Amendment #: 2420.2

AGREEMENT FOR SERVICES BETWEEN
THE CITY OF MENLO PARK AND ICF JONES & STOKES, INC.

THIS SECOND AMENDMENT is made and entered into this [12/22/2020], by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as “CITY,” and ICF JONES & STOKES, INC., hereinafter referred to as “FIRST PARTY.”

1. Pursuant to Section 4 Compensation and Payment of Agreement No. 2420, (“Agreement”), Section 4A Compensation and Payment [amendment to section] to read as follows:

"CITY shall pay FIRST PARTY an all-inclusive fee that shall not exceed $478,054 (an amendment of $34,539) as described in Exhibit "A-1.2," Scope of Services. This compensation shall be based on the rates described in Exhibit "A." All payments, including fixed hourly rates, shall be inclusive of all indirect and direct charges to the Project incurred by FIRST PARTY. The CITY reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable"

Except as modified by this Amendment, all other terms and conditions of Agreement No. 2420 remain the same.

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

SIGNATURE PAGE TO FOLLOW
FOR FIRST PARTY:

Trina L. Fisher 12/18/2020
Signature Date

Printed name

Title

Tax ID# APPROVED AS TO FORM:

Cara E. Silver 12/22/2020

Cara E. Silver, Interim City Attorney Date

FOR CITY OF MENLO PARK:

Starla Jerome-Robinson 12/22/2020
Starla Jerome-Robinson, City Manager Date

ATTEST:

Judi A. Herren, City Clerk 12/22/2020 Date

Tom Smith
Senior Planner
City of Menlo Park Community Development
701 Laurel Street
Menlo Park, CA 94025

Subject: Budget Amendment 2 for the Commonwealth Building 3 Project CEQA Review

Dear Mr. Smith:

ICF Jones & Stokes, Inc. ("ICF") submitted a Scope of Work (scope) and budget for the Commonwealth Building 3 Project in February 2, 2018. A subsequent budget amendment (Amendment 1) was submitted on February 7, 2020 and has since been approved. Since then, the City has requested that ICF develop greenhouse gas thresholds in order to analyze the Project impacts. In addition, ICF’s subconsultant, Kittelson, has conducted additional out of scope items that have arisen since the original contract was approved (see Attachment A).

The current approved budget for the CEQA analysis is $443,515. As outlined in the budget attachment to this letter (Attachment B), ICF requests that $34,539 be added to our contract, for a total budget of $478,054. ICF proposes to invoice costs monthly, on a time and materials basis. ICF shall provide services, as outlined in the attachment, under the terms and conditions of its existing agreement number 002420 with the City dated September 17, 2018. If you have any questions, please contact Kirsten Chapman at 415-537-1702 or at kirsten.chapman@icf.com.

Sincerely,

[Signature]

Trina L. Fisher
Contracts Administrator
Upon further discussions with the City, additional work has been, and will need to be, conducted for the Focused EIR, as follows:

**Administrative Draft EIR (Task 5).** Based on discussions with the City, ICF will need to develop new greenhouse gas (GHG) thresholds specific for this project. The City has a Climate Action Plan (CAP), and we will include an informational discussion as to whether the Project is consistent with the City’s current CAP update. However, because the CAP and its updates do not identify a specific plan to address emissions beyond 2020, it cannot be used to determine the project’s significance with respect to the State’s post-2020 goals. Similarly, the Bay Area Air Quality Management District (BAAQMD) does not currently have CEQA thresholds for the post-2020 period. Consistent with the original Project scope, the analysis will include Project consistency with the Sustainable Communities Strategy.

To assess the Project’s impacts with respect to the state’s 2030 GHG goal, ICF will develop a Project-specific threshold based on guidance developed by the AEP Climate Change Committee and guidance from case law for the evaluation of project-generated GHG emissions under CEQA. The approach applies relevant reduction strategies from the 2017 Climate Change Scoping Plan to new development in order to derive customized project-level GHG thresholds. The threshold would be developed specifically for the project based on guidelines for commercial uses, and development of the threshold would involve the following general steps:

1. Identify and evaluate project consistency with all 2017 Climate Change Scoping Plan strategies relevant to the project.

2. Calculate a 2030 threshold for the project by applying all relevant 2017 Climate Change Scoping Plan initiatives to the project.

