



REGULAR MEETING AGENDA

Date: 8/15/2023
Time: 5:00 p.m.
Locations: [Zoom.us/join](https://zoom.us/join) – ID# 814 7839 7160 and
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

Members of the public can listen to the meeting and participate using the following methods. If you have issues viewing the meeting, please email the city clerk at jaherren@menlopark.gov.

How to participate in the meeting

- Submit a written comment online up to one-hour before the meeting start time:
- city.council@menlopark.gov
- Access the meeting real-time online at:
[Zoom.us/join](https://zoom.us/join) – Meeting ID 814 7839 7160
- Access the meeting real-time via telephone at:
(669) 900-6833
Meeting ID 814 7839 7160
Press *9 to raise hand to speak

Watch meeting:

- Cable television subscriber in Menlo Park, East Palo Alto, Atherton and Palo Alto:
Channel 26
- City Council Chambers

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Special Session

A. Call To Order

B. Roll Call

C. Closed Session

- C1. Closed session conference with labor negotiators pursuant to Government Code §54957.6 regarding labor negotiations with the American Federation of State, County, and Municipal Employees Local 829 (AFSCME) and Confidential employees

Agency designated representatives: City Manager Justin I.C. Murphy, Administrative Services Director Brittany Mello, Assistant City Manager Stephen Stolte, City Attorney Nira Doherty, Special Counsel Charles Sakai

Not a CEQA (California Environmental Quality Act) project.

Regular Session

D. Call To Order

E. Roll Call

F. Agenda Review

G. Report from Closed Session

H. Public Comment

Under "Public Comment," the public may address the Commission on any subject not listed on the agenda. Each speaker may address the Commission once under Public Comment for a limit of three minutes. The Commission cannot act on items not listed on the agenda and, therefore, the Commission cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

I. Presentations and Proclamations

- I1. Presentation: Sister Cities annual update
Not a CEQA project.

J. Consent Calendar

- J1. Accept the City Council meeting minutes for June 20, 27, and July 11, 2023 ([Attachment](#))
Not a CEQA project.
- J2. Waive the second reading and adopt an ordinance requiring safe storage of firearms in residence ([Staff Report #23-172-CC](#))
Not a CEQA project.
- J3. Waive the second reading and adopt an ordinance amending Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code to clarify the process for determining the appraised value of and the required community amenities value for bonus level development projects in the O (Office), L-S (Life Sciences), and R-MU (Residential Mixed-Use) zoning districts ([Staff Report #23-173-CC](#))
Determine that the ordinance amendments and the update to the community amenities list are exempt from the provisions of the CEQA, pursuant to §15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that there is no possibility the adoption of this ordinance and updated community amenity list may have a significant effect on the environment, and pursuant to CEQA Guidelines §15183 (consistent with the general plan and zoning).
- J4. Authorize the city manager to execute a three-year master agreement for on-call tennis court repair services to Saviano Construction, Inc. and determine this action is categorically exempt under California Environmental Quality Act guidelines section 15301 exemption for existing facilities ([Staff Report #23-179-CC](#))

Not a CEQA project.

- J5. Adopt a resolution authorizing the City Manager to execute a memorandum of understanding between City of Menlo Park and Caltrain for San Francisquito Creek embankment stabilization ([Staff Report #23-174-CC](#))
Not a CEQA project.
- J6. Adopt a resolution authorizing staff to submit an application to the San Mateo County Transportation Authority for Measure A & W Highway Program ([Staff Report #23-175-CC](#))
Not a CEQA project.
- J7. Adopt a resolution authorizing the South Bayside Waste Management Authority to acquire real property located at 1245 San Carlos Avenue, Unit E, San Carlos, CA. ([Staff Report #23-176-CC](#))
Not a CEQA project.
- J8. Adopt a resolution approving the fiscal year 2023-24 investment policy for the City and the former Redevelopment Agency of Menlo Park ([Staff Report #23-177-CC](#))
Not a CEQA project.
- J9. Receive and file investment portfolio as of June 30, 2023 ([Staff Report #23-178-CC](#))
Not a CEQA project.

K. Public Hearing

- K1. Consider and adopt resolutions to amend the City of Menlo Park General Plan Circulation Element and El Camino Real/Downtown Specific Plan to add an Alley designation under the Local Access street classification, and allow for the City Council to consider closing public streets within the Main Street and Local Access (Alley) street classifications to vehicular traffic ([Staff Report #23-180-CC](#))
Determine that the proposed General Plan and Downtown Specific Plan Amendments are consistent with the respective certified EIRs and each proposed amendment has been evaluated regarding the impacts identified in its respective certified EIR through addendums to each EIR, and that analysis found that the proposed amendments would not result in new impacts or an increase in severity of previously identified impacts, or otherwise require additional environmental review or processing under the California Environmental Quality Act (CEQA), and that no further environmental review is required under CEQA Guidelines sections 15162 and 15164.

L. Regular Business

- L1. Waive the first reading and introduce an ordinance adding Chapter 13.30 Streetaries Outdoor Dining Areas to Title 13 (Streets, Sidewalks and Utilities) and amending Sections 13.18.10 and 13.18.20 of Chapter 13.18 (Use of Public Right of Way) ([Staff Report #23-181-CC](#)) ([Presentation](#))
Determine the adoption of the proposed ordinance is exempt from the provisions of the CEQA pursuant to Sections 15301 (Class 1), 15304 (Class 4) and 15305 (Class 5).
- L2. Consider and adopt a resolution approving (1) Appraisal Instructions for Determining the Value of Community Amenities and (2) Community Amenity Implementing Regulations to determine the appraised value of bonus level developments ([Staff Report #23-182-CC](#))

Determine that the proposed appraisal instructions and community amenity implementing regulations are exempt from the provisions of the CEQA, pursuant to §15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that there is no possibility the adoption of the appraisal instructions or community amenity implementing regulations may have a significant effect on the environment, and pursuant to CEQA Guidelines §15183 (consistent with the general plan and zoning).

M. Informational Items

- M1. City Council agenda topics: August 22 – September 12 ([Staff Report #23-183-CC](#))
Not a CEQA project.
- M2. Transmittal of city attorney billing ([Staff Report #23-184-CC](#))
Not a CEQA project.
- M3. Short term rental compliance update ([Staff Report #23-185-CC](#))
Not a CEQA project.

N. City Manager Report's

O. City Councilmember Reports

P. Adjournment

At every regular meeting of the commission, in addition to the public comment period where the public shall have the right to address the commission 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 commission's consideration of the item.

At every special meeting of the commission, 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 consideration of the item. For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or before, the public hearing.

Any writing that is distributed to a majority of the commission 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 by request by emailing the city clerk at jaherren@menlopark.gov. Persons with disabilities, who require auxiliary aids or services in attending or participating in commission meetings, may call the City Clerk's Office at 650-330-6620.

Agendas are posted in accordance with California Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the city website at menlopark.gov/agendas and can receive email notification of agendas by subscribing at menlopark.gov/subscribe. Agendas and staff reports may also be obtained by contacting the city clerk at 650-330-6620. (Posted: 8/10/2023)



**SPECIAL JOINT MEETING WITH THE MENLO PARK PLANNING COMMISSION
MINUTES – DRAFT**

Date: 6/20/2023
Time: 5:00 p.m.
Locations: Teleconference,
City Council Chambers
751 Laurel St., Menlo Park, CA 94025 and
Belle Haven Branch Library
413 Ivy Dr., Menlo Park, CA 94025

Special Session

A. Call To Order

Mayor Wolosin called the meeting to order at 5 p.m.

B. Roll Call

Present: Combs (remote – Brown Act and exited at 6:14 p.m.), Doerr, Nash, Taylor, Wolosin (remote – Assembly Bill 2449 Just Cause)

Absent: None

Staff: City Manager Justin I. C. Murphy, Assistant City Manager Stephen Stolte, Acting City Attorney Mary Wagner, Assistant to the City Manager/City Clerk Judi A. Herren

C. Closed Session

- C1. Closed session conference with labor negotiators pursuant to Government Code §54957.6 regarding labor negotiations with the Service Employees International Union Local 521 (SEIU), American Federation of State, County, and Municipal Employees Local 829 (AFSCME), and Confidential employees

Agency designated representatives: City Manager Justin I.C. Murphy, Administrative Services Director Brittany Mello, Assistant City Manager Stephen Stolte, City Attorney Nira Doherty, Special Counsel Charles Sakai

D. Call To Order

Mayor Wolosin re-called the meeting to order at 6:14 p.m.

E. Roll Call

Present: Doerr, Nash, Taylor, Wolosin (remote – Assembly Bill 2449 Just Cause)

Absent: Combs

Staff: City Manager Justin I. C. Murphy, Assistant City Manager Stephen Stolte, Acting City Attorney Mary Wagner, Assistant to the City Manager/City Clerk Judi A. Herren

Planning Commissioners:

Present: Cynthia Harris, Linh Dan Do, Andrew Barnes, Andrew Ehrich, and Katie Ferrick

Absent: Henry Riggs and Jennifer Schindler

Report from Closed Session

No reportable actions.

F. Study Session

- F1. Receive an overview and provide feedback on the draft General Plan Environmental Justice and Safety Elements and provide direction/confirmation for next steps (Staff Report #23-142-CC) (Informe de Personal #23-142-CC)

Senior Planner Calvin Chan, Assistant Community Development Director Deanna Chow, M-Group representative Asher Kohn, ChangeLab Solutions representative Erik Calloway, and Climate Resilient Communities (CRC) representative Cade Cannedy and made the presentation (Attachment).

- Jenny Michel spoke in support for no cost resources for residents.
- Naomi Goodman spoke on concerns and interest in planning for biosafety levels.
- Katie Rueff spoke in support of environmental justice (EJ) and the need for change.
- Brittani Baxter spoke in support of climate mitigations, EJ, and tenant protections, particularly for the Belle Haven neighborhood.
- Karen Grove spoke in support of tenant protections and habitability, sanitation, and health of homes.
- Adina Levin spoke in support of the implementation of EJ and Safety Elements priorities, particularly for the Belle Haven neighborhood and encouraging seeking funding sources.
- Pam Jones spoke in support of EJ planning, implementation, and completing short-term projects to demonstrate the City's commitment to change.
- Jesus Soto spoke in support of the EJ Element and planning for noise mitigations, particularly from highway.
- Katherine Dumont spoke on concerns related to funding for programs and the need to prioritize funds for implementing the EJ and Safety Elements.

The City Council and Planning Commission received clarification on the sample refinement matrix presented within Attachment Q, stakeholders (e.g., residents) involvement in future document development, Life-Sciences district feedback, tree canopy and planting schedule and resources, use of current and new elements for permitting processes, wellness programs, and staffing for EJ and Safety Element-related initiatives.

The City Council and Planning Commission discussed specific policies and programs under the EJ Element goals, separating resources/staff and costs, community engagement when building the EJ and Safety Elements, methodology and application of refinement framework, implementation plan timeline, high speed on roads and collisions in the Safety Element, protecting the current community from flood and sea-level rise, defining funding sources and funding opportunities, accountability assignments, possible short term projects to be completed within 6-months, and grant writer(s) to assist with funding sources.

The City Council and the Planning Commission took a recess at 8:43 p.m.

The City Council and the Planning Commission reconvened at 8:54 p.m.

The City Council and Planning Commission defined concerns of community members on the healthcare system and how to mitigate through the EJ Element.

The City Council and Planning Commission discussed cooling center open hours and potentially incorporating air quality and noise level minimum decibels reduction in the Safety Element.

The City Council and Planning Commission directed staff to explore planning for biosafety levels (BSL), a dedicated grant seeking and writing position, short term projects to be completed as soon as possible with community input and check-ins, continuing to partner with CRC on community outreach and engagement, leveraging community organizations, defining where new program and policies intersect with current programs and policies, and additional community engagement and outreach.

The City Council requested updating *language* from the staff report, where appropriate, in the future; “The City is committed to advancing equity and addressing *current and future* environmental health risks in Menlo Park” and “The purpose of the Environmental Justice Element (commonly abbreviated as EJ Element) is to identify and address public health risks and environmental justice concerns, as well as foster the wellbeing of Menlo Park residents living in underserved *and/or* disadvantaged communities, discussed below.”

Note, an informational item (Summary of Environmental Justice and Safety Elements feedback from June 20 joint Planning Commission/City Council study session and next steps) is available within the June 11, 2023 City Council meeting agenda (see Item N-4).

G. Adjournment

Mayor Wolosin adjourned the meeting at 9:43 p.m.

Judi A. Herren Assistant to the City Manager/City Clerk

A wide-angle landscape photograph showing a river or stream winding through a lush green valley. The sky is filled with large, white and grey clouds, suggesting a bright but slightly overcast day. The foreground shows some dry grasses and a small island of reeds in the water.

GENERAL PLAN ENVIRONMENTAL JUSTICE AND SAFETY ELEMENTS STUDY SESSION

June 20, 2023

STUDY SESSION PURPOSE

- **Review** the Environmental Justice (EJ) and Safety Elements and their regulatory context
- **Revisit** community outreach completed so far and common feedback received
- **Introduce** a recommended refinement framework
- **Receive** guidance/confirmation from the City Council and Planning Commission regarding the recommended refinement framework
- **Receive** community feedback



GENERAL PLAN BACKGROUND

GENERAL PLAN ELEMENTS



The General Plan guides planning decisions across the community

** Housing Element Update Project component*

IMPLEMENTING GENERAL PLAN ELEMENTS



Goals

Broad desired results

Policies

Principles or approaches to achieve goals

Programs

Precise actions to implement policies and goals

MAJOR MILESTONES

- Dec. 2022: Draft EJ and Safety Elements published
- Jan. 2023: Housing Element adopted and SEIR certified
(Upcoming June 27 City Council meeting to review draft revisions to Housing Element)
- Feb. 2023: Two community meetings at Belle Haven Branch Library to introduce the draft EJ and Safety Elements
- **June 2023: Study Session 1**
- Fall 2023: Study Session 2 will present additional community feedback refinement results and recommended policies, programs, and prioritization with revised Draft EJ and Safety Elements



**OVERVIEW:
SAFETY ELEMENT**

SAFETY ELEMENT UPDATE

- Element purpose: To identify and appraise risks in the community and provide high-level strategies for mitigating risks and ensuring the wellness of the community, city services, and infrastructure
- Last update: 2013
- Current update: Focused update to address new State-required topics
 - Climate change adaptation and resiliency
 - Wildfire hazards and risks
 - Identify residential developments without at least 2 emergency evacuation routes
- Aligned with:
 - San Mateo County Multijurisdictional Local Hazard Mitigation Plan (2021)
 - City’s 2030 Climate Action Plan (CAP)
 - San Mateo County’s 2015 Emergency Operations Plan (EOP)

LOCAL HAZARD MITIGATION PLAN

- Collaborative effort:
 - 36 planning partners, including all 20 cities/townships in the county
- Community involvement:
 - Over 2,000 survey responses received
- Contents specific to Menlo Park:
 - Risk and vulnerability assessment
 - Mitigation actions to reduce injury and damage
 - Assessment of capability to implement mitigation actions
 - Hazards risk ranking: 1) flood, 2) earthquake, and 3) sea level rise/climate change

SAFETY ELEMENT IMPLEMENTATION

City Code Updates

**Development
Application Review**

**Coordination Across
Organizations
(e.g., Police, Fire)**

**Collaboration with
County and State
Agencies**

SAFETY ELEMENT GOAL: ASSURE A SAFE COMMUNITY

*Safety Element policies cover the topic areas listed below.
Specific implementing programs are associated with these topics.*

- General Safety Policies
 - New Policy: Mitigation and Disaster Recovery Funding
- Geologic and Seismic Safety Policies
- Hazardous Materials Policies
- Flood Control, Tsunami and Dam Safety Policies
- Fire Safety Policies
- Public Safety and Emergency Response Policies
 - New Policies: Public Health; Heat Adaptation
 - New Programs: Senior Outreach; Public Communication; Public Heat Respite; Heat Island Minimization; Emergency Preparedness for Sensitive Populations



**OVERVIEW:
ENVIRONMENTAL JUSTICE
ELEMENT**

WHAT IS ENVIRONMENTAL JUSTICE?

The fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies.

- State of CA Assembly Bill No.1628 (2019)



WHAT IS THE OBJECTIVE OF PLANNING FOR ENVIRONMENTAL JUSTICE?



To foster well-being and eliminate unique, unequal, and unfair public health risks in the Menlo Park neighborhoods where those risks are concentrated.

REGULATORY CONTEXT: SENATE BILL 1000 (SB 1000)

Local governments are required to analyze whether they have “**Disadvantaged Communities**” in their jurisdictions and develop an EJ Element if they are present.

Based on community outreach, these neighborhoods are being called “**Underserved Communities**” in Menlo Park.

REGULATORY CONTEXT: GOVERNMENT CODE 65302(H)(1)

EJ Element required topic areas:

1. Prioritize the Needs of Underserved Communities
2. Reduce Pollution Exposure
3. Improve Access to Public Facilities
4. Promote Food Access
5. Promote Safe and Sanitary Housing
6. Promote Physical Activity
7. Promote Civic Engagement

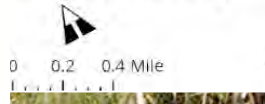
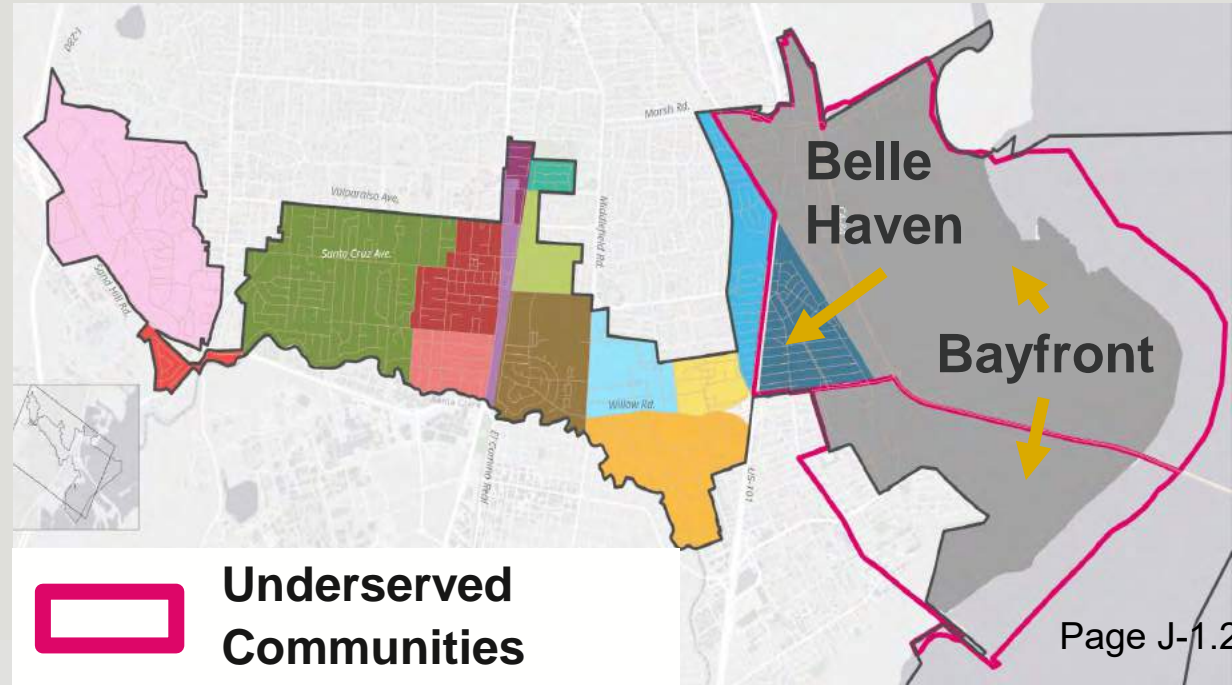
HOW DO WE PLAN FOR ENVIRONMENTAL JUSTICE?

Menlo Park Neighborhoods



1. LOCATE COMMUNITIES THAT FACE UNIQUE, UNEQUAL, AND UNFAIR HEALTH RISKS

- Allied Arts - Stanford Park
- Bayfront
- Belle Haven
- Central Menlo
- Downtown
- El Camino Real Corridor
- Felton Gables
- Linfield Oaks
- Park Forest - Spruce - San Antonio
- Sharon Heights
- South of Seminary - Vintage Oaks
- Stanford Hills
- Suburban Park - Lorelei Manor - Flood Triangle
- The Willows
- VA Medical District
- West Menlo
- City Boundary



Projection: NAD83 StatePlane California III FIPS403 (USFeet)

2. TAKE ACTION TO REDUCE THOSE UNIQUE, UNEQUAL, AND UNFAIR HEALTH RISKS



1. Address unique and compounded health risks.



2. Reduce pollution exposure and eliminate environmental inequities.



3. Equitably provide appropriate public facilities to individuals and communities.



4. Promote access to affordable healthy and high-quality foods.



5. Provide safe and sanitary homes for all residents.



6. Encourage physical activity and active transportation.



7. Create equitable civic and community engagement.



**OVERVIEW:
COMMUNITY OUTREACH
AND FEEDBACK THEMES**

COMPLETED OUTREACH AND MILESTONES



March - June 2021
Countywide LHMP Outreach
Events (12)

June 2021
CRC LHMP Community
Event

July 2021
Housing Element Update
Project Introduction Webinar

August 2021
Community
Housing Element Update
Survey

August 2021
Community Meeting:
Housing Equity, Safety, and
Environmental Justice

August 2021
Pop-up Meetings:
Downtown Farmers Market (2)
Belle Haven Shopping Center
Mi Tierra Linda

April 2022
Neighborhood Profiles
Released

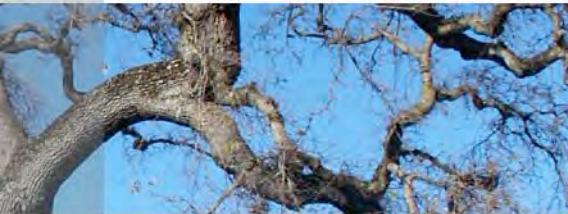
April 2022
Community Meeting:
Introduction to Environmental
Justice and Safety

May 2022
CRC Outreach Meetings
Belle Haven (3)

May – July 2022
Menlo Park Environmental
Justice and Safety Survey

December 2022
Draft EJ and Safety
Elements Released

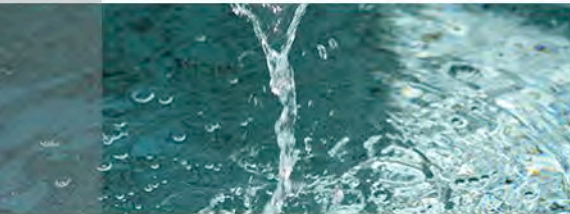
February 2023
Community meetings:
Environmental Justice and
Safety Elements (2)



SAFETY ELEMENT COMMUNITY FEEDBACK THEMES



- **General Safety**
 - Develop policies for and manage risks from life sciences and bio-tech industry
- **Geologic and Seismic Safety**
 - Acknowledge the presence and regulatory impact of earthquake-related maps prepared by the CA Geological Survey
 - Address concerns for the HayWired Scenario and its potential impacts
- **Public Safety and Emergency Response**
 - Follow FEMA guidance for a Whole Community Approach to Emergency Management
 - Emphasize collaboration following evidence-based practices



**EJ ELEMENT GOAL 1:
ADDRESS UNIQUE AND
COMPOUNDED HEALTH RISKS**
COMMUNITY FEEDBACK THEMES



- Asthma and other respiratory issues are community concerns due to the increase in construction
- Heat-related health issues are concerns that can be supported with increased access to air-conditioned public spaces
- Danger to pedestrians, particularly children, can be minimized with more school crossing guards



EJ ELEMENT GOAL 2: REDUCE POLLUTION EXPOSURE AND ELIMINATE ENVIRONMENTAL INEQUITIES

COMMUNITY FEEDBACK THEMES



- Rapid development in Belle Haven and Bayfront increases concerns for pollution and traffic congestion
- Address traffic congestion by increasing signage and reevaluating signal light timing
- Address illegal dumping and increase area security
- Noise pollution is a concern, particularly from speeding cars/Highway 101
- Address flooding and pothole issues in Belle Haven and Bayfront
- Interest in incentives and support for air purification tools

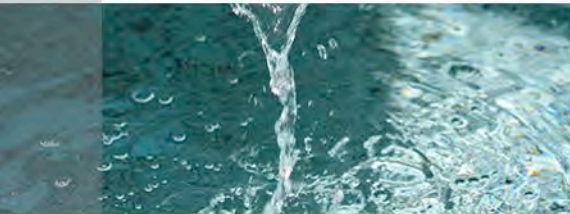


EJ ELEMENT GOAL 3: EQUITABLY PROVIDE APPROPRIATE PUBLIC FACILITIES TO INDIVIDUALS AND COMMUNITIES

COMMUNITY FEEDBACK THEMES



- Increase the tree canopy in and around Belle Haven and the Bayfront area
- Menlo Park Community Campus (MPCC) should prioritize affordable educational classes and training programs for the community
- Encourage local hiring for MPCC
- Desire for a health clinic, pharmacy, bank, and an affordable grocery store
- Concerns for less school-access opportunity for Belle Haven students
- Provide animal waste disposal stations, enhanced street cleaning, and more stop signs



**EJ ELEMENT GOAL 4:
PROMOTE ACCESS TO AFFORDABLE HEALTHY
AND HIGH-QUALITY FOODS**
COMMUNITY FEEDBACK THEMES



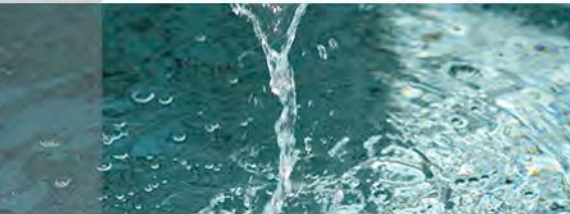
- Interest for a subsidized farmer's market – near MPCC is desirable
- The relatively high cost and low-quality food provided at schools is a concern
- Stores and services geared toward persons of color and seniors are desirable



**EJ ELEMENT GOAL 5:
PROVIDE SAFE AND SANITARY HOMES
FOR ALL RESIDENTS**
COMMUNITY FEEDBACK THEMES



- Build new housing sensibly and spread-out higher density housing citywide
- Interest in accessory dwelling units (ADUs) but concern about lengthy, complicated, and expensive process
- City should help with pest management
- Concern for the unhoused
- City should explore rent control and/or tax breaks
- City should prioritize anti-displacement measures and affordable housing



**EJ ELEMENT GOAL 6:
ENCOURAGE PHYSICAL ACTIVITY AND
ACTIVE TRANSPORTATION**
COMMUNITY FEEDBACK THEMES



- Repair sidewalks and potholes and increase accessibility
- Increase lighting along streets and at parks (especially important for kids and seniors)
- Increase bike lanes and safe walkways



EJ ELEMENT GOAL 7: CREATE EQUITABLE CIVIC AND COMMUNITY ENGAGEMENT COMMUNITY FEEDBACK THEMES



- Prioritize resources/information for low-income individuals, especially important for persons living with disabilities
- A desire for greater communication by the City regarding upcoming construction projects and their potential impacts
- A desire for greater programs and services to help the communities engage/participate, especially those north of Highway 101
- Hold more public meetings in Belle Haven



**EJ ELEMENT:
RECOMMENDED
REFINEMENT FRAMEWORK**



EJ ELEMENT REFINEMENT FRAMEWORK OBJECTIVES

- 1. Translate community feedback into a list of actionable policies and programs that reflect:**
 - Robust community input**
 - City resources, capacity, and authority**
- 2. Practice transparent decision-making**
- 3. Establish accountability processes for EJ Element implementation and tracking over time**



INTEGRATING COMMUNITY FEEDBACK INTO EJ POLICIES AND PROGRAMS

Goal	Proposed Policy or Program
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**Cross-reference
across other elements
to omit duplicates**



INTEGRATING COMMUNITY FEEDBACK INTO EJ POLICIES AND PROGRAMS

Goal	Proposed Policy or Program	Theme
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Group proposed policies/programs by theme/topic

Put programs in logical order for implementation



INTEGRATING COMMUNITY FEEDBACK INTO EJ POLICIES AND PROGRAMS

Goal	Proposed Policy or Program	Theme
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Example: Tree Canopy

1. Map tree canopy gaps in underserved areas
2. Require preservation of mature trees
3. Proactively coordinate with developers to help preserve, replace, and/or transplant trees
4. Focus efforts for planting street trees in Underserved Communities
5. Create an Urban Forest Master Plan



INTEGRATING COMMUNITY FEEDBACK INTO EJ POLICIES AND PROGRAMS

Goal	Proposed Policy or Program	Theme	Timeframe
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1. Short Term

2. Medium term

3. Long Term

Include specific time horizons



INTEGRATING COMMUNITY FEEDBACK INTO EJ POLICIES AND PROGRAMS

Goal	Proposed Policy or Program	Theme	Timeframe	Urgency	
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Score programs

Including community-identified needs/levels of urgency



INTEGRATING COMMUNITY FEEDBACK INTO EJ POLICIES AND PROGRAMS

Goal	Proposed Policy or Program	Theme	Timeframe	Urgency	Effort/Cost	
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Score programs



INTEGRATING COMMUNITY FEEDBACK INTO EJ POLICIES AND PROGRAMS

Goal	Proposed Policy or Program	Theme	Timeframe	Urgency	Effort/Cost	Impact
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Score programs

***Highest priorities =
high need
low cost
high impact***

REFINEMENT FRAMEWORK CONSIDERATIONS

- Prioritize policies/programs that directly shape City decision-making processes to ensure Underserved Communities in Menlo Park are being prioritized in program implementation and across City functions
- Policies/programs with highest urgency and/or that require less effort or less funds should be prioritized as short-term
- Long-term and/or high-cost policies/programs can be a high priority if they are high impact. These programs may require phased implementation
- Some community-identified needs may require long term policies/programs to allow time for the thinking, collaboration, and outreach that is needed to determine how to best address those needs through actionable programs

IMPLEMENTATION PLAN MAY INCLUDE:

- Departments Responsible for Implementation
- Potential Partners
- Funding Sources
- Metrics for Tracking Progress
- Reporting Processes



EJ AND SAFETY ELEMENTS STUDY SESSION FEEDBACK PROMPTS



Is the recommended refinement framework for the EJ Element appropriate?

What community feedback themes, topic areas, or policies and programs have the greatest urgency/highest prioritization?

NEXT STEPS

- Study Session 1 feedback will help inform the revision of the draft EJ and Safety Elements
- Study Session 2 (tentatively fall 2023)
 - Present revised draft EJ and Safety Elements, which would further incorporate the community, City Council, and Planning Commission feedback, including recommended policies and programs and prioritization
 - Following Study Session 2, additional refinements, as needed, would be made to the EJ and Safety Elements
- Planning Commission recommendation and City Council action (tentatively winter 2023/2024)
 - Planning Commission would make a recommendation regarding adoption of the elements to the City Council and the City Council would be the final reviewing/approving body



THANK YOU

A wide landscape photograph showing a river or stream winding through a green, hilly area. The sky is filled with large, white and grey clouds, suggesting a late afternoon or early morning setting. The water reflects the sky and the surrounding greenery. In the foreground, there are some tall grasses and reeds.



SPECIAL AND REGULAR MEETING MINUTES – DRAFT

Date: 6/27/2023
Time: 5:00 p.m.
Locations: Teleconference and
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

Special Session

A. Call To Order

Mayor Wolosin called the meeting to order at 5:22 p.m.

B. Roll Call

Present: Doerr, Nash, Wolosin
Absent: Combs, Taylor
Staff: City Manager Justin I. C. Murphy, Assistant City Manager Stephen Stolte, Acting City Attorney Mary Wagner, Assistant to the City Manager/City Clerk Judi A. Herren

C. Closed Session

C1. Closed session conference with labor negotiators pursuant to Government Code §54957.6 regarding labor negotiations with the Service Employees International Union Local 521 (SEIU)

Agency designated representatives: City Manager Justin I.C. Murphy, Administrative Services Director Brittany Mello, Assistant City Manager Stephen Stolte, City Attorney Nira Doherty, Special Counsel Charles Sakai

Regular Session

D. Call To Order

Mayor Wolosin re-called the meeting to order at 6:05 p.m.

E. Roll Call

Present: Doerr, Nash, Wolosin
Absent: Combs, Taylor
Staff: City Manager Justin I. C. Murphy, Assistant City Manager Stephen Stolte, Acting City Attorney Mary Wagner, Assistant to the City Manager/City Clerk Judi A. Herren

Report from Closed Session

Mayor Wolosin reported that an agreement was reached with SEIU for a successor labor agreement and the early release staff report was made available on Monday, June 26 for the July 11 City Council meeting.

F. Agenda Review

The City Council pulled item H1.

G. Public Comment

- John McKenna spoke in support of the youth voices being heard this evening.
- Katie Rueff spoke in support of action on climate change mitigations and proposed a Menlo Park Youth Climate Team to assist.
- Angeli Mishra spoke in support of action on climate change mitigations.
- Alex Wagonfeld spoke in support of action on climate change mitigations.
- Will Simon spoke in support of action on climate change mitigations.
- Nikki Donovan spoke in support of effective climate action, water efficient landscaping, energy efficient buildings and additional bike lanes.
- Crystal Hernandez spoke in support of implementing the adopted climate action plan.
- Chloe Chiang spoke in support of implementing the adopted climate action plan.

H. Consent Calendar

H1. Accept the City Council meeting minutes for May 9, 23, 30, and June 13, 2023 (Attachment)

The City Council requested that the May 30 minutes reflect a request for a joint meeting between the Menlo Park Fire Protection District and Menlo Park, Atherton and East Palo Alto.

- H2. Amend the agreement with APTIM Environmental and Infrastructure, LLC for the operation, maintenance and reporting of the Bedwell Bayfront Park Landfill gas and leachate collection and control systems for an additional six months (Staff Report #23-143-CC)
- H3. Amend the contract with Chrisp Company to add funding to install the Middle Avenue bicycle lane pilot (Staff Report #23-144-CC)
- H4. Authorize the city manager to enter into a five-year maintenance agreement with ADVNC Air Technologies for the preventative maintenance and repair services for heating, ventilation, and air conditioning systems within city buildings (Staff Report #23-145-CC)
- H5. Waive the second reading and adopt an ordinance adding Chapter 1.15 “Administrative Citations” and amending Chapter 8.04 “Nuisances” to add additional “Enumerated” nuisances to subsection 8.04.010 (Staff Report #23-146-CC)
- H6. Adopt a resolution amending City Council Policy CC-23-004 Commissions/Committees Policies and Procedures, Roles and Responsibilities (Staff Report #23-151-CC)

ACTION: Motion and second (Doerr/ Nash), to approve the consent calendar with the update to the May 30 minutes, passed 3-0 (Combs and Taylor absent).

I. Public Hearing

I1. Adopt a resolution overruling protests, ordering the improvements, confirming the diagram/area of

assessment and ordering the levy and collection of assessments for Landscaping Assessment District for fiscal year 2023-24 (Staff Report #23-147-CC)

Management Analyst II Joanna Chen made the presentation (Attachment).

Mayor Wolosin opened the public hearing.

Mayor Wolosin closed the public hearing.

ACTION: Motion and second (Nash/ Wolosin), to adopt a resolution overruling protests, ordering the improvements, confirming the diagram/area of assessment, and ordering the levy and collection of assessments, passed 3-0 (Combs and Taylor absent).

J. Regular Business

- J1. Adopt resolutions for fiscal year 2023-24: adopting budget and capital improvement plan; establishing appropriations limit; amending the salary schedule effective July 2, 2023; extending rate assistance program through June 2024; and accept award authority and bid requirement through June 2024 (Staff Report #23-150-CC)

Administrative Services Director Brittany Mello and Interim Finance Director Marvin Davis made the presentation (Attachment).

- Jeff Schmidt spoke in support of protecting the Urban Forest Master Plan in the Capital Improvements Plan.
- Ezio Alviti spoke on concerns related to the city's website accessibility.

The City Council received clarification on special districts.

The City Council discussed discretionary cuts, revenue generators, potential Transient Occupancy Tax (TOT) or Utility User Tax (UUT) ballot measures in 2024, a resident survey on ballot measures, Flock cameras, Menlo Park Community Campus (MPCC) staffing, cultural and community grant program and grant opportunities.

The City Council directed staff to return with item on receiving community feedback on ballot measures and a list of current grants retained by the city.

ACTION: Motion and second (Nash/ Doerr), to adopt the following resolutions, establish award levels and provide bid requirements:

1. Resolution adopting fiscal year 2023-24 budget and capital improvement plan (CIP)
2. Resolution establishing the appropriations limit
3. Resolution amending the salary schedule effective July 2, 2023
4. Resolution extending the solid waste and water rate assistance program through June 2024
5. Accept award memo for authority and bid requirement through June 2024, passed 3-0 (Combs and Taylor absent).

- J2. Review and authorize staff to submit the revised Housing Element for the 2023 to 2031 planning period to the California Department of Housing and Community Development (Staff Report #23-148-CC)

Principal Planner Tom Smith made the presentation (Attachment).

- Adina Levin spoke on submitted Housing Element comments provided by California Department of Housing and Community Development (HCD).
- Olivia Grimes spoke in support of the Housing Element, affordable housing and increased tenant protections.
- Jenny Michel spoke in support of taxes that benefit Menlo Park.
- Katherine Dumont spoke in support of zoning changes and reducing emissions.
- Brittani Baxter spoke on potential housing sites and downtown vacancies and zoning.

The City Council received clarification on downtown vacancies on the opportunity sites, zoning update requirements, the Downtown Specific Plan amendments and deadlines and community engagement and outreach to include those engaged in the original El Camino Real/Downtown Specific Plan process.

The City Council discussed the jobs housing linkage program.

The City Council directed staff to update the Housing Element page 8-28 Program H4.M to “reducing multi-family parking ratios” removing specific number of spaces or, if required by HCD, for staff to clarify that the specific number of spaces listed is the maximum parking amount.

ACTION: Motion and second (Wolosin/ Doerr), to authorize staff to submit the revised 2023 to 2031 (6th Cycle) Housing Element to the California Department of Housing and Community Development (HCD) including an update to the Housing Element page 8-28 Program H4.M parking language, passed 3-0 (Combs and Taylor absent).

The City Council took a recess at 8:33 p.m.

The City Council reconvened at 8:40 p.m.

- J3. Waive the first reading and introduce by title only an ordinance adding Menlo Park Municipal Code Chapter 8.05 to require the use of zero emission landscaping equipment (ZELE) (Staff Report #23-153-CC)

Sustainability Manager Rebecca Lucky made the presentation (Attachment).

- Jackie Ishimaru-Gachina requested that the ordinance not be adopted until zero emission landscaping equipment is upgraded for commercial use.

The City Council received clarification on zero emission landscaping equipment in other jurisdictions, battery life of zero emission landscaping equipment and the California Air Resources Board (CARB) rebate program.

ACTION: Motion and second (Doerr/ Nash), to waive the first reading and introduce an ordinance adding Menlo Park Municipal Code Chapter 8.05 (gasoline powered landscape equipment) to require use of zero emission landscaping equipment (ZELE) by a certain date and repeal Chapter 8.07 (leaf blowers) and subsection (C) of §8.06.040 exceptions for gas powered leaf blowers, passed 3-0 (Combs and Taylor absent).

- J4. Adopt a resolution setting forth civil fines, charges and interest rate for unpaid fines from administrative citations pursuant to Menlo Park Municipal Code Chapter 1.15 “Administrative Citations” (Staff Report #23-149-CC)

Police Chief Dave Norris introduced the item.

ACTION: Motion and second (Wolosin/ Nash), to adopt a resolution setting forth the civil fines, charges and interest rate for unpaid fines from administrative citations issued pursuant to Menlo Park Municipal Code (MPMC) Chapter 1.15, passed 3-0 (Combs and Taylor absent).

ACTION: Motion and second (Wolosin/ Nash), to reopen item J3., passed 3-0 (Combs and Taylor absent).

- J3. Waive the first reading and introduce by title only an ordinance adding Menlo Park Municipal Code Chapter 8.05 to require the use of zero emission landscaping equipment (ZELE) (Staff Report #23-153-CC)

The City Council directed staff to send a letter to the Bay Area Air Quality Management District requesting CARB rebates being applied to large companies.

K. Informational Items

- K1. City Council agenda topics: July 11 – August 15 (Staff Report #23-152-CC)

L. City Manager Report's

City Manager Justin Murphy reported out on 4th of July event in downtown, Caltrain road work on Encinal Avenue this summer and Middle Avenue railroad crossing project.

M. City Councilmember Reports

City Councilmember Nash reported out on a Peninsula Clean Energy meeting.

City Councilmember Doerr reported out on the summer concert series events.

Mayor Wolosin reported out on the new SamTrans shuttle service in Belle Haven.

N. Adjournment

Mayor Wolosin adjourned the meeting at 9:14 p.m.

Judi A. Herren Assistant to the City Manager/City Clerk



SPECIAL AND REGULAR MEETING MINUTES – DRAFT

Date: 7/11/2023
Time: 5:30 p.m.
Locations: Teleconference and
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

Special Session

A. Call To Order

Mayor Wolosin called the meeting to order at 5:31 p.m.

B. Roll Call

Present: Combs, Doerr, Nash, Taylor, Wolosin
Absent:
Staff: City Manager Justin I. C. Murphy, Assistant City Manager Stephen Stolte, City Attorney Nira F. Doherty, Assistant to the City Manager/City Clerk Judi A. Herren

C. Closed Session

C1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code § 54956.9)
Foster v. City of Menlo Park (Case No. 3:22-cv-09109-AGT)
Claimant: Genifer Foster

The City Council reordered the agenda bringing item Q1. after item C1.

Q. Closed Session

Q1. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: Tobias Kunze and Liliana Kunze Briseno v. City of Menlo Park (Case No. 3-CIV-00590)

Regular Session

D. Call To Order

Mayor Wolosin re-called the meeting to order at 6:22 p.m.

E. Roll Call

Present: Combs, Doerr, Nash, Taylor, Wolosin
Absent:
Staff: City Manager Justin I. C. Murphy, Assistant City Manager Stephen Stolte, City Attorney Nira F. Doherty, Assistant to the City Manager/City Clerk Judi A. Herren

F. Report from Closed Session

No reportable actions.

G. Agenda Review

The City Council pulled items K1., K5. and K7.

H. Public Comment

None.

I. Presentations and Proclamations

I1. Proclamation: July as Parks and Recreation Month (Attachment)

Mayor Wolosin read the proclamation (Attachment).

Library and Community Services Supervisor Tricia Mullan accepted the proclamation.

J. Study Session

J1. Provide feedback on an update to the preferred concept for the Middle Avenue Caltrain crossing design (Staff Report #23-160-CC)

Assistant Public Works Director Hugh Louch made the presentation (Attachment).

- Adina Levin spoke in support of the project and design and requested clarification on Caltrain preserving the right-of-way and electrification construction timeline.
- Jerry L. Jones spoke in support of the project and on concerns related to the total cost.

The City Council received clarification on total cost, construction timeline, and Palo Alto shoofly tracks location impacts.

The City Council discussed transportation grants.

The City Council directed staff to move forward with the new design, seek to leave a section of the tunnel uncovered until needed by Caltrain for tracks, release renderings for public review when ready and to seek grant funding.

J2. Provide direction on potential revenue-generating ballot measures (Staff Report #23-170-CC)

Assistant City Manager Stephen Stolte made the presentation (Attachment).

- Adina Levin spoke in support of revenue generating and thoughtful analysis of the needs of the community.
- Lynne Bramlett requested clarification on services impacted by the budget gap and suggested San Mateo County surplus sharing and spoke in support of the business license tax increase for

larger businesses, revenue generators outside of residential taxes, grant funding, and directing the Finance and Audit Commission (FAC) to assist with research.

- Jenny Michel spoke in support of researching business license tax for larger companies and parcel tax for larger properties.
- Virginia Portillo spoke in support of keeping the Belle Haven neighborhood in mind when considering residential taxes and in support of researching business license tax on larger business and parcel tax for larger properties.
- James Pistorino commented on the structural deficit and spoke on concerns related to the budget deficit and potential tax measures.
- Pam D Jones spoke in support of adjusting to the budget opposed to seeking revenue generators.
- Katie Behroozi spoke in support of polling the community for ballot measures.

The City Council received clarification on media reports of surplus, five-year forecast assumptions, staffing increase compared to population level, User Utility Tax (UUT) exemption for low-income and UUT findings and requirements.

The City Council discussed researching other revenue generators outside of residential tax.

The City Council directed exploring UUT and Transient Occupancy Tax as revenue generators and researching cost saving measures.

K. Consent Calendar

- K1. Authorize the city manager to execute an agreement with Housing Group LLC, DBA HousingINC to provide below market rate housing program administration services (Staff Report #23-156-CC)

The City Council discussed bringing back and updating the below market rate (BMR) policy.

- K2. Authorize the city manager to execute an amendment to the professional services agreement with Team Sheeper, Inc. for continued operation of Burgess Pool through Sept. 30 (Staff Report #23-157-CC)
- K3. Award a construction contract to Suarez & Munoz Construction, Inc., for the Willow Oaks and Burgess Parks Improvement projects (Staff Report #23-164-CC)
- K4. Waive second reading and adopt an ordinance adding Menlo Park Municipal Code Chapter 8.05 to require zero emission landscaping equipment (ZELE) (Staff Report #23-158-CC)
- K5. Adopt a resolution to approve an electric gardening equipment rebate program (Staff Report #23-169-CC)

The City Council received clarification on eligibility of the program and requested staff to report back if needed (e.g., low funds), provide public outreach for state incentive funds, and implement program as soon as possible.

- K6. Authorize the city manager to enter into a contract with David J. Powers & Associates, Inc. to

prepare an environmental impact report, traffic impact analysis and housing needs assessment for the proposed 99-unit multi-family residential development project at 3705 Haven Ave. for the amount of \$228,995 and future augments as may be necessary to complete the environmental review, traffic impact analysis, and housing needs assessment for the proposed project (Staff Report #23-165-CC)

- K7. Adopt a resolution authorizing the city manager to sign an agreement with the California Energy Commission to accept \$4.5 million in state funds for a citywide electrification project (Staff Report #23-159-CC)

The City Council spoke in support of the work done by MenloSpark in relation to the funding.

- K8. Authorize the city manager to execute a public improvement and reimbursement agreement for waterline construction related to the 1350 Adams Ct. project (Staff Report #23-166-CC)

ACTION: Motion and second (Nash/ Taylor), to approve the consent calendar with the update to item K5., passed unanimously.

The City Council took a recess at 8:16 p.m.

The City Council reconvened at 8:25 p.m.

L. Public Hearing

- L1. Introduce and waive the first reading of an ordinance amending Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code to clarify the process for determining the appraised value of bonus level developments and the required community amenities value for bonus level development projects in the O (Office), L-S (Life Sciences), and R-MU (Residential Mixed-Use) zoning districts, and adopt a resolution updating the previously adopted community amenities list for bonus level developments in the Bayfront Area (Staff Report #23-155-CC)

Planning Manager Kyle Perata made the presentation (Attachment).

Mayor Wolosin opened the public hearing.

Mayor Wolosin closed the public hearing.

The City Council received clarification on community amenities list, Bayfront Taskforce, implementation from the Environmental Justice Element, and integration with City Council work plan/priorities and budgeting.

The City Council discussed “lessons learned” from community outreach.

The City Council directed allowing multiple similar amenities (e.g., restaurants) taking into account proximity of similar community amenities.

ACTION: Motion and second (Taylor/ Nash), to introduce and waive the first reading of an ordinance

amending Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code to clarify the process for determining the appraised value of bonus level developments and the required community amenities value for bonus level development projects in the O (Office), L-S (Life Sciences), and R-MU (Residential Mixed-Use) zoning districts, passed unanimously.

ACTION: Motion and second (Taylor/ Nash), to adopt a resolution approving the updated community amenities list for applicants to utilize in providing community amenities for bonus level development projects in the Bayfront Area, passed unanimously.

M. Regular Business

- M1. Waive the first reading and introduce an ordinance requiring safe storage of firearms in residences (Staff Report #23-167-CC)

Police Commander TJ Moffett made the presentation (Attachment).

The City Council received clarification on educating the public, criminal versus civil penalties, and commercial safe storage regulations.

ACTION: Motion and second (Combs/ Doerr), to accept waive the first reading and introduce an ordinance adding Chapter 8.33 [Storage of Firearms] to Title 8 [Peace, Safety and Morals], of the Menlo Park Municipal Code to require the safe storage of firearms in a residence and amending Chapter 1.12 to make Chapter 8.33 violations an infraction, passed unanimously.

- M2. Adopt a resolution to ratify the successor agreement between the City of Menlo Park and the Service Employees International Union Local 521 expiring June 30, 2026 (Staff Report #23-154-CC)

Administrative Services Director Brittany Mello made the presentation.

The City Council discussed that the market has established a low wage for employees working with our most valuable residents, children and seniors.

ACTION: Motion and second (Wolosin/ Doerr), to adopt a resolution to ratify the successor agreement between the City of Menlo Park and the Service Employees International Union Local 521 (SEIU) expiring June 30, 2026, and appropriate the additional funds in the fiscal year 2023-24 budget, passed unanimously.

- M3. Adopt a resolution to amend the salary schedule effective July 16, 2023 (Staff Report #23-168-CC)

Administrative Services Director Brittany Mello made the presentation.

The City Council discussed teacher and senior care employee wages compared to livable wages.

ACTION: Motion and second (Combs/ Nash), to adopt a resolution to amend the salary schedule effective July 16, 2023, passed unanimously.

N. Informational Items

N1. City Council agenda topics: August 15 – August 29 (Staff Report #23-171-CC)

N2. Update on the next steps to reduce speed limits on residential streets (Staff Report #23-161-CC)

The City Council discussed emails received about other opportunities to reduce speed limits on safe routes to school.

N3. Transmittal of city attorney billing (Staff Report #23-162-CC)

N4. Summary of Environmental Justice and Safety Elements feedback from June 20 joint Planning Commission/City Council study session and next steps (Staff Report #23-163-CC)

- Adina Levin spoke on the community survey feedback related to improved safety for bicycles and walking.
- Virginia Portillo spoke in support of involving young adults in future public engagement and outreach for the Environmental Justice Element.

O. City Manager Report's

City Manager Justin Murphy reported on the 4th of July celebration, summer concert series in the parks, National Night Out on Aug. 1, and the next regular City Council meeting on Aug. 15.

P. City Councilmember Reports

City Councilmember Doerr reported out on a meeting with Bay Area Water Supply & Conservation Agency (BAWSCA) board members and Senior Director of Water Resources & Civil Infrastructure at Stanford Tom Zigterman and provided an update to office hours.

~~Q. Closed Session~~

~~Q1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION~~

~~Paragraph (1) of subdivision (d) of Section 54956.9)~~

~~Name of case: Tobias Kunze and Liliana Kunze Briseno v. City of Menlo Park (Case No. 3-CIV-00590)~~

R. Adjournment

Mayor Wolosin adjourned the meeting at 9:53 p.m.

Assistant to the City Manager/ City Clerk Judi A. Herren



STAFF REPORT

City Council Meeting Date: 8/15/2023
Staff Report Number: 23-172-CC

Consent Calendar: **Waive the second reading and adopt an ordinance requiring safe storage of firearms in residences**

Recommendation

Staff recommends that the City Council waive the second reading and adopt an ordinance adding Chapter 8.33 [Storage of Firearms] to Title 8 [Peace, Safety and Morals], of the Menlo Park Municipal Code to require the safe storage of firearms in a residence and amending Chapter 1.12 to make Chapter 8.33 violations an infraction (Attachment A).

Policy Issues

This ordinance is brought forward pursuant to City Council direction.

Background

The City Council waived the first reading and introduced the Safe Storage of Firearms ordinance at the July 11 City Council meeting (Attachment B).

On Jan. 14, 2020, upon Vice Mayor Combs suggestion, the City Council directed the city attorney to bring forward an ordinance requiring the safe storage of firearms in residences. For ease of enforcement, the attached ordinance is modeled after the County of San Mateo’s safe storage ordinance. The ordinance contains both criminal and civil penalties for violation.

The County of San Mateo (County) has developed a uniform ordinance for addressing concerns of safe storage of firearms. The County adopted this ordinance in February 2019 but it only applies to homes located in the unincorporated County. The County is encouraging all San Mateo County cities to adopt similar ordinances.

Analysis

Applying trigger locks or using lock boxes when storing firearms in the home reduces the risk of firearm injury and death. Keeping a firearm locked when it is not being carried ensures that it cannot be accessed and used by others without the owner’s knowledge or permission. This simple measure significantly decreases the risk that the gun will be used to commit suicide, homicide or inflict injury, whether intentionally or unintentionally. Safe storage measures have a demonstrated protective effect in homes with children and teenagers where guns are stored.

The ordinance requires that no person shall keep a firearm in any residence unless the firearm is stored in a locked container or is disabled with a trigger lock. The ordinance contains an exception for firearms carried on a person inside the house.

A violation of the ordinance would be subject to enforcement through criminal prosecution and/or civil penalties.

The County's safe storage ordinance is consistent with and builds upon existing state law, which requires that safety devices such as safes or trigger locks accompany any firearms that are purchased or transferred by a licensed dealer. The County ordinance goes further than state law by requiring gun owners to actually use those safety devices when storing a firearm at home. The ordinance fills an important gap in existing law.

The San Mateo County Board of Supervisors has requested that all 20 cities in San Mateo County adopt an ordinance identical to the attached to allow for a uniform gun storage policy throughout the County. The board of supervisors has a successful record of developing ordinances that are then adopted by cities throughout the County (e.g., plastic bag ban, anti-smoking measures, etc.).

At least 14 other California jurisdictions have adopted similar safe storage ordinances, including Sunnyvale, Santa Cruz, Saratoga, San Jose, Oakland and San Francisco.

Impact on City Resources

There is no impact on City resources.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

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. Safe storage of firearms ordinance
- B. Hyperlink – July 11, 2023, City Council agenda:
menlopark.gov/files/sharedassets/public/agendas-and-minutes/city-council/2023-meetings/agendas/20230711city-council-regular-agenda-packet_w-presv2.pdf

Report prepared by:
Dave Norris, Chief of Police

Report reviewed by:
Mariam Sleiman, Assistant City Attorney

ORDINANCE NO. XXXX

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK TO ADD CHAPTER 8.33 [STORAGE OF FIREARMS TO TITLE 8 [PEACE, SAFETY AND MORALS], OF THE MENLO PARK MUNICIPAL CODE TO REQUIRE THE SAFE STORAGE OF FIREARMS IN A RESIDENCE AND AMENDING CHAPTER 1.12 TO ADD CHAPTER 8.33 VIOLATIONS AS INFRACTIONS

WHEREAS, the City of Menlo Park ("City") does not presently regulate firearm storage within residential locations; and

WHEREAS, firearm injuries have significant adverse public health and safety impact nationally, regionally, and locally in that firearms increase an individual's risk of death by homicide and burden hospitals with gun violence injuries; and

WHEREAS, improperly stored firearms may result in accidental firearm injuries and/or deaths, particularly in homes with children and a firearm stored while loaded or unloaded increases the risk of an accidental shooting, and has been associated with higher risks of suicide; and

WHEREAS, utilizing gun locks or lock boxes when storing firearms in the home reduces the risk of firearm injury, death, and firearm theft; and

WHEREAS, keeping a firearm locked when it is not being carried ensures that it cannot be accessed or used by others without the owner's knowledge or permission, decreasing the risk that the gun will be used to commit suicide, homicide, or inflict injury, whether intentionally or unintentionally; and

WHEREAS the International Association of Chiefs of Police and the American Academy of Pediatrics recommend the safe storage of firearms; and

WHEREAS, requiring stored, unsupervised firearms to be secured with gun locks for in a locked container does not substantially burden the right or ability to use firearms for self-defense in the home; and

WHEREAS, the City Council finds that requiring safe storage of firearms would constitute a sensible safety regulation and would not be unduly burdensome for firearm owners.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MENLO PARK DO ORDAIN AS FOLLOWS:

Section 1. Findings

The City Council of the City of Menlo Park does hereby find that the above referenced recitals are true and correct and material to the adoption of this Ordinance.

Section 2. Adding Chapter 8.33 Storage of Firearms to the Menlo Park Municipal

Chapter 8.33 Storage of Firearms, is hereby added to Chapter Title 8 of the Menlo Park Municipal Code to read in its entirety as shown on Exhibit A, attached hereto and incorporated herein by reference.

Section 3. Amendment of Code

Section 1.12.010(b) (Penalty for Violations – Infraction) of Chapter 1.12 (General Penalty) of

Title 1 (General Provisions) is hereby amended to read as follows (additions in underline, deletions in ~~strikethrough~~)

1.12.010 Penalty for violations

It is unlawful for any person to violate any provision or to fail to comply with any of the requirements of this code.

- (a) Misdemeanor. Except as otherwise provided by this code or state law, any person violating any of the provisions or failing to comply with any of the mandatory requirements of this code is guilty of a misdemeanor. Unless a different penalty is provided by this code, any person convicted of a misdemeanor shall be punishable by a fine of not more than one thousand dollars or by imprisonment in the county jail for a period not exceeding six months, or by both such fine and imprisonment.
- (b) Infraction. This code provides that violations of Sections 7.04.020, 7.04.030 and 7.04.040 of Chapter 7.04 Garbage and Rubbish Disposal***; Chapter 7.30 Smoking, Regulated or Prohibited; 8.06 Noise; 8.07 Leaf Blowers; 8.20 Storage in Yards; Section 8.28.130 of Chapter 8.28, Parks and Recreation; 8.33 [Storage of Firearms]; 8.40 Open Containers; 8.44 Signs—Public Property/Elections; 11.60 Abandoned, Wrecked, Dismantled or Inoperative Vehicles; 11.62 Repair of Vehicles; and 16.92 Signs—Outdoor Advertising; and Title 9 Animals, except as specifically stated in such Title, are infractions. Unless a different penalty is provided by this code, any person convicted of an infraction for a violation of this code shall be punished upon a first conviction by a fine not exceeding fifty dollars, for a second conviction for the violation of the same section of this code within a period of one year from the date of the first violation by a fine not exceeding two hundred dollars, and for a third conviction for the violation of the same section of this code within a period of one year from the date of the first violation by a fine not exceeding five hundred dollars. Any violation of a section of this code in excess of three violations of the same section within a period of one year from the date of the first violation, shall be a misdemeanor.
- (c) Separate Offense. Each person is guilty of a separate offense for each and every day during any portion of which any violation of any provision of this code is committed, continued or permitted by such person and shall be punished accordingly.
- (d) Public Nuisance. In addition to the penalties hereinabove provided, any condition caused or permitted to exist in violation of any of the provisions of this code is a public nuisance and may be summarily abated as such by the city. Each day that such condition continues shall be regarded as a new and separate offense

Section 4. Environmental Review

The City Council finds and determines that this Ordinance, which regulates the safe storage of firearms, is not subject to the provisions of the California Environmental Quality Act ("CEQA") because it is not a project, since it will not have a direct or reasonably foreseeable indirect impact on the environment.

Section 5. Severability

If any section, subsection, sentence, clause or phrase or word of this Ordinance is for any reason held to be unconstitutional, unlawful, or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 6. Effective Date

This Ordinance shall take effect thirty (30) days after passage by the City Council.

Section 7. Publication

The City Clerk is directed to publish this Ordinance as required by State law.

INTRODUCED on the eleventh day of July, 2023.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said City Council on the fifteenth day of August, 2023, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Jen Wolosin, Mayor

ATTEST:

Judi A. Herren, City Clerk

Exhibits:

A. Chapter 8.33 Storage of Firearms

Exhibit A

Sections:

- 8.33.010** **Definitions.**
8.33.020 **Safe storage of firearms in a residence required.**
8.33.030 **Penalty.**

8.33.010 Definitions.

- (a) "Firearm" shall mean any gun, rifle, pistol, or any other firearm as defined in California Penal Code, Section 16520, as amended from time to time
- (b) "Locked Container" shall mean a locked container as defined in California Penal Code Section 16850, as amended from time to time, and is listed on the California Department of Justice Bureau of Firearms roster of approved firearm safety devices. It shall not include a bag or other container made of fabric or other penetrable material such as, but not limited to, a regular purse, backpack or gym bag
- (c) "Residence" shall mean any structure intended or used for human habitation, including but not limited to houses, apartments, condominiums, rooms, in-law units, accessory dwelling units, motels, hotels, single-room occupancy units (SROs), time-shares, mobile homes, and recreational and other vehicles where human habitation occurs.
- (d) "Trigger Lock" shall mean a trigger lock that is listed on the California Department of Justice's roster of approved firearms safety devices and that is identified as appropriate for that firearm by reference to either the manufacturer and model of the firearm or to the physical characteristics of the firearm that match those listed on the roster for use with the device under Penal Code Section 23635

8.33.020 Safe storage of firearms in a residence required.

- (a) Except when carried on the person, no person shall keep a Firearm in any Residence unless the Firearm is stored in a Locked Container or is disabled with a Trigger Lock
- (b) To encourage reporting of lost or stolen Firearms, a person who complies with California Penal Code Section 25250 by reporting the loss or theft of a Firearm they own or possess to a local law enforcement agency within five days from the time they knew or reasonably should have known the Firearm had been lost or stolen shall not be prosecuted for violation of subsection (a)
- (c) It is not the intention of this chapter to regulate any conduct if the regulation of such conduct has been preempted by state or federal law.

8.33.030 Penalty.

A violation of this section shall be an infraction and/or subject to civil penalties as set forth below:

- (a) Violation an infraction. A person who violates this chapter shall be guilty of an infraction
- (b) Civil Penalties. The City may assess escalating administrative penalties in accordance with the amount set forth in the Administrative Fine Schedule adopted by City Council resolution
- (c) Each day of each violation shall be deemed a distinct and separate offense



STAFF REPORT

City Council

Meeting Date:

8/15/2023

Staff Report Number:

23-173-CC

Consent Calendar:

Waive the second reading and adopt an ordinance amending Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code to clarify the process for determining the appraised value of and the required community amenities value for bonus level development projects in the O (Office), L-S (Life Sciences), and R-MU (Residential Mixed-Use) zoning districts

Recommendation

Staff recommends that the City Council waive the second reading and adopt an ordinance amending Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 (Zoning) of the Menlo Park Municipal Code to clarify the process for determining the appraised value and the required community amenity value for bonus level development projects in the O (Office), L-S (Life Sciences), and R-MU (Residential Mixed-Use) zoning districts. The proposed ordinance is included in Attachment A.

Policy Issues

The recommended action is consistent with the City Council's action to introduce an ordinance amendment at its July 11, 2023 meeting to clarify the process for determining the appraised value and community amenities value of a bonus level development project in the O, L-S, and R-MU zoning districts. The proposed ordinance clarifies components of the appraisal process and identifies that the City Council will separately adopt implementing regulations for the appraisal review and community amenities review.

The ConnectMenlo General Plan update ("General Plan") included a guiding principle for Corporate Contribution. This principle identified that in exchange for added development potential, development projects will provide physical benefits in the adjacent neighborhoods (e.g., Belle Haven and the area north of US 101). Policy LU-4.4 (Community amenities) and Program LU-4.C (Community amenity requirements) implement this guiding principle by requiring developments at the bonus level to contribute to programs that benefit the community (e.g., education, transportation infrastructure, neighborhood-serving amenities/services, housing, and job training and employment). These contributions are ensured through zoning ordinance and other implementing regulations and memorialized in a list that may be modified over time to reflect changes in community priorities and desired amenities. The proposed ordinance would be consistent with the City's General Plan and would continue to implement the goals and policies of the General Plan.

Background

On July 11, 2023, the City Council conducted a public hearing to consider and take action on the proposed zoning ordinance amendment, as well as to review and take action on the proposed community amenities list update. The City Council supported the proposed zoning modifications and introduced the ordinance,

and adopted a resolution to update the community amenities list. The updated community amenities list was developed by the City Council community amenities ad hoc subcommittee comprised of Councilmember Nash and Vice Mayor Taylor. An overview of community amenities, the community amenities process update, information on proposed bonus level development projects, and the Planning Commission's review and recommendation on the ordinance amendments and updated community amenities list are included in the July 11, 2023, staff report (Attachment B).

Analysis

The proposed ordinance amendment to Municipal Code Sections 16.43.070, 16.44.070, and 16.45.070 would clarify the following:

- The date of value will be within 90 days of the date of the appraisal but in no case earlier than the application date;
- The City Council will adopt implementing regulations outlining the appraisal review process for determining the final appraised value; and
- The final appraised value will use the same date of value as the applicant's appraisal to ensure consistency.

At the July 11, 2023, meeting the City Council received a presentation from staff, reviewed and discussed the proposed ordinance amendments, and introduced the proposed ordinance without any modifications. The proposed zoning ordinance amendments are included in Attachment A. If adopted, the ordinance would become effective in 30 days.

Appraisal instructions and community amenity implementing regulations

As a separate agenda item on the Aug. 15, 2023 City Council meeting, the City Council will consider updates to the appraisal instructions and the proposed community amenity implementing regulations.

Correspondence

Staff has not received any correspondence on the proposed amendments to the zoning ordinance.

Impact on City Resources

Staff and city attorney time spent on preparing the amendments to the ordinance and community amenities list update are not reimbursable and are being accommodated within the existing budgets of the planning division and city attorney.

Environmental Review

The proposed ordinance amendments are exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to §15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that there is no possibility the adoption of this ordinance may have a significant effect on the environment, and pursuant to CEQA Guidelines §15183 (consistent with the general plan and zoning).

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. Ordinance of the City Council of the City of Menlo Park amending Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code
- B. Hyperlink – July 11, 2023 City Council agenda and staff report for the introduction of the ordinance amendments and adoption of the updated community amenities list:
https://menlopark.gov/files/sharedassets/public/agendas-and-minutes/city-council/2023-meetings/agendas/20230711city-council-regular-agenda-packet_w-presv2.pdf

Report prepared by:
Kyle Perata, Planning Manager

Report reviewed by:
Deanna Chow, Assistant Community Development Director

ORDINANCE NO. XXXX

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
AMENDING SECTIONS 16.43.070, 16.44.070, AND 16.45.070 OF TITLE 16 OF
THE MENLO PARK MUNICIPAL CODE**

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

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

- A. Sections 16.43.060, 16.44.060, and 16.45.060 of Title 16 of the Menlo Park Municipal Code permit applicants for a development project to seek an increase in the floor area ratio, density, and/or height ("bonus level development") subject to obtaining a use permit or conditional development permit and providing certain community amenities.
- B. Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code set forth the community amenities required for bonus level development.
- C. The value of the community amenities to be provided shall equal 50 percent of the fair market value of the additional gross floor area of the bonus level development, and the applicant is required to provide an appraisal determining the value of the bonus level development.
- D. The City desires to amend sections 16.43.070, 16.44.070, and 16.45.070 in order to clarify the process for determining the appraised value of the bonus level development.
- E. The Planning Commission held a duly noticed public hearing on June 5, 2023 to review and consider the proposed amendment to sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code and adopted Planning Commission Resolution No. 2023-29 recommending that the City Council adopt the Zoning Ordinance amendment, whereat all interested person had the opportunity to appear and comment.

Section 2: Amendment of Subsection (3) of Section 16.43.070 of Title 16 of the Municipal Code

Subsection (3) of section 16.43.070 of Title 16 of the City of Menlo Park Municipal Code is hereby repealed and replaced by the following:

~~(3) Value of Amenity. The value of the community amenities to be provided shall equal fifty percent (50%) of the fair market value of the additional gross floor area of the bonus level development. The value shall be calculated as follows: The applicant shall provide, at their expense, an appraisal performed within ninety (90) days of the application date by a licensed appraisal firm that sets a fair market value in cash of the gross floor area of the bonus level of development ("bonus value"). The form and content of the appraisal, including any appraisal instructions, must be approved by the community development director. The appraisal shall determine the total bonus value without consideration of the community amenities requirement established under this section. Fifty percent (50%) of the total bonus value is the value of the community amenity to be provided.~~

(3) Value of Amenity. The value of the community amenities to be provided shall equal fifty percent (50%) of the fair market value of the additional gross floor area of the bonus level development. The value shall be calculated as follows: The applicant shall provide, at their expense, an appraisal ("applicant's appraisal") on or after the application date by a licensed appraisal firm that sets a fair market value in cash of the gross floor area of the bonus level of development ("bonus value"). The bonus value shall be determined without consideration of the community amenities requirement established under this section. The applicant's appraisal shall be based on a date of value that is within 90 days of the date of the applicant's appraisal, but in

no event shall the date of value be earlier than the application date. The form and content of the applicant's appraisal must be approved by the community development director. The City Council shall adopt regulations providing for a process by which the community development director shall determine a final appraised value. The final appraised value shall be based on the same date of value as the applicant's appraisal and shall constitute the City's final determination of the bonus value. Fifty percent (50%) of the total bonus value is the value of the community amenity to be provided.

Section 3: Amendment of Subsection (3) of Section 16.44.070 of Title 16 of the Municipal Code Subsection (3) of section 16.44.070 of Title 16 of the City of Menlo Park Municipal Code is hereby repealed and replaced by the following:

~~(3) Value of Amenity. The value of the community amenities to be provided shall equal fifty percent (50%) of the fair market value of the additional gross floor area of the bonus level development. The value shall be calculated as follows: The applicant shall provide, at their expense, an appraisal performed within ninety (90) days of the application date by a licensed appraisal firm that sets a fair market value in cash of the gross floor area of the bonus level of development ("bonus value"). The form and content of the appraisal must be approved by the community development director. The appraisal shall determine the total bonus value without consideration of the community amenities requirement established under this section. Fifty percent (50%) of the total bonus value is the value of the community amenity to be provided.~~

(3) Value of Amenity. The value of the community amenities to be provided shall equal fifty percent (50%) of the fair market value of the additional gross floor area of the bonus level development. The value shall be calculated as follows: The applicant shall provide, at their expense, an appraisal ("applicant's appraisal") on or after the application date by a licensed appraisal firm that sets a fair market value in cash of the gross floor area of the bonus level of development ("bonus value"). The bonus value shall be determined without consideration of the community amenities requirement established under this section. The applicant's appraisal shall be based on a date of value that is within 90 days of the date of the applicant's appraisal, but in no event shall the date of value be earlier than the application date. The form and content of the applicant's appraisal must be approved by the community development director. The City Council shall adopt regulations providing for a process by which the community development director shall determine a final appraised value. The final appraised value shall be based on the same date of value as the applicant's appraisal and shall constitute the City's final determination of the bonus value. Fifty percent (50%) of the total bonus value is the value of the community amenity to be provided.

Section 4: Amendment of Subsection (3) of Section 16.45.070 of Title 16 of the Municipal Code

Subsection (3) of section 16.45.070 of Title 16 of the City of Menlo Park Municipal Code is hereby repealed and replaced by the following:

~~(3) Value of Amenity. The value of the community amenities to be provided shall equal fifty percent (50%) of the fair market value of the additional gross floor area of the bonus level development. The value shall be calculated as follows: The applicant shall provide, at their expense, an appraisal performed within ninety (90) days of the application date by a licensed appraisal firm that sets a fair market value in cash of the gross floor area of the bonus level of development ("total bonus"). The form and content of the appraisal, including any appraisal instructions, must be approved by the community development director.~~

(3) Value of Amenity. The value of the community amenities to be provided shall equal fifty percent (50%) of the fair market value of the additional gross floor area of the bonus level

development. The value shall be calculated as follows: The applicant shall provide, at their expense, an appraisal ("applicant's appraisal") on or after the application date by a licensed appraisal firm that sets a fair market value in cash of the gross floor area of the bonus level of development ("bonus value"). The bonus value shall be determined without consideration of the community amenities requirement established under this section. The applicant's appraisal shall be based on a date of value that is within 90 days of the date of the applicant's appraisal, but in no event shall the date of value be earlier than the application date. The form and content of the applicant's appraisal must be approved by the community development director. The City Council shall adopt regulations providing for a process by which the community development director shall determine a final appraised value. The final appraised value shall be based on the same date of value as the applicant's appraisal and shall constitute the City's final determination of the bonus value. Fifty percent (50%) of the total bonus value is the value of the community amenity to be provided.

Section 5. Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

Section 6. Compliance with CEQA. The City Council hereby finds that the action to adopt this Ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that there is no possibility the adoption of this Ordinance may have a significant effect on the environment, and pursuant to CEQA Guidelines section 15183 (consistent with the general plan and zoning).

Section 7. Publication; Effective Date. This ordinance shall become effective thirty (30) days after the date of its adoption. Within fifteen (15) days of its adoption, the ordinance shall be posted in three (3) public places within the City of Menlo Park, and the ordinance, or a summary of the ordinance, shall be published in a local newspaper used to publish official notices for the City of Menlo Park prior to the effective date.

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INTRODUCED on the eleventh day of July 2023.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said City Council on the __ day of __ 2023, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Jen Wolosin, Mayor

ATTEST:

Judi A. Herren, City Clerk



STAFF REPORT

City Council

Meeting Date:

8/15/2023

Staff Report Number:

23-179-CC

Consent Calendar:

Authorize the city manager to execute a three-year master agreement for on-call tennis court repair services to Saviano Construction, Inc. and determine this action is categorically exempt under California Environmental Quality Act guidelines section 15301 exemption for existing facilities

Recommendation

Staff recommends that the City Council authorize the city manager to execute a three-year master agreement with Saviano Construction, Inc. (Attachment A), for up to \$120,000 annually (\$360,000 over three years), with options to extend the agreement on a yearly basis for up to two additional years for on-call Tennis Court Repair Services (Project) and determine that this action is categorically exempt under California Environmental Quality Act (CEQA) Guidelines §§15301.

Policy Issues

The proposed action is consistent with the City's purchasing policies. Use of multiyear master agreements assists with the timely delivery of capital improvement programs/services to maintain the City's infrastructure. It also serves as a risk management tool to quickly address emergencies, shifting priorities and staff vacancies. This Project is also consistent with the City's goal of extending the useful life and safety of its tennis courts. The Project is included in the fiscal year 2023-24 capital improvement plan (CIP) as part of the tennis court maintenance project.

Background

The public works department is responsible for planning, building and maintaining the City's infrastructure. This includes maintaining the City's 14 public tennis courts, which ensures safety of court users. Over the years, the City Council has authorized the city manager to execute master agreements for short-term specialized services.

To be cost-effective, and to improve the timeliness of addressing the public's concerns about cracks and ponding in some of the tennis courts, staff issued a request for proposals for an on-call construction contract for tennis court repair and resurfacing services.

Analysis

Project description

This on-call Project allows staff to issue tennis court repairs to a licensed contractor, based on demand. To expedite repair work, the on-call contractor is required to begin construction within 30 working days from a given work order. The on-call contract is budgeted up to \$120,000 per fiscal year and is valid for three years, to the end of 2025-26 fiscal year (June 30, 2026) with an option to renew up to two one-year

extensions thereafter.

The Project’s scope of work generally includes the following services as directed by staff:

- Removal, salvage and re-installation of benches, fencing, windscreens and appurtenances
- Removal and disposal of netting, net posts, and existing asphalt or the top underlying gravel base
- Compaction of base layer and installation of new base and asphalt that meets existing grade and provides positive drainage without ponding
- Furnishing and installing new posts and nets
- Installation of acrylic resurfacer, surface color coating and line striping

The full extent of the work will be identified throughout the duration of the contract. However, select court locations may be prioritized for repair based on areas of known court failures. These areas include repairs to La Entrada, Kelly Park and Burgess Park tennis courts.

Construction bidding

Given the on-call nature of the Project, the low bid was determined from a sample project that best reflects the magnitude of a potential on-call work order. Unit prices from the low bid will be used to estimate actual construction costs when a future on-call repair is requested. This estimate will be reviewed against the remaining project funds before construction. On May 26, the City solicited bids from prospective contractors for the Project. Project bids were opened June 15, with results per Table 1. Of the three bids received based on the sample project, Saviano Company, Inc. offered the lowest price at \$197,800. As noted, the sample project is solely used for calculating the low bid, and does not reflect one work order.

Bidder	Sample project
Saviano Company, Inc.	\$197,800
First Serve Productions, Inc.	\$248,600
Radius Earthwork, Inc.	\$399,700

There is available funding for a maximum of work orders up to \$120,000 each fiscal year. Note that these figures may vary due to the on-call nature of this contract. Staff determined the lowest bidder to be experienced with projects involving similar work for asphalt and concrete improvements. The low bidder was also found to be responsive and responsible per the project contract and public contracting code requirements.

Impact on City Resources

The Project is budgeted up to \$120,000 for construction each fiscal year. There is sufficient funding in the tennis court repair project budget to finance this work using CIP funds. Any excess monies upon expiration of the contract will be re-allocated to this fund. Staff recommends that the City Council authorize the city manager to execute a three-year master agreement for on-call tennis court repairs to Saviano Company, Inc. for a for total three-year amount of up to \$360,000.

Environmental Review

This project is categorically exempt pursuant to California Environmental Quality Act (CEQA) Guidelines §§ 15301(b) Existing Facilities.

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. Construction contract

Report prepared by:

Bill Halleck, Acting Senior Project Manager

Report reviewed by:

Tanisha Werner, Assistant Public Works Director – Engineering

CONSTRUCTION AGREEMENT

City Manager's Office
 701 Laurel St., Menlo Park, CA 94025
 tel 650-330-6620



Agreement #:
AGREEMENT FOR SERVICES BETWEEN THE CITY OF MENLO PARK AND SAVIANO CONSTRUCTION, INC.
THIS CONSTRUCTION CONTRACT ("Contract") is made and entered into this ____ day of _____, _____ ("Execution Date") by and between the CITY OF MENLO PARK, a California municipal corporation, ("City") and SAVIANO CONSTRUCTION, INC. ("Contractor").
RECITALS
<p>A. Contractor is a California Corporation duly organized and in good standing in the State of California, License Number 557093. Contractor represents and warrants that it has the background and experience set forth in the Contractor's responses to the notice inviting bids.</p> <p>B. Contractor represents that it is duly licensed by the State of California and has the background, knowledge, experience and expertise to perform the obligations set forth in this Contract.</p> <p>C. On May 26, 2023, the City issued a Notice to Contractors inviting bids for the Project. A copy of the Contractor's Bid proposal and List of Subcontractors is attached herein and incorporated by this reference.</p> <p>D. The City desires to retain Contractor as an independent contractor to provide the construction and other services identified in this Contract for the Project upon the terms and conditions contained herein.</p>
AGREEMENT
<p>NOW, THEREFORE, in consideration of performance by the parties of the promises, covenants and conditions contained herein, the parties hereby agree as follows:</p> <p>1. DEFINITIONS. Capitalized terms used throughout the Contract Documents shall have the meanings set forth in this Contract and/or the Special Provisions. If there is a conflict between the definitions in this Contract and the Special Provisions, the definitions in this Contract shall prevail.</p> <p>2. PROJECT. The project is the construction of Citywide Tennis Court Resurfacing On-Call Services ("Project"). The work includes all labor, materials, equipment, services, permits, licenses and taxes, and all other things necessary for Contractor to perform its obligations and complete the Project, including, without limitation, any Change Orders executed by City and Contractor in</p>

accordance with the requirements of the Contract Documents ("Work").

3. CONTRACT DOCUMENTS.

3.1 List of Documents. The Contract Documents (sometimes collectively referred to as "Agreement" or "Bid Documents") consist of the following documents which are on file with the Public Works Department and are hereby incorporated by reference.

- 1) Subcontractor List
- 2) Change Orders
- 3) Field Orders
- 4) Contract
- 5) Bidding Addenda
- 6) Special Provisions
- 7) Project Plans and Drawings
- 8) Technical Specifications
- 9) City Standard Details
- 10) State of California Department of Transportation Specifications, 2006 Edition (Cal Trans specifications)
- 11) Notice to Contractors
- 12) Contractor's Bid
- 13) Bidder Certifications, Questionnaire and Statements
- 14) Reports listed in the Contract Documents
- 15) City of Menlo Park Waste Management Form, Waste Management Daily Transport Report
- 16) City of Menlo Park Truck Route Map and Regulations
- 17) Performance, Payment and Maintenance Bonds

3.2 Order of Precedence. For the purposes of construing, interpreting and resolving inconsistencies between and among the provisions of this Contract, the Contract Documents shall have the order of precedence as set forth in the preceding section. If a claimed inconsistency cannot be resolved through the order of precedence, the City shall have the sole power to decide which document or provision shall govern as may be in the best interests of the City.

4. PERMITS. Contractor, at its sole expense, shall obtain and maintain during the term of this Contract, all appropriate permits, licenses and certificates that may be required in connection with the performance of the Work, including, but not limited to, a City business license.

5. DEPARTMENT OF INDUSTRIAL RELATIONS. Contractor and any subcontractor performing Work on this Project shall be registered with the Department of Industrial Relations ("DIR") pursuant to Labor Code Section 1725.5. No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the DIR pursuant to Labor Code Section 1725.5, with limited exceptions from this requirement for bid purposes only under Labor Code Section 1771.1(a). This Project is subject to compliance monitoring and enforcement by the DIR. It is the responsibility of the Contractor to ensure all DIR requirements and regulations are met and stay current. For more information see <http://dir.ca.gov/Public-Works/SB854.html>.

6. TERM. This Contract is effective on the Execution Date set forth in the initial paragraph of this Contract and shall remain in effect until June 30, 2026, unless earlier terminated pursuant to the terms of this Contract.

7. TIME OF COMPLETION. Time is of the essence with respect to all time limits set forth in the Contract Documents. Contractor shall commence the Work on the date specified in the City's Notice to Proceed. Contractor shall diligently prosecute the Work to Substantial Completion within one hundred and fifty (150) calendar days after the date specified in the City's Notice to Proceed ("Contract Time"). The Contract Time may only be adjusted for extensions of time approved by the City and agreed to by Change Order executed by City and Contractor in accordance with the requirements of the Contract Documents.

8. COMPENSATION. The City agrees to compensate Contractor for its satisfactory completion of the Work in compliance with the Contract Documents for the not to exceed amount of One Hundred Twenty Thousand dollars (\$120,000) per fiscal year for three fiscal years for a total of Three Hundred Sixty Thousand dollars (\$360,000) ("Contract Sum"). Payment shall be as set forth in the Plans, Special Provisions and/or Technical Specifications. The Contract Sum may only be adjusted by Change Orders issued, executed and satisfactorily performed by Contractor in accordance with the requirements of the Contract Documents. The Contract Sum shall be adjusted (upward or downward) only to account for Change Orders. The Contract Sum is and shall be full compensation for all Work performed by Contractor. The Contract Sum shall cover all losses arising out of the nature of the Work or from the elements or any unforeseen difficulties or obstructions which may arise or be encountered in performance of the Work until its Acceptance by the City, all risks connected with the Work and any and all expenses incurred due to the suspension or discontinuance of the Work.

9. STANDARD OF PERFORMANCE. As a material inducement to the City to enter into this Contract, Contractor hereby represents and warrants that it has the qualifications and experience necessary to undertake the Work to be provided and the Project to be completed pursuant to this Contract. Contractor agrees that the Work shall be performed by qualified, experienced and well-supervised personnel. The Work performed pursuant to this Contract shall be performed in a manner consistent with the standard of care under California law applicable to those who specialize in providing such services for projects of the type, scope and complexity of the Project.

10. COMPLAINT WITH LAW. This Project constitutes a public work within the meaning of California Labor Code Section 1720 et. seq. and is subject to prevailing wage laws. The Work performed by Contractor pursuant to this Contract shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the City, and any federal, state or local governmental agency having jurisdiction in effect at the time the work is rendered.

