% water users in each customer category.</li> <li>7. Implement drought surcharge on water rates.</li> </ol>	<ol style="list-style-type: none"> <li>1. Continue with actions and measures from Stages 1 and 2 except where superseded by more stringent requirements.</li> <li>2. Potable water cannot be applied to outdoor landscapes during and up to 48 hours after measurable rainfall.</li> <li>3. Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or microspray is prohibited.</li> <li>4. Potable water shall not be used for street cleaning.</li> <li>5. Potable water shall not be used to irrigate ornamental turf on public street medians.</li> <li>6. Permits for construction of new pools shall include a requirement that MPMWD water shall not be used to fill new pools.</li> <li>7. Irrigating outdoor ornamental landscapes or turf with potable water is not allowed between designated hours, as determined by the Public Works Director, except for hand watering. Hand watering must be with a continuously monitored hose fitted with an automatic shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use or monitored.</li> </ol>

**Proposed Water Shortage Contingency Plan  
Menlo Park Municipal Water District**

Stage	Consumption Reduction Methods by Water Supplier	Restrictions and Prohibitions on End Uses (Customers)
		8. Irrigating outdoor ornamental landscapes or turf with potable water is limited to no more than two (2) days per week on a schedule established by the Director and posted on the City's website. Water customers may be granted an exception upon review and approval of a Drought Response Plan by the Public Works Director pursuant to such policies and procedures as may be established by the Public Works Director provided that such plan results in an equivalent or greater reduction in water use. 9. Other measures as may be approved by Resolution of the City Council.
<b>Stage 4</b>  <b>Goal: up to 30% Reduction</b>	1. Continue with actions and measures from Stages 2 and 3. 2. Increase public outreach, including hosting public events and workshops. 3. Increase enforcement and water waste patrols. 4. Suspend routine flushing of water mains except when necessary to address immediate health or safety concerns. 5. Offer free water use surveys to the top 10% water users in each customer category.	1. Continue with actions and measures from Stages 1, 2 and 3 except where superseded by more stringent requirements. 2. Prohibit vehicle washing except at facilities using recycled or recirculating water. 3. Irrigating outdoor ornamental landscapes or turf with potable water is limited to no more than one (1) day per week on a schedule established by the Director and posted on the City's website. Water customers may be granted an exception upon review and approval of a Drought Response Plan by the Public Works Director pursuant to such policies and procedures as may be established by the Public Works Director provided that such plan results in an equivalent or greater reduction in water use. 4. Other measures as may be approved by Resolution of the City Council.
<b>Stage 5</b>  <b>Goal: up to 50% Reduction</b>	1. Continue with actions and measures from Stages 2, 3 and 4. 2. Increase public outreach. 3. Develop water budgets for all accounts and notice those accounts appropriately. 4. MPMWD shall not approve new potable water service, new temporary meters or permanent meters, or issue statements of immediate ability to serve or provide potable water service (such as, will-serve letters, certificates or letters of availability), except under the following circumstances: a. A valid, unexpired building permit has been issued for the project; or b. The project is necessary to protect the public's health, safety, and welfare; or c. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the Public Works Director; or d. To provide continuation of water service or to restore service that has been interrupted for a period of one year or less.	1. Continue with actions and measures from Stages 1 through 4 except where superseded by more stringent requirements. 2. Turf irrigation is prohibited at all times, including artificial turf. 3. Existing irrigation systems shall not be expanded. 4. Water use shall not exceed water budgets established by MPMWD for each customer. 5. Other measures as may be approved by Resolution of the City Council.



**MEMORANDUM**

**Date:** 3/15/2016  
**To:** Menlo Park City Council  
**From:** Marianne Palefsky, Parks and Recreation Commission Chair  
**Re:** Quarterly Report to City Council on Commission Work Plan

**Update on current work plan goals for 2014-2016**

1. Research and evaluate the social services and recreation opportunities in the Belle Haven neighborhood in support of the Belle Haven Visioning and Neighborhood Action Plan resulting in diverse, high quality programs meeting the needs of neighborhood residents. Ongoing to January 1, 2016.
  - Received a presentation and provided feedback to the Belle Haven Community Development Fund on the annual report of the Belle Haven Mini-Grant Program.
  - Received update on the Belle Haven Neighborhood Action Plan and provided feedback to staff.
2. Research and evaluate opportunities to support and increase arts program offerings for the community resulting in residents having a greater exposure to the arts and improved partnerships with new and existing arts groups and venues. Ongoing to January 1, 2016.
  - Preliminary work is proceeding for a downtown outdoor or indoor exhibition of works of local artists. The Burning Man organization has been contacted and the concept of an exhibition in Menlo Park has been explored with local Burning Man artists. As a result of a short discussion with a representative of the Atherton Arts Foundation, we will explore the possibility of cooperating with Atherton in a joint exhibit in Menlo Park.
3. Study and evaluate City operated parks to ensure their short and long term vitality resulting in park structures and flora being properly maintained; parks being utilized by the community with greater frequency; and ensuring a proper balance of park usage and long term conservation. Ongoing to January 1, 2016.
  - Reviewed and provided feedback on proposed next steps for community engagement activities supporting the 2015-16 Capital Improvement Projects for parks.
  - Reviewed and considered options for regulating drone and RC aircraft use at Bedwell-Bayfront Park before making recommendation to the City Council. The Commission was split evening on the best course of action to take which included banning drones and RC aircraft from the park or allow the usage with significant regulation. The Commission was unanimous in the need to have a decision made on the issue given the increase drone usage and significant public feedback on the issue.

Other areas and issues addressed by the Commission:

1. Supported the Community Services Department's Anti-Bullying Campaign and Unity Day during the month of October in collaboration with the Mayor's work on the Bully Project.
2. Over the past few months, Commissioners began conducting park, program and recreation facility site visits in order to learn more about the programs and services the City provides and provide feedback to Community Services and Parks Division staff. The increased community engagement is one of the outcomes of the Commission's retreat that was held back in September.
3. Reviewed and approved Sports Field User Groups for the FY 2015-16 Season.
4. Reviewed and provided feedback on a pilot proposal to suspend non-subsidized rates for the Belle Haven After School Program and Camp Menlo Program in order to increase participation and improve cost-recovery.
5. Reviewed and discussed the City's Community Funding Process and allocations and provided feedback to staff.





## STAFF REPORT

### City Council

Meeting Date:

3/15/2016

Staff Report Number:

16-046-CC

### Consent Calendar:

**Amend the Gymnastics Center Power Purchase Agreement (PPA) to incorporate a revised Schedule 10, Amend the Corporation Yard PPA to incorporate a revised Schedule 10, and authorize the Public Works Director to accept the work performed by Cupertino Electric (CEI, Solar One) for solar photovoltaic (PV) installations at the Arrillaga Gymnasium, Arrillaga Gymnastic Center, Onetta Harris Community Center, and City Corporation Yard**

## Recommendation

Staff recommends that City Council:

1. Amend the Arrillaga Gymnastics Center Power Purchase Agreement (PPA) to incorporate a revised Schedule 10
2. Amend the Corporation Yard PPA to incorporate a revised Schedule 10
3. Authorize the Public Works Director to accept the work performed by Cupertino Electric (CEI, Solar One) for solar photovoltaic (PV) installations at the, Arrillaga Gymnasium, Arrillaga Gymnastics Center, Onetta Harris Community Center, and City Corporation Yard.

## Policy Issues

Approving the recommended actions above is the final step in providing on-site renewable electricity to offset at least 80% of the electrical demand from four major City facilities. This project is consistent with the Climate Action Plan and the City Council adopted 27% greenhouse gas (GHG) reduction target. In addition, the project is consistent with sustainable budget practices by reducing the City's operating costs.

Multiple warranties (solar arrays, inverters, roof warranty) are a part of this project and will take into effect per the terms outlined in the PPAs.

## Background

On October 7, 2014 the City Council executed four PPAs to provide renewable PV power at each of the following facilities:

- Arrillaga Gymnasium
- Arrillaga Gymnastics Center
- Onetta Harris Community Center
- City Corporation Yard

The 2014 staff report can be found at the following link: <http://menlopark.org/DocumentCenter/View/5406>.

These PV installations are a part of the City's participation in the Regional Renewable Energy (R-REP) procurement project, which is an initiative led by Alameda County to collaboratively procure renewable energy systems with 19 public agencies throughout Alameda, Contra Costa, San Mateo, and Santa Clara Counties. The R-REP project includes 186 sites, totaling over 31 megawatts of renewable energy.

In December 2015 the City's PV installation phase was completed and the systems began commercial operation on February 17, 2016. The combined system size of the installations total 390 KW or 583,432 kWh per year and will offset approximately 80% of the City's current PG&E electricity use at each facility. In addition, the City will save over \$461,000 in energy costs over the course of the 20-year PPA's, reduce approximately 419 tons of greenhouse gas emissions from municipal operations, and this qualified the City to receive over \$71,000 of energy rebates through PG&E's California Solar Initiative (CSI) program.

### **Analysis**

The 2014-2015 solar installations have been completed in accordance with the plans and specifications.

Contractor:           Cupertino Electric (CEI, Solar One)  
                          1132 N. 7<sup>th</sup> St.  
                          San Jose, CA 95112

The amendments included in Attachment A and Attachment B represent the first amendments to the Arrillaga Gymnastics Center and City Corporation Yard PPA's. The amendments are comprised solely of modifications to Schedule 10 of the agreements. Schedule 10 estimates the accumulated solar electricity cost savings from the solar installations at each site over the course of the agreements. These amendments show a greater cost savings than the original Schedule 10.

The revised Schedule 10 for the Arrillaga Gymnastics Center takes into account a meter split that was conducted on July 24, 2015. At the time the Gymnastics Center shared an energy meter with the Civic Center. Due to the high energy load of the Civic Center, segregating the Gymnastics Center meter was necessary in order for the solar installation to produce more energy cost savings. The City Corporation Yard Schedule 10 was revised to include the City's California Solar Incentive (CSI) rebate.

### **Impact on City Resources**

Due to the nature of the PPA agreements, the City had no upfront capital costs to install the PV systems. Under the agreement, CEI, Solar One is responsible for all procurement, engineering, construction, and operating and maintenance costs. During the project installation, the City expended significant resources in managing the project. However, now that the installation is complete the demand for staff monitoring is anticipated to be minimal. No additional resources are being requested at this time.

### **Environmental Review**

Installing PV rooftops systems and carports are exempt from California Environmental Quality Act (CEQA) review under Existing Facilities 15301. State legislation SB 226 (2011) also exempts both PV rooftop and parking lot projects from environmental review.

**Public Notice**

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

**Attachments**

- A. Arrillaga Gymnastics Center Revised Schedule 10
- B. City Corporation Yard Revised Schedule 10

Report prepared by:  
Vanessa Marcadejas, Environmental Programs Specialist

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**Arrillaga Family  
Gymnastics Center**

City of Menlo Park  
Menlo Park, CA

**PPA Metrics**

Solar PPA Rate	<b>\$0.200 /kWh</b>
PPA Rate Escalator	<b>2.5%</b>
Year 1 Savings **	\$2,755
Year 1 Energy Offset *	70.8%
Estimated 20 Year Savings	\$101,330
Avg. Monthly Savings	\$422
Avg. Monthly PPA Bill	\$4,405
PPA Term	20
Total Estimated Load (kWh) *	307,736

**Model Assumptions:**

System Size (kW DC-STC)	146.4
Rate Switch	A-6
Utility Rate Increase	3.0%
Federal Tax Rate	35.00%
Discount Rate	9.00%
Total Energy Usage (kWh)	1,508,899
* Estimated total building load provided by Optony.	
** Savings does not take into account PBI rebates.	
Includes new meter service installed by CEI.	

PPA SAVINGS ANALYSIS								
(4) Rate Analysis by Genability							Summary	
YEAR	(1) Estimated Pre Solar Utility Bill	(2) Estimated Post Solar Utility Bill	(3) Predicted Solar Energy in kWh	Estimated Solar PPA Payment	Estimated Utility + Solar Payments	Estimated Annual Solar Savings	Total Cash Flow	Accumulative Solar Savings
0	-	-	-	-	-	-	\$0	-
1	\$51,916	\$5,598	217,814	\$43,563	\$49,161	\$2,755	\$2,755	\$2,755
2	\$53,473	\$6,091	216,725	\$44,429	\$50,520	\$2,953	\$2,953	\$5,708
3	\$55,078	\$6,607	215,642	\$45,312	\$51,919	\$3,159	\$3,159	\$8,867
4	\$56,730	\$7,147	214,564	\$46,212	\$53,359	\$3,371	\$3,371	\$12,238
5	\$58,432	\$7,711	213,491	\$47,131	\$54,842	\$3,590	\$3,590	\$15,828
6	\$60,185	\$8,301	212,423	\$48,067	\$56,368	\$3,816	\$3,816	\$19,644
7	\$61,990	\$8,917	211,361	\$49,023	\$57,940	\$4,050	\$4,050	\$23,694
8	\$63,850	\$9,561	210,304	\$49,997	\$59,558	\$4,292	\$4,292	\$27,986
9	\$65,765	\$10,234	209,253	\$50,991	\$61,225	\$4,541	\$4,541	\$32,527
10	\$67,738	\$10,937	208,207	\$52,004	\$62,941	\$4,798	\$4,798	\$37,325
11	\$69,771	\$11,670	207,166	\$53,038	\$64,708	\$5,063	\$5,063	\$42,388
12	\$71,864	\$12,436	206,130	\$54,092	\$66,528	\$5,336	\$5,336	\$47,724
13	\$74,020	\$13,234	205,099	\$55,167	\$68,401	\$5,618	\$5,618	\$53,342
14	\$76,240	\$14,068	204,074	\$56,264	\$70,332	\$5,909	\$5,909	\$59,251
15	\$78,527	\$14,937	203,053	\$57,382	\$72,319	\$6,209	\$6,209	\$65,460
16	\$80,883	\$15,843	202,038	\$58,522	\$74,365	\$6,518	\$6,518	\$71,978
17	\$83,310	\$16,788	201,028	\$59,685	\$76,473	\$6,836	\$6,836	\$78,814
18	\$85,809	\$17,773	200,023	\$60,872	\$78,645	\$7,164	\$7,164	\$85,978
19	\$88,383	\$18,800	199,023	\$62,081	\$80,881	\$7,502	\$7,502	\$93,480
20	\$91,035	\$19,869	198,027	\$63,315	\$83,184	\$7,850	\$7,850	\$101,330
	<b>\$1,394,998</b>	<b>\$236,522</b>	<b>4,155,445</b>	<b>\$1,057,147</b>	<b>\$1,293,669</b>	<b>\$101,330</b>	<b>\$101,330</b>	

**NOTES:**

- (1) The Estimated Pre Solar Utility Bill represents an average total bill, including demand & delivery charges found in a typical bill; taxes are not included.
- (2) The solar system performance is based on an industry standard annual degradation of .5% per year.
- (3) The Estimated Post Solar Utility Bill represents the utility bill less the energy produced by the fully-functioning solar system.
- (4) The rate and performance analysis was performed by Genability - an independent 3rd party rate analysis company. See [www.genability.com](http://www.genability.com).

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**PPA Metrics**

Solar PPA Rate	\$0.255 /kWh
PPA Rate Escalator	2.5%
Year 1 Savings *	\$650
Year 1 Energy Offset	71.0%
Estimated 20 Year Savings *	\$4,005
Avg. Monthly Savings *	\$17
Avg. Monthly PPA Bill	\$1,404
PPA Term	20

**Model Assumptions:**

System Size (kW DC-STC)	36.6
Rate Switch	A-6
Utility Rate Increase	3.0%
Federal Tax Rate	35.00%
Discount Rate	9.00%
Total Energy Usage (kWh)	76,652

\* CSI rebates are estimates.

**Corp Yard**  
City of Menlo Park  
Menlo Park, CA

PPA SAVINGS ANALYSIS									
(4) Rate Analysis by Genability								Summary	
YEAR	(1) Estimated Pre Solar Utility Bill	(2) Estimated Post Solar Utility Bill	(3) Predicted Solar Energy in kWh	Estimated Solar PPA Payment	Estimated Utility + Solar Payments	Estimated Annual Solar Savings	Estimated CSI Rebates	Total Cash Flow	Accumulative Solar Savings
0	-	-	-	-	-	-	-	\$0	-
1	\$14,925	\$1,754	54,443	\$13,883	\$15,636	-\$711	\$1,361	\$650	\$650
2	\$15,373	\$1,881	54,170	\$14,159	\$16,040	-\$667	\$1,354	\$688	\$1,337
3	\$15,834	\$2,014	53,899	\$14,440	\$16,454	-\$620	\$1,347	\$728	\$2,065
4	\$16,309	\$2,152	53,630	\$14,727	\$16,880	-\$571	\$1,341	\$770	\$2,835
5	\$16,798	\$2,297	53,362	\$15,020	\$17,317	-\$519	\$1,334	\$815	\$3,650
6	\$17,302	\$2,448	53,095	\$15,318	\$17,767	-\$465	-	-\$465	\$3,186
7	\$17,821	\$2,606	52,830	\$15,623	\$18,229	-\$408	-	-\$408	\$2,778
8	\$18,356	\$2,771	52,565	\$15,933	\$18,704	-\$348	-	-\$348	\$2,430
9	\$18,907	\$2,942	52,303	\$16,250	\$19,193	-\$286	-	-\$286	\$2,144
10	\$19,474	\$3,122	52,041	\$16,573	\$19,695	-\$221	-	-\$221	\$1,923
11	\$20,058	\$3,308	51,781	\$16,902	\$20,211	-\$153	-	-\$153	\$1,770
12	\$20,660	\$3,503	51,522	\$17,238	\$20,741	-\$81	-	-\$81	\$1,689
13	\$21,280	\$3,706	51,264	\$17,581	\$21,286	-\$7	-	-\$7	\$1,682
14	\$21,918	\$3,917	51,008	\$17,930	\$21,847	\$71	-	\$71	\$1,753
15	\$22,575	\$4,137	50,753	\$18,287	\$22,424	\$152	-	\$152	\$1,905
16	\$23,253	\$4,366	50,499	\$18,650	\$23,016	\$236	-	\$236	\$2,141
17	\$23,950	\$4,605	50,247	\$19,021	\$23,626	\$324	-	\$324	\$2,465
18	\$24,669	\$4,854	49,995	\$19,399	\$24,253	\$416	-	\$416	\$2,882
19	\$25,409	\$5,112	49,745	\$19,784	\$24,897	\$512	-	\$512	\$3,394
20	\$26,171	\$5,382	49,497	\$20,178	\$25,559	\$612	-	\$612	\$4,005
	<b>\$401,041</b>	<b>\$66,877</b>	<b>1,038,649</b>	<b>\$336,897</b>	<b>\$403,774</b>	<b>-\$2,732</b>	<b>\$6,738</b>	<b>\$4,005</b>	

**NOTES:**

- (1) The Estimated Pre Solar Utility Bill represents an average total bill, including demand & delivery charges found in a typical bill; taxes are not included.
- (2) The solar system performance is based on an industry standard annual degradation of .5% per year.
- (3) The Estimated Post Solar Utility Bill represents the utility bill less the energy produced by the fully-functioning solar system.
- (4) The rate and performance analysis was performed by Genability - an independent 3rd party rate analysis company. See www.genability.com.

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**STAFF REPORT**

**City Council**  
**Meeting Date:** 3/15/2016  
**Staff Report Number:** 16-045-CC

**Consent Calendar:** **Approve a resolution authorizing submittal of application for CalRecycle payment programs and related authorizations**

**Recommendation**

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to apply for and sign documents needed to secure payment from CalRecycle for the annual on-going Beverage Container City/County Payments.

**Policy Issues**

The California Department of Resources Recycling and Recovery (CalRecycle) has established the Beverage Container City/County Payment Program to make payments to qualifying jurisdictions pursuant to California Public Resources Code section 48000 et seq. The City receives a payment annually through this program, and CalRecycle now requires that the City Council must pass a resolution authorizing specific staff to apply for the funds.

**Background**

Certain beverage containers within California carry California Redemption Value (CRV), which is a value collected by beverage retailers at the point of sale and remitted to CalRecycle. Beverage purchasers may choose to redeem their CRV at CalRecycle certified redemption centers which are typically located in supermarket parking lots.

The CRV program began prior to the widespread adoption of curbside recycling collection programs, and currently a portion of the CRV collected is not redeemed by individuals. In acknowledgment that communities expend funds to collect recyclable materials, CalRecycle provides a portion of the unredeemed CRV funds to communities that provide curbside recycling programs. The Cities that franchise curbside recycling programs, such as Menlo Park, receive a portion of the unredeemed CRV, primarily based on the size of their population.

Each year the City receives approximately \$8,000 from the program. In previous years, CalRecycle simply remitted the funds to cities. Now, however, the State's internal auditors are requiring the following process, all recipients must:

- Submit an approved resolution authorizing designated staff to request funding for this program;
- Provide authorized signatures with submittal of each funding request and expenditure report; and
- Submit an expenditure report with supporting documentation for program funds expended

### Analysis

The goal of CalRecycle’s beverage container recycling program is to reach and maintain an 80 percent recycling rate for all California Refund Value beverage containers - aluminum, glass, plastic and bi-metal. Projects implemented by cities assist in reaching and maintaining this goal.

Each year Menlo Park receives approximately \$8,000 through this program which it may use for the following eligible activities:

- Public education promoting beverage container recycling.
- Litter prevention and cleanup where the waste stream includes beverage containers that will be recycled.
- Other beverage container recycling programs.
- Supporting AB 341 Mandatory Commercial Recycling requirements.
- Infrastructure for businesses to recycle beverage containers.
- Support for new or existing beverage container recycling programs for multi-family residential dwellings.
- Public education and outreach that includes a beverage container recycling component.
- New or existing curbside recycling programs.
- Neighborhood drop-off recycling programs.
- Cooperative regional efforts among two or more cities or counties, or both.

Summary of the funds received to-date, displayed by fiscal year				
2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
\$8,704	\$8,971	\$8,995	\$8,840	\$8,923

Examples of items funded in the past by this program include:

- Quarterly garbage bill inserts promoting recycling and litter prevention programs
- Annual CRV/litter clean up events
- Reusable bags to give to residents at the Menlo Park’s annual Block Party
- Support of commercial and multi-family recycling

### Impact on City Resources

The cost and staff time for applying for funds and implementing CRV programs are currently being funded through the City’s Solid Waste Fund. No additional funds are currently being requested at this time.

### Environmental Review

Environmental Review is not required for this item.

**Public Notice**

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

**Attachments**

A. Draft resolution authorizing Environmental Programs Manager to apply for CRV funds.

Report prepared by:

Heather Abrams, Environmental Programs Manager

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**RESOLUTION NO.**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
AUTHORIZING SUBMITTAL OF APPLICATION FOR PAYMENT PROGRAMS  
AND RELATED AUTHORIZATIONS**

WHEREAS, pursuant to Public Resources Code section 48000 et seq. the Department of Resources Recycling and Recovery (CalRecycle) has established various payment programs to make payments to qualifying jurisdictions; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the administration of the payment programs; and

WHEREAS, CalRecycle's procedures for administering payment programs require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of the payment program.

NOW, THEREFORE, BE IT RESOLVED that the City Manager or his/her designee, is authorized to submit an application to CalRecycle for any and all payment programs offered; and

BE IT FURTHER RESOLVED that the City Manager or his/her designee or his/her designee, is hereby authorized as Signature Authority to execute all documents necessary to implement and secure payment; and

BE IT FURTHER RESOLVED that this authorization is effective until rescinded by the Signature Authority or this Governing Body.

I, Pamela Aguilar, City Clerk of the City of Menlo Park, do hereby certify that the above foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty sixth day of January, 2016, 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 First day of March 2016.

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Pamela Aguilar  
City Clerk

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## STAFF REPORT

### City Council

**Meeting Date:**

**3/15/2016**

**Staff Report Number:**

**16-051-CC**

### Consent Calendar:

**Authorize the City Manager to sign a contract in the amount of \$631,300 with AECOM for the Ravenswood Avenue Grade Separation Project Study Report and authorize the City Manager to enter into all agreements for this project**

### Recommendation

Staff recommends that the City Council authorize the City Manager to sign a contract with AECOM for the Ravenswood Avenue Grade Separation Project Study Report (the Project) in the amount of \$631,300, and authorize the City Manager to enter into all necessary agreements and contract amendments without changes to the budget for this project.

### Policy Issues

The Project is consistent with the City's Rail Policy. The Project is also consistent with the General Plan goals to promote the use of public transit, to promote walking as a commute alternative, and to promote the safe use of bicycles as a commute alternative and for recreation. Council action on this item is needed to sign a contract for this Project in order to advance it to a level of detail to allow Council to select a recommended alternative.

### Background

On November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the San Mateo County Transportation Authority (SMCTA) of the Measure A half-cent transportation sales tax and accompanying Transportation Expenditure Plan for an additional 25 years, beginning January 1, 2009 (new Measure A).

On August 5, 2013, the SMCTA issued a call for projects for the Measure A Grade Separation Program. In response to the call for projects, the City of Menlo Park (City) requested \$750,000 in Measure A funds for the Project. On November 14, 2013, SMCTA programmed funds from the Measure A Grade Separation Program for the Project.

The Project was included in the City's Capital Improvement Plan (CIP) for Fiscal Year (FY) 2015-16. The Project seeks to advance the previous work on potential grade separations along the Caltrain railroad tracks within the City to increase safety of all modes of travel. This scope of work includes evaluation of the current two preferred alternatives, the Ravenswood Avenue depression alternative and the hybrid

(partially lowered roadway and partially raised railroad tracks) alternative, per Council direction at the City Council meeting on May 5, 2015. Prior studies evaluated six total alternatives that were refined to the two alternatives that are under consideration with this project.

**Analysis**

After consulting with the City Council Rail Subcommittee on December 14, 2015, staff issued a Request for Proposals for this Project. On January 21, 2016, three consultant teams submitted proposals. A panel of City and Caltrain staff reviewed the proposals and identified the most qualified teams to invite for interviews. On February 4, 2016, City and Caltrain staff interviewed two consultant teams and selected AECOM as the most qualified team. They were determined to be the most qualified based upon their expertise in similar railroad grade separation PSRs and Community Engagement. The highest ranked consultant team for the Project, AECOM, submitted a proposal in the amount of \$631,300.

The proposed scope of work for the Project (Attachment A) consists of data collection and review; community engagement; identification and evaluation of grade separation conceptual designs; and preparation of draft and final Project Study Report (PSR) and 15 percent design plans. The community engagement process will include at least three public outreach meetings, seven Council and/or Commission meetings, three-dimensional graphic renderings and/or video simulations, and extensive communications with the various stakeholders. The Project goals are to reduce traffic congestion through grade separation of rail traffic from other modes, maintain local access and circulation as much as feasible, and improve safety at the railroad crossing. The Project would allow the City Council to identify a recommended alternative and identify future studies, permits, potential funding sources and other special requirements that will be required to advance the grade separation to the environmental phase.

Staff requests that City Council authorize the City Manager to enter into all necessary agreements, such as revisions to the funding agreement with Caltrain, and contract amendments, such as minor modifications to the scope of work, that do not require modifications to the budget.

Some key milestones for the project are shown below	
Sign Agreement	March 15, 2016
First Community Meeting	Spring 2016
Status Report to Council	Summer 2016
Draft Project Study Report to Council	Fall 2016
Final Report	March 2017

Other recently completed and upcoming projects that will be closely coordinated with this Project include the Middle Avenue Bicycle and Pedestrian Grade Separation, the Alma/Ravenswood median treatments, Caltrain Electrification, and High Speed Rail planning.



### Impact on City Resources

The Project was approved and included in the CIP for FY 2015-16, with a total budget in the amount of \$750,000. Through the Measure A Grade Separation Program, the SMCTA will reimburse the City up to \$750,000 for the Project. Including contingency and staff time, the total budget is \$825,000. The City's CIP and High Speed Rail Coordination budget have sufficient funds for this Project and the Measure A funds will be paid to the City on a reimbursable basis.

The budget for the Project consists of the following:

Ravenswood Avenue Grade Separation Project Study Report	
Consultant Contract Amount	\$631,300
Contingency (4%)	\$27,700
City and Caltrain Staff Time	\$166,000
<b>Total Budget Approval</b>	<b>\$825,000</b>

### Environmental Review

The Project is categorically exempt under Class 6 of the current State of California Environmental Quality Act Guidelines, which allows for information collection, research, and resource evaluation activities as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. The results of the Project will identify required environmental reviews and studies required to advance the project.

### Public Notice

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

### Attachments

- A. Scope of Work
- B. Potential Study Area Map and Project Location

Report prepared by:  
Angela R. Obeso, Associate Engineer

Report reviewed by:  
Nikki H. Nagaya, Transportation Manager

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The City of Menlo Park's (City) four at-grade railroad crossings (Ravenswood Avenue, Oak Grove Avenue, Glenwood Avenue, and Encinal Avenue) are part of the Project scope. The Ravenswood Avenue crossing experiences the highest traffic congestion conditions of all four at-grade crossings and is the highest priority location within the City for consideration of a grade separation. Ravenswood Avenue serves as a main east-west connector between US101 and El Camino Real. This crossing handles high volumes (approximately 24,000 average daily vehicles) of vehicle, bicycle, and pedestrian traffic; is immediately adjacent to the Menlo Park Caltrain station and transit center; and is within walking distance to many employment centers. Additionally, many local residents use this crossing location to travel between their homes, schools, shopping, and recreational venues.

Meanwhile, the Caltrain Modernization project to electrify the tracks has progressed, with completion of construction anticipated in 2019 followed by the California High-Speed Rail (HSR) in the not too distant future. Although the City Council's current position regarding the California HSR only supports a two-track alignment through Menlo Park using a HSR blended system, all designs will consider future Caltrain electrification and HSR options and will evaluate the impact of accommodating a potential third passing.

The goals of the Ravenswood Avenue Grade Separation project are to reduce traffic congestion, maintain or improve local access and circulation, and improve safety at the railroad crossing. The Project will evaluate two possible alternatives: 1) a Ravenswood Avenue Undercrossing that maintains the existing train tracks at their current profile and alignment and that completely depresses Ravenswood under the Caltrain tracks; and 2) a hybrid or split alternative that partially raises the Caltrain tracks and partially depresses four intersecting roadways at Ravenswood, Oak Grove, Glenwood, and Encinal Avenues. Although the City Council's current position regarding the California HSR, only supports a two-track alignment through Menlo Park using a HSR blended system, all designs will consider future Caltrain electrification and HSR options and will evaluate the impact of accommodating a potential third passing track.

This document summarizes the scope of service for preparation of the Ravenswood Avenue Grade Separation Preliminary Engineering, Public Outreach, and Project Study Report (Project) in the City of Menlo Park. The Scope of Services is broken down into the following tasks:

- Task 1: Project Management
- Task 2: Data Collection and Review
- Task 3: Community Engagement
- Task 4: Identify and Evaluate Grade Separation Conceptual Designs
- Task 5: Prepare Draft and Final Project Study Report and 15% Plan Set

### **Task 1 – Project Management**

#### Project Administration

AECOM will provide project management for each task for the duration of the Project (assumed to be 12 months). Management activities will consist of administration, coordination, scheduling, and quality control, as follows:

- Create a Project Execution Plan (PXP) which includes scope, budget, team organization, roles, contacts, production standards, a project schedule, deliverables, and quality control procedures.
- Supervise, coordinate, and monitor activities and product development for conformance with City and Caltrain standards.
- Interface with City staff to assure format consistency of all deliverables.
- Coordinate in-house design staff and subconsultants to facilitate the free and timely flow of information for each task.
- Prepare a monthly invoice and progress report.
- Develop and maintain a detailed Critical Path Method (CPM) schedule using Microsoft Project. An updated schedule will be provided on a monthly basis.