3. Compare project generated emissions to the 2030 threshold.

If the Project’s 2030 emissions exceed the 2030 threshold, mitigation to reduce emissions would be identified and analyzed. Once all feasible mitigation has been applied to the project, if mitigated emissions still exceed the 2030 threshold, then the GHG emissions impact would be significant and unavoidable.

In addition to the GHG threshold development, additional work has been, and will be, prepared by Kittelson to complete the transportation analysis. Please refer to Attachment A.

**Project Management/Schedule Delays (Task 13).** Due to delays in the project, including revisions to the transportation scope of work, the schedule has been extended by several months. This has resulted in additional meetings/conference calls, prolonged subconsultant coordination, and additional budgeting, contracting, and invoicing. Therefore, ICF is requesting additional budget to reflect time expended on project management activities due to this extended schedule.
October 22, 2020

Erin Efner
ICF International
201 Mission Street
Suite 1500
San Francisco, CA 94105
415.205.2268
Cc: Kirsten Chapman

<via email>

RE: Menlo Park Commonwealth 3 EIR - Kittelson - Amendment #1 - Revised

Dear Erin,

Due to unforeseen events while developing the traffic volumes for the Commonwealth 3 project, Kittelson has identified additional issues with volumes adjustments specifically pertaining to the Commonwealth project. In addition, the City has requested that impacts be analyzed based on VMT per SB 743 based on new City Guidelines that were approved as of July 1, 2020. As a result, we have prepared this Amendment #1 for additional out of scope items that have arisen since the original contract was approved. As you know Kittelson is supporting the City with some critical items relevant to six on-going CEQA studies and will be relying on consistency among these studies. As such, some items may be common among all these studies. However, Kittelson has tried to separate these by addressing them in two separate amendments.

The original scope required that the modeling files be provided to Kittelson in a reasonable condition. But additional and sometimes significant effort was required to understand the tools, update them, synchronize them, and finalize them. In addition, Kittelson required a number of rounds to update the tools and multiple rounds of review not anticipated in the original scope.

Please review the attached AMENDMENT #1 to the Professional Services Agreement. If AMENDMENT #1 is satisfactory, please return a signed copy electronically. One executed original will be returned for your records. If you have any comments or questions, please do not hesitate to call.

Let us know if you have any questions on this proposed amendment to our contract. Prior contract terms will continue to apply for this amendment. If this is satisfactory, please provide us with a signed sub agreement.
If you have any questions, please call me directly at 510-433-8083 or via email at dstefanakis@kittelson.com. We look forward continuing working with you on this project.

Sincerely,

KITTELSON & ASSOCIATES, INC.

Damian Stefanakis
Project Principal

Amanda Leahy
Project Manager
AMENDMENT #1 TO PROFESSIONAL SERVICES AGREEMENT

PROJECT #: 22313
PROJECT NAME: Commonwealth Building 3 - Transportation Impact
Analysis PROJECT BUDGET: As of October 22, 2020

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<th>Current Authorized Amount</th>
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<td>$21,600</td>
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<td>Total Authorized Amount</td>
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AUTHORIZATION:
This Amendment #1 (“AMENDMENT #1”) hereby amends that certain Professional Services Agreement with an EFFECTIVE DATE of 9/27/2019 (the “AGREEMENT”), and any prior amendments, by (1) authorizing KITTELSON & ASSOCIATES, INC. to perform services in addition to those services described in Part “A” of the AGREEMENT (See attached Amendments to Part “A”) and (2) increasing the Current Authorized Amount (shown above) to an amount not to exceed the Total Authorized Amount shown above. Except as otherwise stated in this AMENDMENT #1, the terms, conditions and provisions of the AGREEMENT remain in full force and effect. All capitalized terms not otherwise defined in this AMENDMENT #1 shall have the meanings set forth in the AGREEMENT.

Accepted for: ICF International, Inc.
Approved for: KITTELSON & ASSOCIATES, INC.

Signature
Print Name
Title
Date

Signature
Print Name
Title
Date
AMENDMENTS TO PART “A”
SCOPE OF WORK

The following amendment itemizes the additional tasks and estimated cost.

The initial contract was authorized on March 27, 2018, for $89,989.00.

Since the original scope required that the modeling tools be provided to Kittelson in a reasonable condition, it was determined that additional and sometimes significant effort was required to understand the tools, update them, synchronize them, and finalize them. In addition, Kittelson required a number of rounds to update the tools.