11. REPRESENTATIVE. John Saviano is hereby designated as the project manager/superintendent/foreman of Contractor authorized to act on its behalf with respect to the Work specified in this Contract. It is expressly understood that the experience, knowledge, capability and reputation of Saviano Construction, Inc. were a substantial inducement for City to enter into this Contract. Therefore, John Saviano shall be responsible during the term of this

Contract for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. The representative may not be changed by Contractor without the express written approval of the City.

12. LIQUIDATED DAMAGES.

12.1 Entitlement. City and Contractor acknowledge and agree that if Contractor fails to fully and satisfactorily complete the Work within the Contract Time, the City will suffer, as a result of Contractor's failure, substantial damages which are both extremely difficult and impracticable to ascertain. Such damages may include, but are not limited to: (a) loss of public confidence in the City and its contractors; (b) loss of public use of public facilities; and (c) extended disruption to public.

12.2 Daily Amount. City and Contractor have reasonably endeavored, but failed, to ascertain the actual damage that the City will incur if the Contractor fails to achieve Substantial Completion of the Work within the Contract Time. Therefore, the parties agree that in addition to all other damages to which the City may be entitled other than delay damages, in the event the Contractor shall fail to achieve Substantial Completion of the Work within the Contract Time, Contractor shall pay City as liquidated damages the amount of Five Hundred Dollars (\$500.00) per day for each calendar day after the expiration of the Contract Time until Contractor achieves Substantial Completion of the Work. The liquidated damages amount is not a penalty, but a reasonable estimate of the amount of damages the City will suffer.

12.3 Apportionment. Such liquidated damages shall be subject to reduction for delays for which Contractor is entitled to receive an extension of time under the Contract Documents ("Apportionment"). Such Apportionment shall not be affected by the fact that liquidated damages may not be applied for periods of time during which delays have occurred that are caused by both City and Contractor. It is agreed that the liquidated damages shall not be applied for portions of the Work completed prior to the expiration of the Contract Time.

12.4 Exclusive Remedy. City and Contractor acknowledge and agree that this Section 11, Liquidated Damages, shall be the City's only remedy for delay damages caused by the Contractor's failure to achieve Substantial Completion of the Work within the Contract Time.

12.5 Damages upon Abandonment. In the event that the Contractor either abandons the Work or is terminated for default in accordance with the provisions of this Contract, City shall have the right, in its sole discretion exercised by written notice issued either before or after Substantial Completion, to elect to either assert or waive its right to liquidated damages. If City elects to assert its right to liquidated damages, then the liquidated damages shall be calculated from expiration of the Contract Time to the date that Substantial Completion of the Work is achieved by the City or its replacement contractor employed to complete Contractor's performance. If City elects to waive its right to liquidated damages, then Contractor shall be liable to the City, in lieu of the liquidated damages, for all actual Losses (as defined in the General Conditions) proximately resulting from Contractor's failure to complete the Work within the Contract Time.

12.6 Other Remedies. The parties further acknowledge and agree that the City is entitled to any and all available legal and equitable remedies City may have where City's Losses are caused by any reason other than Contractor's failure to achieve Substantial Completion of the Work within the Contract Time.

13. INDEPENDENT CONTRACTOR. Contractor is, and shall at all times remain as to the City, a wholly independent contractor and not an agent or employee of the City. Contractor shall receive no premium or enhanced pay for work normally understood as overtime, nor shall Contractor receive holiday pay, sick leave, administrative leave, or pay for any other time not actually worked. The intention of the parties is that Contractor shall not be eligible for benefits and shall receive no compensation from the City except as expressly set forth in this Contract. Contractor shall have no power to incur any debt, obligation, or liability on behalf of the City or otherwise act on behalf of the City as an agent. Neither the City, nor any of its agents shall have control over the conduct of Contractor, any of Contractor's employees, or any subcontractors, except as set forth in this Contract. Contractor shall at no time, or in any manner, represent that it or any of its agents or employees or subcontractors are in any manner employees of the City. Contractor agrees to pay all required taxes on amounts paid to Contractor under this Contract, and to indemnify and hold the City harmless from any and all taxes, assessments, penalties, and interest asserted against the City by reason of the independent contractor relationship created by this Contract. Contractor shall fully comply with the worker's compensation law regarding Contractor, Contractor's employees and subconsultants. Contractor further agrees to indemnify and hold the City harmless from any failure of Contractor and any subconsultants to comply with applicable worker's compensation laws.

14. CONFLICT OF INTEREST. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the work to be performed by Consultant under this Contract, or which would conflict in any manner with the performance of its services hereunder. Contractor further covenants that, in performance of this Contract, no person having any such interest shall be employed by it. Furthermore, Contractor shall avoid the appearance of having any interest which would conflict in any manner with the performance of the work pursuant to this Contract. Contractor agrees not to accept any employment during the term of this Contract which is or may make Contractor financially interested, as provided in California Government Code Sections 1090 and 87100, in any decision made by the City on any matter in connection with which Contractor has been retained pursuant to this Contract. However, nothing herein shall preclude Contractor from accepting other engagements with the City.

15. INDEMNIFICATION.

15.1 To the fullest extent permitted by law, Contractor shall indemnify, defend, with independent counsel approved by the City, and hold harmless the City, and its elective or appointive boards, officers, employees agents and volunteers ("Indemnitee") from and against any and all claims, losses, or liability that may arise out of or result from damages to property or

personal injury received by reason of, or in the course of work performed under this Contract due to the acts or omissions of Contractor or Contractor's officers, employees, agents or subcontractors. The indemnification provisions survive completion of the Work or the termination of this Contract. The acceptance of such services shall not operate as a waiver of such right of indemnification. Notwithstanding the foregoing, nothing contained herein shall be construed as obligating Contractor to indemnify any Indemnitee for any claims, losses or liability resulting from the sole or active negligence or willful misconduct of the Indemnitee. Contractor shall pay City for any costs incurred in enforcing this provision.

15.2 The City does not and shall not waive any rights that they may possess against Contractor because of the acceptance by the City or the deposit with the City of any insurance policy or certificate required pursuant to this Contract. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

15.3 Pursuant to Public Contract Code Section 9201, the City shall timely notify Contractor upon receipt of any third-party claim relating to the Contract.

16. ASSIGNABILITY. The parties agree that the experience and qualifications of Contractor as set forth in the Contractor's Bid are material considerations for the City entering into this Contract. Consultant shall not assign or transfer any interest in this Contract, without the prior written consent of the City, and any attempt by Contractor to do so shall be void and of no effect and a breach of this Contract. For purposes of this section, the sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Contractor or of any general partner or joint venturer or syndicate member of Contractor, if a partnership or joint venture or syndicate or co-tenancy exists, which shall result in changing the control of Contractor, shall be construed as an assignment of this Construction Contract. Control means more than fifty percent (50%) of the voting power of the corporation or other entity.

17. INSURANCE AND BOND REQUIREMENTS.

17.1 Prior to the commencement of any Work, the Contractor shall provide the City with evidence that it has obtained the insurance required by this Section and all bonds, including, but not limited to, payment and performance bonds, required in the Special Provisions. Failure to obtain and maintain the required insurance and bonds to so shall be deemed a material breach of this Contract.

17.2 Insurance Requirements. Contractor shall obtain the following insurance.

A. Worker's Compensation and Employer's Liability Insurance: The CONTRACTOR shall have in effect during the entire life of this Contract workers' compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Contract, the CONTRACTOR makes the following certification, required by Section 18161 of the California Labor Code: "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before

commencing the performance of the work of this Contract."

B. Commercial General Liability Insurance: The CONTRACTOR shall take out and maintain during the life of this Contract such Bodily Injury Liability and Property Damage Liability Insurance (Commercial General Liability Insurance) on an occurrence basis as shall protect it while performing work covered by this Contract from any and all claims for damages for bodily injury, including accidental death, as well as claims for property damage which may arise from the CONTRACTOR's operations under this Contract, whether such operations be by CONTRACTOR or by any sub-consultant or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be not less than two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) in aggregate, or four million dollars (\$4,000,000) combined single limit bodily injury and property damage for each occurrence. CONTRACTOR shall provide the City with acceptable evidence of coverage, including a copy of all declarations of coverage exclusions.

C. Automobile Liability Insurance: CONTRACTOR shall maintain Automobile Liability Insurance pursuant to this Contract in an amount of not less than one million dollars (\$1,000,000) for each accident combined single limit or not less than one million dollars (\$1,000,000) for any one (1) person, and one million dollars (\$1,000,000) for any one (1) accident, and Three Hundred Thousand Dollars, (\$300,000) property damage.

17.3 CITY and its subsidiary agencies, and their officers, agents, employees and servants shall be named as additional insured on any such policies of Commercial General Liability and Automobile Liability Insurance, (but not for the workers' compensation), which shall also contain a provision that the insurance afforded thereby to the CITY, its subsidiary agencies, and their officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if the CITY, its subsidiary agencies and their officers and employees have other insurance against a loss covered by a policy, such other insurance shall be excess insurance only.

17.4 In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, CITY, at its option, may, notwithstanding any other provision of this Contract to the contrary, immediately declare a material breach of this Contract and suspend all further work pursuant to this Contract.

17.5. Before the execution of this Contract, any deductibles or self-insured retentions must be declared to and approved by CITY.

18. SUSPENSION. The City may, at any time and from time to time, without cause, order Contractor, in writing ("Suspension Order"), to suspend, delay, or interrupt the Work in whole or in part for such period of time, up to an aggregate of fifty percent (50%) of the Contract Time, as City may determine, with such period of suspension to be computed from the date of the Suspension Order. Upon receipt of a Suspension Order, Contractor shall, at City's expense, comply with its terms and take all reasonable steps to minimize costs allocable to the Work covered by the Suspension Order during the period of work stoppage. Within the period of the

above noted aggregate time, or such extension to that period as is agreed upon by Contractor and City, City shall either cancel the Suspension Order or delete the work covered by the Suspension Order by issuing a Change Order. If a Suspension Order is canceled or expires, Contractor shall resume and continue with the Work. A Change Order will be issued to cover any adjustments of the Contract Sum or the Contract Time necessarily caused by such suspension.

19. BOOKS AND RECORDS. Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract in accordance with generally accepted accounting principles and practices consistently applied. City and City's accountants shall be afforded access at all times during normal business hours, to inspect, audit and copy Contractor's records, books, estimates, take-offs, cost reports, ledgers, schedules, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Project, and Contractor shall preserve these for a period of three years after the later of (i) final payment or (ii) final resolution of all Contract Disputes and other disputes or for such longer period as may be required by law. Contractor's compliance with any request by City pursuant to this Section 18 shall be a condition precedent to filing or maintenance of any legal action or proceeding by Contractor against City and to Contractor's right to receive further payments under the Contract Documents. Any failure by Contractor to provide access to its business records for inspection or copying by City shall be specifically enforceable by issuance of a writ or a provisional or permanent mandatory injunction by a court of competent jurisdiction based on affidavits submitted to such court, without the necessity of oral testimony.

20. WAIVER. Waiver by either party of any breach or violation of any one or more terms or conditions of this Contract shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. Acceptance by the City of the performance of any work by the Contractor shall not be deemed to be a waiver of any term or condition of this Contract. In no event shall the City's making of any payment to Contractor constitute or be construed as a waiver by the City of any breach of this Contract, or any default which may then exist on the part of Contractor, and the making of any such payment by the City shall in no way impair or prejudice any right or remedy available to the City with regard to such breach or default.

21. DEFAULT. In the event the City determines, in its sole discretion, that Contractor has failed or refused to perform any of the obligations set forth in the Contract Documents, or is in breach of any provision of the Contract Documents, the City may give written notice of default to Contractor in the manner specified for this giving of notices in this Contract. Except for emergencies, Contractor shall cure any default in performance of its obligations under the Contract Documents within two (2) business days after receipt of written notice. However, if the breach cannot be reasonably cured within such time, Contractor will commence to cure the breach within two (2) days and will diligently and continuously prosecute such cure to completion within a reasonable time, which shall in no event be later than ten (10) days after receipt of such written notice.

22. CITY RIGHTS AND REMEDIES.

22.1 Remedies Upon Default. In the event that Contractor fails to cure any default of this Contract within the time period set forth in Section 20, then City may pursue any remedies available under law or equity, including, without limitation, the following: (1) the City may, without terminating the Contract, delete certain portions of the Work, reserving to itself all rights to losses related thereto; (2) the City may, without terminating the Contract, engage others to perform the Work or portion of the Work that has not been performed by the Contractor and withhold the cost thereof to City from future payments to the Contractor, reserving to itself all rights to Losses related thereto; or (3) the City may, without terminating the Contract and reserving to itself all rights to Losses related thereto, suspend all or any portion of this Construction Contract for as long a period of time as City determines, in its sole discretion, appropriate, in which event City shall have no obligation to adjust the Contract Sum or Contract Time, and shall have no liability to Contractor for damages if City directs Contractor to resume Work; (4) the City may terminate all or any part of this Contract for default, reserving to itself all rights of Losses related thereto; or (5) the City may, without terminating the Contract and reserving to itself all rights to Losses related thereto, exercise its rights under the Performance Bond.

22.2 Additional Provisions. All of City's rights and remedies under this Contract are cumulative, and shall be in addition to those rights and remedies available in law or in equity. Designation in the Contract Documents of certain breaches as material shall not be construed as implying that other breaches not so designated are not material nor shall such designations be construed as limiting City's right to terminate the Contract, or the exercise of its other rights or remedies for default, to only material breaches. City's determination of whether there has been noncompliance with the Contract so as to warrant exercise by City of its rights and remedies for default under the Contract, shall be binding on all parties. No termination or action taken by City after such termination shall prejudice any other rights or remedies of City provided by law or equity or by the Contract Documents upon such termination; and City may proceed against Contractor to recover all liquidated damages and Losses suffered by City.

22.3 Delays by Sureties. Without limitation to any of City's other rights or remedies under the law, City has the right to suspend the performance by Contractor's sureties in the event of any of the following: (1) failure of the sureties to begin Work within a reasonable time in such manner as to insure full compliance with the Contract within the Contract Time; (2) abandonment of the Work; (3) if at any time City is of the opinion the Work is unnecessarily or unreasonably delayed; (4) willful violation of any terms of the Contract; (5) failure to perform according to the Contract Documents; or (6) failure to follow instructions of City for its completion within the Contract Time. City will serve notice of such failure upon the sureties and in the event the sureties neglect or refuse to cure the breach within the time specified in such notice, City shall have the power to suspend the performance or any part thereof of the sureties.

22.4 Damages to the City. The City will be entitled to recovery of all Losses under law or equity

in the event of Contractor's default under the Contract Documents. In the event that City's Losses arise from Contractor's default under the Contract Documents, City shall be entitled to withhold monies otherwise payable to Contractor until Final Completion, as defined in the General Conditions, of the Project. If City incurs Losses due to Contractor's default, then the amount of Losses shall be deducted from the amounts withheld. Should the amount withheld exceed the amount deducted, the balance will be paid to Contractor or its designee upon Final Completion of the Project. If the Losses incurred by City exceed the amount withheld, Contractor shall be liable to City for the difference and shall promptly remit same to City.

22.5 Termination of the Contract for Default. Without limitation to any of City's other rights or remedies at law or in equity, and reserving to itself all rights to Losses related thereto, City shall have the right to terminate this Contract, in whole or in part, upon the failure of Contractor to promptly cure any default. City's election to terminate the Contract for default shall be communicated by giving Contractor a written notice of termination in the manner specified for the giving of notices in the Contract. Any notice of termination given to Contractor by City shall be effective immediately, unless otherwise provided therein.

22.6 Termination Without Cause. City shall have the option, at its sole discretion and without cause, of terminating this Contract in part or in whole by giving thirty (30) days written notice to Contractor. Contractor agrees to accept such sums as allowed under this Section as its sole and exclusive compensation and waives any claim for other compensation or Losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind.

22.7 Compensation. Following termination without cause and within forty-five (45) days after receipt of a billing from Contractor seeking payment of sums authorized by this Section, City shall pay to Contractor as its sole compensation for performance of the Work the following: (1) the amount of the Contract Sum allocable to the portion of the Work properly performed by Contractor as of the date of termination, less sums previously paid to Contractor; (2) reasonable costs of Contractor and its Subcontractors and Sub-subcontractors for demobilizing and administering the close-out of its participation in the Project (including, without limitation, all billing and accounting functions, not including attorney or expert fees) for a period of no longer than thirty (30) days after receipt of the notice of termination in an amount not to exceed the daily sum payable to Contractor for Compensable Delays; (3) previously unpaid cost of any items delivered to the Project Site which were fabricated for subsequent incorporation in the Work.

22.8 Subcontractors. Contractor shall include provisions in all of its subcontracts, purchase orders and other contracts permitting termination for convenience by Contractor on terms that are consistent with this Contract and that afford no greater rights of recovery against Contractor than are afforded to Contractor under this Section.

22.9 Contractor's Duties Upon Termination. Upon receipt of a notice of termination for default or for convenience, Contractor shall, unless the notice directs otherwise, do the following: (1) immediately discontinue the Work to the extent specified in the notice; (2) place no further orders or subcontracts for materials, equipment, services or facilities, except as may be

necessary for completion of such portion of the Work as is not discontinued; (3) provide to City a description, in writing no later than fifteen (15) days after receipt of the notice of termination, of all subcontracts, purchase orders and contracts that are outstanding, including, without limitation, the terms of the original price, any changes, payments, balance owing, the status of the portion of the Work covered and a copy of the subcontract, purchase order or contract and any written changes, amendments or modifications thereto, together with such other information as City may determine necessary in order to decide whether to accept assignment of or request Contractor to terminate the subcontract, purchase order or contract; (4) promptly assign to City those subcontracts, purchase orders or contracts, or portions thereof, that City elects to accept by assignment and cancel, on the most favorable terms reasonably possible, all subcontracts, purchase orders or contracts, or portions thereof, that City does not elect to accept by assignment; and (5) hereafter do only such Work as may be necessary to preserve and protect Work already in progress and to protect materials, plants, and equipment on the Project Site or in transit thereto.

23. CONTRACTOR'S RIGHTS AND REMEDIES. Contractor may terminate this Construction Contract for cause only upon the occurrence of one of the following: (1) the Work is stopped for sixty (60) consecutive days, through no act or fault of Contractor, any subcontractor or any employee or agent of Contractor or any subcontractor, due to issuance of an order of a court or other public authority other than City having jurisdiction or due to an act of government, such as a declaration of a national emergency making material unavailable; or (2) if the City does not make payment of sums that are not in good faith disputed by the City and does not cure such default within ninety (90) days after receipt of notice from Contractor, then upon an additional thirty (30) days' notice to City, Contractor may terminate the Contract.

23.1 Damages to Contractor. In the event of termination for cause by Contractor, City shall pay Contractor the sums provided for in Section 21 above. Contractor agrees to accept such sums as its sole and exclusive compensation and agrees to waive any claim for other compensation or Losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect and incidental damages, of any kind.

24. NOTICES. Any notices or other communications required or permitted to be given under this Contract shall be given in writing by personal delivery, by a recognized courier service, or by U.S. mail, postage prepaid, and return receipt requested, addressed to the respective parties as follows:

To City:

Assistant Public Works Director/City Engineer
City of Menlo Park
City Hall, 701 Laurel St.
Menlo Park, CA 94025

To Contractor:

Suarez & Munoz Construction, Inc.
2490 American Avenue
Hayward, CA 94545

25. Notice shall be deemed communicated on the earlier of actual receipt or 48 hours after deposit in the U.S. mail, or the date of delivery shown on deliverer's receipt. In the event of any change of address, the moving party is obligated to notify the other party of the change of

address in writing within a reasonable period of time.

In addition, copies of all Claims by Contractor under this contract shall be provided to the City Attorney as follows:

To City Attorney:

City Attorney
Burke, Williams & Sorensen, LLP
181 Third Street, Suite 200
San Rafael, CA 94901

All claims shall be delivered personally or sent by certified mail.

26. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY. In the performance of this Contract, Contractor shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental handicap, or medical condition. Contractor will take affirmative action to ensure that employees are treated without regard to race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental handicap, or medical condition.

27. CONTRACT DOCUMENTS AND PRECEDENCE. The Contract Documents shall consist of the following documents. In case of inconsistencies between Contract Documents, the documents are listed in order of precedence.

28. PUBLIC WORKS CLAIMS. This Contract is subject to Public Contracts Code Section 9204 governing contractor claims.

29. ATTORNEYS' FEES; VENUE. In the event that any party to this Contract commences any legal action or proceeding to enforce or interpret the provisions of this Contract, the prevailing party in such action or proceeding shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which the successful party may be entitled. The venue for any litigation shall be San Mateo County.

30. COOPERATION. In the event any claim or action is brought against the City relating to Contractor's performance or services under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

31. NUISANCE. Contractor shall not maintain, commit, nor permit the maintenance or commission of any nuisance in connection with the performance of services under this Contract.

32. GOVERNING LAW. This Contract shall be construed in accordance with and governed by the laws of the State of California.

33. COMPLETE AGREEMENT; SEVERABILITY. This Contract, and any other documents incorporated herein by reference, represent the entire and integrated agreement between the City and Contractor. This Contract supersedes all prior oral and written negotiations, representations or agreements. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Contract may only be modified by a written amendment duly executed by the parties to this Contract. In case a provision of this Contract is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

34. COUNTERPARTS. This Contract may be signed in multiple counterparts, which shall, when executed by all the parties constitute a single binding contract.

Signatures on next page.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

FOR FIRST PARTY:

Signature

Date

Printed name

Title

Tax ID#

APPROVED AS TO FORM:

Nira F. Doherty, City Attorney

Date

FOR CITY OF MENLO PARK:

Justin I. C. Murphy, City Manager

Date

ATTEST:

Judi A. Herren, City Clerk

Date



STAFF REPORT

City Council Meeting Date: 8/15/2023
Staff Report Number: 23-174-CC

Consent Calendar: Authorize the city manager to execute a memorandum of understanding and funding agreement with Peninsula Corridor Joint Powers Board (JPB or Caltrain) and the City of Palo Alto regarding emergency repairs to the banks of the San Francisquito Creek

Recommendation

Staff recommends that the City Council authorize the city manager to execute a memorandum of understanding and funding agreement with the Peninsula Corridor Joint Powers Board (JPB or Caltrain) and the City of Palo Alto for emergency repairs to the banks of the San Francisquito Creek (Attachment A).

Policy Issues

The total estimated costs for Menlo Park’s cost share of the design and construction of the emergency repairs to the banks of the San Francisquito Creek exceeds the city manager’s award authority for fiscal year 2023-24 (Policy #CC-21-024), therefore City Council authorization for its execution is required.

Background

Between Dec. 31, 2022 and March 2023, San Mateo County experienced periods of heavy rain, which resulted in areas of flooding along San Francisquito Creek. Response to the flooding events throughout the City was immediate, with City staff working around the clock to remove debris from waterways to minimize the impact of flooding for the community. The effort also involved interagency coordination with member agencies of the San Francisquito Creek Joint Powers Authority and the National Weather Service, to stay informed of upcoming atmospheric river events.

In January 2023, after weeks of atmospheric river rains, the Peninsula Corridor Joint Powers Board/Caltrain (Caltrain) engineering staff inspected the Caltrain bridge over San Francisquito Creek at Alma Street and discovered that storms had eroded the soil on the north creek bank. The north creek bank supports the foundation of a rail bridge, owned by Caltrain and the Alma Street bicycle/pedestrian bridge, jointly owned by the cities of Menlo Park and Palo Alto. The Alma Street bicycle/pedestrian bridge was constructed and is maintained by the City of Palo Alto, with the City of Menlo Park being responsible for 50 percent of maintenance costs per a 1996 Maintenance Agreement (Attachment B).

On March 29, 2023, Caltrain declared an emergency, and the Caltrain board authorized staff to enter into contracts for the purpose of conducting emergency repairs.

On April 7, 2023, the City of Palo Alto’s on-call structural engineering consultant, Biggs Cardosa & Associates, conducted a structural assessment of the Alma Street bicycle/pedestrian bridge. Staff’s concern was that the embankment soil erosion was significant enough to threaten the integrity of the Alma Street

bicycle/pedestrian bridge. The consultant recommended that the north creek bank be restored in conjunction with JPB's bank restoration to prevent further erosion that could threaten the stability of the bridge. Additionally, the high creek flows undermined a storm drain outfall that is owned and maintained by the City of Menlo Park. Attachment C includes a map of the two bridges, outfall and embankment stabilization area.

Staff from JPB, Palo Alto, Menlo Park, and San Francisquito Creek Joint Powers Authority began meeting biweekly in April 2023 to discuss the needed repair work, permitting and construction logistics. Caltrain has contracted with a consultant, AECOM, to complete the design and a contractor, Walsh Construction, to complete the construction improvements. JPB has also coordinated with the permitting agencies to obtain the necessary permits to do the work in the creek. Because San Francisquito Creek is a protected watershed, the regulatory agencies only permit work within the creek between April 15 and Oct. 15 each year. JPB's team has been working to complete the creek embankment repairs before next winter.

Analysis

JPB, Palo Alto, and Menlo Park have negotiated the terms of the embankment stabilization work. The scope of work for the project includes the implementation of measures for the stabilization of the banks of San Francisquito Creek in the immediate vicinity of the Caltrain rail bridge, Menlo Park storm drain outfall, and Alma Street bicycle/pedestrian bridge. Required activities are anticipated to include, but are not limited to:

- Topographic survey and site observations
- Hydraulic modeling and engineering design
- Acquisition of permits and environmental clearances
- Preparation and negotiation of construction contract(s)
- Material procurement and construction services
- Construction management and inspection
- Safety oversight and operational safety support
- Project management and project controls
- Administration for consultant and construction contracts
- Public outreach and community engagement
- Project construction per plans and specifications
- Post construction environmental compliance, monitoring and mitigation

The memorandum of understanding (MOU) also includes requirements for a no-cost encroachment permit for construction access via the north side of San Francisquito Creek. A heritage tree removal permit from Menlo Park is also required for the removal and replacement of three heritage trees within Menlo Park's jurisdiction.

The project plans are currently at the 65% design development level. They have been reviewed by the cities of Menlo Park and Palo Alto public works departments. Final design plans are anticipated no later than the end of August 2023 and if regulatory permits are secured in August, construction mobilization is anticipated in September 2023. Walsh Construction will be required to post a performance bond as a financial guarantee to secure the faithful completion of the required work and a payment bond to secure the payment of wages due to workers on the improvements. Once the improvements are completed, the performance bond will convert to a warranty bond to secure the one-year warranty period against defects in material or workmanship. The improvements are considered "public works" and are subject to California law regarding labor and competitive bidding.

Staff from all three partnering agencies will provide outreach during construction to all users of the facilities as well as nearby residents to inform them of construction impacts.

Staff recommends authorizing the city manager to sign a MOU and funding agreement to partner with JPB and the City of Palo Alto in completing the creek embankment repairs. If the City Council does not provide authorization for the city manager to sign the MOU agreement, the City would not be able to design, permit, and make repairs on its own to the creek embankment before the upcoming winter season. Additionally, if the MOU is not authorized, staff would need to monitor erosion and potentially close the bridge until the City is able to develop its own repair project.

Reimbursement

While construction of the embankment stabilization is necessary at this time to ensure the structural integrity of Caltrain's freight train railroad tracks, the benefits of the stabilization would not be exclusive to Caltrain. The stabilization would also provide benefit to the Alma bicycle/pedestrian bridge and the communities of Menlo Park and Palo Alto. In recognition of the multiple beneficiaries of the stabilization, the agreement includes provisions requiring JPB to undertake and oversee the emergency repairs on behalf of JPB and the cities.

As outlined in the agreement, JPB will be responsible for paying all upfront costs associated with the design, engineering, permitting, installation, and construction of the embankment stabilization project. Upon successful completion of the project, Menlo Park and Palo Alto will reimburse JPB for their respective shares of the costs. JPB will make all payments directly to the contractors and will invoice the cities on a quarterly basis for their respective cost shares. The invoices from JPB would be paid within 30 days of receipt.

Impact on City Resources

Based on the 65% design development project plans, the engineer's opinion of probable cost for the design and construction of the improvements is \$6,471,067. Menlo Park will pay for the cost to replace a stormwater outfall, estimated at \$100,000. Menlo Park, JPB, and Palo Alto have agreed to split the remaining cost of work costs based on the project size. JPB will pay for 66.8 percent of the total project cost. Menlo Park and Palo Alto will each pay 16.6 percent of the project cost. The cost-sharing agreement is further clarified as follows:

- Menlo Park will pay for 100% of the cost to replace a stormwater outfall that directly benefits Menlo Park and is adjacent to the Alma Street bicycle/pedestrian bridge (\$100,000)
- JPB will pay 100 percent of the cost to stabilize the embankment within their right of way, under the freight bridge
- Menlo Park and Palo Alto will equally share the cost of stabilizing the Alma Street bicycle/pedestrian bridge, per the terms of a maintenance agreement
- JPB, Menlo Park, and Palo Alto will equally share the embankment stabilization area between the two bridges, because this area represents a long-term mutual benefit for all three agencies

A 15% design and construction contingency is included in the maximum project cost.

Table 1: Estimated cost	
	Value
Engineer's cost estimate ¹	\$6,471,067
JPB cost share	\$4,255,871
City of Menlo Park cost share	\$1,157,598
City of Palo Alto cost share	\$1,057,598
¹ Assumes engineer's cost estimate at final design is the same	

As construction costs are finalized, staff plans to continue to monitor the anticipated funding needs for this work, and would incorporate any needed additional funding as part of a mid-year budget amendment for City Council consideration. The funding sources are anticipated to include gas tax revenues (\$600,000), general capital funds (\$458,000), and storm drainage fees (\$100,000 used toward the storm water outfall components of the project). These funding sources have an available balance of \$6,378,131 and Menlo Park's cost share for the work is estimated at \$1,157,598. If additional funds are required, funding from the unassigned fund balance may be required.

Environmental Review

The level of environmental review required under the California Environmental Quality Act (CEQA) will be determined by Caltrain, as the lead agency, as part of the project design and permitting.

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. MOU
- B. Alma Street Bicycle Bridge Maintenance Agreement
- C. Map of the area of work

Report prepared by:
 Tanisha Werner, Assistant Public Works Director – Engineering

Report reviewed by:
 Nikki Nagaya, Deputy City Manager

**MEMORANDUM OF UNDERSTANDING AND FUNDING AGREEMENT REGARDING EMERGENCY
REPAIRS TO THE NORTH BANK OF THE SAN FRANCISQUITO CREEK WITHIN THE CALTRAIN RIGHT OF
WAY AND THE CITIES OF MENLO PARK AND PALO ALTO**

This Memorandum of Understanding and Funding Agreement (the “AGREEMENT”) is entered into this ___ day of _____, 2023, by and between the Peninsula Corridor Joint Powers Board, a joint exercises of power agency (the “JPB”) organized and existing under the laws of the state of California, and the City of Palo Alto, a municipal corporation, and the City of Menlo Park, a municipal corporation, (collectively, the “CITIES” and collectively with JPB, the “PARTIES”).

RECITALS

- A. The JPB owns and maintains the San Francisquito Creek Rail Bridge, which is located in Palo Alto between Control Points Alma (29.98) and Mayfield (33.50). It was built in 1902 as a two-track, steel truss structure over the San Francisquito Creek.
- B. The City of Palo Alto owns the portion of the creek within its boundaries, and the City of Menlo Park owns the portion of the creek within its boundaries.
- C. In early January 2023, after a week of heavy rain, Caltrain Engineering staff inspected the Bridge and discovered that storms had eroded the soil on the north creek bank supporting the foundation of the Bridge.
- D. On March 29, 2023, pursuant to its authority under Public Contract Code sections 22050 and 1102, the JPB declared that an emergency exists at the north creek bank at the San Francisquito Creek Rail Bridge, due to erosion, which threatens the integrity of the structure supporting the JPB’s track, and authorized staff to enter into contracts for the purpose of conducting emergency repairs.
- E. The CITIES identified erosion on the same northern creek bank supporting the Alma Street Bicycle Bridge (the “Alma Street Bridge”), which was constructed and is owned by the CITIES.
- F. On April 7, 2023, the CITIES procured a structural assessment of the Alma Street Bridge which recommended that the north creek bank be restored in conjunction with JPB’s bank restoration to prevent further erosion that could threaten the stability of the Alma Street Bridge.
- G. In the space between the San Francisquito Creek Rail Bridge and the Alma Street Bridge, the CITIES have also identified erosion on the north creek bank which is undermining an existing storm drain outfall (the “Drain Outfall”), which is owned by the City of Menlo Park.
- H. The PARTIES have agreed to jointly conduct repairs to the northern creek bank supporting the San Francisquito Creek Rail Bridge, the Alma Street Bridge, and the Drain Outfall to maintain the integrity of all three of these assets, as described in Exhibit A, Scope of Work.
- I. The PARTIES have agreed that the JPB will undertake and oversee the emergency repairs on behalf of the JPB and the CITIES and that the CITIES will reimburse the JPB for their respective shares of the costs that JPB incurs in conducting the repairs. None of the PARTIES intends to use federal funds to pay for the repairs.

- J. The PARTIES agree to provide access to property that they own or that is under their control for the purpose of conducting the SCOPE OF WORK and on-going maintenance as described in Exhibit B to this Agreement.
- K. After the completion of the emergency repairs, the PARTIES agree to maintain the northern creek bank supporting the San Francisquito Creek Rail Bridge and the Alma Street Bridge on their respective properties and to provide access to one another as necessary to undertake maintenance activities.
- L. The PARTIES enter into this Agreement to establish the rights, obligations, and procedures to accomplish the emergency repairs.

NOW, THEREFORE, the PARTIES agree as follows:

SECTION I

The JPB agrees:

- 1. To manage, oversee, and implement the emergency repairs to the north creek bank supporting the San Francisquito Creek Rail Bridge, the Alma Street Bridge, and the Drain Outfall in accordance with the scope of work described in Exhibit A ("SCOPE OF WORK"), including but not limited to environmental compliance, before, during, and after construction.
- 2. To serve as Project Manager, fiscal agent, and awarding authority for all contracts and change orders required to undertake and complete the SCOPE OF WORK. The JPB will work in cooperation with the CITIES to complete this work in an expeditious manner, with the goal to complete all emergency repairs by December 2023, or as soon thereafter as the work may be completed.
- 3. To provide the CITIES with invoices for their respective shares of the costs of the emergency repairs in order for the CITIES to reimburse the JPB.
- 4. To assume all responsibility for the maintenance of the San Francisquito Creek Rail Bridge, at its own expense, during and after the JPB's performance of the SCOPE OF WORK.
- 5. To assume all responsibility for the maintenance of property it owns or over which it has control, including but not limited to property that is the subject of repairs described in the SCOPE OF WORK, at its own expense.
- 6. To retain all books, documents, papers, accounting records and other evidence pertaining to costs of the work described herein as required by California law.

SECTION II

A. The City of Menlo Park agrees:

- 1. To cooperate with the JPB and the City of Palo Alto to complete the SCOPE OF WORK in an expeditious manner, with the goal to complete all emergency repairs by December 2023, or as soon thereafter as the work may be completed.
- 2. To provide access at no cost to property belonging to, or under the control of, the City of Menlo

Park, to the JPB and its contractors for the purposes of undertaking the emergency repairs described in the SCOPE OF WORK and on-going maintenance as described in Exhibit B (the Access Plan).

3. To provide any required notifications to City of Menlo Park residents, the public, and adjacent community prior to the start of the emergency repairs. The City of Menlo Park will coordinate all responses to inquiries received from the public in an expeditious manner. The JPB shall provide all necessary outreach material for City of Menlo Park's use.
4. To provide a staff member to serve as a liaison to the JPB to facilitate the JPB's completion of the SCOPE OF WORK.
5. To reimburse the JPB for its share of the costs of the emergency repairs, as set forth in Section III.2-3.
6. To continue its responsibility for the maintenance of the Alma Street Bridge during and after the JPB's performance of the SCOPE OF WORK as described in an existing agreement (Alma Street Bicycle Bridge Maintenance Agreement, 1996) between the City of Palo Alto and the City of Menlo Park at the CITIES' expense.
7. To assume all responsibility for the repair and maintenance of the Drain Outfall, at its own expense, during and after the JPB's performance of the SCOPE OF WORK.
8. To assume all responsibility for the maintenance of property it owns or over which it has control, including but not limited to property that is the subject of repairs described in the SCOPE OF WORK, at its own expense, after the JPB's performance of the SCOPE OF WORK.

B. The City of Palo Alto agrees:

1. To cooperate with the JPB and the City of Menlo Park to complete the SCOPE OF WORK in an expeditious manner, with the goal to complete all emergency repairs by December 2023, or as soon thereafter as the work may be completed.
2. To provide access at no cost to property belonging to, or under the control of, the City of Palo Alto, to the JPB and its contractors for the purposes of undertaking the emergency repairs described in the SCOPE OF WORK and on-going maintenance as described in Exhibit B (Access Plan).
3. To provide any required notifications to City of Palo Alto residents, the public, and adjacent community prior to the start of the emergency repairs. The City of Palo Alto will coordinate all responses to inquiries received from the public in an expeditious manner. The JPB shall provide all necessary outreach material for City of Palo Alto's use.
4. To provide a staff member to serve as a liaison to the JPB to facilitate the JPB's completion of the SCOPE OF WORK.
5. To reimburse the JPB for its share of the costs of the emergency repairs, as set forth in Section III.2-3.
6. To continue its responsibility for the maintenance of the Alma Street Bridge during and after the JPB's performance of the SCOPE OF WORK as described in an existing agreement (Alma Street

Bicycle Bridge Maintenance Agreement, 1996) between the City of Palo Alto and the City of Menlo Park at the CITIES' expense.

7. To assume all responsibility for the maintenance of property it owns or over which it has control, including but not limited to property that is the subject of repairs described in the SCOPE OF WORK, at its own expense, after the JPB's performance of the SCOPE OF WORK.

SECTION III

It is mutually agreed:

1. Project Details

- A. The SCOPE OF WORK as described in Exhibit A constitutes the entire scope of work agreed upon by the PARTIES. The JPB makes no representations that any additional repairs other than those described in the SCOPE OF WORK will be funded or completed. Any such additional work will be the subject of separate discussions and agreements.
- B. Due to environmental limitations, the repairs may be conducted only during a limited work window; as a result, the PARTIES agree to use their best efforts to facilitate the expeditious completion of the SCOPE OF WORK.

2. Funding

A. Total SCOPE OF WORK Cost.

It is currently anticipated that the total cost of the emergency repairs will not exceed \$6,471,067.

The "Total SCOPE OF WORK Cost" means the total cumulative dollar amount actually incurred and expended toward the SCOPE OF WORK, as measured at the completion or termination of the SCOPE OF WORK.

B. Commitment.

The PARTIES to the Agreement agree to split the Total SCOPE OF WORK Costs between the three PARTIES as follows:

- (i) The City of Menlo Park will bear the cost of \$100,000 to reconstruct the City of Menlo Park's drain outfall.
- (ii) The PARTIES will apportion the remaining project costs between the three PARTIES, with the JPB bearing 66.8 percent and the CITIES each bearing 16.6 percent of the Total SCOPE OF WORK Costs pursuant to the methodology set forth in Exhibit C.

C. Cost Updates.

The JPB shall actively monitor actual SCOPE OF WORK expenditures. The final SCOPE OF WORK cost may ultimately exceed current cost estimates. Any cost increases resulting from increased contract prices or changes that require additional funding shall be submitted to the CITIES for review. JPB shall not seek reimbursement for any work completed in excess of SCOPE OF WORK budget without prior written authorization and written approval of the CITIES. The cost share for

the increased prices or changes shall be evaluated by all PARTIES based on the scope of any changes and an equitable agreement will be reached for cost sharing between the PARTIES.

3. **Payments and Accounting Process**

- A. The JPB will issue all contracts to complete the SCOPE OF WORK and will make all payments directly to the contractors used to complete the SCOPE OF WORK.
- B. The JPB shall submit an invoice to the CITIES on a quarterly basis for their respective share of the costs of the SCOPE OF WORK to be paid by each City within 30 days of receipt.
- C. The CITIES shall reimburse JPB based on receipt of invoices for their respective share of the costs of the SCOPE OF WORK incurred by JPB.
- D. The JPB agrees to comply with all applicable prevailing wage laws, including without limitation Labor Code section 1720 et seq.

4. **Access**

The PARTIES shall provide access to property which they own or is under their control, as described in Exhibit B, at no cost, to the JPB for the purposes of conducting the SCOPE OF WORK and on-going maintenance. Access to property that is owned by or under the control of the City of Menlo Park shall be provided following execution of an encroachment permit (in the form of Exhibit D, attached hereto) approved by the City of Menlo Park and the JPB. Access to property that is owned by or under the control of the City of Palo Alto shall be provided following execution of an encroachment permit (in the form of Exhibit E, attached hereto) approved by the City of Palo Alto and the JPB. The costs of any restoration required under the right of entry or under the encroachment permit shall be included in the total SCOPE OF WORK Cost.

5. **Indemnification**

- A. Each of the PARTIES shall indemnify, keep and save harmless the other PARTIES and each of their directors/councilmembers, officers, agents, volunteers, and employees (collectively, "INDEMNITEES") against any and all suits, claims or actions ("CLAIM(S)") to the extent arising out of any act or omission by the indemnifying PARTY, its agents, employees, contractors or subcontractors in connection with the indemnifying PARTY'S performance of its obligations under this Agreement. Further, JPB shall indemnify, keep and save harmless CITIES from any and all CLAIM(S) relating to any of the following: (i) personal injuries or property damage sustained by any persons or entities performing the work contemplated in this Agreement; (ii) contractual disputes relating to the work contemplated in this Agreement, except for disputes between the PARTIES relating to this Agreement; (iii) personal injuries or property damage sustained by any persons or entities using the San Francisquito Creek Rail Bridge; (iv) personal injuries or property damage sustained by any persons or entities using the Alma Street Bridge that arise from defects or deficiencies in the work performed as contemplated in this Agreement; (v) any damage to the Alma Street Bridge that arises from defects or deficiencies in the work performed as contemplated in this Agreement; and (vi) labor disputes concerning the project contemplated in this Agreement.
- B. In case of any and all suits, claims or actions arising out of any act or omission by the indemnifying PARTY, its agents, employees, contractors or subcontractors, each indemnifying PARTY further agrees to defend any and all such actions, suits or claims and pay all reasonable attorneys' fees and all other reasonable costs and expenses of defenses of the other PARTIES and other INDEMNITEES as they are incurred. The indemnifying PARTY shall employ competent counsel reasonably acceptable to the indemnified PARTY. If any judgment is rendered, or

settlement reached, against any INDEMNITEES in any such action, the indemnifying PARTY will, at its expense, satisfy and discharge the same.

6. **Audit and Records**

- A. All PARTIES shall maintain, and shall require their contractors to maintain, in accordance with generally accepted accounting principles and practices, complete books, accounts, records and data pertaining to services performed under this AGREEMENT, including the costs of contract administration. Such documentation must be supported by properly executed payrolls, invoices, contracts, and vouchers evidencing in detail the nature and propriety of any charges and must be sufficient to allow a proper audit of services. All checks, payrolls, invoices, contracts, and other accounting documents pertaining in whole or in part to the services must be clearly identified and readily accessible.
- B. For the duration of the AGREEMENT, and for a period of five (5) years after final payment, the PARTIES and their representatives shall have access during normal business hours to any books, accounts, records, data, and other relevant documents that are pertinent to this AGREEMENT for audits, examinations, excerpts, and transactions and copies thereof must be furnished upon request.

7. **Notices**

All notices required or permitted under this AGREEMENT must be in writing and delivered by personal service, certified or registered mail, return receipt requested, with postage prepaid, or by electronic mail, to the individuals at the addresses set forth below, or to such other address which may be specified in writing by the PARTIES hereto. Notice by personal service or certified or registered mail will be deemed given on the date of delivery, on the date of refusal to accept delivery, or when delivery is first attempted but cannot be made due to a change of address for which no notice was given. Notice by email will be deemed given two (2) business days after sending.

JPB: Mike Boomsma

Senior Project Manager
Peninsula Corridor Joint Powers Board
1250 San Carlos Avenue
San Carlos, CA 94070
Email: boomsmam@caltrain.com

CITY OF MENLO PARK: Tanisha Werner

Assistant Public Works Director - Engineering
701 Laurel Street, 1st Floor
Menlo Park, CA 94025
Email: ttwerner@menlopark.gov

CITY OF PALO ALTO: Holly Boyd

Assistant Director, Public Works Department

250 Hamilton Avenue
Palo Alto, CA 94301
Email: holly.boyd@cityofpaloalto.org

To the extent practicable, written notification to the other PARTIES must be provided, in advance, for changes in the name or address of the individuals identified above and in the manner provided herein.

8. **Miscellaneous Provisions**

- A. Entire AGREEMENT. This AGREEMENT constitutes the entire agreement between all PARTIES pertaining to the subject matter contained herein and supersedes all prior or contemporaneous agreements, representations, and understandings of the PARTIES relative thereto, with the exception of the agreement between the CITIES for the maintenance of the Alma Street Bicycle Bridge. This AGREEMENT is binding upon each PARTY, their legal representatives, and successors for the duration of the AGREEMENT.
- B. Headings. The subject headings of the articles and paragraphs in this AGREEMENT are included for convenience only and will not affect the construction or interpretation of any of its provisions.
- C. Severability. If any portion of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable by any court of competent jurisdiction, the PARTIES shall negotiate an equitable adjustment in the provisions in this AGREEMENT with a view toward effecting the purpose of this AGREEMENT, and all remaining portions of the AGREEMENT, or the application thereof, will remain in full force and effect.
- D. Construction and Interpretation of AGREEMENT. This AGREEMENT, and each of its provisions, terms and conditions, has been reached as a result of negotiations between the PARTIES. Accordingly, each PARTY expressly acknowledges and agrees that (i) this AGREEMENT will not be deemed to have been authored, prepared, or drafted by any particular PARTY and (ii) the rule of construction to the effect that ambiguities are to be resolved against the drafting PARTY will not be employed in the interpretation of this AGREEMENT or in the resolution of disputes.
- E. No Waiver. The failure of each PARTY to insist upon the strict performance of any of the terms, covenant and conditions of this AGREEMENT will not be deemed a waiver of any right or remedy that either PARTY may have and will not be deemed a waiver of either PARTY's right to require strict performance of all of the terms, covenants, and conditions hereunder.
- F. Amendment. This AGREEMENT may only be amended in a writing executed by all PARTIES.
- G. Dispute Resolution. If a question or allegation arises regarding (i) interpretation of this AGREEMENT or its performance, or (ii) the alleged failure of a PARTY to perform, the PARTY raising the question or making the allegation must give written notice thereof to the other PARTIES. The PARTIES must promptly meet in an effort to resolve the issues raised. If the PARTIES fail to resolve the issues raised, alternative forms of dispute resolution, including mediation, may be pursued by mutual agreement. It is the intent of the PARTIES to the extent possible that litigation be avoided as a method of dispute resolution.
- H. Successors and Assigns. No PARTY is permitted to assign, transfer, or otherwise substitute its interests or obligations under this AGREEMENT without the written consent of the other PARTIES.

- I. Governing Law. This AGREEMENT, as well as any claims that might arise between any two of the PARTIES, will be governed by the laws of the State of California, without regard to conflict of law provisions.
- J. Forum Selection. Any lawsuit or legal action arising from this AGREEMENT will be commenced and prosecuted in the courts of San Mateo County, California. JPB agrees to submit to the personal jurisdiction of the courts located in San Mateo County, California for the purpose of litigating all such claims.
- K. Compliance with Applicable Law. In the performance of services hereunder, all PARTIES and their contractors shall comply with all applicable requirements of state, federal, and local laws and regulations.
- L. Non-discrimination. The PARTIES and any contractors performing services on behalf of the PARTIES (“CONTRACTORS”) will not unlawfully discriminate or permit discrimination, harass, or allow harassment against any person or group of persons on the basis of race, color, religious creed, national origin, ancestry, age (over 40), sex, gender, gender identity, gender expression, sexual orientation, marital status, pregnancy, childbirth or related conditions, medical condition (including cancer), mental disability, physical disability (including HIV and AIDS), genetic information, or military and veteran’s status, or in any manner prohibited by federal, state, or local laws. In addition, the PARTIES and CONTRACTORS shall not unlawfully deny any of their employees family care leave or discriminate against such employees on the basis of having to use family care leave. The PARTIES and CONTRACTORS must ensure that the evaluation and treatment of their employees and applicants for employment is free of such discrimination and harassment.
- M. Public Records. The PARTIES recognize and acknowledge that each PARTY is subject to the California Public Records Act, California Government Code Section 6250 and following. Public Records are subject to disclosure.
- N. Attachments or Exhibits. Except as expressly referenced herein, any attachments and/or exhibits attached hereto are incorporated into this AGREEMENT and collectively constitute the entire agreement between the PARTIES. The attachments and/or exhibits may contain defined terms that are applicable to only that/those individual attachment(s) and/or exhibit(s) and those defined terms are not intended to conflict with the terms defined herein; unless specifically defined within each individual exhibit and/or attachment the capitalized terms used in the exhibits and/or attachments have the same meanings as defined in this AGREEMENT.
- O. Execution in Counterparts / Electronic Signature. This AGREEMENT may be executed in any number of counterparts and by each PARTY in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

Unless otherwise prohibited by law, the PARTIES agree that an electronic copy of this signed AGREEMENT, or an electronically signed AGREEMENT, has the same force and legal effect as an AGREEMENT executed with an original ink signature. The term “electronic copy” refers to a transmission by electronic mail or other electronic means of a copy of an original signed AGREEMENT in a portable document format. The term “electronically signed AGREEMENT”

means an AGREEMENT that is executed by applying an electronic signature using technology approved by each of the PARTIES.

- P. Warranty of Authority to Execute Agreement. Each PARTY to this AGREEMENT represents and warrants that each person whose signature appears hereon is authorized and has the full authority to execute this AGREEMENT on behalf of the entity that is a PARTY to this AGREEMENT.

IN WITNESS WHEREOF, the PARTIES have executed this AGREEMENT on the dates set forth below.

Peninsula Corridor Joint Powers Board

By: _____

Michelle Bouchard

Executive Director

Dated: _____

ATTEST:

District Secretary

APPROVED AS TO FORM:

Attorney

City of Menlo Park

By: _____

Justin Murphy

City Manager

Dated: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

City of Palo Alto

By: _____

Ed Shikada

City Manager

Dated: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

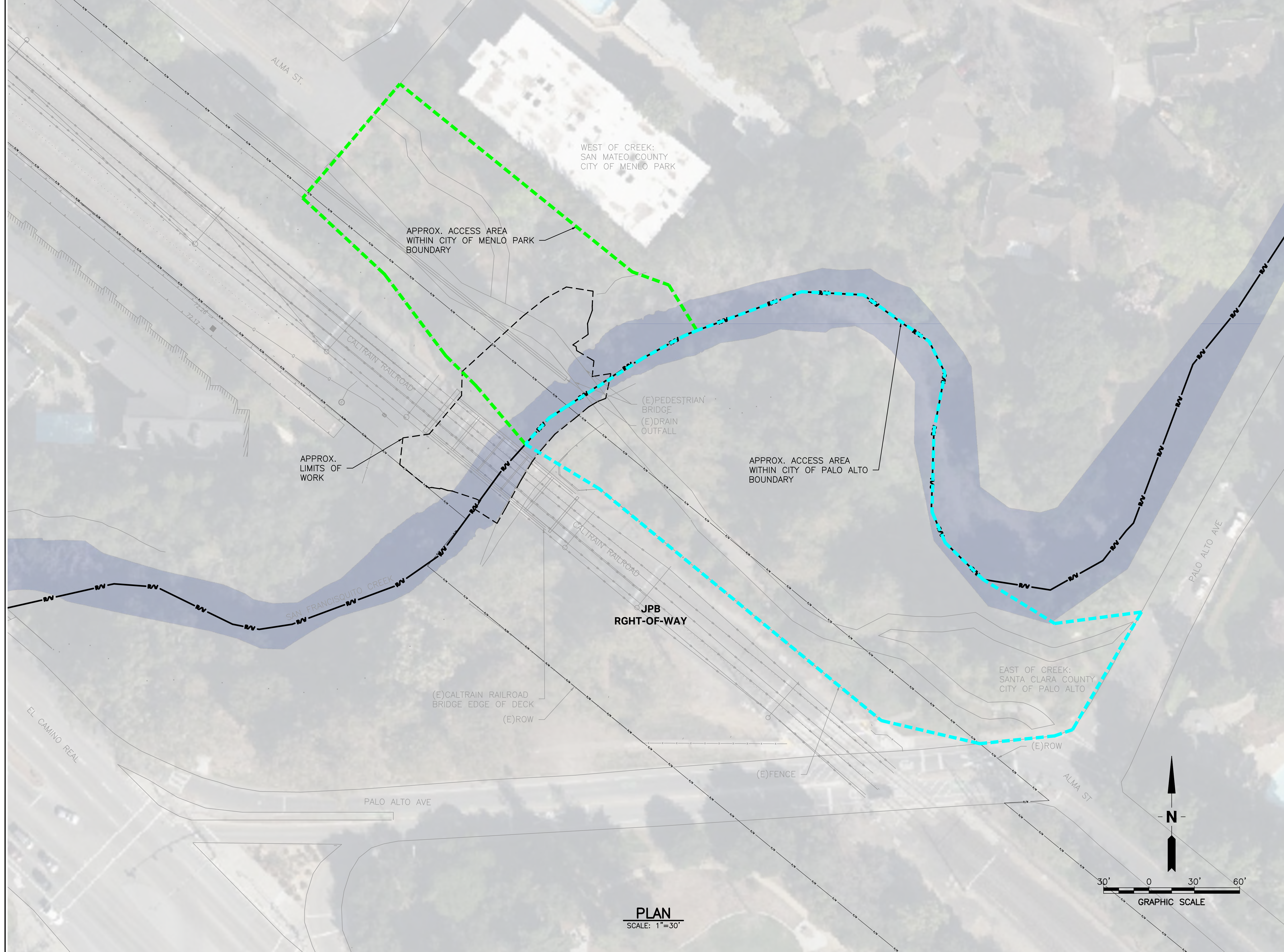
City Attorney

Exhibit A – SCOPE OF WORK

The scope of work includes the implementation of measures for the stabilization of the north bank of the San Francisquito Creek in the immediate vicinity of the San Francisquito Creek Rail Bridge, the City of Menlo Park drain outfall, and Alma Street Bicycle Bridge. In further detail, required activities are anticipated to include but are not limited to:

1. Topographic survey and site observations
2. Hydraulic modeling and engineering design
3. Acquisition of permits and environmental clearances
4. Preparation and negotiation of construction contract(s)
5. Construction licensing, bonding, and insurance
6. Material procurement and construction services
7. Construction management and inspection
8. Safety oversight and operational safety support
9. Project management and project controls
10. Administration for consultant and construction contracts
11. Public outreach and community engagement
12. Project construction per plans and specifications.
13. Preparation of detailed vegetation removal and tree protection plan in accordance with City of Palo Alto's tree protection ordinance and coordination with City of Palo Alto's arborist prior to any tree and vegetation removal.
14. Post construction environmental compliance, monitoring and mitigation
15. Restoration of property damaged during construction to its original condition.

Exhibit B – Access Plan

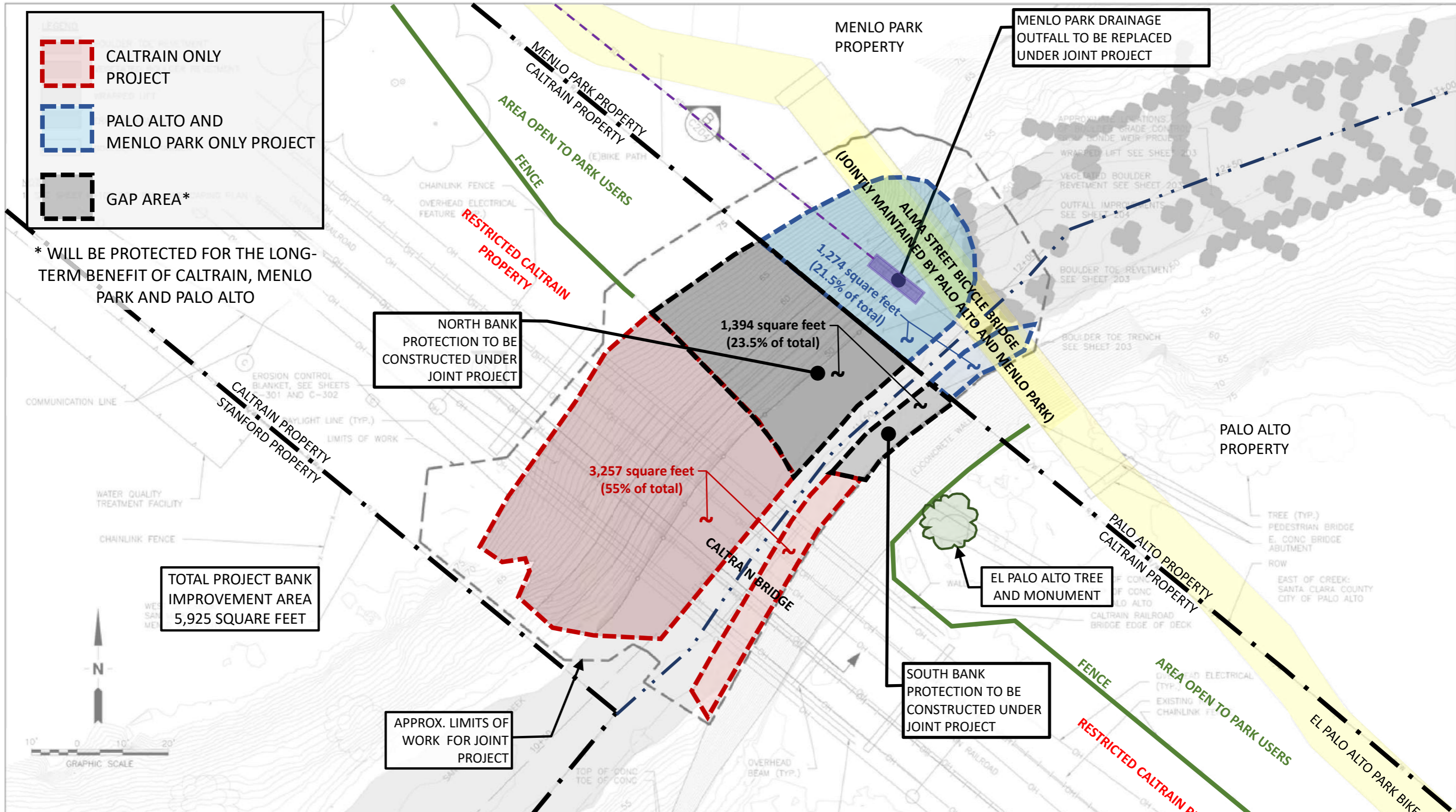


PROJECT TITLE

SAN FRANCISQUITO
CREEK
NORTH BANK
STABILIZATION

EXHIBIT B
ACCESS PLAN

Exhibit C – Project Cost Sharing Methodology



PROJECT COST SHARING PERCENTAGES

Caltrain			Menlo Park			Palo Alto		
Caltrain Area	Gap Area	Cost Share	Menlo Park Area	Gap Area	Cost Share	Palo Alto Area	Gap Area	Cost Share %
55.0%	11.8%	66.8%	10.8%	5.9%	16.6%	10.8%	5.9%	16.6%
55% of Total Improvement Area	50% of Gap Area (i.e. 50% of 23.5%)	55% + 11.8% = approx. 66.8%	50% of Cities Area (i.e. 50% of 21.5%)	25% of Gap Area (i.e. 25% of 23.5%)	10.8% + 5.9% = approx. 16.6%	50% of Cities Area (i.e. 50% of 21.5%)	25% of Gap Area (i.e. 25% of 23.5%)	10.8% + 5.9% = approx. 16.6%

Exhibit D – City of Menlo Park Encroachment Permit



**City of Menlo Park
Engineering Division
701 Laurel Street
Menlo Park, CA 94025
Telephone (650) 330-6740**

PERMIT NO.: _____
Keep this permit at the work site at all times

**Call 24 hours in advance of working in the public right of way AND for each inspection request.
Uninspected work will be rejected.**

ENCROACHMENT PERMIT APPLICATION

- | | | |
|---|--|--|
| <input type="checkbox"/> Major Encroachment | <input type="checkbox"/> Temporary Encroachment | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Minor Encroachment | <input type="checkbox"/> Debris or Container Box | <input type="checkbox"/> City-Mandated Repairs |

ONE PERMIT PER ADDRESS

Location of Work	Applicant Represents <input type="checkbox"/> Contractor <input type="checkbox"/> Owner	Applicant e-mail: Applicant fax:			
Name of Applicant (person)	Address	City	State	Zip	Telephone
Name of Contractor	Address	City	State	Zip	Telephone
California Construction License No.	Menlo Park Business License No.	Est. Start Date	Est. Complete Date		
Estimated Construction Cost <small>(Estimate work in city R/W only. Do not include value of utility.)</small> \$ _____	Bond or Deposit * \$ _____	Bond or Deposit provided by: <input type="checkbox"/> Contractor <input type="checkbox"/> Owner <input type="checkbox"/> Other (provide name, company, address)			

Description of work to be done:

- Applicant submits the following:
- 3 copies of sketch or plans
 - 3 copies of traffic control plans
 - insurance certificate

Call Underground Service Alert (USA) at 1-800-227-2600 before you dig

GENERAL CONDITIONS OF PERMIT ATTACHED.

Signature below acknowledges that special working hours may apply – check the approved traffic control plan.

I hereby acknowledge that I have read this permit and the attached conditions, that the information given by me is correct, that I am the owner or the duly authorized agent of the owner, and that I agree to comply with the conditions and all applicable provisions of state laws, city ordinances, and the rules of any governmental agency involved.

Signature of Applicant
(Owner or authorized agent)

Title

Date

DO NOT WRITE BELOW THIS LINE -- CITY STAFF USE ONLY

Approved by Engineering Division	Date	Permit expires	Fees (retained by City)	\$
		Total Due to City	<input type="checkbox"/> Paid	\$

** Bond or deposit requests must originate from the bond/deposit provider. A copy of the original receipt must accompany the refund request. All deposits or bonds are subject to forfeiture to comply with City Codes and Ordinances.*



GENERAL CONDITIONS OF PERMIT

Engineering Division
701 Laurel Street
Menlo Park, CA 94025

Notification of Work or Inspection Requests: (650) 330-6740

1. This permit, regardless of when dated, shall not be in effect until the applicant has obtained all licenses and other permits required by law.
2. This permit is declared **null and void** if work has not commenced three (3) months after the date of permit issuance.
3. Traffic control plan is required for work that will block public right-of-way. Plan shall include re-routing of vehicles, bicycles and pedestrians.
4. Any damages to existing facilities and improvements above ground or below ground, shall be promptly repaired or replaced at the permittee's expense, and claims for damage to City property must be promptly paid.
5. Applicant is responsible for determining exact locations or depths of existing utilities or other facilities. Call Underground Service Alert (USA) at 1-800-227-2600 a minimum of 48 hours prior to performing work.
6. Applicant carries sufficient insurance to work in the public right of way, and names City of Menlo Park as additional insured. Applicant agrees to keep insurance active for the duration of the project.
7. All work shall comply with the City and Caltrans Standards, including traffic control.
8. **Street Opening, Sidewalk, Curb and Gutter, and Driveway Permits.** Permittee shall notify the Public Works Inspector at least **24 hours prior to: beginning work, inspection requests, or concrete placement.** The number and type of inspections required, and any tests that may be required will be as directed by the Public Works Inspector. The Public Works Inspector may be contacted by calling (650) 330-6740.
9. All trench plates used in the public right of way must have a non-skid surface.
10. Construction activities are restricted to Monday through Friday (City holidays excepted) between the hours of 8:00 AM and 5:00 PM, unless otherwise approved in writing by the Engineering Services Division.
11. A faithful performance bond or a cash deposit in an amount equal to the estimated cost of the proposed work is required for curb and gutter, driveway, or street opening permits
12. This grant of permission does not constitute a deed or grant of easement by the City, is not transferable or assignable and is revocable at any time at the will of the City.
13. This permit does not authorize tree trimming or tree removal.
14. The traffic control plan as attached must be adhered to at all times. *Note that the traffic control plan may have restricted working hours for working in the public right of way, which supersedes the standard encroachment permit working hours.*
15. The use of City property by permittee shall be limited to the purposes set forth by this permit and no structures of any kind, except those expressly permitted shall be erected or placed thereon.
16. Debris boxes/storage containers shall have reflectors so that they can be seen at night. This permit must be taped to the outside of debris boxes in a visible location.
17. This permit does not include overnight street parking for any vehicles. A separate parking permit can be obtained from the Police Department.
18. All stormwater BMP's must be in place between October 15th and April 15th, or as directed by the Public Works Inspector.
19. Additional conditions (if any) are attached to this permit and shall be followed accordingly.

Additional Conditions:

Exhibit E – City of Palo Alto Encroachment Permit

SPECIAL PROVISIONS

1. Permittee shall provide the City evidence of Personal Injury and Property Damage insurance in a form acceptable to the CPA Risk Manager, in the minimum amounts of \$1,000,000 each for personal injury and property damage or else as indicated below. Said insurance shall name the City of Palo Alto, its officers and employees as an additional insured and shall be primary insurance with any City insurance being excess only. Said insurance shall be maintained so long as this permit/lease* remains in force, and evidence of said current insurance and subsequent renewals shall be submitted to the City of Palo Alto, Public Works Engineering Division.

___ ALTERNATE COVERAGE REQUIRED: \$_____,000 personal injury and \$_____,000 property damage

2. Encroachment, construction or use shall not extend beyond the area identified and specified as part of this permit/lease.
3. Encroachment shall not restrict visibility to any traffic control devices or signs.
4. No encroachment is permitted in exclusive bike lanes (where parking is not permitted); bus stops, or "no parking zones" unless specifically authorized within this permit.
5. Encroachment shall not block or cover access to any utility pole, manhole, vault, cleanout, valve, junction or meter box.
6. Permittee shall maintain encroaching or constructed facility and/or the property in a good and safe condition. Construction shall be in conformance with plans approved by the City.
7. Whenever construction, reconstruction or maintenance work to City facilities requires relocation or modification of the encroachment, construction or use, such relocation or modification work shall be done by Permittee at Permittee's sole expense.
8. Permittee shall assure adequate visibility of encroachment, construction or use during daytime and nighttime hours.
9. Permittee shall conform to all requirements of the Palo Alto Traffic Control Manual, as applicable.
10. The Permittee is required to maintain any underground facilities listed with Underground Service Alert (USA). When requested, the Permittee is responsible to mark out appropriately all underground facilities described in this permit.
11. Any public and/or private improvements damaged by the encroaching activities must be repaired or replaced in-kind to the satisfaction of the improvement owner and at Permittee expense.
12. All dumpsters used in this permitted encroachment are required to be ordered through the City's contracted collector for waste disposal services.
13. In addition to this permit, Permittee shall obtain the following permits:
 - ___ Street Work Permit from Public Works Engineering (associated ___STR- _____).
 - ___ Parking Permit from CPA Transportation Division.
 - ___ Fence Permit from CPA Building Inspection Division.
 - ___ Other special permit: _____
14. ___ See Attachment(s) A B C D E F _____ for additional permit conditions.
15. ___ OTHER: _____

AGREEMENT

BY AND BETWEEN CITY OF PALO ALTO AND CITY OF MENLO PARK

CITY OF PALO ALTO, first party, hereinafter, called "Palo Alto"; and

CITY OF MENLO PARK, a municipal corporation, second party, hereinafter called "Menlo Park";

AGREE this Dec. 20, 1994 as follows:

RECITALS:

A. Palo Alto proposes to design and construct a pedestrian and bicycle path bridge across San Francisquito Creek with adjoining paths to Alma Street in Palo Alto and Menlo Park at the location shown in Exhibit A.

B. This Agreement provides for the cost sharing for preparation of environmental documents, contract drawings and specifications, bidding and construction services and construction of the pedestrian and bicycle bridge and surrounding improvements. Improvements include a new prefabricated bridge with lighting, railing, improving the existing path between Alma Street in Palo Alto and the proposed bridge, constructing a new path between Alma Street in Menlo Park and the proposed bridge and other improvements including new pavement, bollards and bike signs.

AGREEMENT:

1. Plans and Specifications Preparation and Construction Administration. Palo Alto will design and prepare contract drawing and specifications for the Project and submit copies thereof and engineer's estimates to Menlo Park for review and approval. Following Menlo Park's review and approval, Palo Alto will advertise for bids for construction of the Project. Following receipt of bids, Palo Alto will submit to Menlo Park the bid Palo Alto intends to accept for the Project for review and approval. Palo Alto shall then award and administer the construction contract. No substantial change in the scope of Menlo Park's Work shall be made nor shall authorization be given which will have the effect of raising the cost of Menlo park work without the prior written approval of Menlo Park.

2. Participation Amount. It is agreed that the Palo Alto and Menlo Park shall share the full cost of the project excluding City staffing costs and Proposition 116

Funding. Proposition 116 funding is set at 90% of the cost for the bridge, paths, signing, striping, roadway connections, lighting, inspection, testing, environmental review, construction management and design and engineering. The remaining 10% shall be shared equally between Palo Alto and Menlo Park. In no event shall the 10% share of the cost exceed \$11,000 without the prior approval of Menlo Park and Palo Alto.

3. Project Coordinators. The parties agree that each will identify a Project Coordinator and notify the other of his or her identity and telephone number. All correspondence, notices and communications regarding the Project shall be sent to the Project Coordinator at the following addresses:

Palo Alto: 250 Hamilton Avenue, Palo Alto, California, 94301

Menlo Park: 701 Laurel Street, Menlo Park, California, 94025-3483

4. Payments. Menlo Park shall pay Palo Alto in one payment within 30 days of receipt of an invoice from Palo Alto. Palo Alto shall invoice Menlo Park within 30 days of completion of filing the Notice of Completion.

5. Environmental Laws and Regulations. The parties agree that Palo Alto will act as lead agency for compliance with all applicable environmental laws and regulations, including the California Environmental Quality Act. Menlo Park will act as a responsible agency for purposes of said Act.

6. Maintenance Upon Completion. Prior to the award of the Construction Contract, Palo Alto and Menlo Park shall execute a maintenance agreement providing for the future maintenance of the Project.

7. Final Drawings. Palo Alto shall furnish Menlo Park with a set of reproducible record drawings and copies of any soils reports.

8. Hold Harmless. The parties agree that each shall indemnify and hold harmless the other, their respective officers, agents, and employees, from any and all liability, obligations, damages, costs, injuries, including death, and claims for property damage, arising in any manner from the performance or failure to perform, on the part of the indemnifying party, the provisions of this Agreement.

9. Liability Insurance. Palo Alto shall require the contractor engaged to perform the Project to indemnify and defend the parties hereto and each of them and to provide and maintain in full force and effect during the construction of the Project and until the acceptance of the Project by Palo Alto and Menlo Park, a policy of public liability and property damage insurance insuring each of the parties, hereto, their officers, agents and employees, in connection with the construction of the Project. The terms, provisions and conditions of such policy will be those which Palo Alto usually requires with the type of construction contemplated for the Project.

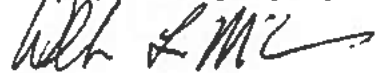
Said policy shall contain a provision that the insurance afforded thereby to each of the parties hereto and their respective officers and employees shall be primary insurance to the full limits of liability of the policy and that if said parties hereto, or their respective officers and employees, have other insurance against a loss covered by such policy, such other insurance shall be excess insurance only.

10. Records and Accounts. Palo Alto shall keep, maintain and make available for inspection by authorized representatives of Menlo Park records and books which will provide a complete and accurate account of all costs, fees, and expenditures made by Palo Alto for the Project.

11. Termination. This Agreement shall terminate on September 30, 1996 if Palo Alto has not awarded a contract for construction of the Project prior to that date, unless said date is extended by mutual agreement. In the event of such termination, Palo Alto shall refund to Menlo Park any and all sums advanced by it, less all costs and expenditures theretofore made by Palo Alto for items described herein as part of Menlo Park's Work. This Agreement may be terminated by either party at any time prior to ten days before award of contract for Project construction by serving written notice to the other party, subject to the aforementioned conditions.

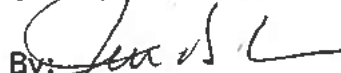
WITNESS THE EXECUTION HEREOF the day and year first hereinabove written.

APPROVED AS TO FORM




General Counsel
William L. McClure
City Attorney - Menlo Park

CITY OF MENLO PARK



"Menlo Park" City Manager
Janet M. Dolan

ATTEST: 
Jaye M. Carr
City Clerk

APPROVED AS TO FORM




City Attorney, Palo Alto

CITY OF PALO ALTO



"Palo Alto" City Manager

ATTEST: 
Assistant City Clerk, Palo Alto

FILE 19411-1.4
Karen ✓
Debra DJ

**AMENDMENT NO. ONE TO AGREEMENT
BETWEEN THE CITY OF PALO ALTO AND
CITY OF MENLO PARK**

This Amendment No. One to Agreement ("Amendment") is entered into _____, by and between the CITY OF PALO ALTO, a chartered city and a municipal corporation of the State of California ("Palo Alto"), and the CITY OF MENLO PARK, a general law city and a municipal corporation of the State of California ("Menlo Park").

R E C I T A L S:

WHEREAS, on December 20, 1994, an agreement ("Agreement") was entered into between the parties for the sharing of costs of designing and constructing a pedestrian and bicycle path bridge across San Francisquito Creek between Palo Alto and Menlo Park and the preparation of related documents ("Project"); and

WHEREAS, the parties wish to amend the Agreement by modifying the participation amounts and the termination date and providing for the contingency of a Proposition 116 funding reimbursement;

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 2 of the Agreement is hereby amended to read as follows:

"2. Participation Amount. It is agreed that Palo Alto and Menlo Park shall share the full costs of the Project, but excluding City staffing costs and Proposition 116 funding. Proposition 116 funding is set at \$196,650 to cover a substantial portion of the costs for the bridge, paths, signing, striping, roadway connections, lighting, inspection, testing, environmental review, construction management and design and engineering services. The remaining costs will be shared by Palo Alto and Menlo Park with the Peninsula Corridor Joint Powers Board, a public agency. In no event shall Menlo Park's share of the costs exceed \$30,000 without the prior approval of Menlo Park and Palo Alto. The maximum additional amount of \$19,000 in costs to be borne by Menlo Park, originally established at \$11,000, is attributable to a change in the scope of work to be performed within the city limits of Menlo Park. The obligation of Menlo Park to contribute any sum in excess of \$11,000 will be contingent upon the receipt by Menlo Park of a grant from the Metropolitan Transportation Commission ("MTC"). Any amount granted to Menlo Park by the MTC for the Project shall be contributed by Menlo Park to Palo Alto for purposes connected with the Project."

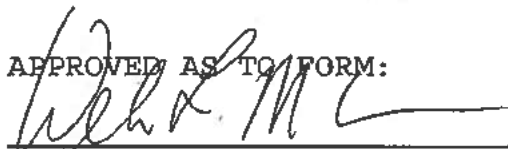
SECTION 2. Section 11 is hereby amended to read as follows:

"11. Termination. This Agreement shall terminate on December 31, 1996 if Palo Alto has not awarded a contract for construction of the Project prior to October 19, 1996, unless the termination date is extended by mutual agreement. In the event of such termination, Palo Alto shall refund to Menlo Park any and all sums advanced by Menlo Park, less all costs and expenditures theretofore made by Palo Alto for items described herein as part of Menlo Park's Work. This Agreement may be terminated by either party at any time prior to ten days before the award of contract for the Project construction by serving written notice upon the other party, subject to the aforementioned conditions."

SECTION 3. Except as herein modified, all other provisions of the Agreement, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.

APPROVED AS TO FORM:



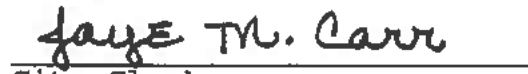
City Attorney
William L. McClure

CITY OF MENLO PARK



City Manager - Janet M. Dolan

ATTEST:



City Clerk - Jaye M. Carr

APPROVED AS TO FORM:




Senior Asst. City Attorney

CITY OF PALO ALTO

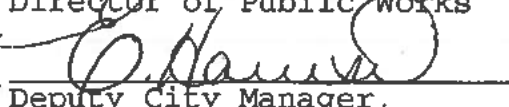


City Manager

APPROVED:



Director of Public Works



Deputy City Manager,
Administrative Services

Karen ✓
Debra DG

**AMENDMENT NO. TWO TO AGREEMENT
BETWEEN THE CITY OF PALO ALTO AND
CITY OF MENLO PARK**

This Amendment No. Two to Agreement ("Amendment") is entered into September 10, 1996, by and between the CITY OF PALO ALTO, a chartered city and a municipal corporation of the State of California ("Palo Alto"), and the CITY OF MENLO PARK, a general law city and a municipal corporation of the State of California ("Menlo Park").

R E C I T A L S:

WHEREAS, on December 20, 1994, an agreement ("Agreement") was entered into between the parties for the sharing of costs of designing and constructing a pedestrian and bicycle path bridge across San Francisquito Creek between Palo Alto and Menlo Park and the preparation of related documents ("Project"); and

WHEREAS, on May 20, 1996, the parties entered into Amendment No. One to the Agreement ("Amendment No. One"); and

WHEREAS, the parties wish to amend the Agreement, as previously amended by Amendment No. One, by modifying the termination date;

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 11 of the Agreement, as previously amended by Amendment No. One, is hereby amended to read as follows:

"11. Termination. This Agreement shall terminate on September 30, 1997 if Palo Alto has not awarded a contract for construction of the Project prior to June 30, 1997, unless the termination date is extended by mutual agreement. In the event of such termination, Palo Alto shall refund to Menlo Park any and all sums advanced by Menlo Park, less all costs and expenditures theretofore made by Palo Alto for items described herein as part of Menlo Park's Work. This Agreement may be terminated by either party at any time prior to ten days before the award of contract for the Project construction by serving written notice upon the other party, subject to the aforementioned conditions."

SECTION 2. Except as herein modified, all other provisions of the Agreement, as amended by Amendment No. One, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.

APPROVED AS TO FORM:
William L. McClure
City Attorney
William L. McClure

CITY OF MENLO PARK
Janet M. Dolan
City Manager
Janet M. Dolan

ATTEST:
Jaye M. Carr
City Clerk
Jaye M. Carr

APPROVED AS TO FORM:
Susan W. Case
Senior Asst. City Attorney



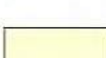

CITY OF PALO ALTO
[Signature]
City Manager

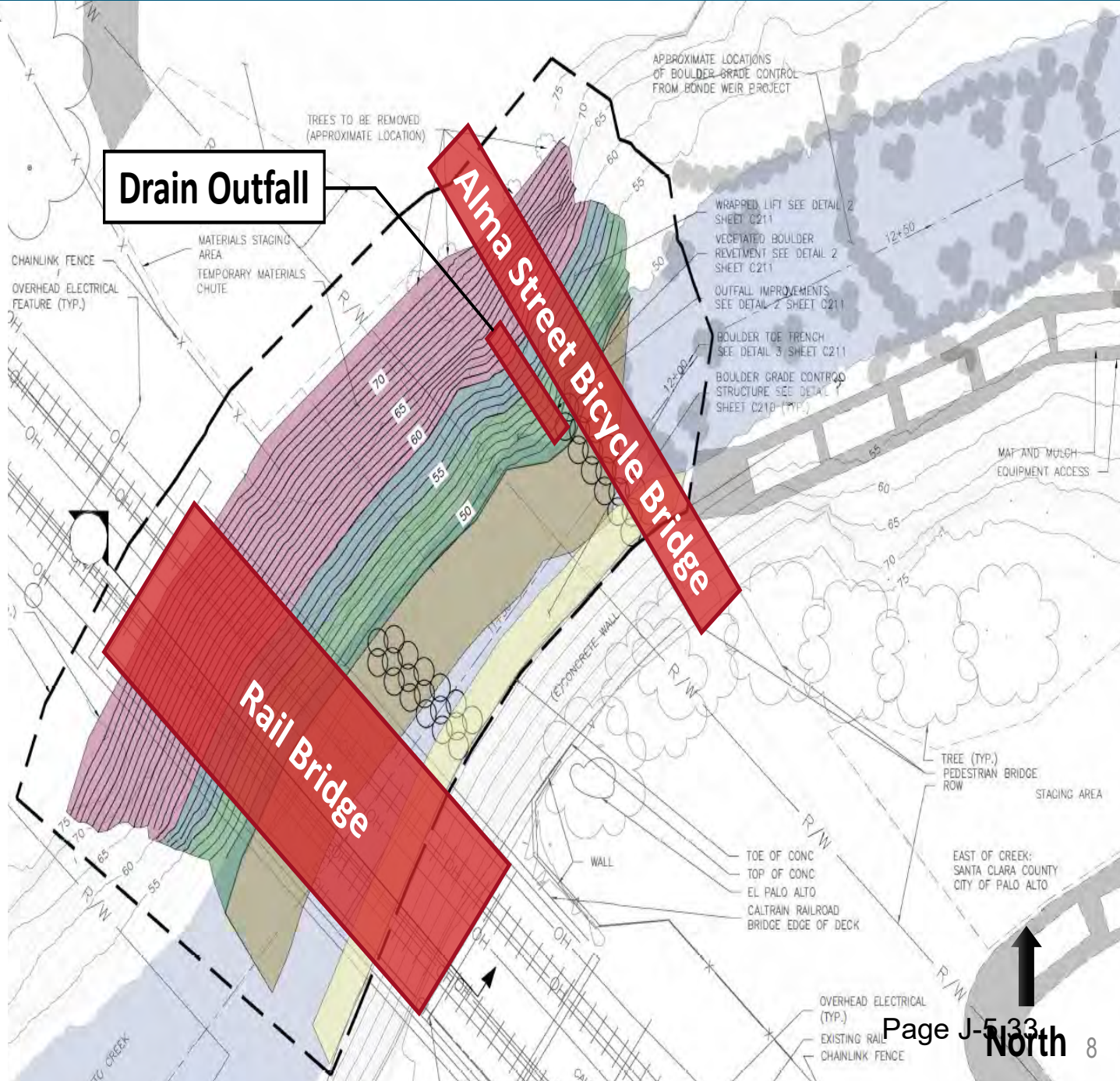
APPROVED:
[Signature]
Director of Public Works
[Signature]
Deputy City Manager,
Administrative Services

8

Preliminary Design Concept

LEGEND

-  Boulder Toe Revetment
-  Vegetated Boulder Revetment
-  Wrapped Lift
-  Erosion Control
-  Boulder Toe Trench
-  Assets to be Protected



The scope of the project will address erosion around:

- Caltrain rail bridge
- Menlo Park drain outfall
- Alma Street Bicycle Bridge



STAFF REPORT

City Council

Meeting Date:

8/15/2023

Staff Report Number:

23-175-CC

Consent Calendar:

Adopt a resolution authorizing staff to submit an application to the San Mateo County Transportation Authority for Measure A & W Highway Program

Recommendation

Staff recommends that the City Council adopt a resolution authorizing staff to submit an application to the San Mateo County Transportation Authority for the Measure A & W Highway Program to support the Willow Road/State Route 114 pedestrian and bicycle safety project (Attachment A).

Policy Issues

The project is consistent with the 2016 General Plan goal and policies. These policies seek to maintain a safe, efficient, attractive, user-friendly circulation system that promotes a healthy, safe and active community and quality of life throughout Menlo Park. The project is also included in the City's Transportation Master Plan (TMP) and the City's capital improvement plan (CIP) and is included in the Caltrans District 4 Bike Plan.