#### Performance and Quality Monitoring

As part of the PXP described above, a Project-specific Quality Assurance Plan (QAP) will define the requirements for Independent Technical Reviews (ITRs) and Detail Check Reports (DCRs) for all draft and final work products including the work produced by our subconsultants. The QAP will outline the quality assurance procedures and

protocols we will use to make sure that all work performed on the Project is checked and that all deliverables undergo an ITR and DCR before submittal to the City.

#### Design Coordination Meetings

AECOM will prepare for and attend a kick-off meeting and various design coordination meetings with the City and other stakeholders. AECOM will prepare and submit a meeting agenda in addition to preparing and distributing meeting minutes for these meetings. Below is a list of proposed design coordination meetings and the assumed number of meetings for each.

- Kick-off meeting (assumed 1): review scope, schedule, quality procedures and project staffing. Attendees will include AECOM, APEX and City staff and may include staff from Caltrain.
- Design team coordination conference calls (biweekly, assumed 24): coordinate on action items, deliverables and schedule. These meetings will be conducted via teleconference with the project team.
- Progress meetings with the City and Project Coordination Meetings with other agencies (monthly, assumed 12 total): confirm project objectives, scope, approach, milestones, schedule, staffing, support services and coordination requirements as well as inform stakeholders of project progress and issues. These meetings will be conducted via teleconference or in person at either AECOM or City offices.

#### **Task 1 Deliverables:**

- Project Execution Plan
- Project schedule with monthly updates
- Meeting materials (agenda, minutes, etc.)
- Monthly invoices and progress reports
- Quality control documentation

#### **Task 2 –Data Collection and Review**

AECOM will collect data to accurately depict the Project site's existing conditions. The data collection will lead to a well-defined cost estimate and a more complete summary of the impacts of the design alternatives.

#### Field Review

AECOM will conduct an initial site visit to identify the unique features that will affect design and construction. Field review information on existing key features will be measured as needed, and the site will be observed during peak hours to understand traffic patterns. This data will be critical to determining how existing facilities will affect the alternatives considered.

#### As-Built and Development Plan Research

Existing as-built data for roadways and adjacent facilities will be researched and compiled to document issues such as subsurface geotechnical conditions, groundwater levels, and adjacent foundations. This research will serve as one of the resources for establishing the existing conditions of the Project site. In addition, development site plans near or within the Project limits will be obtained from the City and reviewed.

#### Review Existing Studies

AECOM will review existing studies and reports to ensure that the issues identified in these studies are addressed. These studies include:

- Report to City Council on Menlo Park Grade Separation & New Station Feasibility Study, dated June 5, 2003
- Menlo Park Grade Separation Feasibility Study Supplement for Ravenswood, Oak Grove, Glenwood, and Encinal Avenues, dated September 2, 2004
- City of Menlo Park Rail Policy and Position Statement
- Alma Street and Ravenswood Avenue Trial Staff Report, dated May 5, 2015
- Other reference documentation listed in the Request for Proposal

#### Traffic Data Collection and Review

Vehicular traffic congestion at the crossing and the safety of pedestrians and bicyclists at the Ravenswood Avenue Grade Crossing and in the Menlo Park Station Area are important contextual factors in the study area. In order to

establish a firm understanding of existing conditions, the AECOM team will gather the following existing data within the project area using the sources listed below:

- Collision data adjacent to and at-grade crossings of the railroad tracks at Ravenswood Avenue, Oak Grove Avenue, Glenwood Avenue, and Encinal Avenue, sourced from Statewide Integrated Traffic Records System (SWITRS) or other readily available data source, such as recent collision reports from the City. (This scope assumes that any data provided by the City will be in editable database digital format such as Microsoft Excel or similar software and be representative of a consistent data collection timeframe in the past five years.)
  - SWITRS data from 2010 to 2015 time frame to be collected from the following website:  
<https://www.chp.ca.gov/programs-services/services-information/switrs-internet-statewide-integrated-traffic-records-system>
- Traffic counts and summary of existing peak hour intersection operations at up to ten (10) study intersections sourced from Appendix B of the ConnectMenlo General Plan. The AECOM team will conduct level of service analysis using the SYNCRO software program with base models provided by the City. Collection of any new count data at study intersections is not included in this scope of services.

The AECOM team will also visit the site to observe existing peak period vehicle, bicycle and pedestrian operations and overall station access patterns. This data will be presented and summarized in a series of tables suitable for use in PowerPoint.

#### Right-of-Way Research

Using existing record map information, the properties in the vicinity of the proposed grade separation will be mapped, and a list of property owners and stakeholders will be compiled. Alternatives will be evaluated based on potential right-of-way impacts, including estimated areas of acquisition and easements in addition to access modifications. Property surveys and title searches are not included in this scope of services.

#### Utility Research

To augment the utility database of the area, AECOM will conduct an Underground Service Alert (USA) inquiry to identify the utility companies with facilities within the project area. We will then issue a notice-of-intent (NOI) to utility owners via written correspondence under City letterhead to request the most recent as-built information. Based on information received from utility owners, the AECOM team will compile a utility map and matrix to identify existing utilities within the Project limits. This initial utility information will become the basis for tracking and coordinating with utilities throughout Project development.

This task assumes that utility research activities in the field will be limited to areas accessible by the general public and no a Caltrain Property Access Agreement will be required. In addition, no potholing of utilities will be conducted.

#### Design Criteria

UPRR and Caltrain have operational requirements and constraints associated with track design and rail operations that will be part of the design criteria. The design criteria and operational constraints will be used in the risk matrix to screen and evaluate alternatives.

#### Base Map Preparation

Field survey information of existing key features will be collected from as-built information made available from the City and Caltrain. The data will be critical in determining how existing facilities could affect different alternatives. This scope of services assumes that topographic mapping and digital terrain modelling data gathered by Caltrain along the rail corridor for the electrification project will be available and no field survey will be conducted. If the Caltrain mapping not sufficient to cover the project area, it will be augmented with publically available aerial images.

#### **Task 2 Deliverables:**

- Traffic Data Tables
- Design Criteria

### **Task 3 – Community Engagement**

An outreach process designed to keep the community informed and to solicit input from a broad range of stakeholders will be an integral part of this Project. Stakeholders include local residents and businesses in proximity to downtown Menlo Park and organizations that represent special interest groups such as bicyclists (including commuter and recreational bicyclists). Many community interests need to be considered in this Project in addition to the more formal interests of local agencies such as Caltrain, the Joint Powers Board (JPB), UPRR, the CPUC, Menlo Park Fire Protection District, Chamber of Commerce, SFPUC, and the San Mateo County Transportation Authority (SMCTA).

#### **Development of Community Engagement Plan**

The AECOM team will develop a Community Engagement Plan outlining project goals, messages, tools and techniques, project protocols, an anticipated schedule for activities, and contact information.

#### **Public Outreach Meetings**

The AECOM team will prepare for, facilitate, and attend up to three public outreach meetings. We will coordinate with the City in creating the agenda and format of the meetings, prepare presentation and meeting materials, facilitate the meetings, and write a summary of each meeting. The community outreach plan will describe details for each meeting along with objectives and presentation materials to be developed.

The breakdown of effort for the meetings is as follows:

- In addition to facilitating the meetings, APEX will prepare the agenda and format of the meetings.
- AECOM will prepare presentation and meeting materials.
- AECOM, with input and review from APEX, will prepare a written summary of each meeting that will document the issues raised and discussed at each meeting

#### **Commission and City Council Meetings**

The AECOM team will prepare for and attend up to five Commission meetings and two City Council meetings. We will assist the City in preparing presentation materials for these meetings.

#### **Project Webpage and Fact Sheets**

The AECOM team will provide the City with a Project information data sheet (Fact Sheet) that can be uploaded easily for public viewing on the City's website. The intent of the Fact Sheet is to answer many of the public's frequently asked questions about the Project. This Fact Sheet will be updated after public outreach meetings or as new information arises that needs to be disseminated to stakeholders and the community.

A project webpage will be developed and maintained by the City; however, AECOM will provide the contents to upload to the project webpage.

#### **Project Mailings**

The AECOM team will assist the City with preparation of four Project mailings based on a mailing list furnished by the City. It is assumed that the four mailings will be distributed electronically by the City.

#### **Compilation and Stakeholder Database**

In coordination with the City, AECOM will prepare a database that lists interested and concerned stakeholders. This database will be used to distribute Project materials and public notices.

#### **Community Outreach Summary Report**

The AECOM team will create a summary of the details of all public outreach meetings for the Project, including any input received from attendees and from other community input (such as emails). The report is anticipated to be ten pages or less.

#### **3D Graphic Rendering and Simulation**

AECOM will prepare 3D graphic video simulation models for both alternatives with the following views:

- Views looking north and south along of Alma Street from Ravenswood Avenue intersection

- View of the Menlo Park Station, including the historic train depot/Chamber of Commerce building
- Views looking east and west along Ravenswood Avenue

AECOM will prepare a virtual reality model using Oculus or similar technology to present one demonstration at a public outreach meeting.

**Task 3 Deliverables:**

- Community Engagement Plan
- Community Outreach Summary Reports
- Fact sheets
- Stakeholder database
- 3D video simulation model

**Task 4 – Identify and Evaluate Grade Separation Conceptual Designs**

Alternatives Development and Screening Process

After the existing information has been collected, the previous studies have been evaluated, and the key issues have been identified, AECOM will work with the City to evaluate two alternatives: 1) an undercrossing at Ravenswood Avenue (lower Ravenswood Avenue while the tracks remain at the existing grade); and 2) a hybrid alternative (partially lowers Ravenswood Avenue and other impacted streets crossing the tracks in conjunction with partially raising the tracks). Two- and three-track Caltrain and HSR operations will be considered for both alternatives, which will likely require one or more iterations during the development process based on input from the stakeholders and community. The alternatives will then undergo a screening process.

AECOM will refine alternatives based on input received from stakeholders, then summarize the costs of each alternative, and list the pros and cons in a clear and concise format to better enable the City to make a decision on a preferred alternative.

Structure Advanced Planning Studies

Structure advance planning studies are an important element of the Project’s deliverables. Both alternatives will require an underpass structure to support railroad operations. Structure evaluation during the PSR phase will consider the following key design elements:

- Structure geometry
- Foundation type
- Construction staging and traffic maintenance
- Constructability and method of construction
- UPRR/Caltrain operational constraints
- Utility clearances
- Aesthetics
- Cost

Hydraulic and Groundwater Analysis

Alternatives with a significant amount of excavation will be evaluated to determine the need for a pump station due to groundwater and surface runoff requirements. The evaluation will be summarized the PSR.

Traffic and Multimodal Access Evaluations

The AECOM team will support with the definition of alternatives process for the two preferred alternatives by conducting a qualitative traffic circulation and multimodal access evaluation of the alternatives focused on the following factors and considerations:

- ADA access in accordance with Caltrans standards and guidelines on Accessibility and the 2010 ADA Standards for Accessible Design
- Safety for bicycles and pedestrians at crossing locations
- Vehicular circulation and access at crossing locations
- Park and ride and kiss and ride needs and access

- Menlo Park Caltrain Station access for pedestrians and bicyclists, with an emphasis on non-motorized safety and reducing conflict points with vehicular traffic and train operations
- Connections to other transit modes that serve the study area and the Menlo Park Station
- Evaluation of the magnitude of traffic impacts during construction in a narrative format

The AECOM team will summarize the results of the traffic circulation and multimodal access impacts evaluation in a technical memorandum and will provide support on the evaluation factors and metrics by reviewing and providing input, via email or conference call, on any documentation or analysis on this topic.

#### Constraints Analysis

A preliminary Project constraints analysis will be prepared. This analysis will determine the critical Project-specific issues that could affect feasibility, cost, and constructability. Any grade separation alternative will require significant coordination with rail operators to minimize operational impacts during and after construction. Impacts to future rail improvements, such as electrification, HSR, and a third passing track will also be considered.

Within the Project limits, the Caltrain's existing Menlo Park Station has historical significance and provides connections to other transit modes. Maintaining the existing facility and operations at the Station will need to be a part of the constraint analysis. Examples of other possible constraints include:

- UPRR and Caltrain operations
- Environmentally sensitive areas
- Rights-of-way, including access to properties
- Community and stakeholder concerns
- Visual and noise impacts
- Existing utilities
- Construction phasing
- Near-term and future grade separation impacts to adjacent crossings within the City limits
- Future pedestrian crossing impacts at Middle Avenue
- Natural waterways, such as San Francisquito Creek
- Funding

Using the utility map and matrix developed in Task 2, a utility conflict analysis will be conducted to identify existing utilities impacted by each alternative, and the impacts will be categorized as high or low risk.

#### Economic and Community Impact Analysis

AECOM's economic and community impact (ECI) analysts will provide an impact analysis that will summarize our findings and if necessary include appropriate allowances in the construction cost estimate to account for the project's potential short term adverse economic impacts (e.g. from business interruption or displacement). The analysis will also consider the potential positive short-term employment and revenues economic impacts from the construction on the City's economy as well as the various expected long-term economic benefits for the Menlo Park Business District.

The ECI analysis will primarily focus on developing preliminary high-level assessment of the potential costs and benefits of the project. At this stage, it is expected that the ECI analysis would be predominantly qualitative with any key differences between alternatives noted. If possible, some order of magnitude estimates may be developed to provide an indication of relative impact magnitudes between impact types and/or between the conceptual alternatives. When appropriate the ECI will identify typical state and federal approved methodologies and unit benefit values generally applicable for more detailed ECI analysis. The ECI analysis will also be careful to consider the potential differences between peak and off-peak periods when the traffic performance differences between the alternatives may be greatly reduced.

Benefit factors to be considered will include the aggregate travel time savings for private and commercial vehicles using the rail crossing from reduced waiting times and traffic congestion. The potential related benefits of avoided fuel cost savings and air quality impacts of reduced traffic idling would also be assessed. The potential for future safety benefits from the improved rail crossing will also be investigated. The potential applicability of other economic and community impacts such as reliability, liveability and community cohesion would also be qualitatively assessed.



Given the relatively limited nature of the traffic improvement, the effects on the Menlo Park Business District's market area and workforce access between the alternatives maybe expected to be very minor. Nonetheless, the CBI will assess the expected positive influence on the District's future economic development. The CBI will also qualitatively assess the potential benefit from the possible increased operation of the Menlo Park Caltrain station that could occur with a future grade-separated crossing.

The ECI analysis findings will be primarily presented in a matrix that will facilitate comparisons between alternative by benefit type and provide concise identification of each cost's and benefit's expected type and relative magnitude.

#### Construction Methods and Techniques

AECOM will evaluate potential construction methods and techniques. This will include evaluating impacts to possible future grade separations at all four project crossings for both alternatives. Our evaluation will consider future Caltrain electrification and HSR options and the evaluation of the feasibility and general impacts of accommodating a potential third passing railroad track through Menlo Park.

#### Preliminary Cost Analysis and Cost Risk Assessment

AECOM will prepare Preliminary Construction Estimates for the two alternatives. Estimates will be prepared using a format acceptable to the City and Caltrain. The cost estimate will identify construction work items, quantities, unity costs, and summarize the estimate total Project cost, including allowances for supplemental work, owner furnished materials, expenses, mobilization, contingencies and escalation.

An analysis will be conducted to evaluate the risk associated with the estimated Project cost. Although the normal practice of adding a Project contingency amount would provide a good basis for estimating the cost impact of the unknown and unquantifiable improvements during this phase of the Project, that practice does not factor in other effects such as labor and material price escalation, institutional and regulatory changes, unanticipated environmental mitigations, and disproportional changes in right-of-way costs. A qualitative and quantitative analysis of each potential risk factor will be conducted. The final estimated Project cost will include due considerations for these risks with appropriate factors applied to the Project cost to provide a mean average within standard deviation for Project cost estimates.

#### Selection of a Preferred Alternative

After completion of the evaluation for the two alternatives, AECOM will summarize all of the elements (overall cost, benefits, safety, business impacts, constructability, right-of-way, operations, traffic circulation, access, future improvements) in a matrix format. Based on this evaluation and feedback from all stakeholders, the City Council will select a preferred alternative with the most beneficial features and, at the same time, the fewest obstacles for achieving a successful Project. In addition, a summary of our assessment of the two alternatives will be documented in a white paper, which will be a precursor to preparation of the PSR. The white paper will also document alternatives previously considered in other historical reports as well as outline the anticipated coordination process required by Caltrain, JPB, and UPRR during project development.

#### **Task 4 Deliverables:**

- Structure Advance Planning Study
- Traffic Circulation and Multimodal Access Evaluation Technical Memorandum
- Economic and Community Impact Analysis Technical Memorandum
- Cost estimates
- Constraint matrix and white paper
- Utility conflict matrix

#### **Task 5 – Project Study Report and 15% Plan Set**

A PSR will be prepared, including the 15% conceptual design plans, which will encompass all of the aforementioned elements, with a focus on providing the necessary information to prepare a complete funding package. AECOM will submit a Draft PSR, receive and review stakeholder comments, address the stakeholders' comments, and then finalize the PSR. The intent of the Final PSR is to provide a realistic cost estimate for the preferred alternative.

In general, the following topics will be covered in the PSR.

- Introduction

- Recommendation
- Background
- Purpose and Need
- Viable and Rejected Alternatives
- Phased Construction Opportunities
- Preliminary Plans
- Traffic Studies
- Preliminary Cost Estimates
- Funding/Scheduling
- Right-of-Way Requirements
- Other Considerations

Conceptual design plans will be developed in a well-organized fashion and to a level of detail that will identify key issues and ultimately allow the City to make a smooth transition into final design. The 15% plan set will include the following drawings:

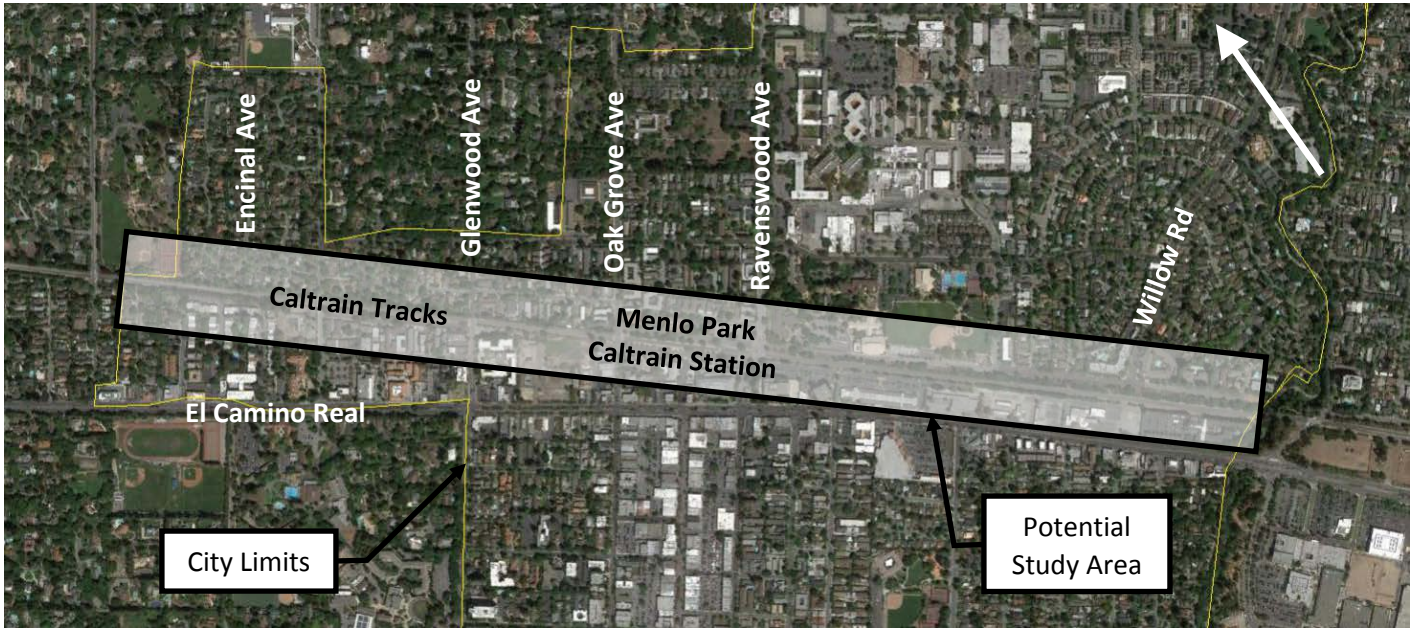
- Title sheet
- Typical cross sections
- Roadway plan and profile (including right-of-way and utilities)
- Railroad plan and profile (including right-of-way and utilities)
- Structural general plan

Task 5 Deliverable:

Draft and Final Project Study Report with 15% plan set

**Task 6 – Optional Services**

AECOM can provide additional services on an as-needed basis with written approval from the City. An allowance is identified for these services and these services could include additional meetings, traffic analysis, technical studies, exhibit preparation, estimates or alternative analysis/development.



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## STAFF REPORT

### City Council

Meeting Date:

3/15/2016

Staff Report Number:

16-054-CC

Consent Calendar:

**Adopt a resolution supporting the City's Shuttle Program for application for the San Mateo County Shuttle Program FY 2016-17 & FY 2017-18 funding and authorize the City Manager to enter into funding agreements**

### Recommendation

Staff recommends that the City Council adopt a resolution (Attachment A) in support of the Citywide Shuttle Program, for the recently submitted grant application for the San Mateo County Shuttle Program fiscal year 2016-17 & fiscal year 2017-18 to continue funding for operations and administration of the program and authorize the City Manager to enter into funding agreements.

### Policy Issues

This project is in line with several policies in the current General Plan Circulation Element. These policies seek to promote the use of public transit and to promote the use of alternatives to the single-occupant automobile. The grant requires an adopted resolution of support by the City Council as part of the application.

### Background

The City of Menlo Park manages an extensive shuttle program that provides alternative transportation service to many residents, employees, and visitors. The program is primarily funded by grants provided by San Mateo City/County Association of Governments (C/CAG), and the Metropolitan Transportation Commission (MTC), via the San Mateo County Transit District (SamTrans). These funds are typically made available following the successful completion of a competitive application process, an executed agreement between parties, and a demonstrated adherence to the agreement details.

On December 14, 2015, the San Mateo County Transportation Authority (SMCTA) and C/CAG issued a joint call for shuttle projects for fiscal years 2016-17 and fiscal year 2017-18. The Program includes \$10,000,000 for this two-year funding cycle, and direct costs for operations, marketing, and administration of shuttles are eligible for funding. Applications were due February 12, 2016, and the Transportation Authority allows for Council resolutions to follow application submission. The City's Shuttle Program is currently supported by a grant through this program, expiring June 30, 2016.

The City of Menlo Park manages an extensive shuttle program that provides "around town" transportation to many residents, employees, and visitors. The program includes the following services:

- Two fixed-route, peak-hour shuttles that travel between the Caltrain station and the business parks and office complexes along Marsh Road and Willow Road;

- The Midday shuttle, which provides transportation to medical facilities, Little House, Menlo Park Senior Center, downtown Menlo Park, the main library, the Belle Haven library, Safeway, the Caltrain station, the Veterans Affairs medical center, Stanford Shopping Center, and several senior housing facilities.
- Shoppers’ Shuttle is a curb-to-curb service which operates twice a week providing transportation to Little House, Menlo Park Senior Center, downtown Menlo Park, the main library, Sharon Heights Shopping Center, Safeway, and the Caltrain station.

**Analysis**

By applying for funds through the San Mateo County Shuttle Program Call for Projects, the City of Menlo Park is seeking to ensure the continuation of the City’s shuttle program.

The City’s proposed application includes continuation of the current services, with schedule and route adjustments to the Midday Shuttle based on performance metric results.

The effectiveness of the City’s Shuttle Program is measured by two performance metrics, the average number of riders and the cost per rider, as compared to benchmarks for the type of service. The table below summarizes these metrics for each route. The benchmarks for service are set bi-annually by C/CAG and the SMCTA based on operations of the current routes in San Mateo County and shuttle management best practice information.

Shuttle Route	Passengers per Service Hour		Cost per Rider	
	Actual (FY 2014-15)	Service Benchmark	Actual (FY 2014-15)	Service Benchmark
Marsh Road Shuttle	19	Above 15	\$ 3.53	Below \$ 7.00
Willow Road Shuttle	20	Above 15	\$ 3.06	Below \$ 7.00
Midday	7	Above 10	\$ 8.51	Below \$ 9.00
Shopper’s	6	Above 2	\$14.28	Below \$16.00

Note: fiscal year 2014-15 data is presented as the most recent complete fiscal year.

As shown, the program’s cost effectiveness (cost per rider) exceeds the County’s standards for the all routes. The ridership (passengers per service hour) generated by the each route in the City’s program exceeds the benchmarks with the exception of the Midday route. The passengers per service hour of the Midday Shuttle is three (3) passengers under the given benchmark for community service.

Per the grant application requirements for existing shuttles not meeting established benchmarks, the City of Menlo Park consulted with SamTrans operations planning staff for shuttle technical assistance to improve the Midday shuttle service.

In efforts to increase ridership and better serve residents and visitors of Menlo Park, the following changes are being proposed starting in fiscal year 2016-17 based on SamTrans recommendations:

- Currently runs Monday - Friday from 9:30 am – 1:30 pm
- Current Route: One route servicing entire City in a 2-hour loop
- Starting fiscal year 16-17, proposed service changes include:



- Service hours expanded to between 6:30 am and 4:30 pm
- The Midday Shuttle would no longer serve as one route, but rather will be split into two routes servicing areas east and west of El Camino Real in Menlo Park, connecting at the Menlo Park Caltrain. These changes allow a shorter route, with more frequent service. The Menlo Park Caltrain Station would be the transfer point for both shuttles

Therefore, in the program application for fiscal year 2016-17 and fiscal year 2017-18, the City is proposing to adjust the Midday Shuttle service to offer two routes. Route A would service the City east of El Camino Real, including the Senior Center, the VA, and Crane Place. Additionally, Route A would also provide an opportunity to service Menlo-Atherton High School (MAHS) during the first morning run, providing a new connection from Belle Haven to MAHS.

Route B would service the City west of El Camino Real including downtown, Crane Place, Sharon Heights, Stanford Shopping Center, Little House, and the Palo Alto Caltrain station. Route B would also help close the gap in service with the elimination of SamTrans Route 295 in 2014. SamTrans had replaced Route 295 service with two routes operating since 2014:

- Route 286 runs between Menlo Park Caltrain and Sharon Heights and is considered a lifeline route between Sharon Heights, Menlo Park Caltrain, and MAHS. This service runs only during peak commute and school hours (7:00 to 9:00 am and 3:00 to 5:00 pm).
- Route 86 runs between MAHS, Sharon Heights and Portola Valley. This service runs only during school hours (7:00 to 9:00 am and 3:00-4:00 pm)

Based on SamTrans evaluation of these routes and community feedback since they were initiated in 2014, a service gap still exists, especially for low-income seniors in Sharon Heights. As such, an expansion to the City’s Shuttle Program is proposed as part of this grant call.

Similar to the last Measure A Call for Projects for fiscal year 2014-15 and fiscal year 2015-16, the program requires a local match of at least 25 percent of the total project cost. The match can come from other grant sources or local City funds. The City’s program is currently funded through a variety of sources, including grants from C/CAG, the Metropolitan Transportation Commission’s (MTC) Lifeline Grant Program (through fiscal year 2017-18), and the City’s Shuttle Developer Fee. Table 1 below indicates the estimated program budget for the next two-years (fiscal year 2016-17 and fiscal year 2017-18), since the San Mateo County Shuttle Program is administered in a two-year cycle.

Shuttle Route	FY 2014-15 Actual	FY 2015-16 Budget	FY 2016-17 Proposed Budget	FY 2017-18 Proposed Budget
Marsh Road Shuttle	\$162,667	\$168,179	\$186,973	\$191,035
Willow Road Shuttle	\$166,942	\$172,563	\$125,149	\$128,279
Midday	\$220,688	\$228,187	\$524,1321	\$533,2561
Shopper’s	\$ 54,985	\$ 56,809	\$ 39,063	\$ 40,250
<b>Total</b>	<b>\$605,283</b>	<b>\$625,738</b>	<b>\$875,317</b>	<b>\$892,811</b>

Note: fiscal year 2014-15 data is presented as the most recent complete fiscal year. Proposed budget accounts for increase in service hours.

Of the proposed fiscal year 2016-17 and fiscal year 2017-18 budget amounts, if awarded, the San Mateo



County Shuttle Program will fund up to 75 percent of the program cost. Additionally, program funds come from the sources outlined in Table 2 below:

Table 2: Allocation of Program Cost by Source Fund					
Funding Source	TA and C/CAG Request	MTC Lifeline Award	Developer Fees <sup>1</sup>	Local Match	Total
2016-17	\$656,488	\$117,000	\$65,300	\$36,529	\$875,317
2017-18	\$669,615	\$124,000	\$65,300	\$33,906	\$892,821
<b>2 Year Total</b>	<b>\$1,326,103</b>	<b>\$241,000</b>	<b>\$130,600</b>	<b>\$70,435</b>	<b>\$1,768,138</b>

<sup>1</sup> The City collects approximately \$65,300 per year from developer-required contributions to the City’s shuttle program, for a total of approximately \$130,600 over this funding period.

As described and shown in the table above, the City was awarded a MTC Lifeline Grant through fiscal year 2017-18 for the Midday Shuttle. Additionally, while the City collects annual contributions towards the Shuttle Program from developer-required fees, these contributions are not adequate to cover the remaining operation costs. Therefore, the shortfall, totaling \$70,435, would need to be covered through use of Measure A funds.

**Impact on City Resources**

The estimated total annual cost of the Marsh Road, Willow Road, Midday and Shoppers’s Shuttle services is \$875,317 in fiscal year 2016-17 and \$892,821 in fiscal year 2017-18. The funding for the City’s share of 25 percent comes from the MTC Lifeline Grant Program, the City’s Shuttle Developer Fee and potentially Measure A funds.

**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 the agenda items being listed, at least 72 hours prior to the meeting.

**Attachments**

- A. Draft Resolution Supporting the City’s Shuttle Program and the Recently Submitted Application for San Mateo County Shuttle Program Funding

Report prepared by:  
 Jessica Almanza, Acting TSM Coordinator  
 Octavio Duran Jr., Assistant Engineer

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





**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
SUPPORTING THE CITY'S SHUTTLE PROGRAM AND THE RECENTLY  
SUBMITTED APPLICATION FOR SAN MATEO COUNTY SHUTTLE  
PROGRAM FUNDING**

RESOLVED by the City Council of Menlo Park that

WHEREAS, there is a need for "around town" transportation to serve many residents, employees and visitors, and

WHEREAS, City of Menlo Park manages an extensive Shuttle Program to provide commuter service to and from the Menlo Park Caltrain station and community shuttle service to link residents to vital community services and destinations, and

WHEREAS, the cost of the City's Shuttle Program is estimated to be \$1,768,138 over fiscal years 2016-2017 and 2017-2018, and

WHEREAS, the City wishes to sponsor the City's Shuttle Program, and

WHEREAS, the City seeks \$1,326,103 for the Program in fiscal years 2016-2017 and 2017-2018, and

WHEREAS, on June 7, 1988, the voters of San Mateo County approved a ballot measure to allow the collection and distribution by the San Mateo County Transportation Authority (TA) of a half-cent transactions and use tax in San Mateo County for 25 years, with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters (Original Measure A); and

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the TA the half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009 (New Measure A); and

WHEREAS, the Board of Directors of the City/County Association of Governments (C/CAG) of San Mateo County at its February 14, 2002 meeting approved the Congestion Relief Plan and subsequently reauthorized the Congestion Relief Plan in 2007, 2010, and 2015; and

WHEREAS, a component of the C/CAG Congestion Relief Plan is to support Local and Employer Based Shuttle Programs; and

WHEREAS, the TA and C/CAG issued a joint Call for Projects for the San Mateo County Shuttle Program on December 14, 2015, and

WHEREAS, the TA and C/CAG require a governing board resolution from the City in support of the City's application for \$1,768,138 from the San Mateo County Shuttle Program for the City's Shuttle Program, and

WHEREAS, TA and C/CAG require a governing board resolution from the City committing the City to the completion of the City's Shuttle Program, and

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

1. Directs staff to submit an application for funding from the San Mateo County Shuttle Program for \$1,326,103 for the City's Shuttle Program.
2. Authorizes the City Manager to execute a funding agreement with the San Mateo County Transportation Authority to encumber any Measure A Local Shuttle Program funds and/or City/County Association of Governments Local Transportation Services Program funds awarded.
3. Let it be known the City commits to the completion of the City's Shuttle Program if awarded the requested funds from San Mateo County Shuttle Program.