To address additional work over and above the work tasks authorized in the base contract, Kittelson hereby requests approval and authorization of Amendment #1, as follows:

- Amendment #1 for Commonwealth: $21,600.

This cost has been developed to cover the following tasks (detail hours and costs by task are provided in Table 2 and summarized below):

1. Additional coordination specific to Commonwealth with City staff and ICF to discuss schedule and adjustments specific to Commonwealth.
2. Finalize Existing counts and VISTRO model specifically related to the Commonwealth project.
   This included:
   - Updating of counts to account for construction in Commonwealth project vicinity.
   - After the modeling adjustment amendment, Kittelson discovered additional manual adjustments were necessary to the 2019 counts in the Bayfront Area and had to customize the count adjustments and VISTRO model for Commonwealth.
   - The original scope assumed one round of review of volumes and tools, but this required multiple rounds of review not anticipated in the original scope.
   - Kittelson noticed some inconsistencies in the VISTRO signal timings that required coordination with City staff and updating (this is specific to the locations around Commonwealth).
   - This involves tasks specific to Commonwealth. While Kittelson strives to make the VISTRO model consistent among all the EIRs, additional effort was necessary for areas around Commonwealth.
3. Finalize and adjust background and cumulative volumes in VISTRO model related to the Commonwealth project.
   - This task differs from Item 4 in the Model Calibration Amendment in that additional effort was need for the Commonwealth no-Project scenario (not related to the other EIRs).
The background scenario specific to Commonwealth, required significant effort and coordination with City staff to identify which approved projects should be included, and which projects are already constructed and should not be included in the VISTRO model. Kittelson needed to update the approved projects trip generation and distribution paths. This required additional coordination and reviews with City staff.

Volumes needed to be adjusted numerous times after the model calibration tasks, specifically for Commonwealth, to ensure future Commonwealth scenarios do not have lower or negative volumes compared to counts and between no-project and plus-project conditions. The cost for this item is specific to Commonwealth, so that any overlap with the modeling adjustment amendment is kept to a minimum. Also Note: while Commonwealth is using the exact same VISTRO model as is being used by the other projects and as developed as part of the MPM Model Calibration Amendment, it does include additional effort required to develop the Commonwealth No-Project Scenario (which is not used the same as for the other EIR projects due to capping of negative volumes).

4. Review of initial LOS results with City and related adjustments to ensure consistent results among scenarios.

Added VMT task for impact findings per SB 743 and City Guidelines (anticipated by July 1, 2020). While the original scope included some effort for computation of project VMT, it did not address reaching an impact finding using City’s recently adopted Guidelines, or address TDM as potential mitigation measures for trip reduction. The additional budget requested here is for evaluating the effectiveness of the TDM trip reduction program once we determine that the project has a VMT impact. (Note: the cost for this task was higher than for Menlo Uptown because it was developed after understanding the level of effort necessary. The Commonwealth estimate is more informed and more closely aligns with the effort we have experienced on the other projects, while the Uptown budget is 3x lower than it should be.)

5. Per our kickoff call with ICF, the request was made to add an additional draft (Draft 2) of the transportation section (this is in addition to the draft and final in the original scope).

Based on these scope items, we estimate additional funds of $21,600 will be needed for Amendment #1 to be billed as time and materials. Prior contract terms will continue to apply for this amendment. A detailed cost table with staff rates and hours by subtask is provided in Table 1 below.
### Table 1: Detailed Task Costs – Amendment #1 staff hours by Task - Commonwealth Project

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## B. Commonwealth Building 3 Project Budget Amendment 2

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AGREEMENT FOR SERVICES BETWEEN
THE CITY OF MENLO PARK AND ICF JONES & STOKES, INC.

This first amendment is made and entered into this 5/14/2020, by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as “CITY,” and ICF JONES & STOKES, INC., hereinafter referred to as “FIRST PARTY.”

1. Pursuant to Section 4 Compensation and Payment of Agreement No. 002420, (“Agreement”), Section 4A Compensation and Payment [amendment to section] to read as follows:

   “CITY shall pay FIRST PARTY an all-inclusive fee that shall not exceed $443,515 (an amendment of $41,240) as described in Exhibit "A-1.1," Scope of Services. This compensation shall be based on the rates described in Exhibit "A." All payments, including fixed hourly rates, shall be inclusive of all indirect and direct charges to the Project incurred by FIRST PARTY. The CITY reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable.”