Background

On July 5, 2023, the San Mateo County Transportation Authority (TA) released the 2023 Highway Program call for projects. This grant program includes \$100 million to fund transportation projects that reduce traffic congestion and improve person throughput and safety on the most critical commute corridors in San Mateo County.

Eligible projects must be on the state highway system or included in the TA CIP, the Measure A or W expenditure plans, or receive authorization from the TA. For the proposed project, staff has worked with the TA to obtain the appropriate authorization to apply.

Grant applications are due to SMCTA on Aug. 25, 2023. Notification of awards is anticipated in November 2023. The TA requires a 50% match from local or private funds for the overall project.

Analysis

Staff identified the proposed projects based on several factors, including:

- Compatibility with grant criteria
- Consistency with the City's TMP
- Consistency with other related transportation planning and design efforts in the City and in San Mateo County
- Prior direction and project priorities from City Council

In February 2020, the City partnered with MidPen Housing (MidPen) and Samtrans to submit an application for the Affordable Housing and Sustainable Communities (AHSC) grant to fund transportation improvements including physically separated bicycle facilities (called a Class IV or separated bikeway) on Willow Road adjacent to MidPen's development on Willow Road. The AHSC grant used cap-and-trade money to fund projects that connect affordable housing with low-emission transportation services and infrastructure. The City's application was unsuccessful with this grant.

In June 2022, the City submitted a grant application to the California Active Transportation Program (ATP) to fund additional safety crossing enhancements and Class IV bikeways along Willow Road from Bayfront Expressway to Durham Street (where bicycle lanes currently end). The City was not successful with this grant and conducted a debrief with California Transportation Commission staff in February 2023. The City was encouraged to apply in a future round (typically every other year). However, the ATP grants are expensive to complete and incredibly competitive; often only 10% of projects receive funding and only one project in San Mateo County received funding in the most recent cycle.

On Dec. 13, 2023, the City Council approved the Willow Village development project. As part of that project, the developer will be reconstructing Willow Road along the project frontage. Staff are working with the developer to incorporate the proposed improvements along that portion of Willow Road as part of that project. This grant application would allow the City to extend the improvements to Bayfront Expressway and U.S. 101.

The proposed grant application focuses on the state highway portion of Willow Road (SR 114), which is the only portion of the road that is eligible for this grant program. Willow Road is located in both Menlo Park and East Palo Alto and East Palo Alto will be providing a letter of support for this grant application. The project includes:

- Pedestrian enhancements along Willow Road, including median refuge islands, tighter curb radii to reduce turning speeds, and exploration of signal improvements, such as restricted turn movements. Note that Caltrans has recently implemented leading pedestrian intervals on the crossings of Willow Road as part of a recent resurfacing project.
- Installation of Class IV bikeways on both sides of Willow Road. Staff anticipates constructing the new bike lanes at sidewalk level to provide greater separation from vehicles and reduced maintenance costs. This also presents opportunities to integrate additional landscaping and green infrastructure into the design.
- Narrowing of roadway lanes to help reduce speeds on Willow Road, consistent with new design guidance that Caltrans is in the process of adopting.

The grant would request funding to develop the project approval and environmental documentation (PA&ED) phase, a required Caltrans approval process; the development of plans, specifications and estimates (PS&E); and construction of the project. Caltrans recently completed a project initiation document for the project that identifies the needed information to complete the PA&ED phase efficiently.

The Caltrans project initiation document estimated the cost for this project at \$7,000,000, including all remaining phases of work and Caltrans support. Staff is requesting \$3,500,000 from this grant source consistent with grant requirements for a 50 percent local match.

Impact on City Resources

This project is included in the city's capital improvement program. The City's match for these projects is expected to be funded from Transportation Impact Fees (TIF). In the FY 2022-23 budget, the City Council

allocated \$400,000 in funds to this CIP project to advance the project in anticipation of the ATP grant. This funding carried over into FY 2023-24, and would be used to advance the PA&ED phase of work to be able to move into PS&E and construction if the grant is awarded. Additional funding to match the requested grant amount would be budgeted in future years, and is anticipated to be from TIF funds. Projects funded by this grant are required to commence within one year of receiving funding.

If the City is not successful with this grant, staff intends to initiate the PA&ED phase of work using available City funds and continue to seek grant funds to support the later phases of design or construction of the project.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

The proposed project would undergo required environmental clearance as part of the PA&ED phase of work.

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
- B. Map of project extents

Report prepared by:

Hugh Louch, Assistant Public Works Director - Transportation

Report reviewed by:

Nicole Nagaya, Deputy City Manager

RESOLUTION NO. XXXX**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
SUPPORTING THE WILLOW ROAD/STATE ROUTE 114 PEDESTRIAN AND
BICYCLE SAFETY PROJECT AND AUTHORIZING SUBMITTAL OF AN
APPLICATION FOR THE SAN MATEO COUNTY TRANSPORTATION
AUTHORITY'S 2023 MEASURE A AND MEASURE W HIGHWAY PROGRAM
CALL FOR PROJECTS**

WHEREAS, the City's vision zero action plan identifies Willow Road (State Route 114) as part of the City's high injury network; and,

WHEREAS, the City's Transportation Master Plan and the Caltrans District 4 Bike Plan identify installing Class IV bikeways and pedestrian enhancements on Willow Road to improve safety for all users; and,

WHEREAS, the City developed a concept design for the proposed improvements and Caltrans recently completed a Project Initiation Document (PID) supporting the design and cost estimate to install these improvements; and,

WHEREAS, the cost to complete project approval and environmental documentation (PA&ED); plans, specifications and estimations (PS&E), right of way (ROW), and construction is estimated at \$7,000,000; and,

WHEREAS, the City has started the process to complete the PA&ED phase of work for the project; and,

WHEREAS, the City wishes to sponsor the Willow Road pedestrian and bicycle safety project (the Project); and,

WHEREAS, the City seeks up to \$3,500,000 for PS&E, ROW, and construction; 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 of 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, on November 6, 2018, the voters of San Mateo County approved a ballot measure known as "Measure W," which increased the sales tax in San Mateo County by 1/2 percent, and tasked the TA with administering four of the five transportation program categories pursuant to the Congestion Relief Plan presented to the voters; and,

WHEREAS, the TA issued a Call for Projects for the Measure A and Measure W Highway Program funds on July 5, 2023, and,

WHEREAS, the TA requires applicants for Measure A and/or Measure W funds to submit a resolution in support of the application, in this case for \$3,500,000 in Measure A Highway Program funds for design and construction, and.

WHEREAS, the TA also requires applicants to submit a resolution committing to the completion of the proposed project scope, in this case completing PS&E, ROW, and construction of the proposed pedestrian and bicycle safety improvements on Willow Road/SR 114, and

WHEREAS, the TA also requires applicants to commit matching funds for the completion of project scope if awarded the requested TA Measure A and/or Measure W Highway Program funds; and,

WHEREAS, the TA also requires applicants to authorize the City Manager to execute a funding agreement with the San Mateo County Transportation Authority for the City to receive any Measure A and/or Measure W Highway Program funds awarded; and,

WHEREAS, if the TA Board awards Measure A and/or Measure W Highway Program funds to the PS&E, ROW, and construction phases for pedestrian and bicycle safety improvements on Willow Road, the TA will requires that the City commence work on PS&E, ROW, and construction phases of work within one year of TA Board action.

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

1. Directs staff to submit an application for TA 2023 Measure A and Measure W Highway Program funds for \$3,500,000 for the PS&E, ROW, and construction phases of the Willow Road/State Route 114 pedestrian and bicycle safety improvement project.
2. Authorizes the City Manager to execute a funding agreement with the San Mateo County Transportation Authority for the City to receive any Measure A and/or Measure W Highway Program funds awarded.
3. Commits \$3,500,000 in City of Menlo Park matching funds for the completion of the project if awarded the requested TA Measure A and/or Measure W Highway Program funds, including \$400,000 already committed to the PA&ED phase of work and additional \$3,100,000 committed to the PS&E, ROW and construction phases of work.
4. Directs the City of Menlo Park to commence work on the project within one year of receiving an award of Measure A and/or Measure W Highway Program Funds.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the fifteenth day of August, 2023, by the following votes:

AYES:

NOES:

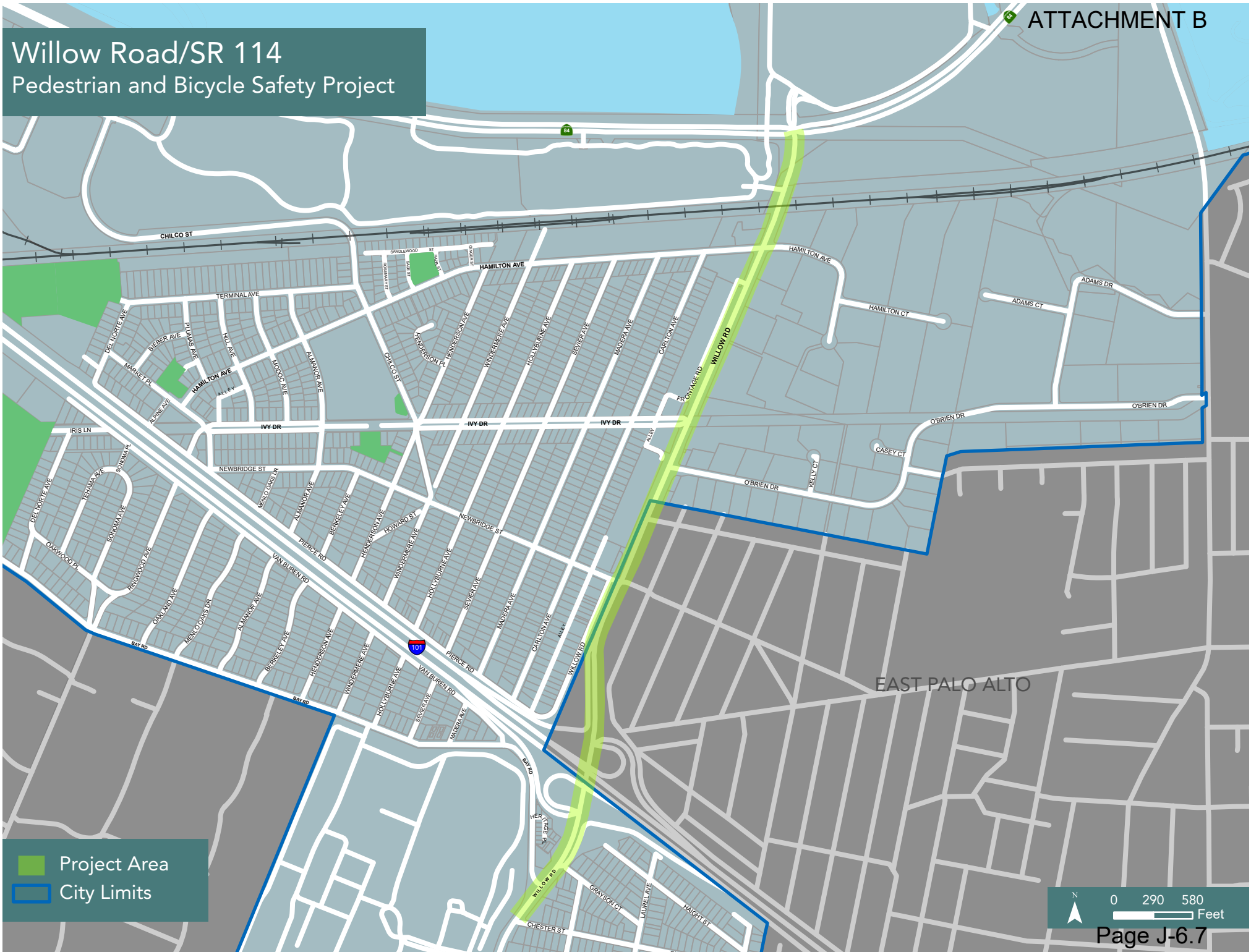
ABSENT:

ABSTAIN:

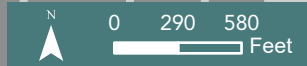
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this __ day of ____, 2023.

Judi A. Herren, City Clerk

Willow Road/SR 114 Pedestrian and Bicycle Safety Project



■ Project Area
■ City Limits





STAFF REPORT

City Council

Meeting Date:

8/15/2023

Staff Report Number:

23-176-CC

Consent Calendar:

Adopt a resolution to authorize South Bayside Waste Management Authority (SBWMA) to acquire real property located at 1245 San Carlos Avenue, Suite E in San Carlos, California.

Recommendation

Staff recommends that the City Council adopt a resolution (Attachment A) to authorize SBWMA to acquire real property located at 1245 San Carlos Avenue, Suite E in San Carlos, California, to be utilized as the administrative offices for SBWMA.

Policy Issues

A purchase of real property by SBWMA must be approved by two-thirds of the Member Agencies, pursuant to The Second Amended and Restated Joint Powers Agreement Article 7, Powers.

Background

SBWMA is a joint powers authority formed pursuant to California Government Code Section 6500 et seq. to provide solid waste and recycling services to its 11 Member Agencies (i.e., County of San Mateo, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, City of San Mateo, Redwood City, San Carlos and West Bay Sanitation District). SBWMA's administrative office has been located in the City of San Carlos' Library for over 16 years. Under the terms of the current lease (ending June 30, 2024), SBWMA occupies 2,429 square feet at a monthly rent of \$5,618, or \$2.31 per square foot. The City of San Carlos will not extend the lease, as their city staff need to utilize the space.

Upon receiving this notice from San Carlos, SBWMA Executive Director Joe La Mariana began working with a commercial real estate broker to find an affordable office space that would:

- Accommodate the current staff and agency/public guests;
- Provide adequate meeting space to host the SBWMA Board of Directors and Technical Advisory Committee (TAC);
- Provide easy access to parking for guests and employees;
- Be located near public transit to accommodate staff members wishing to utilize this mode of transportation, and;
- Be in close proximity to the Shoreway Environmental Center facility (managed by SBWMA) in San Carlos.

Mr. La Mariana researched many rental properties and discovered that the current market lease rates for properties comparable to the San Carlos library space ranges from \$4.50 to \$6.50 per square foot per month. This means that the monthly rent for a comparable space would be approximately \$10,900 to \$15,800. The Executive Director toured many rental properties and found them to be unacceptable due to

the following factors:

- Poor location and far away from the Shoreway Environmental Center facility;
- Inadequate access to public transit;
- Inadequate or lack of parking;
- Over the budget lease/purchase rates;
- Lack of building amenities;
- Poor functionality of available workspace;
- Inadequate building and workspace finishes, such as the Americans with Disabilities Act (ADA) accessibility;
- Deferred maintenance on critical base building systems, such as HVAC, electric, plumbing, mechanical, lighting; and
- Non-code compliance with Title 24 (California Energy Code) and ADA requirements.

In addition to his search of the commercial office rental market, the Executive Director also contacted staff at all Member Agencies to inquire whether they may have suitable available space for long-term leasing within the given mandatory relocation time frame. No sites were identified.

The Executive Director also identified one property currently for sale in the Wheeler Plaza development, located at 1245 San Carlos Avenue, Suite E, in San Carlos (the "Property"). This is the last remaining commercial space for sale in the Wheeler Plaza development (Attachment B). The Property is a Commercial Condominium located directly across the street from the SAMTRANS Building's main entrance. It is currently zoned MU-DC (Mixed Use-Downtown Core), which requires approval from the City Manager to utilize as a Walk-in Clientele Office space. As a result, the City of San Carlos issued a zoning clearance to SBWMA for use of the commercial space May 18, 2023 (Attachment C).

The Property is listed for sale at approximately \$2 million. The unit is approximately 2,800 rentable square feet and currently an empty shell. It presents an opportunity for the organization to provide adequate space for all SBWMA administrative functions, a large conference room to accommodate Board and TAC meetings, and host several community environmental education events. Not only is the Property located one block away from the San Carlos Caltrain Station, but it also provides adequate parking:

- Two dedicated parking spaces below ground;
- 252 free public parking spaces at the adjacent Wheeler Plaza parking garage;
- 30 parking spaces at the Laurel Street parking lot; and
- Additional street parking in nearby neighborhood surface streets.

The SBWMA Board met in closed session at its April, May, and June 2023 regular meetings to discuss whether to direct staff to pursue further rental options or offer to purchase the Property. At the conclusion of its June 2023 discussion, the Board authorized the Executive Director to make an offer to purchase the Property. The seller agreed to a sale of the Property pursuant to the following summary of terms:

- Purchase Price: \$1,700,000
- Due diligence period: Up to 60 days from agreement (this is the period in which SBWMA conducts its due diligence, architectural studies, finance options, etc., and in which SBWMA can back out of the sale and get its deposit refunded)
- Agency contingency: Obtain no less than two-thirds of member agency approvals within 105 days
- Loan to value: Up to 75%
- Deposit: \$50,000
- Close of escrow: No later than Nov. 15, 2023

Analysis

The SBWMA Board of Directors recommends to the Member Agencies that the purchase of the Property should be approved for two reasons. First, the Property meets all the identified criteria regarding location and space. Second, purchasing the Property will result in an approximately 40% cost saving (or approximately \$2.2 million) when compared to leasing a similarly-sized commercial office space over the next 30 years (Attachment D).

The SBWMA Board recommends that the Menlo Park City Council approve the purchase of the Property for use as administrative offices for SBWMA. Upon receiving approval of two-thirds of the Member Agencies and satisfaction of all other contingencies, the SBWMA Board will authorize closing of escrow and purchase the Property in an open session.

Impact on City Resources

There is no fiscal impact to the City associated with the adoption of the resolution.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

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
- B. Property brochure
- C. Zoning clearance from City of San Carlos
- D. Cost analysis of office purchase versus lease

Report prepared by:
Joanna Chen, Management Analyst II

Reviewed by:
Brittany Mello, Administrative Services Director

RESOLUTION NO. XXXX**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK TO AUTHORIZE THE SOUTH BAYSIDE WASTE MANAGEMENT TO ACQUIRE REAL PROPERTY LOCATED AT 1245 SAN CARLOS AVENUE, SUITE E IN SAN CARLOS, CALIFORNIA**

WHEREAS, on December 9, 1999, pursuant to a Joint Exercise of Powers Agreement, executed by twelve member agencies, the South Bayside Waste Management Authority (SBWMA) was formed to provide recycling and solid waste collection services to its member agencies; and

WHEREAS, the City of Menlo Park is a member agency of the SBWMA; and

WHEREAS, SBWMA's administrative offices are currently located in the City of San Carlos' Library through a lease that will expire June 30, 2024, and the City of San Carlos has indicated that it does not wish to renew the lease; and

WHEREAS, SBWMA staff conducted a broad search for office space to lease for its administrative offices once its current office lease expires, but did not find space that suited its needs; and

WHEREAS, a new, unfinished commercial unit located at 1245 San Carlos Avenue, Suite E in San Carlos, California (the Property), which is approximately one block from SBWMA's existing office, is currently listed for sale; and

WHEREAS, SBWMA had a cost analysis prepared by HF&H Consulting to determine whether purchasing the Property and having the Property improved to meet SBWMA's needs would be more cost efficient than entering into a lease for office space. HF&H Consulting determined that purchasing the Property and making necessary improvements on an assumed total budget of \$2.5 million will result in an approximately 40% cost savings, as opposed to entering into a long-term lease for office space at current market rates; and

WHEREAS, the SBWMA Board directed SBWMA staff to submit an offer to purchase the Property, contingent upon approval by no less than two-thirds of the member agencies; and

WHEREAS, pursuant to the signed Purchase Agreement, the seller of the Property has agreed to sell the property for a purchase price of \$1.7 million, which is an amount consistent with the authorization given by the SBWMA Board of Directors; and

WHEREAS, Article 7, Section 7.1.1(a) of the Second Amended and Restated Joint Exercise of Powers Agreement for the SBWMA requires that the acquisition of real property be approved by no less than two-thirds of the member agencies; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Menlo Park approves the acquisition by the SBWMA of the real property located at 1245 San Carlos Ave, Suite E in San Carlos, California, pursuant to the terms of the Purchase Agreement.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the fifteenth of August, 2023, 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 ___ of August, 2023.

Judi A. Herren, City Clerk



FOR SALE

1245 San Carlos Ave

SAN CARLOS, CA



ONLY 1
UNIT LEFT



Retail/Commercial Condominium Units in Downtown San Carlos

FOR SALE unit pricing below

SUITE A & B (Sold)

SUITE C: (Sold)

SUITE D: (Sold)

SUITE E: \$1,988,000

UNIT E has ±2,841 RSF

MONTHLY ASSOCIATION FEE:

\$.14 PSF/month estimated

ON-SITE parking open to the public

OUTSIDE seating possible

RESERVED and secure onsite parking
for employees

18-20 FOOT ceiling height

"WALKER'S PARADISE" walk score of
91 on WalkScore.com

1 BLOCK to the San Carlos
Caltrain station

BRETT WEBER

650.771.3000

brett.weber@kidder.com

LIC N° 00901454

STEVE DIVNEY

650.400.8065

steve.divney@kidder.com

LIC N° 01216239

JOHN MCLELLAN

415.418.9880

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KIDDER.COM

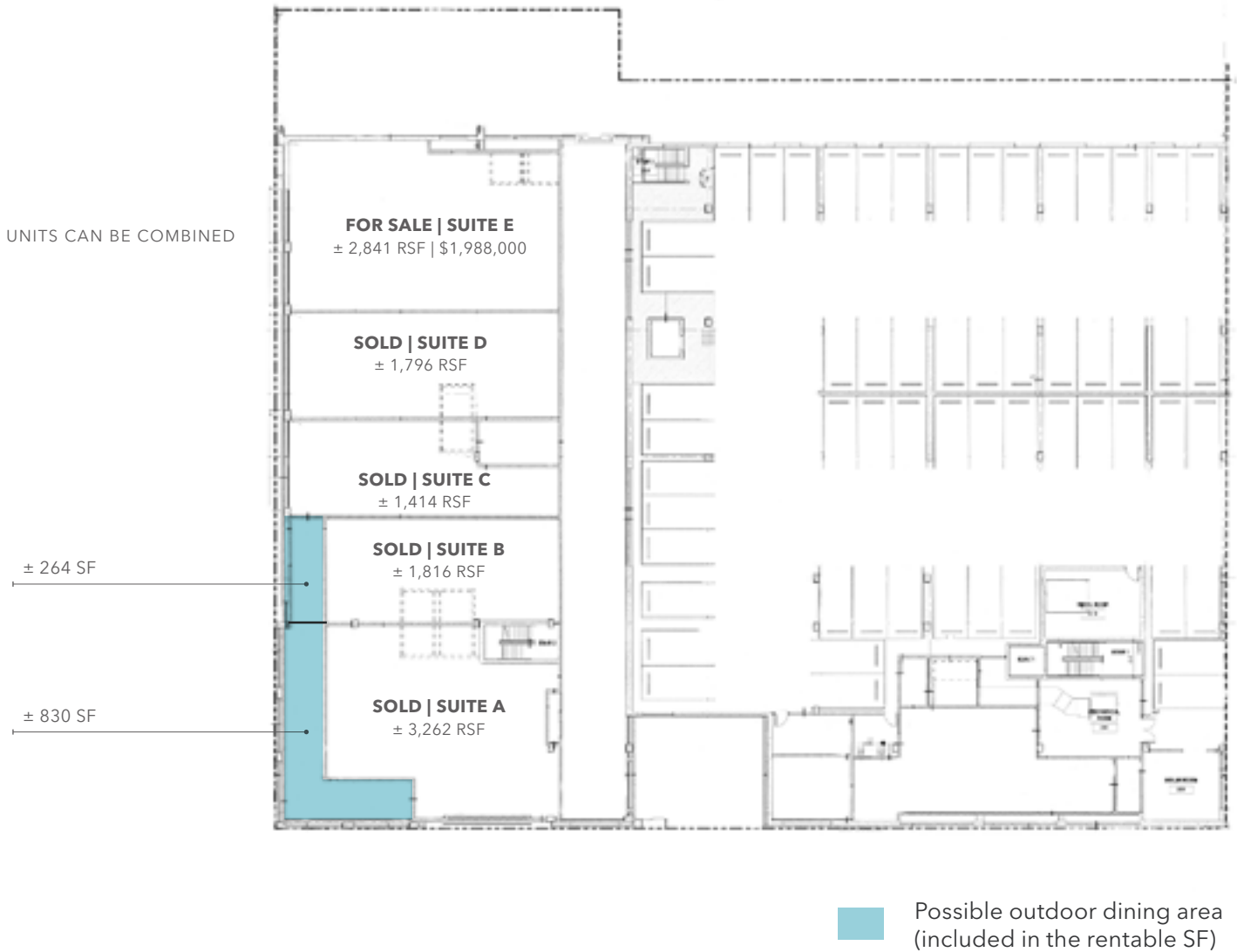
This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty, or guarantee, expressed or implied as to its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of income and expenses. Consult your attorney, accountant, or other professional advisor.

FOR SALE

1245 San Carlos Ave

SAN CARLOS, CA

Floorplan



BRETT WEBER

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FOR SALE

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SAN CARLOS, CA



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km Kidder
Page 17 of 18

FOR SALE

1245 San Carlos Ave

SAN CARLOS, CA



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CITY OF SAN CARLOS
COMMUNITY DEVELOPMENT
PLANNING DIVISION




600 ELM STREET
SAN CARLOS, CA 94070
(650) 802-4263
CITYOFSANCARLOS.ORG

Zoning Clearance

Rethink Waste at 1245 San Carlos Avenue, Suite E

The City of San Carlos received a request from Rethink Waste to occupy 1245 San Carlos Avenue, Suite E, on April 26, 2023. The building at 1245 San Carlos Avenue, also referred to as Wheeler Plaza, is governed by Planned Development Zoning, PD-24. The Disposition and Development Agreement (DDA) for Wheeler Plaza requires approval by the City Manager for Walk-in Clientele Office space. Rethink Waste is classified as Office: Walk-in Clientele. A zoning clearance has been approved by the City Manager for Rethink Waste at 1245 San Carlos Avenue, Suite E. The following conditions as well as any other applicable provisions of the Zoning Code, apply to this approval.

- 1) Business activities shall be conducted as described in the business description dated April 26, 2023.
- 2) An active storefront shall be maintained.
- 3) Any substantial changes to the business activities shall be approved by the City Manager.
- 4) No signs have been approved with this zoning clearance.
- 5) Approval valid for Rethink Waste only.
- 6) Failure to comply with the standards listed above may result in revocation of the zoning clearance.



Jeff Maltbie
City Manager
City of San Carlos

5-18-23
Date

590 Ygnacio Valley Rd, Suite 105
Walnut Creek, California 94596
Telephone: 925/977-6950
Fax: 925/977-6955
www.hfh-consultants.com

Robert D. Hilton, Emeritus
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson
Marva M. Sheehan, CPA
Robert C. Hilton

MEMORANDUM

To: Joe La Mariana, Executive Director – South Bayside Waste Management Authority
From: Rick Simonson, Senior Vice President – HF&H Consultant
Date: June 7, 2023
Subject: Cost Analysis of Office Purchase versus Lease

Background

The South Bayside Waste Management Authority's (SBWMA's) administrative office is currently located in the City of San Carlos Library. The office has been located in this space for over 16 years. Under the terms of the current lease, SBWMA occupies 2,429 square feet at a monthly rent of \$5,618 or \$2.31/sf. The current lease term ends on June 30, 2024 and the City has indicated that the term will not be extended because the space is needed to accommodate San Carlos staff and will no longer be available to the SBWMA.

Since receiving this notice, Executive Director La Mariana has been working with a commercial real estate broker to identify potential alternative spaces. The goal has been to identify an affordable space that will accommodate the current staff and agency/public guests, provide proper space for Board and TAC meetings, have easy access to parking for Board and Technical Advisory Committee (TAC) members, be located near public transit, and be in close/immediate proximity to the Shoreway Facility. With these factors in mind, the Executive Director La Mariana has researched and toured many local properties that are currently available for rent and one property that is currently for sale.

Executive Director La Mariana has toured a property, currently for sale, at 1245 San Carlos Avenue, Suite E, in San Carlos. In addition, working with a commercial real estate broker, Executive Director La Mariana has identified a number of properties available to lease that meet the some, but not all, of criteria above. The current lease rates have been estimated to be between \$4.50-\$6.50 per square foot in the general San Carlos area.

The following analysis compares the projected costs, over a 30-year period, of purchasing the available property versus leasing a property of the same size; the specific property is unknown at this time. An Excel model was developed to calculate the projected costs over time with a number of assumptions. The model has been constructed to allow multiple scenarios regarding costs and funding terms. This memorandum summarizes one such cost scenario. The model will be available to run additional scenarios at any upcoming meetings.

Cost Analysis of 1245 San Carlos Avenue Property

Executive Director La Mariana's discussions with the real estate broker has identified a commercial suite located at 1245 San Carlos Avenue, Suite E, which is 2,841 square feet with 20-foot ceilings which can

MEMORANDUM

Page 2 of 4

accommodate adding a second floor and increase the usable space to 3,977 square feet. The expanded space will accommodate existing SBWMA staff workspaces, ADA-compliant restrooms, a kitchen, storage, and a large fully-wired video conference room available to host Board and TAC meetings.

The estimated cost to purchase and make the necessary interior improvements is \$2.3 million - \$2.5 million. For this analysis we have assumed the high of \$2.5 million.

Figure 1 summarizes the cost assumptions used to evaluate the cost-per-square foot procuring, improving, and maintaining the San Carlos Avenue property. **Figure 2** summarizes the first-year total cost of the property and the projected cost per square foot (\$4.11 per square foot), with additional detail describing the assumptions following **Figure 2**. **Attachment 1** includes a 30-year analysis of projected costs, including the calculation of the present value of the total annual costs of occupying the property over the next 30-years.

Figure 1 – Office Purchase Key Assumptions

Size (at purchase)	2,841	square feet
Estimated Size (at buildout)	3,977	square feet
Property Purchase Price	\$1,700,000	(est. \$1.5 - \$1.7 million)
Plus: Tenant Improvements	\$800,000	
Total Project Cost	\$2,500,000	
Downpayment	30%	
	(\$750,000)	
Total Loan Amount	\$1,750,000	
Loan Term for Pymt Calc	30	years
Amortization	25	years
Balloon Payment	\$551,295	due @ Year 25
Interest Rate	6.19%	
Payments per Year	12	
Bank Fee	0.50%	of loan amount
Broker Fee	1.00%	of purchase price
Association Fees	\$0.14	per sq. ft. per month @ size at purchase
Association/Utilities Fee escalator	5.00%	per year
Reserves Return-on-Investments	2.00%	per year

Figure 2 – Year 1 Cost Summary

		FY 2023-24
Office Purchase Financial Analysis		
Loan Repayment		\$128,482
Bank Fee		\$8,750
Broker Fee		\$17,000
Balloon Payment Reserve		\$16,874
Association Fees		\$4,773
Utilities (excl. refuse)		\$6,000
Opportunity Cost ¹		\$14,485
	Total	\$196,364
	Build-out Square Footage	3,977.00
	\$ per sq. ft. per month	\$4.11

¹Lost investment income from use of reserves for downpayment and upfront bank/broker fees

MEMORANDUM

Page 3 of 4

Loan Repayment, Fees, and Balloon Payment Reserve. One-time loan and broker fees are included in Year 1 only. The estimated annual loan repayment (at the terms included in Figure 1) is repaid over 25 years with a “balloon” payment due in Year 25. For this analysis, we have assumed the SBWMA would reserve 1/25 of the balloon payment each year so the cash is available when due. The calculated annual reserve contribution assumes earned interest on the funds at 2.0% per year. The loan payment terms include a fixed 6.19% interest rate for the first 10 years and adjusted thereafter based on 10-year Treasury plus 2.5%. Our analysis assumes the 6.19% throughout the 25-year term. Actual interest rates may be higher or lower.

Association Fees. Association fees are paid monthly by all property owners (i.e., City of San Carlos, Commercial Owners, and Residential Owners through a Joint Use Agreement). The fees cover common area maintenance, insurance, window washing, natural gas, water, sewer, and refuse. In addition, a portion of the fees are set aside in reserves for future capital repairs and maintenance (e.g., building exterior repair and paint, roofs). In total, the five commercial suites are allocated 4.84% of Joint Maintenance Costs. The \$0.14 per square foot is based on recent budgeted expenses and reserve contributions. The analysis assumes a 5% annual increase, which may vary from the actual annual changes. Unexpected capital needs may arise which shall be assessed to all property owners in excess of the current \$0.14 per square foot fee.

Utilities. The Association fees cover common area utilities, and the refuse needs for the commercial suites. The current understanding is the SBWMA will be responsible for their water, sewer, and electricity needs for their suite. These have been estimated at \$500 per month with a 5% annual escalator for this analysis.

Opportunity Costs. To purchase a property instead of leasing, requires upfront cash outlay for the downpayment and one-time bank/loan fees (\$775,750 in total). The SBWMA has reserves available to make these upfront payments. This analysis includes a “cost” component for the purchase option to recognize the loss of investment income that would otherwise be earned if the cash was continued to be held in reserves. For this analysis, we have assumed the cost of purchasing the property includes the annual loss of investment income at 2.0% per year on the \$775,750 withdrawal from reserves, based on recent historical return-on-investments experienced by the SBWMA.

Cost Analysis of Leasing a Property

Executive Director La Mariana, with assistance from a real estate broker researched and toured dozens of rental properties. Currently, for properties that fit the needs of the SBWMA in this targeted geographic area, leases range from \$4.50 to \$6.50 per square foot per month. Typically, the lease amounts are inclusive of the Common Area Maintenance (CAM) expenses (e.g., water, sewer, refuse, electricity), though the charges are reviewed annually and reconciled for any incremental differences that are passed along (or refunded) to the tenant. For comparison purposes, and to be conservative, we have assumed all CAM-related costs are included in the per square foot lease charge throughout the 30-year period.

Attachment 1 includes a 30-year analysis of projected costs, including the calculation of the present value of the total annual costs of leasing a property over the next 30-years. The analysis assumes the low end

MEMORANDUM

Page 4 of 4

of \$4.50 per square foot per month, escalated 2.0% per year, which is equivalent to approximately \$0.10 per square foot each year.

Limitations

The analysis has been prepared with readily available projections and information provided by SBWMA staff, Beale Street Lending, Barc Architecture, and discussions with the 1245 San Carlos property builder, KB Homes. The projections contained herein may change. Additional costs not contemplated in this financial analysis to acquire the San Carlos property may be incurred.

Recommendation

Figure 3 summarizes the comparison of total estimated costs, and average cost per square foot per month, of the two options: 1) purchasing the San Carlos Avenue property and 2) continue leasing available commercial properties, based on the assumptions and projections described in this memo. Based on this financial analysis, the net present value (based on a present value discount rate of 3.0% annually) of the cost to purchase the San Carlos Avenue property is considerably less (approximately 39% less) than leasing property at the low-end of current market rates. Assuming all costs of purchasing and maintaining the San Carlos Avenue property have been fairly represented, the purchase of the San Carlos Avenue property is recommended. Results may differ if the cost to purchase, finance the property, or other cost factors increase.

Figure 3 – Comparative Summary (detailed analysis provided in Attachment A)

	30-year Costs (in 2023\$)	Average Cost per Sq. Ft. per Month (in 2023\$)
Office Purchase	\$3,446,716	\$2.41
Office Lease	\$5,612,814	\$3.92

ATTACHMENT A

Key Assumptions - Office Purchase

Size (at purchase)	2,841 square feet
Estimated Size (at buildout)	3,977 square feet
Property Purchase Price	\$1,700,000 (est. \$1.5 - \$1.7 million)
Plus: Tenant Improvements	\$800,000
Total Project Cost	\$2,500,000
Downpayment	30% (\$750,000)
Total Loan Amount	\$1,750,000
Loan Term for Pymt Calc	30 years
Amortization	25 years
Balloon Payment	\$551,295 due @ Year 25
Interest Rate	6.19%
Payments per Year	12
Bank Fee	0.50% of loan amount
Broker Fee	1.00% of purchase price
Association Fees	\$0.14 per sq. ft. per month @ size at purchase
Association/Utilities Fee escalator	5.00% per year
Reserves Return-on-Investments	2.00% per year

Key Assumptions - Lease

Size (square feet)	3,977
Lease Amount	\$4.50 per sq. ft. per month (est. (\$4.50-\$6.50))
Annual Lease Amount	\$214,758
Common Area Maint (CAM)	incl. in lease
Lease Inflation Rate	2.00%

water, sewer, electric, refuse, custodial, landscape, etc. (usually part of 1st yr lease amt (baseline), reconciled annually for incremental difference only)

Key Assumptions - General

Present Value Discount Rate	3.0%
-----------------------------	------

Office Purchase Financial Analysis	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	FY 2036-37	FY 2037-38
Loan Repayment	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482
Bank Fee	\$8,750														
Broker Fee	\$17,000														
Balloon Payment Reserve	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874
Association Fees	\$4,773	\$5,012	\$5,262	\$5,525	\$5,801	\$6,092	\$6,396	\$6,716	\$7,052	\$7,404	\$7,775	\$8,163	\$8,571	\$9,000	\$9,450
Utilities (excl. refuse)	\$6,000	\$6,300	\$6,615	\$6,946	\$7,293	\$7,658	\$8,041	\$8,443	\$8,865	\$9,308	\$9,773	\$10,262	\$10,775	\$11,314	\$11,880
Opportunity Cost ¹	\$14,485	\$15,805	\$16,121	\$16,443	\$16,772	\$17,108	\$17,450	\$17,799	\$18,155	\$18,518	\$18,888	\$19,266	\$19,651	\$20,044	\$20,445
Total	\$196,364	\$172,473	\$173,354	\$174,271	\$175,223	\$176,213	\$177,243	\$178,314	\$179,428	\$180,586	\$181,792	\$183,048	\$184,354	\$185,714	\$187,131
Build-out Square Footage	3,977.00														
\$ per sq. ft. per month	\$4.11	\$3.61	\$3.63	\$3.65	\$3.67	\$3.69	\$3.71	\$3.74	\$3.76	\$3.78	\$3.81	\$3.84	\$3.86	\$3.89	\$3.92
Present Value Discount Factor	1.0000	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126
Present Value of Future Cost	\$196,364	\$167,449	\$163,403	\$159,482	\$155,683	\$152,003	\$148,438	\$144,985	\$141,642	\$138,404	\$135,271	\$132,237	\$129,302	\$126,463	\$123,716
30-year Costs (2023)	\$3,446,716														
Monthly NPV cost per square foot	\$2.41														

Office Purchase Financial Analysis	FY 2038-39	FY 2039-40	FY 2040-41	FY 2041-42	FY 2042-43	FY 2043-44	FY 2044-45	FY 2045-46	FY 2046-47	FY 2047-48	FY 2048-49	FY 2049-50	FY 2050-51	FY 2051-52	FY 2052-53	TOTAL
Loan Repayment	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$128,482	\$3,212,056
Bank Fee																\$8,750
Broker Fee																\$17,000
Balloon Payment Reserve	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$16,874	\$421,855
Association Fees	\$9,922	\$10,419	\$10,940	\$11,487	\$12,061	\$12,664	\$13,297	\$13,962	\$14,660	\$15,393	\$16,163	\$16,971	\$17,819	\$18,710	\$19,646	\$317,105
Utilities (excl. refuse)	\$12,474	\$13,097	\$13,752	\$14,440	\$15,162	\$15,920	\$16,716	\$17,552	\$18,429	\$19,351	\$20,318	\$21,334	\$22,401	\$23,521	\$24,697	\$398,633
Opportunity Cost ¹	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$20,854	\$579,758
Total	\$188,606	\$189,726	\$190,902	\$192,137	\$193,433	\$194,794	\$196,223	\$197,724	\$199,300	\$200,954	\$202,684	\$204,489	\$206,369	\$208,325	\$208,854	\$4,955,157
Build-out Square Footage																
\$ per sq. ft. per month	\$3.95	\$3.98	\$4.00	\$4.03	\$4.05	\$4.08	\$4.11	\$4.14	\$4.18	\$4.21	\$4.24	\$4.27	\$4.30	\$4.33	\$4.36	
Present Value Discount Factor	1.5580	1.6047	1.6528	1.7024	1.7535	1.8061	1.8603	1.9161	1.9736	2.0328	2.0938	2.1566	2.2213	2.2879	2.3566	
Present Value of Future Cost	\$121,059	\$118,231	\$115,499	\$112,860	\$110,312	\$107,853	\$105,480	\$103,191	\$100,983	\$98,856	\$96,803	\$94,824	\$92,919	\$91,088	\$89,331	

¹Lost investment income from use of reserves for downpayment and upfront bank/broker fees

Office Lease Financial Analysis	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	FY 2036-37	FY 2037-38
Annual Lease	\$214,758	\$219,053	\$223,434	\$227,903	\$232,461	\$237,110	\$241,852	\$246,689	\$251,623	\$256,656	\$261,789	\$267,025	\$272,365	\$277,812	\$283,369
CAM Charges															
Other															
Total	\$214,758	\$219,053	\$223,434	\$227,903	\$232,461	\$237,110	\$241,852	\$246,689	\$251,623	\$256,656	\$261,789	\$267,025	\$272,365	\$277,812	\$283,369
\$ per sq. ft. per month	\$4.50	\$4.59	\$4.68	\$4.78	\$4.87	\$4.97	\$5.07	\$5.17	\$5.27	\$5.38	\$5.49	\$5.60	\$5.71	\$5.82	\$5.94
\$ change		\$0.09	\$0.09	\$0.09	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.12
Present Value Discount Factor	1.0000	1.0300	1.0609	1.0927	1.1255	1.1593	1.1941	1.2299	1.2668	1.3048	1.3439	1.3842	1.4258	1.4685	1.5126
Present Value of Future Cost	\$214,758	\$212,673	\$210,608	\$208,563	\$206,539	\$204,533	\$202,548	\$200,581	\$198,634	\$196,705	\$194,795	\$192,904	\$191,031	\$189,177	\$187,340
30-year Costs (2023)	\$5,612,814														
Monthly NPV cost per square foot	\$3.92														

Office Lease Financial Analysis	FY 2038-39	FY 2039-40	FY 2040-41	FY 2041-42	FY 2042-43	FY 2043-44	FY 2044-45	FY 2045-46	FY 2046-47	FY 2047-48	FY 2048-49	FY 2049-50	FY 2050-51	FY 2051-52	FY 2052-53	TOTAL
Annual Lease	\$289,036	\$294,817	\$300,713	\$306,727	\$312,862	\$319,119	\$325,501	\$332,012	\$338,652	\$345,425	\$352,333	\$359,380	\$366,568	\$373,899	\$381,377	\$8,712,320
CAM Charges																\$0
Other																\$0
Total	\$289,036	\$294,817	\$300,713	\$306,727	\$312,862	\$319,119	\$325,501	\$332,012	\$338,652	\$345,425	\$352,333	\$359,380	\$366,568	\$373,899	\$381,377	\$8,712,320
\$ per sq. ft. per month	\$6.06	\$6.18	\$6.30	\$6.43	\$6.56	\$6.69	\$6.82	\$6.96	\$7.10	\$7.24	\$7.38	\$7.53	\$7.68	\$7.83	\$7.99	
\$ change		\$0.12	\$0.12	\$0.13	\$0.13	\$0.13	\$0.13	\$0.14	\$0.14	\$0.14	\$0.14	\$0.15	\$0.15	\$0.15	\$0.16	
Present Value Discount Factor	1.5580	1.6047	1.6528	1.7024	1.7535	1.8061	1.8603	1.9161	1.9736	2.0328	2.0938	2.1566	2.2213	2.2879	2.3566	
Present Value of Future Cost	\$185,521	\$183,720	\$181,936	\$180,170	\$178,421	\$176,689	\$174,973	\$173,274	\$171,592	\$169,926	\$168,276	\$166,643	\$165,025	\$163,423	\$161,836	



STAFF REPORT

City Council

Meeting Date: 8/15/2023
Staff Report Number: 23-177-CC

Consent Calendar: **Adopt a resolution approving the fiscal year 2023-24 investment policy for the City and the former Redevelopment Agency of Menlo Park**

Recommendation

Receive the Finance and Audit Commission's (FAC) recommendation and adopt a resolution approving the fiscal year 2023-24 investment policy (Attachment A) for the City and the former Redevelopment Agency of Menlo Park.

Policy Issues

The investment policy provides guidelines for investing City and former Agency funds in accordance with State of California Government Code Section 53601 et seq.

Background

The investment of funds by a California local agency, including the types of securities in which an agency may invest, is governed by the California Government Code. Section 53646(a)(2) of the California Government Code requires that the legislative body of each agency adopt an investment policy, which may add further limitations than those established by the State. In addition, an agency's investment policy must be reviewed annually, and any changes must be adopted at a public meeting. The City of Menlo Park has had such a policy in place since 1990. The investment policy was last reviewed and updated by the City Council June 28, 2022, with resolution 6749.

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

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

Analysis

At its July 20 meeting, the FAC reviewed the current investment policy and investments as presented by

Insight Investment (the City's investment advisor) and staff. The FAC recommended the adoption of the investment policy (Exhibit A of Attachment A).

Impact on City Resources

There is no impact on City resources.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

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 approving the fiscal year 2023-24 investment policy

Report prepared by:

Adrian Patino, Management Analyst II

Reviewed by:

Marvin Davis, Interim Finance Director

RESOLUTION NO. XXXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
ADOPTING THE INVESTMENT POLICY FOR THE CITY AND FORMER
REDEVELOPMENT AGENCY TO BECOME EFFECTIVE IMMEDIATELY**

WHEREAS, California Government Code section 53646(a)(2) requires the Menlo Park City Council to annually review and approve the City of Menlo Park's Investment Policy; and

WHEREAS, staff has reviewed the Investment Policy to ensure any necessary updates have been incorporated since the last Investment Policy was approved;

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

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby adopt and approve the Investment Policy, attached hereto as Exhibit A.

I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing City Council resolution was duly and regularly passed and adopted at a meeting of said City Council on the fifteenth day of August, 2023, 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 ____ day of ____, 2023.

Judi A. Herren, City Clerk

Exhibits:

A. Investment Policy

INVESTMENT POLICY

City Council Policy #CC-23-020

Adopted XXXX

Resolution No. XXXX



Purpose

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

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

This Policy was endorsed and adopted by the City Council of the City of Menlo Park on the XX of XX 2023. It replaces any previous investment policy or investment procedures of the city.

Scope

The provisions of this Policy shall apply to all financial assets of the city and the former Community Development Agency of Menlo Park as accounted for in the city’s comprehensive annual financial report, with the exception of bond proceeds, which shall be governed by the provisions of the related bond indentures or resolutions.

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

Objectives

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

1. Preservation of capital and protection of investment principal through diversification to mitigate risk.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.

Delegation of authority

The management responsibility for the city’s investment program is delegated annually by the City Council to the chief financial officer (the “CFO”) pursuant to California Government Code Section 53607. The City’s administrative services director or designee serves as the CFO. In the absence of the CFO, the finance and budget manager is authorized to conduct investment transactions. The CFO may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The CFO shall maintain a list of persons authorized to transact securities business for the city. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

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

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

INVESTMENT POLICY

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Prudence

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

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

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

Ethic and conflicts of interest

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

Authorized securities and transactions

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

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

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

1. United States treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal agency debentures, federal agency mortgage-backed securities, and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement.
3. Federal instrumentality (government-sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement. Subordinated debt may not be purchased.
4. Medium-term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall have a final maturity not exceeding five years from the date of trade settlement and shall be rated at least "A" or the equivalent by a nationally recognized statistical ratings organization (NRSRO), at the time of purchase.
5. Negotiable certificates of deposit with a maturity not exceeding five years from the date of trade settlement, in state or nationally chartered banks or savings banks that are insured by the FDIC, subject to the limitations of California Government Code Section 53638. Certificates of Deposits may be purchased only from financial institutions that meet the credit criteria set forth in the section of this Policy, "Selection of Banks and Savings Banks." Depending on their maturity, Negotiable Certificates of Deposit shall have a short-term rating of at least A-1+ or

INVESTMENT POLICY

City Council Policy #CC-23-020

Adopted XX

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the equivalent by a NRSRO at the time of purchase.

6. Non-negotiable certificates of deposit and savings deposits with a maturity not exceeding five years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652.
7. Municipal and State obligations:
 - A. Municipal bonds with a final maturity not exceeding five years from the date of trade settlement. Such bonds include registered treasury notes or bonds of any of the 50 United States and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the states. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
 - B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
8. Prime commercial paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500 million, and (3) have debt other than commercial paper, if any, that is rated in at least the "A" category or the equivalent by an NRSRO.
 - B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond, and (3) have commercial paper that is rated at least "A-1" or the equivalent or higher by a NRSRO.
9. Eligible banker's acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least "A" or the equivalent by a NRSRO at the time of purchase.
10. Repurchase agreements with a final termination date not exceeding 30 days collateralized by the U.S. Treasury obligations, federal agency securities, or federal instrumentality securities listed in items #1 through #3 above, with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the city's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the city's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase agreements shall be entered into only with banks and with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute a city approved Master Repurchase Agreement with the city. The CFO shall maintain a copy of the city's approved Master Repurchase Agreement along with a list of the banks and broker/dealers who have executed same.
11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1
12. Money market funds registered under the Investment Company Act of 1940 which (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in this Policy and (4) have a rating of at least "AAA" or the equivalent by at least two NRSROs.

Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the city's discretion.

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

INVESTMENT POLICY

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Investment diversification

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

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

Type of security	Maximum percentage of the total portfolio
U.S. Treasury obligations	100%
Federal agency securities	100%†
Federal instrumentality securities†	100% †
Repurchase agreements	100%
Local government investment pools	100%
Aggregate amount of Certificates of deposit, negotiable and non-negotiable	25%
Aggregate amount of prime commercial paper*	25%
Aggregate amount of money market funds *	20%
Aggregate amount of municipal bonds*	30%
Aggregate amount of eligible banker's acceptances*	15%
Aggregate amount of medium-term notes*	30%

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

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

Portfolio maturities and liquidity

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

Selection of broker/dealers

The CFO shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the city to purchase securities only from those authorized firms. To be eligible, a firm must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

The city may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved Broker/Dealers. The list of approved firms shall be provided to the city on an annual basis or upon request.

In the event that an external investment advisory firm is not used in the process of recommending a particular transaction, each authorized broker/dealer shall be required to submit and annually update a city approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The CFO shall maintain a list of the broker/dealers that have been approved by the city, along with each firm's most recent broker/dealer information request form. The city may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 8 of the authorized securities and transactions section of this Policy.

Competitive transactions

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

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

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Selection of banks and savings banks

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

Safekeeping and custody

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

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

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

Portfolio performance

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

Portfolio review and reporting

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The city may, from time to time, be invested in a security whose rating is downgraded below the minimum ratings set forth in this Policy. In the event a rating drops below the minimum allowed rating category for that given investment type, the administrative services director shall notify the city manager and/or designee and recommend a plan of action. Appropriate documentation of such a review, along with the recommended action and final decision shall be retained for audit.

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

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

Policy review

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

INVESTMENT POLICY

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Adopted XX

Resolution No. XXXX

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Procedure history		
Action	Date	Notes
Procedure adoption	January 14, 1997	Resolution No. 4784
Procedure adoption	February 17, 1998	Resolution No. 4871
Procedure adoption	February 2, 1999	Resolution No. 5064
Procedure adoption	May 9, 2000	Adopted by minute order
Procedure adoption	February 13, 2001	Resolution No. 5283
Procedure adoption	February 5, 2002	Resolution No. 5362
Procedure adoption	June 24, 2003	Resolution No. 5457
Procedure adoption	June 20, 2004	Resolution No. 5545
Procedure adoption	August 15, 2005	Resolution No. 5616
Procedure adoption	July 25, 2006	Resolution No. 5960
Procedure adoption	July 31, 2007	Resolution No. 5759
Procedure adoption	September 23, 2008	Resolution No. 5825
Procedure adoption	September 1, 2009	Resolution No. 5886
Procedure adoption	August 31, 2010	Resolution No. 5957
Procedure adoption	September 27, 2011	Resolution No. 6028
Procedure adoption	September 18, 2012	Resolution No. 6103
Procedure adoption	October 15, 2013	Resolution No. 6171
Procedure adoption	August 19, 2014	Resolution No. 6221
Procedure adoption	August 25, 2015	Resolution No. 6286
Procedure adoption	September 13, 2016	Resolution No. 6343
Procedure adoption	August 20, 2019	Adopted by minute order
Procedure adoption	August 11, 2020	Adopted by minute order
Procedure adoption	August 17, 2021	Resolution No. 6651
Procedure adoption	June 28, 2022	Resolution No. 6749



STAFF REPORT

City Council

Meeting Date: 8/15/2023

Staff Report Number: 23-178-CC

Consent Calendar: Receive and file the investment portfolio as of June 30, 2023,

Recommendation

At its' July 20 meeting, the Finance and Audit Commission (FAC) recommended that the City Council receive and file the City's investment portfolio report as of June 30, 2023.

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.

Analysis

Investment Portfolio as of June 30, 2023

The City's investment portfolio's fair value basis as of June 30, 2023, totaled \$192,424,413. As shown below in Table 1, the City's investments by type are measured by the amortized cost as well as the fair value as of June 30, 2023. The Local Agency Investment Fund (LAIF), managed by the California State Treasurer, is considered a safe investment, as it provides the liquidity of a money market fund. The remaining securities are prudent and range from short to longer-term investments (1-5 years), bearing higher interest rates for longer maturities.

Table 1: Recap of investments held as of June 30, 2023			
Security	Amortized cost basis	Fair value basis	% of portfolio
LAIF	\$10,106,829	\$10,106,829	5%
Securities portfolio			
Cash	\$642,098	\$642,098	0.3%
Corporate bonds	\$53,000,651	\$51,478,338	27%
Government agencies	\$64,312,440	\$62,750,867	33%
Government bonds	\$69,871,373	\$67,446,281	35%
Short Term Bills, Notes	\$0	\$0	0%
Total	\$197,933,392	\$192,424,413	100%

As shown in Table 1, the fair value of the City’s securities was \$5.5 million less than the amortized cost as of June 30, 2023. The difference between amortized cost and fair value is referred to as an unrealized loss or gain, and is due to market values fluctuating from one period to another. When securities fair values are less than amortized cost, it generally signals that interest rates are rising. 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. The consolidated portfolio report for the quarter ending June 30, 2023, is included as Attachment A, and each component is described in detail below.

Local Agency Investment Fund (LAIF)

As previously shown in Table 1, 5% of the portfolio resides in the City’s account at the LAIF, a liquid fund managed by the California State Treasurer, yielding 3.17% for the quarter ended June 30, 2023. LAIF yields have fluctuated greatly over recent years, gradually increasing from historic lows following the Great Recession, then falling rapidly during the course of the COVID-19 public health emergency. To take advantage of fixed security rising interest rates, staff has moved a significant amount of the balance in LAIF and Union Bank to longer-term securities. Staff developed a cash flow model with the City’s consultant, Insight Investment, and established an overall liquid balance between LAIF and Union Bank.

Securities Portfolio

As of June 30, 2023, the City held a number of securities in corporate bonds, government agency notes and government bonds, which reflect a diversified mix in terms of type but all at low risk. Insight Investment serves as the City’s financial adviser on security investments and makes recommended trades, purchases, and sales of securities that align market conditions to the City Council-adopted investment policy to the greatest extent possible. The Insight Investment statement for the period ended June 30, 2023, is provided in Attachment B, and includes the positions the City held as of June 30, 2023, along with maturities, purchases and transactions. The FAC recommended rating of the City’s corporate investments based on an Environmental, Social, Governance (ESG) scale. Attachment C outlines these investments relative to a scale of 1 – 5, 1 being the best investment. The overall score remains unchanged at 3.0. With a score of 3.0 being average, the City’s investments in line with the average.

Performance Comparison

As specified in the City’s investment policy, the performance of the portfolio is measured against the benchmark of a treasury bond. In the quarter ending June 30, 2023, the City’s portfolio returned a weighted average of 2.68% having a weighted average maturity of 1.93 years. The average 2 Year Treasury Note saw a yield of 2.11%, or 0.57% lower than the City’s portfolio performance. Primary factors influencing the City’s portfolio are supply chain problems associated with the pandemic, Russia’s military conflict with Ukraine, and Federal Reserve fiscal management policy.

Impact on City Resources

Considering LAIF as well as US Bank, the City has sufficient funds available to meet its expenditure requirements for the next six months.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

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. City summary portfolio report for the quarter ended June 30, 2023
- B. City detailed portfolio report for the period ended June 30, 2023
- C. City ESG rating as of June 30, 2023

Report prepared by:

Adrian Patino, Management Analyst II

Reviewed by:

Marvin Davis, Interim Finance Director

City of Menlo Park Quarterly Consolidated Portfolio Report June 30, 2023

City Managed Assets

			%	Return
LAIF	\$	10,106,829	5%	3.17%
Total Internally Managed	\$	10,106,829	5%	

Weighted Average Yield **3.17%**

	Days
Effective Average Duration - Internal	1
Weighted Average Maturity - Internal	1

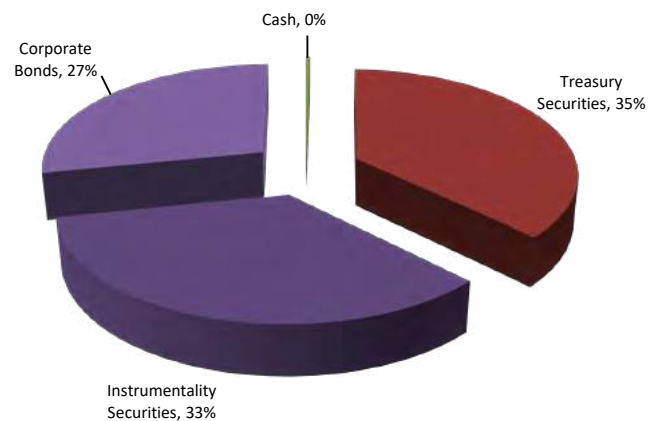


Advisor Managed Assets

			%	Return
Cash	\$	642,098	0%	3.00%
Treasury Securities	\$	67,446,281	35%	2.37%
Instrumentality Securities	\$	62,750,867	33%	3.12%
Corporate Bonds	\$	51,478,338	27%	2.45%
Total Externally Managed	\$	182,317,584	95%	

Weighted Average Yield **2.65%**

	Years
Effective Average Duration - External	1.91
Weighted Average Maturity - External	2.04

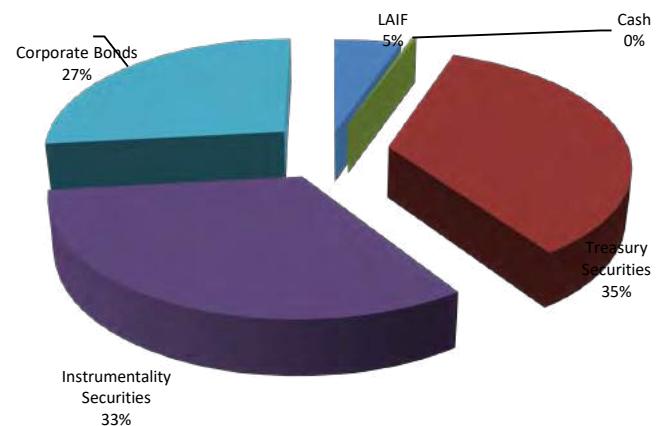


Total Portfolio Assets

			%	Return
LAIF	\$	10,106,829	5%	3.17%
Cash	\$	642,098	0%	3.00%
Treasury Securities	\$	67,446,281	35%	2.37%
Instrumentality Securities	\$	62,750,867	33%	3.12%
Corporate Bonds	\$	51,478,338	27%	2.45%
Total Portfolio Assets	\$	192,424,412		

Weighted Average Yield **2.68%**

	Years
Effective Average Duration - Total	1.81
Weighted Average Maturity - Total	1.93



Portfolio Change

Beginning Balance	\$	188,022,434
Ending Balance	\$	192,424,412

* Note: All data for external assets was provided by the client and is believed to be accurate.

Insight Investment does not manage the external assets and this report is provided for the client's use.

Market values are presented.

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CITY OF MENLO PARK

June 2023

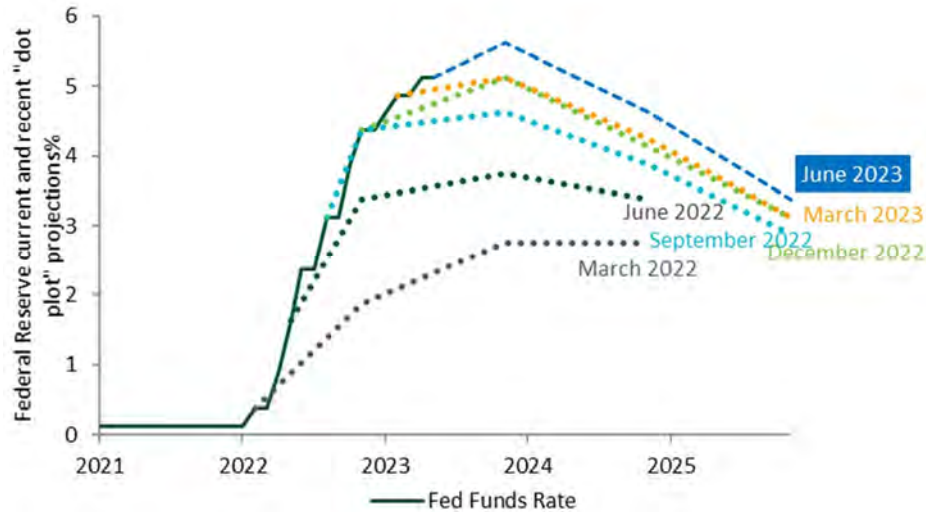


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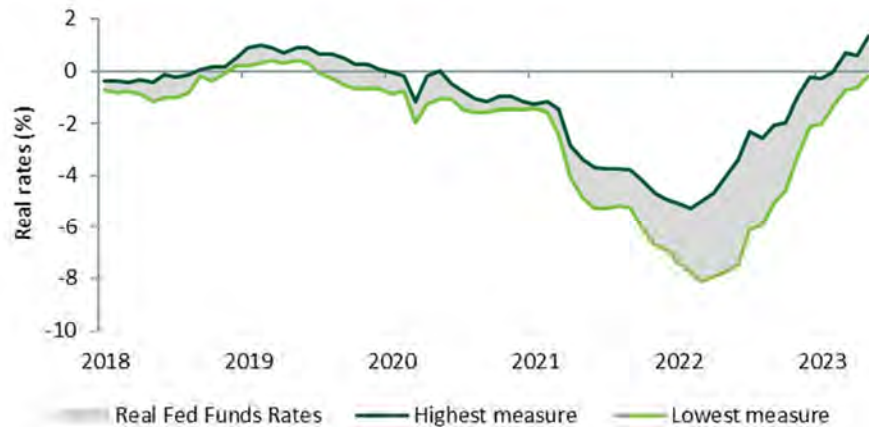
As of June 30, 2023

Chart 1: The FOMC's "dot plot" was amended



Source: Bureau of Labor Statistics, June 30, 2023

Chart 2: Core services inflation showed no signs of flagging



Source: Federal Reserve, June 30, 2023

Economic Indicators and Monetary Policy

The Federal Reserve kept rates on hold for the first time since February 2022. However, it delivered a decidedly hawkish message. After keeping its quarterly median “dot plot” projections relatively static over the previous two quarters, the Fed increased its projections (Chart 1), now reflecting two additional 25bp hikes in 2023 when many had expected a maximum of one. Real Fed Funds Rates moved into positive territory indicating the Fed’s policy will have a restrictive impact at current levels.

Headline CPI continued to make strong progress, reaching 4.0% year-on-year in May, falling from 4.9% in April, the lowest since early 2021. On the other hand, Core CPI remained stubborn, at 5.3%, only down from 5.5% last month, and over a longer period not much lower than its 5.6% rate in January this year. Of the non-core categories, energy was the largest negative contributor. Core goods prices continued to pick up, but this was almost entirely due to a continuing bounce in used vehicle prices. Shelter was once again the largest weighted monthly contributor, but it appears to be past its peak. “Supercore” CPI, the Fed’s closely watched inflation measure, continued to moderate from 5.1% to 4.6%.

Q1 GDP was revised upward from 1.3% to 2.0% (a second upward revision from an initial 1.1% estimate). Consumption, particularly services spending, was revised up and net exports were revised stronger. Elsewhere, durable goods orders were stronger than expected, increasing by 1.7% month-on-month. Particularly strong sectors were transportation goods with increases for new orders for both autos and aircrafts.

The labor market remained resilient. Payrolls rose by 339,000 in May, stronger than consensus expectations for ~200,000. Private payrolls rose by 283,000 jobs, with a 26,000 increase in goods sectors and a 257,000 increase in services. Wage growth remained stable on a year-on-year basis at 4.3%. The unemployment rate rose to 3.7% from 3.4% with the participation rate unchanged at 62.6%.

Interest Rate Summary

Yields rose across the curve. At the end of June, the 3-month US Treasury bill yielded 5.30%, the 6-month US Treasury bill yielded 5.43%, the 2-year US Treasury note yielded 4.90%, the 5-year US Treasury note yielded 4.16% and the 10-year US Treasury note yielded 3.84%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2023 - June 30, 2023

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	187,459,165.16
Income received	251,770.64
Total receipts	251,770.64
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Change in accruals from security movement	0.00
Total amortization expense	(53,344.48)
Total OID/MKT accretion income	168,971.96
Return of capital	0.00
Closing balance	187,826,563.28
Ending fair value	182,317,583.72
Unrealized gain (loss)	(5,508,979.56)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	3,311.89	0.00	0.00	3,311.89
Corporate Bonds	123,221.96	(16,913.37)	0.00	106,308.59
Government Agencies	112,690.89	52,480.83	0.00	165,171.72
Government Bonds	57,277.08	80,060.02	0.00	137,337.10
Total	296,501.82	115,627.48	0.00	412,129.30

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	3.82	2.33	0.41
Overnight Repo	3.81	2.34	0.41
Merrill Lynch 3m US Treas Bill	3.99	2.34	0.41
Merrill Lynch 6m US Treas Bill	4.17	2.33	0.41
ML 1 Year US Treasury Note	4.42	2.38	0.42
ML 2 Year US Treasury Note	4.09	2.11	0.37
ML 5 Year US Treasury Note	3.53	1.84	0.32

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	296,501.82
Accretion (amortization)	115,627.48
Realized gain (loss) on sales	0.00
Total income on portfolio	412,129.30
Average daily amortized cost	187,633,159.54
Period return (%)	0.22
YTD return (%)	1.28
Weighted average final maturity in days	745

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2023 - June 30, 2023

<u>Fair Value Basis Activity Summary</u>		
Opening balance		183,009,751.66
Income received	251,770.64	
Total receipts		251,770.64
Total disbursements		0.00
Interportfolio transfers	0.00	
Total Interportfolio transfers		0.00
Unrealized gain (loss) on security movements		0.00
Change in accruals from security movement		0.00
Return of capital		0.00
Change in fair value for the period		(943,938.58)
Ending fair value		182,317,583.72

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	3,311.89	0.00	3,311.89
Corporate Bonds	123,221.96	(195,835.62)	(72,613.66)
Government Agencies	112,690.89	(348,136.04)	(235,445.15)
Government Bonds	57,277.08	(399,966.92)	(342,689.84)
Total	296,501.82	(943,938.58)	(647,436.76)

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	3.82	2.33	0.41
Overnight Repo	3.81	2.34	0.41
ICE Bofa 3 Months US T-BILL	3.59	2.25	0.46
ICE Bofa 6m US Treas Bill	3.63	2.25	0.48
ICE Bofa 1 Yr US Treasury Note	1.93	1.67	0.23
ICE BofA US Treasury 1-3	0.13	0.97	(0.48)
ICE BofA US Treasury 1-5	(0.43)	0.94	(0.75)

* rates reflected are cumulative

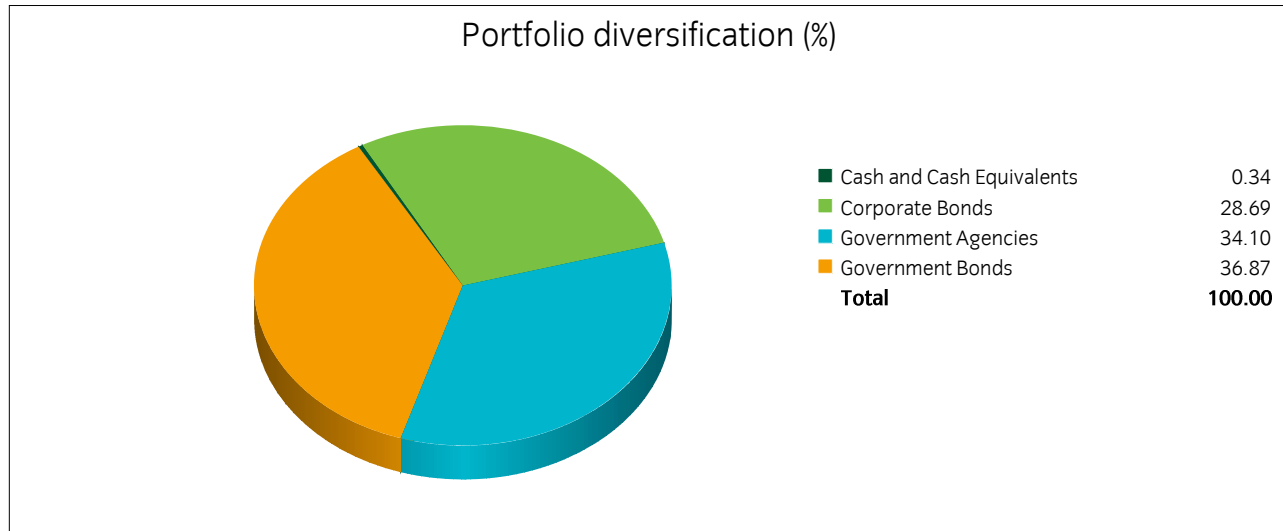
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	296,501.82
Change in fair value	(943,938.58)
Total income on portfolio	(647,436.76)
Average daily total value *	183,596,957.74
Period return (%)	(0.35)
YTD return (%)	1.39
Weighted average final maturity in days	745

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of June 30, 2023

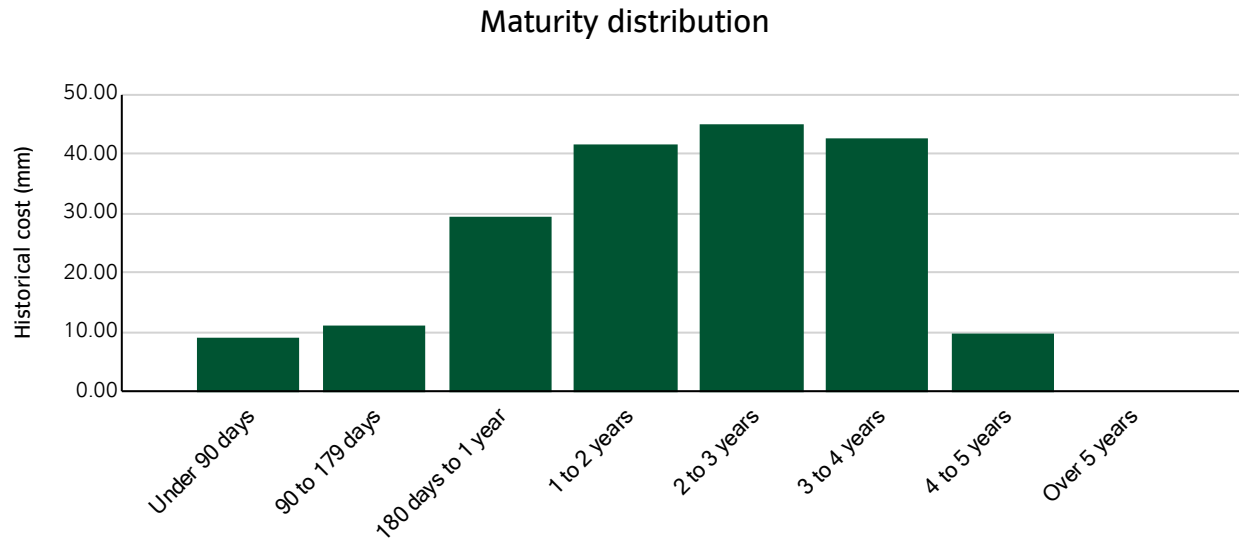
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	642,097.94	642,097.94	642,097.94	0.00	1	0.34	0.00
Corporate Bonds	53,809,090.22	53,000,651.40	51,478,337.91	(1,522,313.49)	736	28.69	1.81
Government Agencies	63,956,683.24	64,312,440.93	62,750,867.36	(1,561,573.57)	726	34.10	1.87
Government Bonds	69,154,212.88	69,871,373.01	67,446,280.51	(2,425,092.50)	777	36.87	2.04
Total	187,562,084.28	187,826,563.28	182,317,583.72	(5,508,979.56)	745	100.00	1.91



MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2023

Maturity	Historic cost	Percent
Under 90 days	8,855,814.20	4.72
90 to 179 days	10,922,430.87	5.82
180 days to 1 year	29,295,104.54	15.62
1 to 2 years	41,474,137.97	22.11
2 to 3 years	44,857,211.83	23.92
3 to 4 years	42,578,471.43	22.70
4 to 5 years	9,578,913.44	5.11
Over 5 years	0.00	0.00
	187,562,084.28	100.00



SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Cash and Cash Equivalents										
	Cash and Cash Equivalents	0.000		642,097.94	642,097.94	642,097.94	642,097.94	0.00	0.00	0.34
Total Cash and Cash Equivalents				642,097.94	642,097.94	642,097.94	642,097.94	0.00	0.00	0.34
Corporate Bonds										
459200HP9	IBM CORP 3.375% 01AUG2023	3.375	08/01/2023	1,000,000.00	1,061,840.00	1,002,569.76	997,892.96	(4,676.80)	13,968.75	0.57
742718EB1	PROCTER & GAMBLE CO/THE 3.1% 15AUG2023	3.100	08/15/2023	1,000,000.00	1,041,328.13	1,001,252.37	998,269.36	(2,983.01)	11,625.00	0.56
89236THA6	TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023	1.350	08/25/2023	1,000,000.00	1,021,010.00	1,001,345.23	994,747.93	(6,597.30)	4,687.50	0.54
24422EUM9	JOHN DEERE CAPITAL CORP 3.65% 12OCT2023	3.650	10/12/2023	950,000.00	1,005,926.50	953,891.20	944,923.14	(8,968.06)	7,512.92	0.54
14913R2S5	CATERPILLAR FINL SERVICE 0.95% 10JAN2024	0.950	01/10/2024	1,000,000.00	993,070.00	998,127.03	976,426.13	(21,700.90)	4,486.11	0.53
89236THU2	TOYOTA MOTOR CREDIT CORP 0.45% 11JAN2024	0.450	01/11/2024	1,800,000.00	1,797,858.00	1,799,506.49	1,752,480.72	(47,025.77)	3,802.50	0.96
02665WCT6	AMERICAN HONDA FINANCE 3.55% 12JAN2024	3.550	01/12/2024	1,000,000.00	1,090,440.00	1,016,004.13	989,022.87	(26,981.26)	16,566.67	0.58
24422EVN6	JOHN DEERE CAPITAL CORP 0.45% 17JAN2024	0.450	01/17/2024	800,000.00	787,240.00	796,459.55	778,361.34	(18,098.21)	1,630.00	0.42
17325FAS7	CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23)	3.650	01/23/2024 12/23/2023	1,500,000.00	1,618,310.00	1,522,268.73	1,482,689.01	(39,579.72)	23,877.08	0.86
693475AV7	PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23)	3.500	01/23/2024 12/24/2023	1,000,000.00	1,047,210.00	1,005,139.92	987,411.26	(17,728.66)	15,263.89	0.56

SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Corporate Bonds										
91159HHV5	US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24)	3.375	02/05/2024 01/05/2024	1,000,000.00	1,067,060.00	1,014,664.42	985,494.27	(29,170.15)	13,593.75	0.57
594918BX1	MICROSOFT CORP 2.875% 06FEB2024 (CALLABLE 06DEC23)	2.875	02/06/2024 12/06/2023	960,000.00	993,734.40	963,332.85	945,482.04	(17,850.81)	11,040.00	0.53
24422EUX5	JOHN DEERE CAPITAL CORP 2.6% 07MAR2024	2.600	03/07/2024	1,450,000.00	1,476,419.00	1,453,957.24	1,421,126.64	(32,830.60)	11,833.61	0.79
459200JY8	IBM CORP 3% 15MAY2024	3.000	05/15/2024	2,000,000.00	2,141,300.00	2,039,146.44	1,954,659.94	(84,486.50)	7,500.00	1.14
14913R2L0	CATERPILLAR FINL SERVICE 0.45% 17MAY2024	0.450	05/17/2024	1,600,000.00	1,597,536.00	1,599,280.77	1,531,520.32	(67,760.45)	860.00	0.85
06051GHL6	BANK OF AMERICA CORP 3.864% 23JUL2024 (CALLABLE 23JUL23)	3.864	07/23/2024 07/23/2023	1,500,000.00	1,605,540.00	1,503,064.92	1,498,161.78	(4,903.14)	25,277.00	0.86
693506BQ9	PPG INDUSTRIES INC 2.4% 15AUG2024 (CALLABLE 15JUL24)	2.400	08/15/2024 07/15/2024	2,000,000.00	2,012,600.00	2,002,854.98	1,919,930.06	(82,924.92)	18,000.00	1.07
89236TGL3	TOYOTA MOTOR CREDIT CORP 2% 07OCT2024	2.000	10/07/2024	1,000,000.00	999,410.00	999,842.23	959,127.98	(40,714.25)	4,611.11	0.53
69353REF1	PNC BANK NA 3.3% 30OCT2024 (CALLABLE 30SEP24)	3.300	10/30/2024 09/30/2024	2,500,000.00	2,737,590.00	2,583,237.95	2,410,493.08	(172,744.87)	13,750.00	1.46
14913Q3B3	CATERPILLAR FINL SERVICE 2.15% 08NOV2024	2.150	11/08/2024	1,000,000.00	1,048,770.00	1,018,043.79	958,238.32	(59,805.47)	3,105.56	0.56
931142DV2	WALMART INC 2.65% 15DEC2024 (CALLABLE 15OCT24)	2.650	12/15/2024 10/15/2024	1,500,000.00	1,595,520.00	1,539,800.00	1,445,148.23	(94,651.77)	1,656.25	0.85
90331HMS9	US BANK NA CINCINNATI 2.8% 27JAN2025 (CALLABLE 27DEC24)	2.800	01/27/2025 12/27/2024	1,000,000.00	995,210.00	997,294.89	954,534.68	(42,760.21)	11,900.00	0.53

SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Corporate Bonds										
02665WEC1	AMERICAN HONDA FINANCE 4.75% 12JAN2026	4.750	01/12/2026	2,000,000.00	2,029,820.00	2,028,270.10	1,990,482.10	(37,788.00)	44,333.33	1.08
437076BM3	HOME DEPOT INC 3% 01APR2026 (CALLABLE 01JAN26)	3.000	04/01/2026 01/01/2026	3,000,000.00	2,948,280.00	2,961,520.63	2,869,443.45	(92,077.18)	22,250.00	1.57
46625HRS1	JPMORGAN CHASE & CO 3.2% 15JUN2026 (CALLABLE 15MAR26)	3.200	06/15/2026 03/15/2026	1,500,000.00	1,437,795.00	1,445,831.30	1,429,288.13	(16,543.17)	2,000.00	0.77
91159HHN3	US BANCORP 2.375% 22JUL2026 (CALLABLE 22JUN26)	2.375	07/22/2026 06/22/2026	2,000,000.00	1,912,040.00	1,931,929.83	1,826,717.98	(105,211.85)	20,847.22	1.02
594918BR4	MICROSOFT CORP 2.4% 08AUG2026 (CALLABLE 08MAY26)	2.400	08/08/2026 05/08/2026	2,000,000.00	1,939,660.00	1,953,152.69	1,876,987.10	(76,165.59)	18,933.33	1.03
88579YAV3	3M COMPANY 2.25% 19SEP2026 (CALLABLE 19JUN26)	2.250	09/19/2026 06/19/2026	2,000,000.00	1,906,760.00	1,927,032.30	1,833,487.90	(93,544.40)	12,625.00	1.02
713448DN5	PEPSICO INC 2.375% 06OCT2026 (CALLABLE 06JUL26)	2.375	10/06/2026 07/06/2026	1,000,000.00	967,260.00	974,297.57	937,915.36	(36,382.21)	5,541.67	0.52
437076CA8	HOME DEPOT INC 2.5% 15APR2027 (CALLABLE 15FEB27)	2.500	04/15/2027 02/15/2027	1,200,000.00	1,104,228.00	1,117,883.93	1,113,089.32	(4,794.61)	6,250.00	0.59
91159HHR4	US BANCORP 3.15% 27APR2027 (CALLABLE 27MAR27)	3.150	04/27/2027 03/27/2027	2,000,000.00	1,865,100.00	1,868,070.10	1,848,122.04	(19,948.06)	11,025.00	0.99
037833CR9	APPLE INC 3.2% 11MAY2027 (CALLABLE 11FEB27)	3.200	05/11/2027 02/11/2027	2,121,000.00	2,062,439.19	2,072,628.21	2,024,070.51	(48,557.70)	9,238.13	1.10
693475AT2	PNC FINANCIAL SERVICES 3.15% 19MAY2027 (CALLABLE 19APR27)	3.150	05/19/2027 04/19/2027	1,100,000.00	1,033,901.00	1,036,878.84	1,015,196.05	(21,682.79)	3,946.25	0.55
037833DB3	APPLE INC 2.9% 12SEP2027 (CALLABLE 12JUN27)	2.900	09/12/2027 06/12/2027	1,000,000.00	947,060.00	953,107.63	938,347.70	(14,759.93)	8,700.00	0.50

SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Corporate Bonds										
02665WED9	AMERICAN HONDA FINANCE 4.7% 12JAN2028	4.700	01/12/2028	2,300,000.00	2,326,225.00	2,324,936.95	2,280,986.45	(43,950.50)	50,446.67	1.24
194162AR4	COLGATE-PALMOLIVE CO 4.6% 01MAR2028 (CALLABLE 01FEB28)	4.600	03/01/2028 02/01/2028	1,600,000.00	1,593,600.00	1,594,026.43	1,608,061.76	14,035.33	24,328.89	0.85
Total Corporate Bonds				53,381,000.00	53,809,090.22	53,000,651.40	51,478,337.91	(1,522,313.49)	467,013.19	28.69
Government Agencies										
3135G0U43	FANNIE MAE 2.875% 12SEP2023	2.875	09/12/2023	2,000,000.00	2,081,960.00	2,003,889.99	1,989,732.56	(14,157.43)	17,250.00	1.11
3133EKVB9	FEDERAL FARM CREDIT BANK 1.86% 17OCT2023	1.860	10/17/2023	2,000,000.00	1,993,956.00	1,999,575.37	1,979,578.62	(19,996.75)	7,543.33	1.06
3133EKKU9	FEDERAL FARM CREDIT BANK 2.3% 08NOV2023	2.300	11/08/2023	1,500,000.00	1,524,645.00	1,501,999.09	1,483,869.18	(18,129.91)	4,983.33	0.81
3130AB3H7	FEDERAL HOME LOAN BANK 2.375% 08MAR2024	2.375	03/08/2024	2,000,000.00	2,045,380.00	2,006,647.51	1,959,319.24	(47,328.27)	14,777.78	1.09
3133EMTD4	FEDERAL FARM CREDIT BANK 0.37% 15MAR2024 (CALLABLE 12JUL23)	0.370	03/15/2024	2,000,000.00	1,998,000.00	1,999,530.39	1,927,692.40	(71,837.99)	2,158.33	1.07
3133EMBE1	FEDERAL FARM CREDIT BANK 0.3% 28MAR2024 (CALLABLE 12JUL23)	0.300	03/28/2024	2,000,000.00	1,998,500.00	1,999,681.21	1,923,211.68	(76,469.53)	1,533.33	1.07
3133EKNX0	FEDERAL FARM CREDIT BANK 2.16% 03JUN2024	2.160	06/03/2024	1,000,000.00	1,012,070.00	1,002,260.58	971,622.23	(30,638.35)	1,620.00	0.54
3135G0V75	FANNIE MAE 1.75% 02JUL2024	1.750	07/02/2024	2,000,000.00	1,982,440.00	1,996,456.68	1,928,639.82	(67,816.86)	17,305.56	1.06
3130AKX84	FEDERAL HOME LOAN BANK 0.27% 23AUG2024 (CALLABLE 23AUG23)	0.270	08/23/2024 08/23/2023	1,000,000.00	999,500.00	999,837.02	942,165.47	(57,671.55)	952.50	0.53

SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Agencies										
3130ATT31	FEDERAL HOME LOAN BANK 4.5% 03OCT2024	4.500	10/03/2024	3,000,000.00	2,989,410.00	2,992,861.21	2,968,717.92	(24,143.29)	32,625.00	1.59
3130AUX58	FEDERAL HOME LOAN BANK 4.65% 06JAN2025	4.650	01/06/2025	2,150,000.00	2,169,216.70	2,167,400.20	2,131,493.85	(35,906.35)	38,046.04	1.16
3137EAEP0	FREDDIE MAC 1.5% 12FEB2025	1.500	02/12/2025	3,000,000.00	2,881,764.00	2,926,481.46	2,831,922.39	(94,559.07)	17,250.00	1.54
3130AJHU6	FEDERAL HOME LOAN BANK 0.5% 14APR2025	0.500	04/14/2025	1,405,000.00	1,297,447.25	1,331,236.45	1,299,898.90	(31,337.55)	1,483.06	0.69
3135G03U5	FANNIE MAE 0.625% 22APR2025	0.625	04/22/2025	5,300,000.00	4,905,758.00	5,032,694.61	4,901,522.89	(131,171.72)	6,256.94	2.62
3134GVB31	FREDDIE MAC 0.75% 28MAY2025 (CALLABLE 28AUG23) #0002	0.750	05/28/2025 08/28/2023	1,700,000.00	1,556,894.00	1,589,622.28	1,567,641.50	(21,980.78)	1,133.33	0.83
3130ASG86	FEDERAL HOME LOAN BANK 3.375% 13JUN2025	3.375	06/13/2025	2,000,000.00	2,008,540.00	2,005,739.60	1,935,762.86	(69,976.74)	3,187.50	1.07
3133ENB74	FEDERAL FARM CREDIT BANK 3.15% 21JUL2025	3.150	07/21/2025	3,000,000.00	2,993,700.00	2,995,693.45	2,901,368.31	(94,325.14)	41,737.50	1.60
3135G05X7	FANNIE MAE 0.375% 25AUG2025	0.375	08/25/2025	2,000,000.00	1,838,268.89	1,891,666.72	1,819,897.02	(71,769.70)	2,604.17	0.98
3130AL7C2	FEDERAL HOME LOAN BANK 0.5% 25AUG2025 (CALLABLE 25AUG23)	0.500	08/25/2025 08/25/2023	2,000,000.00	2,000,000.00	2,000,000.00	1,820,035.64	(179,964.36)	3,472.22	1.07
3137EAEX3	FREDDIE MAC 0.375% 23SEP2025	0.375	09/23/2025	4,000,000.00	3,584,696.00	3,671,439.30	3,629,466.60	(41,972.70)	4,041.67	1.91
3133ENP95	FEDERAL FARM CREDIT BANK 4.25% 30SEP2025	4.250	09/30/2025	3,000,000.00	3,005,673.00	3,004,262.64	2,963,183.79	(41,078.85)	31,875.00	1.60

SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Agencies										
3134GW3X2	FREDDIE MAC 0.625% 27OCT2025 (CALLABLE 27JUL23)	0.625	10/27/2025 07/27/2023	1,000,000.00	914,850.00	919,010.74	907,846.24	(11,164.50)	1,093.75	0.49
3135G0K36	FANNIE MAE 2.125% 24APR2026	2.125	04/24/2026	3,000,000.00	2,891,100.00	2,919,043.55	2,805,418.83	(113,624.72)	11,687.50	1.54
3133ENV72	FEDERAL FARM CREDIT BANK 4.5% 27JUL2026	4.500	07/27/2026	2,000,000.00	1,997,520.00	1,997,961.87	1,992,739.62	(5,222.25)	38,250.00	1.06
3133ENH45	FEDERAL FARM CREDIT BANK 3.125% 24AUG2026	3.125	08/24/2026	4,000,000.00	3,944,044.00	3,955,679.78	3,843,673.72	(112,006.06)	43,750.00	2.10
3130AQF65	FEDERAL HOME LOAN BANK 1.25% 21DEC2026	1.250	12/21/2026	4,000,000.00	3,572,880.00	3,634,772.99	3,597,836.52	(36,936.47)	1,250.00	1.90
3130ATUS4	FEDERAL HOME LOAN BANK 4.25% 10DEC2027	4.250	12/10/2027	2,100,000.00	2,110,781.40	2,109,936.77	2,092,795.61	(17,141.16)	4,958.33	1.13
3133EN5N6	FEDERAL FARM CREDIT BANK 4% 06JAN2028	4.000	01/06/2028	1,650,000.00	1,657,689.00	1,657,059.47	1,633,813.95	(23,245.52)	31,900.00	0.88
Total Government Agencies				65,805,000.00	63,956,683.24	64,312,440.93	62,750,867.36	(1,561,573.57)	384,726.17	34.10
Government Bonds										
912828Y61	USA TREASURY 2.75% 31JUL2023	2.750	07/31/2023	1,000,000.00	1,040,468.75	1,000,925.85	998,063.02	(2,862.83)	11,395.03	0.55
9128282D1	USA TREASURY 1.375% 31AUG2023	1.375	08/31/2023	2,000,000.00	1,967,109.38	1,998,664.56	1,987,511.28	(11,153.28)	9,116.85	1.05
9128285D8	USA TREASURY 2.875% 30SEP2023	2.875	09/30/2023	1,000,000.00	1,041,679.69	1,005,748.92	994,061.66	(11,687.26)	7,148.22	0.56
91282CAP6	USA TREASURY 0.125% 15OCT2023	0.125	10/15/2023	1,500,000.00	1,493,203.13	1,499,137.29	1,478,320.32	(20,816.97)	389.34	0.80

SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Bonds										
91282CDD0	USA TREASURY 0.375% 31OCT2023	0.375	10/31/2023	2,000,000.00	1,981,803.58	1,996,529.99	1,968,593.76	(27,936.23)	1,243.21	1.06
9128285P1	USA TREASURY 2.875% 30NOV2023	2.875	11/30/2023	1,800,000.00	1,881,216.97	1,816,860.51	1,781,648.44	(35,212.07)	4,241.80	1.00
912828V23	USA TREASURY 2.25% 31DEC2023	2.250	12/31/2023	1,000,000.00	1,019,261.16	1,002,155.75	985,117.19	(17,038.56)	0.00	0.54
91282CBM2	USA TREASURY 0.125% 15FEB2024	0.125	02/15/2024	1,500,000.00	1,489,746.09	1,497,558.59	1,452,011.72	(45,546.87)	699.24	0.79
9128286R6	USA TREASURY 2.25% 30APR2024	2.250	04/30/2024	1,000,000.00	1,023,050.23	1,004,441.14	974,179.69	(30,261.45)	3,729.62	0.55
91282CCC3	USA TREASURY 0.25% 15MAY2024	0.250	05/15/2024	2,000,000.00	1,997,116.08	1,999,143.92	1,912,421.88	(86,722.04)	625.00	1.06
912828XT2	USA TREASURY 2% 31MAY2024	2.000	05/31/2024	2,000,000.00	2,101,803.58	2,029,260.91	1,938,750.00	(90,510.91)	3,278.69	1.12
912828Y87	USA TREASURY 1.75% 31JUL2024	1.750	07/31/2024	2,000,000.00	2,087,272.33	2,028,168.39	1,923,593.76	(104,574.63)	14,502.76	1.11
9128282U3	USA TREASURY 1.875% 31AUG2024	1.875	08/31/2024	1,000,000.00	1,012,382.81	1,003,045.89	960,781.25	(42,264.64)	6,216.03	0.54
91282CCX7	USA TREASURY 0.375% 15SEP2024	0.375	09/15/2024	1,700,000.00	1,696,685.38	1,698,662.68	1,602,316.40	(96,346.28)	1,853.60	0.90
912828YY0	USA TREASURY 1.75% 31DEC2024	1.750	12/31/2024	2,000,000.00	2,093,281.25	2,039,434.81	1,901,406.24	(138,028.57)	0.00	1.12
912828ZF0	USA TREASURY 0.5% 31MAR2025	0.500	03/31/2025	3,000,000.00	2,798,906.25	2,871,042.08	2,775,000.00	(96,042.08)	3,729.51	1.49

SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Bonds										
91282CAM3	USA TREASURY 0.25% 30SEP2025	0.250	09/30/2025	3,000,000.00	2,740,205.36	2,818,957.67	2,717,226.57	(101,731.10)	1,864.75	1.46
91282CAT8	USA TREASURY 0.25% 31OCT2025	0.250	10/31/2025	3,000,000.00	2,733,408.49	2,812,154.17	2,707,500.00	(104,654.17)	1,243.21	1.46
91282CAZ4	USA TREASURY 0.375% 30NOV2025	0.375	11/30/2025	3,000,000.00	2,739,853.80	2,814,839.58	2,707,968.75	(106,870.83)	922.13	1.46
91282CBC4	USA TREASURY 0.375% 31DEC2025	0.375	12/31/2025	2,300,000.00	2,071,445.21	2,127,452.45	2,073,144.54	(54,307.91)	0.00	1.10
91282CBH3	USA TREASURY 0.375% 31JAN2026	0.375	01/31/2026	3,000,000.00	2,725,205.36	2,800,034.05	2,693,437.50	(106,596.55)	4,661.60	1.45
91282CBQ3	USA TREASURY 0.5% 28FEB2026	0.500	02/28/2026	3,000,000.00	2,732,939.74	2,804,129.00	2,694,843.75	(109,285.25)	4,972.83	1.46
91282CBT7	USA TREASURY 0.75% 31MAR2026	0.750	03/31/2026	3,000,000.00	2,748,642.86	2,813,155.38	2,711,484.36	(101,671.02)	5,594.26	1.47
91282CCF6	USA TREASURY 0.75% 31MAY2026	0.750	05/31/2026	3,000,000.00	2,721,328.12	2,783,322.96	2,694,726.57	(88,596.39)	1,844.26	1.45
91282CCJ8	USA TREASURY 0.875% 30JUN2026	0.875	06/30/2026	3,000,000.00	2,747,470.99	2,808,196.95	2,703,046.86	(105,150.09)	0.00	1.46
91282CCP4	USA TREASURY 0.625% 31JUL2026	0.625	07/31/2026	2,000,000.00	1,816,334.83	1,857,444.46	1,781,796.88	(75,647.58)	5,179.56	0.97
9128282A7	USA TREASURY 1.5% 15AUG2026	1.500	08/15/2026	2,000,000.00	1,896,334.83	1,919,684.11	1,828,046.88	(91,637.23)	11,187.85	1.01
91282CCW9	USA TREASURY 0.75% 31AUG2026	0.750	08/31/2026	2,000,000.00	1,823,053.58	1,861,831.45	1,783,750.00	(78,081.45)	4,972.83	0.97

SECURITIES HELD

As of June 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Bonds										
91282CCZ2	USA TREASURY 0.875% 30SEP2026	0.875	09/30/2026	5,000,000.00	4,557,790.19	4,655,705.15	4,473,437.50	(182,267.65)	10,877.73	2.43
91282CDG3	USA TREASURY 1.125% 31OCT2026	1.125	10/31/2026	2,000,000.00	1,846,647.33	1,878,926.88	1,798,437.50	(80,489.38)	3,729.62	0.98
91282CDK4	USA TREASURY 1.25% 30NOV2026	1.250	11/30/2026	2,000,000.00	1,855,397.33	1,885,254.93	1,801,953.12	(83,301.81)	2,049.18	0.99
91282CDQ1	USA TREASURY 1.25% 31DEC2026	1.250	12/31/2026	2,700,000.00	2,473,980.47	2,517,473.19	2,430,000.00	(87,473.19)	0.00	1.32
912828Z78	USA TREASURY 1.5% 31JAN2027	1.500	01/31/2027	1,400,000.00	1,255,629.69	1,278,439.64	1,268,148.43	(10,291.21)	8,701.66	0.67
9128284N7	USA TREASURY 2.875% 15MAY2028	2.875	05/15/2028	1,000,000.00	943,558.04	943,589.71	943,554.69	(35.02)	3,593.75	0.50
Total Government Bonds				72,900,000.00	69,154,212.88	69,871,373.01	67,446,280.51	(2,425,092.50)	139,564.12	36.87
Grand total				192,728,097.94	187,562,084.28	187,826,563.28	182,317,583.72	(5,508,979.56)	991,303.48	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

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)
United States Treasury Note/Bond												
912828Y61	USA TREASURY 2.75%	2.750	07/31/2023		AA+	Aaa	1,000,000.00	1,040,468.75	0.55	998,063.02	0.55	0.08
9128282D1	USA TREASURY 1.375%	1.375	08/31/2023		AA+	Aaa	2,000,000.00	1,967,109.38	1.05	1,987,511.28	1.09	0.17
9128285D8	USA TREASURY 2.875%	2.875	09/30/2023		AA+	Aaa	1,000,000.00	1,041,679.69	0.56	994,061.66	0.55	0.25
91282CAP6	USA TREASURY 0.125%	0.125	10/15/2023		AA+	Aaa	1,500,000.00	1,493,203.13	0.80	1,478,320.32	0.81	0.29
91282CDD0	USA TREASURY 0.375%	0.375	10/31/2023		AA+	Aaa	2,000,000.00	1,981,803.58	1.06	1,968,593.76	1.08	0.33
9128285P1	USA TREASURY 2.875%	2.875	11/30/2023		AA+	Aaa	1,800,000.00	1,881,216.97	1.00	1,781,648.44	0.98	0.41
912828V23	USA TREASURY 2.25%	2.250	12/31/2023		AA+	Aaa	1,000,000.00	1,019,261.16	0.54	985,117.19	0.54	0.50
91282CBM2	USA TREASURY 0.125%	0.125	02/15/2024		AA+	Aaa	1,500,000.00	1,489,746.09	0.79	1,452,011.72	0.80	0.61
9128286R6	USA TREASURY 2.25%	2.250	04/30/2024		AA+	Aaa	1,000,000.00	1,023,050.23	0.55	974,179.69	0.53	0.81
91282CCC3	USA TREASURY 0.25%	0.250	05/15/2024		AA+	Aaa	2,000,000.00	1,997,116.08	1.06	1,912,421.88	1.05	0.85
912828XT2	USA TREASURY 2%	2.000	05/31/2024		AA+	Aaa	2,000,000.00	2,101,803.58	1.12	1,938,750.00	1.06	0.89
912828Y87	USA TREASURY 1.75%	1.750	07/31/2024		AA+	Aaa	2,000,000.00	2,087,272.33	1.11	1,923,593.76	1.06	1.04
9128282U3	USA TREASURY 1.875%	1.875	08/31/2024		AA+	Aaa	1,000,000.00	1,012,382.81	0.54	960,781.25	0.53	1.12
91282CCX7	USA TREASURY 0.375%	0.375	09/15/2024		AA+	Aaa	1,700,000.00	1,696,685.38	0.90	1,602,316.40	0.88	1.18
912828YY0	USA TREASURY 1.75%	1.750	12/31/2024		AA+	Aaa	2,000,000.00	2,093,281.25	1.12	1,901,406.24	1.04	1.45
912828ZF0	USA TREASURY 0.5%	0.500	03/31/2025		AA+	Aaa	3,000,000.00	2,798,906.25	1.49	2,775,000.00	1.52	1.69
91282CAM3	USA TREASURY 0.25%	0.250	09/30/2025		AA+	Aaa	3,000,000.00	2,740,205.36	1.46	2,717,226.57	1.49	2.18
91282CAT8	USA TREASURY 0.25%	0.250	10/31/2025		AA+	Aaa	3,000,000.00	2,733,408.49	1.46	2,707,500.00	1.49	2.26
91282CAZ4	USA TREASURY 0.375%	0.375	11/30/2025		AA+	Aaa	3,000,000.00	2,739,853.80	1.46	2,707,968.75	1.49	2.34
91282CBC4	USA TREASURY 0.375%	0.375	12/31/2025		AA+	Aaa	2,300,000.00	2,071,445.21	1.10	2,073,144.54	1.14	2.42
91282CBH3	USA TREASURY 0.375%	0.375	01/31/2026		AA+	Aaa	3,000,000.00	2,725,205.36	1.45	2,693,437.50	1.48	2.50
91282CBQ3	USA TREASURY 0.5%	0.500	02/28/2026		AA+	Aaa	3,000,000.00	2,732,939.74	1.46	2,694,843.75	1.48	2.57
91282CBT7	USA TREASURY 0.75%	0.750	03/31/2026		AA+	Aaa	3,000,000.00	2,748,642.86	1.47	2,711,484.36	1.49	2.64
91282CCF6	USA TREASURY 0.75%	0.750	05/31/2026		AA+	Aaa	3,000,000.00	2,721,328.12	1.45	2,694,726.57	1.48	2.80
91282CCJ8	USA TREASURY 0.875%	0.875	06/30/2026		AA+	Aaa	3,000,000.00	2,747,470.99	1.46	2,703,046.86	1.48	2.88

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

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)
United States Treasury Note/Bond												
91282CCP4	USA TREASURY 0.625%	0.625	07/31/2026		AA+	Aaa	2,000,000.00	1,816,334.83	0.97	1,781,796.88	0.98	2.96
9128282A7	USA TREASURY 1.5%	1.500	08/15/2026		AA+	Aaa	2,000,000.00	1,896,334.83	1.01	1,828,046.88	1.00	2.95
91282CCW9	USA TREASURY 0.75%	0.750	08/31/2026		AA+	Aaa	2,000,000.00	1,823,053.58	0.97	1,783,750.00	0.98	3.04
91282CCZ2	USA TREASURY 0.875%	0.875	09/30/2026		AA+	Aaa	5,000,000.00	4,557,790.19	2.43	4,473,437.50	2.45	3.11
91282CDG3	USA TREASURY 1.125%	1.125	10/31/2026		AA+	Aaa	2,000,000.00	1,846,647.33	0.98	1,798,437.50	0.99	3.18
91282CDK4	USA TREASURY 1.25%	1.250	11/30/2026		AA+	Aaa	2,000,000.00	1,855,397.33	0.99	1,801,953.12	0.99	3.25
91282CDQ1	USA TREASURY 1.25%	1.250	12/31/2026		AA+	Aaa	2,700,000.00	2,473,980.47	1.32	2,430,000.00	1.33	3.33
912828Z78	USA TREASURY 1.5%	1.500	01/31/2027		AA+	Aaa	1,400,000.00	1,255,629.69	0.67	1,268,148.43	0.70	3.38
9128284N7	USA TREASURY 2.875%	2.875	05/15/2028		AA+	Aaa	1,000,000.00	943,558.04	0.50	943,554.69	0.52	4.42
Issuer total							72,900,000.00	69,154,212.88	36.87	67,446,280.51	36.99	2.04
Federal Farm Credit Banks Funding Corp												
3133EKBV9	FEDERAL FARM CREDIT	1.860	10/17/2023		AA+	Aaa	2,000,000.00	1,993,956.00	1.06	1,979,578.62	1.09	0.29
3133EKKU9	FEDERAL FARM CREDIT	2.300	11/08/2023		AA+	Aaa	1,500,000.00	1,524,645.00	0.81	1,483,869.18	0.81	0.35
3133EMTD4	FEDERAL FARM CREDIT	0.370	03/15/2024		AA+	Aaa	2,000,000.00	1,998,000.00	1.07	1,927,692.40	1.06	0.69
3133EMBE1	FEDERAL FARM CREDIT	0.300	03/28/2024		AA+	Aaa	2,000,000.00	1,998,500.00	1.07	1,923,211.68	1.05	0.72
3133EKNX0	FEDERAL FARM CREDIT	2.160	06/03/2024		AA+	Aaa	1,000,000.00	1,012,070.00	0.54	971,622.23	0.53	0.90
3133ENB74	FEDERAL FARM CREDIT	3.150	07/21/2025		AA+	Aaa	3,000,000.00	2,993,700.00	1.60	2,901,368.31	1.59	1.93
3133ENP95	FEDERAL FARM CREDIT	4.250	09/30/2025		AA+	Aaa	3,000,000.00	3,005,673.00	1.60	2,963,183.79	1.63	2.09
3133ENV72	FEDERAL FARM CREDIT	4.500	07/27/2026		AA+	Aaa	2,000,000.00	1,997,520.00	1.06	1,992,739.62	1.09	2.77
3133ENH45	FEDERAL FARM CREDIT	3.125	08/24/2026		AA+	Aaa	4,000,000.00	3,944,044.00	2.10	3,843,673.72	2.11	2.91
3133EN5N6	FEDERAL FARM CREDIT	4.000	01/06/2028		AA+	Aaa	1,650,000.00	1,657,689.00	0.88	1,633,813.95	0.90	3.97
Issuer total							22,150,000.00	22,125,797.00	11.80	21,620,753.50	11.86	1.83
Federal Home Loan Banks												
3130AB3H7	FEDERAL HOME LOAN	2.375	03/08/2024		AA+	Aaa	2,000,000.00	2,045,380.00	1.09	1,959,319.24	1.07	0.67

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

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)
Federal Home Loan Banks												
3130AKX84	FEDERAL HOME LOAN	0.270	08/23/2024	08/23/2023	AA+	Aaa	1,000,000.00	999,500.00	0.53	942,165.47	0.52	1.12
3130ATT31	FEDERAL HOME LOAN	4.500	10/03/2024		AA+	Aaa	3,000,000.00	2,989,410.00	1.59	2,968,717.92	1.63	1.19
3130AUX58	FEDERAL HOME LOAN	4.650	01/06/2025		AA+	Aaa	2,150,000.00	2,169,216.70	1.16	2,131,493.85	1.17	1.42
3130AJHU6	FEDERAL HOME LOAN	0.500	04/14/2025		AA+	Aaa	1,405,000.00	1,297,447.25	0.69	1,299,898.90	0.71	1.73
3130ASG86	FEDERAL HOME LOAN	3.375	06/13/2025		AA+	Aaa	2,000,000.00	2,008,540.00	1.07	1,935,762.86	1.06	1.85
3130AL7C2	FEDERAL HOME LOAN	0.500	08/25/2025	08/25/2023	AA+	Aaa	2,000,000.00	2,000,000.00	1.07	1,820,035.64	1.00	2.07
3130AQF65	FEDERAL HOME LOAN	1.250	12/21/2026		AA+	Aaa	4,000,000.00	3,572,880.00	1.90	3,597,836.52	1.97	3.31
3130ATUS4	FEDERAL HOME LOAN	4.250	12/10/2027		AA+	Aaa	2,100,000.00	2,110,781.40	1.13	2,092,795.61	1.15	3.97
Issuer total							19,655,000.00	19,193,155.35	10.23	18,748,026.01	10.28	2.05
Federal National Mortgage Association												
3135G0U43	FANNIE MAE 2.875%	2.875	09/12/2023		AA+	Aaa	2,000,000.00	2,081,960.00	1.11	1,989,732.56	1.09	0.20
3135G0V75	FANNIE MAE 1.75%	1.750	07/02/2024		AA+	Aaa	2,000,000.00	1,982,440.00	1.06	1,928,639.82	1.06	0.96
3135G03U5	FANNIE MAE 0.625%	0.625	04/22/2025		AA+	Aaa	5,300,000.00	4,905,758.00	2.62	4,901,522.89	2.69	1.75
3135G05X7	FANNIE MAE 0.375%	0.375	08/25/2025		AA+	Aaa	2,000,000.00	1,838,268.89	0.98	1,819,897.02	1.00	2.08
3135G0K36	FANNIE MAE 2.125%	2.125	04/24/2026		AA+	Aaa	3,000,000.00	2,891,100.00	1.54	2,805,418.83	1.54	2.66
Issuer total							14,300,000.00	13,699,526.89	7.30	13,445,211.12	7.37	1.64
Federal Home Loan Mortgage Corp												
3137EAEP0	FREDDIE MAC 1.5%	1.500	02/12/2025		AA+	Aaa	3,000,000.00	2,881,764.00	1.54	2,831,922.39	1.55	1.55
3134GVB31	FREDDIE MAC 0.75%	0.750	05/28/2025	08/28/2023	AA+	Aaa	1,700,000.00	1,556,894.00	0.83	1,567,641.50	0.86	1.81
3137EAEX3	FREDDIE MAC 0.375%	0.375	09/23/2025		AA+	Aaa	4,000,000.00	3,584,696.00	1.91	3,629,466.60	1.99	2.16
3134GW3X2	FREDDIE MAC 0.625%	0.625	10/27/2025	07/27/2023	AA+	Aaa	1,000,000.00	914,850.00	0.49	907,846.24	0.50	2.19
Issuer total							9,700,000.00	8,938,204.00	4.77	8,936,876.73	4.90	1.91

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

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)
American Honda Finance Corp												
02665WCT6	AMERICAN HONDA	3.550	01/12/2024		A-	A3	1,000,000.00	1,090,440.00	0.58	989,022.87	0.54	0.51
02665WEC1	AMERICAN HONDA	4.750	01/12/2026		A-	A3	2,000,000.00	2,029,820.00	1.08	1,990,482.10	1.09	2.30
02665WED9	AMERICAN HONDA	4.700	01/12/2028		A-	A3	2,300,000.00	2,326,225.00	1.24	2,280,986.45	1.25	3.92
Issuer total							5,300,000.00	5,446,485.00	2.90	5,260,491.42	2.89	2.63
US Bancorp												
91159HHV5	US BANCORP 3.375%	3.375	02/05/2024	01/05/2024	A	A3	1,000,000.00	1,067,060.00	0.57	985,494.27	0.54	0.58
91159HHN3	US BANCORP 2.375%	2.375	07/22/2026	06/22/2026	A	A3	2,000,000.00	1,912,040.00	1.02	1,826,717.98	1.00	2.82
91159HHR4	US BANCORP 3.15%	3.150	04/27/2027	03/27/2027	A	A3	2,000,000.00	1,865,100.00	0.99	1,848,122.04	1.01	3.46
Issuer total							5,000,000.00	4,844,200.00	2.58	4,660,334.29	2.56	2.57
Home Depot Inc/The												
437076BM3	HOME DEPOT INC 3%	3.000	04/01/2026	01/01/2026	A	A2	3,000,000.00	2,948,280.00	1.57	2,869,443.45	1.57	2.48
437076CA8	HOME DEPOT INC 2.5%	2.500	04/15/2027	02/15/2027	A	A2	1,200,000.00	1,104,228.00	0.59	1,113,089.32	0.61	3.47
Issuer total							4,200,000.00	4,052,508.00	2.16	3,982,532.77	2.18	2.75
Toyota Motor Credit Corp												
89236THA6	TOYOTA MOTOR CREDIT	1.350	08/25/2023		A+	A1	1,000,000.00	1,021,010.00	0.54	994,747.93	0.55	0.15
89236THU2	TOYOTA MOTOR CREDIT	0.450	01/11/2024		A+	A1	1,800,000.00	1,797,858.00	0.96	1,752,480.72	0.96	0.52
89236TGL3	TOYOTA MOTOR CREDIT	2.000	10/07/2024		A+	A1	1,000,000.00	999,410.00	0.53	959,127.98	0.53	1.22
Issuer total							3,800,000.00	3,818,278.00	2.04	3,706,356.63	2.03	0.60
Caterpillar Financial Services Corp												
14913R255	CATERPILLAR FINL	0.950	01/10/2024		A	A2	1,000,000.00	993,070.00	0.53	976,426.13	0.54	0.52
14913R2L0	CATERPILLAR FINL	0.450	05/17/2024		A	A2	1,600,000.00	1,597,536.00	0.85	1,531,520.32	0.84	0.86
14913Q3B3	CATERPILLAR FINL	2.150	11/08/2024		A	A2	1,000,000.00	1,048,770.00	0.56	958,238.32	0.53	1.31
Issuer total							3,600,000.00	3,639,376.00	1.94	3,466,184.77	1.90	0.90

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

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)
John Deere Capital Corp												
24422EUM9	JOHN DEERE CAPITAL	3.650	10/12/2023		A	A2	950,000.00	1,005,926.50	0.54	944,923.14	0.52	0.28
24422EVN6	JOHN DEERE CAPITAL	0.450	01/17/2024		A	A2	800,000.00	787,240.00	0.42	778,361.34	0.43	0.53
24422EUX5	JOHN DEERE CAPITAL	2.600	03/07/2024		A	A2	1,450,000.00	1,476,419.00	0.79	1,421,126.64	0.78	0.66
Issuer total							3,200,000.00	3,269,585.50	1.74	3,144,411.12	1.72	0.51
Apple Inc												
037833CR9	APPLE INC 3.2%	3.200	05/11/2027	02/11/2027	AA+	Aaa	2,121,000.00	2,062,439.19	1.10	2,024,070.51	1.11	3.45
037833DB3	APPLE INC 2.9%	2.900	09/12/2027	06/12/2027	AA+	Aaa	1,000,000.00	947,060.00	0.50	938,347.70	0.51	3.75
Issuer total							3,121,000.00	3,009,499.19	1.60	2,962,418.21	1.62	3.54
International Business Machines Corp												
459200HP9	IBM CORP 3.375%	3.375	08/01/2023		A-	A3	1,000,000.00	1,061,840.00	0.57	997,892.96	0.55	0.09
459200JY8	IBM CORP 3%	3.000	05/15/2024		A-	A3	2,000,000.00	2,141,300.00	1.14	1,954,659.94	1.07	0.85
Issuer total							3,000,000.00	3,203,140.00	1.71	2,952,552.90	1.62	0.60
Microsoft Corp												
594918BX1	MICROSOFT CORP 2.875%	2.875	02/06/2024	12/06/2023	AAA	Aaa	960,000.00	993,734.40	0.53	945,482.04	0.52	0.58
594918BR4	MICROSOFT CORP 2.4%	2.400	08/08/2026	05/08/2026	AAA	Aaa	2,000,000.00	1,939,660.00	1.03	1,876,987.10	1.03	2.82
Issuer total							2,960,000.00	2,933,394.40	1.56	2,822,469.14	1.55	2.06
PNC Bank NA												
69353REF1	PNC BANK NA 3.3%	3.300	10/30/2024	09/30/2024	A	A2	2,500,000.00	2,737,590.00	1.46	2,410,493.08	1.32	1.26
Issuer total							2,500,000.00	2,737,590.00	1.46	2,410,493.08	1.32	1.26
PNC Financial Services Group Inc/The												
693475AV7	PNC FINANCIAL	3.500	01/23/2024	12/24/2023	A-	A3	1,000,000.00	1,047,210.00	0.56	987,411.26	0.54	0.54

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

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)
PNC Financial Services Group Inc/The												
693475AT2	PNC FINANCIAL	3.150	05/19/2027	04/19/2027	A-	A3	1,100,000.00	1,033,901.00	0.55	1,015,196.05	0.56	3.52
Issuer total							2,100,000.00	2,081,111.00	1.11	2,002,607.31	1.10	2.02
PPG Industries Inc												
693506BQ9	PPG INDUSTRIES INC 2.4%	2.400	08/15/2024	07/15/2024	BBB+	A3	2,000,000.00	2,012,600.00	1.07	1,919,930.06	1.05	1.07
Issuer total							2,000,000.00	2,012,600.00	1.07	1,919,930.06	1.05	1.07
3M Co												
88579YAV3	3M COMPANY 2.25%	2.250	09/19/2026	06/19/2026	A-	A2	2,000,000.00	1,906,760.00	1.02	1,833,487.90	1.01	2.97
Issuer total							2,000,000.00	1,906,760.00	1.02	1,833,487.90	1.01	2.97
Colgate-Palmolive Co												
194162AR4	COLGATE-PALMOLIVE CO	4.600	03/01/2028	02/01/2028	AA-	Aa3	1,600,000.00	1,593,600.00	0.85	1,608,061.76	0.88	4.03
Issuer total							1,600,000.00	1,593,600.00	0.85	1,608,061.76	0.88	4.03
Bank of America Corp												
06051GHL6	BANK OF AMERICA CORP	3.864	07/23/2024	07/23/2023	A-	A1	1,500,000.00	1,605,540.00	0.86	1,498,161.78	0.82	0.07
Issuer total							1,500,000.00	1,605,540.00	0.86	1,498,161.78	0.82	0.07
Citibank NA												
17325FA57	CITIBANK NA 3.65%	3.650	01/23/2024	12/23/2023	A+	Aa3	1,500,000.00	1,618,310.00	0.86	1,482,689.01	0.81	0.54
Issuer total							1,500,000.00	1,618,310.00	0.86	1,482,689.01	0.81	0.54
Walmart Inc												
931142DV2	WALMART INC 2.65%	2.650	12/15/2024	10/15/2024	AA	Aa2	1,500,000.00	1,595,520.00	0.85	1,445,148.23	0.79	1.37
Issuer total							1,500,000.00	1,595,520.00	0.85	1,445,148.23	0.79	1.37

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

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)
JPMorgan Chase & Co												
46625HRS1	JPMORGAN CHASE & CO	3.200	06/15/2026	03/15/2026	A-	A1	1,500,000.00	1,437,795.00	0.77	1,429,288.13	0.78	2.67
Issuer total							1,500,000.00	1,437,795.00	0.77	1,429,288.13	0.78	2.67
Procter & Gamble Co/The												
742718EB1	PROCTER & GAMBLE	3.100	08/15/2023		AA-	Aa3	1,000,000.00	1,041,328.13	0.56	998,269.36	0.55	0.13
Issuer total							1,000,000.00	1,041,328.13	0.56	998,269.36	0.55	0.13
US Bank NA/Cincinnati OH												
90331HMS9	US BANK NA CINCINNATI	2.800	01/27/2025	12/27/2024	A+	A2	1,000,000.00	995,210.00	0.53	954,534.68	0.52	1.48
Issuer total							1,000,000.00	995,210.00	0.53	954,534.68	0.52	1.48
PepsiCo Inc												
713448DN5	PEPSICO INC 2.375%	2.375	10/06/2026	07/06/2026	A+	A1	1,000,000.00	967,260.00	0.52	937,915.36	0.51	2.99
Issuer total							1,000,000.00	967,260.00	0.52	937,915.36	0.51	2.99
Cash and Cash Equivalent												
	CASH	0.000					642,097.94	642,097.94	0.00	642,097.94	0.35	0.00
Issuer total							642,097.94	642,097.94	0.00	642,097.94	0.35	0.00
Grand total							192,728,097.94	187,562,084.28	100.00	182,317,583.72	100.00	1.91

SECURITIES PURCHASED

For the period June 1, 2023 - June 30, 2023

Cusip	Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest
Government Bonds								
9128284N7	USA TREASURY 2.875% 15MAY2028 BMO CAPITAL MARKETS LIMITED	06/29/2023 06/30/2023	2.875	05/15/2028	1,000,000.00	94.36	(943,558.04)	(3,593.75)
Total Government Bonds					1,000,000.00		(943,558.04)	(3,593.75)
Grand total					1,000,000.00		(943,558.04)	(3,593.75)

SECURITIES SOLD AND MATURED

For the period June 1, 2023 - June 30, 2023

Cusip	Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity	Price	Fair value at sale or maturity	Realized gain (loss)	Accrued interest sold
Corporate Bonds											
46647PBQ8	JPMORGAN CHASE & CO 1.514% 01JUN2024 (CALLABLE 01JUN23)	06/01/2023 06/01/2023	1.514	05/01/2024	(2,000,000.00)	2,042,800.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00
Total (Corporate Bonds)					(2,000,000.00)	2,042,800.00	2,000,000.00		2,000,000.00	0.00	0.00
Government Bonds											
912828S35	USA TREASURY 1.375% 30JUN2023	06/30/2023 06/30/2023	1.375		(1,000,000.00)	984,492.19	1,000,000.00	0.00	1,000,000.00	0.00	0.00
Total (Government Bonds)					(1,000,000.00)	984,492.19	1,000,000.00		1,000,000.00	0.00	0.00
Grand total					(3,000,000.00)	3,027,292.19	3,000,000.00		3,000,000.00	0.00	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2023 - June 30, 2023

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Cash						
	Cash and Cash Equivalents	0.00	0.00	0.00	3,311.89	3,311.89
Total Cash		0.00	0.00	0.00	3,311.89	3,311.89
Corporate Bonds						
88579YAV3	3M COMPANY 2.25% 19SEP2026 (CALLABLE 19JUN26)	1,888.72	0.00	(8,150.50)	3,625.00	0.00
02665WCT6	AMERICAN HONDA FINANCE 3.55% 12JAN2024	(2,500.64)	0.00	933.94	2,859.73	0.00
02665WED9	AMERICAN HONDA FINANCE 4.7% 12JAN2028	(458.40)	0.00	(23,433.74)	8,708.06	0.00
02665WEC1	AMERICAN HONDA FINANCE 4.75% 12JAN2026	(929.94)	0.00	(13,223.96)	7,652.77	0.00
037833DB3	APPLE INC 2.9% 12SEP2027 (CALLABLE 12JUN27)	930.41	0.00	(12,915.25)	2,336.11	0.00
037833CR9	APPLE INC 3.2% 11MAY2027 (CALLABLE 11FEB27)	1,043.24	0.00	(24,268.08)	5,467.46	0.00
06051GHL6	BANK OF AMERICA CORP 3.864% 23JUL2024 (CALLABLE 23JUL23)	(3,997.73)	0.00	2,762.98	4,669.00	0.00
14913R2L0	CATERPILLAR FINL SERVICE 0.45% 17MAY2024	68.07	0.00	3,027.54	580.00	0.00
14913R2S5	CATERPILLAR FINL SERVICE 0.95% 10JAN2024	295.74	0.00	2,657.74	765.28	0.00
14913Q3B3	CATERPILLAR FINL SERVICE 2.15% 08NOV2024	(1,109.25)	0.00	(3,152.50)	1,731.95	0.00
17325FAS7	CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23)	(3,861.64)	0.00	665.34	4,410.41	0.00
194162AR4	COLGATE-PALMOLIVE CO 4.6% 01MAR2028 (CALLABLE 01FEB28)	106.61	0.00	(24,894.98)	5,928.89	0.00
437076CA8	HOME DEPOT INC 2.5% 15APR2027 (CALLABLE 15FEB27)	1,804.75	0.00	(10,850.19)	2,416.67	0.00
437076BM3	HOME DEPOT INC 3% 01APR2026 (CALLABLE 01JAN26)	1,164.86	0.00	(26,305.32)	7,250.00	0.00
459200JY8	IBM CORP 3% 15MAY2024	(3,728.23)	0.00	846.64	4,833.33	0.00
459200HP9	IBM CORP 3.375% 01AUG2023	(2,486.86)	0.00	1,340.98	2,718.75	0.00
24422EVN6	JOHN DEERE CAPITAL CORP 0.45% 17JAN2024	539.16	0.00	1,784.33	290.00	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2023 - June 30, 2023

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Corporate Bonds						
24422EUX5	JOHN DEERE CAPITAL CORP 2.6% 07MAR2024	(480.64)	0.00	2,463.85	3,036.94	0.00
24422EUM9	JOHN DEERE CAPITAL CORP 3.65% 12OCT2023	(1,144.47)	0.00	1,538.72	2,793.27	0.00
46647PBQ8	JPMORGAN CHASE & CO 1.514% 01JUN2024 (CALLABLE 01JUN23)	0.00	0.00	0.00	0.00	15,140.00
46625HRS1	JPMORGAN CHASE & CO 3.2% 15JUN2026 (CALLABLE 15MAR26)	1,525.88	0.00	222.47	3,866.67	24,000.00
594918BR4	MICROSOFT CORP 2.4% 08AUG2026 (CALLABLE 08MAY26)	1,257.08	0.00	(19,679.90)	3,866.66	0.00
594918BX1	MICROSOFT CORP 2.875% 06FEB2024 (CALLABLE 06DEC23)	(640.93)	0.00	(1,112.29)	2,223.33	0.00
713448DN5	PEPSICO INC 2.375% 06OCT2026 (CALLABLE 06JUL26)	655.67	0.00	(5,469.83)	1,913.20	0.00
69353REF1	PNC BANK NA 3.3% 30OCT2024 (CALLABLE 30SEP24)	(5,549.19)	0.00	(6,490.17)	6,875.00	0.00
693475AT2	PNC FINANCIAL SERVICES 3.15% 19MAY2027 (CALLABLE 19APR27)	1,353.56	0.00	(8,627.32)	2,791.25	0.00
693475AV7	PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23)	(891.31)	0.00	1,288.11	2,819.45	0.00
693506BQ9	PPG INDUSTRIES INC 2.4% 15AUG2024 (CALLABLE 15JUL24)	(228.40)	0.00	(5,797.82)	3,866.67	0.00
742718EB1	PROCTER & GAMBLE CO/THE 3.1% 15AUG2023	(834.91)	0.00	1,136.76	2,497.22	0.00
89236THU2	TOYOTA MOTOR CREDIT CORP 0.45% 11JAN2024	77.52	0.00	5,321.84	652.50	0.00
89236THA6	TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023	(733.76)	0.00	3,584.86	1,087.50	0.00
89236TGL3	TOYOTA MOTOR CREDIT CORP 2% 07OCT2024	10.36	0.00	(1,708.21)	1,611.11	0.00
91159HHN3	US BANCORP 2.375% 22JUL2026 (CALLABLE 22JUN26)	1,853.09	0.00	(7,719.50)	3,826.39	0.00
91159HHR4	US BANCORP 3.15% 27APR2027 (CALLABLE 27MAR27)	2,970.10	0.00	(15,911.52)	5,075.00	0.00
91159HHV5	US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24)	(2,457.28)	0.00	2,040.91	2,718.75	0.00
90331HMS9	US BANK NA CINCINNATI 2.8% 27JAN2025 (CALLABLE 27DEC24)	143.13	0.00	197.15	2,255.56	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2023 - June 30, 2023

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Corporate Bonds						
931142DV2	WALMART INC 2.65% 15DEC2024 (CALLABLE 15OCT24)	(2,567.74)	0.00	(7,938.70)	3,202.08	19,875.00
Total Corporate Bonds		(16,913.37)	0.00	(195,835.62)	123,221.96	59,015.00
Government Agencies						
3135G05X7	FANNIE MAE 0.375% 25AUG2025	4,193.55	0.00	(9,206.32)	604.17	0.00
3135G03U5	FANNIE MAE 0.625% 22APR2025	12,299.32	0.00	(27,804.12)	2,668.40	0.00
3135G0V75	FANNIE MAE 1.75% 02JUL2024	293.65	0.00	(6,730.34)	2,819.45	0.00
3135G0K36	FANNIE MAE 2.125% 24APR2026	2,395.16	0.00	(34,893.39)	5,135.42	0.00
3135G0U43	FANNIE MAE 2.875% 12SEP2023	(1,620.83)	0.00	3,327.24	4,631.94	0.00
3133EMBE1	FEDERAL FARM CREDIT BANK 0.3% 28MAR2024 (CALLABLE 12JUL23)	35.69	0.00	5,450.08	483.33	0.00
3133EMTD4	FEDERAL FARM CREDIT BANK 0.37% 15MAR2024 (CALLABLE 12JUL23)	55.25	0.00	5,893.44	596.11	0.00
3133EKVB9	FEDERAL FARM CREDIT BANK 1.86% 17OCT2023	119.05	0.00	5,180.38	2,996.66	0.00
3133EKNX0	FEDERAL FARM CREDIT BANK 2.16% 03JUN2024	(203.66)	0.00	(1,287.91)	1,740.00	10,800.00
3133EKKU9	FEDERAL FARM CREDIT BANK 2.3% 08NOV2023	(468.53)	0.00	3,220.86	2,779.16	0.00
3133ENH45	FEDERAL FARM CREDIT BANK 3.125% 24AUG2026	1,172.49	0.00	(32,236.00)	10,069.44	0.00
3133ENB74	FEDERAL FARM CREDIT BANK 3.15% 21JUL2025	174.35	0.00	(22,928.91)	7,612.50	0.00
3133EN5N6	FEDERAL FARM CREDIT BANK 4% 06JAN2028	(130.24)	0.00	(21,528.02)	5,316.67	0.00
3133ENP95	FEDERAL FARM CREDIT BANK 4.25% 30SEP2025	(157.88)	0.00	(25,943.04)	10,625.00	0.00
3133ENV72	FEDERAL FARM CREDIT BANK 4.5% 27JUL2026	55.23	0.00	(22,865.78)	7,250.00	0.00
3130AKX84	FEDERAL HOME LOAN BANK 0.27% 23AUG2024 (CALLABLE 23AUG23)	11.84	0.00	2,110.40	217.50	0.00
3130AJHU6	FEDERAL HOME LOAN BANK 0.5% 14APR2025	3,436.19	0.00	(7,494.84)	565.91	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2023 - June 30, 2023

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Agencies						
3130AL7C2	FEDERAL HOME LOAN BANK 0.5% 25AUG2025 (CALLABLE 25AUG23)	0.00	0.00	(2,095.02)	805.55	0.00
3130AQF65	FEDERAL HOME LOAN BANK 1.25% 21DEC2026	8,758.44	0.00	(45,998.60)	4,027.78	25,000.00
3130AB3H7	FEDERAL HOME LOAN BANK 2.375% 08MAR2024	(804.14)	0.00	3,156.92	3,826.39	0.00
3130ASG86	FEDERAL HOME LOAN BANK 3.375% 13JUN2025	(244.93)	0.00	(14,855.14)	5,437.50	33,750.00
3130ATU54	FEDERAL HOME LOAN BANK 4.25% 10DEC2027	(186.32)	0.00	(32,305.12)	7,189.58	53,550.00
3130ATT31	FEDERAL HOME LOAN BANK 4.5% 03OCT2024	472.77	0.00	(14,242.08)	10,875.00	0.00
3130AUX58	FEDERAL HOME LOAN BANK 4.65% 06JAN2025	(956.05)	0.00	(15,288.27)	8,053.54	0.00
3137EAEX3	FREDDIE MAC 0.375% 23SEP2025	12,275.00	0.00	(21,100.04)	1,208.34	0.00
3134GW3X2	FREDDIE MAC 0.625% 27OCT2025 (CALLABLE 27JUL23)	2,902.84	0.00	(1,164.10)	503.47	0.00
3134GVB31	FREDDIE MAC 0.75% 28MAY2025 (CALLABLE 28AUG23) #0002	4,812.98	0.00	491.30	1,027.08	0.00
3137EAEP0	FREDDIE MAC 1.5% 12FEB2025	3,789.61	0.00	(16,999.62)	3,625.00	0.00
Total Government Agencies		52,480.83	0.00	(348,136.04)	112,690.89	123,100.00
Government Bonds						
91282CBM2	USA TREASURY 0.125% 15FEB2024	318.44	0.00	6,093.75	155.39	0.00
91282CAP6	USA TREASURY 0.125% 15OCT2023	241.88	0.00	7,031.25	153.68	0.00
91282CCC3	USA TREASURY 0.25% 15MAY2024	80.26	0.00	5,234.38	407.61	0.00
91282CAM3	USA TREASURY 0.25% 30SEP2025	6,599.35	0.00	(22,734.36)	614.75	0.00
91282CAT8	USA TREASURY 0.25% 31OCT2025	6,598.80	0.00	(22,148.43)	611.42	0.00
91282CCX7	USA TREASURY 0.375% 15SEP2024	90.56	0.00	(2,125.00)	519.70	0.00
91282CAZ4	USA TREASURY 0.375% 30NOV2025	6,283.72	0.00	(23,789.07)	922.13	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2023 - June 30, 2023

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Bonds						
91282CBC4	USA TREASURY 0.375% 31DEC2025	5,657.30	0.00	(18,597.64)	714.78	4,312.50
91282CBH3	USA TREASURY 0.375% 31JAN2026	6,341.41	0.00	(25,781.25)	932.32	0.00
91282CDD0	USA TREASURY 0.375% 31OCT2023	846.35	0.00	9,531.26	611.42	0.00
91282CBQ3	USA TREASURY 0.5% 28FEB2026	6,032.99	0.00	(26,484.39)	1,222.83	0.00
91282ZFO	USA TREASURY 0.5% 31MAR2025	6,044.90	0.00	(15,351.57)	1,229.51	0.00
91282CCP4	USA TREASURY 0.625% 31JUL2026	3,794.74	0.00	(18,437.50)	1,035.91	0.00
91282CCW9	USA TREASURY 0.75% 31AUG2026	3,579.49	0.00	(19,453.12)	1,222.83	0.00
91282CBT7	USA TREASURY 0.75% 31MAR2026	5,577.45	0.00	(26,484.39)	1,844.26	0.00
91282CCF6	USA TREASURY 0.75% 31MAY2026	6,097.85	0.00	(28,710.93)	1,844.26	0.00
91282CCJ8	USA TREASURY 0.875% 30JUN2026	5,250.08	0.00	(28,945.32)	2,175.41	13,125.00
91282CCZ2	USA TREASURY 0.875% 30SEP2026	8,694.31	0.00	(47,851.55)	3,586.06	0.00
91282CDG3	USA TREASURY 1.125% 31OCT2026	2,979.66	0.00	(21,015.62)	1,834.24	0.00
91282CDK4	USA TREASURY 1.25% 30NOV2026	2,756.08	0.00	(21,875.00)	2,049.18	0.00
91282CDQ1	USA TREASURY 1.25% 31DEC2026	4,277.98	0.00	(29,636.71)	2,796.96	16,875.00
912828S35	USA TREASURY 1.375% 30JUN2023	317.57	0.00	3,099.27	1,139.50	6,875.00
912828D1	USA TREASURY 1.375% 31AUG2023	646.18	0.00	7,433.16	2,241.85	0.00
912828A7	USA TREASURY 1.5% 15AUG2026	2,109.88	0.00	(21,562.50)	2,486.19	0.00
912828Z78	USA TREASURY 1.5% 31JAN2027	2,781.70	0.00	(15,804.70)	1,740.33	0.00
912828YY0	USA TREASURY 1.75% 31DEC2024	(2,150.99)	0.00	(9,296.88)	2,900.55	17,500.00
912828Y87	USA TREASURY 1.75% 31JUL2024	(2,128.59)	0.00	(2,500.00)	2,900.55	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2023 - June 30, 2023

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Bonds						
9128282U3	USA TREASURY 1.875% 31AUG2024	(213.49)	0.00	(1,875.00)	1,528.53	0.00
912828XT2	USA TREASURY 2% 31MAY2024	(2,612.58)	0.00	1,093.76	3,278.69	0.00
9128286R6	USA TREASURY 2.25% 30APR2024	(436.83)	0.00	1,054.69	1,834.24	0.00
912828V23	USA TREASURY 2.25% 31DEC2023	(351.48)	0.00	2,734.38	1,864.64	11,250.00
912828Y61	USA TREASURY 2.75% 31JUL2023	(895.99)	0.00	2,348.55	2,279.01	0.00
9128284N7	USA TREASURY 2.875% 15MAY2028	31.67	0.00	(3.35)	0.00	0.00
9128285P1	USA TREASURY 2.875% 30NOV2023	(3,305.98)	0.00	2,812.50	4,241.80	0.00
9128285D8	USA TREASURY 2.875% 30SEP2023	(1,874.65)	0.00	2,030.41	2,356.55	0.00
Total Government Bonds		80,060.02	0.00	(399,966.92)	57,277.08	69,937.50
Grand total		115,627.48	0.00	(943,938.58)	296,501.82	255,364.39

TRANSACTION REPORT

For the period June 1, 2023 - June 30, 2023

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
06/01/2023 06/01/2023	46647PBQ8	Income	Corporate Bonds	JPMORGAN CHASE & CO	06/01/2024	2,000,000.00	0.00	0.00	15,140.00	15,140.00
06/01/2023 06/01/2023	46647PBQ8	Capital Change	Corporate Bonds	JPMORGAN CHASE & CO	06/01/2024	(2,000,000.00)	0.00	2,000,000.00	0.00	2,000,000.00
06/03/2023 06/03/2023	3133EKNX0	Income	Government Agencies	FEDERAL FARM CREDIT BANK	06/03/2024	1,000,000.00	0.00	0.00	10,800.00	10,800.00
06/10/2023 06/10/2023	3130ATU54	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/10/2027	2,100,000.00	0.00	0.00	53,550.00	53,550.00
06/13/2023 06/13/2023	3130ASG86	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/13/2025	2,000,000.00	0.00	0.00	33,750.00	33,750.00
06/15/2023 06/15/2023	46625HRS1	Income	Corporate Bonds	JPMORGAN CHASE & CO 3.2%	06/15/2026	1,500,000.00	0.00	0.00	24,000.00	24,000.00
06/15/2023 06/15/2023	931142DV2	Income	Corporate Bonds	WALMART INC 2.65%	12/15/2024	1,500,000.00	0.00	0.00	19,875.00	19,875.00
06/21/2023 06/21/2023	3130AQF65	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/21/2026	4,000,000.00	0.00	0.00	25,000.00	25,000.00
06/29/2023 06/30/2023	9128284N7	Bought	Government Bonds	USA TREASURY 2.875%	05/15/2028	1,000,000.00	0.00	(943,558.04)	(3,593.75)	(947,151.79)
06/30/2023 06/30/2023	912828S35	Income	Government Bonds	USA TREASURY 1.375%	06/30/2023	1,000,000.00	0.00	0.00	6,875.00	6,875.00
06/30/2023 06/30/2023	912828S35	Capital Change	Government Bonds	USA TREASURY 1.375%	06/30/2023	(1,000,000.00)	0.00	1,000,000.00	0.00	1,000,000.00
06/30/2023 06/30/2023	912828V23	Income	Government Bonds	USA TREASURY 2.25%	12/31/2023	1,000,000.00	0.00	0.00	11,250.00	11,250.00
06/30/2023 06/30/2023	912828YY0	Income	Government Bonds	USA TREASURY 1.75%	12/31/2024	2,000,000.00	0.00	0.00	17,500.00	17,500.00
06/30/2023 06/30/2023	91282CBC4	Income	Government Bonds	USA TREASURY 0.375%	12/31/2025	2,300,000.00	0.00	0.00	4,312.50	4,312.50
06/30/2023 06/30/2023	91282CCJ8	Income	Government Bonds	USA TREASURY 0.875%	06/30/2026	3,000,000.00	0.00	0.00	13,125.00	13,125.00
06/30/2023 06/30/2023	91282CDQ1	Income	Government Bonds	USA TREASURY 1.25%	12/31/2026	2,700,000.00	0.00	0.00	16,875.00	16,875.00
06/30/2023		Income	Cash and Cash Equivalent	Cash		0.00	0.00	0.00	3,311.89	3,311.89

ADDITIONAL INFORMATION

As of June 30, 2023

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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Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV.

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For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

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 Moody's, 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 Moody's and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown.

The ICE BofA 3 Month 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 ICE BofA 6 Month US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The ICE BofA 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 ICE BofA 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 ICE BofA 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 ICE BofA 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 ICE BofA 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.

ADDITIONAL INFORMATION

As of June 30, 2023

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

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City of Menlo Park								
Insight ESG Ratings as of June 30, 2023								
Cusip/Id	Description	Moody Rating	S&P Rating	Par	Insight ESG Score	Environmental	Social	Governance
459200HP9	IBM CORP 3.2% 01AUG2023	A3	A-	\$ 1,000,000	2	1	2	3
742718EB1	PROCTER & GAMBLE CORP 3.1% 15AUG2023	Aa3	AA-	\$ 1,000,000	3	3	4	3
89236THA6	TOYOTA MOTOR CREDIT 1.35% 25 AUG 2023	A1	A+	\$ 1,000,000	3	2	3	4
24422EUM9	JOHN DEERE CAPITAL CORP 3.65% 12OCT2023	A2	A	\$ 950,000	4	4	3	4
14913R2S5	CATERPILLAR FIN. SER. .95% 10JAN2024	A2	A	\$ 1,000,000	4	4	3	4
89236THU2	TOYOTA MOTOR CREDIT .45% 11JAN2024	A1	A+	\$ 1,800,000	3	2	3	4
02665WCT6	AMERICAN HONDA FINANCE 3.55% 12JAN2024	A3	A-	\$ 1,000,000	2	1	3	3
24422EVN6	JOHN DEERE CAPITAL CORP .45% 17JAN2024	A2	A	\$ 800,000	4	4	3	4
17325FAS7	CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23)	Aa3	A+	\$ 1,500,000	3	1	3	4
693475AV7	PNC FINSERVGRUP 3.5% 23JAN2024 (CALLABLE 24DEC2023)	A3	A-	\$ 1,000,000	3	2	3	3
91159HHV5	US BANK NA CINCINNATI 3.375% 05FEB2024 (CALLABLE 06JAN2024)	A3	A+	\$ 1,000,000	3	3	4	3
594918BX1	MICROSOFT CORP 2.875% 06FEB2024 (CALLABLE 06DEC23)	Aaa	AAA	\$ 960,000	2	1	2	3
24422EUX5	JOHN DEERE CAPITAL CORP 2.6% 07MAR2024	A2	A	\$ 1,450,000	4	4	3	4
459200JY8	IBM CORP 3.0% 15MAY2024	A3	A-	\$ 2,000,000	2	1	2	3
14913R2L0	CATERPILLAR .45% 17MAY2024	A2	A	\$ 1,600,000	4	4	3	4
06051GHL6	BANK OF AMERICA NA 3.864% 23JUL2024 (CALLABLE 23JUL2023)	A1	A-	\$ 1,500,000	4	1	3	4
693506BQ9	PPG INDUSTRIES INC 2.4% 15AUG2024	A3	BBB+	\$ 2,000,000	2	1	3	3
89236TGL3	TOYOTA MOTOR CREDIT 2.00% 07OCT2024	A1	A+	\$ 1,000,000	3	2	3	4
69353REF1	PNC BANK NA 3.3% 30OCT2024 (CALLABLE 30SEP2024)	A2	A	\$ 2,500,000	3	2	3	3
14913Q3B3	CATERPILLAR 2.15% 8NOV2024	A2	A	\$ 1,000,000	4	4	3	4
931142DV2	WALMART INC. 2.65% 15DEC2024 (CALLABLE 15OCT2024)	Aa2	AA	\$ 1,500,000	4	1	4	4
90331HMS9	US BANK NA 2.8% 27JAN2025 (CALLABLE 27DEC2024)	A2	A+	\$ 1,000,000	3	3	4	3
02665WEC1	AMERICAN HODA FINANCE 4.75% 12JAN2026	A3	A1	\$ 2,000,000	2	1	3	3
437076BM3	HOME DEPOT INC. 3% 01APR2026 (CALLABLE 01JAN2026)	A2	A	\$ 3,000,000	2	2	2	2
46625HRS1	JPMORGAN CHASE & CO 3.2% 15JUN2026 (CALLABLE 15MAR26)	A1	A-	\$ 1,500,000	3	1	3	4
911159HHN3	US BANCORP 2.375% 22JUL2026 (CALLABLE 22Jun2026)	A3	A	\$ 2,000,000	3	3	4	3
594918BR4	MICROSOFT CORP 2.40% 08AUG2026 (CALLABLE 08MAY26)	Aaa	AAA	\$ 2,000,000	2	1	2	3
88579YAV3	3M COMPANY 2.25% 19SEO2026 (CALLABLE 19JUN2026)	A2	A-	\$ 2,000,000	3	3	3	3
713448DN5	PEPSICO INC. 2.375% 06OCT2026 (CALLABLE 06JUL2026)	A1	A+	\$ 1,000,000	2	2	2	2
437076CA8	HOME DEPOT 2.5% 15APR2027 (CALLABLE 15FEB2027)	A2	A	\$ 1,200,000	2	2	2	2
91159HHR4	US Bancorp 3.15% 27APR2027	A3	A	\$ 2,000,000	3	3	4	3
037833CR9	APPLE INC. 3.2% 11MAY2027 (CALLABLE 11FEB2027)	Aaa	AA+	\$ 2,121,000	5	1	4	5
693475AT2	PNC FINANCIAL SERVICES 3.15% 19MAY2027	A3	A-	\$ 1,100,000	3	3	2	3
037833DB3	APPLE INC 2.9% 12SERP2027 (CALLABLE 12JUN2027)	Aaa	AA+	\$ 1,000,000	5	1	4	5
02665WED9	AMERICAN HONDA FINANCE 4.7% 12JAN2028	A3	A-	\$ 2,300,000	2	1	3	3
194162AR4	COLGATE-PALMOLIVE CO 4.6% 01MAR2028 (CALLABLE 01FEB28)	Aa3	AA-	\$ 1,600,000	2	2	2	3
Corporate				\$ 53,381,000	3.00	2.14	2.97	3.39

*ESG ratings are from 1 to 5, with 1 as the highest rating and 5 as the lowest. All ratings are weighted by industry rankings, based on the importance of the category within the individual industry.



STAFF REPORT

City Council
Meeting Date: 8/15/2023
Staff Report Number: 23-180-CC

Public Hearing: Consider and adopt resolutions to amend the City of Menlo Park General Plan Circulation Element and El Camino Real/Downtown Specific Plan to add an Alley designation under the Local Access street classification, and allow for the City Council to consider closing public streets within the Main Street and Local Access (Alley) street classifications to vehicular traffic

Recommendation

The Planning Commission and staff recommend that the City Council consider and adopt the following resolutions:

- Adopt a resolution amending the Circulation Element of the General Plan to modify the street classifications in the General Plan Circulation Element to incorporate an Alley designation under the Local Access street classification, and allow for the City Council to consider street closures within the Main Street (i.e., Santa Cruz Avenue) and Local Access (Alley) (e.g., Ryans Lane) classifications (Attachment A); and
- Adopt a resolution amending the El Camino Real/Downtown Specific Plan (Specific Plan) to allow street closures on Santa Cruz Avenue in additional locations to the Central Plaza identified in the Specific Plan and allow for street closures on additional streets and alleys in the Specific Plan, provided the closures are consistent with the General Plan Circulation Element and would reinforce the Urban Design Framework and the guiding principles of the Specific Plan (Attachment B)

Policy Issues

The City Council should consider the merits of the proposed amendments to the General Plan Circulation Element and Specific Plan, including the goals and policies of the General Plan and the Urban Design Framework and guiding principles of the Specific Plan. The proposed amendments would provide the City Council with the ability to review and consider street closures along Main Street (i.e., Santa Cruz Avenue) and within public Alleys (Local Access “Alleys”) throughout the City, but anticipated to be within the downtown area (e.g., Ryans Lane). The City Council should consider the proposed amendments for consistency with General Plan Goal-LU-5 (Strengthen Downtown and El Camino Real Corridor) and more specifically Policy LU-5.1 (El Camino Real/Downtown Specific Plan). The amendments should also be considered in relation to General Plan Goal CIRC-1 (Safe Transportation System) and more specifically Policies CIRC-1.6 (Emergency Response Routes), CIRC-1.7 (Bicycle Safety), and CIRC-1.8 (Pedestrian Safety) and Program CIRC-1.A (Pedestrian and Bicyclist Safety). The City Council should also consider programs CIRC-1.E (Emergency Response Routes Map) and CIRC-1.F (Coordination with Emergency Services) in relation to ensuring emergency response routes are maintained in the citywide circulation network with possible street closures. The proposed amendments to the Specific Plan should be considered

for consistency with the guiding principles to enhance public space and generate vibrancy, as well as the Urban Design Framework for the Specific Plan that includes an “integrated corridor” and a “walking and connected community.”

Any street closures would require the City Council to review the specific design, circulation (e.g., pedestrian, bicycle, and vehicular within the closed street and surrounding circulation network), and duration of the street closure. The street closures would support the City Council’s request to consider a permanent outdoor dining program (“streetary” program) that would permit outdoor dining in closed travel lanes as a replacement to the temporary outdoor use permit (TOUP) program that was implemented during the COVID-19 pandemic. The streetary program is independent of the potential street closures but the street closures could allow for expanding streetary and outdoor dining opportunities. Staff believes that the proposed amendments to the General Plan and Specific Plan would advance the City Council 2023-2024 fiscal year priority of “Activating Downtown/Economic Development.”

Background

The City Council’s actions to mitigate the economic impacts of COVID-19 on the local economy helped many businesses remain viable during the pandemic. The Council adopted a number of urgency ordinances since the start of the COVID-19 pandemic to implement street closures and outdoor dining programs to allow businesses to operate in a safe manner. Below is a summary of the City Council’s actions in the past three years:

- 2020 – Urgency Ordinances No. 1070, 1071, 1072, and 1073 were adopted to allow staff to implement the TOUP program for outdoor dining and to close portions of Santa Cruz Avenue and a portion of Ryans Lane between Crane Street and Escondido Lane to vehicle travel.
- 2021 – Ordinance No. 1085 was adopted to extend the TOUP program and street closure through January 2022.
- 2022 – The City Council approved an extension of the outdoor dining pilot program and street closures to remain on a month-to-month basis, set to expire with the COVID-19 State of Emergency Order (February 28, 2023).
- 2023 –
 - Jan. 10, 2023, staff prepared a City Council informational item to share draft design standards for a longer-term outdoor dining program (referred to as the streetary program).
 - Feb. 28, 2023, the City Council held a study session on a draft ordinance to amend the City of Menlo Park Municipal Code to add Chapter 13.10 (Streetaries Outdoor Dining Areas) to Title 13 (Streets, Sidewalks and Utilities) of the Municipal Code and amendments to sections 13.18.10 and 13.18.20 of Chapter 13.18 (Use of Public Right of Way) to enable the proposed streetary program, as well as draft design standards and fees associated with the program. During the study session, the City Council also expressed an interest in continuing the street closures for portions of Santa Cruz Avenue (between Curtis and Doyle Streets) in the eastbound direction and Ryans Lane at the intersection of Crane Street (specifically between Crane Street and Escondido Lane) and to allow for bicycle and pedestrian circulation while restricting vehicle access.

City Council will also consider introducing and waiving the first reading of the proposed streetary ordinance at its Aug. 15, 2023 meeting.

To allow for the ongoing closure of a portion of Santa Cruz Avenue and/or Ryans Lane, the Circulation

Element of the General Plan and Specific Plan need to be amended to allow the City Council to be able to consider temporary, long-term, or permanent closures of portions of these streets. The proposed amendments would also allow the City Council to consider additional street closures in the future, provided specific criteria are met.

Planning Commission recommendation

On July 24, 2023, the Planning Commission reviewed the proposed General Plan Circulation Element and El Camino Real/Downtown Specific Plan amendments to add the Local Access (Alley) designation and allow for the City Council to consider street closures within the Main Street and Local Access (Alley) street classifications and voted 5-1, with Riggs opposed and Chair Harris absent. Commissioner Riggs generally expressed concerns regarding the potential removal of additional vehicular access along Santa Cruz Avenue and potential additional street closure impacts on vehicular access within the downtown area. After publication of the July 24, 2023, staff report, the City received an email raising concerns about closing Santa Cruz Avenue to vehicles. That email is included in Attachment I. The City received one public comment at the Planning Commission meeting relaying similar concerns on the removal of vehicular access on Santa Cruz Avenue and the impact on drivers. The Planning Commission's resolutions are included in Attachment C and the July 24 Planning Commission agenda and staff report are available in Attachment D.

Analysis

In response to the City Council's expressed interest in continuing the closure of the eastbound 600 block of Santa Cruz Avenue and a portion of Ryans Lane at the intersection of Crane Street (and more specifically to the west of Escondido Lane), staff prepared amendments to the Circulation Element of the General Plan and Downtown Specific Plan to provide this flexibility. The proposed amendments to the Circulation Element (Attachment A) and the El Camino Real/Downtown Specific Plan (Attachment B) allow for the City Council to consider partial or full street closures on a temporary, long-term, or permanent basis within the Main Street classification (e.g., Santa Cruz Avenue), and separately on public alleys that meet specific criteria (e.g., Ryans Lane).

General Plan Circulation Element amendments

The City's General Plan is a guiding document or roadmap for the City's future. The General Plan embraces and carries out through its goals, policies and programs, the community's vision for the future physical development of the city. The Circulation Element focuses on distinct issues and opportunities for the City related to pedestrian, bicycle, transit and vehicle circulation. The City's mobility vision emphasizes walking, bicycling and public transit.

The City's Circulation Element includes a street classifications table (Table 1) that identifies streets based on suitability for various travel modes and adjacent land uses with a goal of providing a complete streets framework. Table 1 and Figure 2 (Street classifications map of the City) are included in Attachment E and a link to the complete General Plan Circulation Element is included in Attachment F. The proposed amendments to the Circulation Element of the General Plan would modify the definition of Main Street in Table 1 (Description of Street Classifications) as follows (additions in underline):

"Provides access to all travel modes in support of Downtown, includes on-street parking. Service to pedestrian-oriented retail is of prime importance. Vehicle performance indicators may be lowered to improve the pedestrian experience. Bicycle priority may be lower where appropriate parallel bicycle corridors exist. Allows for full or partial closures (temporary, long term or permanent basis) to vehicles while potentially maintaining bicycle and pedestrian circulation. Street closures will be coordinated with

the Menlo Park Police Department and Menlo Park Fire Protection District.”

The proposed amendment also adds a new “Alley” designation to the Local Access street classification in Table 1 of the Circulation Element of the General Plan, under which Ryans Lane would be classified, and it would be defined as follows:

“Low volume public street, not exceeding 20-feet in width, generally serving immediately adjacent properties and parking. Provides secondary access to abutting uses, primarily for deliveries, building services (e.g., trash and recycling pick up), and employees. Allows for full or partial closure to vehicles (temporary, long term or permanent basis) while potentially maintaining bicycle and pedestrian circulation and appropriate secondary building access. Potential street closures would be coordinated with the Menlo Park Police Department and Menlo Park Fire Protection District.”

The proposed amendments would not approve street closures within the Main Street or Local Access (Alleys) classifications, but would give the City Council the ability to consider making the current street closures in the downtown area long-term or permanent and also consider additional street closures in the future through separate actions. The City Council would review future street closures in these areas for consistency with the amended General Plan Circulation Element and amended El Camino Real/Downtown Specific Plan. Any potential street closures would require the City Council to review and approve the specific design, circulation (e.g., pedestrian, bicycle, and vehicular within the closed street and surrounding circulation network), and duration of the street closure.

The proposed amendments to the General Plan Circulation Element would not substantially alter the City’s circulation network nor would these amendments create additional development potential within the City. The proposed Circulation Element amendments are included as Attachment A.

El Camino Real/Downtown Specific Plan amendments

The El Camino Real/Downtown Specific Plan established a framework for private and public improvements on El Camino Real, in the Caltrain station area, and in downtown Menlo Park. In addition to promoting private infill development, the plan includes circulation and connectivity improvements, including a strategy for the implementation of public space improvements. A key concept of the El Camino Real/Downtown Specific Plan is the Central Plaza located within Santa Cruz Avenue. The Central Plaza is intended to provide a public gathering space for the downtown.

The proposed amendments include minor changes to allow the City Council to consider partial or full street closures on a temporary, long-term, or permanent basis on Santa Cruz Avenue and on other streets and alleys within the plan area, as well as a clarification that the number of on-street parking spaces listed in the Specific Plan may be subject to change based on actual design of public improvements. The proposed amendments are to Chapters C (Plan Principles, Framework and Program), Chapter D (Public Space), and Chapter F (Circulation). The complete El Camino Real/Downtown Specific Plan is included in the link in Attachment G. The proposed amendments would generally encompass the following:

- In Chapter C (Plan Principles, Framework and Program), incorporate text identifying that the City Council may also consider additional street closures (in addition to the Central Plaza concept on Santa Cruz Avenue and the pedestrian paseo on Chestnut Street), provided specific criteria are met.
- In Chapter D (Public Space), include text identifying that the City Council may also consider additional public improvements, such as street closures, beyond those currently listed (e.g., pedestrian, bicycle and vehicular connections).
- In Chapter F (Circulation), add text clarifying that the City Council may consider additional public

improvements, including modifications to the vehicle, pedestrian and bicycle circulation network, provided specific criteria are met. Also clarify that on-street parking reductions identified in the Specific Plan were estimates and may change based on public improvements. Attachment H includes the table with the existing and future downtown parking supply.

The proposed Specific Plan amendments are included as Attachment B.

Correspondence

A comment letter was received after the July 24, 2023, Planning Commission meeting relaying concerns regarding closing Santa Cruz Avenue to vehicles that were also expressed in a previous email to the Planning Commission that was received after publication of the staff report. The initial letter was sent directly to the Planning Commission and referenced by staff during its presentation. The second comment letter, which incorporates the initial comment letter, is included in Attachment I.

The City did not receive any requests for consultation or other response from Native American Tribal Nations notified of the proposed amendments, per the requirements of Senate Bill 18.

Conclusion and next steps

If approved, the proposed amendments would enable the City Council to consider temporary, long-term, or permanent street closures that would continue to activate the downtown with enhanced outdoor dining options, help to promote the goals and policies of the General Plan Land Use and Circulation Elements and would also promote the guiding principles. The amendments would also be consistent with the Urban Design Framework of the Specific Plan by providing additional area for outdoor dining options to generate vibrancy, enhance public space by creating areas for outdoor dining and outdoor gatherings with appropriate bicycle and pedestrian facilities, and create “distinct and connected areas” through the street closures. The Planning Commission recommended approval of the proposed amendments at its meeting July 24, 2023.

Next steps

It is anticipated that, concurrent with its consideration of the amendments to the General Plan Circulation Element and El Camino Real/Downtown Specific Plan, the City Council will consider whether to introduce and waive the first reading of the proposed streetary ordinance.

If the City approves the proposed General Plan and Specific Plan amendments and introduces the ordinance for the streetary program, then the City Council may consider, through separate actions at a future meeting, the approval of a longer term or permanent extension of the existing street and alley closures on Santa Cruz Avenue and Ryans Lane.

Impact on City Resources

Staff and city attorney time spent on preparing the amendments to the General Plan Circulation Element and Specific Plan are not reimbursable and are being accommodated within the existing budgets of the planning division, city manager’s office and city attorney. Additionally, the City’s contract with its economic development consultant, HdL Companies, includes a budget to support this effort.

Environmental Review

The City previously prepared and certified the ConnectMenlo Program Environmental Impact Report

("ConnectMenlo EIR") in November 2016 and certified the Housing Element Update Subsequent EIR ("SEIR") in January 2023. Additionally, the City previously prepared and certified the Program Environmental Impact Report for adoption of the El Camino Real/Downtown Specific Plan ("Program EIR") in June 2012.

The City has prepared an Addendum to the ConnectMenlo Program EIR and subsequent EIR (SEIR) (Attachment J) and an Addendum to the El Camino Real/Downtown Specific Plan Program EIR (Attachment K) in compliance with the California Environmental Quality Act (CEQA) that examined potential environmental impacts of the proposed amendments to the General Plan and El Camino Real/Downtown Specific Plan, and found no substantial evidence to support requiring additional environmental review, in part given that the General Plan and El Camino Real/Downtown Specific Plan amendments would not increase the development potential identified in the plans or lead to any activity that might cause new or increased environmental effects, as discussed in more detail in the Addenda. Additionally, notifications of the proposed General Plan and El Camino Real/Downtown Specific Plan amendments were sent to California Native American tribes of the opportunity to conduct consultations on the proposed amendments, per the State of California Senate Bill 18 requirements, and there were no requests to consult on the proposed amendments.

The certified program EIRs together with each Addendum will be considered in deciding whether to approve each amendment.

Public Notice

Public notification consisted of publishing a notice in the local newspaper. Public notification was also achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Resolution amending the Circulation Element of the General Plan
- B. Resolution amending the El Camino Real/Downtown Specific Plan
- C. Planning Commission resolutions recommending the City Council approve the amendments to the General Plan Circulation Element and the El Camino Real/Downtown Specific Plan.
- D. Hyperlink: Planning Commission July 24 meeting agenda and staff report - <https://menlopark.gov/files/sharedassets/public/agendas-and-minutes/planning-commission/2023-meetings/agendas/20230724-planning-commission-agenda-packet.pdf>
- E. General Plan Circulation Element Excerpt – Figure 2 and Table 1
- F. Hyperlink – General Plan Circulation Element: <https://menlopark.gov/files/sharedassets/public/community-development/documents/general-plan/circulation-element-adopted-20161129.pdf>
- G. Hyperlink – El Camino Real/Downtown Specific Plan: <https://menlopark.gov/files/sharedassets/public/community-development/documents/el-camino-real-downtown-specific-plan/el-camino-real-downtown-specific-plan-2014.pdf>
- H. El Camino Real/Downtown Specific Plan Excerpt – Existing and Future Parking Supply Table
- I. Correspondence
- J. Addendum to the ConnectMenlo certified Program EIR and the Housing Element Update certified Subsequent EIR for the General Plan
- K. Addendum to the El Camino Real/Downtown Specific Plan certified Program EIR

Report prepared by:
Kyle Perata, Planning Manager

Staff Report #: 23-180-CC

Report reviewed by:
Deanna Chow, Assistant Community Development Director

RESOLUTION NO. XXXX

A RESOLUTION OF CITY COUNCIL OF THE CITY OF MENLO PARK TO APPROVE AMENDMENTS TO THE CIRCULATION ELEMENT OF THE GENERAL PLAN TO CREATE A LOCAL ACCESS (ALLEY) STREET CLASSIFICATION AND TO ALLOW FOR STREET CLOSURES WITHIN MAIN STREET AND LOCAL ACCESS (ALLEY) STREET CLASSIFICATIONS OF THE CIRCULATION ELEMENT, AND DETERMINE THAT NO SUBSTANTIAL CHANGES REQUIRING PREPARATION OF A SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (EIR) WILL BE MADE AS A RESULT OF THE AMENDMENTS TO THE CIRCULATION ELEMENT OF THE GENERAL PLAN AS DOCUMENTED IN THE ADDENDUM TO THE PREVIOUSLY CERTIFIED CONNECTMENLO EIR AND THE HOUSING ELEMENT UPDATE SUBSEQUENT EIR

WHEREAS, the City of Menlo Park General Plan provides a comprehensive framework for land use and planning decisions, including city-wide circulation within the General Plan Circulation Element (“General Plan”) last updated in November 2016; and

WHEREAS, in 2015, the City Council approved the Santa Cruz Street Café pilot program to allow merchants to convert street parking to parklets for outdoor uses; and

WHEREAS, during the Covid-19 pandemic, the City Council created the temporary outdoor use permit (TOUP) program and closed portions of Santa Cruz Avenue and Ryans Lane to facilitate expanded outdoor dining and outdoor sales for businesses impacted by the Covid-19 pandemic; and

WHEREAS, the TOUP program expired on February 28, 2023 and the City desires to create a permanent outdoor dining program; and

WHEREAS, the City Council held a study session on February 28, 2023 to discuss the proposed Streetaries Outdoor Dining (formerly TOUP) Program (“Streetaries”) and existing temporary street closures on the eastbound 600-Block of Santa Cruz Avenue (between Curtis Street and Doyle Street) and a portion of Ryans Lane (between Crane Street and Chestnut Street); and

WHEREAS, on February 28, 2023, the City Council determined that the closure of streets to vehicular traffic within certain City rights-of-way provides economic vitality to the City and businesses, creates community gathering spaces, contributes to the enjoyment of public spaces, and increases opportunity for more enjoyable pedestrian travel in the City; and

WHEREAS, the City Council directed staff to research the steps and requirements to allow the City Council to consider making permanent the existing Santa Cruz Avenue and Ryans Lane street closures; and

WHEREAS, City staff determined that amendments to the City of Menlo Park General Plan are necessary to allow the City Council to consider temporary, long term, or permanent closures for a portion of Santa Cruz Avenue and Ryans Lane to vehicle traffic; and

WHEREAS, the amendments to the General Plan Circulation Element would include a new “Local Access (Alley)” classification within the “Local Access” classification and an amended “Main Street” classification allowing the City Council to consider whether to close streets designed as “Main Street” or “Local Access (Alley)” within the City’s circulation network on a temporary, long-term, or permanent basis, provided the street closures are consistent with the goals and policies of the General Plan (Exhibit A); and

WHEREAS, the proposed amendments to the General Plan are internally consistent; and

WHEREAS, the City, as the lead agency, pursuant to the CEQA Guidelines previously prepared and certified the ConnectMenlo Program Environmental Impact Report (“ConnectMenlo EIR”) in November 2016 and certified the Housing Element Update Subsequent EIR (“SEIR”) in January 2023; and

WHEREAS, the City prepared an Addendum to the ConnectMenlo EIR and related SEIR (Exhibit B) in compliance with CEQA that examined the environmental impacts of the proposed amendments to the General Plan, and found no substantial evidence to support requiring additional environmental review, in part given that the General Plan amendments would not increase the development potential identified in the General Plan or lead to any activity that might cause new or increased environmental effects, as discussed in more detail in the Addendum; and

WHEREAS, on April 15, 2023 the City sent notifications of the proposed General Plan amendments to California Native American tribes, identified by the Native American Heritage Commission, notifying the tribes of the opportunity to conduct consultations on the proposed amendments, per the requirements of California Senate Bill 18; and

WHEREAS, after the 90-day comment period, the City did not receive any requests for consultation on the proposed General Plan amendments; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, at a duly and properly noticed public hearing held on July 24, 2023, the Planning Commission considered the Addendum to the ConnectMenlo EIR and SEIR as part of its consideration of the proposed amendments to the Circulation Element of the General Plan, prior to making a determination on its recommendation to the City Council; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered, and evaluated all the testimony and evidence submitted in this matter, voted affirmatively to recommend that the City Council of the City of Menlo Park make findings that the proposed amendments to the Circulation Element of the General Plan (“Circulation Element Amendments”) are in compliance with all applicable State regulations and the City General Plan, and adopt a resolution approving the proposed Circulation Element Amendments; and

WHEREAS, at a duly and properly noticed public hearing held on August 15, 2023, the City Council considered the Addendum to the ConnectMenlo EIR and SEIR as part of its consideration of the Planning Commission’s recommendation on the proposed amendments to the Circulation Element of the General Plan, prior to making a determination on the proposed amendments.

NOW, THEREFORE, THE MENLO PARK CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

Section 1: Recitals. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, public testimony, ConnectMenlo EIR and SEIR Addendum, the Planning Commission's review and recommendation, and other materials and evidence submitted or provided, and the City Council finds the foregoing recitals are true and correct, and they are hereby incorporated by reference into this Resolution.

Section 2. CEQA Findings. The City Council of the City of Menlo Park does hereby make the following findings:

1. The information and analysis contained in the Addendum reflects the City's independent judgment as to the proposed amendments to the Circulation Element of the General Plan.
2. There have not been any substantial changes in the amendments to the Based upon substantial evidence and as demonstrated by the analysis included in the Addendum, none of the conditions described in Sections 15162 or 15163 of the CEQA Guidelines calling for the preparation of a subsequent or supplemental EIR or negative declaration have occurred; specifically:
 - a. There have not been any substantial changes in the amendments to the General Plan that require major revisions of the ConnectMenlo EIR and SEIR because of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - b. There have not been any substantial changes with respect to the circumstances under which the amendments to the General Plan is undertaken that require major revisions of the ConnectMenlo EIR and SEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
 - c. There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the ConnectMenlo EIR and SEIR was certified, that shows any of the following: (a) the amendments to the Circulation Element of the General Plan will have one or more significant effects not discussed in the ConnectMenlo EIR and SEIR; (b) significant effects previously examined will be substantially more severe than shown in the ConnectMenlo EIR and SEIR; (c) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the Project, but the project proponents decline to adopt the mitigation measure or alternative; or (d) mitigation measures or alternatives which are considerably different from those analyzed in the ConnectMenlo EIR and SEIR would substantially reduce one or more significant effects on the environment, but the City declines to adopt the mitigation measure or alternative.