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 first day of March, 2016, 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 first day of March, 2016.

---

Pamela Aguilar  
City Clerk



**STAFF REPORT**

**City Council**

**Meeting Date:**

**3/15/2016**

**Staff Report Number:**

**16-052-CC**

**Consent Calendar:**

**Authorize the City Manager to enter into agreements with Casey Construction, Express Plumbing, and Farallon Company for on-call routine and emergency water system services for the Menlo Park Municipal Water District (MPMWD)**

**Recommendation**

Staff recommends that the City Council:

1. Authorize the City Manager to enter into four-year agreements with Casey Construction, Express Plumbing and Farallon Company for on-call routine and emergency water system services for the Menlo Park Municipal Water District (MPMWD), and
2. Authorize the City Manager to extend the agreements on a yearly basis for up to three additional years.

**Policy Issues**

The proposed action is consistent with City purchasing policies.

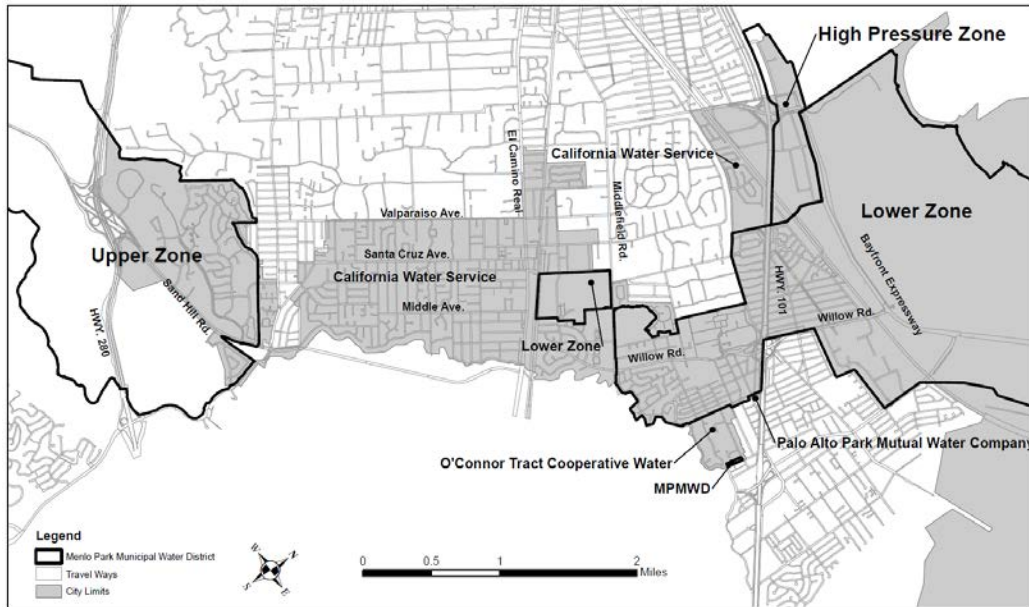
**Background**

MPMWD provides water to approximately 16,000 residents through 4,300 service connections within two service areas (see map on the next page). MPMWD's distribution system consists of 63 miles of water main ranging in diameter from 1-inch to 16-inches, 3 pressure zones, 2 storage tanks, 366 fire hydrants, and 1,392 valves.

On May 22, 2012, the City Council approved four-year agreements with Casey Construction, Pacific Underground Construction, Inc., and West Valley Construction for on-call water system services with the option to extend the agreements for three additional years. Over this past year on several occasions, staff found that two of the three contractors were unavailable for emergency work due to other large projects on which they were working. In order to have multiple contractors available to assist staff for routine and emergency on-call water system services, staff believed that it was necessary to release another request for proposal.

On January 14, 2016, staff issued a request for proposal to 13 contractors that have experience providing on-call emergency services to other local water agencies. The scope of work included both routine and emergency services. Routine services include such activities as installing new fire hydrants, valves and service laterals, including associated asphalt or concrete repair. Examples of emergency services include repairing damaged fire hydrants or fixing water main breaks, and these emergencies can occur 24/7, including after business hours, weekends and holidays.

### MPMWD Water Service Areas



### Analysis

Staff received three proposals from Casey Construction, Express Plumbing, and Farallon Company. Casey Construction has a current agreement with the City and staff has been satisfied with their quality of work and responsiveness. Staff has experience with Express Plumbing who has installed water services for some of the City’s water customers. Staff also has experience with Farallon Company who has recently repaired a water main break and concrete sidewalk. All three contractors have performed quality work and are familiar with City standards.

Staff has observed that each company has different strengths for different aspects of water system construction activities. Express Plumbing is a larger company with the ability and flexibility to provide 24-hour services, and they have a larger and more diverse fleet to handle a broad range of construction activities, such as paving. Casey Construction has also proven to be responsive and effective in handling smaller jobs. Farallon Company is a company with competitive rates whose key employees have extensive experience in underground pipeline construction.

Staff believes that it would be prudent to enter into agreements with all three contractors to ensure availability of services at all times and to expand the pool of contractors to maintain competitive pricing. Staff recommends that the City Council authorize the City Manager to execute the agreements for a four-year term, with an option to extend the agreements on a yearly basis for up to three additional years. Rates for any agreement extensions will be subject to increase per the San Francisco Bay Area Consumer Price Index.

### Impact on City Resources

Funds for routine and emergency on-call services are budgeted and funded by the Water Fund. Based upon past history, staff anticipates that these services will not exceed \$200,000 annually.



**Environmental Review**

Environmental review is not required.

**Public Notice**

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

**Attachments**

None

Report prepared by:

Sally Salman, Assistant Engineer

Pam Lowe, Senior Civil Engineer

Reviewed By

Ruben Niño, Assistant Public Works Director

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**STAFF REPORT**

**Planning Commission**

**Meeting Date:** 3/15/2016  
**Staff Report Number:** 16-044-CC

**Consent Calendar:** **Authorize the City Manager to approve a contract with ICF International in the amount of \$255,660 and future augments as may be necessary to prepare an Infill Environmental Impact Report for the Middle Plaza at 500 El Camino Real Project**

**Recommendation**

Staff recommends that the City Council authorize the City Manager to approve a contract with ICF International in the amount of \$255,660, and future augments as may be necessary, to prepare an Infill Environmental Impact Report (EIR) for the Middle Plaza at 500 El Camino Real Project based on the proposal included as Attachment A.

**Policy Issues**

The proposed project will ultimately require the Planning Commission and City Council to consider the proposed land use entitlements, including the architectural control request. 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. The Infill EIR will assist the Council in making decisions on these actions. Authorizing the proposed Infill EIR contract will have no bearing on future Council action on the proposed development.

**Background**

**Site location**

With El Camino Real in a north-south orientation, the subject site is located on the east side of El Camino Real near Roble Avenue and Harvard Avenue. The project site consists of six legal parcels totaling approximately 8.4 acres, currently addressed 300 through 550 El Camino Real. The overall project site adjoins El Camino Real at the front and the Caltrain rail corridor at the rear. There are currently no active uses on the project site, with the exception of a temporary art exhibition space at 300 El Camino Real.

The project site is within the El Camino Real/Downtown Specific Plan (“Specific Plan”) area. The overall intent of the Specific Plan is to preserve and enhance community life, character and vitality through public space improvements, mixed-use infill projects sensitive to the small-town character of Menlo Park, and improved connectivity. The Specific Plan reflects the outcome of an extensive community outreach and engagement process, which took place between 2007 and 2012.

**Earlier submittals**

The applicant, Stanford University (“Stanford”), submitted an initial project application in November 2012 to demolish the existing buildings and site improvements, and to redevelop the site with a mixed-use development. This initial proposal included approximately 229,500 square feet of office uses (including

96,150 square feet of medical office), 10,000 square feet of retail, and residential uses in the range of 136 to 152 units. Subsequent revisions to the proposal were presented in response to feedback/recommendations from the Planning Commission, City Council, and Council subcommittee.

On August 27, 2013, the City Council accepted a final report from the subcommittee and approved proposed scopes of work for the project's traffic analysis. The traffic analysis evaluated a revised proposal that included approximately 199,500 square feet of office uses (with no medical office uses), 10,000 square feet of retail, and 170 residential units, with the intent of determining if the effects of the proposed project would be consistent with the impacts identified in the Specific Plan EIR. The analysis concluded that project-level traffic impacts would be greater than those evaluated in the Specific Plan EIR.

Stanford has since made significant refinements to the proposed development, which is described in more detail below.

## **Analysis**

### ***Project description***

In September 2015, Stanford submitted a revised proposal to include approximately 143,226 square feet of non-medical office, 10,000 square feet of retail, and 215 residential units. The proposed development would consist of six buildings constructed above underground parking garages. A publicly-accessible open space plaza at Middle Avenue would be provided that would accommodate a future pedestrian and bicycle linkage across the railroad connecting the Middle Avenue plaza with Alma Street/Burgess Park.

### ***Project review process***

The following represents the set of public meetings required to review the project, and the likely sequencing of actions:

- City Council meeting on EIR Contract (March 15, 2016)
- Housing Commission recommendation on the Below Market Rate (BMR) proposal
- Environmental Quality Commission (EQC) review and recommendation on the Heritage Tree Removals
- Planning Commission Meeting(s) on the Draft EIR
- Planning Commission Meeting(s) on all actions
- Potential City Council Meeting(s) on all actions

### ***Environmental review***

The EIR type is designated by Senate Bill 226 guidelines as an "Infill EIR," which would allow for a streamlined environmental review process for eligible infill projects by limiting the topics subject to review at the project level. The proposed project is eligible for the Infill EIR, and the topics to be analyzed would be limited to project-level impacts that were not addressed under the Specific Plan EIR. The City has selected ICF International to prepare the Infill EIR. ICF International has extensive experience preparing environmental review analysis for other projects in Menlo Park, including the 1300 El Camino Real and Facebook Campus Expansion projects.

Based on the current proposal, the Infill EIR will analyze whether the proposed project would have significant environmental effects in the areas of:

- **Air Quality (construction):** Most air quality topics were adequately addressed in the Specific Plan EIR. However, due to the site's location, size, and relatively lengthy construction schedule, the Infill EIR will quantify construction and demolition-related emissions and include a health risk



assessment (HRA) that evaluates potential health risks to existing sensitive receptors from toxic air contaminants (TACs).

- **Noise (traffic noise):** As a result of the need to conduct additional traffic analysis (see below), the associated traffic noise will also be the subject of additional review.
- **Transportation and Traffic:** A Transportation Impact Analysis (TIA) will be prepared to evaluate potential project-level traffic impacts on neighborhood streets that were not adequately addressed in the Specific Plan EIR. Although a traffic analysis was prepared based on the earlier proposal, the current proposal and roadway conditions present significant changes from the earlier proposal and roadway conditions, to the extent that a new TIA is warranted.

As part of the streamlining efforts, the proposed Infill EIR scope anticipates that the following topics have been adequately addressed in the Specific Plan EIR, and would not be included in the EIR:

- Agricultural and Forestry Resources
- Greenhouse Gas Emissions
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use
- Mineral Resources
- Population and Housing
- Public Services and Utilities
- Aesthetics and Parking

The following is a summary of the tasks included in the proposed scope of work:

1. Peer Review of the Environmental Checklist
2. Prepare Project Description
3. Prepare and Issue Notice of Preparation
4. Administrative Draft Infill EIR
5. Screencheck Draft Infill EIR
6. Public Draft Infill EIR
7. Public Review and Hearing
8. Draft Responses to Comments and Administrative Final Infill EIR
9. Final Infill EIR
10. Certification hearings, Mitigation Monitoring and Reporting Program (MMRP), Statement of Overriding Considerations, and Administrative Record
11. Meetings
12. Project Management

The proposed budget for the scope of work provided in Attachment A is \$255,660. The costs would be borne by the applicant, although the applicant would have no control or direction over the work of the consultant. The applicant is in agreement with the scope and is prepared to pay the contract amount. The Infill EIR process would take approximately 13 months, and is anticipated to be completed in March 2017. The proposed schedule would accommodate potential project review by the Council.

Staff recommends that the Council provide the City Manager with the authority to approve future augments to the contract, if required. Any future augments would be done only with the consent of the project applicant and at the applicant's cost.

### **Impact on City Resources**

The applicant is required to pay Planning, Building, and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant is also required to bear the cost of the associated environmental review. For the environmental review, the applicant deposits funds with the City, and the City pays the consultant.

### **Environmental Review**

An Infill EIR will be prepared for the proposed project.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. In addition, the 500 El Camino Real project page is available at the following web address: <http://www.menlopark.org/172/500-El-Camino-Real-Project>

This page provides up-to-date information about the project, allowing interested parties to stay informed of its progress.

### **Attachments**

- A. Middle Plaza at 500 El Camino Real Project – CEQA Review Scope of Work, prepared by ICF International, dated March 3, 2016

### **Exhibits to Be Provided at Meeting**

None

Report prepared by:  
Jean Lin, Senior Planner



March 3, 2016

Jean Lin, Senior Planner  
City of Menlo Park Community Development Department  
701 Laurel Street  
Menlo Park, CA 94025

VIA EMAIL: [JPLin@menlopark.org](mailto:JPLin@menlopark.org) and [THRogers@menlopark.org](mailto:THRogers@menlopark.org)

**SUBJECT: Proposal to Conduct CEQA Review for the Middle Plaza at 500 El Camino Real Project**

Dear Ms. Lin,

Thank you for inviting ICF Jones & Stokes, Inc. (and ICF International company hereinafter "ICF") to submit a proposal to prepare the environmental documentation for the proposed Middle Plaza at 500 El Camino Real Project. ICF has formed our team to help the City successfully and efficiently achieve compliance with the California Environmental Quality Act (CEQA). This proposal includes our Scope of Work, Cost Estimate, and Schedule related to the preparation of an Infill Environmental Impact Report (EIR). The Scope of Work reflects the Project information provided by Menlo Park staff, vast knowledge of the area, and prior experience with similar projects. ICF's proposal is valid for 90 days from its submittal, at which time ICF reserves the right to revise the contents or extend the validity date, if needed.

The proposed Project Director is Erin Efner supported by Jessica Viramontes as Project Manager. Erin and Jessica are currently work on the Facebook Campus Expansion Project EIR together as well as several other projects throughout the Bay Area. ICF also has a strong working relationship with W-Trans, the subconsultant preparing the transportation analysis. The ICF team will work closely with City staff to coordinate, direct, and review the work and deliverables included in this scope of work.

If selected, we look forward to negotiating mutually acceptable contract terms and conditions. We look forward to working with you on this Project. If you have any questions related to this scope of services or cost estimate, please contact the Project Manager, Jessica Viramontes, at (415) 677-7108 or [jessica.viramontes@icfi.com](mailto:jessica.viramontes@icfi.com).

Sincerely,

A handwritten signature in blue ink that reads "Jodi Young".

Jodi Young  
Contracts Manager

Attachments

- A. ICF Scope of Work
- B. W-Trans Scope of Work
- C. Cost Estimate
- D. Schedule



## Attachment A ICF Scope of Work – 3/3/16

### Infill EIR

#### 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.

Stanford University (Project Sponsor) is proposing to redevelop the properties at 300 through 550 El Camino Real into a mixed-use development consisting of housing, offices, and retail (the Project). The approximately 8.4-acre Project site includes former automotive dealerships and site features (e.g., surface parking lots). The Menlo Park and Palo Alto Caltrain stations are located near the Project site. The Project site is part of the Specific Plan's ECR SE zoning district and El Camino Real Mixed Use land use designation.

The Project would demolish the existing structures and site features and construct approximately 143,000 sf of office use, 305,000 sf of residential use (215 units), and 10,000 sf of retail use at the Project site. The units would include a mixture provided for staff/faculty and at market-rate, similar to other Project Sponsor projects. In total, the Project would include approximately 458,000 sf of mixed uses; a 120-foot-wide, publicly accessible plaza at Middle Avenue; underground parking garages; onsite linkages; and landscaping. Approximately 1,005 parking spaces would be provided within underground parking garages and some surface spaces available for the proposed retail node at Middle Plaza. The Project site is within the El Camino Real South subarea of the Specific Plan.

The Project would be consistent with the Specific Plan's "Base" level standards of a total 1.25 floor area ratio (FAR), 0.625 FAR for non-medical office space, and 40 dwelling units per acre.

#### SB 226 Infill Streamlining

Section 15183.3 of the CEQA Guidelines and Section 21094.5 of the Public Resources Code (PRC), adopted per Senate Bill (SB) 226, outline the steps to streamline the CEQA process for projects that qualify as infill development. In order to qualify, a project site must be in an urban area that has been

previously developed or that has urban uses on 75 percent of the site perimeter and must meet specified performance thresholds:

- Inclusion of on-site renewable generation for the non-residential portion of the project.
- Documentation of prior or planned remediation if the site has contamination issues.
- Addressing of local air quality issues if located near a high-volume roadway or other significant air pollution source.
- If residential, must have one of the following: lower vehicle miles travelled (VMT) than regional average; be within 0.5 mile of major transit stop or high-quality transit corridor; or include 300 or fewer units with 100 percent affordable or lower income housing.
- If commercial, must have one of the following: lower VMT than regional average; or be within 0.5 mile of 1,800 dwelling units.
- If office, must have one of the following: lower VMT than regional average; within 0.5 mile of a major transit stop or within 0.25 mile of a high-quality transit corridor.

If these criteria are met, then the CEQA analysis can be limited to those where the effects of infill development have not been addressed in a planning level document or by uniformly applicable development policies. The proposed residential uses would be the predominant use of the Project site. Therefore, it is anticipated that the applicable performance thresholds for residential projects, provided above, would apply to the Project. The Project site is located within 0.5 mile of a major transit stop (both the Menlo Park and Palo Alto Caltrain stations) and, therefore, meets the residential performance thresholds.

The Office of Planning and Research's (OPR) Appendix N: Infill Environmental Checklist can be used to document eligibility and a checklist for identifying if the project effects are or are not addressed in a prior planning document or by uniformly applicable development policies. If the completion of Appendix N determines that no additional environmental review is required, in accordance with Section 15062 of the CEQA Guidelines, a Notice of Exemption (NOE) can be filed and no further CEQA review is necessary. If Appendix N identifies new specific or more significant effects, and the new impacts are less than significant or can be mitigated to less than significant, then an ND or MND could be prepared. If not, then a limited scope EIR would need to be prepared focusing on the new significant impacts.

The primary virtue of SB 226 streamlining is the ability to limit the scope of any new CEQA document.

## General Approach

Per discussions with the City, the Project Sponsor will prepare an Appendix N: Infill Environmental Checklist (Environmental Checklist) per SB 226 guidelines. It has been determined that the Program EIR will be used to streamline the CEQA review for the Project in accordance with SB 226. Therefore, it is anticipated that the Environmental Checklist, which will be prepared by the Project Sponsor, will scope out all topics but the following: Air Quality (during construction), Noise (increased traffic), and Transportation and Traffic. These topics will be included in the Infill Environmental Impact Report (EIR). The Infill EIR would be subject to the same procedures and noticing requirements as for any "normal" EIR, as described below.

This 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 B.

## Scope of Work

### Task 1. Peer Review Environmental Checklist

ICF will conduct a peer review of the Environmental Checklist prepared by the Project Sponsor. As discussed above, the Project would be consistent with the Specific Plan's "Base" level standards of a total 1.25 FAR, 0.625 FAR for non-medical office space, and 40 dwelling units per acre. Therefore, ICF currently anticipates that the Project would not result in additional impacts related to the following topics than what was analyzed in the Program EIR. As such, for the purposes of this scope of work, ICF assumes that the following topics will be scoped out from further environmental review in the Infill EIR:

- Agricultural and Forestry Resources
- Greenhouse Gas Emissions (GHG)
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use
- Mineral Resources
- Population and Housing
- Public Services and Utilities
- Aesthetics and Parking – SB 743 provides that "aesthetic and parking impacts of a residential, mixed-use residential, or employment center project on an infill site within a transit priority area shall not be considered significant impacts on the environment."

ICF will provide one set of comments on the Administrative Draft Environmental Checklist and one set of comments on the Screencheck Draft Environmental Checklist. This scope of work assumes that any revisions to the Environmental Checklist made by the Project Sponsor subsequent to ICF providing comments on the Administrative Draft Environmental Checklist will be shown in track changes in the Screencheck Draft Environmental Checklist.

#### *Deliverables*

- Electronic copies of Administrative Draft Environmental Checklist in MS Word format
- Electronic copies of Screencheck Draft Environmental Checklist in MS Word format with changes shown in redline/strikeout

#### *City Involvement*

Review ICF comments and provide to Project Sponsor.

### Task 2. Prepare Project Description

A clear and accurate Project Description is essential to the analysis, in particular to determine whether or not an infill exemption applies. Based on discussions with City staff, the Project Sponsor's application and

plans, as well as the Project Description prepared for the Environmental Checklist, ICF will prepare a Project Description that will incorporate the following topics:<sup>1</sup>

- Project Overview and Background
- Project Site Location
- Project Objectives (may not be necessary)
- Project Characteristics by including:
  - Site plan
  - Development area and uses
  - Employment levels
  - Site access, circulation, and parking
  - Transportation Demand Management (TDM) Program
  - Proposed design, architectural themes, massing, building design, potential sustainable design features, and materials
  - Amenities such as landscaping, lighting, signage, courtyards, and gathering spaces
  - Utilities
  - Recycling and Waste
  - OPR Appendix M Performance Standards
- Description of the Program EIR
- Phasing and Construction Scenario
- Project Approvals and Entitlements

#### *Deliverables*

- Electronic copies of the draft Project Description in MS Word and Adobe PDF format
- Electronic copies of the revised Project Description that incorporates comments from the City and the data needs responses from the Project Sponsor in MS Word and Adobe PDF format

#### *City Involvement*

Participate in Project Description meetings and information collection efforts. Review and comment on the Draft Project Description.

### **Task 3. Draft and Issue Notice of Preparation**

Concurrent with finalization of the Environmental Checklist by the Project Sponsor, ICF will prepare the Notice of Preparation (NOP) for City staff review. The NOP will include a description of the Project, a description and map of the Project location, the probable environmental effects of the Project, and the intersections to be analyzed in the Infill EIR. The scope assumes that two drafts and a final NOP will be prepared. The scope also assumes that ICF will distribute the final NOP and Notice of Completion (NOC) to the State Clearinghouse and the County Clerk (for posting) and that the City will oversee mailing to other interested parties and public agencies. The final Environmental Checklist will be circulated with the NOP and will serve the same function as an Initial Study.

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<sup>1</sup> Assumes that data needs outlined in ICF's data request have been fulfilled.



### *Deliverables*

- Electronic copies of the draft and revised NOP in MS Word and Adobe PDF format
- Electronic copies of the final NOP in MS Word and Adobe PDF format
- Fifteen (15) hard copies of the final NOP to the State Clearinghouse
- One (1) hard copy of the final NOP to the County Clerk

### *City Involvement*

Review and comment on draft NOP. Distribute the NOP and Environmental Checklist (other than to the County Clerk and State Clearinghouse), and handle any additional noticing (e.g., newspaper, posting at site).

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

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.

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 Infill 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 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, and feasibility of mitigation measures. 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

It is anticipated that ICF will conduct an Air Quality preliminary analysis in the Environmental Checklist. The following topics will be scoped out of review in the Infill 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 Infill EIR will focus on the exposure of sensitive receptors to substantial pollutant concentrations during construction. Due to the lack of site-specific construction information, the Program 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 determine 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 Air Quality section of the Infill EIR and not prepared as a stand-alone report.

### Noise

As described in the Transportation scope in Attachment B, the EIR will include an analysis of impacts to nearby intersections and roadway segments. Increased traffic resulting from the Project or different distribution patterns beyond what was assumed in the Program EIR 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 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 nine 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 B. In summary, W-Trans has identified 36 study intersections and nine roadway segments that will be considered in the analysis. W-Trans will prepare a Transportation Impact Analysis (TIA) as well as the analysis in the format of a Transportation/Traffic section of the Infill EIR. All technical data will be appended to the Infill 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 Transportation/Traffic section of the Infill EIR.

### Other CEQA Considerations

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

- The unavoidable impacts will be summarized.
- Cumulative effects where relevant will be addressed for each of the environmental topics identified in this task and summarized as part of this section of the Infill 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 Infill EIR will consider the energy implications of the Project to the extent relevant and applicable to the Project.

### Deliverables

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

### City Involvement

Review and comment on the document.

## Task 5. Screencheck Draft Infill EIR

The purpose of this task is to prepare the Screencheck Draft Infill EIR for City staff review. ICF will a Screencheck Draft Infill EIR to respond to the City's comments on the Administrative Draft. 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 Infill EIR will include an Executive Summary section, which will summarize the Project Description and impacts and mitigations. 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 Infill EIR 2
- Electronic copies of Administrative Draft Infill EIR 2 in MS Word and Adobe PDF format
- Five (5) hard copies of Screencheck Draft Infill EIR
- Electronic copies of Screencheck Draft Infill EIR in MS Word and Adobe PDF format

### *City Involvement*

Review and comment on the document.

## Task 6. Public Draft Infill EIR

The purpose of this task is to prepare and submit the Public Draft Infill EIR to the City for distribution to the public. ICF will revise the Screencheck Draft Infill EIR to incorporate modifications identified by the City. The revised document will be a Draft Infill EIR, fully in compliance with State CEQA Guidelines, City guidelines, and SB 226. The Draft Infill 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 Infill EIR and produce a version of the full document that can be uploaded onto the City's website. The scope also assumes that ICF will distribute the NOC and required copies of the Draft Infill EIR to the State Clearinghouse and that the City will oversee mailing to other interested parties and public agencies.

### *Deliverables*

- Thirty (30) hard copies of the Infill Draft EIR
- Electronic copies of the Infill Draft EIR in MS Word and in Adobe PDF format
- Notice of Completion
- Fifteen (15) hard copies of the Executive Summary, along with 15 electronic copies of the entire Infill 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 Infill EIRs (other than to the State Clearinghouse), and handle any additional noticing (e.g., newspaper, posting at site).

## Task 7. 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 Infill EIR. During the 45-day review period, the City will participate in a public hearing to receive comments on the Draft Infill EIR. 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 8. 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 Infill EIR for City review. The Administrative Final Infill EIR will include:

- Comments received on the Draft Infill 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 Infill 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 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 Infill 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 Infill EIR, ICF will address all comments received and prepare a Screencheck Final Infill EIR for City review to ensure that all comments on the Draft were adequately addressed.

### *Deliverables*

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

## **Task 9. Final Infill EIR**

Based on comments received from City staff, the Screencheck Responses to Comments will be revised and appropriate revisions to the Draft Infill EIR will be noted. The Final Infill EIR will then consist of the Draft Infill EIR and the Responses to Comments document. Revisions to the Draft Infill EIR will be presented as a separate chapter in the Final Infill 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 Infill EIR
- Electronic copies of the Final Infill EIR in MS Word and Adobe PDF format

## **Task 10. Certification Hearings, MMRP, Statement of Overriding Considerations, and Administrative Record**

The purpose of this task is to attend meetings to certify the Infill EIR. Team members will attend and participate in up to two meetings to certify the Infill EIR. If requested by City staff, ICF will present the conclusions of the Infill 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 Program EIR and presented in the Infill Checklist and the Infill EIR
- 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 Infill EIR and other information in the record. Upon certification, ICF will prepare the Notice of Determination (NOD) for the City to submit to 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 Environmental Checklist and the Infill 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
- Electronic copies of the Statement of Overriding Considerations and Findings of Fact
- One electronic copy (on CD or DVD) of the Administrative Record (submitted at the Draft Infill EIR phase and the Final Infill EIR phase)

### *City Involvement*

Review and comment on the draft MMRP, Statement of Overriding Considerations, and Findings of Fact. Coordinate any meetings. Submit the NOD to the County Clerk.

## **Task 11. 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 estimate, this scope assumes one City staff and/or Project Sponsor face-to-face meeting and six 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 12. 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 NOP and EIR is \$255,660 as detailed in Attachment C. A detailed breakdown of the cost estimate to prepare the TIA is also included in Attachment C.

## Schedule

A schedule for the checklist and EIR is included as Attachment D. 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.



## Middle Plaza at 500 El Camino Real

### Attachment B. W-Trans 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 Middle Plaza at 500 El Camino Real project.

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

There are 36 study intersections and 9 roadway segments assumed in this analysis. These are:

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 Live Oak Avenue*
7. *El Camino Real and Roble Avenue*
8. *El Camino Real and Middle Avenue*
9. *El Camino Real and College Avenue*
10. *El Camino Real and Partridge Avenue*
11. *El Camino Real and Cambridge Avenue*
12. *El Camino Real and Harvard Avenue*
13. *El Camino Real and Creek Drive*
14. *El Camino Real and Sand Hill Road*
15. *El Camino Real and Quarry Road (Palo Alto)*
16. *Southbound El Camino Real and Palm Drive (Palo Alto)*
17. *Northbound El Camino Real and University Avenue (Palo Alto)*
18. *El Camino Real and Embarcadero Road/Galvez Street (Palo Alto)*
19. *Arboretum Road and Sand Hill Road (Palo Alto)*
20. *Middlefield Road and University Avenue*
21. *Laurel Street and Ravenswood Avenue*
22. *Middlefield Road and Willow Road*
23. *Middlefield Road and Ringwood Avenue*
24. *Middlefield Road and Ravenswood Avenue*
25. *Santa Cruz Avenue and University Drive (S)*
26. *Santa Cruz Avenue and University Drive (N) (unsignalized)*
27. *Middle Avenue and University Drive (unsignalized)*
28. *College Avenue and University Drive (unsignalized)*
29. *Partridge Avenue and University Drive (unsignalized)*
30. *Cambridge Avenue and University Drive (unsignalized)*
31. *Harvard Avenue and University Drive (unsignalized)*
32. *Encinal Avenue and Laurel Street (unsignalized)*

## Middle Plaza at 500 El Camino Real

### Attachment B. W-Trans EIR Transportation Workslope

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33. Middlefield Road and Oak Grove Avenue [Atherton]
34. Middlefield Road and Marsh Road [Atherton]
35. Middlefield Road and Glenwood Avenue [Atherton] (two-way stop)
36. Encinal Avenue and Middlefield Road [Atherton] (unsignalized)

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

It is assumed that W-Trans will collect new weekday a.m. and p.m. intersection turning movement counts at all study intersections.

#### Residential and Non-Residential Roadway Segments:

1. Middlefield Road north of Ravenswood Avenue
2. Middlefield Road south of Ravenswood Avenue
3. Ravenswood Avenue east of Laurel Street.
4. Alma Street south of Ravenswood Avenue
5. Middle Avenue west of El Camino Real
6. College Avenue west of El Camino Real
7. Partridge Avenue west of El Camino Real
8. Cambridge Avenue west of El Camino Real
9. Harvard Avenue west of El Camino Real

It is assumed that all 24-hour roadway segment counts will be conducted by W-Trans.

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.