2. Pursuant to Section 24 Term of Agreement of Agreement No. 002420, (“Agreement”), Section 24 Term of Agreement [amendment to section] to read as follows:

   “This agreement shall remain in effect for the period of February 16, 2018 to June 30, 2021 unless extended, amended, or terminated in writing by CITY”

Except as modified by this Amendment, all other terms and conditions of Agreement No. 002420 remain the same.

In witness whereof, the parties hereto have executed this Agreement on the day and year first above written.

Signature page to follow.
FOR FIRST PARTY:

Signature
Trina Fisher

Printed name

Tax ID#

APPROVED AS TO FORM:

Cara E. Silver, Interim City Attorney

FOR CITY OF MENLO PARK:

Starla Jerome-Robinson, City Manager

Judi A. Herren, City Clerk
February 13, 2020

Tom Smith  
Senior Planner  
City of Menlo Park Community Development  
701 Laurel Street  
Menlo Park, CA 94025  

Subject: Budget Amendment 1 for the Commonwealth Building 3 Project CEQA Review

Dear Mr. Smith:

ICF Jones & Stokes, Inc. ("ICF") submitted a Scope of Work (scope) and budget for the Commonwealth Building 3 Project in February 2, 2018. Subsequent to the submittal of the original scope and work, ICF conducted the analysis for the Initial Study and it was determined, based on discussions with the City, that the scope of the Focused EIR will need to be expanded. In addition, the applicant has submitted updated site plans, which will need to be reflected throughout the document, and the schedule for the project has been expanded due to transportation-related issues. Attached is a detailed description of the proposed tasks and associated costs necessitating this revised amendment request.

The current approved budget for the CEQA analysis is $402,275. As outlined in the budget attachment to this letter, ICF requests that $41,240 be added to our contract, for a total budget of $443,515. ICF proposes to invoice costs monthly, on a time and materials basis. If you agree to authorize the tasks and costs associated with these items, please indicate your acceptance. ICF shall provide services as outlined in the attachment, under the terms and conditions of its existing agreement number 002420 with the City dated September 17, 2018. If you have any questions, please contact Kirsten Chapman at 415-537-1702 or at kirsten.chapman@icf.com.

Sincerely,

Trina L. Fisher  
Contracts Administrator
During the process of completing the Initial Study document, ICF performed extra tasks that were not originally included in the scope of work. In addition, the scope of the Focused EIR will need to be expanded, based on the findings in the Initial Study. The additional task are described.

**Additional Focused EIR Sections (Task 5-11).** Due to new mitigation measures required to reduce the Project’s impacts to less than significant, the Noise analysis and the Archeological/Tribal Resources analysis will be included in the Environmental Impact Report (EIR). It was originally assumed in the scope of work for this Project that the analysis for these sections would be conducted in the Initial Study and scoped out from further review. However, after discussions between the City and ICF, it was determined that the analysis for these topic must be disclosed in the EIR. While much of the work for these topics have already been conducted for the Initial Study, they will need an EIR-level analysis, which includes additional background information, consideration of notice of preparation (NOP) comments, more in-depth analysis, an alternatives analysis, and potential analysis in the Final EIR. In addition, the sections for the Initial Study were written in early 2019; therefore, the information will need to be updated accordingly.

In addition to the Noise and Archeological/Tribal Resources EIR sections, an Energy section will be added to the EIR. Energy is a new topic added to the CEQA checklist in 2019, after the scope of work for this Project was submitted. While ICF assumed that energy calculations would be included per Appendix F of the CEQA Guidelines, a separate EIR section was not anticipated. In order to comply with current CEQA requirements, a separate Energy EIR section will be included.

**Changes to the Project Description (Tasks 2 and 5).** It is ICF’s understanding that the most recent site plans are from August 2019. ICF will update the Project Description, which was written for the Initial Study and will be included in the EIR, to reflect the changes in the site plan. Most notably, the applicant has added a partial underground garage. Since this was not analyzed in the Initial Study, a brief analysis will be included in the EIR chapter “Impacts Found to be Less Than Significant,” explaining how all conclusions provided in the Initial Study would remain the same with the inclusion of a partial underground garage. In addition, the partial garage will be analyzed throughout the EIR, pending detailed construction data from the applicant. Additional iterations of the data needs list and review by the Air Quality and Noise specialists will be required.