3. Based on the above findings, the City Council determines that the previously-certified ConnectMenlo EIR and SEIR, together with the Addendum, are adequate to serve as the required environmental documentation for the General Plan amendments.

Section 3. Findings. The City Council of the City of Menlo Park does hereby make the following findings:

1. The amendments to the Circulation Element of the General Plan are necessary to allow the City Council flexibility to consider modifications to the City's circulation network, including the temporary, long-term, and permanent closure of streets classified as Main Street and Local Access (Alleys).
2. The amendments to the Circulation Element of the General Plan are consistent with the objectives, policies, general land uses and programs specified in the General Plan.
3. The City Council has considered the Addendum prepared for the certified EIRs that document that the above described amendments would be consistent with the previously certified EIRs prepared for the General Plan.

SEVERABILITY

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project Revisions, shall continue in full force and effect unless amended or modified by the City.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the fifteenth day of August, 2023, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this ____ day of August, 2023

Judi A. Herren, City Clerk

Exhibits

- A. Amendments to the Circulation Element of the General Plan
- B. Addendum to the ConnectMenlo EIR (Staff Report Attachment I)

Proposed General Plan Circulation Element Amendments

1. **Section 1.** Circulation Element, Table 1 (Description of Street Classifications), is hereby amended to modify the “Main Street” Classification on Page CIRC-7 as follows (Additions in underline, deletions in ~~strikethrough~~):

Classification	Mode Priority	Description and Guidelines	Examples	FHWA Category
Main Street	Bicycle: (half circle) Pedestrian: (full circle) Transit: (half circle) Vehicle: (half circle)	<i>High intensity, pedestrian-oriented retail street.</i> Provides access to all travel modes in support of Downtown, includes on-street parking. Service to pedestrian-oriented retail is of prime importance. Vehicle performance indicators may be lowered to improve the pedestrian experience. Bicycle priority may be lower where appropriate parallel bicycle corridors exist. <u>Allows for full or partial closures (temporary, long term, or permanent basis) to vehicles while potentially maintaining bicycle and pedestrian circulation. Street closures will be coordinated with the Menlo Park Police Department and Menlo Park Fire Protection District.</u>	Santa Cruz Ave	Minor Arterial

2. **Section 2.** Circulation Element, is hereby amended to add a “Local Access (Alley)” classification in Table 1 (Description of Street Classifications) on Page CIRC-8 as follows (Additions in underline, deletions in ~~strikethrough~~):

Classification	Mode Priority	Description and Guidelines	Examples	FHWA Category
<u>Local Access (Alley)</u>	<u>Bicycle: (half circle)</u> <u>Pedestrian: (full circle)</u> Transit: (empty circle) <u>Vehicle: (half circle)</u>	<u>Low volume public street not exceeding 20-feet in width, generally serving immediately adjacent properties and parking.</u> <u>Provides secondary access to abutting uses, primarily for deliveries, building services</u>	<u>Ryans Lane</u>	<u>N/A</u>

		<p><u>(e.g. trash and recycling pick up), and employees. Allows for full or partial closure to vehicles (temporary, long term, or permanent basis) while potentially maintaining bicycle and pedestrian circulation and appropriate secondary building access. Street closures will be coordinated with the Menlo Park Police Department and Menlo Park Fire Protection District.</u></p>		
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RESOLUTION NO. XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK TO APPROVE AMENDMENTS TO THE EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN TO ALLOW FOR STREET CLOSURES WITHIN SANTA CRUZ AVENUE AND OTHER STREETS AND ALLEYS WITHIN THE PLAN AREA, AND DETERMINE THAT NO SUBSTANTIAL CHANGES REQUIRING PREPARATION OF A SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (EIR) WILL BE MADE AS A RESULT OF THE AMENDMENTS TO THE EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN AS DOCUMENTED IN THE ADDENDUM TO THE PREVIOUSLY CERTIFIED EIR FOR THE EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN

WHEREAS, the City of Menlo Park adopted the El Camino Real/Downtown Specific Plan (“Specific Plan”) in June 2012 to guide development in the downtown and El Camino Real corridors, including parameters for circulation, public space, and parking; and

WHEREAS, in 2015, the City Council approved the Santa Cruz Street Café pilot program to allow merchants to convert street parking to parklets for outdoor uses; and

WHEREAS, during the Covid-19 pandemic, the City Council created the temporary outdoor use permit (TOUP) program and closed portions of Santa Cruz Avenue and Ryans Lane to facilitate expanded outdoor dining and outdoor sales for businesses impacted by the Covid-19 pandemic; and

WHEREAS, the TOUP program expired on February 28, 2023 and the City desires to create a permanent outdoor dining program; and

WHEREAS, the City Council held a study session on February 28, 2023 to discuss the proposed Streetaries Outdoor Dining (formerly TOUP) Program (“Streetaries”) and existing temporary street closures on the eastbound 600-Block of Santa Cruz Avenue (between Curtis Street and Doyle Street) and a portion of Ryans Lane (between Crane Street and Chestnut Street); and

WHEREAS, on February 28, 2023, the City Council determined that the closure of streets to vehicular traffic within certain City’s rights-of-way provides economic vitality to the City and businesses, creates community gathering spaces, contributes to the enjoyment of public spaces, and increase opportunity for more enjoyable pedestrian travel in the City; and

WHEREAS, the City Council directed staff to research the steps and requirements to allow the City Council to consider making permanent the existing Santa Cruz Avenue and Ryans Lane street closures; and

WHEREAS, City staff determined that amendments to the City of Menlo Park Specific Plan are necessary to allow the City Council to consider temporary, long term, or permanent closures for a portion of Santa Cruz Avenue and Ryans Lane to vehicle traffic; and

WHEREAS, the amendments to the Specific Plan would allow the City Council to consider whether to close streets, on a temporary, long-term, or permanent basis, within the

Downtown Specific Plan boundaries and to consider public space enhancements that are in line with the guiding principles and the urban design framework of the Specific Plan (Exhibit A); and

WHEREAS, the proposed amendments to the Specific Plan are internally consistent and consistent with the General Plan; and

WHEREAS, the City, as lead agency, pursuant to the California Environmental Quality Act and the CEQA Guidelines (“CEQA”) had previously prepared and certified the Program Environmental Impact Report for adoption of the Specific Plan (“Program EIR”) in June 2012; and

WHEREAS, the City prepared an Addendum to the Specific Plan Program EIR (Exhibit B) in compliance with CEQA that examined the environmental impacts of the proposed amendments to the Specific Plan, and found no substantial evidence to support requiring additional environmental review, in part given that the Specific Plan amendments would not increase the development potential identified in the Specific Plan or lead to any activity that might cause new or increased environmental effects, as discussed in more detail in the Addendums; and

WHEREAS, on April 15, 2023, the City sent notifications of the proposed Specific Plan amendments to California Native American tribes, identified by the Native American Heritage Commission, notifying the tribes of the opportunity to conduct consultations on the proposed amendments, per the requirements of California Senate Bill 18; and

WHEREAS, after the 90-day comment period, the City did not receive any requests for consultation on the proposed Specific Plan amendments; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, at a duly and properly noticed public hearing held on July 24, 2023, the Planning Commission considered the Addendum to the Specific Plan EIR as part of its consideration of the proposed amendments to the Specific Plan, prior to making a determination on its recommendation to the City Council; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered, and evaluated all the testimony and evidence submitted in this matter, voted affirmatively to recommend that the City Council of the City of Menlo Park make findings that the proposed amendments to the El Camino Real/Downtown Specific Plan (“Specific Plan Amendments”) are in compliance with all applicable State regulations and the City General Plan, and adopt a resolution approving the proposed Specific Plan Amendments; and

WHEREAS, at a duly and properly noticed public hearing held on August 15, 2023, the City Council considered the Addendum to the Specific Plan EIR as part of its consideration of the Planning Commission’s recommendation on the proposed amendments to the Specific Plan, prior to making a determination on its recommendation to the City Council; and

NOW, THEREFORE, THE MENLO PARK CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

Section 1: Recitals. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, public testimony, EIR addendum,

Planning Commission review and recommendation, and other materials and evidence submitted or provided, and the City Council finds the foregoing recitals are true and correct, and they are hereby incorporated by reference into this Resolution.

Section 2. CEQA Findings. The City Council of the City of Menlo Park does hereby make the following findings and recommendation:

1. There have not been any substantial changes in the amendments to the Specific Plan that require major revisions of the FEIR because of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
2. The information and analysis contained in the Addendum reflects the City's independent judgment as to the proposed amendments to the El Camino Real/Downtown Specific Plan.
3. There have not been any substantial changes in the amendments to the Specific Plan that require major revisions of the FEIR because of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; Based upon substantial evidence and as demonstrated by the analysis included in the Addendum, none of the conditions described in Sections 15162 or 15163 of the CEQA Guidelines calling for the preparation of a subsequent or supplemental EIR or negative declaration have occurred; specifically:
 - a. There have not been any substantial changes in the amendments to the Specific Plan that require major revisions of the FEIR because of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - b. There have not been any substantial changes with respect to the circumstances under which the amendments to the Specific Plan is undertaken that require major revisions of the FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
 - c. There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the Program EIR was certified, that shows any of the following: (a) the amendments to the Specific Plan will have one or more significant effects not discussed in the Program EIR; (b) significant effects previously examined will be substantially more severe than shown in the Program EIR; (c) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the Project, but the project proponents decline to adopt the mitigation measure or alternative; or (d) mitigation measures or alternatives which are considerably different from those analyzed in the Program EIR would substantially reduce one or more significant effects on the environment, but the City declines to adopt the mitigation measure or alternative.
4. Based on the above findings, the City Council determines that the previously certified Program EIR, together with the Addendum, are adequate to serve as the required environmental documentation for the Specific Plan amendments.

Section 3. Findings. The City Council of the City of Menlo Park does hereby make the following findings and recommendation:

1. The amendments to the Specific Plan are necessary to allow the City Council flexibility to consider temporary, long term, and permanent street closures within the Downtown Specific Plan area.
2. The amendments to the Specific Plan are consistent with the objectives, policies, general land uses and programs specified in the General Plan and the El Camino Real/Downtown Specific Plan and would be consistent between each plan.
3. The City Council has considered the Addendum prepared for the certified Program EIR that document that the above described amendments would be consistent with the previously certified EIR prepared for the Specific Plan.

SEVERABILITY

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project Revisions, shall continue in full force and effect unless amended or modified by the City.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the fifteenth day of August, 2023, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this _____ day of August, 2023

Judi A. Herren, City Clerk

Exhibits

- A. Amendments to the Specific Plan
- B. Addendum to the Specific Plan EIR (Staff Report Attachment J)

Proposed Downtown Specific Plan Amendments

1. **Section 1.** Chapter C. (Plan Principles, Framework and Program), Section C.4 (Sub-Area Concepts), Subsection “Downtown,” paragraph 2 on Page C16 is hereby amended to read as follows (Additions in underline, deletions in ~~strikethrough~~):

Proposed improvements include the Santa Cruz Avenue Central Plaza and market place, linked by a pedestrian paseo on Chestnut Street. These enhancements create a sense of village center - a “place du village” - in the heart of downtown, which establishes a new destination and reinforces downtown’s image and identity. At the center of Santa Cruz Avenue, the Santa Cruz Avenue Central Plaza accommodates vehicular circulation, although it may be closed temporarily for special events. The Menlo Park City Council may also consider additional street closures (including partial or full street closures on a temporary, long term, or permanent basis) on Santa Cruz Avenue to vehicle circulation to reinforce the Urban Design Framework and the guiding principles of the Specific Plan. Additional street closures should include appropriate bicycle and pedestrian circulation. The market place concept, which describes a range of options including a pavilion of small retail and food vendors, frames the Chestnut paseo and functions in conjunction with the Santa Cruz Avenue Central Plaza and the weekly Farmer’s Market. It also complements the established grocers in the area. Careful design and programming of such a facility, along with requirements for trial implementation, will ensure that such an amenity complements, and does not compete with, the Farmer’s Market and other food retailers downtown.

2. **Section 2.** Chapter D. (Public Space), Section D.1 (Overview), last paragraph on Page D2, is hereby amended to read as follows (Additions in underline, deletions in ~~strikethrough~~):

This section also includes standards, general guidelines and sustainable practices for streetscape and public space improvements in the downtown, station area and along El Camino Real. For each improvement (e.g. Santa Cruz Avenue), the section provides a short overarching description of the improvement, the intent of the improvement, its character and specific elements, and applicable standards and guidelines. These descriptions, standards and guidelines are to be used by those making public improvements in the area, including public agencies and private property owners. In addition to the public space improvements identified in this section, the Menlo Park City Council can also consider additional improvements, such as street or alley closures (including partial or full street closures on a temporary, long term, or permanent basis), if the intent meets the key unifying concepts for public space in the project area or the City Council determines the improvements are consistent with the guiding principles of the plan.

3. **Section 3.** Chapter D. (Public Space), Section D.2 (Downtown), first paragraph on Page D8, is hereby amended to read as follows (Additions in underline, deletions in ~~strikethrough~~):

The Specific Plan establishes a comprehensive network of public spaces downtown that enhance the civic and social life of the community and support downtown businesses. Because there is no existing civic plaza or vacant public land, the Specific Plan relies on existing public rights-of-way and public parking plazas to create much-needed civic and social spaces. The plan establishes a recognizable center in downtown, a central nexus of public spaces and locus of activity -- a Central Plaza -- at the intersection of Santa Cruz Avenue and Chestnut Street. This central area, accompanied by an improved streetscape and widened sidewalks on Santa Cruz Avenue, elevates the character of downtown’s “main street.” In combination with

enhanced pedestrian linkages, activity nodes and pocket parks, the improvements create a comprehensive, connected network of civic and social spaces. The Menlo Park City Council may also consider additional public space improvements (e.g. street closures) on Santa Cruz Avenue and other streets or alleys in the Specific Plan to further the guiding principles and Urban Design Framework of the plan.

4. **Section 4.** Chapter F. (Circulation), Section F.2 (Vehicular Circulation), Subsection “Improvements on Downtown Streets” on Page F4, is hereby amended to read as follows (Additions in underline, deletions in ~~striketrough~~):

The Specific Plan proposes improvements on Santa Cruz Avenue in the downtown area, in particular wider sidewalks and relocated parking spaces. It converts a portion of Chestnut Street south of Santa Cruz Avenue to pedestrian-only. The Specific Plan makes Oak Grove Avenue a bicycle-priority street with added bicycle lanes (discussed in section F4 “Bicycle Facilities”). The Specific Plan also provides the City Council opportunities to make additional public improvements, including modifications to the vehicle, pedestrian, and bicycle circulation network (e.g. full or partial street closures on a temporary, long-term, or permanent basis) that meet the key unifying concepts for public space and are consistent with the guiding principles of the plan.

5. **Section 5.** Chapter F. (Circulation), Section F.2 (Vehicular Circulation), Table F3 on Page F24, is hereby amended to read as follows (Additions in underline, deletions in ~~striketrough~~):

On-Street Spaces⁸

...

Notes:

¹ 2009-2010 Downtown Menlo Park Parking Study, Wilbur Smith Associates.

² A new parking garage at Parking Plaza 1 would displace 204 existing spaces.

³ Future parking supply for Parking Plaza 1 includes a 650-space parking garage + 45 surface spaces remaining.

⁴ A new parking garage and pocket park at parking plaza 2 would displace 95 existing spaces.

⁵ A new parking garage and pocket park at Parking Plaza 3 would displace 212 existing spaces.

⁶ Although three parking garages are shown, the Specific Plan assumes that up to two parking garages will be built in downtown Menlo Park. The parking total reflects the range of parking spaces that could be provided if only two garages were built, rather than three.

⁷ On street parking space could be affected with proposed future Class II / Minimum Class III improvements.

⁸ On-street space reduction is an estimate and subject to change based on actual design of public improvements.

PLANNING COMMISSION RESOLUTION NO. 2023-XX

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MENLO PARK RECOMMENDING THAT THE CITY COUNCIL APPROVE AMENDMENTS TO THE CIRCULATION ELEMENT OF THE GENERAL PLAN TO CREATE A LOCAL ACCESS (ALLEY) STREET CLASSIFICATION AND TO ALLOW FOR STREET CLOSURES WITHIN MAIN STREET AND LOCAL ACCESS (ALLEY) STREET CLASSIFICATIONS OF THE CIRCULATION ELEMENT, AND DETERMINE THAT NO SUBSTANTIAL CHANGES REQUIRING PREPARATION OF A SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (EIR) WILL BE MADE AS A RESULT OF THE AMENDMENTS TO THE CIRCULATION ELEMENT OF THE GENERAL PLAN AS DOCUMENTED IN THE ADDENDUM TO THE PREVIOUSLY CERTIFIED CONNECTMENLO EIR AND THE HOUSING ELEMENT UPDATE SUBSEQUENT EIR

WHEREAS, the City of Menlo Park General Plan provides a comprehensive framework for land use and planning decisions, including city-wide circulation within the General Plan Circulation Element (“General Plan”) last updated in November 2016; and

WHEREAS, in 2015, the City Council approved the Santa Cruz Street Café pilot program to allow merchants to convert street parking to parklets for outdoor uses; and

WHEREAS, during the Covid-19 pandemic, the City Council created the temporary outdoor use permit (TOUP) program and closed portions of Santa Cruz Avenue and Ryans Lane to facilitate expanded outdoor dining and outdoor sales for businesses impacted by the Covid-19 pandemic; and

WHEREAS, the TOUP program expired on February 28, 2023 and the City desires to create a permanent outdoor dining program; and

WHEREAS, the City Council held a study session on February 28, 2023 to discuss the proposed Streetaries Outdoor Dining (formerly TOUP) Program (“Streetaries”) and existing temporary street closures on the eastbound 600-Block of Santa Cruz Avenue (between Curtis Street and Doyle Street) and a portion of Ryans Lane (between Crane Street and Chestnut Street); and

WHEREAS, on February 28, 2023, the City Council determined that the closure of streets to vehicular traffic within certain City rights-of-way provides economic vitality to the City and businesses, creates community gathering spaces, contributes to the enjoyment of public spaces, and increases opportunity for more enjoyable pedestrian travel in the City; and

WHEREAS, the City Council directed staff to research the steps and requirements to allow the City Council to consider making permanent the existing Santa Cruz Avenue and Ryans Lane street closures; and

WHEREAS, City staff determined that amendments to the City of Menlo Park General Plan are necessary to allow the City Council to consider temporary, long term, or permanent closures for a portion of Santa Cruz Avenue and Ryans Lane to vehicle traffic; and

WHEREAS, the amendments to the General Plan Circulation Element would include a new “Local Access (Alley)” classification within the “Local Access” classification and an amended “Main Street” classification allowing the City Council to consider whether to close streets designed as “Main Street” or “Local Access (Alley)” within the City’s circulation network on a temporary, long-term, or permanent basis, provided the street closures are consistent with the goals and policies of the General Plan (Exhibit A); and

WHEREAS, the proposed amendments to the General Plan are internally consistent; and

WHEREAS, the City, as the lead agency, pursuant to the CEQA Guidelines previously prepared and certified the ConnectMenlo Program Environmental Impact Report (“ConnectMenlo EIR”) in November 2016 and certified the Housing Element Update Subsequent EIR (“SEIR”) in January 2023; and

WHEREAS, the City prepared an Addendum to the ConnectMenlo EIR and related SEIR (Exhibit B) in compliance with CEQA that examined the environmental impacts of the proposed amendments to the General Plan, and found no substantial evidence to support requiring additional environmental review, in part given that the General Plan amendments would not increase the development potential identified in the General Plan or lead to any activity that might cause new or increased environmental effects, as discussed in more detail in the Addendum; and

WHEREAS, on April 15, 2023 the City sent notifications of the proposed General Plan amendments to California Native American tribes, identified by the Native American Heritage Commission, notifying the tribes of the opportunity to conduct consultations on the proposed amendments, per the requirements of California Senate Bill 18; and

WHEREAS, after the 90-day comment period, the City did not receive any requests for consultation on the proposed General Plan amendments; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, at a duly and properly noticed public hearing held on July 24, 2023, the Planning Commission considered the Addendum to the ConnectMenlo EIR and SEIR as part of its consideration of the proposed amendments to the Circulation Element of the General Plan, prior to making a determination on its recommendation to the City Council; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered, and evaluated all the testimony and evidence submitted in this matter, voted affirmatively to recommend that the City Council of the City of Menlo Park make findings that the proposed amendments to the Circulation Element of the General Plan (“Circulation Element Amendments”) are in compliance with all applicable State regulations and the City General Plan, and adopt a resolution approving the proposed Circulation Element Amendments.

NOW, THEREFORE, THE MENLO PARK PLANNING COMMISSION HEREBY RESOLVES AS FOLLOWS:

Section 1: Recitals. The Planning Commission has considered the full record before it, which may include but is not limited to such things as the staff report, public testimony, ConnectMenlo

EIR and SEIR Addendum, and other materials and evidence submitted or provided, and the Planning Commission finds the foregoing recitals are true and correct, and they are hereby incorporated by reference into this Resolution.

Section 2. CEQA Findings. The Planning Commission of the City of Menlo Park does hereby make the following findings and recommendation:

1. The information and analysis contained in the Addendum reflects the City's independent judgment as to the proposed amendments to the Circulation Element of the General Plan.
2. There have not been any substantial changes in the amendments to the Based upon substantial evidence and as demonstrated by the analysis included in the Addendum, none of the conditions described in Sections 15162 or 15163 of the CEQA Guidelines calling for the preparation of a subsequent or supplemental EIR or negative declaration have occurred; specifically:
 - a. There have not been any substantial changes in the amendments to the General Plan that require major revisions of the ConnectMenlo EIR and SEIR because of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - b. There have not been any substantial changes with respect to the circumstances under which the amendments to the General Plan is undertaken that require major revisions of the ConnectMenlo EIR and SEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
 - c. There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the ConnectMenlo EIR and SEIR was certified, that shows any of the following: (a) the amendments to the Circulation Element of the General Plan will have one or more significant effects not discussed in the ConnectMenlo EIR and SEIR; (b) significant effects previously examined will be substantially more severe than shown in the ConnectMenlo EIR and SEIR; (c) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the Project, but the project proponents decline to adopt the mitigation measure or alternative; or (d) mitigation measures or alternatives which are considerably different from those analyzed in the ConnectMenlo EIR and SEIR would substantially reduce one or more significant effects on the environment, but the City declines to adopt the mitigation measure or alternative.
3. Based on the above findings, the Planning Commission determines that the previously-certified ConnectMenlo EIR and SEIR, together with the Addendum, are adequate to serve as the required environmental documentation for the General Plan amendments.

Section 3. Findings. The Planning Commission of the City of Menlo Park does hereby make the following findings and recommendation:

1. The amendments to the Circulation Element of the General Plan are necessary to allow the City Council flexibility to consider modifications to the City's circulation network, including the temporary, long-term, and permanent closure of streets classified as Main Street and Local Access (Alleys).
2. The amendments to the Circulation Element of the General Plan are consistent with the objectives, policies, general land uses and programs specified in the General Plan.
3. The Planning Commission has considered the Addendum prepared for the certified EIRs that document that the above described amendments would be consistent with the previously certified EIRs prepared for the General Plan.

NOW, THEREFORE, THE MENLO PARK PLANNING COMMISSION HEREBY FURTHER RESOLVES AS FOLLOWS:

Section 1. Recommendation. The Planning Commission recommends that the City Council consider the Circulation Element Amendments together with the Addendum to the ConnectMenlo EIR and SEIR (Exhibit B) and adopt a resolution approving the amendments to the Circulation Element (Exhibit A).

SEVERABILITY

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project Revisions, shall continue in full force and effect unless amended or modified by the City.

I, Corinna Sandmeier, Principal Planner and Planning Commission Liaison of the City of Menlo Park, do hereby certify that the above and foregoing Commission Resolution was duly and regularly passed and adopted at a meeting by said Commission on July 24, 2023, by the following votes:

AYES: Barnes, Do, Ehrich, Ferrick, Schindler

NOES: Riggs

ABSENT: Harris

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this ____ day of July, 2023

Corinna Sandmeier

Principal Planner and Planning Commission Liaison

City of Menlo Park

Exhibits

- A. Amendments to the Circulation Element of the General Plan
- B. Addendum to the ConnectMenlo EIR

PLANNING COMMISSION RESOLUTION NO. 2023-XX

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MENLO PARK RECOMMENDING THAT THE CITY COUNCIL APPROVE AMENDMENTS TO THE EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN TO ALLOW FOR STREET CLOSURES WITHIN SANTA CRUZ AVENUE AND OTHER STREETS AND ALLEYS WITHIN THE PLAN AREA, AND DETERMINE THAT NO SUBSTANTIAL CHANGES REQUIRING PREPARATION OF A SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (EIR) WILL BE MADE AS A RESULT OF THE AMENDMENTS TO THE EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN AS DOCUMENTED IN THE ADDENDUM TO THE PREVIOUSLY CERTIFIED EIR FOR THE EL CAMINO REAL/DOWNTOWN SPECIFIC PLAN

WHEREAS, the City of Menlo Park adopted the El Camino Real/Downtown Specific Plan (“Specific Plan”) in June 2012 to guide development in the downtown and El Camino Real corridors, including parameters for circulation, public space, and parking; and

WHEREAS, in 2015, the City Council approved the Santa Cruz Street Café pilot program to allow merchants to convert street parking to parklets for outdoor uses; and

WHEREAS, during the Covid-19 pandemic, the City Council created the temporary outdoor use permit (TOUP) program and closed portions of Santa Cruz Avenue and Ryans Lane to facilitate expanded outdoor dining and outdoor sales for businesses impacted by the Covid-19 pandemic; and

WHEREAS, the TOUP program expired on February 28, 2023 and the City desires to create a permanent outdoor dining program; and

WHEREAS, the City Council held a study session on February 28, 2023 to discuss the proposed Streetaries Outdoor Dining (formerly TOUP) Program (“Streetaries”) and existing temporary street closures on the eastbound 600-Block of Santa Cruz Avenue (between Curtis Street and Doyle Street) and a portion of Ryans Lane (between Crane Street and Chestnut Street); and

WHEREAS, on February 28, 2023, the City Council determined that the closure of streets to vehicular traffic within certain City’s rights-of-way provides economic vitality to the City and businesses, creates community gathering spaces, contributes to the enjoyment of public spaces, and increase opportunity for more enjoyable pedestrian travel in the City; and

WHEREAS, the City Council directed staff to research the steps and requirements to allow the City Council to consider making permanent the existing Santa Cruz Avenue and Ryans Lane street closures; and

WHEREAS, City staff determined that amendments to the City of Menlo Park Specific Plan are necessary to allow the City Council to consider temporary, long term, or permanent closures for a portion of Santa Cruz Avenue and Ryans Lane to vehicle traffic; and

WHEREAS, the amendments to the Specific Plan would allow the City Council to consider whether to close streets, on a temporary, long-term, or permanent basis, within the Downtown Specific Plan boundaries and to consider public space enhancements that are in line with the guiding principles and the urban design framework of the Specific Plan (Exhibit A); and

WHEREAS, the proposed amendments to the Specific Plan are internally consistent and consistent with the General Plan; and

WHEREAS, the City, as lead agency, pursuant to the California Environmental Quality Act and the CEQA Guidelines (“CEQA”) had previously prepared and certified the Program Environmental Impact Report for adoption of the Specific Plan (“Program EIR”) in June 2012; and

WHEREAS, the City prepared an Addendum to the Specific Plan Program EIR (Exhibit B) in compliance with CEQA that examined the environmental impacts of the proposed amendments to the Specific Plan, and found no substantial evidence to support requiring additional environmental review, in part given that the Specific Plan amendments would not increase the development potential identified in the Specific Plan or lead to any activity that might cause new or increased environmental effects, as discussed in more detail in the Addendums; and

WHEREAS, on April 15, 2023, the City sent notifications of the proposed Specific Plan amendments to California Native American tribes, identified by the Native American Heritage Commission, notifying the tribes of the opportunity to conduct consultations on the proposed amendments, per the requirements of California Senate Bill 18; and

WHEREAS, after the 90-day comment period, the City did not receive any requests for consultation on the proposed Specific Plan amendments; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, at a duly and properly noticed public hearing held on July 24, 2023, the Planning Commission considered the Addendum to the Specific Plan EIR as part of its consideration of the proposed amendments to the Specific Plan, prior to making a determination on its recommendation to the City Council; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered, and evaluated all the testimony and evidence submitted in this matter, voted affirmatively to recommend that the City Council of the City of Menlo Park make findings that the proposed amendments to the El Camino Real/Downtown Specific Plan (“Specific Plan Amendments”) are in compliance with all applicable State regulations and the City General Plan, and adopt a resolution approving the proposed Specific Plan Amendments.

NOW, THEREFORE, THE MENLO PARK PLANNING COMMISSION HEREBY RESOLVES AS FOLLOWS:

Section 1: Recitals. The Planning Commission has considered the full record before it, which may include but is not limited to such things as the staff report, public testimony, EIR addendum, and other materials and evidence submitted or provided, and the Planning

Commission finds the foregoing recitals are true and correct, and they are hereby incorporated by reference into this Resolution.

Section 2. CEQA Findings. The Planning Commission of the City of Menlo Park does hereby make the following findings and recommendation:

1. There have not been any substantial changes in the amendments to the Specific Plan that require major revisions of the FEIR because of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
2. The information and analysis contained in the Addendum reflects the City's independent judgment as to the proposed amendments to the El Camino Real/Downtown Specific Plan.
3. There have not been any substantial changes in the amendments to the Specific Plan that require major revisions of the FEIR because of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; Based upon substantial evidence and as demonstrated by the analysis included in the Addendum, none of the conditions described in Sections 15162 or 15163 of the CEQA Guidelines calling for the preparation of a subsequent or supplemental EIR or negative declaration have occurred; specifically:
 - a. There have not been any substantial changes in the amendments to the Specific Plan that require major revisions of the FEIR because of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - b. There have not been any substantial changes with respect to the circumstances under which the amendments to the Specific Plan is undertaken that require major revisions of the FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
 - c. There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the Program EIR was certified, that shows any of the following: (a) the amendments to the Specific Plan will have one or more significant effects not discussed in the Program EIR; (b) significant effects previously examined will be substantially more severe than shown in the Program EIR; (c) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the Project, but the project proponents decline to adopt the mitigation measure or alternative; or (d) mitigation measures or alternatives which are considerably different from those analyzed in the Program EIR would substantially reduce one or more significant effects on the environment, but the City declines to adopt the mitigation measure or alternative.
4. Based on the above findings, the Planning Commission determines that the previously certified Program EIR, together with the Addendum, are adequate to serve as the required environmental documentation for the Specific Plan amendments.

Section 3. Findings. The Planning Commission of the City of Menlo Park does hereby make the following findings and recommendation:

1. The amendments to the Specific Plan are necessary to allow the City Council flexibility to consider temporary, long term, and permanent street closures within the Downtown Specific Plan area.
2. The amendments to the Specific Plan are consistent with the objectives, policies, general land uses and programs specified in the General Plan and the El Camino Real/Downtown Specific Plan and would be consistent between each plan.
3. The Planning Commission has considered the Addendum prepared for the certified Program EIR that document that the above described amendments would be consistent with the previously certified EIR prepared for the Specific Plan.

NOW, THEREFORE, THE MENLO PARK PLANNING COMMISSION HEREBY FURTHER RESOLVES AS FOLLOWS:

Section 1. Recommendation. The Planning Commission recommends that the City Council consider the Specific Plan Amendments and the Addendum to the Specific Plan Program EIR (Exhibit B) and adopt a resolution approving the amendments to the Specific Plan (Exhibit A).

SEVERABILITY

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project Revisions, shall continue in full force and effect unless amended or modified by the City.

I, Corinna Sandmeier, Principal Planner and Planning Commission Liaison of the City of Menlo Park, do hereby certify that the above and foregoing Commission Resolution was duly and regularly passed and adopted at a meeting by said Commission on July 24, 2023, by the following votes:

AYES: Barnes, Do, Ehrich, Ferrick

NOES: Riggs

ABSENT: Harris

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this ____ day of July, 2023

Corinna Sandmeier

Principal Planner and Planning Commission Liaison

City of Menlo Park

Exhibits

- A. Amendments to the Specific Plan
- B. Addendum to the Specific Plan EIR

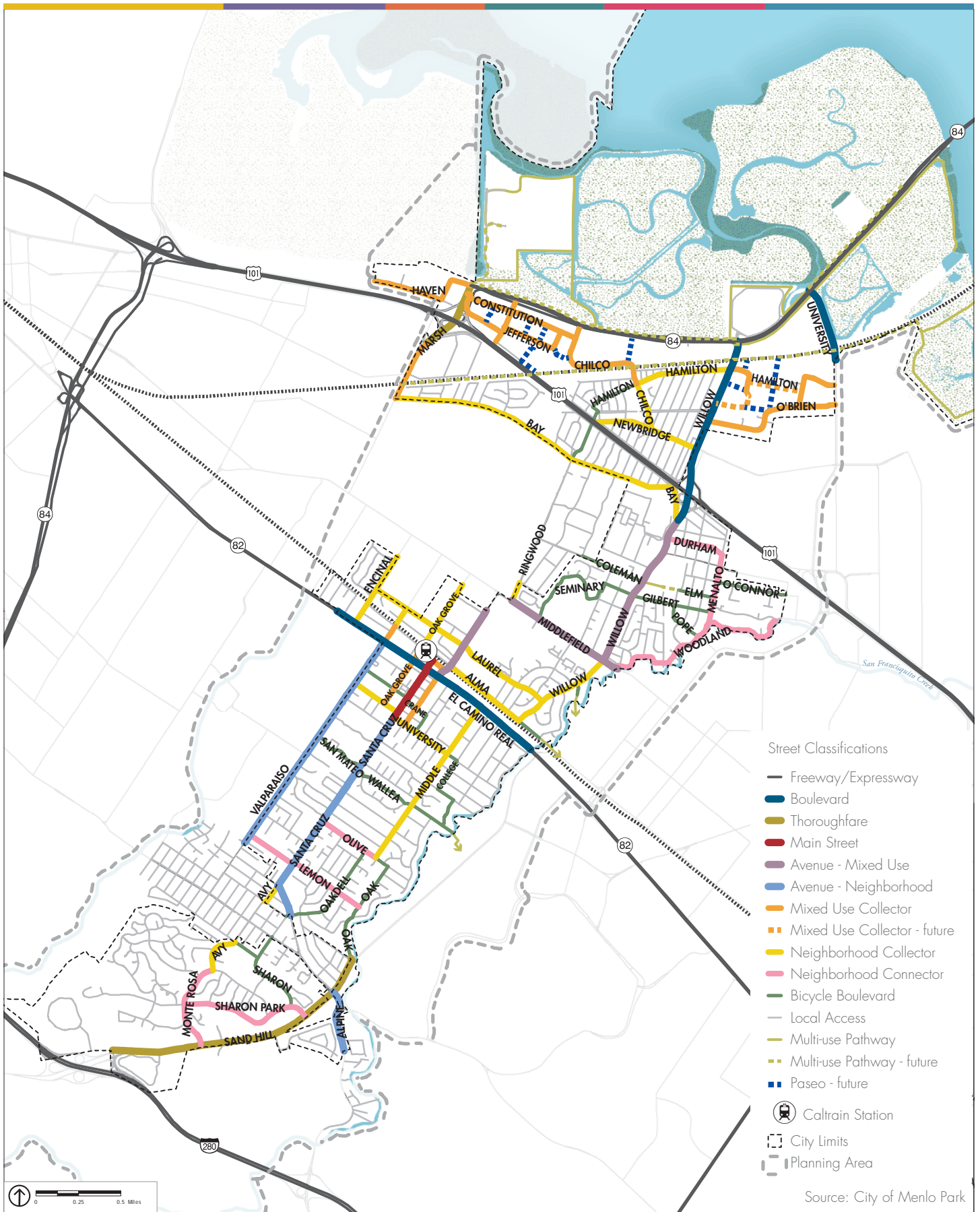


TABLE 1 DESCRIPTION OF STREET CLASSIFICATIONS

Classification	Mode Priority	Description and Guidelines	Examples	FHWA Category
Freeway/ Expressway	Vehicle: ● Other modes: N/A	<i>Limited access, major regional freeways and expressways that are part of the state and regional network of highways and subject to state design standards.</i>	Bayfront Expressway	Expressway
Boulevard	Bicycle: ● Pedestrian: ● Transit: ● Vehicle: ●	<i>Major thoroughfare with higher frequency of transit service and mixed commercial and retail frontages.</i> Provides access and safe crossings for all travel modes along a regional transportation corridor. Emphasizes walking and transit and accommodates regional vehicle trips in order to discourage such trips on nearby local roadways, through collaborations with other cities and agencies. In areas of significant travel mode conflict, bicycle improvements may have lower priority if appropriate parallel corridors exist.	El Camino Real	Primary Arterial
Thoroughfare	Bicycle: ● Pedestrian: ● Transit: ● Vehicle: ●	<i>Major thoroughfare, limited mixed commercial frontages.</i> Provides access and safe crossings for all travel modes along a regional transportation corridor. Emphasizes regional vehicle trips in order to discourage such trips on nearby local roadways, through collaborations with other cities and agencies.	Marsh Road, Sand Hill Road	Primary Arterial
Main Street	Bicycle: ● Pedestrian: ● Transit: ● Vehicle: ●	<i>High intensity, pedestrian-oriented retail street.</i> Provides access to all travel modes in support of Downtown, includes on-street parking. Service to pedestrian-oriented retail is of prime importance. Vehicle performance indicators may be lowered to improve the pedestrian experience. Bicycle priority may be lower where appropriate parallel bicycle corridors exist.	Santa Cruz Avenue	Minor Arterial
Avenue – Mixed Use	Bicycle: ● Pedestrian: ● Transit: ● Vehicle: ●	<i>Streets with mixed residential and commercial frontages that serve as a main route for multiple modes.</i> Distributes trips to residential and commercial areas. Provides a balanced level of service for vehicles, transit, bicycles, and pedestrians, wherever possible. Bicycle priority is greater along identified bicycle corridors. Pedestrian improvements are comfortable to walk along, and provide safe crossings at designated locations.	Willow Road (south of Bay), Middlefield Road	Minor Arterial
● = High Priority ● = Medium Priority ○ = Low Priority				

TABLE 1 DESCRIPTION OF STREET CLASSIFICATIONS (CONTINUED)

Classification	Mode Priority	Description and Guidelines	Examples	FHWA Category
Avenue – Neighborhood	Bicycle: ● Pedestrian: ● Transit: ● Vehicle: ●	<i>Streets with residential frontages that serve as a main route for multiple modes.</i> Distributes trips to residential areas. Provides a balanced level of service for vehicles, transit, bicycles, and pedestrians, wherever possible. Bicycle priority is greater along identified bicycle corridors. Pedestrian improvements are comfortable to walk along, and provide safe crossings at designated locations.	Santa Cruz Avenue (south of University Drive), Valparaiso Avenue	Minor Arterial
Mixed-Use Collector	Bicycle: ● Pedestrian: ● Transit: ◐ Vehicle: ◐	<i>Mixed-use street that serves a significant destination.</i> Prioritizes walking and bicycling. Accommodates intra-city trips while also distributing local traffic to other streets and areas.	Chilco St (north of rail corridor), O'Brien Drive, Haven Avenue	Collector
Neighborhood Collector	Bicycle: ● Pedestrian: ● Transit: ◐ Vehicle: ◐	<i>Primarily residential street that serves a significant destination.</i> Prioritizes walking and bicycling. Accommodates intra-city trips while also distributing local traffic to other streets and areas. Accommodating vehicle traffic while ensuring a high quality of life for residents is a key design challenge.	Bay Road, Laurel Street, Hamilton Avenue	Collector
Neighborhood Connector	Bicycle: ● Pedestrian: ● Transit: ○ Vehicle: ◐	<i>Low-medium volume residential through street.</i> Primarily serves residential neighborhoods. Provides high quality conditions for walking and bicycling and distributes vehicle, pedestrian, and bicycle trips to and from other streets.	Monte Rose Avenue, Woodland Avenue	Local
Bicycle Boulevard	Bicycle: ● Pedestrian: ● Transit: ○ Vehicle: ◐	<i>Low volume residential street, serving mostly local traffic, connecting key bicycle facilities.</i> Provides access primarily to abutting uses. These streets should offer safe and inviting places to walk and bike.	San Mateo Drive, Hamilton Avenue	Local
Local Access	Bicycle: ● Pedestrian: ● Transit: ○ Vehicle: ◐	<i>Low volume residential street, serving mostly local traffic.</i> Provides access primarily to abutting uses. These streets should offer safe and inviting places to walk and bike.	San Mateo Drive	Local
Multi-Use Pathway	Bicycle: ● Pedestrian: ● Transit: N/A Vehicle: N/A	<i>Pedestrian and bicycle pathway.</i> Provides priority access to pedestrians and bicycles only, per Caltrans pathway minimum standards. Multi-use pathways feature high-quality crossings where they traverse major roadways.	Bay Trail	N/A
● = High Priority ◐ = Medium Priority ○ = Low Priority				

Existing and Future Downtown Parking Supply				
Parking Location	Existing Supply ¹	Specific Plan Change	Change in Spaces	Future Supply
Parking Plazas				
Parking Plaza 1	249	Added Parking Garage ²	446	695 ³
Parking Plaza 2	95	Added Parking Garage and Pocket Park ⁴	155	250
Parking Plaza 3	212	Added Parking Garage and Pocket Park ⁵	438	650
Parking Plaza 4	105	Pedestrian Link	-19	86
Parking Plaza 5	150	Pedestrian Link	-16	134
Parking Plaza 6	136	Pedestrian Link, Market Place	-32	104
Parking Plaza 7	94	Pedestrian Link, Market Place	-36	58
Parking Plaza 8	145	Pedestrian Link	-7	138
Total	1,186		929	2,115
Total with 2 Parking Garages	1,186		483 - 774	1669 - 1960 ⁶
On-Street Spaces				
Santa Cruz Avenue	116	Sidewalk Widening	-48	68
Chestnut Street North	26	Sidewalk Widening	-11	15
Chestnut Street South	17	Chestnut Paseo	-11	6
Oak Grove Avenue	80	Added Bike Lanes	-35	45
Other Streets	170	No Change	0	170
Total	409		-105	304 ⁷
Downtown Core Area Total	1,595		824	2,419
Total with 2 Parking Garages	1,595		378 - 669	1973 - 2264 ⁶

Notes:

¹ 2009-2010 Downtown Menlo Park Parking Study, Wilbur Smith Associates.

² A new parking garage at Parking Plaza 1 would displace 204 existing spaces.

³ Future parking supply for Parking Plaza 1 includes a 650-space parking garage + 45 surface spaces remaining.

⁴ A new parking garage and pocket park at parking plaza 2 would displace 95 existing spaces.

⁵ A new parking garage and pocket park at Parking Plaza 3 would displace 212 existing spaces.

⁶ Although three parking garages are shown, the Specific Plan assumes that up to two parking garages will be built in downtown Menlo Park. The parking total reflects the range of parking spaces that could be provided if only two garages were built, rather than three.

⁷ On street parking space could be affected with proposed future Class II / Minimum Class III improvements.

Table F3. Existing and Future Downtown Parking Supply

Perata, Kyle T

From: Rich Wipfler <engrwip@aol.com>
Sent: Tuesday, July 25, 2023 11:37 AM
To: _Planning Commission
Subject: Fwd: Public Input: Staff Report 23-050-PC, Circulation Element and Specific Element proposed revisions, Agenda Item F2, July 24 meeting

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from outside of the organization. Unless you recognize the sender's email address and know the content is safe, DO NOT click links, open attachments or reply.

Dear Planning Commissioners,

I'm writing to ask for your help in understanding why my public input that I sent to all of you yesterday regarding Agenda Item F2 wasn't discussed or even referenced during the Planning Commission meeting last night. I attended the meeting remotely.

Did any of you receive and read my input in time for the meeting? If so, was there any reference to it that I somehow missed? Or was it somehow delayed and you have seen it since then?

I'd like to know that the Contact Planning Commission email address works well. I may need it for future public input.

In case you'd like a short version of the issue I wish had been in discussion, which is the compromise solution noted below para. c in my message, where I suggest that eastbound Santa Cruz Ave. should be restored to vehicular traffic but that some or all of the parking spaces along that block could remain available for outdoor dining.

The two restaurants with outdoor dining on that block can adjust to having somewhat less outdoor dining space, much as Galata Bistro restaurant did when eastbound Santa Cruz Ave was reopened along the 800 block.

Galata Bistro, along with all of the other Downtown restaurants with outdoor dining that extends beyond the sidewalks - except the two that have outdoor dining on the 800 block - use only the parking spaces, not a traffic lane, which seems reasonable and fair to all.

For the full version of my input which you all apparently did not see yesterday, you can reference it below.

Best regards,

Richard Wipfler
 1045 Valparaiso Ave
 Menlo Park

Begin forwarded message:

From: Rich Wipfler <engrwip@aol.com>
Subject: Public Input: Staff Report 23-050-PC, Circulation Element and Specific Element proposed revisions, Agenda Item F2, July 24 meeting
Date: July 24, 2023 at 2:16:58 PM PDT
To: planning.commission@menlopark.gov

Dear Planning Commissioners,

As a longtime resident in the Downtown district of Menlo Park and having read the referenced Staff Report I respectfully request that the commission deny the two proposed resolutions described in the staff report and request that staff generate versions of the resolutions with more limited scope.

Specifically, I object to amending the city's policies to allow the permanent closure of any portion of eastbound traffic on Santa Cruz Ave, including the 600 block, to vehicular traffic. The Ryans Lane situation is not part of my objection.

While I'm in favor of designating certain street parking spaces for use as outdoor dining areas in our downtown this can be done in the same limited fashion as it is for 5 of the 7 current or former restaurants in this area, the ones which are able to serve customers outdoors without use of a vehicular travel lane to do so.

Here are some reasons for allowing permanent outdoor dining only in parking spaces, not in eastbound (or westbound) Santa Cruz Ave. travel lanes:

- a. It permanently diminishes downtown area traffic circulation. Eastbound Oak Grove Ave. and eastbound Menlo Ave. are both currently overloaded during certain hours on weekday afternoons, especially during school terms. The traffic on eastbound Oak Grove backs up almost to University Ave at times under the temporary eastbound Santa Cruz Ave. closure.
- b. It sets a precedent for more such traffic restrictions. Downtown restaurant owners who wish to expand their dining areas into traffic lanes could feel emboldened to demand a benefit similar or equal to the one that's currently extended temporarily to just two restaurants. It also opens the door to such demands from future owners of new restaurants who also may want such equal treatment.
- c. If enacted and if permanent structures replace sections of paved traffic lanes then the flexibility of the City to revert to the former traffic requirements is lost permanently or is very costly to undo should certain restaurants close or otherwise leave their rental premises. It's also possible the owners of the properties the restaurants occupy may sell or otherwise develop the properties into non-dining businesses.

What makes more sense is to allow the two restaurants in question, the two on the 600 block of Santa Cruz Ave to continue to use only the diagonal parking spaces they already temporarily use, while allowing vehicular traffic once again to flow eastbound unimpeded. The restaurants very seldom have to use more than half of their outdoor dining area and then only a for small portion of the time during a small number of days. I recall that Galata Bistro temporarily occupied the eastbound travel lane in front of their establishment, an arrangement that thankfully was modified along the lines I propose here.

I close by strongly recommending that one single policy be adopted for all of the restaurants, one

permanently allowing or even encouraging the limited permanent use of street parking spaces while also prohibiting permanent use of any of Downtown street traffic lanes for outdoor dining.

Thank you very much for your consideration of this public input.

Best regards,

Richard Wipfler
1045 Valparaiso Ave
Menlo Park

Addendum to ConnectMenlo General Plan Update Certified Final Environmental Impact Report and Housing Element Subsequent Environmental Impact Report

Lead Agency: City of Menlo Park

Telephone: (650) 330- 6702

Contact Person: Kyle Perata, Planning Manager

Project Title: General Plan Circulation Element Amendments

Project Location: City of Menlo Park, San Mateo County

ConnectMenlo General Plan Update

The City of Menlo Park (City) adopted an update to the Land Use and Circulation Elements of the General Plan in November 2016, referred to as ConnectMenlo (General Plan Update). The General Plan Update was the result of a multi-year comprehensive process with robust outreach. The General Plan Update focused land use changes in the Bayfront Area to foster a new mixed-use district that includes multi-family residential, mixed-use residential and commercial developments, office uses, and life sciences uses. The land use changes could result in net new development potential of up to 2.3 million square feet of non-residential uses, up to 4,500 residential units, and up to 400 hotel rooms. While land use changes were focused on the Bayfront Area, the associated Circulation Element Update was comprehensively updated city-wide. The General Plan serves as the City's comprehensive and long range guide to land use and infrastructure development in the City and includes goals, policies, and programs applicable to private and public development and improvements within the City.

ConnectMenlo General Plan Update Program Environmental Impact Report

On November 29, 2016, the City Council certified the ConnectMenlo Environmental Impact Report (Program EIR). According to the Program EIR, the General Plan does not propose specific private developments, but identified a total development potential throughout the entire city of approximately 4 million square feet of net new nonresidential development, up to 5,350 additional residential units, and up to 400 hotel rooms. The Bayfront Area includes the majority of that development potential with approximately 3.66 million square feet of non-residential development, 4,500 residential units (3,000 unrestricted residential units and 1,500 corporate-style residential units), and 400 hotel rooms. The General Plan Update includes public open space, bicycle and pedestrian improvements, and other circulation improvements. On January 31, 2023 the City Council

adopted the City of Menlo Park 6th Cycle Housing Element (Housing Element Update). The City Council certified a Subsequent EIR (SEIR) to the Program EIR that evaluated the increased housing development across the City to meet the City's 6th cycle regional housing needs allocation.

Proposed Project

At its meeting on February 28, 2023 the City Council held a study session on a draft ordinance to amend the City of Menlo Park Municipal Code to add Chapter 13.30 (Streetaries Outdoor Dining Areas) to Title 13 of the Municipal Code and Amendments to Sections 13.18.10 and 13.18.20 of Chapter 13.18 (Use of Public Right of Way) to enable the proposed streetary program. The City Council also reviewed and provided feedback on draft design standards and fees associated with the proposed streetary program. During the study session, the City Council also expressed an interest in making the temporary street closures for portions of Santa Cruz Avenue (between Curtis Street and Doyle Street) in the eastbound direction and Ryans Lane, between Crane Street and Escondido Lane, permanent. These closures currently restrict vehicle access. The conversion of the temporary street closures to permanent street closures would involve limited new construction as the temporary barriers are already in place. Additional street closures, as authorized by the proposed Circulation Element Amendments ("Amendments"), could require additional barricades, modifications to the existing outdoor dining parklets and streeteries, striping for bicycle/pedestrian movements, and additional wayfinding signage. The street closures would not involve substantial construction activities, ground disturbing activities, an increase in density (dwelling units), intensity (square footage), or building heights.

To allow for the proposed permanent closure of a portion of Santa Cruz Avenue and a portion of Ryans Lane and to allow for the City Council to more broadly consider additional street closures, Amendments to the General Plan Circulation Element attached hereto as Exhibit A and incorporated herein by this reference, are proposed. The proposed Amendments are generally as follows:

- Modify the text of the Main Street classification to allow for the City Council to consider partial or full street closures on a temporary, long term, or permanent basis.
- Add a Local Access Alley street classification to the Circulation Element that would also allow for the City Council to consider street closures of low volume local access public streets.

The City Council would consider potential street closures separately and each potential street closure would be considered for consistency with the General Plan Circulation Element Amendments.

These Amendments would allow the City Council discretion to review and determine whether to approve long-term or permanent closures of portions of Santa Cruz Avenue (in addition to the Central Plaza concept of the Specific Plan), and close public alleys (such as a portion of Ryans Lane) when it determines the alleys are not needed for

circulation purposes. The Planning Commission will review these Amendments to the General Plan Circulation Element and make a recommendation to the City Council, which can adopt the Amendments by resolution.

Potential Environmental Impacts

This is the first addendum to the certified Program EIR and certified SEIR prepared by the City. The Addendum evaluates whether the proposed General Plan Amendments require additional environmental review or can be considered for approval based on the certified Program EIR and certified SEIR prepared for the City's ConnectMenlo General Plan Update and Housing Element Update.

The proposed Amendments require only minor modifications to the Circulation Element which will allow the City Council to consider modifications to the City's circulation network (e.g. partial or full street closures) along Santa Cruz Avenue (classified as a Main Street) and Ryan's Lane (under proposed new Local Access "Alley" classification). The Amendments would be limited to circulation and would not allow any additional development potential (e.g. gross floor area, density) than was previously analyzed by the Program EIR and SEIR since no changes to the General Plan land use standards are proposed. The circulation Amendments would be limited to Santa Cruz Avenue (Main Street) and potentially all newly classified public Local Access (Alleys). The applicable alleys are located throughout the City; however, few of the existing Local Access streets meet the proposed Local Access (Alley) designation. Additionally, the Amendments will not increase the maximum allowable development capacity of the General Plan.

Amending the General Plan to allow the City Council to consider street closures could result in minor modifications to the City's circulation network. Santa Cruz Avenue is considered the City's "Main Street." However, within the downtown area parallel streets to the north and south of Santa Cruz Avenue (Oak Grove Avenue and Menlo Avenue) provide additional east-to-west connectivity through downtown, so that possible partial or full street closure of a portion of Santa Cruz Avenue, will not negatively affect the vehicle circulation network. The adjacent alternate routes can accommodate any minor increase in traffic, and no substantial increase in traffic noise or localized air pollution from intersection congestion on those roadways is expected that might affect commercial and residential uses along those streets. The alternate routes have been designed following "complete streets" policies supporting use by bicyclists, pedestrians, and vehicles. The potential limited increase in traffic would also not be expected to impact emergency responders (e.g. police and fire) response time. The potential closure of portions of Santa Cruz Avenue would not affect transit routes differently than the existing temporary closure, which SamTrans has been able to accommodate.

The proposed Local Access (Alley) street classification would also allow for the City Council to consider street closures of public alleys that meet the Local Access (Alley) classification criteria. Street closures on alleys could be allowed, subject to generally maintaining access to abutting properties for operations (e.g. deliveries, trash collection, etc.). Potential street closures within the Main Street or Local Access (Alley) street

classifications would be coordinated with the Menlo Park Police Department and Menlo Park Fire Protection District to ensure adequate access is maintained. Ryans Lane and the portion of Santa Cruz Avenue have been closed on a temporary basis since October 2020 and June 2020, respectively, and no negative effects have been observed or complained about, supporting these conclusions.

At the time of adoption of the General Plan Update and certification of the Program EIR, the transportation analysis considered level of service (LOS) in the impact analysis. The California Environmental Quality Act (CEQA) no longer utilizes LOS as the metric for identifying impacts in the transportation impact analysis and now uses vehicle miles traveled (VMT) as the metric for assessing impacts. The proposed Amendments to allow for street closures within the Main Street and Alley street classifications would not be expected to increase VMT, as use of the alternate routes to travel in and out or through the downtown will not add a measurable distance to the trip. Most street closures would be expected to be located in the downtown area of Menlo Park and most vehicle trips to downtown would be accommodated in the parking along other downtown streets or in parking plazas. While it is possible that any street closures could be designed to allow for partial vehicle circulation, this analysis assumes complete closure to vehicles.

The decision to amend the General Plan Circulation Element to allow for potential street closures within the Main Street (i.e. Santa Cruz Avenue) and Local Access (Alley) street classifications would not result in an increase in potential environmental effects related to transportation, circulation, or parking. The proposed Amendments are not expected to result in much if any demolition, ground disturbing, construction activities, or operation activities not contemplated in the General Plan Update and Housing Element Update and studied in the Program EIR and SEIR. No increase in potential environmental effects to air quality, biological resources, cultural resources (including tribal cultural resources), geology, soils, or seismicity, greenhouse gases emissions, hazards and hazardous materials, hydrology and water quality, noise, population and housing, and public services and recreation, utilities and service systems would result from implementation of the proposed General Plan Circulation Element Amendments. Additionally, the City, in compliance with Senate Bill 18, notified Native American Tribal Nations, identified by the Native American Heritage Commission, of the proposed Amendments to allow for the tribes to consult with the City on the proposed Amendments. The City did not receive any requests for consultation.

The decision to amend the General Plan would not result in aesthetic impacts or land use and planning effects not contemplated in the Program EIR and SEIR. The proposed Amendments are consistent with the guiding principles of the General Plan and consistent with components of the General Plan studied in the certified Program EIR and the certified SEIR for the Housing Element Update.

Thus, the Program EIR and the SEIR examined essentially the same project that is now being considered by the City through the plan Amendments. As a result, the Amendments would have no new impacts or more severe impacts than previously discussed and analyzed in the certified Program EIR and certified SEIR.

Findings: The proposed changes to the Circulation Element of the General Plan are considered minor and will have little or no new environmental effect. No new or more severe impacts have been identified beyond those examined in the previously certified Program EIR and SEIR. CEQA Guidelines Section 15162 provides that no subsequent environmental review document is needed after an EIR has been certified for a project unless the City determines on the basis of factual evidence that one of the following has occurred:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - A. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - B. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

There have been no substantial changes in the General Plan or its circumstances since certification of the Program EIR and the SEIR. Similarly, there is no substantial new information that could not have been known when the Program EIR and the SEIR were certified. Therefore, there are no grounds for requiring additional review under CEQA Guidelines section 15162 or for the City to undertake a subsequent EIR or negative declaration.

An addendum is the appropriate documentation for these Amendments because the changes are not substantial changes and do not require major revisions to the certified Program EIR or certified SEIR (CEQA Guidelines Section 15164). An addendum does not need to be circulated for public review. This addendum will be considered by the City

Council in conjunction with the Program EIR and SEIR when taking action on the proposed General Plan Amendments.

Third Addendum to El Camino Real/Downtown Specific Plan Certified Final Environmental Impact Report

Lead Agency: City of Menlo Park

Telephone: (650) 330- 6702

Contact Person: Kyle Perata, Planning Manager

Project Title: El Camino Real/Downtown Specific Plan Amendments

Project Location: City of Menlo Park, San Mateo County

El Camino Real/Downtown Specific Plan

The City of Menlo Park (City) developed the El Camino Real/Downtown Specific Plan (Specific Plan) to establish a framework for private and public improvements in the Specific Plan area (Figure 1). The Specific Plan addresses approximately 130 acres and focuses on the character and density of private infill development, the character and extent of enhanced public spaces, and circulation and connectivity improvements. The primary goal of the Specific Plan is to “enhance the community life, character and vitality through mixed use infill Projects sensitive to the small-town character of Menlo Park, an expanded public realm, and improved connections across El Camino Real.” The Specific Plan includes objectives, policies, development standards, and design guidelines intended to guide new private development and public space and transportation improvements in the Specific Plan area.

Specific Plan Program Environmental Impact Report

On June 5, 2012, the City Council certified the Menlo Park El Camino Real and Downtown Specific Plan Program Environmental Impact Report (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 of non-residential development (inclusive of retail, hotel, and commercial development), and 680 new residential units. The Specific Plan includes public open space and streetscape improvements throughout the plan area.

Proposed Project

On February 28, 2023, the City Council held a study session on a draft ordinance to amend the City of Menlo Park Municipal Code to add Chapter 13.30 (Streetaries Outdoor Dining Areas) to Title 13 of the Municipal Code and Amendments to Sections 13.18.10

and 13.18.20 of Chapter 13.18 (Use of Public Right of Way) to enable the proposed streetary program. The City Council also reviewed and provided feedback on draft design standards and fees associated with the proposed streetary program. During the Study Session, the City Council also expressed an interest in making the temporary street closures for portions of Santa Cruz Avenue (between Curtis Street and Doyle Street) in the eastbound direction and Ryans Lane, between Crane Street and Escondido Lane, permanent. These closures currently restrict vehicle access while allowing for bicycle and pedestrian circulation. The conversion of the temporary street closures to permanent street closures would involve limited new construction as the temporary barriers are already in place. Additional street closures, as authorized by the proposed Specific Plan Amendments could require additional barricades, modifications to the existing outdoor dining parklets and streetaries, striping for bicycle/pedestrian movements, and additional wayfinding signage. The street closures would not involve substantial construction activities, ground disturbing activities, or an increase in density (dwelling units), intensity (square footage), or building heights.

To allow for the proposed permanent closure of a portion of Santa Cruz Avenue and a portion of Ryans Lane and to allow for the City Council to more broadly consider additional street closures downtown (in addition to the Central Plaza concept of the Specific Plan), Amendments to the Specific Plan attached hereto as Exhibit A and incorporated herein by this reference are proposed. The proposed Amendments are generally as follows:

- In Chapter C (Plan Principles, Framework and Program), incorporate text identifying that the City Council may also consider additional street closures, provided specific criteria are met.
- In Chapter D (Public Space), include text identifying that the City Council may also consider additional public improvements (e.g. street closures).
- In Chapter F (Circulation), add text clarifying that the City Council may consider additional public improvements, including modifications to the vehicle, pedestrian, and bicycle circulation network, provided specific criteria are met. Also clarify that parking reductions identified in the Specific Plan were estimates and may change based on public improvements.

The Planning Commission will review these Amendments to the Specific Plan and make a recommendation to the City Council, which can adopt the Amendments by resolution.

Potential Environmental Impacts

This is the third addendum to the certified Program EIR prepared by the City. Previously the City adopted the first Addendum to the Program EIR to enable Specific Plan changes associated with the Guild Theatre, and adopted a second Amendment to enable changes associated with the Springline Mixed-Use Development project (1300 El Camino Real). Both of those projects included increases in allowed gross floor area and floor area ratio in the Specific Plan's respective sub-districts, while maintaining the total development cap within the Specific Plan Area. The City prepared addendums to the certified Program EIR for each of the previous Specific Plan amendments. This addendum evaluates whether the proposed Specific Plan Amendments require additional environmental review or can

be considered for approval based on the Program EIR prepared for the City's Specific Plan.

The proposed Amendments require only minor modifications to the Specific Plan which will allow the City Council to consider modifications to the City's circulation network to allow for temporary, long-term, or permanent street closures on Santa Cruz Avenue and other locations within the Specific Plan area (in addition to the Central Plaza and other street closures already identified in the Specific Plan). The Amendments are limited to circulation and public space and would not allow any additional development potential (e.g., gross floor area, density) than was previously analyzed by the Program EIR since no changes to the Specific Plan land use standards are proposed. The Amendments would be limited to the Specific Plan Area and focused on the Downtown sub-area. Amendments to the General Plan Circulation Element are proposed that will be considered separately by the City Council to ensure consistency between the Specific Plan and General Plan. Additionally, the Amendments will not increase the maximum allowable development capacity under the Specific Plan.

Amending the Specific Plan to allow the City Council to consider street closures could result in minor modifications to the City's downtown circulation network. Santa Cruz Avenue is considered the City's "Main Street." However, within the downtown area parallel streets to the north and south of Santa Cruz Avenue (Oak Grove Avenue and Menlo Avenue) provide additional east-to-west connectivity through downtown, so that possible partial or full street closure of a portion of Santa Cruz Avenue will not negatively affect the vehicle circulation network. The adjacent alternate routes can accommodate any minor increase in traffic, and no substantially increase in traffic noise or localized air pollution from intersection congestion on those roadways is expected that might affect commercial and residential uses along those streets. The alternate routes have been designed following "complete streets" policies supporting use by bicyclists, pedestrians, and vehicles. The potential limited increase in traffic would also not be expected to impact emergency responders (e.g. police and fire) response time. The potential closure of portions of Santa Cruz Avenue would not affect transit routes differently than the existing temporary closure, which SamTrans has been able to accommodate. The proposed Specific Plan text Amendments would also allow for the City Council to consider other street closures within the Specific Plan Area. Any potential street closures downtown would be allowed, subject to maintaining access to abutting properties for operations (e.g. deliveries, trash collection) and would be coordinated with the Menlo Park Police Department and Menlo Park Fire Protection District to ensure adequate emergency access is maintained. The closure of Ryans Lane would not restrict access to the neighboring businesses for deliveries, trash collection, etc., nor would the closure restrict vehicle access to the nearby public parking plaza. Ryans Lane is also not a critical emergency response route. Ryans Lane and the portion of Santa Cruz Avenue have been closed on a temporary basis since June 2020 and October 2020, respectively, and no negative effects have been observed or complained about, supporting these conclusions.

At the time of adoption of the Specific Plan and certification of the Program EIR, the transportation analysis considered level of service (LOS) in the impact analysis. The California Environmental Quality Act (CEQA) no longer utilizes LOS as the metric for identifying impacts in the transportation impact analysis and now uses vehicle miles traveled (VMT) as the metric for assessing impacts. The proposed Amendments to allow for permanent street closures would not be expected to increase VMT, as use of the alternate routes to travel in and out or through the downtown will not add a measurable distance to the trip. Most vehicle trips to downtown would be accommodated in the parking along other downtown streets or in parking plazas. While it is possible that street closures could be designed to allow for partial vehicle circulation, this analysis assumes complete closure to vehicles.

There would be no increase in potential environmental effects related to transportation, circulation, or parking. The proposed Amendments are not expected to result in much if any demolition, ground disturbing, construction activities, or other construction or operation activities not contemplated in the Specific Plan and studied by the Program EIR. No increase in potential environmental effects to air quality, biological resources, cultural resources (including tribal cultural resources), geology, soils, or seismicity, greenhouse gases and climate change, hazardous materials and hazards, hydrology and water quality, noise, population and housing, and public services and utilities would result from implementation of the proposed plan Amendments. Additionally, the City, in compliance with Senate Bill 18, notified Native American Tribal Nations identified by the Native American Heritage Commission, of the proposed Amendments to allow for the tribes to consult with the City on the proposed Amendments. The City did not receive any requests for consultation.

The decision to amend the Specific Plan would not result in aesthetic impacts or land use and planning effects not contemplated in the Program EIR. The proposed Amendments are consistent with the vision and guiding principles of the Specific Plan and consistent with components of the Specific Plan studied in the certified Program EIR.

Thus, the Program EIR examined essentially the same project that is now being considered by the City through the plan Amendments. As a result, the Amendments would have no new impacts or more severe impacts than previously discussed and analyzed in the certified EIR.

Findings: The proposed changes to the Specific Plan are considered minor and will have little or no new environmental effect. No new or more severe impacts have been identified beyond those examined in the previously certified Program EIR. CEQA Guidelines Section 15162 provides that no subsequent environmental review document is needed after an EIR has been certified for a project unless the City determines on the basis of factual evidence that one of the following has occurred:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement

- of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
 3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - A. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - B. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

There have been no substantial changes in the Specific Plan or its circumstances since certification of the Program EIR. Similarly, there is no substantial new information that could not have been known when the Program EIR was certified. Therefore, there are no grounds for requiring additional review under CEQA Guidelines section 15162 or for the City to undertake a subsequent EIR or negative declaration.

An addendum is the appropriate documentation for these Amendments because the changes are not substantial changes and do not require major revisions to the certified Program EIR (CEQA Guidelines Section 15164). An addendum does not need to be circulated for public review. This addendum will be considered by the City in conjunction with the Program EIR when taking action on the proposed Specific Plan Amendments.

Figure 1

MENLO PARK EL CAMINO REAL AND DOWNTOWN SPECIFIC PLAN

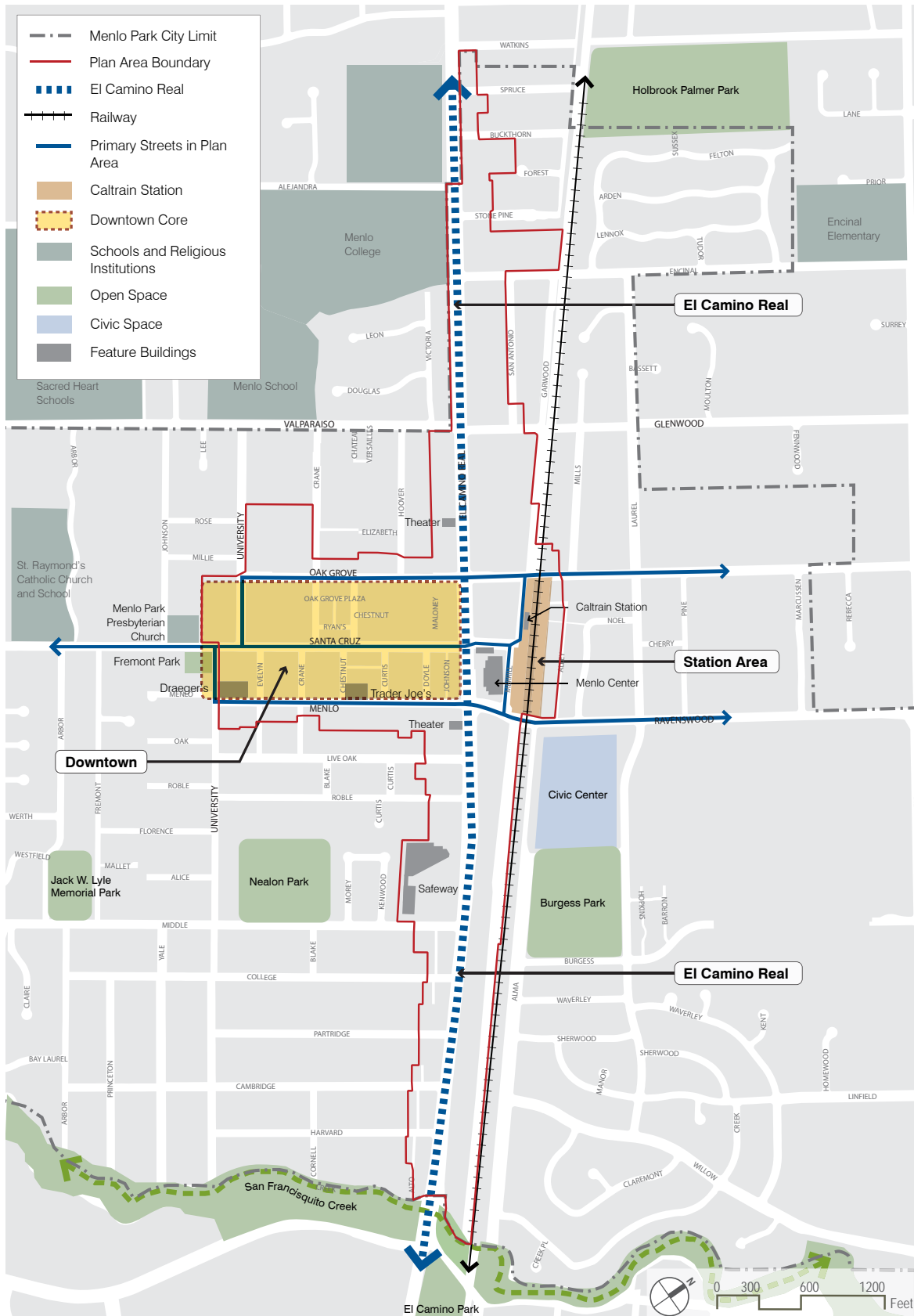


Figure B1. Site Context



STAFF REPORT

City Council

Meeting Date:

8/15/2023

Staff Report Number:

23-181-CC

Regular Business:

Waive the first reading and introduce an ordinance for Streetaries Outdoor Dining Areas

Recommendation

Staff recommend that the City Council:

1. Waive the first reading and introduce an ordinance adding Chapter 13.30 Streetaries Outdoor Dining Areas to Title 13 (Streets, Sidewalks and Utilities) and amending Sections 13.18.10 and 13.18.20 of Chapter 13.18 (Use of Public Right of Way) (Attachment A)

Policy Issues

In June 2020, the City Council adopted an urgency ordinance to establish a temporary outdoor use permit (TOUP) program as well as to close portions of Santa Cruz Avenue and Ryans Lane for pedestrian use. This ordinance expired in February 2023 with the end of the California COVID-19 State of Emergency Order. The decision to establish the TOUP program was exempt from California Environmental Quality Act (CEQA) due to the temporary emergency nature of the decision.

The addition of Chapter 13.30 Streetaries Outdoor Dining Areas to Title 13 of the Menlo Park Municipal Code and amendments to corresponding sections of Title 13 of the Menlo Park Municipal Code relating to outdoor dining in the public right-of-way through streetary encroachment permits establishes a long-term policy including permitting, operational, and maintenance regulations for outdoor dining in the public right-of-way. The goal of the Streetary outdoor dining program is to maintain the economic activity gained by businesses that implemented parklets while strengthening safety standards, creating a consistent design aesthetic, and ensuring fairness in the way the public right-of-way is used.

Resolutions for Streetary design standards (Attachment B) and a Streetary program fee structure (Attachment C) will be brought to the City Council for further consideration at the second reading of the Streetary outdoor dining ordinance.

Background

The City Council's actions to mitigate the economic impacts of COVID-19 on the local economy helped many businesses remain viable while operating in a safe manner. The City Council has considered the topic of outdoor dining, parklets and outdoor use permits multiple times and adopted a number of urgency ordinances since the start of the COVID-19 pandemic as summarized below.

- 2015 Santa Cruz Street Café Pilot Program: In 2015, the City Council approved the Santa Cruz Street Café pilot program to allow merchants to convert street parking to parklets for outdoor uses. The program included city approved designs by Ian Moore Designs and the City Council agreed to a cost-

sharing structure that paid for part of the base design of the parklets and for installation of the improvements. Owners of the parklets signed license agreements that expired in 2021 and are now operating on a month-to-month basis through the TOUP program.

- June 19, 2020 – Urgency Ordinance No. 1070: Allowed staff to implement the TOUP program and close portions of Santa Cruz Avenue for pedestrian use.
- July 16, 2020 – Urgency Ordinance No. 1071: Expanded the uses eligible for a TOUP.
- Sept. 8, 2020 – Urgency Ordinance No. 1072: Extended the TOUP and street closure through Feb. 28, 2021.
- Oct. 6, 2020 – Urgency Ordinance No. 1073: Expanded the TOUP program to include:
 - Install “walk your bike” signs on closed portions of Santa Cruz Avenue
 - Allow use of travel lanes without limitations to time of day or day of week
 - Close a portion of Ryans Lane between Crane Street and Escondido Lane
- Feb. 23, 2021 – Ordinance No. 1085: Extended TOUP program and street closure through January 2022.
- Jan. 25, 2022: Extended the TOUP program to allow parklets/street cafes in off-street parking spaces and to remain on a month-to-month basis; parklets/street cafes in off-street parking spaces set to expire once the COVID-19 State of Emergency Order is lifted.
- Jan. 10, 2023: Staff presented draft outdoor dining design standards as an informational item to the City Council and public.
- Feb. 28, 2023: City Council held a study session to provide direction on the development of the Streetaries outdoor dining program and directed staff to return with a plan to maintain the street closures on portions of Santa Cruz Avenue and Ryans Lane and pursue the addition of a bike lane within the closure on Santa Cruz Avenue between Doyle and Curtis Streets. The City Council also expressed a need for attention on retail businesses as well as restaurants, improving aesthetics, ensuring bike and pedestrian safety, and planning for continued use of picnic tables and seating in front of Walgreens. The Streetary study session materials are available in Attachment D.
- July 24, 2023: Planning Commission recommended the City Council approve amendments to the Circulation Element of the General Plan and the Specific Plan to allow closure of certain streets within the Downtown.

Existing outdoor uses

There are 12 outdoor dining cafes food service establishments that obtained a Temporary Outdoor Use Permit (TOUP) and are eligible to apply for a streetary outdoor dining encroachment permit (see Table 1 below). Seven of these businesses have parklets that were built as part of the Santa Cruz Street Café Pilot Program in 2016.

Table 1: Food service establishments		
Food service establishment name	Address	Outdoor use description / status
1. Amici's	880 Santa Cruz Ave.	Sidewalk café and seating in on-street parking
2. Bistro Vida	639-641 Santa Cruz Ave.	Santa Cruz Street café parklet plus covered structure and extended parklet beyond frontage, and seating in closed travel lane
3. Cafe Zoe	1929 Menalto Ave.	Outdoor dining in public/private parking spaces
4. Camper	898 Santa Cruz Ave.	Santa Cruz Street café parklet
5. Camper	University Ave.	Parklet in on-street parking
6. Carpaccio	1122 Crane St	Outdoor dining on closed section of Ryans Lane adjacent to restaurant
7. Coffeebar	1149 Chestnut St	Outdoor dining on Chestnut Avenue on-street parking and in parking plaza #2 (5-spots)
8. Galata	827 Santa Cruz Ave.	Santa Cruz Street café parklet plus covered structure and extended parklet, and sidewalk café
9. Left Bank	635 Santa Cruz Ave.	Santa Cruz Street café parklet plus sidewalk café and seating and umbrellas in closed travel lane
10. Mademoiselle Colette	812-816 Santa Cruz Ave.	Santa Cruz Street café parklet
11. Roma	820 Santa Cruz Ave.	Santa Cruz Street café parklet plus covered structure and extended parklet
12. Stacks	600 Santa Cruz Ave.	Parklet in on-street parking

The Streetary outdoor dining program applies to food service establishments, and therefore the TOUPs previously approved for retail establishments will not be applicable in the Streetary program. There are four other establishments that were approved for a TOUP but would not be eligible for the Streetary outdoor dining permit, including the following:

1. Bon Marche Farmer's Market (643 Santa Cruz Ave.)
2. Charisma Salon (1143 Crane St)
3. Fleet Feet (859 Santa Cruz Ave.)
4. Gitane (855 Santa Cruz Ave.)

Bon Marche is a weekly event that was created during the pandemic and approved through the TOUP program at the time. At a later date, staff will discuss options for continued operation of Bon Marche through a special event permit, along with discussions on the existing street closures and maintenance of the publicly used portion of Santa Cruz Avenue in front of Walgreens, Tilak Indian Cuisine and Starbucks.

Note: There are other businesses in Menlo Park with outdoor seating in some capacity approved through other zoning processes to which the Streetary program would not apply.

Business outreach

The City's economic development consultant, HdL Companies (HdL), has continually updated owners and representatives for the businesses listed above regarding status of the outdoor dining program, including advance notice via email about opportunities to participate in related public meetings. Outreach regarding the proposed outdoor dining program was initially conducted by email in December 2022 and followed up with in-person visits to businesses. At that time, HdL spoke with the owners/managers of Art Ventures, Carpaccio, Camper and Café Zoe. Before the City Council meeting Jan. 10, 2023, HdL sent a notice of the outdoor dining agenda item to TOUP owners. On Tuesday, Jan. 17, 2023, Assistant City Manager Stephen

Stolte and HdL Senior Advisor Kirstin Hinds conducted in-person visits to downtown TOUP owners and spoke with Camper, Carpaccio, Bistro Vida, Gitane and Fleet Feet. HdL also spoke with CoffeeBar and Left Bank over the phone in the following weeks.

The following bullet points summarize the feedback on the proposed outdoor dining program received from businesses with existing outdoor uses:

- They are in favor of establishing a longer-term outdoor dining program.
- A few restaurants indicated they have not fully recovered from the pandemic financially, but outdoor dining helped them stay open while customers chose outdoor dining over indoor.
- Businesses indicated their customers continue to choose outdoor seating over indoor, even in the cooler winter months.
- Several inquired about a cost sharing aspect, such as providing barriers or waiving permit fees. Two businesses also asked for assistance in identifying what they need to do to their existing parklets to comply with the proposed design criteria.
- Retail businesses with outdoor uses provided mixed feedback, though there was general agreement that outdoor dining should continue. One retailer indicated that they enjoy the outdoor use/parklet space in place of parking and would like to see retail included in a longer-term program, another enjoys using their parklet on a weekly or monthly basis for events but does not need to use it all of the time, and another said they have not used their outdoor space.
- Businesses on Santa Cruz Avenue expressed interest in keeping the street closed because it allows them to expand business operations, though they acknowledged that it would be okay if the City re-opened the street. Outside of this business outreach, city staff have heard interest from various groups and individuals in street reopening.
- Carpaccio expressed interest in being able to continue operating an outdoor dining parklet in Ryans Lane. A few neighboring businesses have expressed interest in reopening Ryans Lane.
- The new business going into 772-780 Santa Cruz Avenue indicated a need for access to Ryans Lane during construction (anticipated September 2023 to April 2024) and ongoing for operations.

Analysis

Streetary outdoor dining program

“Streetary” or “Streetaries” are defined in the proposed ordinance as an outdoor eating area that operates within and uses the public right-of-way directly adjacent to the food service establishment street frontage. The Streetary outdoor dining program, which includes the proposed ordinance as well as design and development standards, establishes guidelines, requirements, and operational regulations for outdoor dining in the public right-of-way, including on sidewalks and in public parking spaces on the side of the street or in public parking lots.

The proposed Streetary program intends to:

1. Activate the public realm in Downtown Menlo Park and other commercial areas.
2. Maintain physical and visual access to Menlo Park businesses.
3. Provide safe, attractive, and accessible spaces for outdoor use.
4. Provide accessible amenity areas for private businesses during operating hours.
5. Support the economic vitality and growth of businesses and the City.

The following are key features of the Streetary outdoor dining program:

- Since the Streetary ordinance pertains to outdoor dining in the public right-of-way, the public works department is set as the program lead, with the Public Works Director set as the designated representative to issue Streetary permits. Public works will manage permit intake, circulation of applications to other departments and agencies (planning and building divisions, Menlo Park Fire District), final sign off/approval, and program enforcement.
- The planning division will review applications for design compliance. When construction is involved, the building division will review Streetary permits and conduct inspections.
- Outdoor uses will be an extension of a food service establishment's operation for private use only and limited to outdoor dining.
- To streamline the review process for new Streetary applications, the guidelines include Streetary parklet site plan and design templates for use by applicants. Applicants can create their own Streetary designs as long as the proposed designs are within the design criteria outlined in the guidelines. Sidewalk cafes can be unique to the business but must be set up in accordance with the required setbacks and furnishing and fixture design criteria.
- Applications for streetary permits may require consent from all establishments fronting the Streetary.
- Streetaries will be limited to the business's storefront. Existing parklet owners who obtained approval from the City to expand beyond their store frontage will be permitted to remain through an exception in the Streetary ordinance.
- Fabric awnings, umbrellas, and other soft retractable material are encouraged to provide shade and limited weather protection while also allowing light in. Applications for overhead structures may be permitted but will require engineered drawings. These overhead structures go beyond the template parameters and require more staff time to review and process.
- Hours of operation for outdoor business activity must coincide with the business's hours of operation, except streetaries that are within 150-foot horizontal or vertical distance from residences have additional limitations (Streetaries shall not commence operations before 7 a.m. on Saturdays, Sundays and holidays; Streetaries shall not commence operations before 6 a.m. Monday through Friday; Streetaries shall not operate after 10 p.m. on Fridays and Saturdays; Streetaries shall not operate after 9 p.m. Sunday through Thursday and holidays).
- Streetary permits are non-transferable, and any new business requesting to use a previous businesses' Streetary must reapply for a permit.
- Maintenance of the Streetary area and utilities/drainage is clearly laid out and the permittee will be required to ensure their space is safe, free of debris, grime and graffiti, and landscaping or plants must be maintained and in good health.
- The initial permit term will be three years, followed by an annual renewal component. As a condition of the issuance of a Streetary encroachment permit, after the initial three-year term, the permittee will be required to renew their permit annually by submitting insurance and confirmation that the Streetary is in the same condition as when it was approved. Any Streetary may be subject to inspection by the City on an annual or as needed basis.
- Barriers will be standardized through safety standards set forth in the design standards, as well as the limitation of exterior materials (painted/finished wood or concrete planters, steel planters or perforated steel railings; colors and materials should be compatible with the façade of the adjacent building/restaurant.)