#### 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 El Camino Real Corridor Study or the 1300 El Camino Real Greenheart Project EIR. 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

Middle Plaza at 500 El Camino Real

Attachment B. W-Trans EIR Transportation Workslope

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## Task 2: Transportation Impact Analysis

### Project Trip Generation and Distribution

The trip distribution assumptions that were used to the prior initial analysis in 2013 and 2014 will be applied to the EIR analysis. Because the project description has changed since the prior initial analysis, W-Trans will calculate an updated trip generation projection. We will prepare a separate trip generation and assignment memo for City staff review and approval prior to incorporation into the analysis.

### 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 an annual growth rate to account for background traffic growth (growth factor to be determined based on traffic growth in C\CAG 2040 Travel Forecast Mode along key study corridors)
- c. Near Term [b] + Project Conditions
- d. Cumulative Conditions (No Project Alternative, Approved and Pending Projects plus an annual growth rate to 2040 for background traffic based on C\CAG 2040 Travel Forecast Model projections along key study corridors
- 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 2010 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 in the Downtown Specific Plan, El Camino Real Corridor Study, and in other approved development projects in Menlo Park, as detailed in the documents or 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 (if any), W-Trans will apply the local agency's adopted analysis methods and significance criteria.

## Middle Plaza at 500 El Camino Real

### Attachment B. W-Trans EIR Transportation Workslope

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#### Site Plan Evaluation

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

#### Railroad Gate Downtime Evaluation

We will provide a qualitative discussion of the effects of railroad gate downtime on Ravenswood Avenue 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 to 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.

#### 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.

## Middle Plaza at 500 El Camino Real

### Attachment B. W-Trans EIR Transportation Workslope

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#### 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 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, to provide a baseline for determination of potential cumulative project impacts.

#### Shared Parking Analysis Peer Review

We will peer 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, along with a shared parking analysis prepared by the applicant's traffic engineer that has been completed using methodology published by the Urban Land Institute.

#### Task 3: Administrative Draft (2) and Draft (1) 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)

Middle Plaza at 500 El Camino Real

Attachment B. W-Trans EIR Transportation Workslope

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We have assumed preparation of two Administrative Drafts and one screencheck draft of the EIR Transportation Chapter (three total submittals).

W-Trans will respond to one set of unified consolidated non-contradictory comments on each Administrative Draft Report. The text, graphics and analysis will be modified as needed. 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 Two Draft EIR Transportation Chapters (pdf, WORD)*

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

#### Task 4: Final EIR - Response to Comments

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

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

#### Task 5: 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:

- 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 more than two Administrative Draft reports, or additional meetings, then a modification to this scope and budget will be requested.
- 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

Middle Plaza at 500 El Camino Real

Attachment B. W-Trans EIR Transportation Workslope

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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.

**Attachment C Cost Estimate for Middle Plaza at 500 El Camino Real Project**

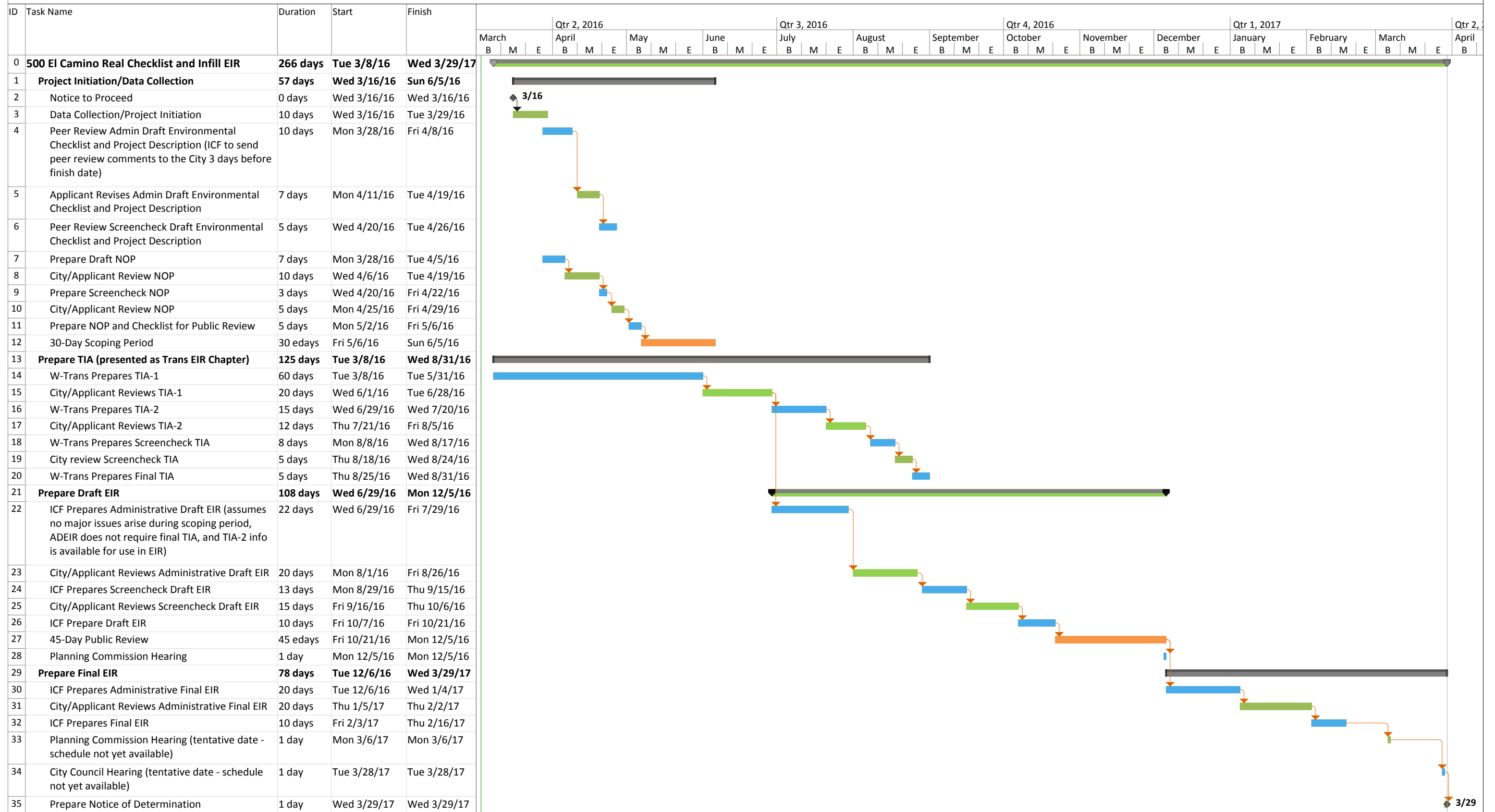
Task	Consulting Staff								Subcontractor		Production Staff		Labor Total	Direct Expenses	Total Price
	Employee Name	Viramontes													
	Project Role	Efner E	J	McBride A	Matsui C	Hatcher S	Buehler D	Messick T							
	Labor Classification	Mng Consult	Assoc Consult III	Assoc Consult II	Assoc Consult III	Mng Consult	Proj Dir	Assoc Consult III	Subtotal	W-Trans	Subtotal	Editor			
Task 1. Peer Review Environmental Checklist	10	16						\$3,950		\$0		\$0	\$3,950		
Task 2. Prepare Project Description	6	10	16				8	\$5,176		\$0	2	\$190	\$5,366		
Task 3. Draft and Issue Notice of Preparation	2	4	12				2	\$2,372		\$0	32	\$3,040	\$5,412		
Task 4. Administrative Draft Infill EIR	12	28	38	112	16	6	8	\$28,292	\$129,350	\$129,350	32	\$3,040	\$160,682		
Task 5. Screencheck Draft Infill EIR	8	22	20	30	4	3	4	\$11,798		\$0	10	\$950	\$12,748		
Task 6. Public Draft Infill EIR	8	12	12					\$4,268		\$0	10	\$950	\$5,218		
Task 7. Public Review and Hearing	5	5						\$1,630		\$0	4	\$380	\$2,010		
Task 8. Draft Responses to Comments and Administrative Final Infill EIR	16	24	30	8	2	2		\$10,956		\$0	32	\$3,040	\$13,996		
Task 9. Final Infill EIR	8	16	28	2	1	1		\$7,008		\$0	24	\$2,280	\$9,288		
Task 10. Certification Hearing, MMRP, SOC, Admin Record	16	28	28					\$9,396		\$0	8	\$760	\$10,156		
Task 11. Meetings	9	9						\$2,934		\$0		\$0	\$2,934		
Task 12. Project Management	15	20						\$5,465		\$0		\$0	\$5,465		
Total hours	115	194	184	152	23	12	22				154				
ICF E&P 2015 Billing Rates	\$211	\$115	\$100	\$115	\$200	\$250	\$145				\$95				
Subtotals	\$24,265	\$22,310	\$18,400	\$17,480	\$4,600	\$3,000	\$3,190	\$93,245	\$129,350	\$129,350	\$14,630	\$14,630	\$237,225		
<b>Direct Expenses</b>															
529.00 Other Reimbursable Expenses														\$5,000	
Mark up on all non-labor costs and subcontractors: 10%														\$13,435	
Direct expense subtotal														\$18,435	
Total price															\$255,660



Task	HOURS BY STAFF MEMBER					Total Hours
	Dalene Whitlock	Mark Spencer	Project Eng	Tech/ Admin	Misc	
1. Data Collection & Field Reconnaissance	0	2	16	4	\$21,700	22
2. Transportation Impact Analysis	2	61	309	0	\$100	372
3. ADEIR EIR Chapters (2) and DEIR Chapter	5	32	80	57	\$110	174
4. Final EIR	2	41	12	2	\$100	57
5. Meetings (6)	0	36	16	0	\$600	52
6. Project Management	0	24	0	7	\$100	31
	9	196	433	70	\$22,710	708

Task	FEE AT HOURLY RATES INDICATED					TOTAL
	\$235	\$225	\$125	\$90	LS	
1. Data Collection & Field Reconnaissance	\$0	\$450	\$2,000	\$360	\$21,700	\$24,510
2. Transportation Impact Analysis	\$470	\$13,725	\$38,625	\$0	\$100	\$52,920
3. ADEIR EIR Chapters (2) and DEIR Chapter	\$1,175	\$7,200	\$10,000	\$5,130	\$110	\$23,615
4. Final EIR	\$470	\$9,225	\$1,500	\$180	\$100	\$11,475
5. Meetings (6)	\$0	\$8,100	\$2,000	\$0	\$600	\$10,700
6. Project Management	\$0	\$5,400	\$0	\$630	\$100	\$6,130
	\$2,115	\$44,100	\$54,125	\$6,300	\$22,710	\$129,350

Middle Plaza at 500 El Camino Real Project  
Attachment D. Infill EIR Schedule



Project: 500 El Camino Real Check  
Date: Thu 3/3/16

Public Review Period City/Applicant Task Consultant Task Manual Progress



**STAFF REPORT**

**City Council Meeting Date:** 3/15/2016  
**Staff Report Number:** 16-048-CC

**Consent Calendar:** Adopt a resolution authorizing the position of Administrative Services Director as Plan Coordinator for the City's IRS 401a and 457 Plans administered by ICMA-RC

**Recommendation**

Adopt a resolution that authorizes the position of Administrative Services Director as the Plan Coordinator for the City's IRS Section 401a and 457 Plans which are administered by ICMA-RC.

**Policy Issues**

Any change to the position of the plan coordinator of the City's IRS Section 401a and 457 Plans requires City Council authorization.

**Background**

The City currently offers two defined contributions plans through ICMA-RC. The City Manager is provided a plan under IRS Section 401a, and all permanent employees have the option of participating in a plan under IRS Section 457.

**Analysis**

The reorganization of the Administrative Services Department requires naming the Administrative Services Director as the new plan coordinator.

**Impact on City Resources**

This action has no impact on City resources

**Environmental Review**

No environmental review is required for this action.

**Public Notice**

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

**Attachments**

A. ICMA-RC Plan Coordinator Change Form

Report prepared by:

Lenka D. Diaz, Human Resources Manager



## PLAN COORDINATOR CHANGE FORM

This form is used to request a change in the Plan Coordinator information on record at ICMA-RC.

### Instructions:

1. Include all plan numbers these changes apply to on page 2.
2. The signature of the current Plan Coordinator or the Primary Contact is required on page 2.
3. Enter the change needed in the appropriate section on page 2.
4. Mail or fax the completed form to:

ICMA-RC  
New Business Services  
777 North Capitol Street, NE  
Washington, DC 20002-4240

*Or fax to*  
Attn: New Business Services  
202-962-4601

Your changes should appear in EZLink five business days from receipt of the properly completed and signed form. If you have any questions or need assistance, please email New Business Services at:

**NBS-PlanAdoptionServices@icmarc.org**

### Plan Coordinator – Change in the TITLE of the Plan Coordinator

The title of the person authorized to fill this role may be designated in a municipal resolution, an affirmative statement, ordinance or other official government action empowered to designate an individual to act on behalf of the retirement plan. Some Plan Sponsors make such changes through their Council or Board and some HR Directors are authorized to make such changes. In order to change the title of the position authorized to function as the Plan Coordinator, you may need to have your legislative body pass a new resolution to update the title of the position designated. A copy of the authorizing documentation must accompany this form.

#### Sample Resolution:

BE IT FURTHER RESOLVED that the Administrative Services Director (use title of official, not name) shall be the coordinator for the Plan; shall receive reports, notices, etc., from ICMA Retirement Corporation or VantageTrust; shall cast, on behalf of the Employer, any required votes under VantageTrust; may delegate any administrative duties relating to the Plan to appropriate departments; and,

BE IT FURTHER RESOLVED that the Employer hereby authorizes (use title not name) to execute all necessary agreements with ICMA Retirement Corporation incidental to the administration of the Plan.

### Plan Coordinator – Change of the NAME of the Plan Coordinator

If the name (but not the title) of the person designated as the Plan Coordinator is changing, please complete this form. No additional documentation is required.



# PLAN COORDINATOR CHANGE FORM

Plan Name: ICMA RC Date: 2/1/2016  
Plan Number(s): 30-3723 (457) and 106448 (401) State: \_\_\_\_\_  
Authorized Contact Name: Nicholas Pegueros  
Authorized Contact Title: Administrative Services Director  
Authorized Contact Signature: \_\_\_\_\_  
Authorized Contact Email Address: nmpegueros@menlopark.org

<b>Change in TITLE of Plan Coordinator</b>  (Additional documentation required. See page 1)	Contact Name: <u>Nicholas Pegueros</u> Contact Title: <u>Administrative Services Director</u> Phone Number: <u>650-330-6619</u> Fax Number: _____ Email Address: <u>nmpegueros@menlopark.org</u>
<b>Change in NAME of Plan Coordinator</b>	Contact Name: <u>Nicholas Pegueros</u> Contact Title: <u>Administrative Services Director</u> Phone Number: <u>650-330-6619</u> Fax Number: _____ Email Address: <u>nmpegueros@menlopark.org</u>
<b>Comments</b> (Special Instructions)	



**SPECIAL AND REGULAR MEETING MINUTES - DRAFT**

**Date:** 2/9/2016  
**Time:** 7:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**A.** Mayor Cline called the meeting to order at 7:04 p.m.

**B. Roll Call**

**Present:** Carlton, Cline, Keith, Mueller, Ohtaki  
**Absent:** None  
**Staff:** City Manager Alex McIntyre, City Attorney Bill McClure, City Clerk Pamela Aguilar

**C. Pledge of Allegiance**

Mayor Cline led the pledge of allegiance.

**D. Report from Closed Session**

Mayor Cline stated that there is no reportable action from the Closed Session held earlier.

**Mayor Cline made the following announcements:**

- The City is recruiting for the current commission and committee vacancies – Bicycle, Environmental Quality, Housing, Library, and Planning Commissions and the Finance and Audit Committee and Sister City and Friendship Committee
- The appellant in agenda item I3 – Deny appeal of the Transportation Impact Fee (TIF) levied on 687 Bay Road – has requested this item be removed from the agenda and therefore this item will not be considered by the City Council

**E. Study Session**

E1. Provide direction on the latest design and design criteria for the Santa Cruz Avenue Sidewalk Project ([Staff Report# 16-031-CC](#)) ([Presentation](#))

Public Works Director Justin Murphy made a presentation.

**Public Comment:**

- Arnold Wilson spoke regarding narrow sidewalks, utility poles and heritage trees
- Gerry Andeen spoke in support of well-designed sidewalks and expressed concern regarding existing infrastructure

- Diane Bailey spoke regarding traffic and in support of sidewalks
- Patti Fry inquired about undergrounding of utilities and spoke regarding recycling bins in the bike lane and safety for pedestrians and kids
- Greg Druehl spoke in support of six-foot sidewalks that are safe and usable
- Maggie Betsock inquired about competitive bidding for the leveling of the street and in support of sidewalks, providing financial aid to homeowners on Santa Cruz who chose to landscape the front of their property and relocating smaller heritage trees
- Sally Cole requested the Council to look at the street holistically and consider undergrounding now, and spoke in support of sidewalks and regarding safety, speed, traffic, and preserving the character and beauty of Santa Cruz Avenue
- Lisa McPherson spoke regarding liability of uneven sidewalks and who is responsible
- Norman Alot spoke regarding increasing curb option and requested annotations to the diagram reflecting what is within the 5 foot curb

Staff responded to Council and public questions and discussion ensued regarding undergrounding, liability and filling gaps in elevated sidewalks, drainage, pricing, information on 10-foot versus 10.5-foot and 11-foot wide travel lanes and the possible increase of sidewalk space, and timeframe for the project.

There was Council support for the preferred alternative.

At this time, Mayor Cline called item **G – Public Comment** out of order.

## **G. Public Comment**

- Bill Kirsch read written comments on behalf of Cindy Welton regarding the Oak Grove bike boulevard and her request to upgrade the project to extremely important and decouple the bike corridor from the parking garage.
- Bill Kirsch spoke regarding the Oak Grove bike boulevard and read comments from the Bicycle Commission
- Michael Francois spoke regarding Round Up

## **F. Presentations and Proclamations**

### **F1. Presentation by West Bay Sanitary District regarding Recycled Water Project at Sharon Heights ([Presentation](#))([Map](#))**

District Manager Phil Scott of West Bay Sanitary District and Dave Richardson of RMC Water and Environment made a presentation.

Council expressed its support of the project.



## H. Consent Calendar

Councilmember Keith requested items H1, H2 and H4 be pulled for further comment and discussion.

- H1. Quarterly review of data captured by Automated License Plate Reader (ALPR) for the period beginning November 1, 2015 through February 1, 2016 and request to move to yearly reports ([Staff Report# 16-024-CC](#))
- H2. Quarterly review of Taser Program for the period beginning October 1, 2015 and ending January 1, 2016 and request to move to annual reports ([Staff Report# 16-027-CC](#))
- H3. Authorize the Public Works Director to accept the work performed by Syserco Inc. for the Energy Monitoring System of the Administration and Library buildings ([Staff Report# 16-023-CC](#))
- H4. Approve minutes for the regular City Council meeting of January 26, 2016; and the minutes for the Joint Special Meeting of the City Council, Bicycle Commission and Transportation Commission of January 26, 2016 ([Attachment](#))

**ACTION:** Motion and second (Keith/Ohtaki) to approve Consent Calendar item H3 passes unanimously.

Regarding items H1 and H2, Councilmember Keith requested that these reports continue to be brought back before the Council every six months.

**ACTION:** Motion and second (Keith/Mueller) to approve Consent Calendar items H1 and H2 with the amendment that both reports be brought back to Council every six months passes unanimously.

Councilmember Carlton requested the following amendment to the January 26<sup>th</sup> City Council meeting minutes regarding the motion on item F9:

Motion and second (Mueller/Carlton) to approve item F9 with the inclusion of Councilmember Carlton's request for clarification and additional information regarding replacing lawn with artificial turf in parks and schools will not be mandatory and Councilmember Mueller's clarification that the City's representative to the PCE will bring policy regarding renewable rate increases and percentage back to the Council as a consent item before going to the PCE passes unanimously.

Councilmember Keith requested the following amendment to the January 26<sup>th</sup> joint meeting minutes of the City Council and Bicycle and Transportation Commissions regarding item D1:

There was unanimous Council support to explore the Oak Grove bike boulevard concept and that the City will reach out to businesses.

**ACTION:** Motion and second (Keith/Carlton) to approve Consent Calendar item H4 with the amendments outlined above passes unanimously.

## I. Regular Business

- I1. Authorize the City Manager to prepare an additional funding request to the San Mateo County Transportation Authority (SMCTA) for the US 101/Willow Road Interchange Project to appoint a City Council member or subcommittee to advocate for Caltrans support ([Staff Report# 16-032-CC](#))

Public Works Director Justin Murphy introduced the item.

Councilmember Keith proposed and the City Council agreed by acclamation to add language to the request letter emphasizing the need for the project in order to address seismic retrofit and safety.

There was Council consensus to direct staff to present the design of the off-ramp and analysis as an Informational item at a future meeting.

**ACTION:** Motion and second (Keith/Ohtaki) to prepare an additional funding request to the San Mateo County Transportation Authority (SMCTA) for the US 101/Willow Road Interchange Project as amended, to appoint the Mayor and Mayor Pro Tem to advocate for Caltrans support, and to bring back the design and analysis as an Informational Item at a future meeting passes unanimously.

12. Authorize reservation of funds and mid-year budget adjustments in the Solid Waste Fund and authorize the City Manager to execute a professional services agreement for a solid waste services rate study in an amount not to exceed \$250,000 ([Staff Report# 16-026-CC](#)) ([Presentation](#))

Environmental Programs Manager Heather Abrams made a presentation.

Staff responded to Council questions and discussion ensued regarding competitive bidding and the not-to-exceed amount of the agreement to be executed.

**ACTION:** Motion and second (Keith/Othaki) to: (1) Appropriate \$360,000 of unreserved fund balance to pay off the accumulated shortfall revenue required under the franchise agreement with Recology and actual revenues collected, as provided for in the Franchise Agreement between the City of Menlo Park and Recology (2) Reserve \$162,000 for the projected shortfall for revenue required under the franchise agreement with Recology and actual revenues collected for the 2016 calendar year (3) Authorize City Manager to execute a professional services agreement, in an amount not-to-exceed \$175,000, with a qualified rate structure study consultant passes 3-2 (Mayor Cline and Councilmember Mueller dissent).

13. Deny the appeal of the Transportation Impact Fee (TIF) levied on 687 Bay Road ([Staff Report# 16-021-CC](#))

This item was removed from the agenda at the request of the appellant.

14. Receive a report and hear public comment on upcoming negotiations with the Menlo Park Police Sergeants Association (PSA) on a successor agreement to the agreement expiring June 30, 2016 ([Staff Report# 16-020-CC](#))

Administrative Services Director Nick Pegueros introduced the item.

There was no public comment. The report was received.

15. Introduce an ordinance amending Menlo Park Municipal Code Section 2.04.120 regarding Mayor Selection ([Staff Report# 16-025-CC](#))

City Clerk Pamela Aguilar introduced the item.

**ACTION:** Motion and second (Keith/Carlton) to introduce an ordinance amending Menlo Park Municipal Code Section 2.04.120 regarding Mayor Selection passes unanimously.

16. Approval of the 2016 City Council Work Plan, Budget Principles and City Council Procedures Manual ([Staff Report# 16-029-CC](#))

City Manager Alex McIntyre introduced the item. He asked for Council direction and consensus on the crosswalk policy, bike lanes on Oak Grove and bus shelters.

There was consensus among Council to direct staff to submit an Informational Item regarding bus shelters at a future meeting.

**ACTION:** Motion and second (Keith/Mueller) to hold a study session regarding a minimum wage ordinance passes unanimously.

Councilmember Keith requested that information regarding the State ballot initiative on minimum wage be brought back to the Council as an Informational Item within the next 60 days.

**ACTION:** Motion and second (Keith/Ohtaki) to hold a study session regarding affordable housing which will cover long term leases, tenant relocation and mandatory non-binding arbitration passes unanimously.

Public Comment:

- Diane Bailey spoke regarding the Peninsula Advance Communities project and encouraged the City Council apply for an upcoming grant; she also spoke in support of the Oak Grove bike boulevard, enhancing of shuttle projects and bus shelters
- Adina Levin asked for clarification regarding the Oak Grove bike boulevard and the parking garage projects and the sequencing and scopes of these projects

There was discussion to discuss the Oak Grove bike boulevard project in a study session with the parking garage project and that the two may or may not be linked together going forward. Other priorities discussed by Council included bus shelters, downtown outdoor seating, the Specific Plan biennial review, electronic vehicle charging stations, potentially delaying library landscaping as a trade-off for adding to the list, bike and pedestrian visibility projects on Chilco as well as bike boxes.

**ACTION:** Motion and second (Keith/Ohtaki) to approve the 2016 City Council Work Plan and Budget Principles passes unanimously.

Council discussed the procedures manual in regards to placing items on the Council meeting agenda. The City Manager and City Attorney were directed to review and clarify the process for Councilmembers to place items on the Council meeting agenda.

This item will be brought back to Council for approval as a Consent Item on February 23<sup>rd</sup>.

17. Provide direction on ConnectMenlo (General Plan and M-2 Area Zoning update) schedule ([Staff Report# 16-030-CC](#))

There was consensus by Council to follow the proposed schedule B with direction to staff that the meetings be videotaped, that there be no hard stop time and to look into shortening the timeframe of the latter portion of the schedule.

**J. Informational Items**

- J1. Overview of the Water Supply Assessment for the Facebook Campus Expansion Project and the Water Supply Evaluation for the ConnectMenlo General Plan Update and M-2 Area Zoning Update ([Staff Report# 16-022-CC](#))
- J2. Letter of support to the San Francisco Bay Conservation and Development Commission for the San Francisquito Creek Joint Powers Authority's San Francisquito Creek Flood Reduction, Restoration and Recreation San Francisco Bay to Highway 101 Project ([Staff Report# 16-028-CC](#))

**K. Councilmember Reports**

- K1. There were no Councilmember reports.

**L. City Manager's Report**

- L1. There was no City Manager report.

**M. Adjournment**

Mayor Cline adjourned the meeting at 11:17 p.m.

Pamela Aguilar

City Clerk



**SPECIAL AND REGULAR MEETING MINUTES - DRAFT**

**Date:** 2/23/2016  
**Time:** 7:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**6:30 p.m. Closed Session (City Hall Administration Building, 1<sup>st</sup> floor conference room)**

Mayor Cline called the closed session to order at 6:30 p.m.

There was no public comment.

- CL1.** Closed Session pursuant to Government Code Section §54957.6 to confer with labor negotiators regarding current labor negotiations with the Menlo Park Police Sergeants' Association (PSA)

Attendees: City Manager Alex McIntyre, Administrative Services Director Nick Pegueros, Finance and Budget Manager Rosendo Rodriguez, Human Resources Manager Lenka Diaz, City Attorney Bill McClure, Labor Counsel Charles Sakai

**7:00 p.m. Regular Session**

- A.** Mayor Cline called the regular meeting to order at 7:12 p.m.

- B. Roll Call**

Present: Cline, Keith, Mueller, Ohtaki

Absent: Carlton

Staff: City Manager Alex McIntyre, City Attorney Bill McClure, City Clerk Pamela Aguilar

- C. Pledge of Allegiance**

Mayor Cline led the pledge of allegiance.

- D. Report from Closed Session**

Mayor Cline stated that there is no reportable action from the Closed Session held earlier in the evening.

- E. Presentations and Proclamations**

- E1.** Proclamation recognizing Eagle Scout Henry Marks for completing the renovation of Plant Identification Trail on the civic center campus

Due to illness, Eagle Scout Henry Marks is not present to accept the proclamation. This item is rescheduled for the March 1st City Council meeting.

## F. Public Comment

- Pamela Jones had questions regarding the additional ConnectMenlo meetings and notice to the public as well as City staff attendance at a public town hall meeting hosted by Congresswoman Jackie Speier and the State of the Valley meeting

## G. Consent Calendar

- G1. Award a construction contract for the Citywide Bicycle/Pedestrian Visibility Improvement Project to Sierra Traffic Markings, Inc., in the amount of \$108,574 and authorize a total construction contract budget of \$380,000 ([Staff Report# 16-034-CC](#))
- G2. Adopt a resolution accepting easements and approving the abandonment of two existing Public Utility Easements (PUE) for the subdivision associated with the Commonwealth Corporate Center Project located at 162 and 164 Jefferson Drive ([Staff Report# 16-035-CC](#))
- G3. Authorize the Public Works Director to accept the work performed by Anderson Pacific for the Sharon Heights Pump Station Replacement Project ([Staff Report# 16-036-CC](#))
- G4. Authorize the City Manager to execute a grant deed from the City transferring property to Caltrans and approve agreements related to US 101/Willow Road Interchange Project ([Staff Report# 16-040-CC](#))
- G5. Waive reading and adopt an ordinance amending Municipal Code section 2.04.120 regarding Mayor Selection and approve an amendment to City Council Policy CC 93-001 ([Staff Report# 16-033-CC](#))
- G6. Appropriate BMR Funds not to exceed \$320,000 in order to purchase and retain 20 Willow Road #33 in the Below Market Rate (BMR) Program and authorize the City Manager to execute contract escrow documents and acceptance of deed ([Staff Report# 16-043-CC](#))
- G7. Approve updates to the City Council procedures manual ([Staff Report# 16-039-CC](#))

**ACTION:** Motion and second (Keith/Ohtaki) to approve all items on the Consent calendar passes 4-0-1 (Councilmember Carlton absent).

## H. Regular Business

- H1. Accept dedication of a Public Access Easement (PAE) from Hibiscus Properties, LLC (Facebook), approve design for Chilco Street bicycle and pedestrian improvements, and authorize the City Manager to sign agreements regarding Chilco Street improvements ([Staff Report# 16-037-CC](#)) ([Presentation](#))

Public Comment:

- Fergus O'Shea spoke in support of the project
- Rachel Bickerstaff spoke in support of the improvements and thanked City staff and Facebook for their efforts and encouraged the City Council to approve the project
- Sheryl Bims spoke in support of the project and thanked City staff for their work and for being available to the community

- Pamela Jones spoke in support of the project

**ACTION:** Motion and second (Ohtaki/Keith) to accept dedication of a Public Access Easement (PAE) from Hibiscus Properties, LLC (Facebook), approve design for Chilco Street bicycle and pedestrian improvements, and authorize the City Manager to sign agreements regarding Chilco Street improvements passes 4-0-1 (Councilmember Carlton absent).

At this point, City Attorney McClure recused himself from participating in item H2 due to a conflict of interest that his place of business is in proximity to the subject location.

- H2. Approve permanent installation of Alma Street/Ravenswood Avenue trial improvements ([Staff Report# 16-038-CC](#))([Presentation](#))

Public Comment:

- Fire Chief Harold Schapelhouman spoke in support of the permanent installation with concerns regarding emergency vehicle access
- Scott Norton, Axis Gym owner, spoke in opposition to the permanent installation and expressed concern regarding pedestrian and bike safety, traffic congestion and the difficulty clients have in accessing the gym with the elimination of the left-turn access

**ACTION:** Motion and second (Ohtaki/Keith) to approve permanent installation of Alma Street/Ravenswood Avenue trial improvements as recommended in the staff report passes 4-0-1 (Councilmember Carlton absent).

Council gave staff direction to meet and work with Mr. Norton of Axis Gym to address the concerns expressed regarding upcoming adjacent construction and how to mitigate impacts on accessing their business.

## I. Informational Items

- I1. Transmittal of background information on the US 101/Willow Road Interchange Project ([Staff Report# 16-041-CC](#))

Councilmember Ohtaki requested staff to inquire with Caltrans regarding signage or striping to mitigate traffic congestion from northbound cars exiting onto Willow and to report back with information.

Councilmember Mueller directed staff to reach out to stakeholders for input, such as Sobrato and Bohannon and other major developers, and to note the City's outreach efforts and stakeholder feedback in future staff reports.