**Project Management/Schedule Delays (Tasks 3 and 13).** Due to delays in the project, including revisions to the transportation scope of work, the schedule has been extended by several months. This has resulted in additional meetings/conference calls, prolonged subconsultant coordination, and additional budgeting, contracting, and invoicing. In addition, during this delayed time, the CEQA Checklist was revised in 2019, which required updates to the first draft of the Initial Study. For the Focused EIR, research and information gathered prior to the schedule delay will need to be updated. Therefore, ICF is requesting additional budget to reflect time expended on project management activities due to this extended schedule.
## 1. Cost Estimate for Commonwealth Building 3 Project Budget Amendment 1

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**Total hours:** 290.0

**Billing rates:**
- $273.32
- $170.79
- $124.22
- $280.66
- $172.85
- $112.81
- $91.32
- $124.25
- $120.95

**Subtotal:** $41,240.01
CONSULTANT AGREEMENT
City Manager's Office
701 Laurel St., Menlo Park, CA 94025
tel 650-330-6620

AGREEMENT FOR SERVICES BETWEEN
THE CITY OF MENLO PARK AND ICF JONES & STOKES, INC.

THIS AGREEMENT made and entered into at Menlo Park, California, this [17] day of September, 2018 by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as "CITY," and ICF JONES & STOKES, INC., hereinafter referred to as "FIRST PARTY."

WITNESSETH:

WHEREAS, SI 62, LLC, on behalf of The Sobrato Organization, LLC, proposes a 13.28-acre project site which consists of two parcels located at 151 Commonwealth Drive and 164 Jefferson Drive with two existing four-story office buildings, each having 129,929 square feet of gross floor area (GFA). The project would demolish existing onsite surface parking and landscaping on the project site and construct a third office building with six stories and 318,614 square feet of GFA. A new five-level parking structure with 1,490 parking spaces would also be constructed on the project site. Existing parking spaces along the frontage of the 164 Jefferson Drive (Assessor’s Parcel Numbers 055-243-310) would be demolished and turned into publicly-accessible open space, hereinafter referred to as the "Project"; and

WHEREAS, the City has determined that under the California Environmental Quality Act and its applicable guidelines the Project requires the preparation of an Environmental Impact Report, hereinafter referred to as the "EIR"; and

WHEREAS, FIRST PARTY is licensed to perform said services and desires to and does hereby undertake to perform said services.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, PROMISES AND CONDITIONS of each of the parties hereto, it is hereby agreed as follows:

1. SCOPE OF WORK

In consideration of the payment by CITY to FIRST PARTY, as hereinafter provided, FIRST PARTY agrees to perform all the services as set forth in Exhibit "A," Scope of Services.

2. SCHEDULE FOR WORK

FIRST PARTY’s proposed schedule for the various services required pursuant to this agreement will be as set forth in Exhibit "A," Scope of Services. CITY will be kept informed as to the progress of work by written reports, to be submitted monthly or as otherwise required in Exhibit "A." Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents or other events beyond the control of the other, or the other's employees and agents.

FIRST PARTY shall commence work immediately upon receipt of a "Notice to Proceed" from CITY. The "Notice to Proceed" date shall be considered the "effective date" of the agreement, as used
herein, except as otherwise specifically defined. FIRST PARTY shall complete all the work and deliver to CITY all project related files, records, and materials within one month after completion of all of FIRST PARTY’s activities required under this agreement.

3. PROSECUTION OF WORK

FIRST PARTY will employ a sufficient staff to prosecute the work diligently and continuously and will complete the work in accordance with the schedule of work approved by the CITY. (See Exhibit "A," Scope of Services).

4. COMPENSATION AND PAYMENT

A. CITY shall pay FIRST PARTY an all-inclusive fee that shall not exceed $402,275 as described in Exhibit "A," Scope of Services. This compensation shall be based on the rates described in Exhibit "A." All payments, including fixed hourly rates, shall be inclusive of all indirect and direct charges to the Project incurred by FIRST PARTY. The CITY reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable.

B. FIRST PARTY’s fee for the services as set forth herein shall be considered as full compensation for all indirect and direct personnel, materials, supplies and equipment, and services incurred by FIRST PARTY and used in carrying out or completing the work.