The City Council will consider adoption of Streetary design standards (Attachment B) by resolution at the second reading of the ordinance.

Fee structure

The Streetary outdoor dining permit would allow food service establishments to use public space to expand their business operations. Section 13.30.040 of the Streetary ordinance states that the City Council will establish fee amounts for permit applications (including an annual encroachment lease fee and a one-time refundable deposit) by resolution. The Streetary fees include initial fees for both a Streetary permit (including permit review and program administration) and use of public space (at a per square foot cost), as well as annual renewal fees that contribute to administrative costs and use of space. The proposed Streetary fees and a comparison of fees implemented in comparable cities with similar programs is included in Attachment C. The Streetary fee structure will be considered by the City Council for adoption by resolution at the second reading of the ordinance.

Justification for the proposed fees is described below.

Initial permit fee

- The first-year fee covers permit review and design compliance review and may be subject to a surcharge for a structural review.
- The first year Streetary parklet permit fee (\$1,725) is based on the cost of an administrative permit fee for outdoor dining on private property, due to similarities in considerations and review.
- The first year Streetary sidewalk café fee (\$810) is the same as a major encroachment permit fee.

First year use of space

- Total use of space fees would vary depending on the total square footage of the proposed Streetary area per business. The use fee would help offset additional administrative efforts to implement the program.
- The use of space fee is based on HdL research of properties available for lease that determined an average retail rent of \$4.24 per square foot in Menlo Park. The average size of a two-stall parklet (maximum size of the parklets permitted in the proposed ordinance is three) is 360 square-feet. Using the average price per square foot rate, the estimated first year use of space fee for a parklet would be \$1,526.40.
- The average size of a sidewalk café is approximately 150 square feet. Using the average price per square foot rate, the estimated first year use of space fee for a sidewalk café would be \$636.

Annual renewals

- *Permit Fee Renewals:* The annual permit renewal fee of \$250 includes annual submittal of insurance and confirmation by the Streetary owner that the Streetary complies with all permit and insurance requirements.
- *Use of Space Renewals:* The annual use of space renewal fees for Streetaries are rounded down to \$1,500 for parklets and \$600 for sidewalk cafes. These fees are still above \$4 per square foot of space.

Fee waiver

- Small businesses have still not recovered to pre-pandemic cash flow and revenue margins, particularly for restaurants that were operated at a small percentage of normal capacity for much of the last few years. To help Menlo Park businesses continue to recover from the pandemic and manage increased costs of doing business, staff recommend that fees be waived until Jan. 1, 2025, for businesses who are in compliance with the Streetary program by the end of the transitional period as described below. On

and after Jan. 1, 2025, first year permit fees will apply to new Streetary applicants and the annual renewal fees will apply to existing Streetaries once their initial 3-year term is reached.

In considering a potential fee structure, staff reviewed the outdoor dining and parklet program fee structures established by several cities in the area (Attachment C). The Streetary program proposes fees that are lower than the average permit fees for the comparison cities. In comparable cities, the average amount for permit and first year use fees are \$4,084.40, and the average amount for renewal and cleaning fees is \$4,273.91. Several of the comparison cities waive permits or use fees for at least one year. Some cities set cleaning fees, however the Streetary program sets cleaning as a responsibility of permittee through the operational and maintenance standards.

Business Assistance for Transitioning into New Streetary Program

The City engaged SZFM Design Studios, Inc., a California based design firm, to review existing outdoor dining uses for compliance with the Streetary design standards. A final report evaluates 12 parklets, including the seven original Santa Cruz Street Café Pilot parklets and five that were added through the TOUP program (Attachment E).

SZFM Design Studio included a list of items that are non-compliant with the Streetary design standards and provided recommendations for improvements to help existing parklets more easily gain compliance. SZFM Design Studio noted a few instances where there was a case to be made for allowing variations from the Streetary design standards, such as height of string lighting and plants. Copies of the final report were sent via email to the businesses.

Staff also recommend fees be waived until Jan. 1, 2025, for food-service establishments who apply for and comply with the Streetary program design standards by the end of the transitional period described in this staff report. This delayed effective date for fees provides additional financial relief for businesses that invested in creating outdoor use spaces. At most, staff anticipate 12 of the businesses with existing outdoor dining uses to apply for the Streetary program, which would mean the City could subsidize around \$40,000 in permit fees (\$3,251.40 per applicant) for the first year and \$21,000 in annual renewal fees for the next two years of the program during the transitional / fee waiver period.

Transitional period for businesses with existing outdoor dining

Staff recommend a transitional period to allow existing outdoor dining facilities time to apply for a Streetary encroachment permit and to meet the new regulations. The transitional period includes time for the ordinance to become effective and an application to be finalized, an open application period, compliance with new guidelines, and removal of outdoor dining facilities failing to meet these rules.

- One-month to create Streetary encroachment permit application and provide notice to eligible food service establishments: The Streetary Ordinance will become effective one month from the date of adoption (anticipated effective date is Sept. 29, 2023). Upon adoption of the ordinance, staff will build the Streetary Encroachment Permit Application in Menlo Park's online permitting system, Accela. HdL will also begin communication and outreach to existing parklet owners once adoption occurs and provide notice to the existing parklet owners to invite them to apply online.
- Open application period through Dec. 31, 2023: Once the permit application is available, existing outdoor dining parklet and sidewalk café owners submit a completed application for a Streetary encroachment permit by Dec. 31, 2023 (per Section 13.30.020 of the proposed ordinance). During that time, HdL will provide application assistance.
- Final inspection approval of the Streetary encroachment permit must be obtained by June 30, 2024.

Existing outdoor facility owners that apply for a streetary encroachment permit within the open application period must complete improvements or construction to meet the new guidelines during the six-month compliance period by June 30, 2024, or remove outdoor uses. A waiver or release from businesses may be required during the transitional period between expiration of the existing TOUP permit and the effective date of the new Streetary permit. First year permit fee waivers will apply to businesses in compliance by the end of this period.

Per Section 13.30.020 of the Streetary ordinance, “failure to timely submit a complete application or to meet the regulations required to obtain an approved Streetary encroachment permit application while continuing to operate the existing outdoor dining facility within the public right of way shall constitute a violation of this chapter and may subject the current streetary operator to closure and/or enforcement pursuant to this chapter.”

Alignment with Specific Plan

In alignment with the El Camino Real and Downtown Specific Plan Section D – Public Space, the proposed Streetary outdoor dining program standards use the functional zones of the sidewalk and parking / travel lane identified in the Specific Plan to help establish locations for parklets and sidewalk cafes. The El Camino Real and Downtown Specific Plan identifies a need to improve the pedestrian realm on Santa Cruz Avenue, which includes sitting and outdoor dining options in functional sidewalk zones. The plan establishes sidewalk functional zones, ensuring a pedestrian clear zone and more pleasant and functional sidewalks. It redistributes the right-of-way between traffic lanes, on-street parking, and sidewalks in order to focus on an enhanced pedestrian experience while still accommodating vehicular circulation and on-street parking. Per the Santa Cruz Avenue Sidewalks section (D10) of the Specific Plan, Activities outside the building, such as outdoor dining, can enliven adjacent sidewalks. These are desirable attributes in areas with high levels of activity such as the downtown and station area.

Impact on City Resources

Staff are proposing that the Streetary permit fees be waived until Jan. 1, 2025, for the existing parklets that come into compliance by the end of the transitional period described above. Staff are also proposing an initial permit term of three years, followed by an annual renewal, which would require the first renewal payment in 2026 for existing parklets that apply for a Streetary permit in 2023. At most, staff anticipate 12 applicants, which would mean the City could subsidize around \$40,000 in permit fees (\$3,251.40 per applicant) for the first year and \$21,000 in annual renewal fees for the next two years of the program during the transitional / fee waiver period.

The City of Menlo Park provides services and infrastructure that contribute to quality-of-life for all Menlo Park residents. Streetary permit fees would be subsidized at a mid-level of cost recovery in acknowledgement that the program benefits participating businesses, activates the public realm, and supports economic vitality of businesses and Menlo Park as a whole.

Environmental Review

The Streetary outdoor dining areas ordinance is exempt from the provisions of the CEQA pursuant to Sections 15301 (Class 1), 15304 (Class 4) and 15305 (Class 5).

Class 1 categorical exemptions (Existing Facilities) consist of minor alterations or private facilities involving negligible or no expansion of existing uses. This ordinance will allow for minor alterations to private dining facilities to allow for negligible expansion of use into the public right of way.

Class 4 Categorical exemptions (Minor Alterations to Land) consist of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes, including “minor temporary uses of land having negligible or no permanent effects on the environment . . .” (CEQA Guideline § 15304(e).) This ordinance will involve the temporary, non-permanent use of land; all uses authorized pursuant to this ordinance would involve temporary, non-permanent improvements in the public right of way including temporary structures, tables and seating.

Class 5 categorical exemptions (Minor Alterations in Land Use Limitations) covers projects that consist of minor alterations in land use limitation in areas with an average slope of less than 20%, which do not result in any changes in land use or density including but not limited to issuance of minor encroachment permits. This ordinance will result in the issuance of licenses and/or permits for use and encroachment into the public right of way.

The proposed project is consistent with these exemptions because the requested action will not result in a direct or reasonably foreseeable change in the environment and because there is no possibility that the activity in question may have a significant effect on the environment.

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. Ordinance adding Chapter 13.30 Streetaries Outdoor Dining Areas to Title 13 (Streets, Sidewalks and Utilities) and draft ordinance Amending Sections 13.18.10 and 13.18.20 of Chapter 13.18 (Use of Public Right of Way)
- B. Streetaries Outdoor Dining Design Standards
- C. Streetary Outdoor Dining Fee Structure and Comparison Fees
- D. Hyperlink – Feb. 28, 2023 City Council staff report:
<https://menlopark.gov/files/sharedassets/public/agendas-and-minutes/city-council/2023meetings/agendas/20230228-city-council-agenda-packet.pdf>
- E. Review of Existing Parklets for Compliance with Streetary Design Standards by SZFM Design Studio

Report prepared by:

Kirstin Hinds, Senior Advisor, HdL Companies

Stephen Stolte, Assistant City Manager

ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADDING CHAPTER 13.30 (“STREETARIES” OUTDOOR DINING AREAS) TO TITLE 13 (STREETS, SIDEWALKS AND UTILITIES) OF THE MENLO PARK MUNICIPAL CODE; AND AMENDING SECTIONS 13.18.10 and 13.18.20 OF CHAPTER 13.18 (USE OF PUBLIC RIGHT OF WAY), OF THE MENLO PARK MUNICIPAL CODE RELATING TO OUTDOOR DINING AREAS IN THE PUBLIC RIGHT-OF-WAY

WHEREAS, the City Council has determined that outdoor eating areas within certain of the City’s rights-of-way provide economic vitality to the City and businesses, create community gathering spaces, contribute to the enjoyment of public spaces, and increase opportunities for more enjoyable pedestrian travel in the City; and

WHEREAS, the City Council desires to permit outdoor eating areas within parking spaces and sidewalks of the public right-of-way – known as “Streetaries” – through Streetary Encroachment Permits; and

WHEREAS, in May 2016 the City Council approved outdoor dining in the public right-of-way as part of the Santa Cruz Street Café Pilot Program; and

WHEREAS, seven merchants currently operate outdoor dining facilities authorized by the Santa Cruz Street Café Pilot Program;

WHEREAS, between June 19, 2020 and February 23, 2021, in response to the COVID-19 Pandemic and the California COVID-19 State of Emergency Order, the City Council approved Urgency Ordinances No. 1070, 1071, 1072, 1073, and 1085 establishing a Temporary Outdoor Use Permit Program and closing portions of Santa Cruz Avenue and Ryans Lane for pedestrian use; and

WHEREAS, twelve total merchants currently operate outdoor dining facilities authorized by the Santa Cruz Street Café Pilot Program or the Temporary Outdoor Use Permit Program; and

WHEREAS, the City Council desires to transition pre-existing outdoor dining established into longer term facilities once current permits expire; and

WHEREAS, on February 28 and August 15, 2023, staff presented Draft Streetary Guidelines to the City Council setting forth staff’s recommendations for design and development standards, operational standards, fees, and other related requirements for new Streetary Encroachment Permits that would apply after current permits expire; and

WHEREAS, the City Council has determined that the Public Works Director should be the City’s designated representative to issue Streetary Encroachment Permits because of their locations within sidewalks and right of way currently used for vehicular parking; and

WHEREAS, the City Council aims to balance the desire for outdoor dining in the public right-of-way with adequate public parking and pedestrian and bicycle access; and

WHEREAS, pursuant to Vehicle Code section 22507(a), cities may, by ordinance or resolution, restrict or otherwise remove parking from city streets during all or certain hours of the day; and

WHEREAS, the proposed Ordinance to add Chapter 13.30 (“Streetaries” Outdoor Dining Areas) to Title 13 and amend corresponding sections of Title 13 of the Menlo Park Municipal Code relating to outdoor dining in the public right-of-way through Streetary Encroachment Permits qualifies for the exemptions set forth in CEQA Guidelines Sections 15304 and 15305 and statutory exemption 15183; and

WHEREAS, the City Council held a duly noticed public hearing, considered all public comments on the revisions and related CEQA exemptions, and determined that the amendments are consistent with the General Plan and that the revisions would be internally consistent with all other provisions of the Menlo Park Municipal Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MENLO PARK DOES ORDAIN AS FOLLOWS:

Division 1. The above findings are adopted and incorporated herein.

Division 2. Addition of Chapter 13.30 to the Menlo Park Municipal Code.

Chapter 13.30 – “Streetaries” Outdoor Dining Areas is hereby adopted and made a part of Title 13 (Streets, Sidewalks and Utilities) of the Menlo Park Municipal Code as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

Division 3. Amendments of Section 13.18.10 of Chapter 13.18 (USE OF PUBLIC RIGHTS-OF-WAY) of the Menlo Park of Menlo Park Municipal Code.

Section 13.18.10 (DEFINITIONS) of Chapter 13.18 (USE OF PUBLIC RIGHTS-OF-WAY) of Title 13 (STREETS, SIDEWALKS, AND UTILITIES) of the Menlo Park Municipal Code is hereby amended to add subsection (10) to section 13.18.010 as set forth below. Deletions are in ~~strike through~~, and additions are in underline.

13.18.010 Definitions.

For the purposes of this chapter, the following terms, phrases, words and their derivations shall have the meaning given in this section.

(10) “Streetary” or “streetaries” shall mean an outdoor eating area that operates within and uses parking spaces and/or sidewalks within the public right-of-way directly adjacent to the food service establishment street frontage and/or operates within and uses public right-of-way on streets or portions thereof that have been closed to vehicular traffic.

Division 4. Amendments of Section 13.18.20 of Chapter 13.18 (USE OF PUBLIC RIGHTS-OF-WAY) of the Menlo Park of Menlo Park Municipal Code.

Section 13.18.20 (PERMIT REQUIRED) of Chapter 13.18 (USE OF PUBLIC RIGHTS-OF-WAY) of Title 13 (STREETS, SIDEWALKS, AND UTILITIES) of the Menlo Park Municipal Code is hereby amended to add subsection (d) to section 13.18.20 as set forth below. Deletions are in ~~strike through~~, and additions are in underline.

13.18.020 Permit required.

...

(d) Notwithstanding subsections (a) and (b), above, an encroachment permit shall not be required for streetaries that have obtained and maintain a streetary encroachment permit pursuant to section 13.30.020.

Division 5. Amendments of Section 16.82.440 of Chapter 16.82 (PERMITS) of the Menlo Park Municipal Code.

Section 16.82.440 (GRANTING) of Chapter 16.82 (PERMITS) of Title 16 (ZONING) of the Menlo Park Municipal Code is hereby amended to add subsection (A) to section 16.82.440(2) as set forth below. Deletions are in ~~striketrough~~, and additions are in underline.

16.82.440 Granting.

...

(2) Outdoor Seating. That the outdoor seating would maintain unimpeded pedestrian access on the public right-of-way.

(A) Notwithstanding subsection (2), above, a zoning permit shall not be required for streetaries that have obtained and maintain a streetary encroachment permit pursuant to section 13.30.020.

Division 6. Compliance with California Environmental Quality Act (CEQA).

The City Council finds that this Ordinance is exempt from the provisions of the CEQA pursuant to Sections 15301 (Class 1), 15304 (Class 4) and 15305 (Class 5).

Class 1 categorical exemptions (Existing Facilities) consist of minor alterations or private facilities involving negligible or no expansion of existing uses. This ordinance will allow for minor alterations to private dining facilities to allow for negligible expansion of use into the public right of way.

Class 4 Categorical exemptions (Minor Alterations to Land) *consist* of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes, including “minor temporary uses of land having negligible or no permanent effects on the environment . . .” (CEQA Guideline § 15304(e).) This ordinance will involve the temporary, non-permanent use of land; all uses authorized pursuant to this ordinance would involve temporary, non-permanent improvements in the public right of way including temporary structures, tables and seating.

Class 5 categorical exemptions (Minor Alterations in Land Use Limitations) covers projects that consist of minor alterations in land use limitation in areas with an average slope of less than 20%, which do not result in any changes in land use or density including but not limited to issuance of minor encroachment permits. This ordinance will result in the issuance of licenses and/or permits for use and encroachment into the public right of way.

The proposed project is consistent with these exemptions, because the requested action will not result in a direct or reasonably foreseeable change in the environment and because there is no possibility that the activity in question may have a significant effect on the environment.

A. Additionally, the City prepared an Addendum to the General Plan Program EIR and subsequent EIR (SEIR) (Attachment D) and an Addendum to the Specific Plan Program EIR (Attachment E) in compliance with the California Environmental Quality Act (CEQA) that examined potential environmental impacts of (1) amendments to the General Plan Circulation Element to allow the City Council to consider street closures within the Main Street and Alley classifications, and (2) amendments to the Specific Plan to allow street closures on Santa Cruz Avenue in additional locations. The City found no substantial evidence to support requiring additional environmental review, in part given that the General Plan and Specific Plan amendments would not increase the development potential identified in the plans or lead to any activity that might cause new or increased environmental effects, as discussed in more detail in the Addenda. Additionally, notifications of the proposed General Plan and Specific Plan amendments were sent to California Native American tribes of the opportunity to conduct consultations on the proposed amendments, per the State of California Senate Bill 18 requirements, and there were no requests to consult on the proposed amendments.

Division 7. Severability.

The City Council hereby declares every section, paragraph, sentence, cause, and phrase of this ordinance is severable. If any section, paragraph, sentence, clause, or phrase of this ordinance is for any reason found to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining sections, paragraphs, sentences, clauses, or phrases.

Division 8. Publication; Effective Date.

This Ordinance shall be published once, in full or in summary form, after its final passage, in a newspaper of general circulation, published, and circulated in the City of Menlo Park, and shall be in full force and effect thirty (30) days after its final passage. If published in summary form, the summary shall also be published within fifteen (15) days after the adoption, together with the names of those City Councilmembers voting for or against same, in a newspaper of general circulation published and circulated in the City of Menlo Park, County of San Mateo, State of California.

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INTRODUCED on the __ day of __, 2023.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said City Council on the __ day of __, 2023, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Jen Wolosin, Mayor

ATTEST:

Judi A. Herren, City Clerk

Exhibits:

- A. "Streetaries" Outdoor Dining Areas is hereby adopted and made a part of Title 13 (Streets, Sidewalks and Utilities)

Chapter 13.30 – “STREETARIES” OUTDOOR EATING AREAS

13.30.010 - Definitions.

For the purposes of this chapter, the following words and phrases shall have the meaning set forth below. Unless in direct conflict with terms defined herein, other words and phrases shall be interpreted as defined in the Streets and Highways Code:

- A. “Director” shall mean the Public Works Director or their designee.
- B. “Food service establishment” shall mean businesses primarily engaged in serving prepared food and/or beverages for consumption on or off the premises.
- C. “Parking spaces within the public right-of-way” shall mean the designated on-street or off-street area where parking of vehicles does not violate any posted parking restriction and the use of the space does not interfere with the safety or the passage of persons and vehicles.
- D. “Permittee” shall mean the permit holder of a valid streetary encroachment permit issued by the city.
- E. “Sidewalk” shall mean any public right-of-way designated for pedestrian access.
- F. “Streetary” or “streetaries” shall mean an outdoor eating area that operates within and uses parking spaces and/or sidewalks within the public right-of-way directly adjacent to the food service establishment street frontage and/or operates within and uses public right-of-way on streets or portions thereof that have been closed to vehicular travel

13.30.020 - Permit required.

Any person desiring to erect, construct, place or maintain an encroachment upon any City sidewalk and/or existing parking spaces within the public right-of-way for a streetary must first obtain an annual streetary encroachment permit pursuant to this chapter. No other permits shall be required in order to operate a streetary. Each applicant for an annual streetary encroachment permit shall comply with the requirements of this chapter, any other applicable laws, and any regulations and policies adopted pursuant to this chapter.

Permits shall only be issued to applicants with a valid business license issued by the city to operate a food service establishment which is directly adjacent to the right-of-way within which a streetary encroachment permit is sought.

All persons operating and/or maintaining streetaries as of the effective date of this ordinance shall be required to (1) submit a complete streetary encroachment permit application and pay applicable fees no later than December 31, 2023 and (2) obtain final inspection approval of the streetary encroachment permit by June 30, 2024. Failure to submit a complete application within this timeframe, or to meet the regulations required to obtain a streetary encroachment permit, while continuing to operate the existing outdoor dining facility within the public right of way shall constitute a violation of this chapter and may subject the current streetary operator to closure and/or enforcement pursuant to this chapter.

13.30.030 - Permit application.

The director of public works (the “director”) shall establish an application form for an annual streetary encroachment permit, including any application materials, and application and permit issuance procedures and timelines.

The application shall be valid for an initial term of three years, and then accompanied by an annual fee, in an amount set forth by separate resolution of the City Council.

The director shall transmit a copy of each application and renewal application for a streetary encroachment permit to the director of community development (the "planning director"). The planning director shall review the application for compliance with all applicable design and development standards.

13.30.040 - Fees.

Each permit application shall be accompanied by a permit application fee. Prior to permit issuance, the permittee shall pay an annual encroachment lease fee and a one-time, refundable deposit. Fees shall be in amounts set forth by separate resolution of the City Council.

13.30.050 - Where permitted.

- A. Streetaries are permitted in existing parking spaces within the right-of-way. The stopping, parking and/or standing of vehicles shall be prohibited in all locations and existing parking spaces within the City where a streetary encroachment permit has been issued.
- B. Streetaries are permitted on sidewalks within the right-of-way.
- C. Streetaries are permitted within the right-of-way on streets or portions thereof that have been closed to vehicular access, where, in the determination of the Director, use of such right-of-way will not be detrimental to the health, safety, peace, morals, comfort or general welfare of persons or adjacent businesses.

13.30.060 - Location criteria.

- A. Notwithstanding section 13.30.050 subsections A and B, above, streetaries shall not be permitted along streets with (1) peak hour parking restrictions or (2) speed limits greater than 25 miles per hour.
- B. Notwithstanding subsection B, above, streetaries shall not be permitted in parking spaces that (1) are Americans with Disabilities Act (ADA) designated, (2) are designated for no parking (red curb), passenger loading zones (white curb), commercial loading zones (yellow curb), limited parking zones (green) and/or any other colored curb zones with restrictions on driveways, ADA ramps, or entrances to parking lots or city-owned parking facilities, (3) would block or obstruct any fire hydrant, fire sprinkler or standpipe hose, or other public safety infrastructure, (4) would obstruct utility access panels, manhole covers, storm drains, valves, or any other type of utility assets, or (5) would obstruct any bicycle facility, or (6) provide bicycle parking, unless the bicycle parking can be reasonably relocated within 300 feet.
- C. Maximum parking stalls. A maximum of three parking spaces shall be used for each streetary.
- D. Adjacency to storefront. Streetaries may only be permitted in parking spaces and on sidewalks within the right-of-way that are directly in front of and adjacent to the permittee's food service establishment. If a food service establishment fronts more than one but less than two parking spaces and fronts more than fifty percent (50%) of the second parking space, the permittee is eligible to apply for two parking spaces for use as a streetary.
- E. Notwithstanding subsection D, above, the Director at their sole discretion may consider an exception to the adjacency to storefront requirement if: (1) the proposed Streetary was in operation as an outdoor food service establishment for six months prior to the effective date of this ordinance, (2) the proposed Streetary had obtained and at all times maintained all

required permits and licenses to operate as an outdoor food service establishment, and (3) the Director determines that the location of the proposed Streetary will not be detrimental to the health, safety, peace, morals, comfort or general welfare of persons or adjacent businesses as evidenced by the permittee obtaining written consent from the establishments fronting the proposed location and providing to the City.

- F. Travel lane setback. Streetaries shall have an eighteen inch (18") minimum setback from the travel lane measured from the parking striping adjacent to the travel lane. In cases where no striping exists, the maximum length of the streetary measured from the face of the curb shall be determined by the director or their designee.
- G. Side setback. Streetaries shall have a two-foot minimum side setback to each wheel stop located at each end of the parking space.
- H. Utilities. A minimum clearance of four feet (4') from either side of utility access panels, manhole covers, storm drains, street valves, or any other type of utility assets will be required to allow for maintenance access. Streetaries proposed under overhead utility lines shall meet the minimum vertical distance requirements as established by the California Public Utility Commission. Streetaries that block the outlet of a sidewalk underdrain shall ensure the outlet is functional and flowing. Permittees shall take a thorough inventory of utility access covers in the proposed streetary area by checking under parked cars. Permittees shall provide for access to any city or public utility company that may have underground conduits beneath the constructed streetary. Access to utilities may require that a permittee temporarily remove all or a portion of the constructed streetary. Permittees shall be responsible for the cost of removing, re-installing and restoring any damage to the streetary.

13.30.070 - Design and development standards.

The City Council shall, by separate resolution, adopt design and development standards regulating the form, design, safety, and maintenance of streetaries. The director may, from time to time, make minor modifications to the design and development standards.

13.30.080 - Criteria for issuance.

- A. The director, in acting upon any application for a streetary encroachment permit, shall either approve, approve with conditions, or deny the issuance of a permit based on the following principles and standards:
 - a. That the proposed use of the parking spaces and/or sidewalks within the public right-of-way is in compliance with all applicable provisions of this chapter;
 - b. That the proposed use of the parking spaces and/or sidewalks within the public right is so arranged as to ensure the protection of public health, safety and general welfare, and prevent interference with users of the sidewalks, streets and holders of other permits; and
 - c. That the proposed use will properly comply with the provisions and development standards prescribed in this chapter, or as prescribed by the director and/or planning director.
- B. The streetary encroachment permit may be subject to additional conditions where the city has documented any violation of this chapter, other applicable laws and regulations, or the streetary is detrimental to the health, safety, peace, morals, comfort or general welfare of persons residing or working in the neighborhood or is detrimental or injurious to property and improvements in the neighborhood.
- C. Deviations from Adopted Standards. Where the director determines that (1) a strict application of standards set forth in this ordinance cannot be met by a proposed streetary,

and (2) the streetary, as proposed, will not be detrimental to the health, safety, peace, morals, comfort or general welfare of persons residing or working in the neighborhood or injurious to property and improvements in the neighborhood, the director may grant exceptions or minor modifications to the standards set forth in this ordinance.

13.30.090 - Limited to food service establishments.

All permits issued pursuant to this chapter shall be limited to streetaries established in conjunction with food service establishments.

13.30.100- Operational standards.

- A. No live entertainment or amplified music. No live entertainment or amplified music shall be permitted in streetaries established pursuant to this chapter without first obtaining all required permits including but not limited to those issued pursuant to Chapter 8.06 (Noise).
- B. No outdoor food preparation, flames, heating. Outdoor food preparation, food heating mechanisms, cooking and open flames, hotpots, candles, open flames, and barbecues shall not be permitted in streetaries.
- C. Alcohol service. Alcohol service shall be permitted subject to the acquisition of all required local and State permits and licenses.
- D. Noise and disruptive behavior. Permittees shall be responsible for ensuring their patrons minimize noise and disruptive behavior while using their streetary space.
- E. Site maintenance. Streetaries shall be maintained free of litter, refuse and debris. The area shall be scrubbed and mopped daily by the permittee to remove any food or drink stains. Such cleaning shall be in accordance with the City's Storm Water Management Program per Chapter 7.42 of the Menlo Park Municipal Code, which prohibits any discharge other than rainwater into the storm water drainage system.
- F. Streetaries shall adhere the following site maintenance requirements:
 - a. The permittee is required to keep the streetary area safe, free of debris, grime, and graffiti, and to keep any plants in good health.
 - b. Outdoor seating shall be scrubbed and mopped to remove any food or drink stains on a daily basis and the sidewalk shall be power washed quarterly by the permittee. Such cleaning shall be in accordance with the City's Storm Water Management and Discharge Control Program, which prohibits any discharge other than storm water into the storm water drainage system.
 - c. Streetaries and enclosures shall be designed in a manner that does not negatively impact existing drainage patterns. Features shall be incorporated into the design that allows water to flow freely off the street surface and along any existing gutter.
 - d. The permittee shall be required to clean tree grates, the gutter, and drainage inlets. Business and/or property owners shall be required to remove any debris that accumulates against their streetary. The areas on, under, and around the streetary must be clear of leaves and debris, which may require the restaurant operator or property owner to blow underneath the streetary or enclosure. The permittee shall also provide cleanout access upon request.
 - e. The permittee is required to maintain the pedestrian access clearances in sidewalk café and curb extension area and keep these areas safe, clean, and free of debris.
 - f. Streetaries shall not block access necessary to maintain the canopy of City maintained street trees.

- g. Failure to maintain the cleanliness, safety, and accessibility of a streetary or café may subject the permittee to violations and fines. If maintenance issues are not resolved, a streetary permittee may be required by the City to remove the streetary at the permittee's expense.
- G. Sidewalk Cleaning. The permittee shall comply with all State and local regulations related to waste disposal including the National Pollutant Discharge Elimination System (NPDES) and the California Storm Water Quality Association (CASQA) as follows:
 - a. Pollution Prevention (visit www.cabmphandbooks.com for more information)
 - i. Use dry cleaning methods whenever practical for surface cleaning activities.
 - ii. Use the least toxic materials available (e.g. water-based paints, gels or sprays for graffiti removal).
 - b. Surface Cleaning
 - i. Regular broom (dry) sweep the streetary, sidewalk, plaza, and parking areas to minimize cleaning with water.
 - ii. Dry cleanup first (sweep, collect, and dispose of debris and trash) when cleaning sidewalks or plazas, then wash with or without soap.
 - iii. Block the storm drain or contain runoff when cleaning with product
- H. ADA compliance. Streetary seating areas must, at all times, comply with all requirements of the ADA and provide sufficient clearance and walkway space to allow safe access and egress. For multi-level streetaries, a minimum of one level of ADA access shall be required.
- I. Hours of operation. The streetary shall adhere to the same approved hours of operation as the associated food service establishment business, with the following limitations:
 - a. For streetaries that are within 150-foot horizontal or vertical distance from residences: Streetaries shall not commence operations prior to 7 a.m. on Saturdays, Sundays, and holidays; Streetaries shall not commence operations prior to 6 a.m. Monday through Friday; Streetaries shall not operate after 10 p.m. on Fridays and Saturdays; Streetaries shall not operate after 9 p.m. Sunday through Thursday and holidays. For purposes of this section, "holidays" shall have the same meaning as set forth in chapter 8.13 (Noise) of title 8.
- J. Insufficient usage. Streetaries must demonstrate adequate usage in order to contribute to the economic vitality of the city. The city requires these streetaries to be set up and readily available for use during the operational hours of the food service establishment associated with the streetary, except in inclement weather and subject to the hours of operation limitations under subsection G. The city has the right to notify any streetary in writing of insufficient usage and invoke the enforcement procedures set forth in this chapter.

13.30.110 - Indemnification and insurance.

As a condition of the issuance of an annual streetary encroachment permit, the permittee shall defend, indemnify and hold harmless the City of Menlo Park and shall present, along with each application or renewal application for an annual permit, evidence of liability insurance in a form acceptable to the director.

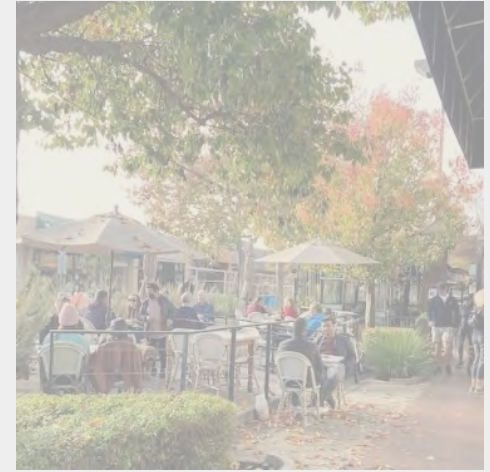
13.30.120 – Enforcement.

- A. Any person who violates this chapter shall be guilty of a misdemeanor and may be subject to any and all enforcement proceedings or remedies, including the imposition of penalties as authorized by law. The provisions of this chapter are cumulative to any other remedies authorized by law. Any streetary may be subject to inspection by the city on an annual basis or as needed to ensure compliance with this chapter and permits issued pursuant to this chapter.

- B. The city retains the right to revoke a streetary encroachment permit at any time where a violation of this chapter has occurred and/or revocation is necessary to protect the public interest, health, safety and/or welfare of the community. If the director believes that a permittee is in violation of this chapter, the director may issue a notice of violation to the permittee. The notice of violation shall be served on the permittee, either in person or by first class mail. The notice shall indicate that the permit is subject to termination unless, within 30 days of service of the notice of violation, the violation is corrected or a hearing pursuant to this chapter is requested in writing.
- C. If the director or their designee determines that a permittee will not be able to continue to meet the requirements of this chapter because of a proposed public highway right-of-way improvement, the director or their designee shall notify the permittee, either in person or by first class mail, that the permit will be terminated within 30 days of service of the notice of termination.

13.30.130 – Appeals

Any person aggrieved by the director's action on a streetary encroachment permit application or revocation may appeal by submitting a written appeal to the city manager, along with any applicable appeal fee as provided in the city's master fee schedule, within fifteen (15) days of the date on which the permit was issued or on which the application was denied or on which the permit was revoked. The city manager, or their designee, shall hold a hearing on the appeal within thirty (30) days of receipt of the appeal, and shall give the applicant and the appellant at least ten (10) days' written notice of the time of the hearing. The decision by the city manager or their designee on the appeal shall be final.



City of Menlo Park “Streetaries” Outdoor Dining Design Standards



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STREETARY PROGRAM

STREETARY PROGRAM OVERVIEW

In 2015, the City of Menlo Park approved the Santa Cruz Street Café Program and assisted seven businesses in building semi-permanent parklets. The initial terms of the Santa Cruz Street Café program agreements expired in 2021 and the agreement holders were able to continue operating in the parklets on a month to month basis. The City's Temporary Outdoor Use Permit (TOUP) program began in 2020 in response to the COVID-19 Pandemic and California State of Emergency order. The TOUP Program was tied to duration of the COVID-19 California State of Emergency Order, which expired February 28, 2023.

To continue outdoor dining operations, the City of Menlo Park implemented the Streetary program for outdoor eating areas, which is an expansion of past outdoor use and parklet programs with improved design standards for the operation of outdoor dining installations in the Downtown Business District and other commercial areas of the City in the form of parklets and sidewalk cafes. Allowing for Streetaries provides an opportunity for businesses to expand their operations outdoors onto public streets or private spaces.

A "Streetary" refers to an outdoor eating area that operates within and uses public parking spaces and/or sidewalks within the public right of way directly adjacent to a restaurant or café or other food service establishment's street frontage. Streetaries are generally allowed within two areas of the right-of-way: (1) the sidewalk area between the curb and the building or parcel frontage and (2) parking areas, generally the parking spaces between the curb and travel lane, as well as parking stalls in public or private parking lots.

Streetaries are generally permitted in the El Camino Real and Downtown Specific Plan / Downtown Business District area and most other commercially zoned areas for restaurant and dining space uses where the speed limit is 25 miles per hour or less. However, Streetaries are not allowed where bike/pedestrian safety and vehicle travel would be impacted, as well as along El Camino Real because it is a State-controlled roadway and is not under the City's jurisdiction.

STREETARY GOALS

The City of Menlo Park Streetary Program goals and intentions are as follows:

1. Activate the public realm in Downtown Menlo Park and other commercial areas; and
2. Maintain physical and visual access to Menlo Park businesses; and
3. Provide safe, attractive, and accessible spaces for outdoor use; and
4. Provide accessible amenity areas for private businesses during operating hours; and
5. Support the economic vitality and growth of businesses and the City.

SECTION 1. STREETARY PARKLETS

PARKLET STREETARY OVERVIEW

PURPOSE

The purpose of the Streetary parklet standards is to ease the approval process for parklets by establishing parklet template design solutions for an applicant to meet the design, locational, and permitting requirements of the City.

GUIDELINES

The Streetary parklet design standards provide design guidelines and requirements for Menlo Park businesses to use in the preparation of an application to construct a parklet on a public parking space under City control in any commercial district where outdoor uses are permitted. A parklet is a sidewalk extension, typically installed on public parking spaces, that provides more space and amenities for outdoor dining (such as seating or greenery area) operated and maintained by the business establishment operating the Streetary.

RELATION TO SIDEWALK CAFÉ STREETARIES

The Streetary Program includes parklets and sidewalk cafes to facilitate additional outdoor dining and social gathering spaces in the public realm. Businesses that will only implement a sidewalk cafe should refer to the sidewalk café Streetary overview and may proceed to sidewalk café Streetary section of this document on page 21. Businesses that desire to implement a parklet should follow the parklet Streetary guidelines contained in this section. Where both a parklet and an adjoining sidewalk cafe are planned, both sections should be consulted.

PERMIT REQUIREMENTS

An Streetary encroachment permit is required for all parklet installations and sidewalk cafes, including those that were in place prior to the creation of these guidelines. **Streetary Permit application packets, as described below, must be submitted prior to the construction of any new parklet or the modification of an existing parklet previously permitted under the Santa Cruz Street Café or Temporary Outdoor Use Permit pilot programs.**

All permits will be reviewed by the Planning and Engineering Divisions and other relevant City departments, prior to approval. Permits for use of sidewalk and public parking plazas shall be revocable upon 72-hour notice if the City determines the sidewalk space or public parking plazas are needed for other non-emergency uses, such as expanded walking space on sidewalks for events or additional parking in public parking plazas.

PARKLET STREETARY SUBMITTAL REQUIREMENTS CHECKLIST

PERMIT SUBMITTAL REQUIREMENTS

The following shall be submitted to the **City of Menlo Park Public Works Department** as part of the Streetary:

- Permit fee payment
- Site Plan (scaled - I.e., 1/8" = 1'10" | dimensioned - I.e., 5'0" clearance path) (refer to site plan checklist)
- Elevation drawing (refer to elevation drawing checklist)
- Identification of Parklet Design Components (refer to Design Components Checklist)
- Photograph of proposed design components
- Photograph of proposed Streetary location (showing the front and side views along the business frontage)
- Required insurance forms (see below)
- Traffic control plan (for installation/construction)

INSURANCE REQUIREMENTS

- Completed Hold Harmless Agreement (review requirements listed)
- Insurance Endorsement Form
- Insurance Certificate (must name City as additional insured, see Hold Harmless Form)

Insurance Category	Minimum Limits
Worker's compensation	Statutory Minimum
Employer's Liability	\$1,000,000.00 per accident for bodily injury or disease
Commercial General Liability	\$1,000,000.00 (\$2,000,000.00 for parklets) per occurrence for bodily injury, personal injury, and property damage

Streetary permit(s) are revocable. Compliance with Streetaries (Chapter 13.30) and the design / program guidelines in this document is required.

SITE PLAN CHECKLIST

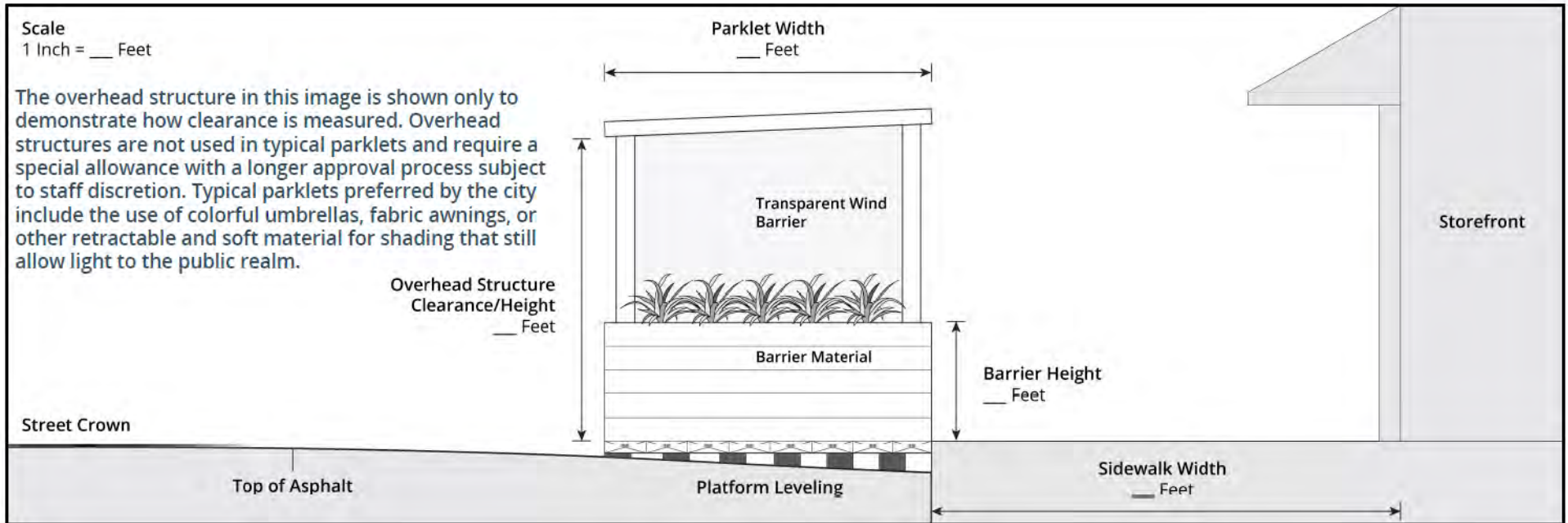
The Site Plan Checklist provides information required to be shown on the applicant's submitted site plan. The Checklist includes information for the existing site conditions for the desired parking space and parklet location requirements to verify that the proposal is suitable along the business frontage. Example site plans that include the Checklist items are provided in the following section for each parklet template.

EXISTING SITE CONDITIONS		PROPOSED PARKLET STREETARY INFORMATION	
Applicant building and adjacent businesses (with entry doors shown)	<input type="checkbox"/>	Proposed parklet footprint and dimensions	<input type="checkbox"/>
Existing sidewalk width(s)	<input type="checkbox"/>	Egress plan and accessibility compliance	<input type="checkbox"/>
Existing curb cuts and driveways	<input type="checkbox"/>	Number of parking spaces that the parklet will occupy	<input type="checkbox"/>
Adjacent bicycle lane or auto traffic lane	<input type="checkbox"/>	Parklet setbacks:	
Existing parking spaces, ADA spaces, accessible routes and loading zones with dimensions	<input type="checkbox"/>	- Minimum 3-feet from adjacent parking spaces	<input type="checkbox"/>
Existing parking meters and meter numbers	<input type="checkbox"/>	- Minimum 2-foot from adjacent bicycle lane or auto traffic lane	<input type="checkbox"/>
Other existing sidewalk features (e.g., fire hydrants, streetlights, planters, bike racks, bus shelters, outdoor dining, trees, signs, etc.)	<input type="checkbox"/>	- Minimum 2-feet from fronting driveways (if applicable)	<input type="checkbox"/>
		Distance from the proposed parklet to the nearest crosswalk or intersection	<input type="checkbox"/>
		Location, height, impact rating, and materials of barriers, railings, and/or enclosures	
All color curb zones (red, yellow, green, white, blue)	<input type="checkbox"/>	Location and spacing of parklet tables, chairs, umbrellas/fabric sails, and other furnishings	<input type="checkbox"/>
Scale	<input type="checkbox"/>	Additional bike racks adjacent to the parklet (if applicable)	<input type="checkbox"/>
North arrow	<input type="checkbox"/>	Lighting (if applicable) <i>no new foundations are allowed</i>	<input type="checkbox"/>
Name and location of adjoining streets or alleys	<input type="checkbox"/>	Portable heaters and power source (if applicable)	<input type="checkbox"/>
Adjacent existing parklets	<input type="checkbox"/>	Café counter: a long flat-topped fixture for dining (if applicable)	<input type="checkbox"/>
Height of building at proposed location and adjacent buildings	<input type="checkbox"/>	Benches (if applicable)	<input type="checkbox"/>

PARKLET STREETARY ELEVATION CHECKLIST

The Parklet Elevation Checklist provides information required to be shown on the Parklet Applicant’s submitted parklet elevation drawing.

PROPOSED PARKLET BARRIER AND STRUCTURE INFORMATION		PROPOSED PARKLET PLATFORM AND OTHER INFORMATION	
Parklet width	<input type="checkbox"/>	Platform Support	<input type="checkbox"/>
Barrier Height	<input type="checkbox"/>	Platform Leveling (i.e., pedestal or other means)	<input type="checkbox"/>
Barrier Materials (including planters, railings, and soft posts (if applicable))	<input type="checkbox"/>	Platform Anchorage	<input type="checkbox"/>
		Drainage Clearance	<input type="checkbox"/>
Overhead Structure (if approved as a special allowance)	<input type="checkbox"/>	Existing Asphalt and street crown	<input type="checkbox"/>
Overhead Structure minimum 7-foot clearance	<input type="checkbox"/>	Sidewalk Width	<input type="checkbox"/>
Overhead Structure Height	<input type="checkbox"/>	Storefront	<input type="checkbox"/>



OUTDOOR PARKLET STREETARY DESIGN STANDARDS

SELECT A PARKLET STREETARY TEMPLATES

Each template reflects conditions that generally exist for on-street parking spaces in commercial areas: parallel parking spaces, diagonal parking spaces, and special condition parklets. The applicant shall select a parklet template based on the existing conditions along the site frontage.

Special condition parklets allow for unique or site-specific conditions. Each special condition template has a unique icon that is used throughout these guidelines to indicate where a program requirement is specific to that special condition parklet.

Once the applicant has selected a parklet template, the applicant may then select an option for each of the design components listed on page 12. These include enclosure or platform materials, seating options, and other considerations. Parklets shall meet all additional design requirements starting on page 13. Please see the Appendix for additional parklet template renderings and site plans.

A-1 PARALLEL SPACE PARKLET (1 PARKING SPACE)

The Parallel Parklet template occupying one parking space is a compact parklet that provides an intimate outdoor dining setting.

This template limits the maximum parklet area to one parking space and can be utilized in areas where available on-street parking spaces are limited.

Parklets proposed for perpendicular parking spaces can use a modified version of this template.

Parklet Streetary Template Options

- A. Parklet in parallel parking space(s):
 1. A-1 One Space
 2. A-2 Two Space
- B. Parklet in a diagonal parking space
- C. Special Condition Parklets:
 1. C-1 Parklet/Sidewalk Café Combination
 2. C-2 Parklet/Sidewalk Café Curb Extension
 3. C-3 Parklet/Pedestrian Street Combination



A-2 PARALLEL SPACE PARKLET (2 PARKING SITES)

The Parallel Parklet template occupying two parking spaces provides a larger outdoor dining setting.

This template limits the maximum parklet area to two parallel parking spaces.

Parklets proposed for perpendicular parking spaces can also use a modified version of this template.



B-DIAGONAL SPACE PARKLET

The Diagonal Space Parklet template provides a larger outdoor dining setting.

When including the necessary setbacks, this template would need three spaces.



C-1 PARKLET/SIDEWALK CAFÉ COMBINATION

The Parklet/Sidewalk Cafe Combination template is for conditions where an applicant has the opportunity to incorporate both a sidewalk cafe and a parklet for a combined space.

This Special Condition template can be used in either a parallel parking or diagonal parking site.

The combined space should be designed as a comprehensively planned singular space.

**C-2 PARKLET/SIDEWALK CAFÉ CURB EXTENSION COMBINATION**

The Parklet/Sidewalk Cafe Curb Extension Combination template is provided for sites where a business would like to incorporate a sidewalk cafe on an adjacent curb extension with a parklet.

This Special Condition template can be used in either a parallel or diagonal parking site adjacent to an intersection.

The combined space should be designed as a comprehensively planned singular space.



C-3 PARKLET/PEDESTRIAN STREET COMBINATION

The Parklet/Pedestrian Street Combination template is designed with flexibility for parklets that are proposed on streets the City has permanently closed to vehicular through-traffic to enable pedestrian access and circulation.

This template shall not be used where streets are only temporarily closed.

Expanded seating areas would not be allowed unless the supplementary seating is specifically reflected in plans submitted and approved by the City.



SELECT PARKLET DESIGN COMPONENTS

Each of the Parklet templates can be constructed with a series of components of a variety of materials to ensure quality design and an enhancement of the public realm. The applicant shall select one or more of the appropriate features from the Required Design Components, below, and then select additional, Optional Design Components. The design should be compatible with the façade of the adjacent building/restaurant. The applicant may propose to use an alternative material that may be approved upon review by City staff.

REQUIRED DESIGN COMPONENTS		OPTIONAL DESIGN COMPONENTS**	
Platform <i>Select one:</i>		Shading <i>Select one:</i>	
Brick pavers _____	Concrete Pavers _____	Umbrella (Fire resistant) _____	Fabric sail shade (Fire resistant) _____
Wood boards _____	Other: _____		
Platform Support <i>Select one:</i>		Lighting	
Wood platform support _____	Steel-frame platform support _____	String Lights _____	Light post _____ (No new foundations allowed)
Barriers <i>Select one:</i>		Overhead Structures as a Special Condition <i>Select one of the following:</i>	
Wood planter* _____	Concrete Planter* _____	Pergola _____	Solid Roof _____
Steel planter _____	Perforated steel Railing _____	Tent/Membrane Structure _____	Other: _____
Tables and Seating		Other	
Movable café tables and chairs _____	Metal benches _____	Additional planters _____	Bike rack _____
Wooden benches _____	Café counter _____	Portable heaters _____	Other: _____

*Wood and Concrete Planters must be painted or finished, and colors should be compatible with the façade of the adjacent building.

**Fuel fired heating devices are prohibited inside of cloths, umbrellas, tents, canopies, and membrane structures (electric is okay). Heating devices must be CSFM rated.

DETAILED DESIGN STANDARDS

This section provides detailed requirements and standards that are applicable to all parklet templates. Parklet design elements and materials consist of the following elements, generally: (A) Location and Setback; (B) Platforms; (C) Railings or enclosures; and (D) Overhead Structures as a Special Allowance. Furnishing & Fixture Design Standards and General Operation & Maintenance Requirements for parklets and sidewalk cafes are at the end of the document.

These requirements are established to maintain safety, accessibility, and an enhanced design that connects the public realm. The applicant's compliance with these requirements shall be shown on the applicant's site plan, submitted as part of the parklet permit application.

A. LOCATION AND SETBACK CRITERIA

Streetaries are generally allowed in most commercial districts along the curbside on public streets where on-street parking spaces exist. However, parklets are not allowed along El Camino Real because it is a State-controlled roadway and is not under the City's jurisdiction.

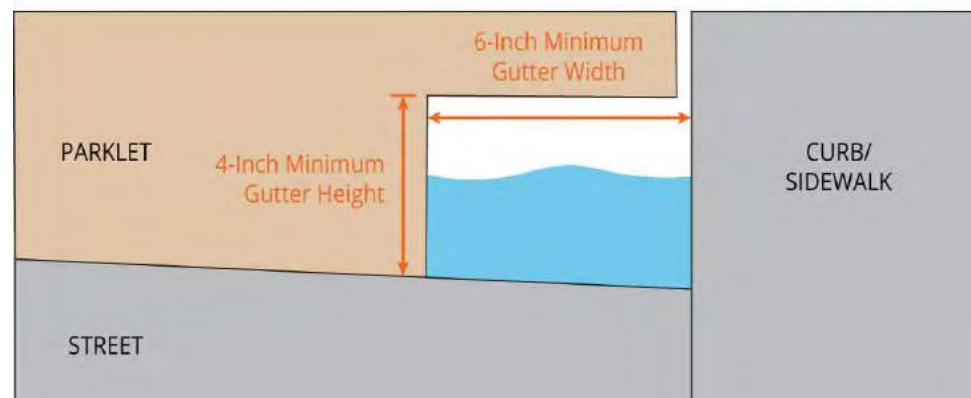
1. **Permitted areas within City:** Streetaries are intended for outdoor dining in the El Camino Real and Downtown Specific Plan /Downtown Business District, as well as other commercially zoned areas where outdoor uses are permitted. Streetaries are only permitted on roads with speed limits less than 25mph. Parklets are not allowed in ADA/handicap parking spaces or red curb zones.
2. **Parklet Size**
 - A typical parklet occupies no more than 360 square feet (the space of 2 parallel parking spaces). Parklets that occupy more than 360 square feet may be approved at the City's discretion.
 - A parklet located in an angled space shall occupy a minimum of 3 diagonal spaces to allow for sufficient buffering to vehicles parking in adjacent parking spaces. This may be reduced to 2 diagonal parking spaces where a parklet is proposed in combination with a curb extension.
3. **Parklet Setback Requirements**
 - 2.5-feet from driveway flare
 - 2-feet from the travel lane (1-foot from the travel lane may be acceptable where the travel lane is 11 or 12-feet in width), measured from the parking striping adjacent to the travel lane. Where the parking striping does not exist, the applicant shall confirm with City staff the width of the travel lane measured from the street centerline and provided the setback from the identified travel lane edge. The 2-foot setback must be kept clear at all times, unless occupied by reflective delineator posts or their equal
 - 2-feet from a bike lane
 - 3-feet from the side to the adjacent parking space, parallel or diagonal. Where parking striping does not exist, the applicant shall confirm with City staff the width and location of each parking space and shall measure the setback from the identified parking space location

4. **Crosswalk & Bulb-out Setback:** When located near an intersection, parklets must be located at least 20-feet from the nearest boundary (edge of the crosswalk that is closest to the parklet) of a crosswalk at the nearest intersection or street corner. A curb extension (commonly referred to as a “bulb-out”), some other physical barrier that would protect the parklet in a corner location, or other specific site condition may allow the City to consider variations from the 20-foot minimum requirement.
5. **Other Location Criteria:**
- **Utilities:** Parklets may not be constructed over or obstruct utility access panels, manhole covers, storm drains, survey monuments, or fire hydrants. Be sure to take a thorough inventory of utility access covers in your proposed parklet area by working with city staff to determine utility locations, surveying your proposed parklet area, and checking under parked cars.
 - A minimum clearance of 8-feet from storm drains and manhole covers will be required to allow for maintenance access.
 - Parklets proposed under overhead utility lines will be required to meet the minimum distance requirements as established by the CPUC.
 - Parklets that block the outlet of a sidewalk underdrain will be required to ensure the outlet is functional and flowing.
 - Parklet sponsors must provide for access to any City or utility company that may have underground conduits beneath the constructed parklet at all times, or immediately following a request for access. No notice can be guaranteed for emergency access to underground utilities. For planned access, 72-hour notice will be issued to the parklet sponsor. Access to utilities may require that a parklet sponsor temporarily remove all or a portion of the constructed parklet at the parklet sponsor/owner’s expense.
 - **Fire Hydrants:** Fire hydrants shall not be blocked and parklet owners must maintain a 3 foot radius clearance around physical hydrant and 15 feet access to hydrant (7 1/2 feet in each direction linear along street).
 - **Fire District Connections (FDCs):** to maintain access to FDCs, five-foot wide openings should be provided between every two adjacent parklets (and no more than 75-feet apart).

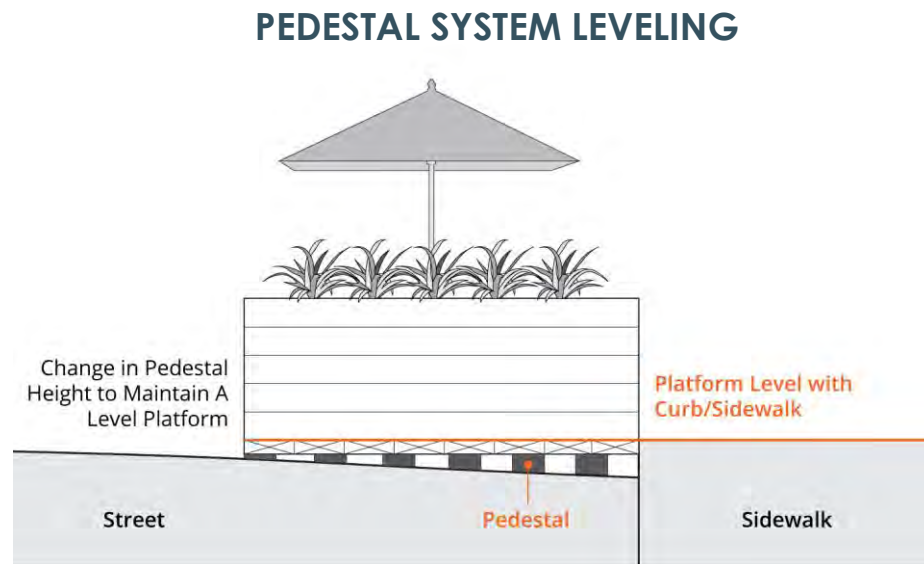
B. PARKLET PLATFORM DESIGN CRITERIA

1. **Materials:** Platforms must be constructed with durable, fire resistant materials and be able to withstand the effects of the outdoor environment. **Examples:** naturally durable wood, preservative-treated wood, or other engineered material suitable for exterior conditions.
- Concrete platforms are **not** permitted; however, you may use concrete pavers on a platform structure.

CURBSIDE DRAINAGE

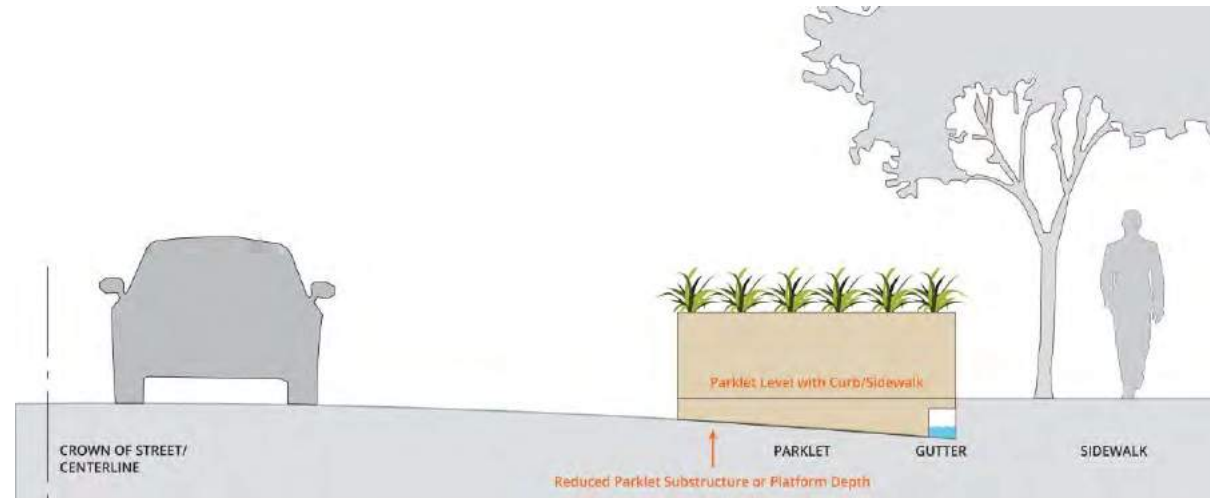


- Surface materials must be textured or treated with a non-skid coating to ensure a safe walking surface. Loose particles, such as sand and loose stone, are **not** permitted.
 - Applicants interested in utilizing fabric sails or other architectural features which may “catch” wind, must provide proof of wind loads.
2. **Maintain access to utilities:** Parklets must be designed to provide access to site-specific utilities, such as storm sewer covers, utility cabinets, and underground vaults, by employing in their design and construction access panels or removable pavers.
 - A minimum 15-foot clearance shall be maintained from a fire hydrant and all other fire appurtenances.
 3. Platforms must be flush and even with the sidewalk and must not leave a gap greater than one-half (1/2) an inch, nor a vertical separation greater than one-quarter (1/4) inch.
 4. A parklet platform or it’s enclosure shall not be mounted on wheels.
 5. **Drainage, Ventilation and Rodent Proofing:** Platforms shall allow curbside draining flow with the following:
 - A four-inch (4”) height by six-inch (6”) width minimum clear gutter space shall be provided along the entire length of the proposed platform.
 - Openings under the platform shall be screened with corrosion-resistant material with a maximum one quarter inch mesh to prevent rodent access and debris buildup beneath the platform and in the gutter.
 - The parklet permittee shall clean covers or screens to prevent any blockage of flow in the gutter.
 - All parklets shall provide access through the parklet platform or threshold to the gutter adjacent to the curb. Access may be provided through removable panels, pavers, or other means.
 6. **Bolting Not Allowed:** At no time may structures be bolted or affixed in any way to the roadway or any structure (including but not limited to buildings, fire hydrants, street trees, streetlight, parking meters, or traffic poles, etc.).
 - An exception to this is that wheel stops for traffic protection must be bolted to the roadway as described in the Traffic Protection section of these Guidelines. However, in case of removal, the establishment shall be responsible for repairing the pavement holes at the permit holder’s expense.
 7. **Sub-structure:** Designs for the sub-structure of a parklet vary and depend on the slope of the street and overall design for the structure. The sub-structure must accommodate the crown of the road and provide a level surface for the parklet.



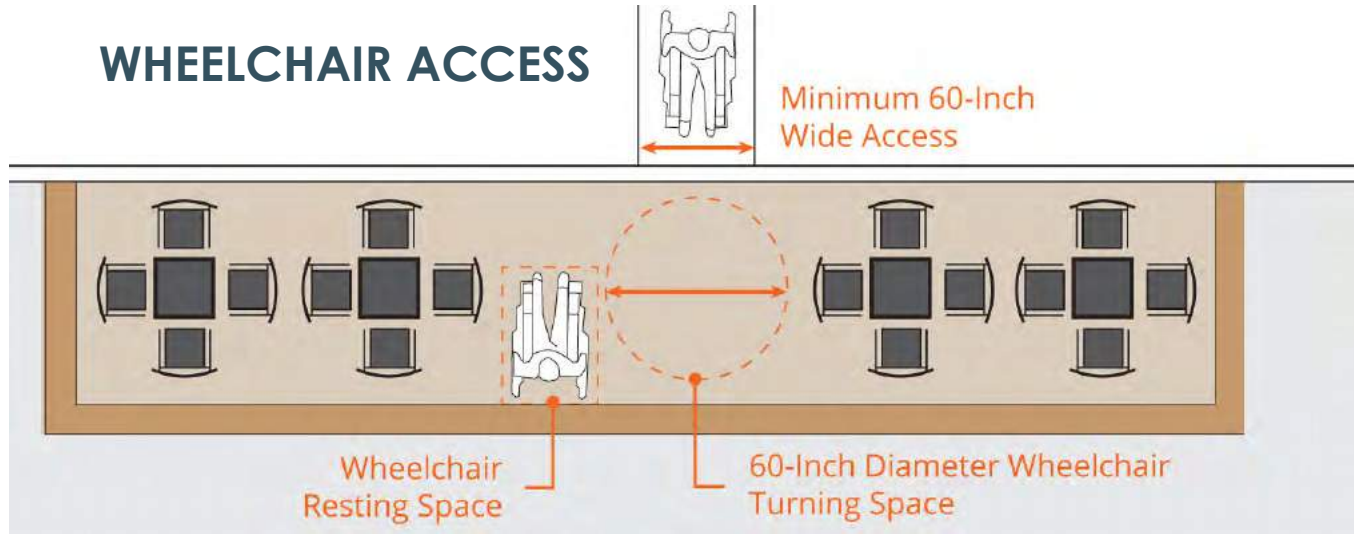
- “Bison pedestals” spaced under the surface and of different heights are a common application. Another method is to provide steel sub-structure and angled beams.

SUBSTRUCTURE OR PLATFORM LEVELING



8. **ADA Accessibility:** All accessibility elements of the proposed platform shall be designed, constructed and/or conform to the applicable provisions, rules, regulations and guidelines of the California Building Code and Americans with Disabilities Act.
- **Accessible Platform Surface:** The portion of the parklet platform connected by the accessible path of travel to the wheelchair turning space and wheelchair resting space must be level. The accessible platform surface maximum cross slope (perpendicular to the sidewalk or curb) and running slope (parallel to the curb) cannot exceed 2%. Platform surface shall be made of slip resistant material.
 - **Accessible entry:** Shall be a minimum of 48 inches wide.
 - **Accessible path of travel:** It must connect the sidewalk to the accessible entry, platform surface, wheelchair turning space and wheelchair resting space.
 - **Wheelchair turning space:** Shall be 60 inches in diameter and located entirely within the platform; a 12-inch maximum overlap on the curb and sidewalk is acceptable.
 - **Wheelchair landing:** A 30- by 48-inch clear floor area. It's permitted to overlap with the Wheelchair Turning Space by 24-inches maximum in any orientation.

WHEELCHAIR ACCESS

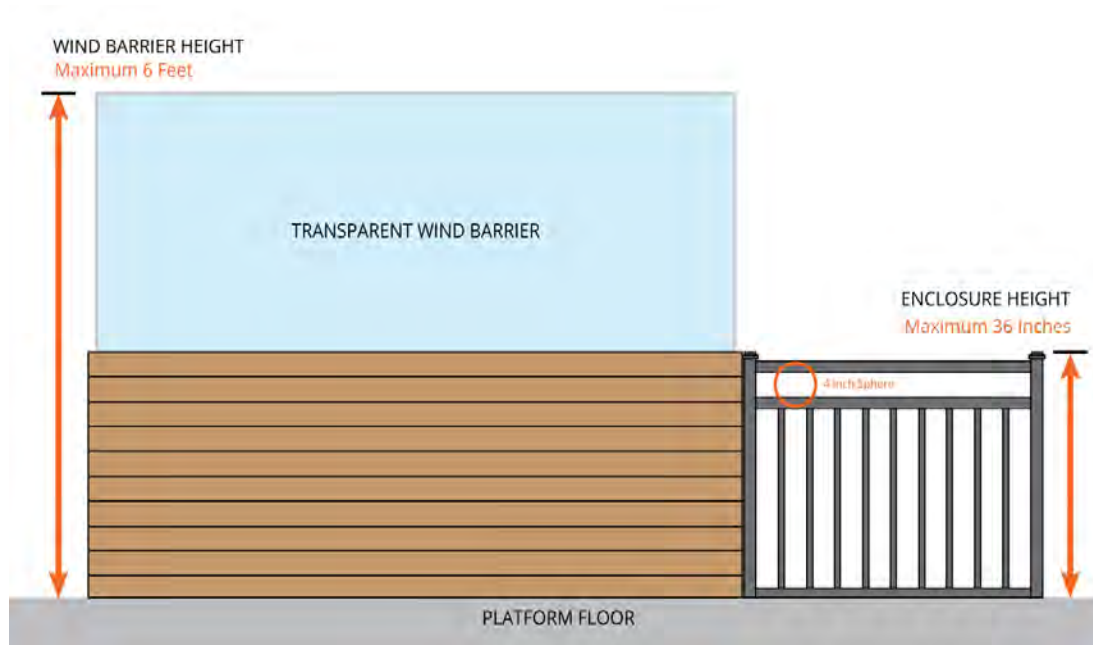


C. BARRIERS, RAILINGS, OR ENCLOSURES

The parklet railing or enclosure marks the boundary between the parklet and the street or sidewalk. Traffic barriers are required to surround the parklet on three sides to protect from oncoming traffic and patrons inadvertently entering the vehicular way. It should serve as a safe edge while also being visually appealing, permeable, and inviting. The following standards and guidelines should inform your design:

1. **Force / Impact Rating:** Barriers, Railings or Enclosures must be stable and sturdy enough not to fall over or be pushed over (must withstand 250-lbs of force).
2. **Edge Buffers:** the parklet should have an edge as a buffer from the street. This can take the form of planters, railing, cabling, or some other appropriate enclosure.
3. **Height:** The height should not exceed 36-inches from the parklet platform floor to the top of the railing.
 - Wind barriers taller than 36-inches shall incorporate transparent materials like acrylic, plexus-glass, plastic films. Wind barriers shall be installed and engineered to withstand wind loads, in conformance with any necessary building permits. The height of the railing, including the transparent materials, should not extend more than 6 feet from the floor platform, unless it is designed within an overhead structure per requirements for overhead structures.
 - Openings in rails must prevent passage of 4-inch sphere.
4. **Visibility:** The enclosure should not block the view of conflicting movements of traffic, including pedestrian traffic, nor block the view of traffic control devices such as traffic signs, traffic signals, and other traffic warning devices.
 - Property addresses need to remain visible. If needed, post reflective visible addresses on structures if blocking from street view on building.
5. **Reflectors:** All railings/enclosures must have retro-reflective reflectors or retro-reflective tape on the corners of the parklet facing the travel lane such that they are visible by vehicle traffic at night.
6. **Posts or Bollards:** Parklets shall have vertical elements that make them visible to traffic, such as flexible posts or bollards both with retroreflective tape. One possible measure are safe hits posts (as shown in the picture below). These vertical elements shall be placed 2 feet

PLATFORM BARRIER HEIGHT



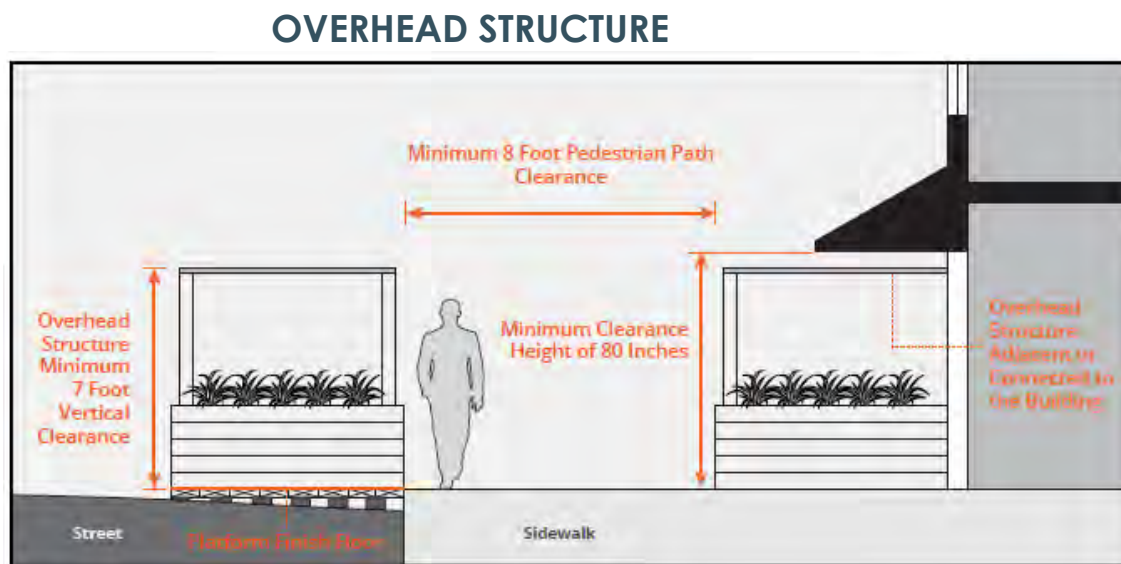
from the edge of the parklet on both sides of the parklet not adjacent to the travel lane. Structural bollards may be required if deemed necessary by the city.

7. **Design:** Barriers may be made up of or encased by one of the following materials: (1) wood planters, (2) concrete planters, (3) steel planter, or (4) perforated steel railings. Wood and concrete planters must be finished or painted. The colors and materials should be compatible with the design, materials, and colors of the façade of the adjacent building/restaurant frontage.
8. To accommodate seasonal conditions, the applicant may propose alternative platform and wind barrier materials and designs for review and approval by City.

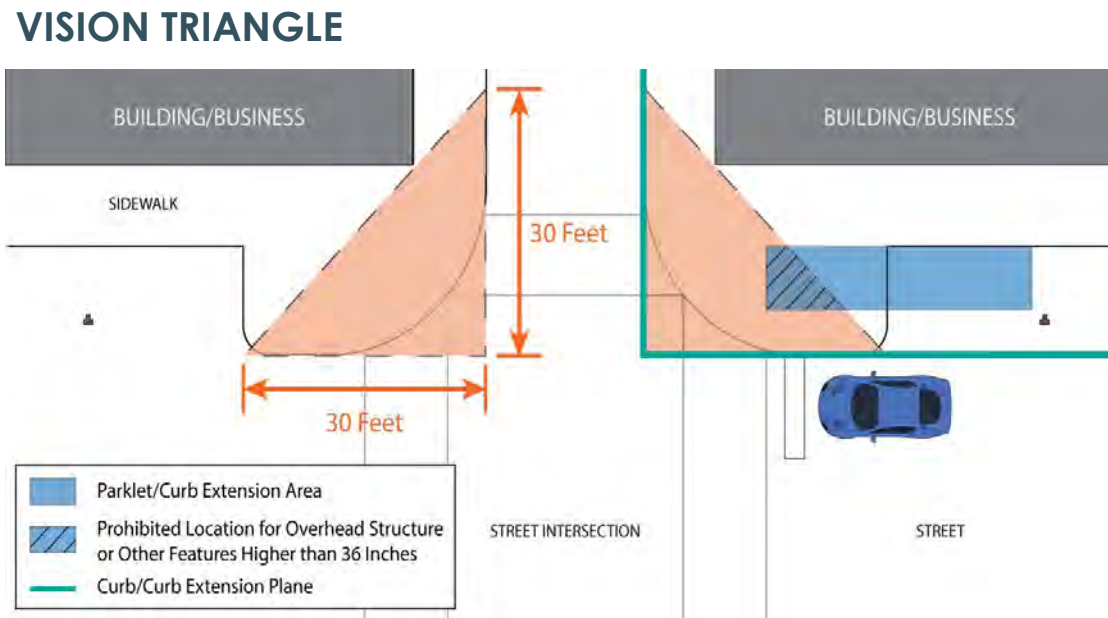
D. OVERHEAD STRUCTURES

Overhead structures may require a longer review and approval process subject to staff discretion. Typical parklets preferred by the city include the use of umbrellas, fabric awnings, or other retractable and soft material for shading that still allow light to the public realm in colors that are compatible with the façade of the adjacent building/restaurant.

1. Installation of any roof or overhead structure is subject to review by the city.
2. A site plan and elevation drawing of the parklet shall be provided with a structural engineer or architect's stamp if the applicant proposes to include an overhead structure, such as a pergola or other affixed roof structure. Umbrellas or fabric sail shades are not considered overhead structures. However, umbrellas and fabric sail shades must be identified in the site plan for the city to review for compliance with standards such as sight lines, height, wind/fire resistance, etc.
3. The City will review any proposed overhead structures to ensure that sufficient visibility for pedestrians, traffic, businesses, and other site-specific conditions, are properly maintained. The city may require modifications or deny the proposed overhead structure.
4. The minimum vertical clearance for an overhead structure within the parklet footprint, a sidewalk cafe, or curb extension is 7 feet above the finished floor level.
5. The maximum vertical height for an overhead structure within a parklet footprint shall not exceed 10-feet or the height of the first floor top of plate height of restaurant, whichever is shorter in height.



6. In order to ensure motorist sight lines at street intersections, overhead structures or other parklet feature higher than 36 inches are prohibited within a 30-foot vision triangle measured from the intersection of the curb or curb extension line.
7. Parklets with overhead structures may only be placed where a minimum 8-foot pedestrian clearance is provided along the pedestrian path. No portion of the structure may encroach within this clearance.
8. Overhead structures shall maintain a visual connection to the street by designing the structure to provide some openness with transparent wind barriers required in C.4. on page 32 or with openings in the enclosure. Shading materials should be soft to reduce prominence and retractable so it can be pulled back when not in use or when more light is desired in the space.
9. Any fabric, membrane shade, or other weather protection, including umbrellas and tents of any size, must be CSFM listed and constructed of fire-resistant treated material as per the California Code of Regulations, Title 19, Division 1, Section 315(a). Heating devices within overhead structures shall meet requirements on page .



SECTION 2. SIDEWALK CAFÉ STREETARY PROGRAM

SIDEWALK CAFÉ STREETARY OVERVIEW

PURPOSE

The purpose of these guidelines is to help clarify and provide standards for sidewalk cafes uses in order to enhance the quality and safety of the pedestrian experience and reinforce a sense of place and economic vitality. These guidelines and requirements are established to achieve the Streetary goals by maintaining safety, accessibility, and an enhanced design that connects the public realm. Compliance with all applicable sections of these guidelines is required at all times.

DEFINITION OF A SIDEWALK CAFÉ

An outdoor area located on the public right-of-way within the sidewalk area which is used to provide more space and amenities for outdoor dining operated and maintained by the business establishment conducting the outdoor dining.

SIDEWALK CAFÉ AREA

The sidewalk cafe area can be defined as one or a combination of:

1. The space delineated by the facade of the building to the adjacent street, perpendicular to the public right-of-way.
2. The recessed entries immediately adjacent to the outdoor sidewalk cafes.
3. Certain alleys determined by the city that are adjacent to the operating business.

SIDEWALK CAFÉ AREA CLEARANCE REQUIREMENTS

The cafe operators are required to maintain all minimum distances and clearance requirements at all times: *Minimum 5-foot pedestrian path clearance; min. 5-foot entrance clearance radius; and min. 5-foot pedestrian path at crosswalks from edge of curb at all times.* City staff will perform compliance inspections. Application submittals are required to comply with all Americans with Disabilities Act (ADA) requirements.

MOVEABLE IMPROVEMENTS

The sidewalk cafe area contains various sidewalk patterns which affect the placement of improvements such as tables and chairs in the public right-of-way. The installation of these improvements is considered temporary in nature. The operator shall locate moveable flower boxes or planters adjacent to the street in such a way as to visually define and contain the sidewalk cafe area. The sidewalk cafe improvements shall be set up during the applicable hours of operation.

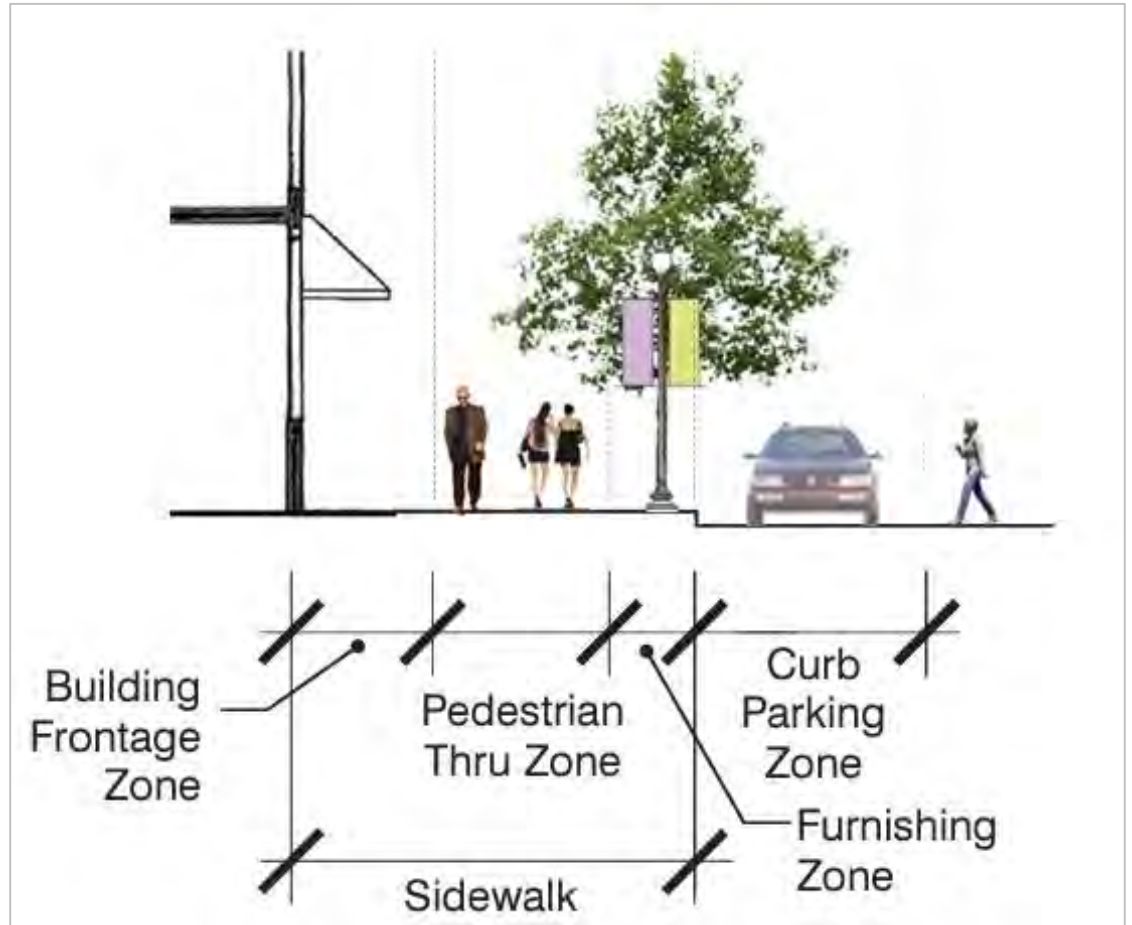
PERMANENT IMPROVEMENTS

Unless the applicant obtains a building permit, the operator shall not make any permanent changes, such as building structures or bolting tables to the ground. Permanent improvements within sidewalk areas must be in conformance with the applicable provisions and guidelines of the California Building Code and the Americans with Disabilities Act (ADA) accessibility requirements, and all other life, health, and safety requirements.

SIDEWALK CAFÉ ZONES

Any sidewalk cafe area may be viewed as containing several functional zones which must be respected at all times. The El Camino Real and Downtown Specific Plan* establishes sidewalk functional zones, ensuring a pedestrian clear zone and more pleasant and functional sidewalks. Understanding these zones will assist the applicant in determining the best layout for their sidewalk cafe area. These zones include:

- **Sidewalks:** The area dedicated to pedestrian activity made up of the building frontage, pedestrian thru, and furnishing zones, and adjacent to the curb parking or street traffic zone.
- **Building Frontage Zone:** The area of a public sidewalk located between the pedestrian thru zone and adjacent building or property line, assuming the sidewalk dimension allows for it. Depending on the location of the building, a frontage zone may accommodate outdoor seating and planting
- **Pedestrian Thru Zone:** Allows for unimpeded pedestrian circulation, free of all obstruction, including utility boxes and fences for outdoor dining.
- **Furnishing Zone:** The buffer between the pedestrian thru zone and curb parking/street traffic. The furnishings zone accommodates public amenities such as street trees, streetlamps, benches, bike racks, kiosks, news racks, mailboxes, transit shelters, public art, plantings, utility poles and utility boxes. In some cases, the furnishings zone is also used for outdoor seating and dining by shops, cafes, and restaurants.
- **Curb Parking Zone:** The interface between the roadway and sidewalk and accommodates vehicular parking, and in most cases parklets.