- I2. Overview of California Minimum Wage ballot measures and proposed legislation that will affect the City of Menlo Park ([Staff Report# 16-042-CC](#))

There was consensus by Council to designate this item as extremely important on the Council's list of 2016 project goals, but to wait until the November election to review the results of the potential State ballot initiative on minimum wage and to also look into best practices for enforcement.

**J. Councilmember Reports**

- J1. Discuss recommendation for City Selection Committee vote – HEART Board ([Attachment](#))

The Council deferred to Mayor Cline’s discretion in voting for the HEART Board candidates. Mayor Cline indicated that he will vote for the candidates who submitted their letters of interest by the required deadline.

Councilmember Ohtaki addressed the public’s questions regarding the ConnectMenlo meeting schedule and discussion ensued regarding the meeting location and shuttle service.

Councilmember Ohtaki also reported that he will attend a community meeting on March 7<sup>th</sup> hosted by Congresswoman Anna Eshoo with the Federal Aviation Administration (FAA) and gave an update on information received from the SFO Airport Roundtable.

Councilmember Keith reported that she attended the State of the Valley meeting; she also reported on the recent Rail Subcommittee meeting which covered discussion of the Dumbarton rail corridor, a future meeting in May, Chilco bike lanes, and grade separations.

Councilmember Mueller reported that he will be attending a meeting of the Blue Ribbon Task Force on housing at the County; he also spoke with Cecilia Taylor of East Palo Alto regarding the upcoming study session on housing.

**K. City Manager's Report**

There was no City Manager’s report.

**L. Adjournment**

Mayor Cline adjourned the meeting at 8:57 p.m. in memory of Pastor Teman Bostic of the Mt. Olive Apostolic Original Holy Church of God and provided information regarding viewing and funeral services.





**STAFF REPORT**

**City Council Meeting Date:** 3/15/2016  
**Staff Report Number:** 16-056-CC

**Regular Business:** **Accept the 2015-16 Mid-Year Financial Summary and approve recommended 2015-16 budget adjustments**

**Recommendation**

Staff recommends that the City Council accept the 2015-16 Mid-Year Financial report and approve the mid-year budget adjustments as follows:

<b>GENERAL FUND:</b>	<b>Increase / (Decrease)</b>
Revenues	\$2,156,800
Expenditures	(723,762)
Transfers Out	(2,591,922)
<b>Net Change in Budget</b>	<b>(\$1,158,884)</b>

<b>OTHER FUNDS:</b>	<b>Increase / (Decrease)</b>
Revenues	\$0
Expenditures	(355,000)
Transfers In	2,591,922
<b>Net Change in Budget</b>	<b>\$2,236,922</b>

1. Other Funds: County Transportation Tax Fund (Measure A), Below Market-Rate Housing (BMR), and General Capital Improvement Fund (CIP)

**Policy Issues**

The acceptance of the mid-year report and approval of the associated budget revisions is consistent with City policy.

**Background**

This report summarizes the City’s mid-year financial status by providing an analysis of revenues and expenditures through the first half of the fiscal year. The intent of this report is to provide Council with an update on how major revenue sources and operating expenditures are tracking in comparison to the approved budget. Emphasis will be placed on an analysis of the City’s major General Fund revenues, as the overall health of those revenues is instrumental to the City’s ability to maintain, and potentially enhance, services in the future.

Although the focus of the mid-year review is the City’s General Fund, this report also provides an update for



other funds. Mid-year revenue and expenditure results and projections discussed in this report serve as a good baseline from which to begin developing the City Manager’s fiscal year 2016-17 recommended budget. That document will include a final update of the estimates for both revenues and expenditures for the current fiscal year, as well as the recommended fiscal year 2016-17 budget and 10-year forecast.

On June 23, 2015 the Council adopted a balanced budget for the General Fund of \$47,750,446.

**Analysis**

**General Fund Overview**

Overall, the General Fund is better positioned when compared to the adopted fiscal year 2015-16 budget. This is predominantly the result of the aggregate revenue projection being increased at the mid-year. This overall increase is the result of adjustments in Property Taxes, Transient Occupancy Tax, and Charges for Services for \$2,156,800 or 4.5% above the adopted budget.

Expenditures have an overall increase of \$723,762 or 1.6% which are mostly attributed to previously approved encumbrances being carried over from 2014-15 for \$406,762 as well as \$200,000 for the City’s storm preparedness plan. Additionally, appropriations of \$85,000 are being requested by the Police department, which are mostly due to an expansion of the K-9 program as well as \$32,000 from the Library Department for expenditures related to the Library’s Centennial Celebration.

The net budget adjustment for the mid-year review in the General Fund is a surplus of \$1,433,038.

**General Fund - Revenues**

Table 1 below shows the mid-year assessment of fiscal year 2015-16 General Fund revenues. Following the table is a discussion of the significant changes to the various revenue sources between the 2015-16 adopted budget and the 2015-16 mid-year adjustment amount. For comparison purposes, the table also includes the City’s actual General Fund revenues for fiscal year 2014-15.

<b>Table 1: General Fund Revenues</b>					
	<b>2014-15 Actual</b>	<b>2015-16 Adopted Budget</b>	<b>2015-16 Mid-year Adjusted Budget</b>	<b>2015-16 Mid-year Adjustments</b>	<b>Percent Change</b>
Property Taxes	\$16,827,339	\$15,951,813	\$17,241,813	\$1,290,000	8.1%
Sales Tax	6,527,498	5,243,064	5,243,064	0	0.0%
Transient Occupancy Tax	4,720,226	4,972,835	5,947,835	975,000	19.6%
Utility Users Tax	1,187,020	1,183,347	1,183,347	0	0.0%
Franchise Fees	1,900,746	1,940,013	1,940,013	0	0.0%
Licenses & Permits	5,104,772	5,890,363	5,890,363	0	0.0%
Intergovernmental	1,397,892	864,541	864,541	0	0.0%
Fines	1,346,449	1,067,643	1,067,643	0	0.0%
Interest and Rent Income	694,628	1,128,598	1,128,598	0	0.0%
Charges for Services	8,079,826	8,185,335	8,077,135	(108,200)	-1.3%
Other	28,929	61,250	61,250	0	0.0%
Use of Assigned Fund Balance	-	1,261,644	1,261,644	0	0.0%
<b>Total Revenue</b>	<b>\$47,815,325</b>	<b>\$47,750,446</b>	<b>\$49,907,246</b>	<b>\$2,156,800</b>	<b>4.5%</b>

**Property Taxes** – It is projected that revenues in this category for fiscal year 2015-16 are up \$1,290,000 or 8.1% over the adopted budget amount. This increase is predominantly the result of Excess ERAF coming in much higher than budgeted. As Excess ERAF is applicable to only a handful of counties in the State and is considered to be an “at risk” revenue, the City was very conservative in budgeting for this revenue source. The fiscal year 2015-16 adopted budget projected Excess ERAF at nearly half of the prior year’s amount, or approximately \$700,000. The City learned early in 2015-16 that it would get the full share of Excess ERAF this year in the amount of \$1,655,000.

Additionally, the amount of property tax revenue distributed to the General Fund from the former Community Development Agency came in higher than expected, which has also contributed to the increase in the projection for this revenue source.

**Transient Occupancy Tax** – Based on revenue received through the first half of the fiscal year for Transient Occupancy Tax (TOT), the projection is accounting for an increase of \$975,000, or 19.6%. This increase is mostly due to higher than expected TOT generated from the new hotel on Glenwood Avenue. The 2015-16 fiscal year is expected to be the seventh consecutive year of growth for TOT. With that said, room and occupancy rates remain strong and are driving the revenue growth in the current fiscal year.

**Charges for Services** – This category covers a broad array of City services which include: recreation programs, planning activities, and library charges. Strong growth in this revenue category was originally anticipated for 2015-16 to account for the continued high utilization of the recreation facilities with their expanded service offerings, as well high demand for planning and building fees. Through the end of December, total revenue projections for this category are tracking slightly below expectations, predominantly due to actual project fees received coming in lower than originally budgeted.

During the budget process, we anticipated the development of some large projects, however there has been a delay in these projects materializing which has caused project fees to come in less than anticipated by mid-year. The Community Development department continues to have staff vacancies longer than anticipated, which has caused some delays in the progress of some projects and the fees associated with them.

As such, the updated mid-year projection for Charges for Services has been reduced by \$108,200, or 1.3%, to account for potentially lower revenues than originally estimated.

### **General Fund - Expenditures**

Table 2 shows the mid-year assessment of 2015-16 General Fund expenditures by department. There are two columns for fiscal year 2015-16, one for the original adopted budget and one for the mid-year adjusted budget. The mid-year adjusted budget column reflects the adopted budget plus \$406,762 for the previously approved encumbrance carryover from 2014-15 as well as \$200,000 for the City’s storm preparedness plan. It also includes a requested appropriation of \$85,000 from the Police Department which is mostly attributed to an expansion of the K-9 program.

The Library Department has requested an appropriation of \$32,000 to fund activities related to its Centennial celebration which include hiring an event planner, a June Centennial Kick-off family Summer party as well as the purchasing of public giveaways to promote awareness of the Library’s Centennial celebration. We are anticipating that the Friends of the Menlo Park Library will be partially supporting the Kick-off to the Summer Party with a contribution to pay for the cost of the musical entertainment and food for the event for approximately \$4,500.

In total, all revisions to-date bring the total General Fund mid-year adjusted budget to over \$47 million, which is \$723,762, or 1.6%, increase over the adopted budget.

Based on operating expenditures through December 31, 2015, the General Fund in aggregate is tracking below its total current expenditure appropriation. Therefore, some additional operational savings are expected this year. Departmental operating expenditures will continue to be monitored and analyzed as we get further into the fiscal year.

**Table 2:  
General Fund Expenditures**

	2014-15 Actual	2015-16 Adopted Budget	2015-16 Mid-Year Adjusted Budget	2015-16 Mid-Year Encumbrances & Adjustments	Percent Change
<b>By Department</b>					
City Council	\$403,147	\$424,666	\$424,666	\$0	0.0%
City Attorney's Office	352,228	371,572	385,651	14,079	3.8%
City Manager's Office	2,919,718	2,175,093	2,297,257	122,164	5.6%
Community Development	3,150,348	5,140,492	5,140,492	0	0.0%
Community Services	7,877,842	7,860,090	7,887,009	26,919	0.3%
Finance	1,499,134	1,581,183	1,702,080	120,897	7.6%
Human Resources	973,667	1,371,783	1,371,783	0	0.0%
Library	2,214,447	2,544,568	2,576,568	32,000	1.3%
Police	14,919,521	16,400,105	16,505,886	105,781	0.6%
Public Works	6,270,908	8,527,949	8,829,871	301,922	3.5%
<b>Total Expenditures</b>	<b>\$40,580,960</b>	<b>\$46,397,501</b>	<b>\$47,121,263</b>	<b>\$723,762</b>	<b>1.6%</b>
<b>By Expenditure Category</b>					
Personnel	\$29,427,968	\$32,910,011	\$32,910,011	\$0	0.0%
Operating	6,040,543	7,662,512	7,900,905	238,393	3.1%
Services	5,112,449	5,824,978	6,310,347	485,369	8.3%
<b>Total Expenditures</b>	<b>\$40,580,960</b>	<b>\$46,397,501</b>	<b>\$47,121,263</b>	<b>\$723,762</b>	<b>1.6%</b>

**General Fund – Net Change in Fund Balance**

The Net Change in the Fund Balance for the General Fund, reflected in Table 3, summarizes the revenue and expenditure updates previously discussed and presents a revised estimate for the current year’s operating surplus. As demonstrated in the table, the estimated operating surplus based on the mid-year projections is just over \$1.4 million. This is primarily due to revenue projections being increased based on year-to-date results.

Changes in the Transfers Out category of \$2,591,922 are primarily related to previously approved allocations of General Fund Operating Surplus from fiscal year end 2014-15. Of the \$3.345 million in General Fund Operating Surplus, Council approved an allocation of \$2,383,589 for General Capital Improvement Fund. Additionally, a transfer of \$208,333 is being made from the General Fund to the Highway Users Tax Fund to move funds back into the Highway Users Tax Fund. In November 2015, the City received its Special Gas Tax Street Improvement Fund Audit Report from the California State Controller which indicated that funds of \$208,333 were incorrectly earmarked for infrastructure studies as the state code specifies that the funds can only be used for construction, maintenance and operation of streets and roads. As the funds that were earmarked for infrastructure studies were not used, we are proposing to move them back into the Highway Users Tax Fund to comply with the state code.

<b>Table 3: General Fund - Net Change in Fund Balance</b>				
	<b>2014-15 Actual</b>	<b>2015-16 Adopted Budget</b>	<b>2015-16 Mid-Year Adjusted Budget</b>	<b>2015-16 Mid-Year Variance</b>
<b>REVENUES</b>				
Property Taxes	\$16,827,339	\$15,951,813	\$17,241,813	\$1,290,000
Sales Tax	6,527,498	5,243,064	5,243,064	0
Transient Occupancy Tax	4,720,226	4,972,835	5,947,835	975,000
Utility Users Tax	1,187,020	1,183,347	1,183,347	0
Franchise Fees	1,900,746	1,940,013	1,940,013	0
Licenses & Permits	5,104,772	5,890,363	5,890,363	0
Intergovernmental	1,397,892	864,541	864,541	0
Fines	1,346,449	1,067,643	1,067,643	0
Interest and Rent Income	694,628	1,128,598	1,128,598	0
Charges for Services	8,079,826	8,185,335	8,077,135	(108,200)
Other	28,929	61,250	61,250	0
Use of Assigned Fund Balance	0	1,261,644	1,261,644	0
<b>Total revenues</b>	<b>\$47,815,325</b>	<b>\$47,750,446</b>	<b>\$49,907,246</b>	<b>\$2,156,800</b>
<b>EXPENDITURES</b>				
Personnel	\$29,427,968	\$32,910,011	\$32,910,011	\$0
Operating	6,040,543	7,662,512	7,900,905	238,393
Services	5,112,449	5,824,978	6,310,347	485,369
<b>Total Expenditures</b>	<b>\$40,580,960</b>	<b>\$46,397,501</b>	<b>\$47,121,263</b>	<b>\$723,762</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$7,234,365</b>	<b>\$1,352,945</b>	<b>\$2,785,983</b>	<b>\$1,433,038</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	\$405,154	\$417,599	\$417,599	\$0
Transfers Out	(4,293,930)	(1,770,544)	(4,362,466)	(2,591,922)
<b>Total Other Financing Sources (Uses)</b>	<b>(\$3,888,776)</b>	<b>(\$1,352,945)</b>	<b>(\$3,944,867)</b>	<b>(\$2,591,922)</b>
<b>Net change in fund balances</b>	<b>\$3,345,589</b>	<b>\$0</b>	<b>(\$1,158,884)</b>	<b>(\$1,158,884)</b>

### **General Fund – Designated Fund Balance**

Changes in the Fund Balances as shown in Table 4, between the adopted budget and the mid-year review are mostly related to previously approved allocations of General Fund Operating Surplus from fiscal year end 2014-15 mentioned previously. Of the \$3.345 million in General Fund Operating Surplus, Council approved an allocation of \$837,000 for Strategic Pension Funding and \$125,000 for One-time Employee Recruitment & Retention Initiatives in the General Fund.

**Table 4:  
General Fund - Designated Fund Balance**

	2014-15 Actual	2015-16 Adopted Budget	2015-16 Mid-Year Adjusted Budget	2015-16 Mid-Year Variance
<b>FUND BALANCES</b>				
<b>Beginning of the year</b>	\$27,991,243	\$31,336,832	\$31,336,832	\$0
Non Spendable:				
Deposits and prepaid items	1,072,888	1,072,888	1,072,888	0
Committed to:				
Strategic pension funding	2,767,000	1,930,000	2,767,000	837,000
Emergency contingency	6,000,000	6,000,000	6,000,000	0
Economic stabilization	8,000,000	8,000,000	8,000,000	0
Assigned to:				
Infrastructure maintenance	1,430,944	1,430,944	1,430,944	0
Community development	1,038,000	1,261,644	1,261,644	0
Other purposes	2,124,354	1,999,354	2,124,354	125,000
Unassigned	8,903,646	9,642,002	7,521,118	(2,120,884)
<b>End of the year</b>	<b>\$31,336,832</b>	<b>\$31,336,832</b>	<b>\$30,177,948</b>	<b>(\$1,158,884)</b>

**Other Funds**

Although the mid-year report is largely focused on the City’s regular operations, which predominantly reside in the General Fund, an update on some of the City’s other funds is included where there are material changes from original revenue projections and/or expenditure appropriations.

**Workers Compensation Fund** – This fund accounts for the administration of the City’s self-insured Workers Compensation Insurance Program. Revenues and expenditures in this program are being closely monitored on a regular basis. As part of the annual budget process, an analysis of the revenues vs. expenditures for the Workers Compensation program will determine how to properly budget the funding of future claims.

**County Transportation Tax Fund (Measure A)** – This fund accounts for the City’s portion of the countywide half-cent sales tax used for transportation purposes. As part of the mid-year review, it has been proposed to purchase the Caltrain Go Pass for full-time and part-time permanent employees in the amount of \$35,000 which is prorated for the remainder of 2016. Go Passes are annual unlimited-ride train passes purchased by employers at a discounted rate for all eligible employees. Go Passes are proposed to reduce transportation and parking demand, help the City meet its greenhouse gas reduction target, and provide an employee attraction and retention tool. It also provides the City, as a large local employer, the opportunity to be a leader in its transportation demand management program; the City frequently requires new development projects to reduce vehicle trips through similar strategies. With renovations expected to be underway at the Administration Building later this summer, parking demand at Burgess Park is anticipated

to be at a premium. Go Passes would encourage additional use of public transportation by employees, and help reduce the number of vehicle trips and parking demand at Burgess Park. At least 40% of Menlo Park's Greenhouse Gas emissions (GHG) are attributed to transportation, especially single occupancy vehicles. Go Passes are expected to increase the number of City employees using public transportation to get to and from work, which will help reduce GHG and move the City closer to its target of reducing GHG emissions by 27% by 2020 from 2005 levels.

**Below Market-Rate Housing (BMR)** – This fund accounts for fees collected from developers of 10 or more residential units which are used to develop below market rate housing units through down payment assistance loans. In February, Council approved the appropriation of BMR Funds not to exceed \$320,000 to purchase and retrain property located at 20 Willow road #33 in the BMR program. Funding is available in the BMR program for this purchase, however a budget adjustment is required as the purchase of this unit was not originally included in the adopted budget. Although the City will recover most of the costs associated with this purchase through the resale of the unit, the timing of the sale may not occur until the beginning of fiscal year 2016-17.

**Capital Improvement General Fund** – This fund uses an annual contribution from the General Fund to provide adequate funding for maintenance of the City's current infrastructure. At the end of the 2014-15 fiscal year, Council approved the transfer of \$2,383,589 to the General Capital Improvement Fund out of the General Fund as a result of the year end General Fund Operating Surplus.

### Impact on City Resources

The fiscal impact of the requested change to the expenditure appropriation of the General Fund is discussed in the body of this report. Council's approval is requested to amend the current fiscal year 2015-16 expenditure budget as follows:

New appropriations:

- \$85,000 in expenses for Police services in the General Fund
- \$32,000 in expense for the Library Centennial celebration in the General Fund
- \$35,000 in expense for Caltrain Go Passes in the County Transportation Tax Fund (Measure A)

Previously approved appropriations:

- \$406,762 in encumbrances being carried over from 2014-15 in the General Fund
- \$200,000 for the City's storm preparedness program in the General Fund
- \$320,000 in expense for the purchase of a housing unit in the BMR program

Total Expenditure adjustments: \$1,078,762

All revenue projections made for the adopted fiscal year 2015-16 budget have been reviewed as a part of the mid-year update. As a result of the mid-year review, revenue adjustments have an overall surplus of \$2,156,800 in the General Fund.

The net operating surplus from the mid-year review for all funds, accounting for all revenue and expenditure adjustments is \$1,078,038.

**Environmental Review**

Environmental review is not required.

**Public Notice**

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

**Attachments**

No Attachments

Report prepared by:

Rosendo Rodriguez, Finance & Budget Manager

Stephen Green, Financial Analyst





**STAFF REPORT**

**City Council**

**Meeting Date:** 3/15/2016

**Staff Report Number:** 16-049-CC

**Regular Business:** Review and accept the Annual Report on the status and progress in implementing the City's Housing Element and the Annual Housing Successor Report

**Recommendation**

Staff recommends that the City Council accept the 2015 Housing Element Annual Report (Attachment A) and the 2015 Annual Housing Successor Report (Attachment B), and authorize their transmittal to the California Governor's Office of Planning and Research (OPR) and the California Department of Housing and Community Development (HCD).

**Policy Issues**

The preparation and submittal of the Housing Element Annual Report and the Annual Housing Successor Report complies with State law. The Annual Report documents past housing-related activities, but does not authorize the implementation of programs or expenditure of funds.

**Background**

Government Code 65400 requires each governing body to prepare an annual report on the status and progress of implementing the jurisdiction's Housing Element of the General Plan using forms and definitions adopted by the HCD. Housing Element Annual Reports are due April 1 of each year for the calendar year immediately preceding the April 1 reporting deadline. Therefore, this year's report evaluates the implementation programs of the 2015-2023 Housing Element between the time period January 1 and December 31, 2015. Although 2015 is the first year of 2015-2023 planning period, the City's 2014 Annual Report previously evaluated the 2015-2023 Housing Element since it was the Housing Element in effect at the time of the reporting. Since the Housing and Planning Commission meetings, staff has subsequently updated the 2015 Annual Report to account for the 2014 housing production numbers. The 2015 Annual Housing Element Report is included as Attachment A.

As part of the Housing Element Annual Review process, the Planning Commission and Housing Commission reviewed, discussed and commented on the 2015 Annual Report at their respective meetings on February 22, 2016 and March 2, 2016. The meetings also provided the public with an opportunity to provide comments on the Annual Report. The Commissions' reviews are not required by State law, but were previously recommended by staff as a means for sharing information and receiving input prior to Council's review.

The Planning Commission conducted its review on February 22, 2016. One member of the public spoke and suggested that the item be earlier in the Commission's agenda so more people could listen to the discussion and to also define the income categories in Table A of the report. The commenter shared her

support for bicycle and pedestrian improvements as noted in Program H4.T (Explore Bicycle and Pedestrian Improvements) and for higher density housing around the City's hub. In summary, the Planning Commission had several clarifying questions about the Notice of Funding Availability (NOFA), secondary dwelling units, and the status of a few of the programs to be reviewed concurrently with the General Plan Update. One Commissioner noted specific interest in the work on the following programs: H4.A (Explore the Creation of a Transportation Management Association), H4.I (Create Multi-Family and Residential Mixed Use Design Guidelines), H4.P (Update Parking Stall and Driveway Design Guidelines), and H4.T (Explore Bicycle and Pedestrian Improvements). Most of the Planning Commission's discussion focused on the need to explore mechanisms to encourage development at the higher residential densities permitted by the Zoning Ordinance and how to achieve more affordable housing at all income levels. The Commission also noted that affordable housing should be part of the public benefit discussion for development projects. The Planning Commission unanimously supported the 2015 Housing Annual Report and recommended that the City Council determine appropriate incentives to create housing for households at or below moderate-income levels.

The Housing Commission shared the Planning Commission's sentiments and supported the recommendation to accept the 2015 Housing Element Annual Report and to encourage the Council to seek appropriate incentives to create housing for households at or below the moderate-income levels. In addition, the Commission is interested in how the City can utilize below market rate (BMR) housing funds to achieve more affordable units. The Commission was encouraged to see greater commitment by the City to include on-site affordable housing units instead of payment of in-lieu fees.

On March 15, 2016, the City Council will have an opportunity to discuss and comment on the Annual Report, and provide input on the implementation of the programs identified for 2016. As part of the Annual Report, staff will be transmitting the Housing Successor Annual Report, included as Attachment B, per Senate Bill 341. Although the Redevelopment Agencies have been dissolved obligations to report on housing activities by housing successors continue. Housing successors (those entities that assumed the housing assets and functions of the former redevelopment agency) must report annually on their housing activities. The attached report reflects the fiscal year July 1, 2014 to June 30, 2015.

## **Analysis**

Attachment A includes the 2015 Housing Element Annual Report. The Annual Report includes a review on the status of implementation programs and consists of an inventory of housing production in the City. This staff report highlights a few key accomplishments and other programs that are in progress and will be continued in 2016, in more detail below.

## **Implementation Programs**

### *MidPen Housing*

Housing Element Program H4.Q (Achieve Long-Term Viability of Affordable Housing) states that the City should work with non-profits and other project sponsors to implement the City's Preferences for Affordable Housing policy (Policy H4.13). The City has closely coordinated with MidPen Housing on its 90-unit affordable senior development located at 1221 Willow Road. Recognizing the challenges of providing affordable housing in the region, MidPen was able to maximize its resources with the City's financial and technical assistance. The subject site was identified as a housing opportunity site and rezoned for higher density housing with an affordable housing overlay (AHO) as part of the 2007-2014 Housing Element.

Through the 2013-2014 Notice of Funding Availability (NOFA) process, the City Council awarded MidPen up to \$3.2 million from the City's Below Market Rate (BMR) housing fund for use towards the development of the project, and further contributed to the feasibility of the project by supporting the abandonment of a portion of right-of-way along Willow Road, a sidewalk easement, and public utility easements (PUE) to address circulation and access challenges of the site. Furthermore, the City granted fee waivers for the processing of the project per the requirements established in the AHO. In exchange for fee waivers and other incentives, the MidPen development is deed restricted for extremely-low (up to 30% of Area Median Income) and very low-income (31% to 50% of Area Median Income) senior households (age 62 years and older). Of the 90 units, 20 units have been established with preferences for people who live and/or work in Menlo Park with deed restriction periods of 55 years. Building permits were issued at the end of February and demolition of the existing building has already occurred, with completion anticipated within a year. Since the building permits were issued in 2016, the units will be counted towards the City's 2016 Annual Report. The deed restricted units at the lower income household levels serves a void in the City's affordable housing portfolio.

### *Notice of Funding Availability*

Program H1.H (Utilize the City's Below Market Rate (BMR) Housing Fund) requires the City to administer and advertise at least every two years the availability of funds in the BMR housing fund as it applies to residential, commercial and industrial projects. The objective of the NOFA is to support the acquisition, rehabilitation or new construction of housing that will provide long term affordability. The funding is intended to fill the financing gap between projected total development costs and other available funding sources. In July 2015, the City released its second NOFA, announcing that approximately \$7.8 million of BMR funds are available. As part of this NOFA, the Council supported several changes to the requirements in an effort to increase the interest level and number of responses. The modifications were 1) a reduction in the number of completed affordable housing projects, 2) to encourage, rather than require, that an applicant's previous projects be of similar size and complexity, and 3) to allow an entity to submit as an individual and a team. The City received three applications, which is an increase from the one application received during the 2013 NOFA. One of the applicants would not have previously qualified without the modifications to the eligibility requirements. Staff is in the process of reviewing the applications and will be scheduling a study session with the City Council in the coming months.

### *Affordable Housing Nexus Study*

As part of a collaborative effort working with 13 jurisdictions in San Mateo County, San Mateo County and the City of Palo Alto, the City is pursuing an affordable housing nexus study. The nexus study would provide a defensible analysis to maintain legal justification for the City's BMR Housing Program, which includes both inclusionary zoning and affordable housing impact fees for commercial developments. Participation in this effort supports Program H4.D (Update the BMR Fee Nexus Study). Much of the work has been done, but had been put on hold given limited staffing resources. Staff believes that the nexus study can be finalized in time to become part of a larger dialogue around housing that the Council has requested. A study session with the Council to introduce the nexus study framework and other options to address affordable housing and other housing-related issues such as displacement, would be the likely next step and occur in the late Spring timeframe. The Housing Commission and Planning Commission will have opportunities to provide input on the nexus study, and the City Council will ultimately have a policy

decision to make on whether to modify the City's BMR Program and/or adopt any other housing-related ordinances.

*General Plan Update*

The City is engaged in updating its Land Use and Circulation Elements of the General Plan. While the General Plan Update is not an implementation program of the Housing Element, a number of programs have been slated to be considered as part of the General Plan update timeframe. Some of the programs directly relate to or are influenced by the current work of the General Plan and should be implemented concurrently with the Update, while other programs may be more appropriate, given the topic or geographic focus, to be considered for implementation at a future date. For example, Program H4.N (Create Opportunities for Mixed Use Development) seeks to explore opportunities to modify zoning to allow residential uses in commercial zones dependent on proximity to other services and transit and the preservation of viable local-serving commercial uses. Through the General Plan process of identifying desired land uses and locations for such land uses, smaller scale mixed-use developments at key locations along the Willow Road Corridor emerged as a potential change to the area. To implement that, staff may be proposing modifications to the C-2-B zoning district to allow for residential in mixed use developments where residential uses are not currently permitted. Other Programs such as H4.J (Consider Surplus City-Owned Land for Housing) may not be as timely because there is no City-owned surplus land in the M-2 geographic area of the General Plan Update.

Below is Table 1, which lists the Housing Element programs to be considered as part of the General Plan Update. The Council may wish to provide input on which programs should be prioritized. Staff will also note that several other Housing Element programs were targeted for the 2016 timeframe. These programs such as H1.G (Adopt an Anti-Displacement Ordinance) and H2.A (Adopt Ordinance for "At Risk" Units) can be further discussed and considered as part of the larger housing dialogue with the Council on various housing strategies and City priorities to addressing housing concerns, tentatively scheduled for late Spring 2016.

Table 1: Housing Element Programs to be Considered During the General Plan Update Timeframe (2014-2016)	
Program No.	Housing Element Program
H2.C	Amend the Zoning Ordinance to Protect Existing Housing
H3.G	Develop Incentives for Special Needs Housing
H4.A	Modify R-2 Zoning to Maximize Unit Potential
H4.I	Create Multi-Family Residential Mixed Use Design Guidelines
H4.J	Consider Surplus City Land for Housing
H4.L	Coordinate with School Districts to Link Housing with School District Planning Activities
H4.M	Review the Subdivision Ordinance
H4.N	Create Opportunities for Mixed Use Development
H4.O	Review Transportation Impact Analysis Guidelines
H.4.S	Explore Creation of a Transportation Management Association
H4.T	Explore Pedestrian and Bicycle Improvements (coordination with Redwood City)

As part of the city review of the 2014 Annual Report, staff discussed the potential for several Zoning Ordinance amendments related to the secondary dwelling unit ordinance, the R-3 (Infill Around Downtown) zoning district, and items treated to accessory buildings and structures. These amendments were considered minor “clean up” amendments that would provide clarity and minimize ambiguity, and would not result in an increase in density or intensity in development that was not previously considered. With the staffing levels and priority on the General Plan Update, the El Camino Real/Downtown Specific Plan, and the processing of development projects, staff was unable to bring forward the Zoning Ordinance amendments for consideration in 2015. As part of the General Plan Update process, staff will be considering several housing programs that could trigger Zoning Ordinance amendments. For efficiencies, staff will consider bundling the “clean up” Zoning Ordinance amendments with other housing-related zoning ordinances that may come concurrent with or following the General Plan update.

**Housing Production**

In 2015, the City experienced unprecedented housing production with the issuance of building permits for 748 net new dwelling units. A majority of the units are located within three large, multi-family residential developments that were previously identified as housing opportunity sites for higher density housing in the 2007-2014 Housing Element. Two of the developments are located along Haven Avenue and one development is on Hamilton Avenue, and all three are expected to be completed in 2016. Of the 394 units in the St. Anton development on Haven Avenue, 37 units will be dedicated affordable to very low- and low-

income households.