C. Payments shall be monthly for the invoice amount or such other amount as approved by CITY. As each payment is due, the FIRST PARTY shall submit a statement describing the services performed to CITY. This statement shall include, at a minimum, the project title, agreement number, the title(s) of personnel performing work, hours spent, payment rate, and a listing of all reimbursable costs. CITY shall have the discretion to approve the invoice and the work completed statement. Payment shall be for the invoice amount or such other amount as approved by CITY.

D. Payments are due upon receipt of written invoices. CITY shall have the right to receive, upon request, documentation substantiating charges billed to CITY. CITY shall have the right to perform an audit of the FIRST PARTY’s relevant records pertaining to the charges.

5. EQUAL EMPLOYMENT OPPORTUNITY

A. FIRST PARTY, with regard to the work performed by it under this agreement shall not discriminate on the grounds of race, religion, color, national origin, sex, handicap, marital status or age in the retention of sub-consultants, including procurement of materials and leases of equipment.

B. FIRST PARTY shall take affirmative action to insure that employees and applicants for employment are treated without regard to their race, color, religion, sex, national origin, marital status or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training including apprenticeship.

C. FIRST PARTY shall post in prominent places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

D. FIRST PARTY shall state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, national origin, marital status or handicap.

E. FIRST PARTY shall comply with Title VI of the Civil Rights Act of 1964 and shall provide such reports as may be required to carry out the intent of this section.

F. FIRST PARTY shall incorporate the foregoing requirements of this section in FIRST PARTY’s agreement with all sub-consultants.
6. ASSIGNMENT OF AGREEMENT AND TRANSFER OF INTEREST

A. FIRST PARTY shall not assign this agreement, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the CITY thereto, provided, however, that claims for money due or to become due to the FIRST PARTY from the CITY under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of an intended assignment or transfer shall be furnished promptly to the CITY.

B. In the event there is a change of more than 30 percent of the stock ownership or ownership in FIRST PARTY from the date of this agreement is executed, then CITY shall be notified before the date of said change of stock ownership or interest and CITY shall have the right, in event of such change in stock ownership or interest, to terminate this agreement upon notice to FIRST PARTY. In the event CITY is not notified of any such change in stock ownership or interest, then upon knowledge of same, it shall be deemed that CITY has terminated this agreement.

7. INDEPENDENT WORK CONTROL

It is expressly agreed that in the performance of the service necessary for compliance with this agreement, FIRST PARTY shall be and is an independent contractor and is not an agent or employee of CITY. FIRST PARTY has and shall retain the right to exercise full control and supervision of the services and full control over the employment, direction, compensation and discharge of all persons assisting FIRST PARTY in the performance of FIRST PARTY's services hereunder. FIRST PARTY shall be solely responsible for its own acts and those of its subordinates and employees.

8. CONSULTANT QUALIFICATIONS

It is expressly understood that FIRST PARTY is licensed and skilled in the professional calling necessary to perform the work agreed to be done by it under this agreement and CITY relies upon the skill of FIRST PARTY to do and perform said work in a skillful manner usual to the profession. The acceptance of FIRST PARTY's work by CITY does not operate as a release of FIRST PARTY from said understanding.

9. NOTICES

All notices hereby required under this agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid or by overnight courier service. Notices required to be given to CITY shall be addressed as follows:

Tom Smith
Community Development
City of Menlo Park
701 Laurel St.
Menlo Park, CA 94025
650-330-5730
tasmith@menlopark.org

Notices required to be given to FIRST PARTY shall be addressed as follows:
Kirsten Chapman, Sr. Associate Project Manager
ICE Jones & Stokes, Inc.

Provided that any party may change such address by notice, in writing, to the other party and thereafter notices shall be addressed and transmitted to the new address.
10. HOLD HARMLESS

The FIRST PARTY shall defend, indemnify and hold harmless the CITY, its subsidiary agencies, their officers, agents, employees and servants from all claims, suits or actions that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the FIRST PARTY brought for, or on account of, injuries to or death of any person or damage to property resulting from the performance of any work required by this agreement by FIRST PARTY, its officers, agents, employees and servants. Nothing herein shall be construed to require the FIRST PARTY to defend, indemnify or hold harmless the CITY, its subsidiary agencies, their officers, agents, employees and servants against any responsibility to liability in contravention of Section 2782.8 of the California Civil Code. Except for liability for death, bodily injury, damage to tangible or real property or intellectual property infringement caused by the negligence or willful misconduct of the FIRST PARTY, the aggregate liability of the FIRST PARTY under this Agreement shall not exceed the greater of the amount payable hereunder or the amount recovered under any applicable insurance coverage specified in this Agreement. In no event shall either party be liable for any indirect, incidental, special or consequential damages whatsoever (including but not limited to lost profits or interruption of business) arising out of or related to the services provided under this Agreement, even if advised of the possibility of such damages.