**Please note that not all sidewalks within the Specific Plan are wide enough to incorporate each of the aforementioned zones. Sidewalk cafes should be planned according to the sidewalk zones and width in front of the building / restaurant.*

SIDEWALK CAFÉ SUBMITTAL REQUIREMENTS CHECKLIST

PERMIT SUBMITTAL REQUIREMENTS

The following shall be submitted to the **City of Menlo Park Public Works Department** as part of the Streetary Permit Application, submitted through Menlo Park's online permitting platform, Accela:

- Permit fee payment
- Site Plan (scaled - I.e., 1/8" = 1'10" | dimensioned - I.e., 5'0" clearance path) (refer to site plan checklist)
- Identification of Parklet Design Components (refer to Design Components Checklist)
- Photograph of proposed design components
- Photograph of proposed Streetary location (showing the front and side views along the business frontage)
- Required insurance forms (see below)
- Traffic control plan (for installation/construction)

INSURANCE REQUIREMENTS

- Completed Hold Harmless Agreement (review requirements listed)
- Insurance Endorsement Form
- Insurance Certificate (must name City as additional insured, see Hold Harmless Form)

Insurance Category	Minimum Limits
Worker's compensation	Statutory Minimum
Employer's Liability	\$1,000,000.00 per accident for bodily injury or disease
Commercial General Liability	\$1,000,000.00 (\$2,000,000.00 for parklets) per occurrence for bodily injury, personal injury, and property damage

Streetary permit(s) are revocable. Compliance with Streetaries (Chapter 13.30) and the design / program guidelines in this document is required.

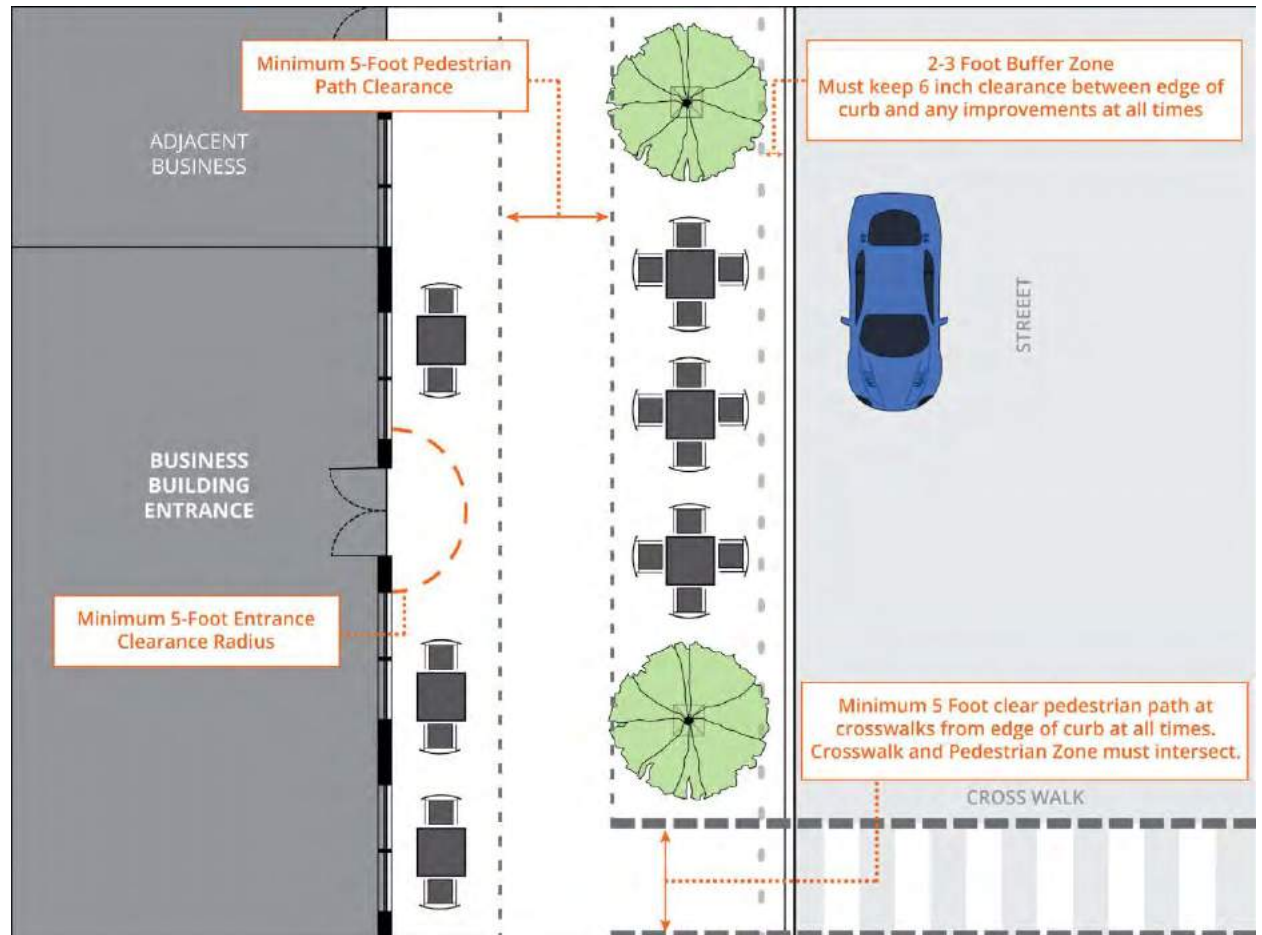
FURNISHINGS & FIXTURE DESIGN STANDARDS

STREETARY FURNISHINGS & FIXTURE DESIGN STANDARDS

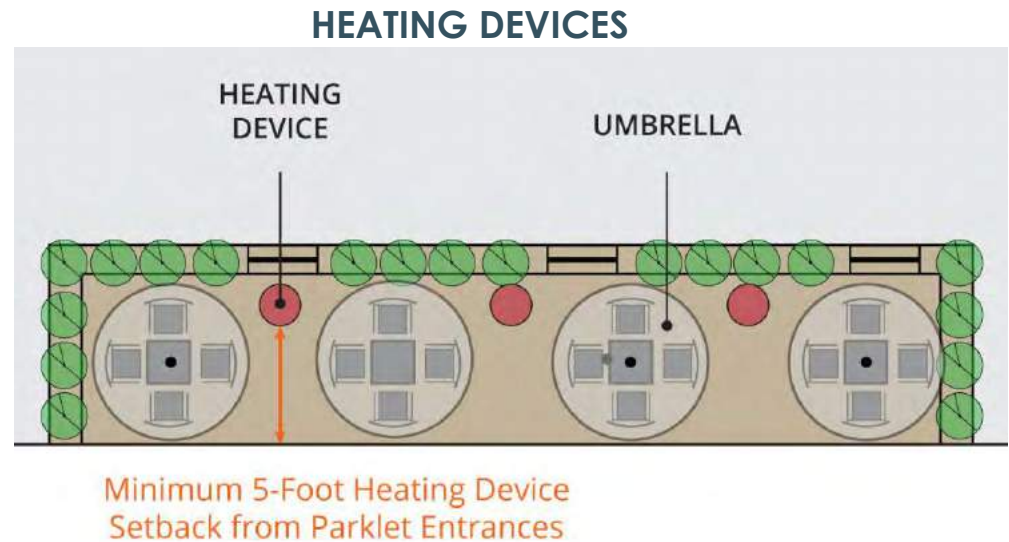
FURNISHINGS AND FIXTURES DESIGN STANDARDS

All furnishings and fixtures in Streetaries shall comply with the California Building Code, California Fire Code, and the Americans with Disabilities Act accessibility requirements.

1. **TABLES, CHAIRS, AND SEATING.** Tables and chairs shall match and be made of safe, sturdy, and durable material, such as wood, steel, plastic, and wrought iron. All furniture shall be commercial grade and manufactured for outdoor commercial use. Vinyl tablecloths are not recommended.
 - As a general recommendation, round tables should be no larger than 2½ feet wide and square tables should be no larger than 3 feet wide. Tables shall meet clearance requirements for parklets and sidewalk cafes.
 - Accessible seating shall be provided and comply with the following California Building Code Sections:
 - i. 11B-305 Clear floor space of 30" by 48" at 5% of seating
 - ii. 11B-306 Minimum knee and toe clearances



- **Seating in Sidewalk Cafes:** Small round or square tables shall seat no more than four people unless otherwise approved by the City, subject to compliance with any required pedestrian clearance. Use of larger tables may be granted by the City provided that all clearance requirements are met.
2. **FURNISHINGS.** Furnishings and fixtures must be designed to be weighted down (or fixed to parklet) for wind protection. Items may need to be stored inside the business during periods of high winds. Please ensure that the weights used do not create tripping hazards for pedestrians. No furniture or any parts of a parklet or sidewalk café shall be attached, chained, or in any manner affixed to any tree, post, signs, sidewalk, streetlight, fire hydrant, or other public fixture within or near the licensed area. Applicant must demonstrate that required egress/door swing, etc., from occupancies is protected for occupant load to public way.
 3. **FIRE RESISTANT MATERIALS.** Any fabric, membrane shade, or other weather protection, including umbrellas and tents of any size, needs to be constructed of fire-resistant treated material as per the California Code of Regulations, Title 19, Division 1, Section 315(a). Fire-resistant materials must have documentation of a California State Marshal's Seal on all panels, or meet NFPA 702 testing requirements by a NRTL, or meet CPAI 84 standards.
 4. **PORTABLE HEATERS & OTHER HEATING DEVICES.** Heating devices may be electric, propane, or natural gas powered, and shall meet the following requirements:
 - Heating devices are prohibited inside of tents, canopies, and membrane structures.
 - A minimum 5-foot clearance shall be provided between a building and the heating device.
 - A minimum 5-foot clearance shall be provided between combustible materials and a heating device.
 - A minimum 5-foot clearance shall be provided between exits or exit discharges and a heating device.
 - Propane or natural gas heating devices shall have a tip over switch that shuts off the flow of gas.
 - Propane or natural gas heating devices shall have a maximum of 20 pounds' capacity gas container.
 - Propane storage shall remain outside in approved area; propane storage is not allowed inside.
 - **Gas heating appliances are NOT permitted on wood-based parklets, only electrical.**



5. **SHADING & UMBRELLAS.**

- Individual canvas or other non-vinyl umbrellas of a compatible design may be permitted in the right-of-way and shall not extend over the Pedestrian Zone.
- Umbrellas shall be made for outdoor commercial use subject to City approval. Any fabric, membrane shade, or other weather protection, including umbrellas and tents of any size, needs to be constructed of fire-resistant treated material as per the California Code of Regulations, Title 19, Division 1, Section 315(a). Fire-resistant materials must have documentation of a California State Marshal's Seal on all panels, or meet NFPA 702 testing requirements by a NRTL, or meet CPAI 84 standards.
- Umbrellas must be at least 80-inches above the parklet platform or sidewalk.
- Umbrellas and shading must not block sight lines for traffic or pedestrians in crosswalks.

6. **ELECTRICAL CONNECTIONS.** Electrical service to any parklet requires a permit. All wiring and electrical cords must be exterior rated, GFCI protected, and UL listed. Electrical extension cords between buildings and a parklet are not allowed.

- Cords within the parklet must not create tripping hazards on the sidewalk.
- The use of adapters is prohibited.
- Businesses are not allowed to tap into existing City electrical connections such as twinkle light outlets or streetlight poles.
- Generators are not allowed in association with parklets.

7. **LIGHTING.** Lighting is encouraged and may be provided through separately permitted electrical connections to the building. Solar powered (small scale) or battery powered lighting is encouraged.

- Lighting shall not be directed towards the roadway to unintentionally cause glare for vehicles, bicyclists, or pedestrians.
- Light strings must be hung to allow for a minimum clearance of 10 feet above the sidewalk and the platform of the parklet.
- Candles and open flames are prohibited within a parklet.
- No new foundations are permitted for light poles.

8. **SIGNAGE.** All signage must comply with the City's Sign Design Guidelines. Non-illuminated signs are allowed provided the sign area does not exceed 6 square feet (this is in addition to the sign ordinance maximum sign area limitations). For Streetaries/parklets on a corner, two signs not exceeding 9 total square feet may be permitted. Sign copy is limited to business identification, except that if the parklet is meant to serve the general public, signage should reflect such. If the parklet is meant to serve as restaurant seating, signage should correlate in design with the signage on the primary building. Menu boards, both portable and on walls, shall be subject to sign permit approval and shall comply with the Menlo Park Sign Ordinance.

9. **LANDSCAPING AND PLANTERS.** All planters and planting areas must contain seasonal blooming live plants year round. The sidewalk café and/or parklet owner shall be responsible for the prompt removal of all empty or poorly maintained planting areas. Landscaping and planters must be maintained, kept healthy and free of litter/debris at all times.

- Neither the planter or plant material shall impede or hinder pedestrian and vehicular visibility.

- Landscaping or planter options include planter boxes within the setback area or serving as the parklet platform enclosure; hanging planters; or raised planter beds.
- Plants must be drought tolerant and/or native. Edible or fragrant plants are encouraged. Plants that have thorns, spikes, or sharp edges, or that are poisonous or invasive, are not permitted.
- ***Parklet Landscaping & Planters Standards:***
 - i. Planters are allowed within the parklet setback area.
 - ii. The height shall be between 30 and 36-inches in height.
 - iii. The height of plants within planters in parklet setback areas or planters serving as parklet platform enclosures shall not exceed 6-inches in height.
- ***Sidewalk Café Landscaping & Planters Standards:***
 - i. The cafe owner may use flower boxes or planters to define the boundaries of the cafe seating area.
 - ii. To avoid blocking the patron’s vision while seated, the combined height of the planters and live plants shall not exceed 4 feet from sidewalk grade.
 - iii. The boxes or planters in Sidewalk Cafes shall be no greater in height than 3-feet and no wider than 2 feet at the base.
 - iv. Plant materials and containers shall remain at or below shoulder height of a seated person so as to not block visibility of the seating area.
 - v. The flower boxes, planters, and storage bins shall be portable and be made of safe, durable, and attractive material such as wood or steel.

10. BARRIERS/FENCES

- ***Parklet Barriers/Fences:*** Refer to Parklet Design Standard Section C. “Platform barriers, railings, or enclosures”
- ***Sidewalk Café Barriers/Fences:*** Barriers should provide visual and physical connections with the surrounding public realm. Barriers should have a low height that allow views into and out of the space with at least one opening between barriers for an area of passage. The use of barriers should be limited and only occur where needed. All in-ground improvements require a building permit which are subject to approval by the Engineering Department. All barriers and fences shall be shown on the application site plan and are subject to approval by the City.

11. **TRASH RECEPTACLES.** The number, type, and location of trash receptacles shall be determined by the City and shall comply with the public right-of-way access code. Trash receptacles shall be made of durable material to match the existing facade and shall be commercial grade as determined by the City.

GENERAL OPERATION & MAINTENANCE

OPERATION AND MAINTENANCE FOR STREETARIES

- A. LIVE ENTERTAINMENT.** No live entertainment or amplified music is permitted in Streetaries without first obtaining a Special Events Permit.
- B. NO OUTDOOR FOOD PREPARATION.** Outdoor food preparation is not permitted. No heating, cooking or open flames are permitted in a parklet. Hotpots, barbecues, or other heating of food in the public right of way is not allowed.
- C. NO OPEN FLAMES.** Candles and open flames are not allowed on the parklets.
- D. ALCOHOL SERVICE.** Restaurants and food establishments licensed by the State of California will be permitted to sell and allow on premise consumption of alcoholic beverages. Establishments that serve alcoholic beverages in the parklet area shall be required to meet all requirements of the Alcoholic Beverage Control Board and any other federal, state, or local laws and regulations governing the sale and consumption of alcoholic beverages.
- E. NOISE & DISRUPTIVE BEHAVIOR.** Streetary owners are responsible for ensuring their patrons minimize noise and disruptive behavior while using their Streetary space.
- F. SEMI-PERMANENT CONSTRUCTION.**
1. Noise generated by construction activities is regulated in the City of Menlo Park. Semi-permanent construction activities in a parklet or sidewalk café must adhere to the city's [noise ordinance and allowable construction hours](#).
 2. Traffic Control Plans are required for construction in the right-of-way. Traffic control plans must be completed in accordance with the latest edition of the "Manual of Uniform Traffic Control Devices for Construction and Maintenance Work Zones" issued by the State of California, Department of Transportation and as required in the City of Menlo Park's Guidelines for [traffic control plans](#).
- G. SITE MAINTENANCE.** All Streetaries must be maintained at all times by the Streetary owner, including the space leading to and from the parklets and sidewalk cafes.
1. The permittee is required to keep the parklet or café area safe, free of debris, grime, and graffiti, and to keep any plants in good health.
 2. Outdoor seating shall be scrubbed and mopped to remove any food or drink stains on a daily basis and the sidewalk shall be power washed quarterly by the permittee. Such cleaning shall be in accordance with the City's [Storm Water Management and Discharge Control Program](#), which prohibits any discharge other than storm water into the storm water drainage system.
 3. Parklets and enclosures shall be designed in a manner that does not negatively impact existing drainage patterns. Features shall be incorporated into the design that allows water to flow freely off the street surface and along any existing gutter.
 4. The permittee shall be required to clean tree grates, the gutter, and drainage inlets. Business and/or property owners shall be required to remove any debris that accumulates against their parklet. The areas on, under, and around the parklets must be clear of leaves and debris, which may require the restaurant operator or property owner to blow underneath the parklet or enclosure. The permittee shall also provide cleanout access upon request.

5. The permittee is required to maintain the pedestrian access clearances in sidewalk café and curb extension area and keep these areas safe, clean, and free of debris.
6. Parklets shall not block access necessary to maintain the canopy of City maintained street trees.
7. Failure to maintain the cleanliness, safety, and accessibility of a parklet or café may subject the permittee to violations and fines. If maintenance issues are not resolved, a parklet permittee may be required by the City to remove the parklet at the permittee's expense.

H. SIDEWALK CLEANING

The permittee shall comply with all State and local regulations related to waste disposal including the National Pollutant Discharge Elimination System (NPDES) and the California Storm Water Quality Association (CASQA) as follows:

1. **Pollution Prevention** (visit www.cabmphandbooks.com for more information)
 - Use dry cleaning methods whenever practical for surface cleaning activities.
 - Use the least toxic materials available (e.g. water-based paints, gels or sprays for graffiti removal).
2. **Surface Cleaning**
 - Regular broom (dry) sweep sidewalk, plaza, parklet, and parking areas to minimize cleaning with water.
 - Dry cleanup first (sweep, collect, and dispose of debris and trash) when cleaning sidewalks or plazas, then wash with or without soap.
 - Block the storm drain or contain runoff when cleaning with product

I. ADA COMPLIANCE. Streetary seating areas must, at all times, comply with all requirements of the Americans with Disabilities Act (ADA) and provide sufficient clearance and walkway space to allow safe access and egress. For multi-level Streetaries, a minimum of one level of ADA access shall be required.

J. HOURS OF OPERATION. Streetaries shall adhere to the same approved hours of operation as the associated business, with the following limitations:

1. *For Streetaries that are within 150-foot horizontal or vertical distance from residences:* Streetaries shall not commence operations prior to 7 a.m. on Saturdays, Sundays, and holidays; Streetaries shall not commence operations prior to 6 a.m. Monday through Friday; Streetaries shall not operate after 10 p.m. on Fridays and Saturdays; Streetaries shall not operate after 9 p.m. Sunday through Thursday and holidays (as defined in the Menlo Park Municipal Code chapter 8.13 "Noise" of title 8).

K. USAGE OF STREETARY SPACE. Streetaries must demonstrate adequate usage in order to contribute to the economic vitality of the city. The city requires these Streetaries to be set up and readily available for use during the operational hours of the food service establishment associated with the Streetary, except in inclement weather and subject to the hours of operation.

L. FURNITURE & STORAGE.

1. Applicants may store parklet or sidewalk café tables, chairs, portable heaters, umbrellas, and other furnishings within the business, parklet, or café area. No storage containers shall be allowed in the parklet or café area, except for propane storage with approval by city

staff. Restaurants and cafes may use minimal storage space (i.e., waiter stations for storage of utensils, linens, and menus) during operating business hours to store.

2. Storage of furnishings shall not be allowed along the sidewalk or any required pedestrian clearances.
3. Furnishings shall not be secured to lampposts, streetlights, trees, or any other public street furniture/infrastructure.
4. All approved furnishings shall be properly maintained and cleaned regularly.
5. Propane storage shall remain outside in approved area; propane storage is not allowed inside.

M. LANDSCAPING.

The café operator shall maintain flower boxes and planting areas unless otherwise determined by the City. All boxes, planters and planting areas shall be planted with seasonal blooming or ornamental evergreen live plants year round.

N. PUBLIC SAFETY EMERGENCIES AND REMOVAL.

1. Because a parklet may be installed above underground utilities, there may be occasions in which a parklet may need to be removed with little or no notice. In the event of a utility failure, such as a gas leak or similar threat to public safety, the city or a utility provider may remove a parklet with little or no notice. Sidewalk cafes may also be removed with little or no notice where there is a threat to public safety. The parklet or sidewalk cafe permittee is responsible for the cost of re-installing and restoring any damage to the parklet or sidewalk cafe.
2. When the permittee removes their parklet or sidewalk cafe, the permittee shall be responsible for notifying the City and removing the parklet at the permittee's expense.
3. If the business associated with a parklet or sidewalk café ceases operation, changes its business name or type of use permit, or decides to no longer maintain its parklet or sidewalk cafe for more than 30 days, the City may remove and dispose of the parklet or sidewalk cafe at the permittee's expense.
4. The permittee shall be responsible for any surface restoration required after the parklet or sidewalk cafe removal. A separate [Encroachment Permit](#) shall be required for any restoration or other work performed in the public right-of-way. Restoration of the public right-of-way shall be done by a licensed contractor, to City of Menlo Park standards and shall be completed to the satisfaction of the City Engineer.

OUTDOOR PARKLET TEMPLATES

SELECT A PARKLET TEMPLATES

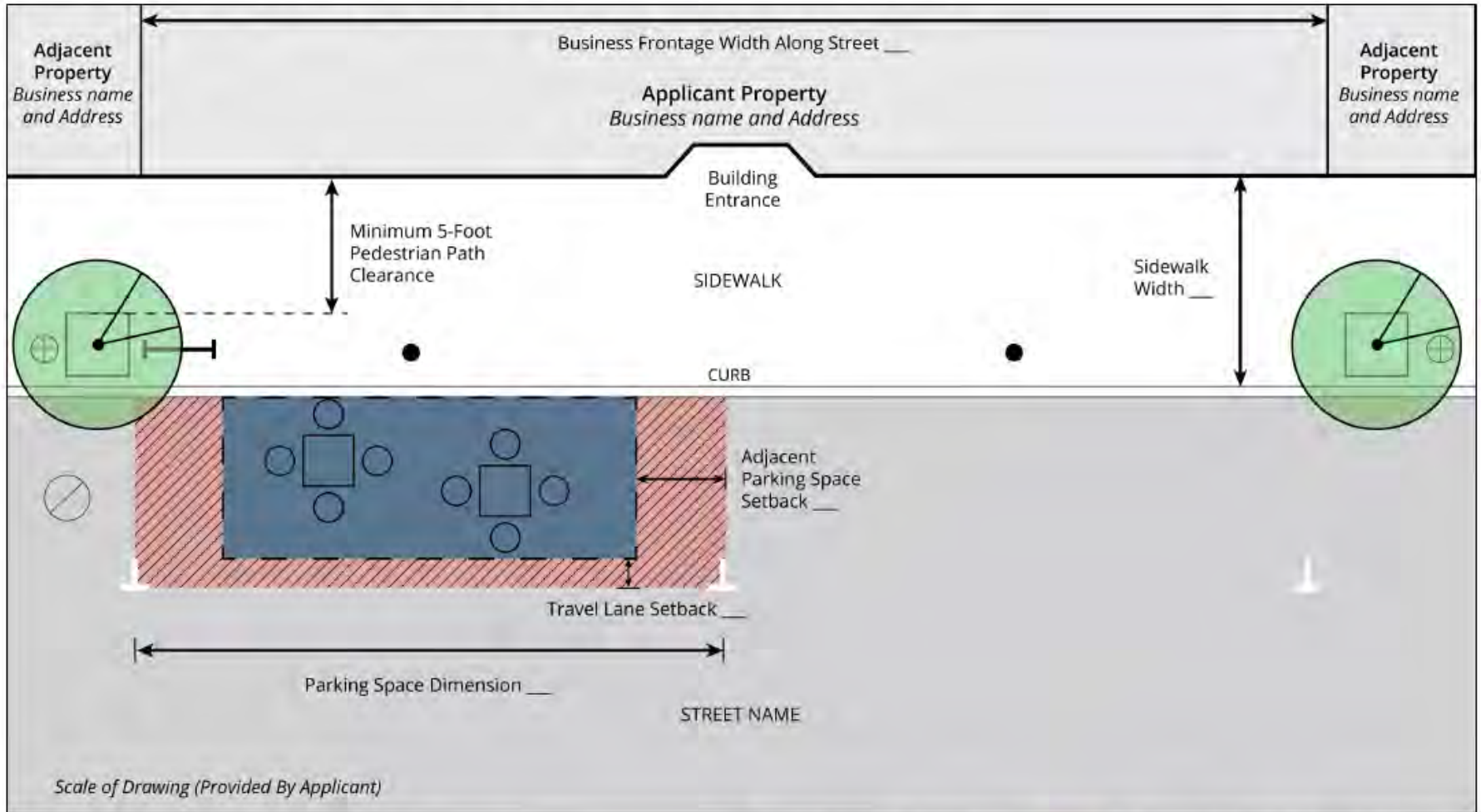
- Parklet in parallel parking space (s)
 - A-1 One Space
 - A-2 Two Space
- Parklet in a diagonal parking space
- Special Condition Parklet, which includes three alternative conditions
 - C-1 Parklet/Sidewalk Café Combination
 - C-2 Parklet/Sidewalk Café Curb Extension
 - C-3 Parklet/Pedestrian Street Combination

A-1 PARALLEL SPACE PARKLET 1 PARKING SPACE

- The Parallel Parklet template occupying one parking space is a compact parklet that provides an intimate outdoor dining setting.
- This template limits the maximum parklet area to one parking space and can be utilized in areas where available on-street parking spaces are limited.
- Parklets proposed for perpendicular parking spaces can use a modified version of this template.



SAMPLE SITE PLAN | A-1 PARALLEL SPACE PARKLET (1 Parking Space)



- | | | | | | | | |
|--|-----------------------|--|------------------------|--|-----------------------|--|--|
| | Existing Street Light | | Existing Utilities | | Parking Space Marking | | Proposed Parklet Location and Dimensions |
| | Existing Street Tree | | Existing Parking Meter | | Bike Rack | | Required setbacks |
| | Parklet Table | | Parklet Chair | | Fence/Barrier | | |

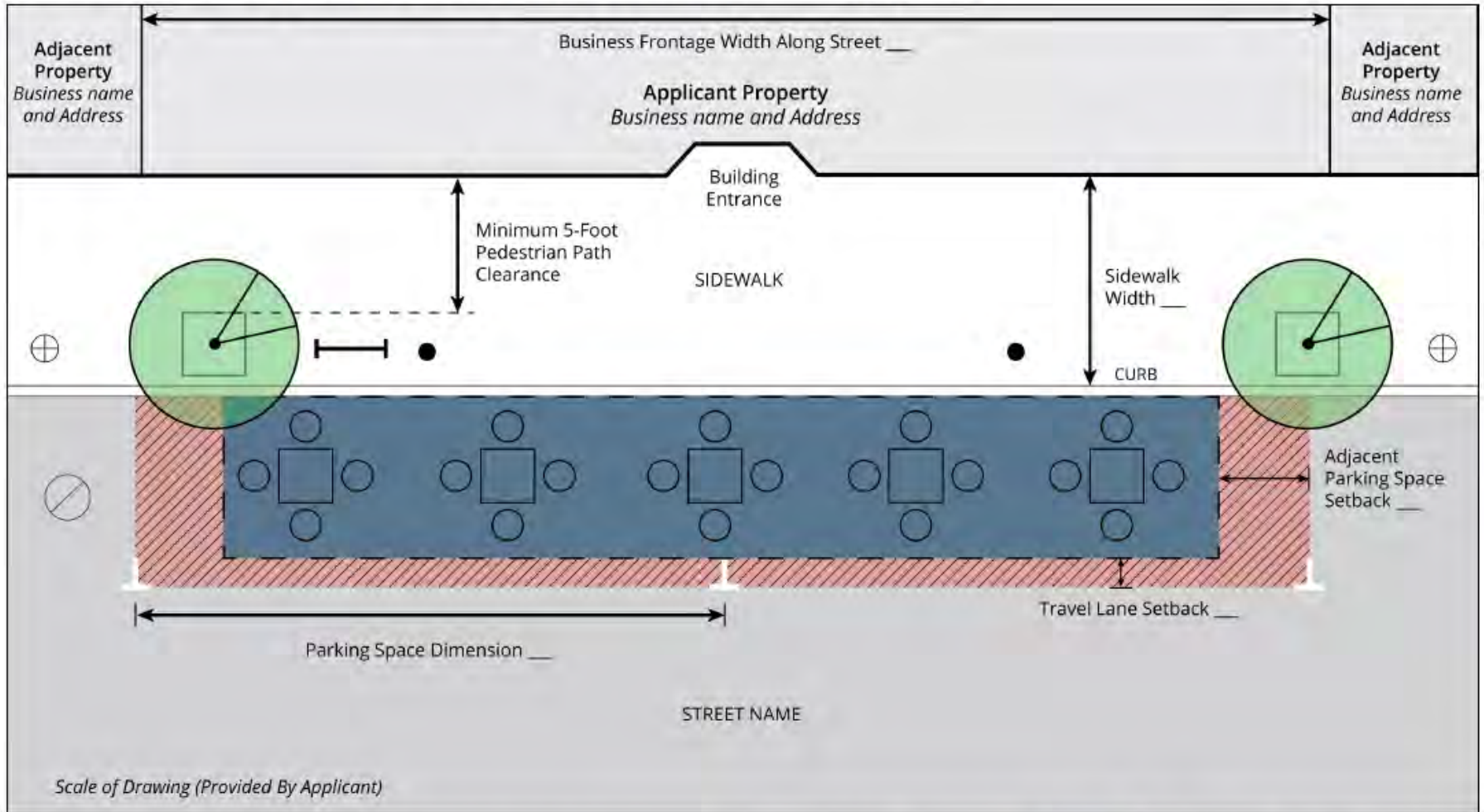
Example site plan for illustrative purposes only; complete site plan requirements provided on Page ____

A-2 PARALLEL SPACE PARKLET 2 PARKING SPACES

- The Parallel Parklet template occupying two parking spaces provides a larger outdoor dining setting.
- This template limits the maximum parklet area to two parallel parking spaces.
- Parklets proposed for perpendicular parking spaces can also use a modified version of this template.



SAMPLE SITE PLAN | A-2 PARALLEL SPACE PARKLET (2 Parking Spaces)



Scale of Drawing (Provided By Applicant)

- | | | | | | | | |
|--|-----------------------|--|------------------------|--|-----------------------|--|--|
| | Existing Street Light | | Existing Utilities | | Parking Space Marking | | Proposed Parklet Location and Dimensions |
| | Existing Street Tree | | Existing Parking Meter | | Bike Rack | | Required setbacks |
| | Parklet Table | | Parklet Chair | | | | |

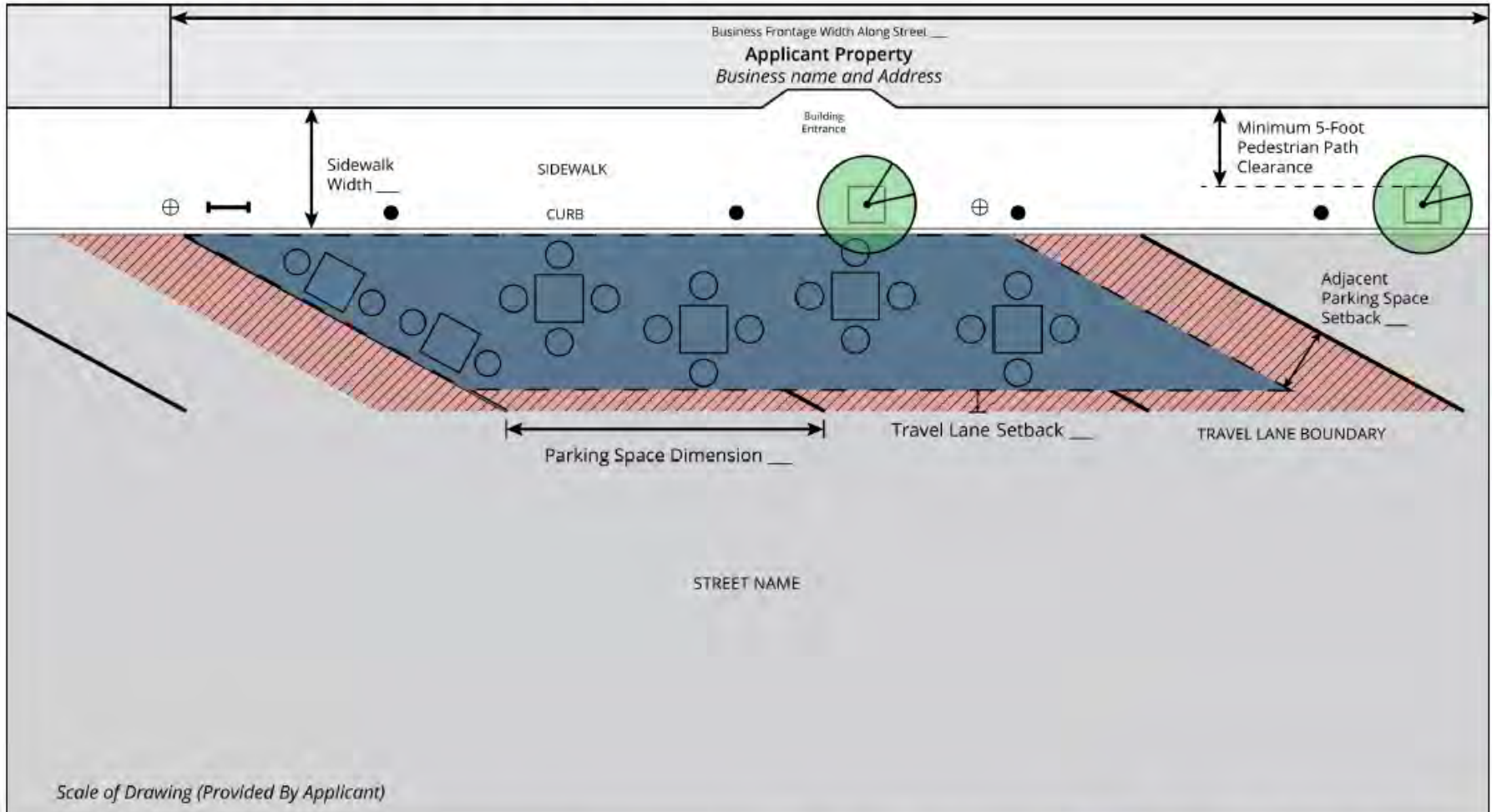
Example site plan for illustrative purposes only; complete site plan requirements provided on Page



B-DIAGONAL SPACE PARKLET

The Diagonal Space Parklet template provides a larger outdoor dining setting. When including the necessary setbacks, this template would need three spaces.

SAMPLE SITE PLAN | B-DIAGONAL SPACE PARKLET

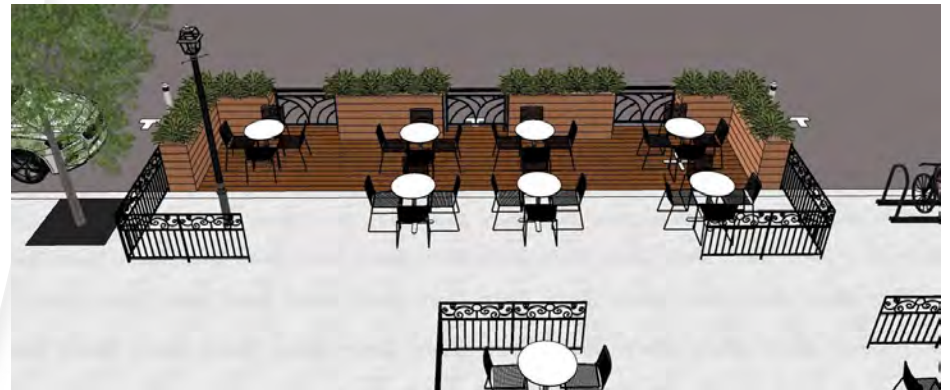


- | | | | | | | | |
|--|-----------------------|--|------------------------|--|-----------------------|--|--|
| | Existing Street Light | | Existing Utilities | | Parking Space Marking | | Proposed Parklet Location and Dimensions |
| | Existing Street Tree | | Existing Parking Meter | | Bike Rack | | Required setbacks |
| | Parklet Table | | Parklet Chair | | Fence/Barrier | | |

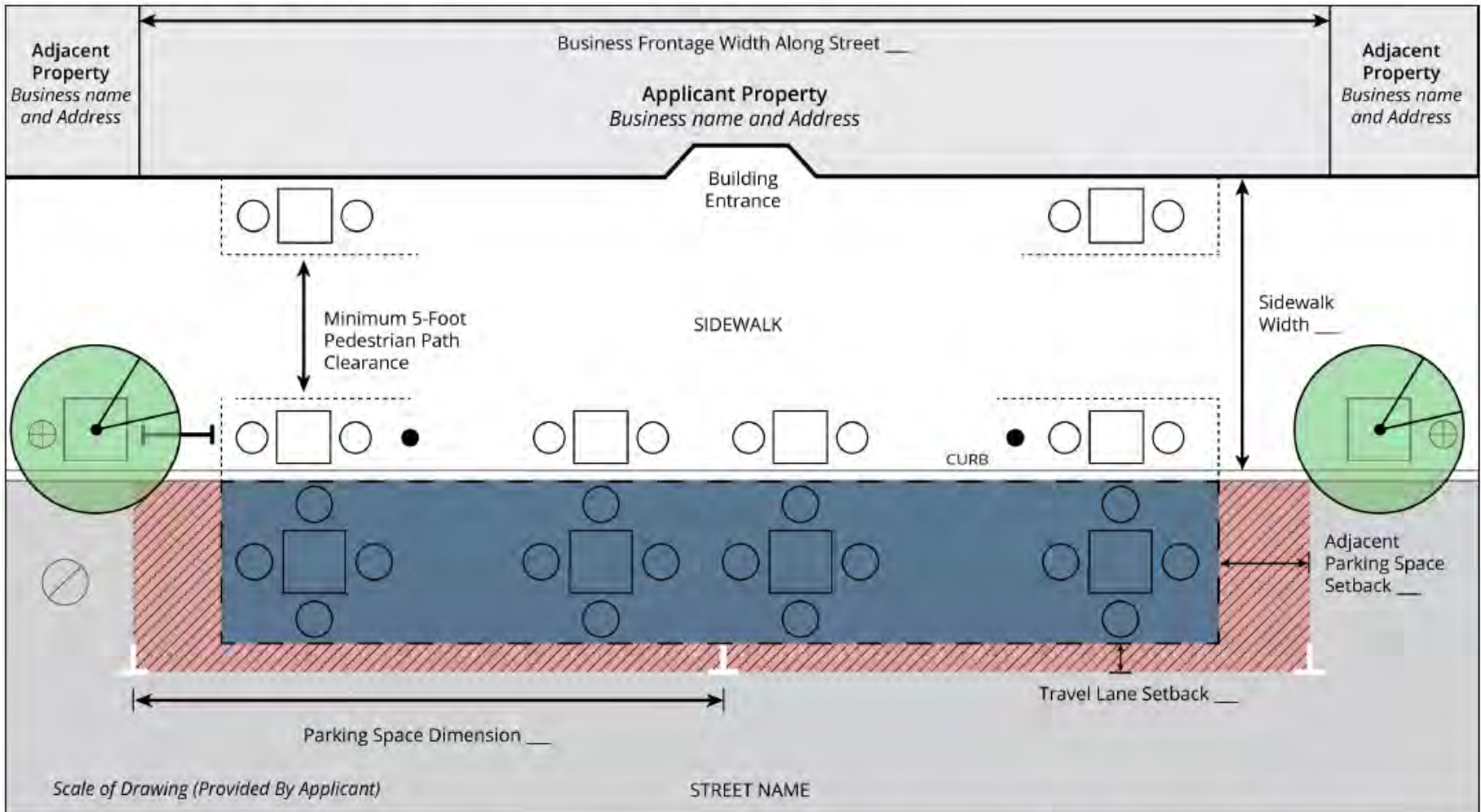
Example site plan for illustrative purposes only; complete site plan requirements provided on Page

C-1 PARKLET/SIDEWALK CAFÉ COMBINATION

- The Parklet/Sidewalk Cafe Combination template is for conditions where an applicant can incorporate both a sidewalk cafe and a parklet for a combined space.
- This Special Condition template can be used in either a parallel parking or diagonal parking site.
- The combined space should be designed as a comprehensively planned singular space.



SAMPLE SITE PLAN | C-1 PARKLET/SIDEWALK CAFE COMBINATION



- | | | | | | | | |
|--|-----------------------|--|------------------------|--|-----------------------|--|--|
| | Existing Street Light | | Existing Utilities | | Parking Space Marking | | Proposed Parklet Location and Dimensions |
| | Existing Street Tree | | Existing Parking Meter | | Bike Rack | | Required setbacks |
| | Parklet Table | | Parklet Chair | | Fence/Barrier | | |

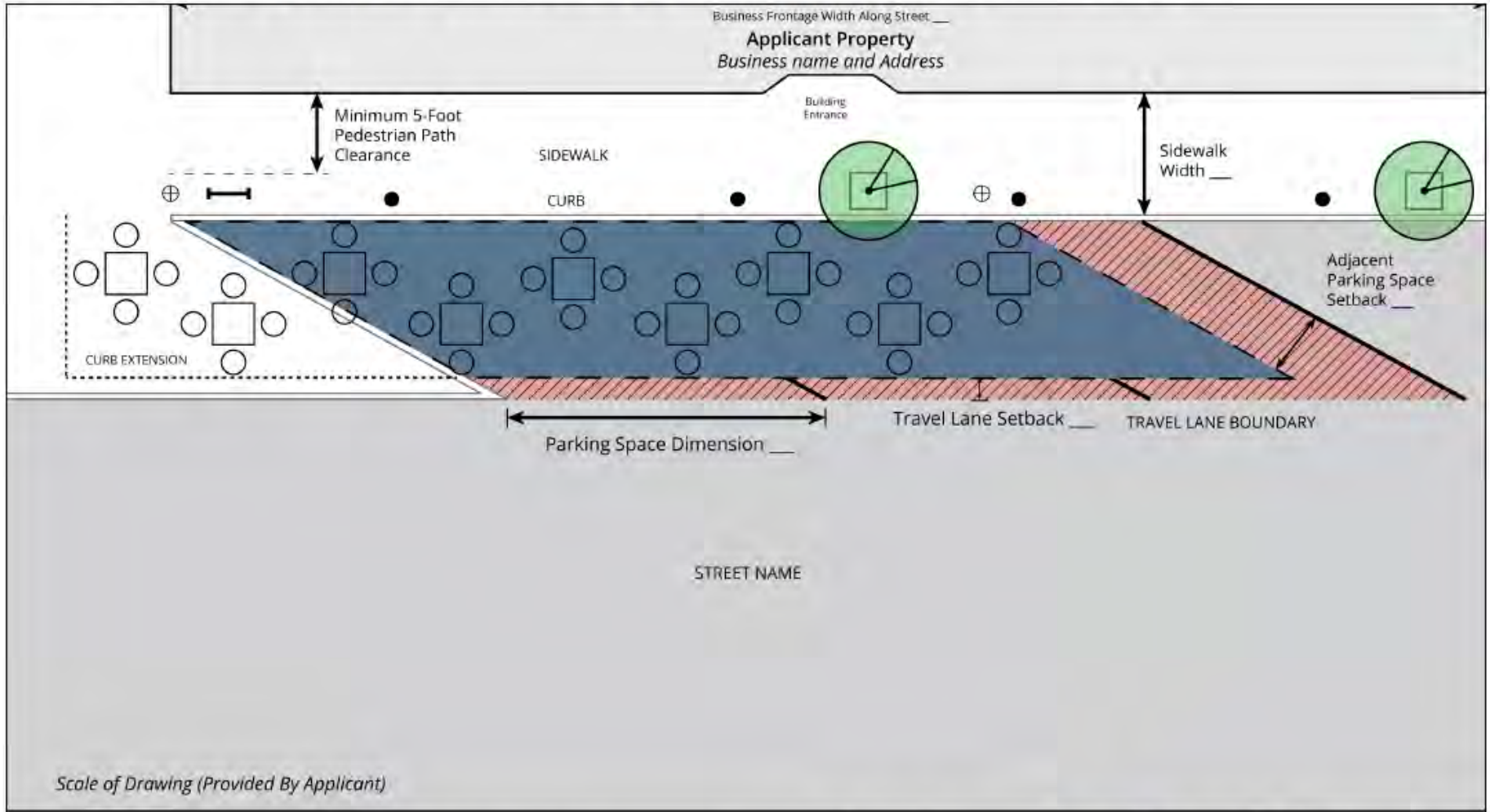
Example site plan for illustrative purposes only; complete site plan requirements provided on Page ____



C-2 PARKLET/SIDEWALK CAFÉ CURB EXTENSION COMBINATION

- The Parklet/Sidewalk Cafe Curb Extension Combination template is provided for sites where a business would like to incorporate a sidewalk cafe on an adjacent curb extension with a parklet.
- This Special Condition template can be used in either a parallel or diagonal parking site adjacent to an intersection.
- The combined space should be designed as a comprehensively planned singular space.

SAMPLE SITE PLAN | C-2 PARKLET/SIDEWALK CAFE CURB EXTENSION COMBINATION



Scale of Drawing (Provided By Applicant)

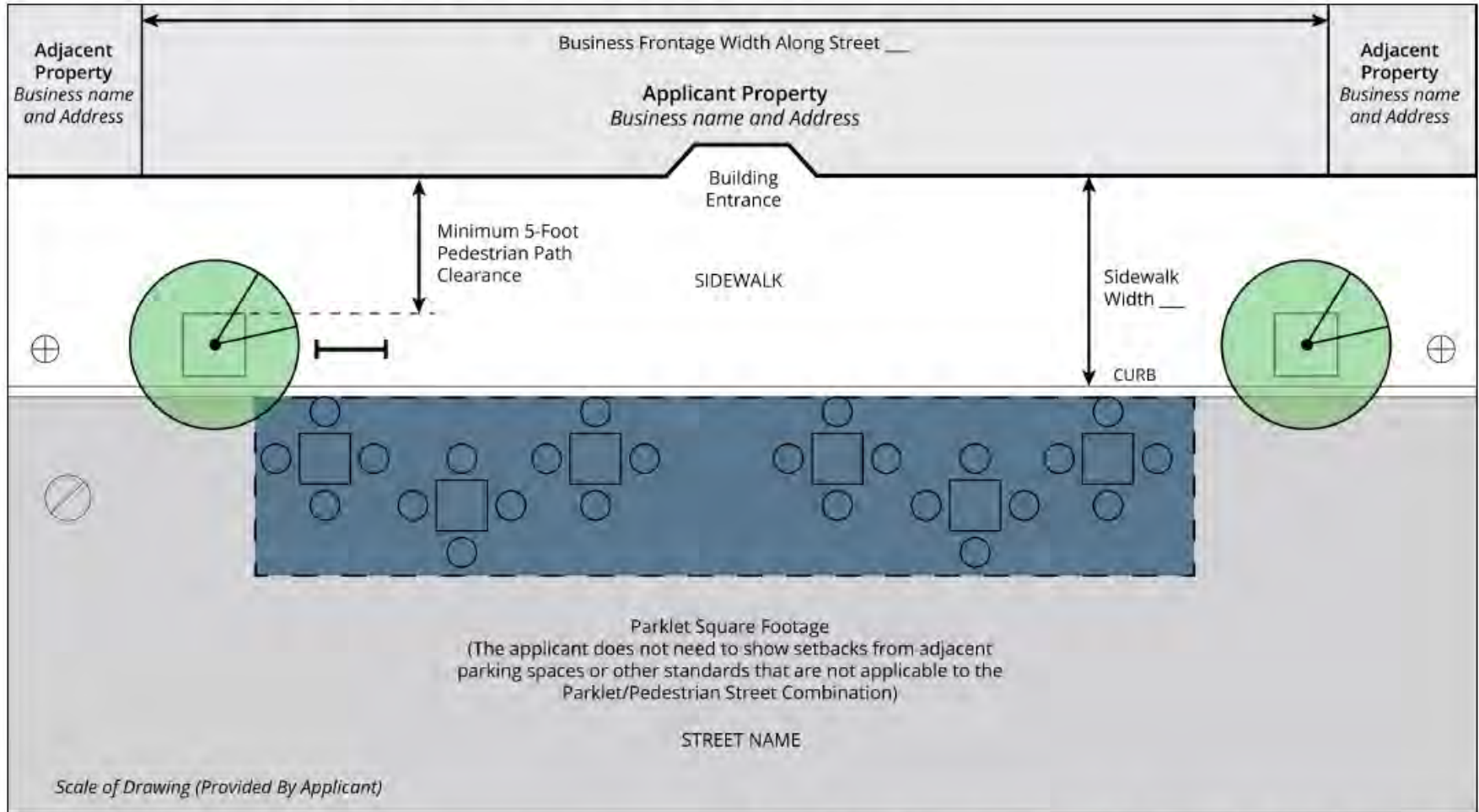
- | | | | | | | | |
|--|-----------------------|--|------------------------|--|-----------------------|--|--|
| | Existing Street Light | | Existing Utilities | | Parking Space Marking | | Proposed Parklet Location and Dimensions |
| | Existing Street Tree | | Existing Parking Meter | | Bike Rack | | Required setbacks |
| | Parklet Table | | Parklet Chair | | Fence/Barrier | | |









C-3 PARKLET/PEDESTRIAN STREET COMBINATION

- The Parklet/Pedestrian Street Combination template is designed with flexibility for parklets that are proposed on streets the City has permanently closed to vehicular through-traffic to enable pedestrian access and circulation.
- This template shall not be used where streets are only temporarily closed.
- Expanded seating areas would not be allowed unless the supplementary seating is specifically reflected in plans submitted and approved by the City.



SAMPLE SITE PLAN | C-3 PARKLET/PEDESTRIAN STREET COMBINATION



- | | | | |
|--|--|--|--|
|  Existing Street Light |  Existing Utilities |  Parking Space Marking |  Proposed Parklet Location and Dimensions |
|  Existing Street Tree |  Parklet Chair |  Bike Rack | |
|  Parklet Table | | | |

Example site plan for illustrative purposes only; complete site plan requirements provided on Page ___

DRAFT Streetary Fee Structure

Streetary Outdoor Dining Permit Fees: Parklet			
Streetary Parklet	First year	Annual renewal	Notes
Parklet Permit Fee	\$1,725	\$250	First year permit application same as administrative permit fee for outdoor dining on private properties. Applicants may be subject to a surcharge for a structural review. Renewal fee covers administration.
Use of space (estimated at \$4.24/SF for 360 SF, total may vary)	\$1,526	\$1,500	Use of space recommended cost is \$4.24/SF for an estimated average of 360 SF per 2-stalls. Total use of space may vary depending on total area occupied by the business. Renewal fee covers use of space.
<i>Total Permit Fees for Streetary parklets</i>	\$3,251	\$1,750	Waive total fees until January 1, 2025, if business complies by the end of the transitional period described below.
Streetary Outdoor Dining Permit Fees: Sidewalk Café			
Streetary Sidewalk Café	First year	Annual renewal	Notes
Sidewalk Café Permit Fee	\$810	\$250	First year permit application same as a major encroachment permit fee. Renewal fee covers administration.
Use of space (estimated at \$4.24/SF for 150 SF, total may vary)	\$636	\$600	Use of space recommended cost is \$4.24/SF for an estimated 150 SF per sidewalk café. Total use of space may vary depending on total area occupied by the business. Renewal paid annually for use of space
<i>Total Permit Fees for Streetary sidewalk cafes</i>	\$1,446	\$850	Waive total fees until January 1, 2025, if business is in compliance by the end of the transitional period described below.

Outdoor Dining Fee Structures in Comparable / Nearby Cities

City	Permit Fee & Parklet 1st Year (2 stalls/360 SF)	Annual Use & Cleaning Fees	Notes
Burlingame	\$431 permit fee + \$1/ every SF over 200-sf over max \$5,100 for 1 st year use of space = \$5,531.00	\$1,500 use fee \$3,000 cleaning fee = \$4,500.00	
Los Altos	\$500 permit fee	\$100 use fee	
Morgan Hill	\$716.10 permit fee \$1,000 security deposit = \$1,716.10	\$1,000 use fee	Fees waived until January 1, 2023. Permit fee is paid every 7-years. Annual use fee is only charged for parklets in the public right-of-way
Mountain View (Downtown Castro St)	\$769 permit fee \$2,400 for 1 st year use of space = \$3,169	\$205 use fee \$180 cleaning fee = \$385	
Redwood City	\$2,226 permit fee \$5,883.60 for 1 st year use fee = \$8,109.60	\$4,823.60 use fee (Annual use of space fee = \$10.16/SF)	Annual use fee waived until 2024
San Carlos	\$539 permit fee \$1,289 for 1 st year = \$1,828	\$289 use fee \$705 cleaning fee = \$994	
San Mateo	\$500 permit fee \$1,000 for 1 st year use fee = \$1,500	\$500 use fee	\$500 encroachment permit application + 250/stall first year Annual renewal of \$250/stall
San Rafael	\$2,000 permit fee \$2,000 one-time deposit = \$4,000 (half refundable)	\$3,600 use fee	Permit fee waived through 2023. Annual Use Fee waived until June 1, 2023. 50% fee discount applies between June 1, 2023 and May 30, 2024. 25% fee discount applies between June 1, 2024 and May 30, 2025. No discounts or waivers beginning June 1, 2025.

MENLO PARK EXISTING PARKLETS

The following existing temporary and permanent parklets along the main artery of Santa Cruz Ave and several cross streets were reviewed according to the City of Menlo Park "Streetaries" Outdoor Dining Design Standards -

- | | |
|--|--|
| <p>Santa Cruz Street Cafe Parklets:</p> <ol style="list-style-type: none"> 1. Left Bank Brasserie 2. Vacant (formerly Harvest) 3. Bistro Vida 4. Mademoiselle Colette 5. Roma Italian Restaurant 6. Camper (Santa Cruz Avenue) 7. Galata Bistro | <p>Temporary Parklets:</p> <ol style="list-style-type: none"> 1. Stacks 2a. Coffeebar (Chestnut Street) 2b. Coffeebar (Parking) 3. Carpaccio on the Alley 4. Camper (University Drive) 5. Cafe Zoe |
|--|--|

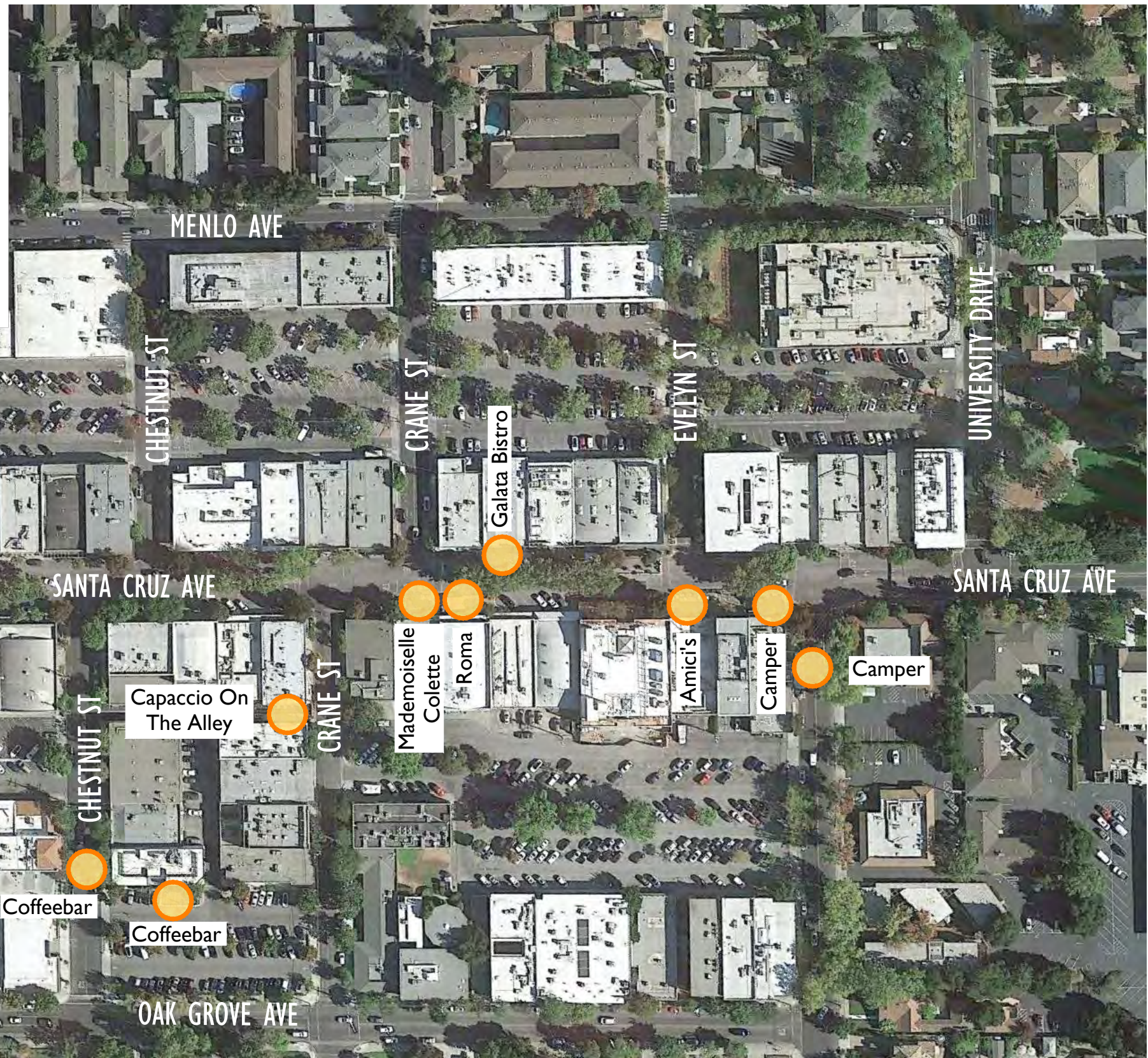
Each parklet was evaluated and non-compliant items were documented. Photos, unless noted otherwise, were taken on April 5, 2023. Recommendations have been included for each non-compliant item noted.

In a few instances, we found that some of the parklets had existing conditions that were not compliant with the new guidelines, but we felt that there was a case to be made for allowing those conditions, or variations thereof. In particular, a minimum height of 10 feet over the parklet platforms for string lights would make them seem both too far away for providing useful light as well as harder to properly maintain. We suggested a minimum height of 8 feet over the parklet platform. Also, the idea that plants within planters should be a maximum of 6 inches high could be raised as long as the combination of planters and plants did not exceed a 48 inch maximum to ensure visibility and sight-line of the surrounding retail tenant establishments both into and out of the parklet. Lastly, in many areas where the spacing of the railings and planters exceeds 4 inches, if those railings and planters were not bordering the street traffic, we feel that the 4 inch requirement should not apply. Regarding permanent transparent barriers above 36 inches in height, we recommend that they be rigid. If they wish to use non-rigid plastic sheeting or vinyl, the barriers should be able to be rolled up or down as needed.



LEGEND

- Existing Retail Parklet
- Existing Restaurant Parklet



EXISTING PARKLET LOCATIONS

Menlo Park Parklets - Downtown Menlo Park

5/1/23



KEYPLAN



Photo of non-compliant items 1, 2, 6 & 7.



Photo of non-compliant item 3.



Photo of non-compliant items 2, 5, 6 & 7.

STACKS

NON-COMPLIANT ITEMS

1. The parklet base occupies more than maximum area allowed - the platform is built over 2 parallel parking spaces & an 'X'-space. Planters are blocking 2 other parallel parking spaces, so a total of 4 parallel parking spaces are blocked off.
2. The spacing between each planter exceeds 4 inches wide.
3. The gutter space at the south end of the platform is smaller than the required size.
4. Retro-reflective reflectors at corners facing the travel lane are missing at north end.
5. The square table size exceeds recommended dimension.
6. Plants exceed 6 inch maximum height.
7. Umbrellas look faded and worn.

RECOMMENDATIONS

1. To reduce the parklet to the recommended size, eliminate the white planters covering the parallel parking space on the left side and return the space to parking.
2. Reduce the spacing between each planter to a maximum of 4 inches.
3. Expand the gutter space at the south end of the platform to the required size.
4. Install retro-reflective reflectors at corners facing the travel lane at the north end.
5. The existing square tables may be acceptable, and should be permitted to remain.
6. A combination of planter plus plants should be allowed a height of up to 48 inches.
7. Replace existing umbrellas with new ones.



EXISTING CONDITIONS - STACKS

Menlo Park Parklets - Downtown Menlo Park

5/1/23



KEYPLAN



Photo of non-compliant items 1, 2 & 3.



Photo of non-compliant items 1, 4 & 6.



Photo of non-compliant items 1, 2, 3, 4 & 6.

LEFT BANK

A portion of this parklet was built prior to the pandemic as part of the City of Menlo Park's Santa Cruz Street Cafe Pilot Program and features a concrete platform and metal railing with cables. The business made modifications to the Santa Cruz Street Cafe parklet during the pandemic.

The traffic lane adjacent to the parklet is currently closed for additional seating.

NON-COMPLIANT ITEMS

1. The platform is concrete.
2. The cable spacing of metal railing exceeds 4 inches
3. Retro-reflective reflectors at corners facing travel lane are missing and feature white plastic traffic barriers.
4. Plants at planter's parklet edge exceed 6 inch maximum height.
5. Plantings on sidewalk exceed 4 feet combined height of planters & live plants.
6. String lights are below 10 foot minimum height.

RECOMMENDATIONS

1. Since this parklet was installed pre-pandemic, the concrete platform may be acceptable.
2. The cable spacing of metal railing may be acceptable as it does not face the street.
3. Place retro-reflective reflectors at corners facing the travel lane and remove white plastic traffic barriers.
4. A combination of planter plus plants should be allowed a height of up to 48 inches.
5. Existing plantings on the sidewalk should be allowed to remain as they are mature and look appropriate for their placement.
6. Although the string light minimum height is 10 feet, we suggest that the height limit be adjusted to 8 feet.



EXISTING CONDITIONS - LEFT BANK

Menlo Park Parklets - Downtown Menlo Park

5/1/23



KEYPLAN



Photo of non-compliant items 1 through 5.



Photo of non-compliant items 1, 3, 4 & 5.

VACANT (formerly HARVEST)

A portion of this parklet was built prior to the pandemic as part of the City of Menlo Park's Santa Cruz Street Cafe Pilot Program and features a concrete platform and metal railing with cables. The business made modifications to the Santa Cruz Street Cafe parklet during the pandemic.

The traffic lane adjacent to the parklet is currently closed.

The parklet is currently vacant.

NON-COMPLIANT ITEMS

1. The platform is concrete.
2. The platform is not wheelchair accessible.
3. The cable spacing of metal railing exceeds 4 inch opening.
4. Plants at planter's parklet edge exceed 6 inch maximum height.
5. String lights are below the 10 foot minimum height.

RECOMMENDATIONS

1. As the concrete seems to be in good condition, it may be acceptable.
2. Create an accessible ramp.
3. Since the railing faces the sidewalk, the cable spacing is not a safety issue and is acceptable.
4. A combination of planter plus plants should be allowed a height of up to 48 inches.
5. Although the string light minimum height is 10 feet, we suggest that the height limit be adjusted to 8 feet.



EXISTING CONDITIONS - VACANT (formerly Harvest)

5/1/23



KEYPLAN



NOTE: Photos are from June & August 2022.



Photo of non-compliant items 4 & 5.

BISTRO VIDA

A portion of this parklet was built prior to the pandemic as part of the City of Menlo Park's Santa Cruz Street Cafe Pilot Program and features a concrete platform and metal railing with cables. The business made modifications to the Santa Cruz Street Cafe parklet during the pandemic.

The traffic lane adjacent to the parklet is currently closed for additional seating.

NON-COMPLIANT ITEMS

1. A portion of platform is concrete.
2. The cable spacing of metal railing exceeds 4 inch opening.
3. The wind barrier above 36 inches is not transparent.
4. Plants at planter's parklet edge exceed 6 inch maximum height.
5. Floor to ceiling solid fabric curtains obstruct visibility.
6. Signage on multiple planters exceeds 6 SF.

RECOMMENDATIONS

1. If the concrete part of the platform is in good condition, it may be acceptable.
2. Cable spacing of metal railings that are not a safety issue and face the sidewalk are acceptable.
3. The wind barrier above 36 inches must be replaced with transparent materials.
4. A combination of planter plus plants should be allowed a height of up to 48 inches.
5. Floor to ceiling solid fabric curtains should be removed or replaced with transparent materials.
6. Remove signage and replace with one sign not exceeding 6 SF.



Photos of non-compliant items 4, 5 & 6.



Photo of non-compliant items 1, 2, 3, 4 & 5.



EXISTING CONDITIONS - BISTRO VIDA

Menlo Park Parklets - Downtown Menlo Park

5/1/23

6



KEYPLAN



Photo of non-compliant items 3, 4 & 5.



Photo of non-compliant items 1, 2, 4 & 5.

MADemoiselle COLETTE

This parklet was built prior to the pandemic as part of the City of Menlo Park's Santa Cruz Street Cafe Pilot Program and features a concrete platform and metal railing with cables.

NON-COMPLIANT ITEMS

1. The platform is concrete.
2. The cable spacing of metal railing exceeds 4 inch opening.
3. Retro-reflective reflector at south corner is missing.
4. Plants at planter's parklet edge exceed 6 inch maximum height.
5. String lights are below the 10 foot minimum height.

RECOMMENDATIONS

1. If the concrete platform is in good condition, it may be acceptable.
2. Cable spacing of metal railings that are not a safety issue and face the sidewalk are acceptable.
3. Place the retro-reflective reflector at the south corner.
4. A combination of planter plus plants should be allowed a height of up to 48 inches.
5. Although the string light minimum height is 10 feet, we suggest that the height limit be adjusted to 8 feet.



EXISTING CONDITIONS - MADemoiselle COLETTE



KEYPLAN



Photo of non-compliant items 4 & 8.

ROMA

A portion of this parklet was built prior to the pandemic as part of the City of Menlo Park's Santa Cruz Street Cafe Pilot Program and features a concrete platform and metal railing with cables. The business made modifications to the Santa Cruz Street Cafe parklet during the pandemic.

NON-COMPLIANT ITEMS

1. Portion of platform is concrete.
2. The cable spacing of metal railing exceeds 4 inch opening.
3. Plants exceed 6 inch maximum height.
4. Multiple signage exceeds 6 SF.
5. Plastic orange traffic barrier adjacent to travel lane.
6. No retro-reflective reflector at south corner.
7. Portion of gutter not covered.
8. Transparent wind barrier above 36" is plastic.*

RECOMMENDATIONS

1. As long as the concrete platform is in good condition, it may be acceptable.
2. Since the cables face the sidewalk, the cable spacing is not a safety issue and is acceptable.
3. A combination of planter plus plants should be allowed a height of up to 48 inches.
4. Remove all signage and replace with one sign no more than 6 SF.
5. Plastic orange traffic barrier adjacent to travel lane should be removed.
6. Place a retro-reflective reflector at the south corner.
7. Provide a continuous cover for the entire gutter.
8. * We recommend that the transparent, permanent wind barriers above 36" be rigid, or if film, should be able to be rolled up or down.

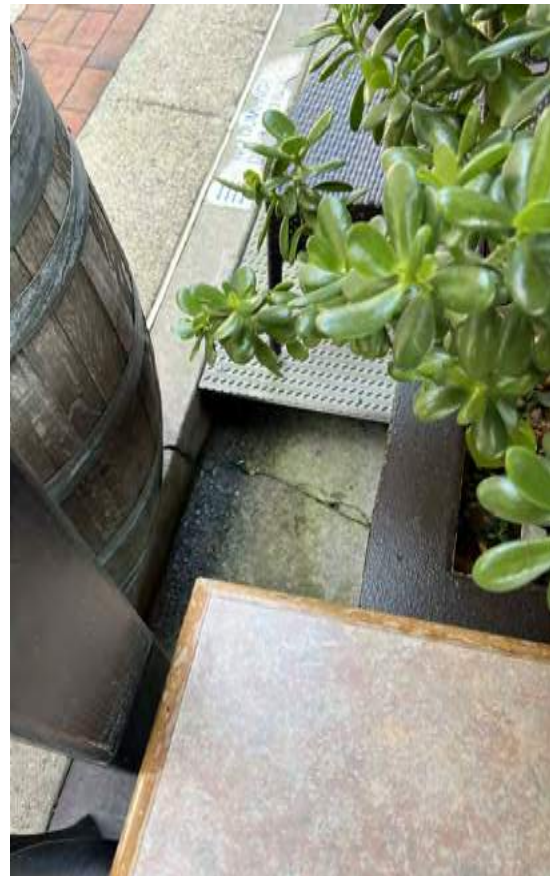


Photo of non-compliant item 7.



Photo of non-compliant items 3, 4 & 5.



Photo of non-compliant items 3, 6 & 8.



EXISTING CONDITIONS - ROMA

Menlo Park Parklets - Downtown Menlo Park

5/1/23

8



KEYPLAN



Photo of non-compliant items 3 & 7.

GALATA BISTRO

A portion of this parklet was built prior to the pandemic as part of the City of Menlo Park's Santa Cruz Street Cafe Pilot Program and features a concrete platform and metal railing with cables. The business made modifications to the Santa Cruz Street Cafe parklet during the pandemic.

NON-COMPLIANT ITEMS

1. Portion of platform is concrete.
2. The platform is not flush with the sidewalk and is not wheelchair accessible.
3. A planter box projects into travel lane setback and is not maintained (no plant material).
4. No retro-reflective reflectors at corners.
5. The solid enclosure needs maintenance and painting.
6. Floor to ceiling solid fabric curtains may obstruct visibility.
7. Transparent wind barrier is plastic.

RECOMMENDATIONS

1. If the concrete platform is in good condition, it may be acceptable.
2. Create an accessible ramp.
3. Remove the planter box that projects into the travel lane setback.
4. Add retro-reflective reflectors to corners.
5. Solid enclosure needs maintenance and painting.
6. Floor to ceiling solid fabric curtains should either be removed or replaced with transparent materials.
7. We recommend that the transparent, permanent wind barriers above 36" be rigid, or if film, should be able to be rolled up or down.



Photo of non-compliant items 1, 2 & 6.



Photo of non-compliant items 4, 5, 6 & 7.



EXISTING CONDITIONS - GALATA BISTRO

Menlo Park Parklets - Downtown Menlo Park

5/1/23

9



KEYPLAN



Photo of non-compliant items 1, 2 & 3.

AMICI'S

NON-COMPLIANT ITEMS

1. No platform - enclosed area is on parking space asphalt.
2. Planters poorly maintained - plants exceed 6 inch maximum height or are empty.
3. Gap between planters exceeds 4 inches.
4. No retro-reflective reflectors at corners - white plastic traffic barrier at north end.
5. Pedestrian path between sidewalk furnishings and landscape pocket has less than 5 foot clearance.

RECOMMENDATIONS

1. Create a level wood platform to slightly lift the enclosed area off the parking space asphalt.
2. A combination of planters plus plants should be allowed a height of up to 48 inches
3. Position planters so that the distance between them is 4 inches or less.
4. Place retro-reflective reflectors at corners and remove white plastic traffic barrier at the north end.
5. Clear the pedestrian path between sidewalk furnishings and landscape pocket so that the pathway is at least 5 feet wide.



Photo of non-compliant items 2 & 4.



Photo of non-compliant item 5.



Photo of non-compliant items 1, 2 & 3.



EXISTING CONDITIONS - AMICI'S

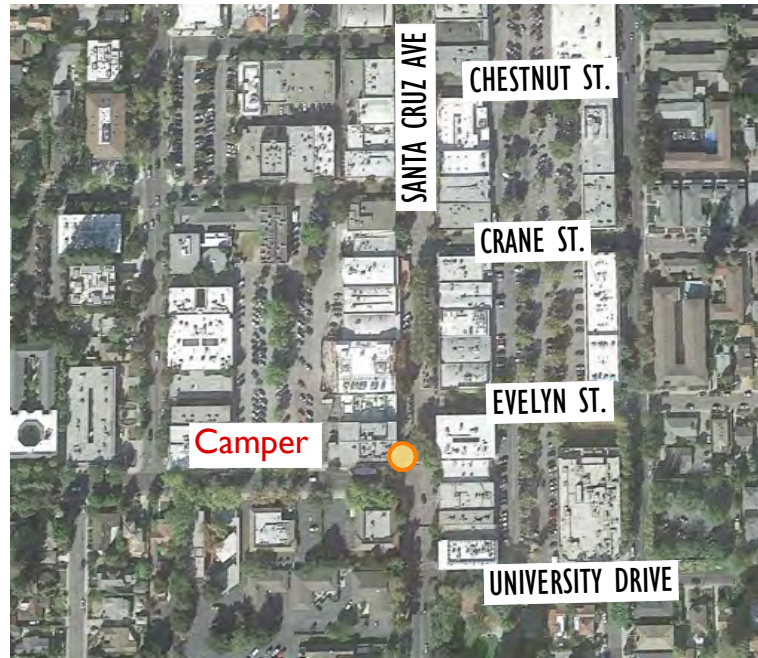
Menlo Park Parklets - Downtown Menlo Park

5/1/23

10



KEYPLAN



CAMPER - SANTA CRUZ AVE

This parklet was built prior to the pandemic as part of the City of Menlo Park's Santa Cruz Street Cafe Pilot Program and features a concrete platform and metal railing with cables.

NON-COMPLIANT ITEMS

1. Platform is concrete.
2. The cable spacing of metal railing exceeds 4 inch opening.
3. Plants exceed 6 inch maximum height.
4. Banner sign exceeds 6 SF.
5. No retro-reflective reflector at south corner.
6. String lights below 10 foot minimum.

RECOMMENDATIONS

1. As long as the concrete platform is in good condition, it may be acceptable.
2. Cable spacing of metal railings that are not a safety issue and face the sidewalk are acceptable.
3. A combination of planter plus plants should be allowed a height of up to 48 inches.
4. Place a retro-reflective reflector at the south corner.
5. Although the string light minimum height is 10 feet, we suggest that the height limit be adjusted to 8 feet.



Photo of non-compliant items 1 through 6.



Photo of non-compliant items 1, 2, 3 & 6.



EXISTING CONDITIONS - CAMPER - SANTA CRUZ AVENUE

Menlo Park Parklets - Downtown Menlo Park

5/1/23



KEYPLAN



Photo of non-compliant items 1, 2, 3 & 7.

CAMPER - UNIVERSITY DRIVE

NON-COMPLIANT ITEMS

1. Occupies more than maximum area allowed - platform is built over 2 parallel spaces and additional spaces are blocked off with orange plastic traffic barriers.
2. Solid enclosure height exceeds maximum 36 inches.
3. Orange plastic traffic barriers are adjacent to travel lane.
4. No retro-reflective reflectors at corners.
5. Platform openings are not covered.
6. Platform is not flush with sidewalk and not wheelchair accessible.
7. Wind barrier is not transparent.

RECOMMENDATIONS

1. Reduce size to allowable area and remove orange plastic traffic barriers.
2. Lower solid enclosure to no more than 36 inches high.
3. Remove orange plastic traffic barriers adjacent to travel lane.
4. Install retro-reflective reflectors at corners.
5. Cover all platform openings.
6. Make platform flush with sidewalk and wheelchair accessible.
7. Replace non-conforming wind barrier with transparent material.



Photo of non-compliant item 5.



Photo of non-compliant items 1, 2, 3, 4, 5 & 7.



Photo of non-compliant items 1, 2, 3 & 7.





KEYPLAN



Photo of non-compliant items 2, 3, 5 & 6.

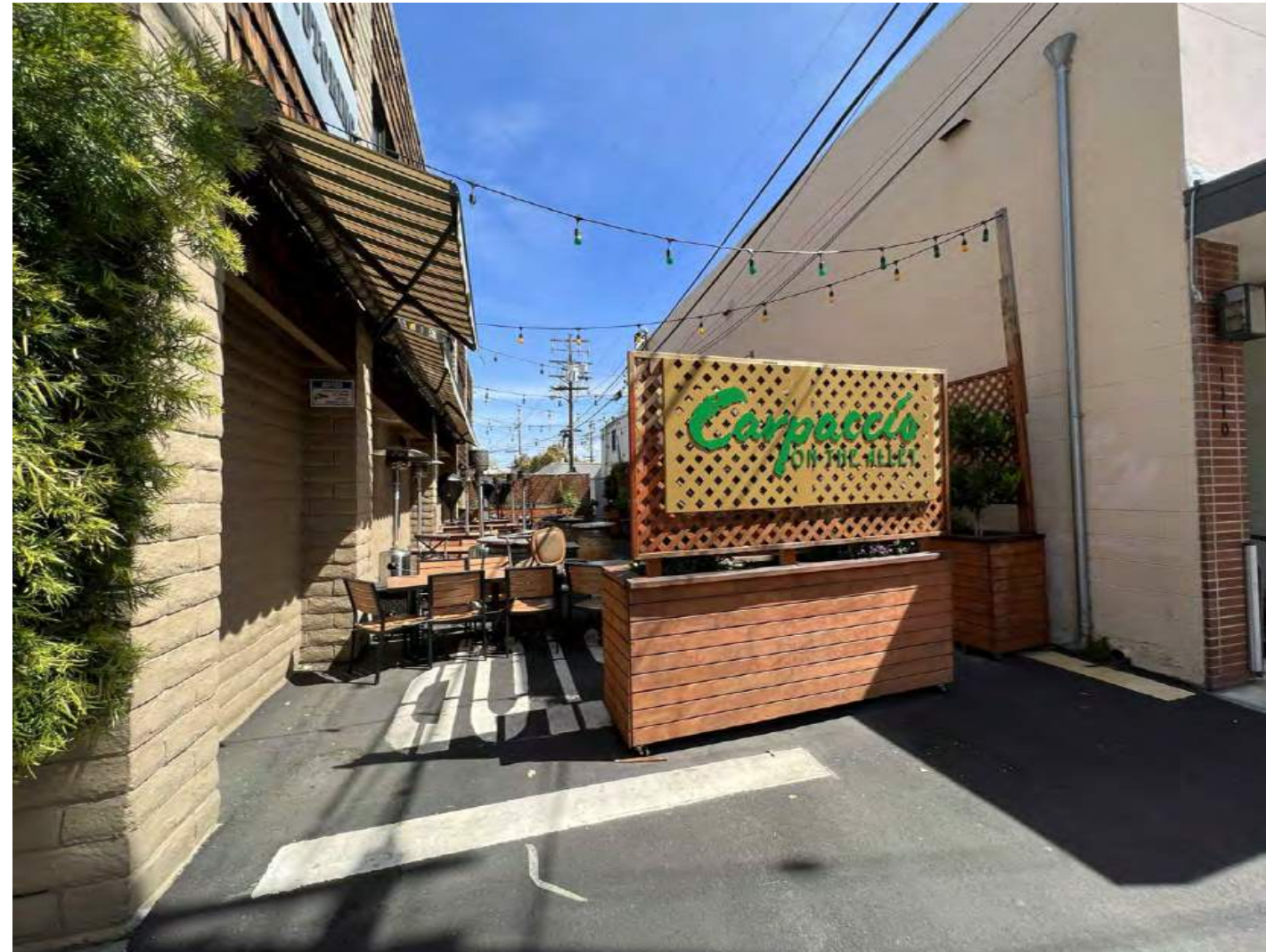


Photo of non-compliant items 1, 2, 3, 4 & 5.

CARPACCIO ON THE ALLEY

This outdoor seating is located in an alleyway adjacent to the restaurant and the area is defined by buildings.

NON-COMPLIANT ITEMS

1. No platform - outdoor seating area is asphalt.
2. Wind barrier is wood lattice and not transparent.
3. Planter enclosure exceeds 36 inches maximum height allowed.
4. Plants exceeds 6 inch maximum height.
5. Signage exceeds 6 SF.
6. Plastic orange traffic barriers used to deter traffic.

RECOMMENDATIONS

1. Since this parklet is on a temporarily closed alleyway, we recommend a removable floor covering over the asphalt street.
2. Replace the existing wood lattice wind barrier with a transparent material, perhaps moving the signage to the lower portion of the planter
3. The height of the planter separating the sidewalk & seating area may be acceptable. Since the planter enclosure is up against a solid wall and not obstructing the street view of the parklet, it may remain
4. Plantings in the planter enclosure at the wall may be acceptable.
5. Reduce signage to a maximum of 6 SF.
6. Remove plastic orange traffic barriers.



EXISTING CONDITIONS - CARPACCIO ON THE ALLEY

Menlo Park Parklets - Downtown Menlo Park

5/1/23

13



KEYPLAN



COFFEEBAR - PARKING LOT

NON-COMPLIANT ITEMS

1. No platform - enclosed area is in a private parking lot on asphalt.
2. Plastic white traffic barriers are the enclosure.
3. Space between plastic barriers exceeds 4-inches.
4. Setback from adjacent parking space does not meet minimum.
5. Seating area is not wheelchair accessible.

RECOMMENDATIONS

1. Create a raised wooden platform to lift parklet over asphalt.
2. Construct enclosure walls with wood, planters, or other allowable material and remove white traffic barriers.
3. Spaces between planters or other wall / border materials should not exceed 4 inches.
4. Create a setback from adjacent parking space of at least 3 feet, minimum.
5. Create a wheelchair-accessible seating area.



Photo of non-compliant items 1, 2 & 4.



Photo of non-compliant items 1, 2 & 3.



EXISTING CONDITIONS - COFFEEBAR - PARKING LOT

Menlo Park Parklets - Downtown Menlo Park

5/1/23



KEYPLAN



COFFEEBAR-CHESTNUT AVENUE

NON-COMPLIANT ITEMS

1. No platform - enclosed area is on parking space asphalt.
2. Plastic white traffic barriers are the enclosure.
3. Space between plastic barriers exceeds 4-inches.
4. Setback from adjacent parking space does not meet minimum.
5. Seating area is not wheelchair accessible.

RECOMMENDATIONS

1. Create a raised wooden platform to lift parklet over asphalt.
2. Construct enclosure walls with wood, planters, or other allowable material and remove white traffic barriers.
3. Spaces between planters or other wall / border materials should not exceed 4 inches.
4. Create a setback from adjacent parking space of at least 3 feet, minimum.
5. Create a wheelchair-accessible seating area.