During 2015, the first residential building permits under the El Camino Real/Downtown Specific Plan were also issued. The project yielded three new residential units at 612 College Avenue. In addition, the City issued an unprecedented number of building permits for secondary dwelling units. Eight building permits were issued for secondary dwelling units. One of the building permits was for the conversion of a detached garage into a secondary dwelling unit, taking advantage of the limited-time conversion provision in the Zoning Ordinance that allows certain nonconformities to remain. Two more applications are pending. The conversion process for legally built and constructed accessory buildings into secondary dwelling units was established in 2015 and extended in 2015 for an additional year. The program will sunset on June 13, 2016, unless the City Council, by resolution, extends the effective date. Staff recommends that the program be extended for an additional year, and will bring a resolution for the Council's consideration in the next few months.

While the City's housing production for the year exceeds the City's Regional Housing Need Allocation of 655 units for the 8-year planning period, the City's numbers for affordable housing are not yet close to being met. The upcoming study session on housing will be an opportunity to discuss ways to obtain and retain affordable housing in the City.

### **Housing Successor Report**

Successor Housing entities must provide an Annual Report that details compliance with the expenditure limitations detailed in SB 341 during each five year compliance period. The initial reporting period began on January 1, 2014 and ends on December 31, 2018. The information should be reported at the same time as the Housing Element Annual Report due April 1<sup>st</sup> of each year.

For the fiscal year ending June 30, 2015, the Low and Moderate Income Housing Asset Fund received \$48,293 from the payments on housing loans (\$40,611) and interest earned on cash in fund (\$7,682).

The Housing Successor does not have any interests in real property acquired by the former redevelopment agency. The last remaining real property acquired by the former agency was sold in August 2013 and the proceeds were remitted to the County of San Mateo. The Housing Successor also does not have any remaining housing replacement or production obligations.

### **Impact on City Resources**

There are no impacts to City resources besides the preparation of the report. Program implementation may have impacts to staffing resources and/or projects/priorities.

### **Environmental Review**

The Housing Element and Housing Successor Annual Reports are not considered a project. Implementation of Housing Programs may be subject to the California Environmental Quality Act (CEQA), and each program will be evaluated on a case-by-case basis.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. In addition, the City sent an email update to the subscribers of the Housing Element webpage.

### **Attachments**

- A. 2015 Housing Element Annual Report
- B. Housing Successor Report (FY 2014 – 2015)
- C. Link to: Adopted Housing Element for the 2015-2023 Planning Period  
(<http://menlopark.org/DocumentCenter/View/4329>)

Report prepared by:  
Deanna Chow, Principal Planner

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**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202 )

**Jurisdiction** City of Menlo Park  
**Reporting Period** 1/1/2015 - 12/31/2015

**Table A**  
**Annual Building Activity Report Summary - New Construction**  
**Very Low-, Low-, and Mixed-Income Multifamily Projects**

Housing Development Information									Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development  See Instructions	Deed Restricted Units  See Instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income					
3639 Haven Ave. (St. Anton)	5+	R	22	15	0	357	394	394		DB; BMR Ordinance	
1390 Garden Ln.	SDU	R									
220 Haight St.	SDU	R									
746 Hermosa Way	SDU	R									
331 Oak Ct.	SDU	R									
323 O'Keefe St.	SDU	R									
529 Pope St.	SDU	R									
2161 Sharon Rd.	SDU	R									
1475 Woodland Ave.	SDU	R									
SDU Subtotal	SDU	R	3	5	0	0	8	8			
(9) Total of Moderate and Above Moderate from Table A3			▶	▶	0	346	346	346			
(10) Total by income Table A/A3			▶	▶	25	20	0	703	748	748	
(11) Total Extremely Low-Income Units*											

\* Note: These fields are voluntary

Second Unit (SU) affordability is consistent with the Housing Element assumptions and based on a survey of San Mateo County jurisdictions.

## ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation (CCR Title 25 §6202 )

**Jurisdiction** City of Menlo Park  
**Reporting Period** 1/1/2015 - 12/31/2015

**Table A2  
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c )(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

\* Note: This field is voluntary

**Table A3  
Annual building Activity Report Summary for Above Moderate-Income Units  
(not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for <b>Moderate</b>	0	0	0	0	0	0	0
No. of Units Permitted for <b>Above Moderate</b>	2	3	341	0	0	346	346

\* Note: This field is voluntary

## ANNUAL ELEMENT PROGRESS REPORT

### *Housing Element Implementation*

(CCR Title 25 §6202 )

**Jurisdiction** City of Menlo Park

**Reporting Period** 1/1/2015 - 12/31/2015

**Table B**  
**Regional Housing Needs Allocation Progress**

**Permitted Units Issued by Affordability**

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2014	2015	2016	2017	2018	2019	2020	2021	2022	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	59	22								81	148
	Non-deed restricted	1	3								4	
Low	Deed Restricted	0	15								15	107
	Non-deed restricted	2	5								7	
Moderate	Deed Restricted	0	0								0	143
	Non-deed restricted	0	0								0	
Above Moderate		9	703								712	-562
Total RHNA by COG. Enter allocation number:		655										
Total Units ▶ ▶ ▶		71	748								819	-164
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
 (CCR Title 25 §6202 )

**Jurisdiction**            City of Menlo Park  
**Reporting Period**                  1/1/2015           -           12/31/2015          

**Table C**  
**Program Implementation Status**

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
H1.A Establish City Staff Work Priorities for Implementing Housing Element Programs	Establish staff priorities for implementing Housing Element Programs	Annually	This will be done annually as part of the annual Housing Element review.
H1.B Review the Housing Element Annually	Review and monitor Housing Element implementation; conduct public review with the Housing Commission, Planning Commission and City Council, and submit Annual Report to HCD	Annually	Annual Review for the 2014 calendar year was accepted by the City Council on March 24, 2015 and submitted to HCD for review. Using forms provided by HCD, the 2015 Annual Review was undertaken between February and March 2016, and reviewed by the Housing Commission, Planning Commission and accepted by the City Council.
H1.C Publicize Fair Housing Laws and Respond to Discrimination Complaints	Obtain and distribute materials (see Program 1H.D)	Ongoing	Materials available at the counter at City Hall and on the City's Web site.
H1.D Provide Information on Housing Programs	Obtain and distribute materials at public locations; conduct staff training	Annually	Materials available at the counter at City Hall and on the City's Web site. Housing Commission meetings are conducted on a quarterly basis, at a minimum. Agendas and notices are posted at City Hall and on the City's website. A mailer was distributed to all households and businesses in the City to promote the Energy Upgrade California, which allows eligible recipients to receive cash rebates for energy efficiency upgrades.
H1.E Undertake Community Outreach When Implementing Housing Element Programs	Conduct community outreach and distribute materials (see Programs H1.C and 1H.D)	Consistent with program timelines	Materials available at the counter at City Hall and on the City's Web site. Housing Commission meetings are conducted on a quarterly basis, at a minimum. Agendas and notices are posted at City Hall and on the City's website. Email notifications are also sent to interested parties. Additional outreach to targeted populations and interested parties depending on program.
H1.F Work with the San Mateo County Department of Housing	Coordinate with County efforts to maintain and support affordable housing	Ongoing	Coordination has occurred as part of the countywide 21 Elements process, coordination with the Department of Housing and other jurisdictions on a countywide nexus study and coordination in implementing Housing Element programs. The City also maintains a City Council representative on the Closing the Jobs/Housing Gap Task Force, which was established by the County of Board of Supervisors to address the regional affordable housing issues.
H1.G Adopt an Anti-Discrimination Ordinance	Undertake Municipal Code amendment and ensure effective implementation of anti-discrimination policies and enforcement as needed	2016	No activity to date.

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
 (CCR Title 25 §6202 )

**Jurisdiction**            City of Menlo Park  
**Reporting Period**        1/1/2015 - 12/31/2015

H1.H Utilize the City's Below Market Rate (BMR) Housing Fund	Accumulate and distribute funds for housing affordable to extremely low, very low, low and moderate income households	Ongoing	The City issued a Notice of Funding Availability (NOFA) in July 2013, and awarded MidPen a loan for up to \$3.2 million for an affordable senior development at 1221 Willow Road in September 2014. In June 2015, the Community Development Director issued a compliance letter indicating that the proposed 90-unit senior development is in compliance with the zoning regulations and design standards. In July 2015, the City issued its second NOFA for new affordable rental projects. Approximately \$7.8 million BMR housing funds are available under the NOFA to support the acquisition, rehabilitation and/or construction of housing that will provide long-term affordability. Staff is in the process of reviewing the three applications received. In late 2015, the 60-unit affordable housing development at 605 Willow Road (at the Veterans Affairs Campus) was completed. The City provided financial assistance to the project with a \$2.86 million loan from the Below Market Rate Housing (BMR) funds.
H1.I Work with Non-Profits on Housing	Maintain a working relationship with non-profit housing sponsors	Ongoing	The City has worked closely with MidPen to assist in their application submittal to redevelop its property on the 1200 block of Willow Road from 48 dwelling units to 90 dwelling units, including an application to abandon a portion of the public right-of-way for the proposed project, as well as other supportive documents needed for financing of the project. In June 2015, the City determined the MidPen project to be in compliance with the R-4-S (AHO) standards. The City will continue to undertake outreach to non-profit housing sponsors throughout the 2015-2023 Housing Element period. Annual funding provided to HIP and HEART.
H1.J Update the Housing Element	Assure consistency with SB375 and Housing Element law	2023	Completed. The City Council adopted the 2015-2023 Housing Element on April 1, 2014, and was certified by HCD on April 16, 2014.
H1.K Address Rent Conflicts	Resolve rent conflicts as they arise	Ongoing	No activity to date. Staff is not aware of any rental disputes that have been brought to the City's attention.
H1.L Update Priority Procedures for Providing Water Service to Affordable Housing Developments	Comply with Government Code Section 65589.7	2015 and 2020 (as part of Urban Water Management Plan updates)	Program completed in February 2014. No additional work on this program is needed at this time.
H1.M Lobby for Changes to State Housing Element Requirements	Work with other San Mateo County jurisdictions and lobby for modifications to Housing Element law (coordinate with Program H1.B)	Ongoing	Meet with State Representative and other jurisdictions and provided input on proposed legislation as needed.
H2.A Adopt Ordinance for "At Risk" Units	Protect existing affordable housing	2016	There are no "at risk" subsidized affordable units in Menlo Park at the current time. "At risk" units are those that appear to be in danger of conversion from subsidized housing units to market rents. No activity to date.

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
 (CCR Title 25 §6202 )

**Jurisdiction**            City of Menlo Park  
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<p>H2.B Promote Energy Efficient/Renewable Programs</p>	<p>50 or more homes and businesses participating in a program</p>	<p>Establish policy and programs by 2017; Participation rate by 2022</p>	<p>The City, in partnership with San Mateo County and BayRen, hosted a home energy upgrade workshop attended by 27 people in April 2015. One hundred Belle Haven residents participated in a solar workshop. The workshop was the result of the City, non-profits Grid Alternatives and Menlo Spark, and Facebook working together. Grid Alternatives presented their solar installation program for low income households and Menlo Spark explained how they had worked with Facebook to make a significant donation, allowing qualifying Belle Haven homeowners to receive free solar systems. 53 households participated in the City's Washing Machine Rebate programs administered by both the Menlo Park Municipal Water District and PG&amp;E. In 2015, a total of 6 Menlo Park properties participated in the HERO Program which is a Property Assessed Clean Energy (PACE) financing program. PACE allows qualified property owners the ability to finance renewable energy and water efficient retrofits through a voluntary special assessment or tax placed on their annual tax bill. The 6 completed projects amount to 946,792 KWh in energy savings, a reduction of 88 tons of GHG emissions, and 308,000 gallons of water saved.</p>
<p>H2.C Amend the Zoning Ordinance to Protect Existing Housing</p>	<p>Protect existing rental housing as part of infill implementation and other Zoning Ordinance changes</p>	<p>Consider as part of the City's General Plan Update (2014-2017)</p>	<p>No activity to date. Staff will be considering whether such changes will be considered as part of the General Plan Update.</p>

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
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H2.D Assist in Implementing Housing Rehabilitation Programs	Apply to the County for CDBG funds to provide loans to rehabilitate very low and low income housing (20 loans from 2015-2023)	2015-2023	The County has temporarily stopped administering the CDBG rehabilitation loan program, except in emergency situations.
H3.A Zone for Emergency Shelter for the Homeless	Amend the Zoning Ordinance	2014; concurrent with RHNA 5 Housing Element Update	Completed. Ordinance adopted on April 29, 2014. Ordinance identifies the location of the overlay to allow an emergency shelter for the homeless for up to 16 beds as a use by right and includes standards consistent with State law as established in SB2.
H3.B Zone for Transitional and Supportive Housing	Amend the Zoning Ordinance	2014; concurrent with RHNA 5 Housing Element Update	Completed. Ordinance adopted on April 29, 2014 to update the definitions of transitional and supportive housing to be consistent with State law and adds transitional, supportive housing and small (6 or fewer) residential care facilities as part of the definition of a "dwelling" in the Zoning Ordinance so these uses are treated the same way as other residential uses as required by State law under SB2.
H3.C Adopt Procedures for Reasonable Accommodation	Amend the Zoning Ordinance and/or modify administrative procedures; create public handout	2014; concurrent with RHNA 5 Housing Element Update	Completed. Ordinance adopted April 29, 2014 to establish procedures, criteria and findings for enabling individuals with disabilities to make improvements and overcome barriers to their housing.
H3.D Encourage Rental Housing Assistance Programs	Provide assistance at current Section 8 funding levels to assist 220 extremely low and very low-income households per year (assumes continued funding of program)	2015-2023	There are 211 households provided rental assistance in Menlo Park through Section 8 and other programs. In addition, many of the tenants at the new 60-unit affordable housing project at the VA Campus receive rental assistance, including project-based HUD VASH (Veterans Affairs Supportive Housing) from the Housing Authority of San Mateo County and HUD-VASH tenant based assistance.
H3.E Investigate Possible Multi-Jurisdictional Emergency Shelter	Coordinate in the construction of homeless facility (if determined feasible)	Longer term program as the opportunity arises	There are no plans for a specific facility at this time.
H3.F Assist in Providing Housing for Persons Living with Disabilities	Provide housing and services for disabled persons	Ongoing	Annual funding provided to HIP.
H3.G Develop Incentives for Special Needs Housing	Amend the Zoning Ordinance to provide opportunities for housing and adequate support services for seniors and people living with disabilities	Consider as part of the City's General Plan Update (2014-2017)	The City's Affordable Housing Overlay (AHO), which was established in 2013, was applied to MidPen's 90-unit affordable, senior housing development. Along with financial incentives, the AHO provides density bonuses and a parking reduction for senior housing. Additional Zoning Ordinance amendments will be considered as part of the General Plan Update.
H3.H Continue Support for Countywide Homeless Programs	Support housing and services for the homeless and at-risk persons and families	Ongoing	The City has continued to support HEART and has participated in countywide activities to address homeless needs. In addition, through the City's Community Funding program, the City supports Inn Vision Shelter Network.

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
 (CCR Title 25 §6202 )

**Jurisdiction**            City of Menlo Park  
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H3.I Work with the Department of Veterans Affairs on Homeless Issues	Coordination in addressing the needs of the homeless	2014; ongoing thereafter	In January 2014 the City Council authorized a loan increase from the City's BMR funds to CORE Housing for up to \$2.86 million for affordable housing at 605 Willow Road (Veterans Affairs Campus). The development includes 60 dwelling units and would provide permanent housing to extremely low- and very low-income veterans. The development received its certificate of occupancy in December 2015.
H4.A Modify R-2 Zoning to Maximize Unit Potential	Amend the Zoning Ordinance to minimize underutilization of R-2 development potential	Consider as part of the City's General Plan Update (2014-2017)	Issues and strategies to be considered as part of the General Plan Update (2014-2016).
H4.B Implement Inclusionary Housing Regulations	Implement requirements to assist in providing housing affordable to extremely low, very low, low and moderate income households in Menlo Park	Ongoing	To comply with the City's BMR Ordinance for commercial and industrial projects, new commercial/industrial development (meeting certain criteria) in the City contributed \$2,387,380.00 of BMR in-lieu fees to the City's BMR fund in 2015. The funds will be used to help house extremely low, very low, low and moderate-income households (see Program H1.H).
H4.C Modify BMR Guidelines	Amend the Zoning Ordinance to require affordable units in market rate developments	2015	Modification to the City's BMR Guidelines will be considered following completion of the Nexus Study, expected to be reviewed in 2016 (see Program H4.D).
H4.D Update the BMR Fee Nexus Study	Update to fees consistent with the nexus of potential impacts on affordable housing need	2015	The City is currently participating in a multi-jurisdictional nexus study that would provide a defensible analysis to maintain the legal justification for inclusionary zoning and affordable housing impact fees. The study is anticipated to be reviewed by the City Council in 2016.



## ANNUAL ELEMENT PROGRESS REPORT

### *Housing Element Implementation*

(CCR Title 25 §6202 )

**Jurisdiction**                      City of Menlo Park

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**Reporting Period**                      1/1/2015 - 12/31/2015

<p>H4.E Modify Second Dwelling Unit Development Standards and Permit Process</p>	<p>Amend the Zoning Ordinance to reduce the minimum lot size to create greater opportunities for new second units to be built. Achieve Housing Element target for new second units (40 new secondary dwelling units between 2015-2023, with 5 per year) — 18 very low, 18 low and 4 moderate income second units.</p>	<p>2014; ongoing thereafter</p>	<p>Concurrent with the adoption of the 2007-2014 Housing Element in May 2013, the City of Menlo Park reviewed a Zoning Ordinance amendment for modifications to the Secondary Dwelling Unit Ordinance in recognition that secondary dwelling units can be a valuable source of affordable units because they often house family members at low or no cost, and many are limited in size and therefore, have lower rents. Besides making the City's ordinance compliant with State law, the Zoning Ordinance amendment included a number of revisions to provide greater flexibility in the development regulations to encourage more development of secondary dwelling units, which exceeds the target of 5 per year.</p> <p>As part of the Housing Element for the 2015-2023 Housing Element, the City of Menlo Park continued this program to further explore opportunities for additional revisions to the Secondary Dwelling Unit Ordinance. In April 2014, the City Council adopted additional revisions to the secondary dwelling unit ordinance, including increasing the maximum unit size for units that comply with accessibility requirements, establishing a new daylight plane requirement in lieu of the wall height requirement, and providing flexibility in the tenancy requirement. Staff is considering additional amendments to help provide clarity in implementation between attached and detached secondary dwelling units. In 2015, building permits for 8 new secondary dwelling units were issued.</p>
<p>H4.F Establish a Process and Standards to Allow the Conversion of Accessory Buildings and Structures to a Secondary Dwelling Unit</p>	<p>Adopt procedures and requirements to allow conversion of accessory structures and buildings (15 new secondary dwelling units — 6 very low income, 6 low income and 3 moderate income units)</p>	<p>2014; review the effectiveness of the ordinance in 2015</p>	<p>In April 2014, the City adopted an ordinance, that would allow legally permitted accessory buildings that do not meet the setback requirements for a secondary dwelling unit to be converted to a secondary dwelling unit through an administrative permit process. This conversion process through the administrative permit process was set to expire in one year from ordinance adoption, but was extended in May 2015 for one additional year, expiring in June 2016. In 2015, staff received a number of general inquiries about the conversion process. Three applications for a conversion have been submitted thus far, and one building permit was issued in 2015.</p>
<p>H4.G Implement First-Time Homebuyer Program</p>	<p>Provide referrals</p>	<p>2015-2023</p>	<p>The City is referring first time homebuyers to HEART for down payment assistance since BMR funds are no longer available for this program. Information is available on the City's Housing webpage per Housing Programs H1.C and H1.D.</p>
<p>H4.H Work with Non-Profits and Property Owners on Housing Opportunity Sites</p>	<p>Identify incentives and procedures to facilitate development of housing affordable to extremely low, very low, low and moderate income households on higher density housing sites</p>	<p>Ongoing</p>	<p>The City continues to work with Mid-Pen Housing to implement the City's Affordable Housing Overlay Zone, which provides incentives for the creation of affordable housing, as part of MidPen's Gateway Apartments project; coordinated with CORE Housing for a 60-unit low income development at the Veterans Affairs facility; and reviewed and implemented State Density Bonus law for the creation of 23 deed restricted affordable units in a new 394-unit rental development on Haven Avenue (St. Anton Partners).</p>

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
 (CCR Title 25 §6202 )

**Jurisdiction**      City of Menlo Park

**Reporting Period**      1/1/2015 - 12/31/2015

H4.I Create Multi-Family and Residential Mixed Use Design Guidelines	Adopt design guidelines for multi-family and mixed use housing developments	Consider as part of the City's General Plan Update (2014-2017)	Program will be reviewed as part of the General Plan Update (2015-2016). As part of the General Plan Update, staff is proposing design standards as part of a new residential-mixed use zoning designation.
H4.J Consider Surplus City-Owned Land for Housing	Identify opportunities for housing as they arise	Consider as part of the City's General Plan Update (2014-2017)	No activity to date. Program will be reviewed as part of the General Plan Update (2015-2016).
H4.K Work with the Fire District	Undertake local amendments to the State Fire Code and approve City Council Resolution ratifying the Fire District's local amendments	2014 (in progress)	The City Council ratified local amendments to the State Fire Code on January 27, 2015
H4.L Coordinate with School Districts to Link Housing with School District Planning Activities	Coordinate and consider school districts long-range planning, resources and capacity in planning for housing	Ongoing with Housing Element program implementation. Consider as part of the City's General Plan Update (2014-2017)	Continued coordination on new residential development (unit type, timing, etc.) and implications for enrollment growth and facility planning with various school districts. Program is included in the 2015-2023 Housing Element and will be considered during the General Plan Update (2014-2016).
H4.M Review the Subdivision Ordinance	Modify the Subdivision Ordinance as needed	Consider as part of the City's General Plan Update (2014-2017)	Program will be reviewed as part of the General Plan Update (2014-2016).
H4.N Create Opportunities for Mixed Use Development	Conduct study and establish regulations to allow housing in commercial zones	Consider as part of the City's General Plan Update (2014-2017)	Program will be reviewed as part of the General Plan Update (2014-2016). Staff is proposing to allow residential uses in the C-2-B neighborhood commercial zoning district to provide small-scale, mixed-use opportunities in key areas along the Willow Road Corridor.
H4.O Review Transportation Impact Analysis Guidelines	Modify Transportation Impact Analysis (TIA) guidelines	Consider as part of the City's General Plan Update (2014-2017)	The focus of the General Plan Update is the Land Use and Circulation Elements. In July 2015, the City adopted modifications to the TIA for certain projects considering changes of use within the M-2 Area, resulting in streamlined review for certain discretionary projects in the M-2 Area. The M-2 Area is currently the focus of land use changes being analyzed as part of the City's General Plan Update. Additional changes to the TIA will be considered as part of the General Plan Update (2014-2016).
H4.P Update Parking Stall and Driveway Design Guidelines	Modify Parking Stall and Driveway Design Guidelines	2014	No activity to date. Program will be reviewed as part of the General Plan Update (2014-2016).

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

**Jurisdiction**      City of Menlo Park  
**Reporting Period**      1/1/2015 - 12/31/2015

H4.Q Achieve Long-Term Viability of Affordable Housing	Establish project management and other ongoing project coordination needs	As developments are proposed and ongoing thereafter	As part of the MidPen Affordable Housing Agreement for a 90-unit affordable housing project, 20 units were established with preferences for people who live and/or work in Menlo Park.
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City of Menlo Park as Housing Successor for the  
 former City of Menlo Park Redevelopment Agency  
 701 Laurel Street, Menlo Park, CA 94025  
 Telephone (650) 330-6640 [www.menlopark.org](http://www.menlopark.org)

**SENATE BILL 341 ANNUAL HOUSING SUCCESSOR REPORT  
 For the Fiscal Year ending June 30, 2015**

- 1) During the fiscal year, the Low and Moderate Income Housing Asset Fund received \$48,293 in amounts deposited. It received \$40,611 for payments on housing loans and \$7,682 for interest earned on cash in fund. There are no amounts deposited for items listed on the Recognized Obligation Schedule.
- 2) At June 30, 2015, the Low and Moderate Income Housing Asset Fund had a cash balance of \$397,497 and a fund balance of \$4,806,320. There are no amounts held for items listed on the Recognized Obligation Payment Schedule.
- 3) During the fiscal year, the fund spent \$19,146 in personnel expenditures to administer housing loans for preserving the long-term affordability of housing units.
- 4) Values as of June 30, 2015:
 

Real property -	\$0
Loans receivable -	<u>\$5,423,864</u>
Total -	\$5,423,864
- 5) There were no funds transferred during the fiscal year. The Low and Moderate Income Housing Asset Fund does not have any projects on the Recognized Obligation Payment Schedule and will not have any transfers into or out of the fund in the foreseeable future.
- 6) The Low and Moderate Income Housing Asset Fund does not have any projects for which the housing successor holds or receives property tax revenue pursuant to the Recognized Obligation Payment Schedule.
- 7) As of June 30, 2015, the Housing Successor does not have interests in real property acquired by the former redevelopment agency. The last remaining real property acquired by the former redevelopment agency was sold in August 2013 and the proceeds were remitted to the County of San Mateo.
- 8) As of June 30, 2015, the Housing Successor does not have any remaining obligations.

## **Senate Bill 341 Annual Housing Report, continued**

- 9) With the limited funds, the Housing Successor is just providing maintenance on low and moderate income housing loans.
- 10) As of June 30, 2015, the Low and Moderate Income Housing Fund does not foresee any loan repayments.
- 11) The former redevelopment agency area does not contain any deed-restricted senior rental housing.
- 12) As of June 30, 2015, the Low and Moderate Income Housing Fund does not have any excess surplus.
- 13) As of June 30, 2015, the Low and Moderate Income Housing Fund has no inventory of homeownership units.



## STAFF REPORT

### City Council

Meeting Date:

3/15/2016

Staff Report Number:

16-055-CC

Informational Item:

Update on the status of bus shelter installation in Belle Haven

### Recommendation

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

### Policy Issues

In accordance with the City Council Work Plan for 2016, staff is recommending that SamTrans install new bus shelters in Belle Haven. The Circulation Element of the General Plan includes policies that support and encourage the use of public transit. The installation of bus shelters would support these policies.

### Background

In 2006, SamTrans, through its contract with Outfront Media, initiated a program to replace existing bus shelters throughout the County with a new design. Bus shelters are an amenity provided at major transit stops, providing cover from sun or weather, seating and information about the transit system.

Outfront Media currently replaces and maintains shelters at no-cost to SamTrans or local agencies by allowing advertisements to be posted within the shelter. The revenue generated by advertisements fully covers the capital cost of installation as well as ongoing maintenance for the shelter.

SamTrans' bus shelter policy states that shelters are considered for installation based on the following criteria:

- Stops serving more than 200 passengers each day
- 75 percent of shelters shall be located in census tracts on routes associated with urbanized areas
- Distribution of shelters county-wide should match the distribution of minority census tracts
- Locations for shelters with advertisements are chosen by the vendor based on the visibility and traffic

### Analysis

Within Menlo Park, the City's Municipal Code (section 16.92, sign ordinance) prohibits signs and advertising within the public right-of-way except in explicitly defined circumstances (such as for building rentals or sales). The use of advertising within bus shelters was identified as a potential violation of the sign ordinance.

However, in December 2015, staff was provided a copy of SamTrans advertising policy, which limits the type and content allowable within shelters and other areas within their control (trains, buses, etc.). Upon review of SamTrans advertising policy, as well as court decisions limiting a City's ability to regulate signs by other governmental agencies, the City Attorney's concerns regarding posting of advertisements in the public right-of-way were alleviated.

Since that time, staff has continued to advance review of bus shelter locations with SamTrans, and expressed a desire that new shelters be installed in the Belle Haven neighborhood. Since there are no existing bus shelters in Belle Haven, we are requesting SamTrans to make an exception to its current program of replacing old shelters and are requesting installation of brand new shelters. Staff is working with SamTrans to identify possible bus stops that meet the new bus shelter requirements including high ridership, visibility, and adequate space to install the shelter, and ADA accessibility. Following this analysis, staff will continue working with SamTrans to replace shelters throughout the City as part of SamTrans ongoing program. If the proposed shelter locations do not meet SamTrans policy and criteria for installation, the City may be able to advance the capital and maintenance costs to provide the new shelters.

While a schedule for installation has not yet been determined, staff anticipates that the prioritization of locations will be completed in the next two to three weeks. A schedule for installation will be developed at that time, and will be shared with the City Council through a Weekly Digest item and with the Belle Haven community through an announcement through the Belle Haven Community Updates email list.

#### **Attachments**

None

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





## STAFF REPORT

### City Council

Meeting Date:

3/15/2016

Staff Report Number:

16-050-CC

Informational Item:

Update on the Water System Master Plan (WSMP) – Recycled Water

### Recommendation

This is an informational item only. No City Council action is required at this time.

### Policy Issues

There are no policy issues associated with this staff report.

### Background

The City of Menlo Park Municipal Water District (MPMWD) provides water to approximately 16,000 customers through approximately 4,300 service connections. As part of the 2015 goal setting process, the Council identified the development of a Water System Master Plan (WSMP) as a priority project for 2016. On May 19, 2015, Council authorized the City Manager to enter into an agreement with West Yost Associates (Consultant) for the development of the WSMP.

The scope of work for the WSMP is comprehensive and will enable the MPMWD to strategize future planning and budgeting efforts in order to maintain distribution reliability and efficiency under current demands, future growth, and emergency situations. To address the Council's priority goals, the work includes a water recycling (water reuse alternatives) task to evaluate the effectiveness of graywater programs as a water conservation tool and the feasibility of obtaining municipal recycled wastewater from the City of Redwood City, the City of Palo Alto, and the West Bay Sanitary District (West Bay). The following definitions apply to this study:

**Graywater:** Wastewater from clothes washers, showers and bathtubs, and laundry tubs that does not include wastewater from toilets, dishwashers, and kitchen and utility sinks (County of San Mateo, Environmental Health).

**Recycled Water:** Wastewater which has been treated and is suitable for non-potable uses, also referred to as reclaimed water (Title 17 California Code of Regulations Water Board, Division of Drinking Water).

### Analysis

The Consultant is in the process of completing the Water Reuse Alternatives task included as part of the scope of work for the WSMP. A summary of the Consultant's preliminary findings are presented below:

### ***Graywater Program***

Residential graywater programs have been implemented by a number of agencies in an effort to reduce potable water consumption. Preliminary research from Stanford University, however, indicates that these programs do not always result in a reduction of potable water use and can often lead to increased consumption. Both the cities of Long Beach and Santa Rosa have observed increased domestic water use following the installation of graywater landscape irrigation systems. While it is unclear why the increase in water use is being observed, the findings indicate that the effectiveness of graywater programs as a water conservation tool requires further assessment. Due to the potential for increased water use, the implementation of a graywater program is not recommended at this time.

### ***Recycled Water***

Current State public health regulations allow for the use of recycled water for irrigation and internal plumbing needs, such as toilet and urinal flushing, and as a source for cooling tower water, depending on the level of treatment. Both the cities of Redwood City and Palo Alto produce recycled water and have expressed interest in expanding their recycled water programs to reach Menlo Park. Redwood City is currently in the process of designing an extension of their recycled water distribution system to the proposed Stanford University campus on Broadway Street. The new extension would bring the recycled water system within a mile of the City boundary, particularly the ConnectMenlo / M-2 Zoning Area. This work is expected to be completed in 2018. Similarly, Palo Alto is evaluating plans to extend their recycled water system to reach the City of East Palo Alto. This extension would bring the recycled water system within close proximity to the City boundary.