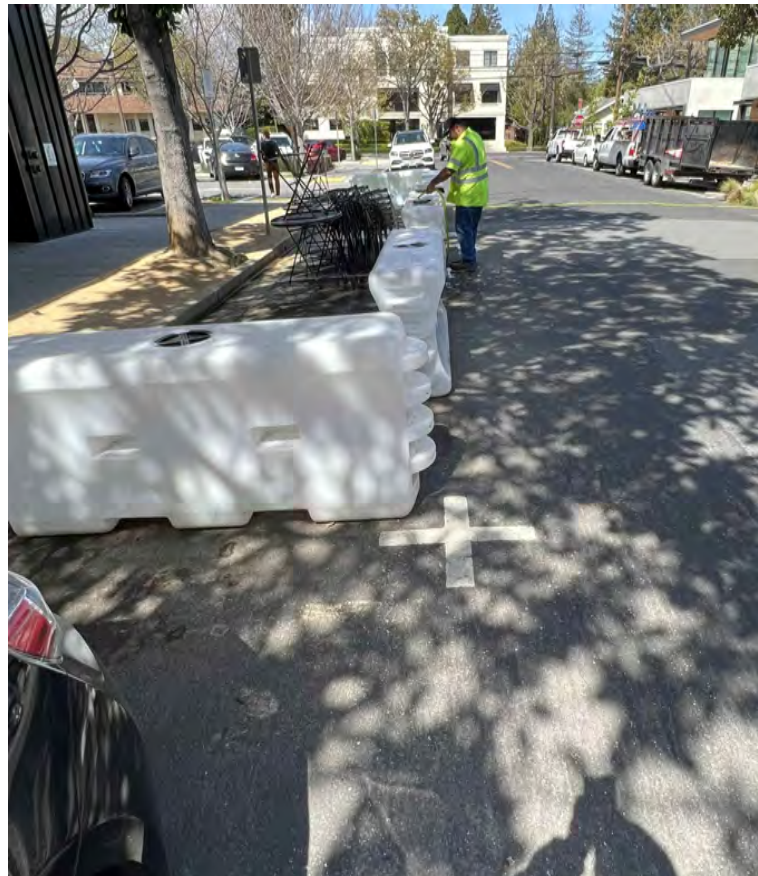


Photo of non-compliant items 1 through 5.



Photo of non-compliant items 1 through 5.



EXISTING CONDITIONS - COFFEEBAR - CHESTNUT AVENUE

Menlo Park Parklets - Downtown Menlo Park

5/1/23

15



KEYPLAN



Photo of non-compliant items 1, 2 & 5.

CAFE ZOE

NON-COMPLIANT ITEMS

1. No platform - enclosed area is on parking space asphalt.
2. Plants exceed 6 inch maximum height.
3. No retro-reflective reflectors at corners.
4. Plastic orange traffic barriers adjacent to travel lane.
5. Setback from adjacent parking space does not meet minimum.

RECOMMENDATIONS

1. Create a raised wooden platform to lift parklet over asphalt.
2. A combination of planter plus plants should be allowed a height of up to 48 inches.
3. Place retro-reflective traffic barriers at corners.
4. Remove plastic orange traffic barriers adjacent to the traffic lane. Replace with solid decorative bollards or heavy concrete planters to protect the parklet from traffic
5. Create a minimum setback of at least 3 feet from adjacent parking space.



Photo of non-compliant items 1, 2, 3 & 4.



Photo of non-compliant items 1 & 2.



Photo of non-compliant items 1 & 2.



EXISTING CONDITIONS - CAFE ZOE

Menlo Park Parklets - Downtown Menlo Park

5/1/23

16



STREETARIES OUTDOOR DINING AREAS

Aug. 15, 2023 – First Ordinance Reading



AGENDA

- Background
- Existing Eligible Outdoor Uses
- Summary of Business Feedback
- Proposed Streetary Outdoor Dining Areas Program
- Design Standards & Fee Structure





BACKGROUND

- **June 2020:** City Council approved a Temporary Outdoor Use Permits (TOUP) Program to allow outdoor dining in the public right-of-way
- **January 2022:** City Council asked staff to research a longer-term outdoor dining program
- **January 10, 2023:** Staff presented a draft outdoor dining design standard packet as an informational item
- **February 28, 2023:** The TOUP Program expired and City Council held a study session and provided direction for the Streetary Outdoor Dining program (a long-term policy for outdoor dining in the public right-of-way)



EXISTING ELIGIBLE OUTDOOR USES

Food Service Establishment name	Address	Outdoor use description
Amici's	880 Santa Cruz Ave.	Sidewalk café and seating in on-street parking
Bistro Vida	639-641 Santa Cruz Ave.	Expanded Santa Cruz Street Café parklet and seating in closed travel lane
Cafe Zoe	1929 Menalto Ave.	Outdoor dining in public/private parking spaces
Camper	898 Santa Cruz Ave	Santa Cruz Street café parklet
Camper	University Ave	Parklet in on-street parking
Carpaccio	1122 Crane St	Outdoor dining on closed section of Ryans Lane
Coffeebar	1149 Chestnut St	Outdoor dining on Chestnut Ave and parking plaza
Galata	827 Santa Cruz Ave.	Expanded Santa Cruz Street Café parklet and sidewalk café
Left Bank	635 Santa Cruz Ave.	Expanded Santa Cruz Street Café and seating in closed travel lane
Mademoiselle Colette	812-816 Santa Cruz Ave.	Santa Cruz Street café parklet
Roma	820 Santa Cruz Ave.	Expanded Santa Cruz Street Café
Stacks	600 Santa Cruz Ave.	Parklet in on-street parking



BUSINESS FEEDBACK ON A LONGER-TERM OUTDOOR DINING PROGRAM



Existing outdoor dining facility owners are interested in a cost sharing aspect as part of a longer term outdoor dining program (such as help with improvements to meet new regulations).

Restaurants are not fully recovered from the pandemic and outdoor dining has helped them stay open.

Businesses say customers continue to choose outdoor dining over indoor.

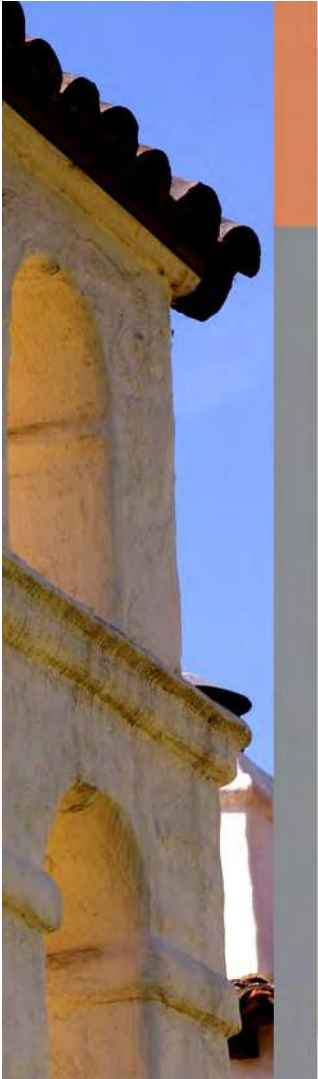
Retailers generally agree that outdoor dining should continue.



STREETARY OUTDOOR DINING AREAS ORDINANCE



- “Streetary” or “Streetaries” are **outdoor eating areas** that operate within and uses the **public right-of-way** directly adjacent to the food service establishment street frontage and/or operates within public right-of-way on streets or portions of streets that have been closed to vehicular access.
- The program is intended to:
 1. Activate the public realm
 2. Maintain physical and visual access to businesses
 3. Provide safe, attractive, and accessible spaces
 4. Provide accessible amenity areas
 5. Support local economic vitality



STREETARY LOCATION CRITERIA

- Additional location criteria:
 - Streets that have speed limits less than 25 mph.
 - Not allowed in parking spaces with peak hour parking restrictions, ADA designated spots, no parking color zones, cannot block public safety infrastructure, utility asset access, or bicycle facilities.
 - Cannot be located in parking spots that provide bicycle parking unless the bicycle parking can be relocated within 300-feet.
 - Must meet required travel lane and other setback requirements.
 - Must provide clearance from utility access.



OTHER KEY FEATURES OF THE STREETARY OUTDOOR DINING PROGRAM



- Hours of operation must coincide with the business's hours of operation, though additional limitations apply to streetaries within 150-feet from residences.
- Maintenance of the streetary area, utilities, and drainage is clearly laid out.
- The permittee will be required to ensure their space is safe, free of debris, grime, and graffiti.
- Landscaping or plants must be maintained and in good health.
- Permits are non-transferable.



DESIGN STANDARDS & FEE STRUCTURE



- The Streetary ordinance requires design standards and fees to be set by separate resolutions of the City Council.
- Resolutions for Streetary design standards and a Streetary program fee structure will be brought to the City Council for further consideration at the second reading of the Streetary outdoor dining ordinance, on Aug. 29, 2023.
- The following slides outline some key aspects of the design standards and fee structure.



BARRIER STANDARDIZATION

- Safety standards:
 - Force impact rating of 250-lbs.
 - Maintenance of visibility of pedestrian, bicycle, or vehicle traffic, as well as traffic signs, signals and other traffic warning devices.
 - Reflectors required on corners facing the travel lane.



Ex. Retroreflector on Camper's parklet

- Aesthetic standards:
 - Materials may include wood, concrete, or steel planters, and perforated steel railings.
 - Wood and concrete planters must be finished or painted.
 - Colors and materials should be compatible with the façade of the adjacent building/restaurant.



Ex. Steel perforated railings, wood planters, concrete planters



STREETARY DESIGN TEMPLATES



To streamline the review process for new Streetary applications, the proposed guidelines include parklet site plan and design templates that applicants can choose from.

(1) Parallel Parklet (1-space)



(2) Parallel Parklet (2-space)



(3) Diagonal Parklet



Note: Resolution for Streetary Design Standards to be considered at second reading of the Streetaries Ordinance



STREETARY DESIGN TEMPLATES CONTINUED



**(4) Parklet / Sidewalk Café
Streetary**



**(5) Parklet/Sidewalk Café Curb
Extension**



**(6) Parklet/Pedestrian Street
Streetary***



Note: Resolution for Streetary Design Standards to be considered at second reading of the Streetaries Ordinance

**Parklet/Pedestrian Street Streetary only applicable for street closures*



STREETARY PERMIT TERM & FEES

- Initial permit fee:
 - Streetaries parklet: based on cost of administrative permit due to similarities for review
 - Streetaries sidewalk café: based on cost of major encroachment permit
- First year use of space:
 - Based on average monthly retail rent per square foot
 - Discounted rate
- Annual renewals for both permits and use of space
 - Discounted rate
- Proposed 3-year fee waiver: total City subsidy of \$82,000

Note: *Resolution for fees to be considered at second reading of the Streetaries Ordinance*



STREETARY PERMIT TERM & FEES

Streetary Parklet	Initial Permit	Annual Renewal (after 3-year term)
Parklet Permit	\$1,725	\$250
Use of Space	\$1,526	\$1,500
Recommended Cost	\$3,251	\$1,750
Streetary Sidewalk Café	1st year	Annual Renewal (after 3-year term)
Sidewalk Café Permit	\$810	\$250
Use of Space	\$636	\$600
Recommended Cost	\$1,446	\$850

Note: Resolution for fees to be considered at second reading of the Streetaries Ordinance



STREETARY PERMIT TERM & FEES (COMPARISONS)



City	Initial Permit & Use Fees	Annual Use Fees	Fee purpose
Redwood City	\$8,109.60	\$4,823	Permit and use fees (annual waived through 2023).
Burlingame	\$5,531	\$4,500	Permit, use and cleaning fees.
Menlo Park	\$3,251	\$1,750	Permit + Use fees. Annual (after 3-year term) Renewal + Use.
Mountain View	\$3,169	\$385	Permit, use and cleaning fees.
San Rafael	\$2,000 (+\$2,000 deposit)	\$3,600	Permit fee (part refundable) and annual use fee (with discounts through May 31, 2025).
San Carlos	\$1,828	\$994	Permit, use and cleaning fees.
San Mateo	\$1,500	\$500	Permit and use fees.
Morgan Hill	\$716.10 (+\$1,000 deposit)	\$1,000	Permit fee (part refundable) and annual use fee.
Los Altos	\$500	\$100	Permit and use fees.
Average	\$2,954	\$1,988	(does not include proposed Menlo Park fees)
Median	\$1,914	\$997	



BUSINESS ASSISTANCE FOR STREETARY PROGRAM



- SZFM Design Studio reviewed existing parklets for compliance with Streetary design standards and recommended improvements to aid transition.
- Proposed waiver of Streetary permit fees until January 1, 2025 for businesses that meet transitional period deadline
 - For up to 12 applicants, City would be subsidizing \$82,000, or about \$6,800 per applicant (initial permit = \$40,000 total, or \$3,251.40 per applicant; second and third year renewal = \$21,000 in renewal fees per year)





TRANSITIONAL PERIOD FOR EXISTING OUTDOOR DINING FACILITIES

Starting from the adoption date of the Streetary program, staff propose the following transitional period:

- Through Sept 2023*
Sept 2023 — **One-month from adoption** for Streetary program to become effective, staff to create application, notify existing permit holders
- Through 2023:*
Oct-Dec 2023 — **Open application period through Dec. 31, 2023**
- Through June 2024:*
Jan-June 2024 — **Final inspection approval by June 30, 2024**



CITY COUNCIL NEXT STEPS

- Provide feedback on design standards and fees
- Recommend the City Council introduce the Ordinance adding Chapter 13.30 Streetaries Outdoor Dining Areas to Title 13 (Streets, Sidewalks and Utilities) and amending Sections 13.18.10 and 13.18.20 of Chapter 13.18 (Use of Public Right of Way)
- Upcoming Streetary items on August 29
 - Second reading of Streetary Ordinance
 - Resolution approving Streetary design standards
 - Resolution approving Streetary fee structure



THANK YOU



STAFF REPORT

City Council
Meeting Date: 8/15/2023
Staff Report Number: 23-182-CC

Regular Business: **Consider and adopt a resolution approving (1) Appraisal Instructions for Determining the Value of Community Amenities and (2) Community Amenity Implementing Regulations to determine the appraised value of bonus level developments**

Recommendation

Staff recommends that the City Council consider and adopt a resolution approving the following:

- Appraisal Instructions To Determine the Value of Community Amenities Under Bonus Level Zoning (“appraisal instructions”) in the O, L-S and R-MU zoning districts in the Bayfront Area to clarify definitions and appraisal criteria (e.g., comparable sales, conformance with standards and valuation of amenity requirement); and
- Community Amenity Implementing Regulations (“implementing regulations”) that standardize the application procedures, appraisal review process and determination of the value of the bonus level development, and identify the process and timing for screening of the applicant’s community amenities proposal (“screening meeting”) with the City Council.

The resolution adopting the proposed appraisal instructions and implementing regulations is included as Attachment A and the proposed appraisal instructions are Exhibit A and the proposed implementing regulations are Exhibit B.

Policy Issues

Pursuant to Menlo Park Municipal Code sections 16.43.070, 16.44.070, and 16.45.070 Bonus level development projects are permitted in the O (Office), L-S (Life Sciences), and R-MU (Residential, Mixed-Use) zoning districts in exchange for the provision of community amenities. Bonus level development projects may be entitled to exceed base allowable floor area ratio (FAR), density and/or and height standards in exchange for enumerated community amenities. In order to obtain such bonus level development benefits, an applicant for a bonus level development project must obtain an appraisal of the value of the bonus level development (i.e., an appraisal of the increased value based on the additional allowable FAR and/or height). The proposed appraisal instructions direct the standards for such appraisals and provide applicants with an objective appraisal review process, defined timelines and steps for the review, and allow the City Council to review the initial community amenities proposal early in the development review process.

The ConnectMenlo General Plan update included a guiding principal for Corporate Contribution. This principal identified that in exchange for added development potential, development projects will provide community benefits to serve the adjacent neighborhoods (e.g., Belle Haven and the area north of US 101). Policy LU-4.4 (Community amenities) and Program LU-4.C (Community amenity requirements) of the

4895-2508-8886 v1

General Plan implement this guiding principal by requiring developments at the bonus level to contribute to programs that benefit the community (e.g., education, transportation infrastructure, neighborhood-serving amenities/services, housing, and job training and employment). These contributions are ensured through zoning ordinance and current appraisal instructions and memorialized in a list that may be modified over time to reflect changes in community priorities and desired amenities. The City Council approved an updated community amenity list at its meeting July 11, 2023, and introduced ordinance amendments, identifying that the City would develop implementing regulations.

Background

Community amenities overview

As a part of the approval of the ConnectMenlo General Plan update, the City created the following zoning districts: Office (O), Life Sciences (LS) and Residential Mixed-Use (R-MU.) Regulations for bonus level development and community amenities were established in these zoning districts. In exchange for bonus level development (increased floor area ratio, density (dwelling units per acre) and/or height), an applicant is required to provide community amenities from a City Council-adopted list of community amenities in the area between Highway 101 and the San Francisco Bay. The required community amenity value is 50% of the fair market value of the additional (bonus) gross floor area above the base allowable gross floor area for a parcel or project site. In lieu of providing and constructing a community amenity from the adopted list of community amenities, applicants may choose to provide a payment in the amount of 110% of the community amenities value.

The initial list of community amenities were identified and prioritized through public outreach and input during the general plan update process, and adopted by the City Council in December 2016. The zoning ordinance allows the City Council to update the adopted community amenities list to reflect evolving community needs and priorities. The recently adopted community amenity list is included in Attachment B.

The method for determining the required value of the community amenities begins with an appraisal. The applicant provides, at their expense, an appraisal performed by a licensed appraisal firm consistent with the City's current appraisal instructions. The zoning ordinance requires the form and content of the appraisal to be approved by the community development director. The proposed community amenity implementing regulations would modify this process and include detailed steps for the review of the form and content and determination of the appraised value.

Following determination of the required community amenity value, the applicant submits an initial community amenities proposal and associated valuation to demonstrate it meets the minimum required value for the City's review. The proposal may include payment of the in-lieu payment, creation of physical amenities, and non-physical amenities (e.g., job training, educational opportunities, etc.), or a combination. When an applicant is proposing physical amenities on or off-site of the development project, the City obtains a consultant to evaluate the value of the proposed community amenities. This analysis is typically based on the cost to the applicant to deliver the amenities. For physical amenities, the cost is based on an incremental cost approach (when contained within a larger building/site). The City also evaluates additional costs incurred by the applicant to deliver the proposed amenities (e.g., rent subsidies and operations and maintenance). If the applicant proposes to pay the in-lieu payment, then no evaluation is performed.

At the time of adoption in 2016, the preferred approach to implementation of community amenities, was the establishment of an amenities list versus a case-by-case review, to provide greater consistency and predictability. On Oct. 6, 2020, the City Council voted to form an ad hoc subcommittee, comprised of Vice

Mayor Taylor (mayor at the time) and City Councilmember Nash, to review the ConnectMenlo community amenities list and suggest revisions for consideration by the City Council.

Community amenities process updates

On April 20, 2021, the City Council conducted a study session on community amenities for the Bayfront Area. The City Council subcommittee presented its recommendations, including:

1. Adopt a revised community amenities list,
2. Adopt an in-lieu payment,
3. Adopt a “gatekeeper” application process, and
4. Establish a community amenities working group.

The City Council provided direction to staff to amend the zoning ordinance to establish the in-lieu payment and to allow for negotiated community amenities not identified on the community amenities list through a development agreement (DA) (Item 2). The City Council adopted an ordinance establishing an in-lieu payment option and allowing greater flexibility for providing community amenities through a DA at its meeting on June 22, 2021. Separately, the City Council subcommittee led the effort on developing an updated community amenities list and on July 11, 2023, the City Council approved an updated community amenities list (Item 1). Along with its approval of the updated community amenity list, the City Council also introduced ordinance amendments to clarify the appraisal review process, including the requirement to develop implementing regulations. At the Aug. 15, 2023 meeting, the City Council will consider adopting the ordinance amendments. If adopted the City Council may review and consider the proposed updated appraisal instructions and implementing regulations. The proposed implementing regulations, outlined in this staff report, include a “gatekeeper” or screening process (Item 3).

Analysis

Appraisal instructions and community amenity implementing regulations

The introduction of the ordinance amendments to Title 16 on July 11, 2023, allows staff to bring forward the proposed appraisal instructions and community amenity implementing regulations.

Updated appraisal instructions

The proposed modifications to the appraisal process are intended to create uniformly identifiable criteria for determining the value of the bonus level development and the resulting community amenities value. The majority of the proposed updates to the appraisal instructions are focused on clarifying specific definitions and criteria to be included in appraisals. The proposed updated appraisal instructions are included in Attachment A, Exhibit A and a redlined version of the current appraisal instructions is included in Attachment C for reference. Key revisions to the current appraisal instructions are outlined below:

- Clarify definition of an “entitled” base and bonus level project for purposes of determining the value of the increased development;
- Clarify the criteria for comparable sales;
- Reference that appraisals must adhere to Uniform Standards of Professional Appraisal Practice;
- Clarify that the bonus level development is the proposed project’s development above the base level (e.g., increase in gross floor area, height, density) and not the maximum development potential; and
- The requirement to provide a community amenity shall not be factored into the appraised value;

The updated appraisal instructions will be used by appraisers to ensure that the bonus level development

appraisals comply with the required form and content. The revisions provide additional clarity for appraisers and would not materially alter the appraisal requirements that have been used since development of the current appraisal instructions.

Community amenity implementing regulations

The proposed community amenity implementing regulations are intended to create a uniform appraisal review and screening process consistent with the previous guidance from the City Council. The implementing regulations would ensure that the value of the bonus level development and resulting community amenity value are identified in advance of the release of the notice of preparation (NOP) of an environmental impact report (EIR). Further, the implementing regulations would require the City Council to hold a community amenities proposal screening meeting to provide feedback on the applicant's community amenities proposal before the release of the NOP, unless the proposed project is a housing development project. Due to the limit on the number of public meetings under SB 330, housing development projects are proposed to be exempt from the screening meeting. The release of the NOP is a key milestone in development projects and modifications to development project proposals after the NOP date are typically limited. Staff believes holding the community amenities screening meeting before the release of the NOP allows for the City Council to provide input that would be able to be considered by the applicant and evaluated, as applicable, in the environmental review for the proposed project.

Attachment D includes a flow chart that provides a visual overview of the appraisal review and community amenities review process set forth in the proposed implementing regulations.

The proposed implementing regulations include the following key components:

- Procedures that identify when an appraisal is required and the timing for review;
- Detailed outline of the review process and steps;
- Procedures for City review of an applicant appraisal and determination of the required community amenities value;
- Requirement for applicants to submit a community amenities proposal for City Council review; and
- Incorporation of a community amenities proposal meeting (screening meeting) with the City Council before release of a notice of preparation (NOP) for the proposed project.

The proposed implementing regulations require the City to prepare a separate appraisal with the final appraised value being determined based on an average of the applicant and City appraisals or if necessary, a third party appraisal. If a third party appraisal is prepared, then the final appraised value would be determined as follows:

- If the third party appraisal is greater than the City's appraisal, then the City's appraisal would become the final appraised value;
- If the third party appraisal is lower than the applicant's appraisal, then the applicant's appraisal would become the final appraised value; and
- If the third party appraisal is between the City and applicant's appraisals, then the average of the two closest appraisals would become the final appraised value.

Staff believes the proposed regulations will provide uniform and clear process for applicants and eliminate much back and forth between appraisers on the appropriateness of the comparable sales and adjustments.

Community amenities screening meeting

4895-2508-8886 v1

Another main goal of the proposed community regulations is to implement the community amenities screening process (Item 3 from the City Council April 2021 study session). This process would allow for the City Council to provide meaningful feedback on the proposed community amenity(ies) early in the development review process after the value of the bonus level of development has been determined. The proposed implementing regulations identify that following the determination of the final appraised value, the applicant will be required to submit a community amenities proposal that the City Council will review at a public meeting. The implementing regulations outline the submittal requirements for an "initial community amenities proposal." The applicant's community amenities proposal could be modified through the screening review process. As part of its review and consideration of the proposed community amenities, the City Council will adopt a resolution stating whether some, all or none of the community amenities and/or in-lieu payment proposal bear a reasonable relationship to the increased intensity of development and increased effects on the surrounding community. Through its review the City Council may identify changes to the community amenities proposal that the City Council believes would ensure the amenities proposed meet the intent and requirements of the community amenity General Plan policies and ordinances. The resolution is intended to memorialize the City Council's determination that the applicant's community amenities proposal is appropriate for the proposed bonus level development project and does not indicate the City Council's approval of or intent to approve or deny the proposed project.

The community amenities screening meeting is intended to allow the City Council and community to provide early input on the applicant's community amenities proposal. After the community amenities screening meeting, the applicant may submit an updated proposal to respond to any requested modifications from the City Council, if applicable. At that time the City would review the community amenities proposal to ensure that the proposal meets the minimum required community amenity value. If the proposal does not meet the minimum required value, then the applicant would be required to modify its proposal, which could include adding additional amenities, modifying the currently proposed amenities, or by paying the in-lieu payment for the difference between the value of the applicant's community amenity proposal and the required community amenity value.

Correspondence

Staff has not received any correspondence on the proposed updated appraisal instructions and community amenity implementing regulations.

Conclusion

The proposed updates to the appraisal instructions would clarify the required form and content of appraisals for bonus level development projects. The proposed community amenity implementing regulations would provide an objective appraisal review process to determine the community amenities value for bonus level development projects. Further, the implementing regulations would incorporate a community amenities screening process before the release of the NOP for the EIR, which is a key milestone in the development review process. The screening process would implement Item 3 from the City Council's April 2021 community amenities study session. Staff recommends that the City Council adopt a resolution approving the updated appraisal instructions and the community amenity implementing regulations.

Impact on City Resources

Staff and city attorney time spent on preparing the proposed updated appraisal instructions and community amenity implementing regulations are not reimbursable and are being accommodated within the existing budgets of the planning division and city attorney. Community amenity in-lieu payments are considered a special fund and segregated from the General Fund, and can only be used to support community amenities in the Bayfront Area at the discretion of the City Council. The In-lieu payments are generally made before

building permit issuance for a development project.

Environmental Review

The proposed updated appraisal instructions and community amenity implementing regulations are exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to §15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that there is no possibility the adoption of the updated instructions or implementing regulations may have a significant effect on the environment, and pursuant to CEQA Guidelines §15183 (consistent with the general plan and zoning). Further, project specific environmental analyses would be prepared for each proposed bonus level development 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. Draft resolution of the City Council of the City of Menlo Park adopting the proposed updated appraisal instructions and the proposed community amenity implementing regulations
Exhibits to Attachment A
 - A. Proposed updated bonus level development appraisal instructions
 - B. Proposed community amenity implementing regulations
- B. Hyperlink – Bayfront Area community amenities list (Approved July 11, 2023):
<https://menlopark.gov/files/sharedassets/public/library-and-community-services/documents/6849-community-amenities-list.pdf>
- C. Redlined bonus level development appraisal instructions
- D. Flowchart of proposed appraisal and community amenities review process

Report prepared by:
Kyle Perata, Planning Manager

Report reviewed by:
Deanna Chow, Assistant Community Development Director

RESOLUTION NO. XXXX**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
APPROVING APPRAISAL INSTRUCTIONS FOR BONUS LEVEL
DEVELOPMENT PROJECTS AND APPROVING COMMUNITY AMENITY
IMPLEMENTING REGULATIONS FOR BONUS LEVEL DEVELOPMENT
PROJECTS IN THE O (OFFICE), L-S (LIFE SCIENCES), AND R-MU
(RESIDENTIAL MIXED USE) ZONING DISTRICTS**

WHEREAS, Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code permit applicants for a development project to seek an increase in the floor area ratio, density, and/or height (“bonus level development”) subject to obtaining a use permit or conditional development permit and providing certain community amenities; and

WHEREAS, Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code set forth the community amenities required for bonus level development; and

WHEREAS, an applicant that applies for bonus level development may choose the form in which they provide the community amenity; and

WHEREAS, the City desires to update the previously implemented appraisal instructions (Exhibit A) to clarify definitions and appraisal criteria and for consistency with the ordinance amendments to Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code introduced by the City Council on July 11, 2023; and

WHEREAS, the City also desires to develop community amenity implementing regulations (Exhibit B), as required by the ordinance amendments to Sections 16.43.070, 16.44.070, and 16.45.070 of Title 16 of the Menlo Park Municipal Code introduced by the City Council on July 11, 2023; and

WHEREAS, the community amenity implementing regulations would standardize the application procedures, appraisal review process and determination of the value of the bonus level development, and identify the process and timing for the initial community amenities proposal and community amenities proposal hearing (“screening meeting”) with the City Council; and

WHEREAS, at its study session on community amenities on April 20, 2021, the City Council identified the need to create a gatekeeper application or screening process for community amenity proposals; and

WHEREAS, the community amenity implementing regulations create objective criteria for reviewing and determining the bonus level development value and associated community amenity value; and

WHEREAS, the community amenity implementing regulations also implement the screening process identified by the City Council at its meeting on April 20, 2021; and

WHEREAS, the updated appraisal instructions and community amenity implementing regulations provide applicants with consistent and objective criteria for preparing appraisals for bonus level development and for the review process for determining the bonus level development value; and

WHEREAS, the proposed update to the appraisal instructions and community amenity implementing regulations is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to §15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that there is no possibility that the update to the community amenities list would have a significant effect on the environment, and pursuant to CEQA Guidelines §15183 (consistent with the general plan and zoning) as the updated appraisal instructions and community amenity implementing regulations would be consistent with the zoning ordinance and general plan; and

WHEREAS, future development projects proposed at the bonus level and any proposed physical community amenities would be evaluated for consistency with the ConnectMenlo Program Level Environmental Impact Report (EIR) and the Housing Element Subsequent EIR (SEIR), as applicable, and the City, as the lead agency, would undertake the required level of environmental analysis for each individual project; and

WHEREAS, the City finds that the Appraisal Instructions to Determine the Value of Community Amenities Under Bonus Level Zoning clarifies definitions and appraisal criteria and provides applicants with clear guidance on preparation of appraisal for bonus level development projects;

WHEREAS, the City finds that the Community Amenity Implementing Regulations outline the objective criteria the City will utilize to review the applicant's appraisal to determine the bonus level development value and required community amenity value, include a screening process for the City Council to provide direction on the initial community amenity(ies) proposal in advance of the release of the notice of preparation for the project-level environmental impact report, and provide applicants with clear guidance on the process for determining the bonus level development value and the initial review of the community amenity(ies) proposal.

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, at a duly and properly noticed public meeting held on August 15, 2023, the City Council fully reviewed, considered, and evaluated the whole of the record including all public and written comments, pertinent information, documents, the updated appraisal instructions, and community amenity implementing regulations, prior to taking action.

NOW, THEREFORE, THE MENLO PARK CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

Section 1. Recitals. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, public testimony, and other materials and evidence submitted or provided, and finds the foregoing recitals are true and correct, and they are hereby incorporated by reference into this Resolution.

Section 2. The City Council of the City of Menlo Park does hereby approve the Appraisal Instructions to Determine the Value of Community Amenities Under Bonus Level Zoning, attached hereto and incorporated herein by this reference as Exhibit A.

Section 3. The City Council of the City of Menlo Park does hereby approve the Community Amenity Implementing Regulations, attached hereto and incorporated herein by this reference as Exhibit B.

Section 4. CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE

The City Council finds the proposed appraisal instructions statutorily exempt from the provisions of the California Environmental Quality Act ("CEQA"), pursuant to §§15061(b)(3) and 15183. The City Council does further find the proposed community amenity implementing regulations statutorily exempt from the provisions of the California Environmental Quality Act ("CEQA"), pursuant to §§15061(b)(3) and 15183.

Section 5. SEVERABILITY

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project, shall continue in full force and effect unless amended or modified by the City.

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I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the fifteenth of August, 2023, 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 __ day of _____, 2023.

Judi A. Herren, City Clerk

Exhibits

- A. Appraisal Instructions to Determine the Value of Community Amenities Under Bonus Level Zoning
- B. Community Amenities Implementing Regulations

**CITY OF MENLO PARK – APPRAISAL INSTRUCTIONS
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES
UNDER BONUS LEVEL ZONING**

I. Required Appraiser Qualifications

1. California State Certified General Real Estate Appraiser.
2. Member of the Appraisal Institute (MAI) designation.
3. At least five years' experience appraising commercial and multi-family development land in the San Francisco Bay Area.

II. Methodology for Life Science (LS) and Office (O) Districts

A. Base Level Value

1. The subject of the appraisal is the parcel or parcels of land identified in the project application for the proposed project, which is also generally referred to as the project site. The subject of the appraisal is hereinafter referred to as the "Subject Property."
2. The City of Menlo Park shall determine the "Base Level" of development permitted on the Subject Property in accordance with the City's zoning and provide that information to the appraiser.
3. The Base Level of development permitted on the Subject Property shall be stated on a Gross Floor Area basis.
4. Gross Floor Area ("GFA") is defined as the sum of the horizontal areas of all habitable floors including basements and mechanical areas within the surrounding exterior walls of a building covered by a roof measured to the outside surfaces of exterior walls or portions thereof on the Subject Property, excluding parking structures. For purposes of these instructions, City staff shall determine GFA based on this definition.
5. The appraiser shall determine the Market Value of the Subject Property, assuming it is fully entitled for the Base Level of development. "Market Value" is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
6. For the Base Level, "entitled" means the Subject Property has received a discretionary approval for a project from the governing jurisdiction's decision-making body..
7. The "GFA Per Square Foot Unit Value" is defined as the sale price of the comparable divided by the GFA of the buildings proposed to be constructed on the property, or if there is no proposal, then the maximum GFA allowed by the zoning. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
8. The appraisal report shall include a "Date of Value" that is no more than 90 days from the date of the submission of the appraisal report to the City of Menlo Park.
9. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.

10. The selected comparable sales used in valuing the Subject Property should be located in or as close to Menlo Park as reasonably available data allows.
11. The comparable sales should be as close to the Date of Value as reasonably available data allows.
12. The comparable sales should be as physically similar to the Subject Property as reasonably available data allows.
13. The intended use of the comparable sales by the buyer should be as similar to the Subject Property as reasonably available data allows.
14. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale's GFA Per Square Foot Unit Value.
15. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Base Level of development.
16. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
17. All appraisals shall be consistent with the Uniform Standards of Professional Appraisal Practice.
18. The resulting value conclusion for the Subject Property at the Base Level is the GFA Per Square Foot Unit Value times the maximum GFA allowed at the Base Level.
19. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ($\$40,000,000 \div 200,000$). With respect to the Subject Property, the City of Menlo Park has determined that the Subject Property at the Base Level has an allowed maximum GFA of 100,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property GFA results in a Market Value of the Subject Property of \$20,000,000 ($\$200 \times 100,000$).
20. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals, the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

B. Bonus Level Value

1. The Subject Property at the Bonus Level must be identical to the Subject Property at the Base Level. The Subject Property must remain identical.

2. The Bonus Level of development is the gross floor area contemplated by the project proposed on the Subject Property that exceeds the level of intensity, including floor area ratio, density, and/or height that would otherwise be permitted on the Subject Property. The City of Menlo Park shall determine the Bonus Level of development in accordance with the City's zoning and provide that information to the appraiser. The Bonus Level of development for the Subject Property shall be stated on a GFA basis.
3. The appraiser shall determine the Market Value of the Subject Property assuming it is fully entitled for the Bonus Level Development.
4. For the Bonus Level Development, "entitled" means the Subject Property has received a discretionary approval for a project from the governing jurisdiction's decision-making body.
5. The Date of Value for the Bonus Level must be the same as the Date of Value for the Base Level.
6. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
7. The selected comparable sales used in valuing the Subject Property at the Bonus Level must be the same comparable sales previously used in valuing the Subject Property at the Base Level. Different comparable sales are not allowed. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
8. The appraiser shall not include the impacts of the City's or any other jurisdiction's community amenities requirement in determining the Market Value of the Subject Property under the Bonus Level of development.
9. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale's GFA Per Square Foot Unit Value.
10. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Bonus Level of development.
11. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
12. The resulting value conclusion for the Subject Property at the Bonus Level is the GFA Per Square Foot Unit Value times the GFA of the proposed project at the Bonus Level.
13. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ($\$40,000,000 \div 200,000$). The proposed project on the Subject Property at the Bonus Level has a GFA of 150,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$30,000,000 ($\$200 \times 150,000$).

14. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

C. Value of the Amenity Conclusion

1. The Market Value of the additional GFA proposed at the Bonus Level of development is calculated based on the Subject Property values as determined through the process outlined above.
2. The value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The “Value of the Amenity” is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level.
3. Using the above examples, the Value of Amenity calculation would be as follows:

Value conclusion at the Bonus Level	\$30,000,000
Value conclusion at the Base Level	<u>-\$20,000,000</u>
Value of the Additional GFA Proposed	\$10,000,000
Value of the Amenity	\$5,000,000

III. Methodology for Residential Mixed-Use (R-MU) District

A. Base Level Value for a Residential Development or the Residential Component of a Mixed-Use Project

1. The subject of the appraisal is the parcel or parcels of land identified in the project application for the proposed project, which is also generally referred to as the project site. The subject of the appraisal is hereinafter referred to as the “Subject Property.”
2. The appraiser identifies the proposed project as either a for sale condominium or a rental project or a combination thereof. This determination needs to be consistent with the application for the proposed project.
3. The City of Menlo Park shall determine the “Base Level” of development permitted on the Subject Property in accordance with the City’s zoning and provide that information to the appraiser. This determination will include identification of both the percentage and the number and the income level of required Below Market Rate (“BMR”) dwelling units required for the Subject Property at the Base Level pursuant to the City’s Below Market Rate Housing Program.

4. The Base Level of development permitted on the Subject Property shall be stated on a Gross Floor Area basis.
5. Gross Floor Area ("GFA") is defined as the sum of the horizontal areas of all habitable floors including basements and mechanical areas within the surrounding exterior walls of a building covered by a roof measured to the outside surfaces of exterior walls or portions thereof on the Subject Property, excluding parking structures. For purposes of these instructions, City staff shall determine GFA based on this definition.
6. The appraiser shall determine the Market Value of the Subject Property, assuming it is fully entitled for the Base Level of development. "Market Value" is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
7. For the Base Level, "entitled" means the Subject Property has received a discretionary approval for a project from the governing jurisdiction's decision-making body.
8. The "GFA Per Square Foot Unit Value" is defined as the sale price of the comparable divided by the GFA of the buildings proposed to be constructed on the property, or if there is no proposal, then the maximum GFA allowed by the zoning. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
9. The appraisal report shall include a "Date of Value" that is no more than 90 days from the date of the submission of the appraisal report to the City of Menlo Park.
10. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
11. The selected comparable sales used in valuing the Subject Property should be located in or as close to Menlo Park as reasonably available data allows.
12. The comparable sales should be as close to the Date of Value as reasonably available data allows.
13. The comparable land sales should be as physically similar as reasonably available data allows.
14. The intended use of the comparable sales by the buyer should be as similar to the Subject Property as reasonably available data allows..
15. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale's GFA Per Square Foot Unit Value.
16. Additional analysis of the comparable sales on a per dwelling unit basis is also acceptable. The final conclusion shall be stated on a GFA Per Square Foot Unit Value basis.
17. The BMR requirement at the Base Level for the Subject Property versus the comparable sales may be a basis for adjustment.
18. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Base Level of development.
19. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving

at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.

20. All appraisals shall be consistent with the Uniform Standards of Professional Appraisal Practice.
21. The resulting value conclusion for the Subject Property at the Base Level is the GFA Per Square Foot Unit Value times the maximum GFA allowed at the Base Level.
22. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square foot of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ($\$40,000,000 \div 200,000$). With respect to the Subject Property, the City of Menlo Park has determined that the Subject Property at the Base Level has an allowed maximum GFA of 100,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$20,000,000 ($\$200 \times 100,000$).
23. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate Subject Property GFA Per Square Foot Unit Value, provided the appraiser provides sufficient analysis and explanation of any adjustments.

B. Bonus Level Value for a Residential Development or the Residential Component of a Mixed-Use Project

1. The Subject Property at the Bonus Level must be identical to the Subject Property at the Base Level. The Subject Property must remain identical.
2. The Bonus Level of development is the gross floor area contemplated by the project proposed on the Subject Property that exceeds the level of intensity, including floor area ratio, density, and/or height that would otherwise be permitted on the Subject Property. The City of Menlo Park shall determine the Bonus Level of development in accordance with the City's zoning and provides that information to the appraiser. The BMR requirement, stated in both percentage and number and income level, at the Bonus Level shall be determined pursuant to the City's Below Market Rate Housing Program.
3. The Bonus Level of development for the Subject Property shall be stated on a GFA basis.
4. The appraiser shall determine the Market Value of the Subject Property assuming it is fully entitled for the Bonus Level of Development.
5. For the Bonus Level Development, "entitled" means the Subject Property has received a discretionary approval for a project from the governing jurisdiction's decision-making body.

6. The Date of Value for the Bonus Level must be the same as the Date of Value for the Base Level.
7. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
8. The selected comparable sales used in valuing the Subject Property for the Bonus Level must be the same comparable sales previously used in valuing the Subject Property at the Base Level. Different comparable sales are not allowed. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
9. Additional analysis of the comparable sales on a per dwelling unit basis is also acceptable. The final conclusion shall be stated on a GFA Per Square Foot Unit Value basis.
10. The appraiser shall not include the impacts of the City's or any other jurisdiction's community amenities requirement in determining the Market Value of the Subject Property at the Bonus Level of development.
11. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale's GFA Per Square Foot Unit Value.
12. After reasonable adjustments for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for the proposed project at the Bonus Level, including the required percentage/number of BMR units pursuant to the to the City's Below Market Rate Housing Program.
13. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
14. The resulting value conclusion for the Subject Property under the Bonus Level is the GFA Per Square Foot Unit Value times the GFA of the proposed project at the Bonus Level.
15. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ($\$40,000,000 \div 200,000$). The proposed project on the Subject Property at the Bonus Level has a GFA of 150,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$30,000,000 ($\$200 \times 150,000$).
16. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approval the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject

Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

C. Value of Amenity Conclusion for a Residential Development or the Residential Component of a Mixed-Use Project

1. The Market Value of the additional GFA proposed at the Bonus Level of development is calculated based on the Subject Property values as determined through the process outlined above.
2. The value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The “Value of the Amenity” is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level.
3. Using the above examples, the Value of Amenity calculation would be as follows:

Value conclusion at the Bonus Level	\$30,000,000
Value conclusion at the Base Level	<u>-\$20,000,000</u>
Value of the Additional GFA Proposed	\$10,000,000
Value of the Amenity	\$5,000,000

D. For Non-Residential Component of Mixed-Use Project

1. This step is not applicable to Residential Developments.
2. For the non-residential portion of a mixed-use project in the R-MU District, the appraiser shall follow the methodology above for the Office (O) District in reaching a Value of the Amenity conclusion.

E. Value of Amenity Conclusion R-MU District Combined Residential and Non-Residential Component of Mixed-Use Project

1. The resulting Value of the Amenity conclusion for the non-residential component of a mixed-use project shall be added to the Value of the Amenity conclusion for the residential portion of the mixed-use project, without discount to either value conclusions, to determine the total Value of the Amenity to be provided.

IV. Methodology for Projects That Include Multiple Zoning Districts

1. For master planned projects that include multiple zonings of R-MU, LS and/or O Districts the appraiser shall follow the methodology above for each separate component. The resulting value conclusions shall be added together without discount resulting in the defined Market Value for the entire Subject Property.

COMMUNITY AMENITY IMPLEMENTING REGULATIONS

**IMPLEMENTING REGULATIONS FOR THE APPLICATION, REVIEW, AND APPRAISAL, OF
PROPOSED COMMUNITY AMENITIES IN EXCHANGE FOR BONUS LEVEL DEVELOPMENT IN
R-MU, O, AND L-S ZONING DISTRICTS**

I. Background and Scope

These regulations implement the policies and laws governing the entitlement of bonus level development projects and the provision of associated community amenities within the City of Menlo Park as established by Menlo Park Municipal Code Chapters 16.43, 16.44, and 16.45, and the City of Menlo Park General Plan Land Use Element Policies LU-4.4 (Community Amenities) and Program LU-4.C (Community Amenity Requirement).

II. Definitions

A. "Applicant" shall mean the original applicant for any development project within the City of Menlo Park and any subsequent applicants for the same development project within the City of Menlo Park.

B. "Applicant's Appraisal" shall mean the appraisal submitted by the Applicant, on or after the date the Applicant submitted their Development Application, by a licensed appraisal firm, that sets a fair market value in cash of the gross floor area of the bonus level of development as set forth more fully in sections 16.43.070(3), 16.44.070(3), and 16.45.070(3), and as more specifically calculated pursuant to the Appraisal Instructions. The Applicant's Appraisal shall be based on a date of value that is within 90 days of the date of the appraisal, but in no event shall the date of value be earlier than the date the Applicant submits its Development Application.

C. "Application Date" means the date that the Applicant submits their Development Application.

D. "Appraisal Instructions" means the instructions for conducting appraisals approved by the City Council through Resolution No. __. An Applicant may elect whether to apply the Appraisal Instructions in effect on the Applicant's project Application Date or any subsequently amended Appraisal Instructions to all appraisals of the Bonus Level Development Value for its project.

E. "Bonus Level Development" means the gross floor area of the Bonus Level Development Project that exceeds the level of intensity, including floor area ratio, density, and/or height that would otherwise be permissible within the underlying zoning district.

F. "Bonus Level Development Project" means those development projects that, pursuant to MPMC sections 16.43.070, 16.44.070, and 16.45.070, provide Community Amenities in exchange for the benefit of developing at a greater level of intensity with an increased floor area ratio, density, and/or increased height than otherwise permissible within the underlying zoning district.

G. "Bonus Level Development Value" means the appraised value of the gross floor area of the bonus level of development as set forth more fully in sections 16.43.070(3), 16.44.070(3), and 16.45.070(3), and as more specifically calculated pursuant to the Appraisal Instructions.

H. "City's Appraisal" means the appraisal commissioned by the Community Development Director by a licensed appraisal firm that sets a fair market value in cash of the gross floor area of the bonus level of development as set forth more fully in sections 16.43.070(3), 16.44.070(3), and 16.45.070(3), and as more specifically calculated pursuant to the Appraisal Instructions. The City's Appraisal shall be based on the same date of value as the Applicant's Appraisal.

I. "Community Amenities Valuation" means the estimated financial value of a community amenity, which value shall equal at least fifty percent (50%) of the Bonus Level Development Value.

J. "Community Amenities List" shall mean the list of approved community amenities adopted and approved by the City Council pursuant to Resolution 6849, and any resolutions amending Resolution 6849.

K. "Development Application" means an application to the City for discretionary review for development of a project, or portion thereof, including but not limited to an architectural control permit, use permit, conditional development permit, development agreement, and/or tentative subdivision maps from the City required to carry out the development of the project.

L. "Existing Applicant" shall mean any applicant for a development project that has submitted a Development Application within the City of Menlo Park or any subsequent applicant for the same development project within the City of Menlo Park, where such applicant has submitted a Development Application on or before August 15, 2023.

M. "Final Appraised Value" means the value determined through the Bonus Level Development Value Appraisal Process provided for in Section 3 of these regulations and shall constitute the City's final determination of the Bonus Level Development Value, which shall be binding on the City and the Applicant. The Final Appraised Value must be based on the same date of value as the Applicant's Appraisal.

N. "Housing Development Project" shall have that meaning set forth in Government Code section 65589.5(h)(2).

O. "Preliminary Application" shall have that meaning set forth in Government Code section 65941.1.

P. "Qualified Appraiser" means an appraiser (i) that is licensed in the State of California as a "Certified General Real Estate Appraiser" and holds the MAI designation from the Appraisal Institute, (ii) has been practicing or working as an appraiser for at least five (5) years in California, (iii) is not an affiliate of the City or Applicant and has no equity investment in Applicant or its affiliates, (iv) who has particular experience with Northern California real property transactions involving commercial and residential developments, and (v) who has no conflict of interest as evidenced by not favoring and/or being adverse to either the City or the Applicant in any other appraisal proceeding.

Q. "Third Party Appraisal" means the appraisal performed by a third party licensed appraisal firm, agreed upon by the City's appraiser and the Applicant's appraiser, that sets a fair market value in cash of the gross floor area of the bonus level of development as set forth more fully in sections 16.43.070(3), 16.44.070(3), and 16.45.070(3), and as more specifically calculated pursuant to the Appraisal Instructions.

III. Community Amenity Application Procedures

A. Applicability. These application procedures shall be limited as follows:

1. Housing Developments Projects shall not be subject to the Community Amenities Hearing requirements of subsection III.B.3.
2. Existing Applicants that have submitted a Community Amenities proposal on or before August 15, 2023 need not submit an initial or final Community Amenities Proposal pursuant to subsections III.B.2.

B. *Procedures*

1. Bonus Level Development Value Appraisal Process. Applicants shall submit an Applicant's Appraisal as required for a Bonus Level Development Project. The appraisal review process set forth in this section shall not begin until the Applicant submits the Applicant Appraisal.

- a) The Applicant's Appraisal shall be an appraisal of Bonus Level Development Value which, pursuant to the Community Amenity Ordinances, shall set forth a fair market value in cash of the gross floor area of the bonus level of development. The Applicant's Appraisal shall adhere to the City's Community Amenity Appraisal Instructions and shall be prepared by a Qualified Appraiser.

b) Review of Applicant's Appraisal.

(1) Within 30 days of receipt of an Applicant's Appraisal, the Community Development Director or their designee shall review the Applicant's Appraisal and either (1) approve the form and content of the appraisal or (2) reject the form and content of the appraisal. The Community Development Director's review for form and content shall be limited to determining that the Applicant's Appraisal was (i) performed by a Qualified Appraiser; (ii) is based on an appropriate date of value; and (iii) is based on a comparable sales approach.

(2) Return of Applicant's Appraisal. If the Community Development Director rejects the form and content of the Applicant's Appraisal, the Applicant's Appraisal shall be returned to the Applicant with directions regarding the required modifications to the form and/or content of the Applicant's Appraisal. The Applicant shall resubmit an Applicant's Appraisal that complies with the Community Development Director's directions. The resubmitted Applicant's Appraisal shall be based on the same date of value as the initially submitted Applicant's Appraisal.

(3) Appraisal Review Process.

(a) If the Community Development Director approves the form and content of the Applicant's Appraisal, the Community Development Director shall obtain the City's own appraisal of the Bonus Level Development Value, which shall constitute the City's Appraisal. The City's Appraisal shall be completed, to the extent possible, within 75 days of the Community Development Director's approval of the form and content of the Applicant's Appraisal and shall be authored by a Qualified Appraiser. If the City's Appraisal cannot be completed within 75 days, the City will provide notice to the Applicant of the reason for the delay and the expected date of completion.

(b) The City's Appraisal shall be an appraisal of Bonus Level Development Value which, pursuant to the Community Amenity Ordinances, shall set forth a fair market value in cash of the gross floor area of the bonus level of development. The City's Appraisal shall adhere to the City's Community Amenity Appraisal Instructions and shall be prepared by a Qualified Appraiser.

(c) If the Applicant's Appraisal and the City's Appraisal differ in the determination of the Bonus Level Development Value, the following procedures shall be utilized to determine the Final Appraised Value. If the Applicant's Appraisal and the City's Appraisal differ by:

(i) Less than ten (10) percent of the lower of the two appraisals, the Community Development Director shall approve a Final Appraised Value of the midpoint between the two appraisals. Said midpoint shall be rounded to the nearest \$1,000.

(ii) Ten (10) percent or greater than the value of the lower of the two appraisals, the Applicant shall have the option of revising the Applicant's Appraisal to state a value that is within ten (10) percent of the value of the lower of the two appraisals and accepting a Final Appraised Value that is the midpoint between the two appraisals as set forth in Section III-B-1-(b)-(3)-(c)-(i). If the Applicant chooses not to revise the Applicant's Appraisal, then the Applicant may submit a written request to the City that the Applicant's appraiser and the City's appraiser agree upon and appoint a third appraiser, who shall be a Qualified Appraiser. The Applicant's appraiser and the City's appraiser must agree upon and select a third appraiser within 30 days of the Applicant's written request. If the Applicant's appraiser and City's appraiser fail to agree on the appointment of a third party appraiser, then each party may submit the names of two appraisers, within 10 days after the deadline for the parties' appraisers to select a third appraiser, and a third party appraiser will be selected, at random, by the City Manager, from the names of the submitted appraisers. The Applicant will be notified of the date, time, and place where the selection will occur and will have the opportunity to be present and observe the selection process.

(d) The third appraiser shall review the Applicant's Appraisal and the City's Appraisal and develop an independent Third Party Appraisal. In doing so, the third appraiser may confer with the Applicant's appraiser and the City's appraiser. The Third Party Appraisal shall be an appraisal of Bonus Level Development Value which, pursuant to the Community Amenity Ordinances, shall set forth a fair market value in cash of the gross floor area of the bonus level of development. The Third Party Appraisal shall adhere to the City's Community Amenity Appraisal Instructions and shall be prepared by a Qualified Appraiser.

(e) If the Third Party Appraisal is greater than City's Appraisal, then the City's Appraisal of the Bonus Level Development Value shall become the Final Appraised Value. If the Third Party Appraisal is less than the Applicant's Appraisal, then the Applicant's Appraisal of the Bonus Level Development Value shall become the Final Appraised Value. If the Third Party Appraisal's determination of the Bonus Level Development Value is between the values determined by the City's Appraisal and the Applicant's Appraisal, then the Final Appraised Value shall be average of the two appraisals that are closest in value to each other.

c) Applicant shall bear all costs and expenses incurred by the City in reviewing the Applicant's Appraisal and determining Bonus Level Development Value, including but not limited to staff time, costs and expenses associated with preparing the City's Appraisal and Third Party Appraisal.

2. Initial Community Amenities Proposal. Following the determination of the Final Appraised Value, Applicant shall submit an initial community amenities proposal which shall include a statement that the Applicant is proposing (1) a community amenity(ies) from the list of community amenities adopted by City Council Resolution No. 6849, as that Resolution may be amended, (2) a community amenity in-lieu payment, or (3) community amenity(ies) not on the list of community amenities adopted by City Council Resolution No. 6849, as that Resolution may be amended, and instead proposed to be provided through a development agreement, or (4) any combination of the above. The Applicant may propose multiple community amenities as alternatives in its initial community amenities proposal. Applicant need not, but may provide any other plans, specifications and/or details in the initial community amenities proposal, which will enable the City Council to consider the merits of the proposed community amenity(ies).

3. Community Amenities Proposal Hearing.

a) To the extent feasible, within 45 days of submittal of the initial community amenities proposal, but no later than 75 days from submittal of the initial community amenities proposal, the City Council shall hold a Community Amenities Proposal Hearing to consider the community amenities proposed by the Bonus Level Development Project.

b) Hearing Procedures. The following procedures shall apply to Community Amenities Proposal Hearings:

(1) Staff Report. Staff shall provide a staff report in advance of the Hearing which includes (1) a brief summary of the proposed project, (2) a summary of the proposed community amenities and/or in-lieu payment, and (3) an analysis as to whether the proposed community amenities are on the Community Amenities List, not on the Community Amenities List and therefore subject to approval through a development agreement, and/or required by existing City laws or regulations, and

(2) Hearing. At the hearing, the applicant and staff may present their evaluations to the City Council. Because no CEQA action on the project will have been taken, the hearing will provide an opportunity for the City Council to hear, consider and/or provide feedback on conceptual community amenities proposals, but no final approval on community amenities shall take place.

(3) Community Amenities Proposal Resolution. After hearing testimony, taking public comment, and deliberating, the City Council shall adopt a resolution which includes the following:

(a) A statement that the Council has considered the proposed community amenities and/or in-lieu payment proposal and finds that some, all or none of the community amenities and/or in-lieu payment proposal bear a reasonable relationship to the increased intensity of development and increased effects on the surrounding community, and that the community amenities and/or in-lieu fee address identified community needs.

(b) A statement affirming or recommending modifications to applicant's initial community amenity proposal.

(c) The Community Amenities Proposal Resolution memorializes the City Council's determination that the Initial Community Amenities Proposal is appropriate for the Bonus Level Development Project and does not indicate the City Council's approval of or intent to approve the proposed project.

4. NOP Release. Where a Notice of Preparation (NOP) is to be prepared for the Bonus Level Development project, the NOP shall be released following the Community Amenities Proposal Hearing.
5. Final Community Amenities Proposal.
 - a) Following the Community Amenities Proposal Hearing, Applicants shall submit a Final Community Amenities Proposal. The Final Community Amenities Proposal shall contain, at a minimum, the following information:
 - (1) Response to feedback from the Community Amenities Proposal Hearing, if any.
 - (2) A statement that the Applicant is proposing (1) the community amenity(ies) and/or in-lieu payment recommended by the City Council in the Community Amenities Proposal Hearing (if applicable), or (2) a statement and description of any other community amenity(ies) and/or in lieu payment being proposed which were not recommended by the City Council.
 - (3) An evaluation of the proposed community amenity(ies) value, documenting that the proposed value, at a minimum, meets the minimum required Community Amenities Valuation, subject to review and determination by the City.

IV. Community Amenities In-lieu Payments

A. Pursuant to MPMC sections 16.43.070(4)(b), 16.44.070(4)(b), and 16.45.070(4)(b), applicants may propose a community amenities in-lieu payment, instead of proceeding with the provision of a community amenity or amenities on the Community Amenities List. For non-housing development projects, Community Amenity in-lieu payments are subject to Planning Commission and City Council (on appeal) approval pursuant to the review procedures set forth in sections III.B.1 through III.B.5, herein

B. Expenditure of Community Amenities In-lieu payments. The in-lieu fee revenues shall be deposited in a restricted community amenities fund to be used to implement the community amenities identified in the list adopted by city council resolution.

**CITY OF MENLO PARK – APPRAISAL INSTRUCTIONS
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES
UNDER BONUS LEVEL ZONING**

I. Required Appraiser Qualifications

1. California State Certified General Real Estate Appraiser.
2. Member of the Appraisal Institute (MAI) designation.
3. At least five years' experience appraising commercial and multi-family development land in the San Francisco Bay Area.

II. Methodology for Life Science (LS) and Office (O) Districts

A. Base Level Value

1. The subject of the appraisal is the parcel or parcels of land identified in the project application for the proposed project, which is also generally referred to as the project site. The subject of the appraisal is hereinafter referred to as the "Subject Property."
2. The City of Menlo Park shall determine the "Base Level" of development permitted on the Subject Property in accordance with the City's zoning and provide that information to the appraiser.
3. The Base Level of development permitted on the Subject Property shall be stated on a Gross Floor Area basis.
4. Gross Floor Area ("~~the~~"GFA") is defined as the sum of the horizontal areas of all habitable floors including basements and mechanical areas within the surrounding exterior walls of a building covered by a roof measured to the outside surfaces of exterior walls or portions thereof on the Subject Property, excluding parking structures. For purposes of these instructions, City staff shall determine GFA based on this definition.
5. The appraiser shall determine the Market Value of the Subject Property, assuming it is fully entitled for the Base Level of development. "Market Value" is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
6. For the Base Level, "entitled" means the Subject Property has received a discretionary approval for a project from the governing jurisdiction's decision-making body~~.all of the approvals necessary to immediately proceed with construction of the maximum GFA allowed by the zoning at the Base Level.~~
7. The "~~the~~"GFA Per Square Foot Unit Value" is defined as the sale price of the comparable divided by the GFA of the buildings proposed to be constructed on the property, or if there is no proposal, then the maximum GFA allowed by the zoning. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
8. The appraisal report shall include a "Date of Value" that is no more than 90 days from the date of the submission of the appraisal report to the City of Menlo Park.

9. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
10. The selected comparable sales used in valuing the Subject Property should be located in or as close to Menlo Park as reasonably available data allows.
11. The comparable sales should be as close to the Date of Value as reasonably available data allows.
12. The comparable sales should be as physically similar to the Subject Property as reasonably available data allows.
13. The intended use of the comparable sales by the buyer should be ~~for mixed-use, commercial, office, life science or other similar non-residential uses~~ as similar to the Subject Property as reasonably available data allows.
14. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale's GFA Per Square Foot Unit Value.
15. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Base Level of development.
- ~~16.~~ The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
16. All appraisals shall be consistent with the Uniform Standards of Professional Appraisal Practice.
17. The resulting value conclusion for the Subject Property at the Base Level is the GFA Per Square Foot Unit Value times the maximum GFA allowed at the Base Level.
18. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ($\$40,000,000 \div 200,000$). With respect to the Subject Property, the City of Menlo Park has determined that the Subject Property at the Base Level has an allowed maximum GFA of 100,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property GFA results in a Market Value of the Subject Property of \$20,000,000 ($\$200 \times 100,000$).
19. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals, the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

B. Bonus Level Value

1. The Subject Property at the Bonus Level must be identical to the Subject Property at the Base Level. The Subject Property must remain identical.
2. ~~The City of Menlo Park determines the “Bonus Level” of development~~The Bonus Level of development is the gross floor area contemplated by the project proposed on the Subject Property that exceeds the level of intensity, including floor area ratio, density, and/or height that would otherwise be permitted on the Subject Property. ~~permitted on the Subject Property~~The City of Menlo Park shall determine the Bonus Level of development in accordance with the City’s zoning and provides that information to the appraiser. The Bonus Level of development ~~permitted for~~on the Subject Property shall be stated on a GFA basis.
3. The appraiser shall determine the Market Value of the Subject Property assuming it is fully entitled for the Bonus Level ~~of d~~Development.
4. For the Bonus Level Development, “entitled” means the Subject Property has received a discretionary approval for a project from the governing jurisdiction’s decision-making body~~all of the approvals necessary to immediately proceed with construction of the proposed project at the Bonus Level.~~
5. The Date of Value for the Bonus Level must be the same as the Date of Value for the Base Level.
6. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
7. The selected comparable sales used in valuing the Subject Property at the Bonus Level must be the same comparable sales previously used in valuing the Subject Property at the Base Level. Different comparable sales are not allowed. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
8. The appraiser shall not ~~consider~~include the impacts of the City’s or any other jurisdiction’s community amenities requirement ~~established under Menlo Park Municipal Code Section 16.43.070 or Section 16.44.070, as applicable,~~ in determining the Market Value of the Subject Property under the Bonus Level of development.
9. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale’s GFA Per Square Foot Unit Value.
10. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Bonus Level of development.
11. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser’s conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
12. The resulting value conclusion for the Subject Property at the Bonus Level is the GFA Per Square Foot Unit Value times the GFA of the proposed project at the Bonus Level.
13. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of

GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 (\$40,000,000 ÷ 200,000). The proposed project on the Subject Property at the Bonus Level has a GFA of 150,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$30,000,000 (\$200 x 150,000).

14. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

C. Value of the Amenity Conclusion

1. The Market Value of the additional GFA proposed at the Bonus Level of development is calculated based on the Subject Property values as determined through the process outlined above.
2. The value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The “Value of the Amenity” is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level.
3. Using the above examples, the Value of Amenity calculation would be as follows:

Value conclusion at the Bonus Level	\$30,000,000
Value conclusion at the Base Level	<u>-\$20,000,000</u>
Value of the Additional GFA Proposed	\$10,000,000
Value of the Amenity	\$5,000,000

III. Methodology for Residential Mixed-Use (R-MU) District

A. Base Level Value for a Residential Development or the Residential Component of a Mixed-Use Project

1. The subject of the appraisal is the parcel or parcels of land identified in the project application for the proposed project, which is also generally referred to as the project site. The subject of the appraisal is hereinafter referred to as the “Subject Property.”
2. The appraiser identifies the proposed project as either a for sale condominium or a rental project or a combination thereof. This determination needs to be consistent with the application for the proposed project.
3. The City of Menlo Park shall determine the “Base Level” of development permitted on the Subject Property in accordance with the City’s zoning and provide that

information to the appraiser. This determination will include identification of both the percentage and the number and the income level of required Below Market Rate (“BMR”) dwelling units required for the Subject Property at the Base Level pursuant to the City’s Below Market Rate Housing Program.

4. The Base Level of development permitted on the Subject Property shall be stated on a Gross Floor Area basis.
5. Gross Floor Area (“GFA”) is defined as the sum of the horizontal areas of all habitable floors including basements and mechanical areas within the surrounding exterior walls of a building covered by a roof measured to the outside surfaces of exterior walls or portions thereof on the Subject Property, excluding parking structures. For purposes of these instructions, City staff shall determine GFA based on this definition.
6. The appraiser shall determine the Market Value of the Subject Property, assuming it is fully entitled for the Base Level of development. “Market Value” is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
7. For the Base Level, “entitled” means the Subject Property has all of the approvals necessary to immediately proceed with construction of the maximum GFA allowed by the zoning at the Base Level.
8. The “GFA Per Square Foot Unit Value” is defined as the sale price of the comparable divided by the GFA of the buildings proposed to be constructed on the property, or if there is no proposal, then the maximum GFA allowed by the zoning. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
9. The appraisal report shall include a “Date of Value” that is no more than 90 days from the date of the submission of the appraisal report to the City of Menlo Park.
10. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
11. The selected comparable sales used in valuing the Subject Property should be located in or as close to Menlo Park as reasonably available data allows.
12. The comparable sales should be as close to the Date of Value as reasonably available data allows.
13. The comparable land sales should be as physically similar as reasonably available data allows.
14. The intended use of the comparable sales by the buyer should be the same as the proposed project, for use as a multi-family residential development.
15. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale’s GFA Per Square Foot Unit Value.
16. Additional analysis of the comparable sales on a per dwelling unit basis is also acceptable. The final conclusion shall be stated on a GFA Per Square Foot Unit Value basis.
17. The BMR requirement at the Base Level for the Subject Property versus the comparable sales may be a basis for adjustment.
18. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value

most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Base Level of development.

19. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
20. The resulting value conclusion for the Subject Property at the Base Level is the GFA Per Square Foot Unit Value times the maximum GFA allowed at the Base Level.
21. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square foot of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ($\$40,000,000 \div 200,000$). With respect to the Subject Property, the City of Menlo Park has determined that the Subject Property at the Base Level has an allowed maximum GFA of 100,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$20,000,000 ($\$200 \times 100,000$).
22. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate Subject Property GFA Per Square Foot Unit Value, provided the appraiser provides sufficient analysis and explanation of any adjustments.

B. Bonus Level Value for a Residential Development or the Residential Component of a Mixed-Use Project

1. The Subject Property at the Bonus Level must be identical to the Subject Property at the Base Level. The Subject Property must remain identical.
2. The City of Menlo Park shall determine the "Bonus Level" of development permitted on the Subject Property in accordance with the City's zoning and provide that information to the appraiser. The BMR requirement, stated in both percentage and number and income level, at the Bonus Level shall be determined pursuant to the City's Below Market Rate Housing Program.
3. The Bonus Level of development permitted on the Subject Property shall be stated on a GFA basis.
4. The appraiser shall determine the Market Value of the Subject Property assuming it is fully entitled for the Bonus Level of development.
5. For the Bonus Level, "entitled" means the Subject Property has all of the approvals necessary to immediately proceed with construction of the proposed project at the Bonus Level.
6. The Date of Value for the Bonus Level is to be the same as the Date of Value for the Base Level.

7. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
8. The selected comparable sales used in valuing the Subject Property for the Bonus Level must be the same comparable sales previously used in valuing the Subject Property at the Base Level. Different comparable sales are not allowed. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
9. Additional analysis of the comparable sales on a per dwelling unit basis is also acceptable. The final conclusion shall be stated on a GFA Per Square Foot Unit Value basis.
10. The appraiser shall not consider the community amenities requirement established under Menlo Park Municipal Code Section 16.45.070 in determining the Market Value of the Subject Property at the Bonus Level of development.
11. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale's GFA Per Square Foot Unit Value.
12. After reasonable adjustments for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for the proposed project at the Bonus Level, including the required percentage/number of BMR units pursuant to the to the City's Below Market Rate Housing Program.
13. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
14. The resulting value conclusion for the Subject Property under the Bonus Level is the GFA Per Square Foot Unit Value times the GFA of the proposed project at the Bonus Level.
15. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ($\$40,000,000 \div 200,000$). The proposed project on the Subject Property at the Bonus Level has a GFA of 150,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$30,000,000 ($\$200 \times 150,000$).
16. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approval the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

C. Value of Amenity Conclusion for a Residential Development or the Residential Component of a Mixed-Use Project

1. The Market Value of the additional GFA proposed at the Bonus Level of development is calculated based on the Subject Property values as determined through the process outlined above.
2. The value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The “Value of the Amenity” is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level.
3. Using the above examples, the Value of Amenity calculation would be as follows:

Value conclusion at the Bonus Level	\$30,000,000
Value conclusion at the Base Level	<u>-\$20,000,000</u>
Value of the Additional GFA Proposed	\$10,000,000
Value of the Amenity	\$5,000,000

D. For Non-Residential Component of Mixed-Use Project

1. This step is not applicable to Residential Developments.
2. For the non-residential portion of a mixed-use project in the R-MU District, the appraiser shall follow the methodology above for the Office (O) District in reaching a Value of the Amenity conclusion.

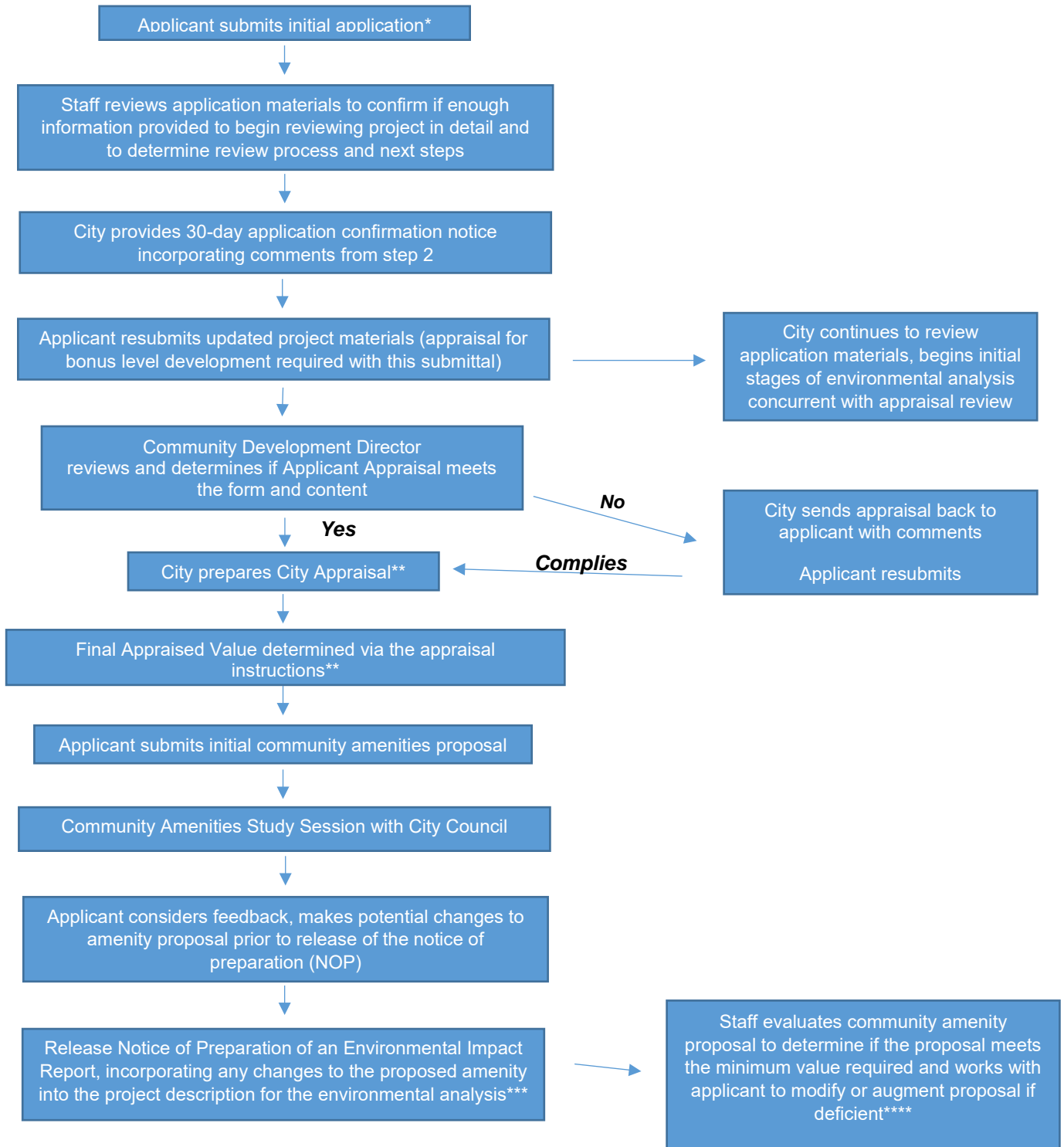
E. Value of Amenity Conclusion R-MU District Combined Residential and Non-Residential Component of Mixed-Use Project

1. The resulting Value of the Amenity conclusion for the non-residential component of a mixed-use project shall be added to the Value of the Amenity conclusion for the residential portion of the mixed-use project, without discount to either value conclusions, to determine the total Value of the Amenity to be provided.

IV. Methodology for Projects That Include Multiple Zoning Districts

1. For master planned projects that include multiple zonings of R-MU, LS and/or O Districts the appraiser shall follow the methodology above for each separate component. The resulting value conclusions shall be added together without discount resulting in the defined Market Value for the entire Subject Property.

Proposed Community Amenities Review Process



*Initial application is the first submittal. For SB 330 projects could be a preliminary application or full application; for commercial projects this first submittal is a formal application that may have limited materials.

**Appraised value of bonus level development must be determined prior to applicant submitting community amenities proposal to allow for informed discussion of proposal through the study session

***Applicants typically continue to refine and modify projects in the early stages of entitlement and environmental review; Most project details, such as land uses, number of dwelling units, and overall site design can be modified until the release of the NOP for the EIR, with limited modifications after release of the NOP. This process would not work for a project that does not prepare an initial study and instead prepares a full EIR.

****Changes to the community amenity to address any deficiencies in value would need to be determined prior to release of the Draft EIR to ensure proper CEQA clearance for the proposed community amenities.



STAFF REPORT

City Council

Meeting Date: 8/15/2023
Staff Report Number: 23-183-CC

Informational Item: City Council agenda topics: August 22 – September 12

Recommendation

The purpose of this informational item is to provide the City Council and members of the public access to the anticipated agenda items that will be presented to the City Council. The Mayor and city manager set the City Council agenda so there is no action required of the City Council as a result of this informational item.

Policy Issues

In accordance with the City Council procedures manual, the Mayor and city manager set the agenda for City Council meetings.

Analysis

In an effort to provide greater access to the City Council's future agenda items, staff has compiled a listing of anticipated agenda items, Attachment A, through September 12. The topics are arranged by department to help identify the work group most impacted by the agenda item.

Specific dates are not provided in the attachment due to a number of factors that influence the City Council agenda preparation process. In their agenda management, the Mayor and city manager strive to compile an agenda that is most responsive to the City Council's adopted priorities and work plan while also balancing the business needs of the organization. Certain agenda items, such as appeals or State mandated reporting, must be scheduled by a certain date to ensure compliance. In addition, the meeting agendas are managed to allow the greatest opportunity for public input while also allowing the meeting to conclude around 11 p.m. Every effort is made to avoid scheduling two matters that may be contentious to allow the City Council sufficient time to fully discuss the matter before the City Council.

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. City Council agenda topics: August 22 – September 12

Report prepared by:

Judi A. Herren, Assistant to the City Manager/City Clerk

Tentative City Council Agenda

#	Title	Department	Item type	City Council action
1	Proposed Zoning Ordinance Amendments related to Housing Element implementation	CDD	Study Session	Direction to staff
2	Approve response to San Mateo County Grand Jury Report on Accessory Dwelling Units	CDD	Consent	Approve
3	Consider Planning Commission's recommendation on a vesting tentative map and below market rate housing agreement for 123 Independence Drive project	CDD	Public Hearing	Adopt resolution, Approve
4	Agree to appropriate housing below market rate funds related to notice of funding availability proposals	CDD	Consent	Contract award or amend
5	Parks and Recreation Commission appointment	CMO	Appointments	Decide
6	Communitywide electrification program with California Energy Commission (CEC) funding	CMO	Study Session	Direction to staff
7	Waive second reading and adopt Streetaries outdoor dining ordinance	CMO	Consent	Second read/adopt ordinance
8	Authorize the Mayor to sign a letter on behalf of the City Council to San Mateo County regarding Flood School and Flood Park	CMO	Regular	Approve
9	Confirm voting delegate for the League of California Cities annual conference	CMO	City Councilmember Report	Decide
10	City Council procedures	CMO	Informational	No action
11	City Council workplan update	CMO	Informational	No action
12	Proclamation: Suicide Prevention Month	CMO	Proclamation	No action
13	Finance and Audit Commission appointment	CMO	Appointments	Decide
14	Annual conflict of interest code update (2023)	CMO	Consent	Adopt resolution
15	Transmittal of city attorney billing (July 2023)	CMO	Informational	No action
16	Adopt a resolution approving Menlo Park Community Campus service level restoration	LCS	Regular	Adopt resolution
17	Aquatics operator agreement	LCS	Regular	Contract award or amend
18	Police department quarterly update – Q2 April 2023 - June 2023	PD	Informational	Receive and file
19	Flock Automated License Plate Recognition (ALPR), gunshot detection, and video camera	PD	Study Session	Direction to staff
20	Adopt a resolution designating public works director and assist public works director as authorized agents for Cal OES and FEMA	PW	Consent	Adopt resolution
21	Approve revised concept design for Middle Avenue pedestrian/bicycle undercrossing	PW	Consent	Approve
22	Approve a memorandum of understanding with San Mateo County Transit Authority (SMCTA) for Willow/101 landscaping project	PW	Consent	Approve
23	Authorize the city manager to execute an amendment to the professional services agreement with WC3 for Willow Village Engineering reviews	PW	Consent	Approve
24	Adopt a resolution approving long-term street closures for Santa Cruz Ave. and Ryans Lane	PW	Regular	Adopt resolution
25	Restarting the Neighborhood Traffic Management Program (NTMP)	PW	Study Session	Direction to staff
26	Approve an agreement with Caltrain for pre-design services for the grade separation project	PW	Consent	Approve
27	Adopt a resolution to abandon a stormwater easement at 1585 Bay Laurel Dr.	PW	Consent	Adopt resolution
28	Approve an agreement for the Menlo Park Community Campus furniture procurement	PW	Consent	Contract award or amend
29	Award a contract for railroad gate design services	PW	Consent	Contract award or amend
30	Adopt a resolution establishing turn restrictions from Oak Grove Avenue to Garwood Way and Merrill Street	PW	Consent	Adopt resolution
31	Approve the Complete Streets Commission work plan	PW	Regular	Approve



STAFF REPORT

City Council

Meeting Date: 8/15/2023
Staff Report Number: 23-184-CC

Informational Item: Transmittal of city attorney billing

Recommendation

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

Policy Issues

In accordance with the City Council informational requests, this staff report transmits information to the public.

Background

On Feb. 23, 2021, the City Council approved an agreement with Burke Williams Sorenson, LLP (BWS) for city attorney services.

Analysis

As requested by the City Council, the city attorney has prepared monthly summaries of billing activity (costs/fees) for legal services that could be shared with the public. This staff report transmits the summary for the month of June 2023.

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. Billing summary – June 2023

Report prepared by:
Justin I.C. Murphy, City Manager

JUNE 2023 CITY LEGAL SERVICES - Burke, Williams & Sorensen, LLP

Description	Fees	Costs	Total Billed
GENERAL MUNICIPAL MATTERS	\$57,780.00	\$2.14	\$57,782.14
REAL ESTATE, COMPLEX HOUSING, CEQA, NEPA	\$5,230.50	\$0.00	\$5,230.50
HOUSING ELEMENT	\$2,387.00	\$0.00	\$2,387.00
CONSTRUCTION AND COMPLEX PUBLIC WORKS	\$5,143.00	\$89.50	\$5,232.50
123 INDEPENDENCE	\$3,696.00	\$0.00	\$3,696.00
WILLOW VILLAGE	\$10,997.00	\$0.00	\$10,997.00
1350 ADAMS COURT	\$20,160.00	\$0.00	\$20,160.00
1075 O'BRIEN/CS BIO	\$432.00	\$0.00	\$432.00
162-164 JEFFERSON	\$10,320.00	\$0.00	\$10,320.00
1105-1165 O'BRIEN DRIVE	\$9,456.00	\$0.00	\$9,456.00
MPMW AND FEES ADVICE	\$3,648.00	\$0.00	\$3,648.00
CODE ENFORCEMENT/ PITCHES / NUISANCE PR	\$3,472.00	\$0.00	\$3,472.00
SRI CAMPUS	\$13,200.00	\$0.00	\$13,200.00
MPCC PG&E EMINENT DOMAIN	\$310.00	\$0.00	\$310.00
1005 O'BRIEN	\$1,872.00	\$0.00	\$1,872.00
UUT CLAIM/LITIGATION	\$12,648.00	\$311.09	\$12,959.09
PUBLIC RECORDS ACT	\$3,321.00	\$274.36	\$3,595.36
CITY COUNCIL	\$783.00	\$0.00	\$783.00
3705 HAVEN	\$768.00	\$0.00	\$768.00
KUNZE DOG LAWSUIT	\$527.00	\$0.00	\$527.00
CITY LEGAL EXPENSES PAID BY CITY			\$95,616.59
CITY LEGAL EXPENSES PAID BY DEVELOPERS			\$71,211.00
TOTAL			\$166,827.59



STAFF REPORT

City Council
Meeting Date: 8/15/2023
Staff Report Number: 23-185-CC

Informational Item: Short term rental compliance update

Recommendation

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

Policy Issues

Short-term rentals (STR) are subject to Transient Occupancy Tax (TOT) in Menlo Park Municipal Code Section 3.16.

Background

TOT administration, STR compliance, and related audit services are provided to the City through HdL Companies. In the summer of 2021, HdL initiated a detailed analysis of STR listings on a variety of online published methods, including AirBnB, VRBO, Home Away, etc. This process resulted in the creation of a full inventory of STR's within the city limits of Menlo Park. The information gathered included the full name of the owner and the physical address of the unit. Each STR is tracked and updated nightly with valuable data that can include items such as number of nights rented, average occupancy rates, room rates, as well as trend and usage reporting.

Following identification, HdL conducted a targeted education and compliance campaign designed to inform STR Hosts of their obligations to file and remit the tax. Each lodging provider was provided a full overview of the requirements and how to best comply both in the present and the future. During the registration process, HdL offers a variety of support options to the Host including online filing, file-by-phone, email, and registration via standard mail. HdL tax specialists are available throughout the process to provide support to the STR community and assist in the registration process.

Once registered, the account is moved into a standard administration process. HdL manages the filing of tax returns on a monthly basis. This includes mailing of tax returns, processing of payments, customer support, delinquency follow up, and management of the online portal for registration, filing, payments, and other support related needs.

The City Council received the first short term rental compliance update at its regular meeting on April 26, 2022 (Attachment A), which showed 26 of 67 total registered properties had confirmed stays and remitted tax, interest, and penalties totaling \$30,798.

Analysis

For the fiscal year 2021-22, 44 of the 68 registered properties had confirmed stays and remitted tax, interest, and penalties totaling \$230,279.

For fiscal year 2022-23, 82 of the 89 registered properties had confirmed stays and remitted tax, interest, and penalties totaling \$353,753. Of the 82 properties with confirmed stays, 46 are new property locations added in fiscal year 2022-23.

Impact on City Resources

STR program revenue in fiscal year 2021-22 totaled \$230,279. HdL contract service fee for fiscal year 2021-22 was 35% for a total fee of \$80,598. STR program revenue in fiscal year 2022-23 totaled \$353,753. HdL contract service fee for fiscal year 2022-23 was 25% for a total fee of \$88,435. The contract service fee has been reduced to 20% in fiscal year 2023-24 and continues at 20% until contract termination.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act Guidelines §§15378 and 15061(b) (3) as it will not result in any direct or indirect physical change in the environment.

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. Hyperlink – April 26, 2022 City Council agenda packet:
menlopark.gov/files/sharedassets/public/agendas-and-minutes/city-council/2022-meetings/agendas/20220426-city-council-agenda-packet.pdf

Report prepared by:
John McGirr, Retired Annuitant – Finance and Budget Manager

Report reviewed by:
Stephen Stolte, Assistant City Manager