By purchasing recycled water from either Redwood City or Palo Alto, the MPMWD would be able to develop a recycled water program and address potential future shortfalls in potable water supply, which have been identified in the Urban Water Management Plan (UWMP). As noted in the UWMP study session staff report presented on March 15, 2016, the MPMWD could experience potential potable water shortfalls up to 31% in 2040 during multiple dry years. With an additional source of water, potable water demand could be offset with recycled water for uses allowed by the State (i.e., irrigation, cooling, and toilet / urinal flushing). The recycled water program would require capital investments for the development of a separate distribution system consisting of a recycled water piping and pumping network to reach potential customers. Staff will continue to work with Redwood City and Palo Alto on the extension of their recycled water programs.

West Bay is currently in the process of developing a recycled water treatment plant within the MPMWD service area that would serve the Sharon Heights Golf and Country Club and possibly other sites. Construction is expected to be completed in 2017. Once built, the recycled water would offset potable water demand. West Bay and MPMWD are currently in the process of developing a memorandum of understanding for the proposed project.

### ***Further Study***

Through the development of a recycled water program, MPMWD would have access to an additional water supply that would offset water demand needs that could be met through the use of a non-potable source. In addition, another source of water would enable the MPMWD to address potable supply uncertainties posed during drought years. In particular, a new water source could be critical to the development of the ConnectMenlo / M-2 Zoning Area, which is expected to experience significant growth and increased water demand. The development of a

recycled water feasibility study specific to the ConnectMenlo / M-2 Zoning Area has therefore been identified as an important next step. The WSMP Consultant will evaluate a number of recycled water options specific to the area, which include the following:

- Recycled Water Distribution System - The Consultant will assess the infrastructure requirements (e.g., storage, booster pumping stations, linear feet of distribution piping, etc.) for the development of a recycled water distribution system to serve the ConnectMenlo / M-2 Zoning Area with recycled water purchased from the cities of Palo Alto and Redwood City.
- Groundwater Reuse Facility - Caltrans owns and operates the Henderson Underpass Pumping Plant, which is located under the Dumbarton Rail Line along the Highway 101 undercrossing. This facility pumps groundwater from the highway's underdrain system into the City's storm drain pipes via a 24-inch outfall. The groundwater flows into the San Francisco Bay via the Chrysler Pump Station. Based on information received from Caltrans, the Henderson pump station handles 600 gallons per minute of continuous groundwater flow. As part of this task, the Consultant will evaluate the feasibility of harvesting the groundwater discharged by Caltrans into the City's storm drain system for use as recycled water in the M-2 Zoning area.
- On-Site Water Reuse - Under this task, the Consultant will evaluate the feasibility of developing a non-potable water reuse program that would allow for the development of private on-site water reuse systems that use rainwater, stormwater, foundation drainage, graywater, and blackwater for commercial, industrial, multi-family, and mixed used developments.

### ***Short-term and Long-term Objectives***

Based on the Consultant's findings, staff is proceeding with the following next steps:

#### *Short-term objectives:*

- Development of a memorandum of understanding that addresses both the benefits and impacts to the MPMWD associated with West Bay's Sharon Heights Golf and Country Club project;
- Continue to explore opportunities with Palo Alto and Redwood City on the extension of their recycled water systems to Menlo Park;
- Identify recycled water options in the ConnectMenlo / M-2 Zoning Area; and
- Continue to develop recycled water requirements for the ConnectMenlo / M-2 zoning area as part of the proposed zoning changes.

#### *Long-term objectives:*

- Evaluate building code amendments necessary for the allowed use of recycled water in the City;
- Develop a recycled water ordinance establishing a recycled water service area and requiring new developments to install dual plumbing and use of recycled water; and
- Identify and acquire funding for the implementation of a recycled water program.

**Public Notice**

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

**Attachments**

There are no attachments to this report.

Report prepared by:

Azalea Mitch, Senior Civil Engineer

Report reviewed by:

Ruben Niño, Assistant Public Works Director



**STAFF REPORT**

**City Council Meeting Date:** 3/15/2016  
**Staff Report Number:** 16-047-CC

**Informational Item:** Review of the City's Investment Portfolio as of December 31, 2015

**Recommendation**

This is an informational item and does not require City 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 safety, liquidity and yield.

**Background**

The City's investment policy requires a quarterly investment report to the City 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 City Council an update on the cash balances of the City's various funds.

**Analysis**

Investment Portfolio as of December 31, 2015

The historical (book) value of the City's total portfolio at the end of December was over \$99.9 million. The portfolio is comprised of all of the City's funds. Cash is invested in accordance with the City's Investment Policy, which strives to attain the highest yield obtainable following established criteria for safety and liquidity. The make-up of the portfolio can be seen in the Table 1:

Table 1: Recap of Securities Held			
Security	Historical Cost	Fair Value	% of Portfolio
LAIF (cash)	\$35,906,410	\$35,906,410	36%
Corporate Bonds	\$29,130,542	\$28,754,039	29%
Government Agencies	\$22,078,392	\$21,936,326	22%
Government Bonds	\$12,510,039	\$12,463,400	13%
Government Mortgage Backed	\$230,326	\$220,442	0.2%
<b>Total</b>	<b>\$99,855,709</b>	<b>\$99,280,616</b>	<b>100%</b>

The Local Agency Investment Fund (LAIF) is considered a safe investment as it provides the liquidity of a money market fund. The remaining securities are prudent and secure short-term investments (1-3 years), bearing a higher interest rate than LAIF and provide investment diversification.

As can be seen in Table 1, the fair value (market value) of the City's securities was \$575,093 less than the historical cost at the end of December. This is referred to as an unrealized loss and is due to market values fluctuating from one period to another. 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 in the U.S.

The final estimate of third quarter Gross Domestic Product was revised downward to 2.0 percent. The estimate however, exceeded analyst expectations of a 1.9 percent GDP growth rate. GDP growth has topped 2.0 percent for five of the last six quarters. On an annual basis, the GDP growth rate is 2.1 percent.

Strong and consistent job growth was a theme throughout 2015, and the trend continued as 211,000 jobs were created in November. The unemployment rate remained at 5.0 percent. The underemployment rate increased slightly to 9.9 percent from 9.8 percent. Modest wage growth was seen in November as average hourly earnings increased 0.2 percent on a month-over-month basis and 2.3 percent on a year-over-year basis.

Existing home sales in the U.S. continued to fall in November, dropping 10.5 percent to an annualized rate of 4.76 million. For the first time since February, 2015, existing home sales dropped below 5 million on an annualized basis. New home sales increased 4.3 percent to an annualized rate of 490,000.

For the first time since 2006 the Federal Open Markets Committee (FOMC) voted to increase the Fed funds target rate. The target for the FOMC's benchmark interest rate is now 0.25 – 0.50 percent, following the 0.25 percent increase. The Committee took the first step towards normalizing interest rates after a seven year period of historically low interest rates that also included three rounds of quantitative easing.

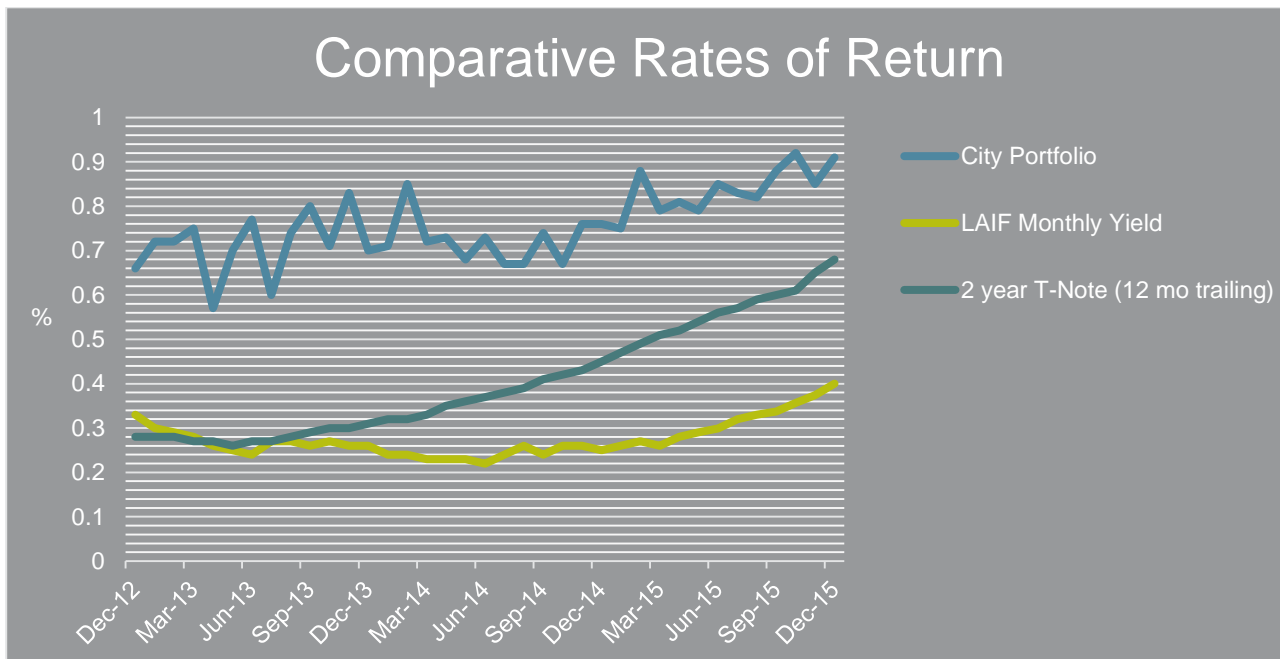
### Investment Yield

The annualized return on the City's term portfolio as of December 31, 2015, prepared by Insight Investment, was 0.91% net of fees. This quarter's return was up slightly from the previous quarter which had a net return of 0.88%. The current quarter's return is higher than both the 2-year Treasury note (12-month trailing) paying 0.66% and the rate of return earned through LAIF over the past quarter which was 0.37%.

In December of 2015, the FOMC raised the Federal funds rate 0.25%, which was the first increase in over 8 years. This increase in the overnight rates has also caused the rate of return on longer bonds to also increase. The FOMC has stated that while they intend to increase rates in 2016 they plan to do so very slowly so that the rate increase does not cause harm to the economy. The changes can be seen in Table 2 on the following page.

Table 2: Investment Yield			
Term	December 31, 2014	September 30, 2015	December 31, 2015
3-month	0.04	0.00	0.16
6-month	0.04	0.07	0.48
2-year	0.66	0.63	1.05
5-year	1.65	1.35	1.76
10-year	2.17	2.04	2.27

As previously stated, approximately 36 percent of the portfolio resides in the City’s LAIF account, yielding 0.37 percent for the quarter ending December 31, 2015. While LAIF is a good investment option for funds needed for liquidity, the City’s investment of excess funds in other types of securities 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 Insight Investment (totaling \$12,693 for the quarter ended December 31, 2015) 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

During the Fourth quarter of 2015, staff obtained guidance from the City's investment advisors to make prudent investment decisions that follow the City's investment policy. Table 3 below, includes all of the investment transactions that occurred during the fourth quarter of 2015.

Table 3: Matured Investments					
Date	Transaction	Description	Term	% Yield	Principal
10/27/2015	Purchase	FHLMC	2.75 yrs	0.0102	\$1,000,000
10/30/2015	Purchase	FNMA	3.00 yrs	0.0102	\$2,000,000
10/30/2015	Called	FNMA Callable	3.00 yrs	0.0105	\$2,000,000
12/29/2015	Purchase	FFCB	2.50 yrs	0.0125	\$2,000,000
12/29/2015	Called	FHLB Callable	2.50 yrs	0.01	\$2,000,000

The average number of day to maturity (DTM) for the investment portfolio was shortened slightly during the final quarter of the year. On September 30, 2015 the portfolio's average DTM was 591 days and on December 31, 2015 the average DTM was 585 days. The portfolio's average DTM was shortened slightly to help take advantage of rising interest rates. Shorter average DTM portfolios have the advantage of their yields repricing at a quicker rate, which works well when interest rates are rising.

Cash and Investments by Fund

Overall, the City's investment portfolio increased by nearly \$4 million in the fourth quarter of 2015. The following schedule, Table 4, lists the change in cash balance by fund type.





Table 4: Cash Balance				
Fund/Fund Type	Cash Balance as of 12/31/15	Cash Balance as of 09/30/15	Difference	% Change
General Fund	\$31,407,726	\$24,950,817	\$6,456,909	25.88%
Bayfront Park Maintenance Fund	\$489,028	\$506,504	(\$17,476)	-3.45%
Recreation -in-Lieu Fund	\$1,424,036	\$1,427,896	(\$3,860)	-0.27%
Other Expendable Trust Funds	\$1,609,443	\$1,730,878	(\$121,435)	-7.02%
Transportation Impact Fee Fund	\$6,054,081	\$6,020,667	\$33,414	0.55%
Garbage Service Fund	\$1,291,053	\$1,267,489	\$23,564	1.86%
Parking Permit Fund	\$3,646,191	\$3,621,281	\$24,910	0.69%
BMR Housing Fund	\$7,047,405	\$6,900,436	\$146,969	2.13%
Measure A Funds	\$378,195	\$434,916	(\$56,721)	-13.04%
Storm Water Management Fund	\$258,170	\$360,747	(\$102,577)	-28.43%
Successor Agency Funds	\$2,845,724	\$2,847,134	(\$1,410)	-0.05%
Measure T Funds	\$329,778	\$329,357	\$421	0.13%
Other Special Revenue Funds	\$13,262,565	\$15,242,079	(\$1,979,514)	-12.99%
Capital Project Fund- General	\$13,109,354	\$13,595,896	(\$486,542)	-3.58%
Water Operating & Capital	\$12,266,523	\$12,484,529	(\$218,006)	-1.75%
Debt Service Fund	\$676,365	\$548,807	\$127,558	23.24%
Internal Service Fund	\$3,760,073	\$3,625,979	\$134,094	3.70%
<b>Total Portfolio of all Funds</b>	<b>\$99,855,709</b>	<b>\$95,895,412</b>	<b>\$3,960,297</b>	<b>4.13%</b>

Cash and investment holdings in the General Fund increased due to property taxes of over \$7 million that were received from the County in December and Transient Occupancy Tax of \$1.5M. A portion of these funds were used to offset normal operating costs. During the quarter, \$2.6M was expended for biannual street resurfacing projects from the Construction Impact Fee Fund (Other Special Revenue Funds above). Additionally, the Water Operating & Capital Fund decreased due to expenditures related to a water main replacement and water reservoir projects.

**Attachments**

- A. Insight Investments reports for the period ending December 31, 2015
- B. LAIF Quarterly report for the period ending December 31, 2015.

Report prepared by:  
Rosendo Rodriguez, Finance and Budget Manger



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# ATTACHMENT A

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## CITY OF MENLO PARK

December 2015

➤ A BNY MELLON COMPANY<sup>SM</sup>



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## As of December 31, 2015

Chart 1: Institute for Supply Management 11/2010 – 11/2015

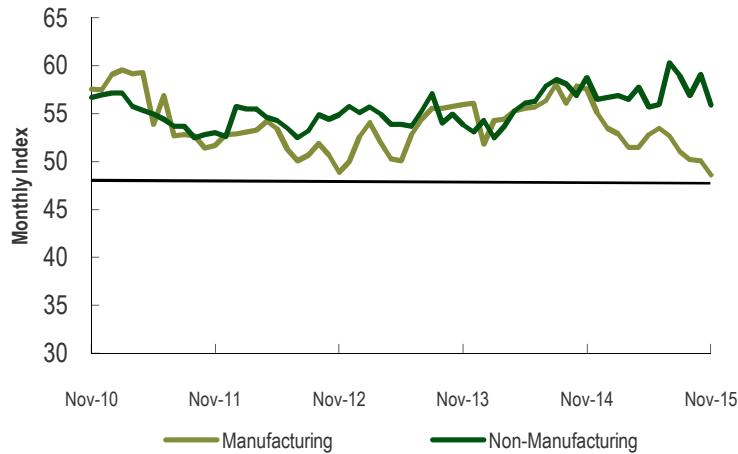
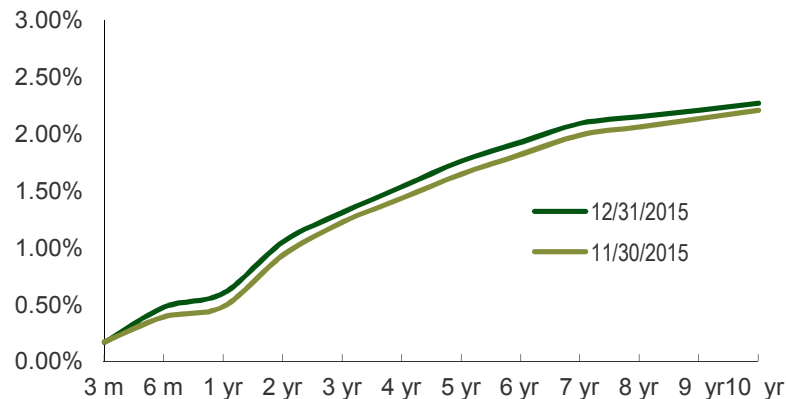


Chart 2: Treasury Yield Curves 11/30/2015–12/31/2015



**Economic Indicators & Monetary Policy:** The final estimate of third quarter Gross Domestic Product was revised downward to 2.0 percent. The estimate however, exceeded analyst expectations of a 1.9 percent GDP growth rate. GDP growth has topped 2.0 percent for five of the last six quarters. On an annual basis, the GDP growth rate is 2.1 percent. The Institute for Supply Management's (ISM) manufacturing index decreased to 48.6. Figures below 50 indicate contraction, and the ISM manufacturing index fell into contractionary levels for the first time since November, 2012. The ISM non-manufacturing index fell to 55.9 from 59.1 (See Chart 1).

Strong and consistent job growth was a theme throughout 2015, and the trend continued as 211,000 jobs were created in November. The unemployment rate remained at 5.0 percent, as the labor force participation rate increased to 62.5 percent from 62.4 percent. The underemployment rate increased slightly to 9.9 percent from 9.8 percent. Modest wage growth was seen in November as average hourly earnings increased 0.2 percent on a month-over-month basis and 2.3 percent on a year-over-year basis.

November inflation indicators showed signs of growth, as the Producer Price Index (PPI) and Consumer Price Index (CPI) both increased compared to the October reports. The PPI including and excluding food and energy both increased 0.3 percent on a month-over-month basis. In October, PPI including food and energy fell 0.4 percent, while core PPI fell 0.3 percent. On a year-over-year basis, the PPI including food and energy fell 1.1 percent, compared to a 1.6 percent decrease in October, and core PPI increased 0.5 percent, compared to a 0.1 percent increase the month prior. CPI including food and energy was flat on a month-over-month basis and increased 0.5 percent on a year-over-year basis in November. Core CPI grew 0.2 percent and 2.0 percent on a month-over-month and year-over-year basis, respectively.

Existing home sales continued to fall in November, dropping 10.5 percent to an annualized rate of 4.76 million. For the first time since February, 2015, existing home sales dropped below 5 million on an annualized basis. New home sales increased 4.3 percent to an annualized rate of 490,000.

For the first time since 2006 the Federal Open Markets Committee (FOMC) voted to increase the Fed funds target rate. The target for the FOMC's benchmark interest rate is now 0.25 – 0.50 percent, following the 0.25 percent increase. The Committee took the first step towards normalizing interest rates after a seven year period of historically low interest rates that also included three rounds of quantitative easing.

**Yield Curve & Spreads:** At the end of December, the 3-month Treasury bill yielded 0.16 percent, the 6-month Treasury bill yielded 0.48 percent, the 2-year Treasury note yielded 1.05 percent, the 5-year Treasury note yielded 1.76 percent, and the 10-year Treasury note yielded 2.27 percent (See Chart 2)..

Charts sourced from Bloomberg Finance LP, November 30, 2015, December 31, 2015. Past performance is not indicative of future returns. Please see Additional information.

# ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2015 - December 31, 2015

<u>Amortized Cost Basis Activity Summary</u>		
<b>Opening balance</b>		63,626,547.91
Income received	55,290.99	
<b>Total receipts</b>		55,290.99
<b>Total disbursements</b>		0.00
Interportfolio transfers	(82,541.24)	
<b>Total Interportfolio transfers</b>		(82,541.24)
Realized gain (loss)		185.05
<b>Total amortization expense</b>		(19,770.92)
<b>Total OID/MKT accretion income</b>		1,753.60
Return of capital		0.00
<b>Closing balance</b>		63,581,465.39
<b>Ending fair value</b>		63,374,205.59
Unrealized gain (loss)		(207,259.80)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Corporate Bonds	40,221.26	(14,901.48)	0.00	25,319.78
Government Agencies	21,248.18	(2,862.64)	659.95	19,045.49
Government Bonds	9,000.68	20.04	0.00	9,020.72
Government Mortgage Backed Securities	1,122.96	(273.24)	(474.90)	374.82
<b>Total</b>	<b>71,593.08</b>	<b>(18,017.32)</b>	<b>185.05</b>	<b>53,760.81</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.13	0.07	0.02
Overnight Repo	0.18	0.10	0.03
Merrill Lynch 3m US Treas Bill	0.04	0.04	0.02
Merrill Lynch 6m US Treas Bill	0.12	0.09	0.03
ML 1 Year US Treasury Note	0.31	0.20	0.06
ML 2 Year US Treasury Note	0.68	0.38	0.08
ML 5 Year US Treasury Note	1.54	0.80	0.14

\* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total portfolio	Excl. cash eq.
Interest earned	71,593.08	71,593.08
Accretion (amortization)	(18,017.32)	(18,017.32)
Realized gain (loss) on sales	185.05	185.05
Total income on portfolio	53,760.81	53,760.81
Average daily amortized cost	63,962,156.23	64,338,073.98
Period return (%)	0.08	0.08
Weighted average final maturity in days	585	585

# ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2015 - December 31, 2015

<u>Fair Value Basis Activity Summary</u>		
<b>Opening balance</b>		63,547,742.43
Income received	55,290.99	
<b>Total receipts</b>		55,290.99
<b>Total disbursements</b>		0.00
Interportfolio transfers	(82,541.24)	
<b>Total Interportfolio transfers</b>		(82,541.24)
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		(146,286.59)
<b>Ending fair value</b>		63,374,205.59

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Corporate Bonds	40,221.26	(82,166.90)	(41,945.64)
Government Agencies	21,248.18	(44,407.00)	(23,158.82)
Government Bonds	9,000.68	(18,689.50)	(9,688.82)
Government Mortgage Backed Securities	1,122.96	(1,023.19)	99.77
<b>Total</b>	<b>71,593.08</b>	<b>(146,286.59)</b>	<b>(74,693.51)</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.13	0.07	0.02
Overnight Repo	0.18	0.10	0.03
Merrill Lynch 3m US Treas Bill	0.05	0.04	0.03
Merrill Lynch 6m US Treas Bill	0.22	0.11	0.04
ML 1 Year US Treasury Note	0.15	(0.06)	0.01
ML US Treasury 1-3	0.54	(0.13)	(0.09)
ML US Treasury 1-5	0.98	0.03	(0.15)

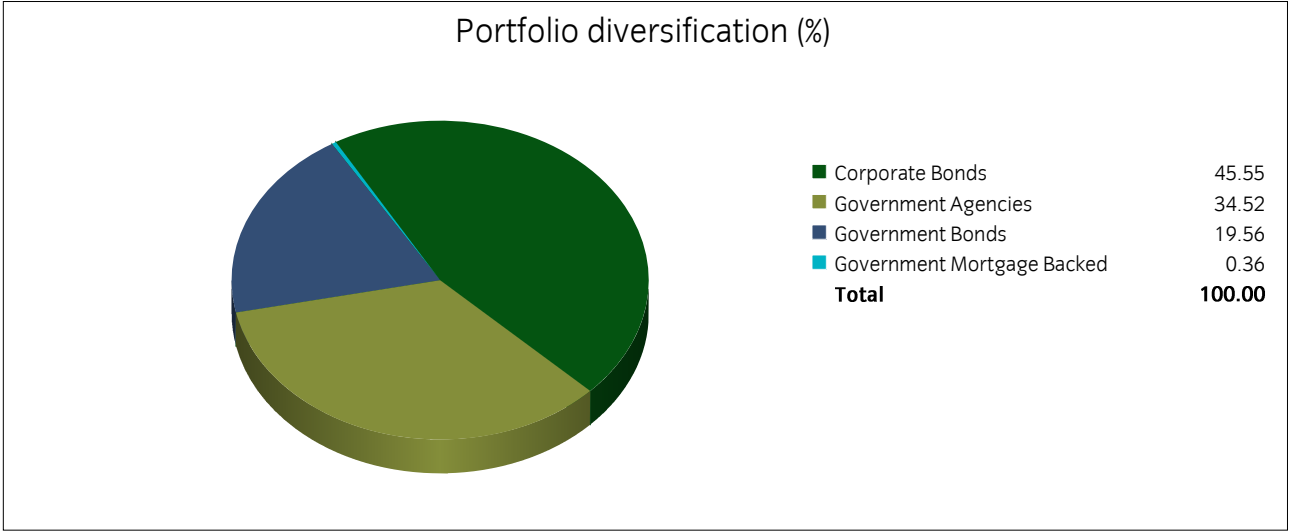
\* rates reflected are cumulative

<u>Summary of Fair Value Cost Basis Return for the Period</u>		
	Total portfolio	Excl. cash eq.
Interest earned	71,593.08	71,593.08
Change in fair value	(146,286.59)	(146,286.59)
Total income on portfolio	(74,693.51)	(74,693.51)
Average daily amortized cost	63,962,156.23	64,338,073.98
Period return (%)	(0.12)	(0.12)
Weighted average final maturity in days	585	585

# RECAP OF SECURITIES HELD

As of December 31, 2015

	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Corporate Bonds	29,130,541.50	28,840,325.25	28,754,038.50	(86,286.75)	445	45.55	1.20
Government Agencies	22,078,392.00	22,027,998.59	21,936,326.00	(91,672.59)	779	34.52	1.97
Government Bonds	12,510,039.08	12,492,462.33	12,463,399.50	(29,062.83)	572	19.56	1.55
Government Mortgage Backed	230,326.05	220,679.22	220,441.59	(237.63)	457	0.36	0.45
<b>Total</b>	<b>63,949,298.63</b>	<b>63,581,465.39</b>	<b>63,374,205.59</b>	<b>(207,259.80)</b>	<b>585</b>	<b>100.00</b>	<b>1.53</b>



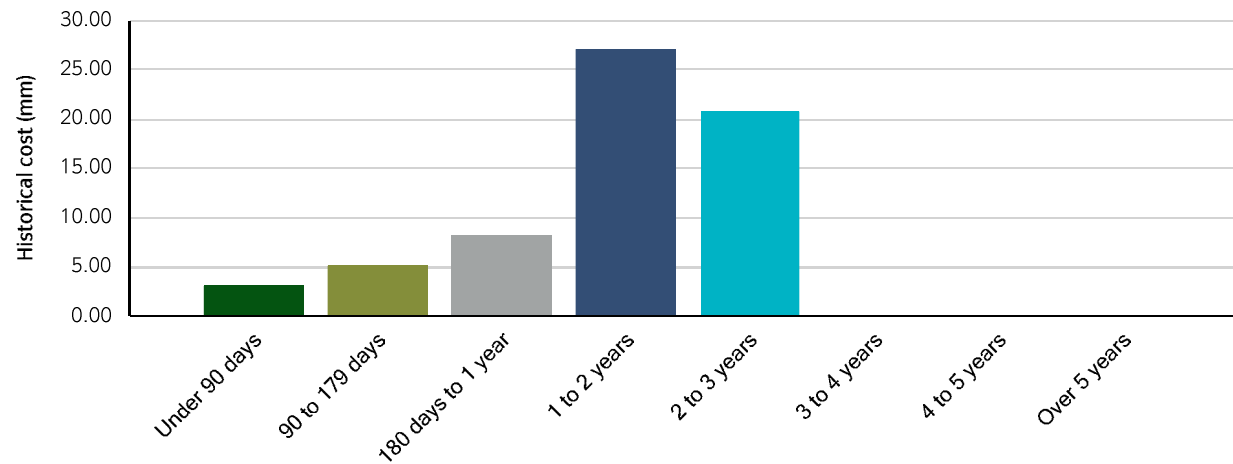


# MATURITY DISTRIBUTION OF SECURITIES HELD

As of December 31, 2015

Maturity	Historic cost	Percent
Under 90 days	3,036,010.00	4.75
90 to 179 days	5,106,750.00	7.99
180 days to 1 year	8,100,221.25	12.67
1 to 2 years	27,020,463.25	42.25
2 to 3 years	20,685,854.13	32.35
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	<b>63,949,298.63</b>	<b>100.00</b>

Maturity distribution



## SECURITIES HELD

As of December 31, 2015

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Corporate Bonds</b>											
58933YAB1 MERCK & CO INC 2.25% 15/01/2016	2.250	01/15/2016	2,000,000.00	2,035,760.00 0.00	2,001,485.87 (2,971.75)	2,000,902.00 (3,460.00)	(583.87)	0.00	3,875.00	20,750.00	3.18
14912L4S7 CATERPILLAR FINANCIAL SE 2.65% 01/04/2016	2.650	04/01/2016	2,000,000.00	2,052,580.00 0.00	2,010,949.15 (3,609.61)	2,009,453.00 (4,689.00)	(1,496.15)	0.00	4,563.89	13,250.00	3.21
38259PAC6 GOOGLE INC 2.125% 19/05/2016	2.125	05/19/2016	1,000,000.00	1,053,370.00 0.00	1,005,710.88 (1,232.56)	1,005,813.00 (1,257.00)	102.12	0.00	1,829.86	2,479.17	1.65
459200GX3 IBM CORP 1.95% 22/07/2016	1.950	07/22/2016	2,000,000.00	2,076,820.00 0.00	2,011,606.31 (1,723.71)	2,011,962.00 (4,524.00)	355.69	0.00	3,358.33	17,225.00	3.25
06050TLR1 BANK OF AMERICA NA 1.125% 14/11/2016	1.125	11/14/2016	2,000,000.00	2,000,120.00 0.00	2,000,049.64 (4.75)	1,996,168.00 (5,018.00)	(3,881.64)	0.00	1,937.50	2,937.50	3.13
89233P5S1 TOYOTA MOTOR CREDIT CORP 2.05% 12/01/2017	2.050	01/12/2017	1,000,000.00	1,031,090.00 0.00	1,011,658.75 (940.22)	1,008,694.50 (2,858.00)	(2,964.25)	0.00	1,765.28	9,623.61	1.61
084670BD9 BERKSHIRE HATHAWAY INC 1.9% 31/01/2017	1.900	01/31/2017	1,500,000.00	1,528,050.00 0.00	1,506,077.50 (451.92)	1,513,015.50 (3,369.00)	6,938.00	0.00	2,375.00	11,875.00	2.39
459200HC8 IBM CORP 1.25% 06/02/2017	1.250	02/06/2017	1,500,000.00	1,509,975.00 0.00	1,503,542.69 (268.39)	1,501,849.50 (1,404.00)	(1,693.19)	0.00	1,614.58	7,552.08	2.36
24422ERN1 JOHN DEERE CAPITAL CORP 1.4% 15/03/2017	1.400	03/15/2017	1,500,000.00	1,514,445.00 0.00	1,508,727.19 (601.87)	1,502,365.50 (2,217.00)	(6,361.69)	0.00	1,808.33	6,183.33	2.37
36962G5W0 GENERAL ELEC CAP CORP 2.3% 27/04/2017	2.300	04/27/2017	1,000,000.00	1,034,440.00 0.00	1,015,750.60 (990.61)	1,012,469.50 (3,743.00)	(3,281.10)	0.00	1,980.56	4,088.89	1.62

## SECURITIES HELD

As of December 31, 2015

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Corporate Bonds</b>											
717081DJ9 PFIZER INC 1.1% 15/05/2017	1.100	05/15/2017	1,500,000.00	1,507,185.00 0.00	1,504,559.71 (276.35)	1,499,089.50 (3,206.25)	(5,470.21)	0.00	1,420.83	2,108.33	2.36
91159HHD5 US BANCORP 1.65% 15/05/2017 (CALLABLE 15/04/17)	1.650	05/15/2017 04/15/2017	2,000,000.00	2,032,160.00 0.00	2,014,961.65 (906.77)	2,006,044.00 (8,384.00)	(8,917.65)	0.00	2,841.67	4,216.67	3.18
88579YAE1 3M COMPANY 1% 26/06/2017	1.000	06/26/2017	2,000,000.00	2,014,560.00 0.00	2,004,779.03 (267.49)	1,997,625.00 (1,449.00)	(7,154.03)	10,000.00	1,722.22	277.78	3.15
713448CB2 PEPSICO INC 1.25% 13/08/2017	1.250	08/13/2017	1,000,000.00	1,006,400.00 0.00	1,004,333.57 (222.99)	1,000,290.00 (2,070.00)	(4,043.57)	0.00	1,076.39	4,791.67	1.57
166764AL4 CHEVRON CORP 1.345% 15/11/2017	1.345	11/15/2017	1,000,000.00	1,006,600.00 0.00	1,004,578.62 (203.50)	996,853.00 (5,588.00)	(7,725.62)	0.00	1,158.19	1,718.61	1.57
94974BFG0 WELLS FARGO & COMPANY 1.5% 16/01/2018	1.500	01/16/2018	1,725,000.00	1,724,206.50 0.00	1,724,299.74 28.54	1,717,651.50 (10,615.65)	(6,648.24)	0.00	2,228.13	11,859.38	2.70
46623EKD0 JPMORGAN CHASE & CO 1.7% 01/03/2018 (CALLABLE 01/02/18)	1.700	03/01/2018 02/01/2018	1,000,000.00	1,007,730.00 0.00	1,005,872.69 (225.59)	995,151.00 (3,832.00)	(10,721.69)	0.00	1,463.89	5,666.67	1.58
037833AJ9 APPLE INC 1% 03/05/2018	1.000	05/03/2018	2,000,000.00	1,984,920.00 0.00	1,992,894.11 252.88	1,983,750.00 (5,000.00)	(9,144.11)	0.00	1,722.22	3,222.22	3.10
166764AE0 CHEVRON CORP 1.718% 24/06/2018 (CALLABLE 24/05/18)	1.718	06/24/2018 05/24/2018	1,000,000.00	1,010,130.00 0.00	1,008,487.55 (284.82)	994,892.00 (9,483.00)	(13,595.55)	8,590.00	1,479.39	334.06	1.58
<b>Total Corporate Bonds</b>			<b>28,725,000.00</b>	<b>29,130,541.50</b> <b>0.00</b>	<b>28,840,325.25</b> <b>(14,901.48)</b>	<b>28,754,038.50</b> <b>(82,166.90)</b>	<b>(86,286.75)</b>	<b>18,590.00</b>	<b>40,221.26</b>	<b>130,159.97</b>	<b>45.55</b>

# SECURITIES HELD

As of December 31, 2015

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Government Agencies</b>											
31331XLG5 FEDERAL FARM CREDIT BANK 4.875% 17/01/2017	4.875	01/17/2017	1,000,000.00	1,107,670.00 0.00	1,043,045.16 (3,425.35)	1,040,479.00 (5,418.00)	(2,566.16)	0.00	4,197.91	22,208.33	1.73
3135G0VM2 FANNIE MAE 0.75% 14/03/2017 CALLABLE #0000	0.750	03/14/2017	1,000,000.00	1,000,700.00 0.00	1,000,000.00 0.00	997,450.00 (1,440.00)	(2,550.00)	0.00	645.84	2,229.17	1.56
3133EEZR4 FEDERAL FARM CREDIT BANK 0.6% 21/04/2017	0.600	04/21/2017	1,000,000.00	998,620.00 0.00	999,088.39 58.07	994,910.00 (1,040.00)	(4,178.39)	0.00	516.67	1,166.67	1.56
3135G0PP2 FANNIE MAE 1% 20/09/2017 CALLABLE	1.000	09/20/2017	2,000,000.00	2,005,000.00 0.00	2,000,000.00 0.00	1,995,594.00 (6,062.00)	(4,406.00)	0.00	1,722.22	5,611.11	3.14
3130A5QX0 FEDERAL HOME LOAN BANK 1% 29/12/2017 (CALLABLE 29/06/16) #0007	1.000	12/29/2017 06/29/2016	2,000,000.00	2,000,000.00 0.00	2,000,000.00 0.00	1,991,420.00 (3,460.00)	(8,580.00)	10,000.00	1,722.22	111.11	3.13
3137EADN6 FREDDIE MAC 0.75% 12/01/2018 #1	0.750	01/12/2018	4,000,000.00	3,965,340.00 0.00	3,985,751.55 583.95	3,967,808.00 (4,180.00)	(17,943.55)	0.00	2,583.33	14,083.33	6.20
3135G0VC4 FANNIE MAE 1.13% 28/02/2018 CALLABLE	1.130	02/28/2018	1,000,000.00	1,005,000.00 0.00	1,003,816.05 (146.77)	995,460.00 (6,460.00)	(8,356.05)	0.00	973.05	3,860.83	1.57
3133EEM98 FEDERAL FARM CREDIT BANK 1% 21/05/2018 #0000	1.000	05/21/2018	2,000,000.00	1,998,440.00 0.00	1,998,749.39 43.58	1,987,200.00 (3,120.00)	(11,549.39)	0.00	1,722.22	2,222.22	3.13
3133EFSH1 FEDERAL FARM CREDIT BANK 1.17% 14/06/2018	1.170	06/14/2018	2,000,000.00	1,996,362.00 (975.00)	1,996,394.63 32.63	1,991,380.00 (4,982.00)	(5,014.63)	0.00	130.00	1,105.00	3.12
3130A5M55 FEDERAL HOME LOAN BANK 1.2% 27/06/2018 #0000	1.200	06/27/2018	1,500,000.00	1,500,210.00 0.00	1,500,171.71 (5.75)	1,496,115.00 (2,310.00)	(4,056.71)	9,600.00	1,550.00	200.00	2.35

# SECURITIES HELD

As of December 31, 2015

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Government Agencies</b>											
3134G7P47 FREDDIE MAC 1.125% 27/07/2018 (CALLABLE 27/01/16)	1.125	07/27/2018 01/27/2016	1,000,000.00	1,000,250.00 0.00	1,000,229.68 (7.44)	997,180.00 (1,660.00)	(3,049.68)	0.00	968.75	2,000.00	1.56
3130A5M48 FEDERAL HOME LOAN BANK 1.25% 25/09/2018	1.250	09/25/2018	1,500,000.00	1,500,000.00 0.00	1,500,000.00 0.00	1,492,350.00 (2,595.00)	(7,650.00)	0.00	1,614.58	5,000.00	2.35
3136G2P92 FANNIE MAE 1.1% 29/10/2018 (CALLABLE 29/04/16)	1.100	10/29/2018 04/29/2016	2,000,000.00	2,000,800.00 0.00	2,000,752.03 (22.14)	1,988,980.00 (1,420.00)	(11,772.03)	0.00	1,894.45	3,788.89	3.13
<b>Total Government Agencies</b>			<b>22,000,000.00</b>	<b>22,078,392.00</b> <b>(975.00)</b>	<b>22,027,998.59</b> <b>(2,889.22)</b>	<b>21,936,326.00</b> <b>(44,147.00)</b>	<b>(91,672.59)</b>	<b>19,600.00</b>	<b>20,241.24</b>	<b>63,586.66</b>	<b>34.52</b>
<b>Government Bonds</b>											
912828QX1 USA TREASURY 1.5% 31/07/2016	1.500	07/31/2016	1,000,000.00	1,022,968.75 0.00	1,002,713.45 (394.91)	1,005,039.00 (1,133.00)	2,325.55	0.00	1,263.58	6,236.41	1.60
912828WF3 USA TREASURY 0.625% 15/11/2016	0.625	11/15/2016	1,000,000.00	1,000,312.50 0.00	1,000,121.07 (11.72)	998,672.00 (351.00)	(1,449.07)	0.00	532.28	789.84	1.56
912828SJ0 USA TREASURY 0.875% 28/02/2017	0.875	02/28/2017	1,000,000.00	1,004,140.63 0.00	1,001,723.57 (125.72)	1,000,391.00 (703.00)	(1,332.57)	0.00	745.19	2,932.69	1.57
912828WH9 USA TREASURY 0.875% 15/05/2017	0.875	05/15/2017	2,000,000.00	2,003,437.50 0.00	2,001,599.06 (98.94)	1,998,750.00 (2,578.00)	(2,849.06)	0.00	1,490.39	2,211.54	3.13
912828TB6 USA TREASURY 0.75% 30/06/2017	0.750	06/30/2017	1,500,000.00	1,497,421.88 0.00	1,498,513.98 84.22	1,495,312.50 (2,284.50)	(3,201.48)	5,625.00	947.69	0.00	2.34

# SECURITIES HELD

As of December 31, 2015

Cusip/ Description	Coupon	Maturity/ Call date	Par value or 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
<b>Government Bonds</b>											
912828TG5 USA TREASURY 0.5% 31/07/2017	0.500	07/31/2017	1,000,000.00	990,468.75 0.00	994,378.51 301.50	992,422.00 (1,640.00)	(1,956.51)	0.00	421.19	2,078.80	1.55
912828TS9 USA TREASURY 0.625% 30/09/2017	0.625	09/30/2017	1,000,000.00	996,015.63 0.00	997,238.60 133.97	993,086.00 (1,914.00)	(4,152.60)	0.00	529.37	1,571.04	1.56
912828G79 USA TREASURY 1% 15/12/2017	1.000	12/15/2017	1,000,000.00	1,001,757.81 0.00	1,001,366.12 (59.23)	998,633.00 (1,758.00)	(2,733.12)	5,000.00	847.00	437.16	1.57
912828UJ7 USA TREASURY 0.875% 31/01/2018	0.875	01/31/2018	1,000,000.00	1,000,546.88 0.00	1,000,413.42 (16.81)	995,000.00 (1,953.00)	(5,413.42)	0.00	737.09	3,637.91	1.56
912828UU2 USA TREASURY 0.75% 31/03/2018	0.750	03/31/2018	1,000,000.00	995,468.75 0.00	996,416.03 135.32	991,055.00 (1,875.00)	(5,361.03)	0.00	635.25	1,885.25	1.56
912828XA3 USA TREASURY 1% 15/05/2018	1.000	05/15/2018	1,000,000.00	997,500.00 0.00	997,978.52 72.36	995,039.00 (2,500.00)	(2,939.52)	0.00	851.65	1,263.74	1.56
<b>Total Government Bonds</b>			<b>12,500,000.00</b>	<b>12,510,039.08</b> <b>0.00</b>	<b>12,492,462.33</b> <b>20.04</b>	<b>12,463,399.50</b> <b>(18,689.50)</b>	<b>(29,062.83)</b>	<b>10,625.00</b>	<b>9,000.68</b>	<b>23,044.38</b>	<b>19.56</b>
<b>Government Mortgage Backed Securities</b>											
3128MBFA0 FREDDIE MAC FG G12661	6.000	04/01/2017	216,586.35	230,326.05 0.00	220,679.22 (272.25)	220,441.59 (543.62)	(237.63)	1,200.99	1,237.09	1,082.93	0.36
<b>Total Government Mortgage Backed Securities</b>			<b>216,586.35</b>	<b>230,326.05</b> <b>0.00</b>	<b>220,679.22</b> <b>(272.25)</b>	<b>220,441.59</b> <b>(543.62)</b>	<b>(237.63)</b>	<b>1,200.99</b>	<b>1,237.09</b>	<b>1,082.93</b>	<b>0.36</b>
<b>Grand total</b>			<b>63,441,586.35</b>	<b>63,949,298.63</b> <b>(975.00)</b>	<b>63,581,465.39</b> <b>(18,042.91)</b>	<b>63,374,205.59</b> <b>(145,547.02)</b>	<b>(207,259.80)</b>	<b>50,015.99</b>	<b>70,700.27</b>	<b>217,873.94</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2015

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>United States Treasury Note/Bond</b>												
912828QX1	USA TREASURY 1.5%	1.500	07/31/2016		AA+	Aaa	1,000,000.00	1,022,968.75	1.60	1,005,039.00	1.59	0.58
912828WF3	USA TREASURY 0.625%	0.625	11/15/2016		AA+	Aaa	1,000,000.00	1,000,312.50	1.56	998,672.00	1.58	0.87
912828SJ0	USA TREASURY 0.875%	0.875	02/28/2017		AA+	Aaa	1,000,000.00	1,004,140.63	1.57	1,000,391.00	1.58	1.15
912828WH9	USA TREASURY 0.875%	0.875	05/15/2017		AA+	Aaa	2,000,000.00	2,003,437.50	3.13	1,998,750.00	3.15	1.36
912828TB6	USA TREASURY 0.75%	0.750	06/30/2017		AA+	Aaa	1,500,000.00	1,497,421.88	2.34	1,495,312.50	2.36	1.48
912828TG5	USA TREASURY 0.5%	0.500	07/31/2017		AA+	Aaa	1,000,000.00	990,468.75	1.55	992,422.00	1.57	1.57
912828TS9	USA TREASURY 0.625%	0.625	09/30/2017		AA+	Aaa	1,000,000.00	996,015.63	1.56	993,086.00	1.57	1.74
912828G79	USA TREASURY 1%	1.000	12/15/2017		AA+	Aaa	1,000,000.00	1,001,757.81	1.57	998,633.00	1.58	1.94
912828UJ7	USA TREASURY 0.875%	0.875	01/31/2018		AA+	Aaa	1,000,000.00	1,000,546.88	1.56	995,000.00	1.57	2.06
912828UU2	USA TREASURY 0.75%	0.750	03/31/2018		AA+	Aaa	1,000,000.00	995,468.75	1.56	991,055.00	1.56	2.23
912828XA3	USA TREASURY 1%	1.000	05/15/2018		AA+	Aaa	1,000,000.00	997,500.00	1.56	995,039.00	1.57	2.34
<b>Issuer total</b>							<b>12,500,000.00</b>	<b>12,510,039.08</b>	<b>19.56</b>	<b>12,463,399.50</b>	<b>19.67</b>	<b>1.55</b>
<b>Federal Farm Credit Banks</b>												
31331XLG5	FEDERAL FARM CREDIT	4.875	01/17/2017		AA+	Aaa	1,000,000.00	1,107,670.00	1.73	1,040,479.00	1.64	1.01
3133EEZR4	FEDERAL FARM CREDIT	0.600	04/21/2017		AA+	Aaa	1,000,000.00	998,620.00	1.56	994,910.00	1.57	1.30
3133EEM98	FEDERAL FARM CREDIT	1.000	05/21/2018		AA+	Aaa	2,000,000.00	1,998,440.00	3.13	1,987,200.00	3.14	2.35
3133EFSH1	FEDERAL FARM CREDIT	1.170	06/14/2018		AA+	Aaa	2,000,000.00	1,996,362.00	3.12	1,991,380.00	3.14	2.41
<b>Issuer total</b>							<b>6,000,000.00</b>	<b>6,101,092.00</b>	<b>9.54</b>	<b>6,013,969.00</b>	<b>9.49</b>	<b>1.95</b>
<b>Federal National Mortgage Association</b>												
3135G0VM2	FANNIE MAE 0.75%	0.750	03/14/2017		AA+	Aaa	1,000,000.00	1,000,700.00	1.56	997,450.00	1.57	1.19
3135G0PP2	FANNIE MAE 1%	1.000	09/20/2017		AA+	Aaa	2,000,000.00	2,005,000.00	3.14	1,995,594.00	3.15	1.70
3135G0VC4	FANNIE MAE 1.13%	1.130	02/28/2018		AA+	Aaa	1,000,000.00	1,005,000.00	1.57	995,460.00	1.57	2.13
3136G2P92	FANNIE MAE 1.1%	1.100	10/29/2018	04/29/2016	AA+	Aaa	2,000,000.00	2,000,800.00	3.13	1,988,980.00	3.14	2.07
<b>Issuer total</b>							<b>6,000,000.00</b>	<b>6,011,500.00</b>	<b>9.40</b>	<b>5,977,484.00</b>	<b>9.43</b>	<b>1.81</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2015

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>Federal Home Loan Banks</b>												
3130A5QX0	FEDERAL HOME LOAN	1.000	12/29/2017	06/29/2016	AA+	Aaa	2,000,000.00	2,000,000.00	3.13	1,991,420.00	3.14	1.69
3130A5M55	FEDERAL HOME LOAN	1.200	06/27/2018		AA+	Aaa	1,500,000.00	1,500,210.00	2.35	1,496,115.00	2.36	2.45
3130A5M48	FEDERAL HOME LOAN	1.250	09/25/2018		AA+	Aaa	1,500,000.00	1,500,000.00	2.35	1,492,350.00	2.35	2.68
<b>Issuer total</b>							<b>5,000,000.00</b>	<b>5,000,210.00</b>	<b>7.82</b>	<b>4,979,885.00</b>	<b>7.86</b>	<b>2.22</b>
<b>Federal Home Loan Mortgage Corp</b>												
3137EADN6	FREDDIE MAC 0.75%	0.750	01/12/2018		AA+	Aaa	4,000,000.00	3,965,340.00	6.20	3,967,808.00	6.26	2.01
3134G7P47	FREDDIE MAC 1.125%	1.125	07/27/2018	01/27/2016	AA+	Aaa	1,000,000.00	1,000,250.00	1.56	997,180.00	1.57	1.67
<b>Issuer total</b>							<b>5,000,000.00</b>	<b>4,965,590.00</b>	<b>7.76</b>	<b>4,964,988.00</b>	<b>7.83</b>	<b>1.94</b>
<b>International Business Machines Corp</b>												
459200GX3	IBM CORP 1.95%	1.950	07/22/2016		AA-	Aa3	2,000,000.00	2,076,820.00	3.25	2,011,962.00	3.17	0.55
459200HC8	IBM CORP 1.25%	1.250	02/06/2017		AA-	Aa3	1,500,000.00	1,509,975.00	2.36	1,501,849.50	2.37	1.09
<b>Issuer total</b>							<b>3,500,000.00</b>	<b>3,586,795.00</b>	<b>5.61</b>	<b>3,513,811.50</b>	<b>5.54</b>	<b>0.78</b>
<b>Caterpillar Financial Services Corp</b>												
14912L4S7	CATERPILLAR FINANCIAL	2.650	04/01/2016		A	A2	2,000,000.00	2,052,580.00	3.21	2,009,453.00	3.17	0.25
<b>Issuer total</b>							<b>2,000,000.00</b>	<b>2,052,580.00</b>	<b>3.21</b>	<b>2,009,453.00</b>	<b>3.17</b>	<b>0.25</b>
<b>US Bancorp</b>												
91159HHD5	US BANCORP 1.65%	1.650	05/15/2017	04/15/2017	A+	A1	2,000,000.00	2,032,160.00	3.18	2,006,044.00	3.17	1.32
<b>Issuer total</b>							<b>2,000,000.00</b>	<b>2,032,160.00</b>	<b>3.18</b>	<b>2,006,044.00</b>	<b>3.17</b>	<b>1.32</b>
<b>Merck &amp; Co Inc</b>												
58933YAB1	MERCK & CO INC 2.25%	2.250	01/15/2016		AA	A1	2,000,000.00	2,035,760.00	3.18	2,000,902.00	3.16	0.04
<b>Issuer total</b>							<b>2,000,000.00</b>	<b>2,035,760.00</b>	<b>3.18</b>	<b>2,000,902.00</b>	<b>3.16</b>	<b>0.04</b>



# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2015

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>3M Co</b>												
88579YAE1	3M COMPANY 1%	1.000	06/26/2017		AA-	Aa3	2,000,000.00	2,014,560.00	3.15	1,997,625.00	3.15	1.47
<b>Issuer total</b>							<b>2,000,000.00</b>	<b>2,014,560.00</b>	<b>3.15</b>	<b>1,997,625.00</b>	<b>3.15</b>	<b>1.47</b>
<b>Bank of America NA</b>												
06050TLR1	BANK OF AMERICA NA	1.125	11/14/2016		A	A1	2,000,000.00	2,000,120.00	3.13	1,996,168.00	3.15	0.87
<b>Issuer total</b>							<b>2,000,000.00</b>	<b>2,000,120.00</b>	<b>3.13</b>	<b>1,996,168.00</b>	<b>3.15</b>	<b>0.87</b>
<b>Chevron Corp</b>												
166764AL4	CHEVRON CORP 1.345%	1.345	11/15/2017		AA	Aa1	1,000,000.00	1,006,600.00	1.57	996,853.00	1.57	1.85
166764AE0	CHEVRON CORP 1.718%	1.718	06/24/2018	05/24/2018	AA	Aa1	1,000,000.00	1,010,130.00	1.58	994,892.00	1.57	2.41
<b>Issuer total</b>							<b>2,000,000.00</b>	<b>2,016,730.00</b>	<b>3.15</b>	<b>1,991,745.00</b>	<b>3.14</b>	<b>2.13</b>
<b>Apple Inc</b>												
037833AJ9	APPLE INC 1% 03/05/2018	1.000	05/03/2018		AA+	Aa1	2,000,000.00	1,984,920.00	3.10	1,983,750.00	3.13	2.30
<b>Issuer total</b>							<b>2,000,000.00</b>	<b>1,984,920.00</b>	<b>3.10</b>	<b>1,983,750.00</b>	<b>3.13</b>	<b>2.30</b>
<b>Wells Fargo &amp; Co</b>												
94974BFG0	WELLS FARGO &	1.500	01/16/2018		A	A2	1,725,000.00	1,724,206.50	2.70	1,717,651.50	2.71	2.00
<b>Issuer total</b>							<b>1,725,000.00</b>	<b>1,724,206.50</b>	<b>2.70</b>	<b>1,717,651.50</b>	<b>2.71</b>	<b>2.00</b>
<b>Berkshire Hathaway Inc</b>												
084670BD9	BERKSHIRE HATHAWAY	1.900	01/31/2017		AA	Aa2	1,500,000.00	1,528,050.00	2.39	1,513,015.50	2.39	1.07
<b>Issuer total</b>							<b>1,500,000.00</b>	<b>1,528,050.00</b>	<b>2.39</b>	<b>1,513,015.50</b>	<b>2.39</b>	<b>1.07</b>
<b>John Deere Capital Corp</b>												
24422ERN1	JOHN DEERE CAPITAL	1.400	03/15/2017		A	A2	1,500,000.00	1,514,445.00	2.37	1,502,365.50	2.37	1.19
<b>Issuer total</b>							<b>1,500,000.00</b>	<b>1,514,445.00</b>	<b>2.37</b>	<b>1,502,365.50</b>	<b>2.37</b>	<b>1.19</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2015

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>Pfizer Inc</b>												
717081DJ9	PFIZER INC 1.1%	1.100	05/15/2017		AA	A1	1,500,000.00	1,507,185.00	2.36	1,499,089.50	2.37	1.36
<b>Issuer total</b>							<b>1,500,000.00</b>	<b>1,507,185.00</b>	<b>2.36</b>	<b>1,499,089.50</b>	<b>2.37</b>	<b>1.36</b>
<b>General Electric Capital Corp</b>												
36962G5W0	GENERAL ELEC CAP CORP	2.300	04/27/2017		AA+	A1	1,000,000.00	1,034,440.00	1.62	1,012,469.50	1.60	1.30
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,034,440.00</b>	<b>1.62</b>	<b>1,012,469.50</b>	<b>1.60</b>	<b>1.30</b>
<b>Toyota Motor Credit Corp</b>												
89233P5S1	TOYOTA MOTOR CREDIT	2.050	01/12/2017		AA-	Aa3	1,000,000.00	1,031,090.00	1.61	1,008,694.50	1.59	1.01
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,031,090.00</b>	<b>1.61</b>	<b>1,008,694.50</b>	<b>1.59</b>	<b>1.01</b>
<b>Google Inc</b>												
38259PAC6	GOOGLE INC 2.125%	2.125	05/19/2016		AA	Aa2	1,000,000.00	1,053,370.00	1.65	1,005,813.00	1.59	0.38
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,053,370.00</b>	<b>1.65</b>	<b>1,005,813.00</b>	<b>1.59</b>	<b>0.38</b>
<b>PepsiCo Inc</b>												
713448CB2	PEPSICO INC 1.25%	1.250	08/13/2017		A	A1	1,000,000.00	1,006,400.00	1.57	1,000,290.00	1.58	1.59
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,006,400.00</b>	<b>1.57</b>	<b>1,000,290.00</b>	<b>1.58</b>	<b>1.59</b>
<b>JPMorgan Chase &amp; Co</b>												
46623EKD0	JPMORGAN CHASE & CO	1.700	03/01/2018	02/01/2018	A-	A3	1,000,000.00	1,007,730.00	1.58	995,151.00	1.57	2.10
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,007,730.00</b>	<b>1.58</b>	<b>995,151.00</b>	<b>1.57</b>	<b>2.10</b>
<b>Freddie Mac Gold Pool</b>												
3128MBFA0	FREDDIE MAC FG G12661	6.000	04/01/2017		AA+	Aaa	216,586.35	230,326.05	0.36	220,441.59	0.35	0.45
<b>Issuer total</b>							<b>216,586.35</b>	<b>230,326.05</b>	<b>0.36</b>	<b>220,441.59</b>	<b>0.35</b>	<b>0.45</b>
<b>Grand total</b>							<b>63,441,586.35</b>	<b>63,949,298.63</b>	<b>100.00</b>	<b>63,374,205.59</b>	<b>100.00</b>	<b>1.53</b>

# SECURITIES PURCHASED

For the period December 1, 2015 - December 31, 2015

Cusip / Description	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
<b>Government Agencies</b>							
3133EFSH1	12/23/2015	1.170	06/14/2018	2,000,000.00	99.82	(1,996,362.00)	(975.00)
FEDERAL FARM CREDIT BANK 1.17% 14/06/2018	12/29/2015						
<b>Total Government Agencies</b>				<b>2,000,000.00</b>		<b>(1,996,362.00)</b>	<b>(975.00)</b>
<b>Grand total</b>				<b>2,000,000.00</b>		<b>(1,996,362.00)</b>	<b>(975.00)</b>

# SECURITIES SOLD AND MATURED

For the period December 1, 2015 - December 31, 2015

Cusip/ Description	Trade date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity /Accr (amort)	Price	Fair value at sale or maturity / Chg.in fair value	Realized gain (loss)	Accrued interest sold	Interest received	Interest earned
<b>Government Agencies</b>												
3130A3PF5 FEDERAL HOME LOAN BANK 1.25% 29/12/2017 CALLABLE	12/29/2015	1.250	12/29/2016	(2,000,000.00)	2,000,000.00	1,999,340.05 26.58	0.00	2,000,000.00 (260.00)	659.95	0.00	6,250.00	1,006.94
<b>Total (Government Agencies)</b>				<b>(2,000,000.00)</b>	<b>2,000,000.00</b>	<b>1,999,340.05 26.58</b>		<b>2,000,000.00 (260.00)</b>	<b>659.95</b>	<b>0.00</b>	<b>6,250.00</b>	<b>1,006.94</b>
<b>Government Mortgage Backed Securities</b>												
3128MBFA0 FREDDIE MAC FG G12661	12/01/2015	6.000	04/01/2017	(23,612.25)	25,110.15	24,087.15 (0.99)	100.00	23,612.25 (479.57)	(474.90)	0.00	0.00	(114.13)
<b>Total (Government Mortgage Backed Securities)</b>				<b>(23,612.25)</b>	<b>25,110.15</b>	<b>24,087.15 (0.99)</b>		<b>23,612.25 (479.57)</b>	<b>(474.90)</b>	<b>0.00</b>	<b>0.00</b>	<b>(114.13)</b>
<b>Grand total</b>				<b>(2,023,612.25)</b>	<b>2,025,110.15</b>	<b>2,023,427.20 25.59</b>		<b>2,023,612.25 (739.57)</b>	<b>185.05</b>	<b>0.00</b>	<b>6,250.00</b>	<b>892.81</b>

# TRANSACTION REPORT

For the period December 1, 2015 - December 31, 2015

Trade date/ Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
12/01/2015 12/15/2015	3128MBFA0	Principal Paydowns	Government Mortgage Backed Securities	FREDDIE MAC FG G12661	04/01/2017	(23,612.25)	(474.90)	23,612.25	0.00	23,612.25
12/01/2015 12/15/2015	3128MBFA0	Income	Government Mortgage Backed Securities	FREDDIE MAC FG G12661	04/01/2017	240,198.60	0.00	0.00	1,200.99	1,200.99
12/15/2015 12/15/2015	912828G79	Income	Government Bonds	USA TREASURY 1% 15/12/2017	12/15/2017	1,000,000.00	0.00	0.00	5,000.00	5,000.00
12/23/2015 12/29/2015	3133EF5H1	Bought	Government Agencies	FEDERAL FARM CREDIT BANK	06/14/2018	2,000,000.00	0.00	(1,996,362.00)	(975.00)	(1,997,337.00)
12/24/2015 12/24/2015	166764AE0	Income	Corporate Bonds	CHEVRON CORP 1.718%	06/24/2018	1,000,000.00	0.00	0.00	8,590.00	8,590.00
12/26/2015 12/26/2015	88579YAE1	Income	Corporate Bonds	3M COMPANY 1% 26/06/2017	06/26/2017	2,000,000.00	0.00	0.00	10,000.00	10,000.00
12/27/2015 12/27/2015	3130A5M55	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/27/2018	1,500,000.00	0.00	0.00	9,600.00	9,600.00
12/29/2015 12/29/2015	3130A3PF5	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/29/2017	2,000,000.00	0.00	0.00	6,250.00	6,250.00
12/29/2015 12/29/2015	3130A3PF5	Capital Change	Government Agencies	FEDERAL HOME LOAN BANK	12/29/2017	(2,000,000.00)	659.95	2,000,000.00	0.00	2,000,000.00
12/29/2015 12/29/2015	3130A5QX0	Income	Government Agencies	FEDERAL HOME LOAN BANK 1%	12/29/2017	2,000,000.00	0.00	0.00	10,000.00	10,000.00
12/31/2015 12/31/2015	912828TB6	Income	Government Bonds	USA TREASURY 0.75%	06/30/2017	1,500,000.00	0.00	0.00	5,625.00	5,625.00

# SECURITIES BID AND OFFER

For the period December 1, 2015 - December 31, 2015

Trans	Settle	Description	Call date	Broker	Par value	Discount	Price	YTM/YTC	Competitive
BUY	12/29/2015	Federal Farm Credit Bank 1.17%		WELLFA	2,000,000	0.00	99.82	1.24	
									- KEYBFI @ 99.8292

# ADDITIONAL INFORMATION

## As of December 31, 2015

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moodys, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moodys and S&P ratings.

You cannot invest in an index. The volatility of the benchmark may be materially different from that of the Composite. The benchmark is presented merely to show general trends in the market for the period and is not intended to imply that a clients account is benchmarked to the indices either in composition, volatility, or level of risk. An index has no expenses. Index data is provided for comparative purposes only. A variety of factors may cause an index to be an inaccurate benchmark.

The BofA Merrill Lynch 3 Mo US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The BofA Merrill Lynch 6 Mo US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The BofA Merrill Lynch Current 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The BofA Merrill Lynch 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients

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BETTY T. YEE  
 California State Controller

LOCAL AGENCY INVESTMENT FUND  
 REMITTANCE ADVICE

Agency Name

MENLO PARK

As of 01/15/2016, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2015.

Earnings Ratio		.00001006140492611
Interest Rate		0.37%
Dollar Day Total	\$	2,994,478,770.58
Quarter End Principal Balance	\$	35,906,410.14
Quarterly Interest Earned	\$	30,128.66

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