11. INSURANCE

A. FIRST PARTY shall not commence work under this agreement until all insurance required under this Section has been obtained and such insurance has been approved by the City, with insurance industry standard ACORD form certificates of insurance evidencing the required coverage.

B. There shall be a contractual liability endorsement extending the FIRST PARTY's coverage to include the contractual liability assumed by the FIRST PARTY pursuant to this agreement. All Insurance policies and the Certificate of Insurance shall indicate, that should the policy be cancelled before the expiration date thereof written notice of said cancellation will be delivered in accordance with the policy provisions, which shall not be less than thirty (30) days notice of cancellation except for non-payment of premium which shall not be less than ten (10) days notice of cancellation at the address shown in Section 9, of any pending cancellation of the policy. FIRST PARTY shall notify CITY of any pending change to the policy. All certificates shall be filed with the City.

1. Workers' compensation and employer's liability insurance:
The FIRST PARTY shall have in effect during the entire life of this agreement workers' compensation and Employer's Liability Insurance providing full statutory coverage. In signing this agreement, the FIRST PARTY 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 agreement" (not required if the FIRST PARTY is a Sole Proprietor).

2. Liability insurance:
The FIRST PARTY shall take out and maintain during the life of this agreement 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 agreement 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 FIRST PARTY's operations under this agreement, whether such operations be by FIRST PARTY 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 one million dollars ($1,000,000) per occurrence and one million dollars ($1,000,000) in aggregate, or one million dollars ($1,000,000) combined single limit bodily injury and property damage for each occurrence. FIRST PARTY shall provide the CITY with acceptable evidence of coverage, including a copy of all declarations of coverage exclusions. FIRST PARTY shall maintain Automobile Liability Insurance pursuant to this agreement 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.

3. Professional liability insurance:
FIRST PARTY shall maintain a policy of professional liability insurance, protecting it against claims arising out of the negligent acts, errors, or omissions of FIRST PARTY pursuant to this agreement, in the amount of not less than one million dollars ($1,000,000) per claim and in the aggregate. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of services described herein.

C. CITY and its subsidiary agencies, and their officers, employees and servants shall be included as additional insured on any such policies of Commercial General Liability and Automobile Liability Insurance, (but not for the Professional Liability and workers' compensation), which shall also contain a provision that the insurance afforded thereby to the CITY, its subsidiary agencies, and their officers, 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.

D. 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 agreement to the contrary, immediately declare a material breach of this agreement and suspend all further work pursuant to this agreement.

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

12. PAYMENT OF PERMITS/LICENSES
Contractor shall obtain any license, permit, or approval if necessary from any agency whatsoever for the work/services to be performed, at his/her own expense, before commencement of said work/services or forfeit any right to compensation under this agreement.

13. RESPONSIBILITY AND LIABILITY FOR SUB-CONSULTANTS AND/OR SUBCONTRACTORS
Approval of or by CITY shall not constitute nor be deemed a release of responsibility and liability of FIRST PARTY or its sub-consultants and/or subcontractors for the accuracy and competency of the designs, working drawings, specifications or other documents and work, nor shall its approval be deemed to be an assumption of such responsibility by CITY for any defect in the designs, working drawings, specifications or other documents prepared by FIRST PARTY or its sub-consultants and/or subcontractors.

14. OWNERSHIP OF WORK PRODUCT
Work products of FIRST PARTY for this project, which are delivered under this Agreement or which are developed, produced and paid for under this Agreement, shall become the property of CITY and the applicant. The reuse of FIRST PARTY's work products by City for purposes other than intended by this Agreement shall be at no risk to FIRST PARTY.

In addition to the rights granted under the preceding paragraph, the Consultant may also provide Consultant Property. The term "Consultant Property" shall mean all pre-existing material, including, but not limited to, any products, software, materials and methodologies proprietary to Consultant or provided by Consultant or its suppliers, and any trade secrets, knowhow, methodologies and processes related to Consultant's products or services, all of which shall remain the sole and exclusive property of Consultant or its suppliers. Subject to the terms of this Agreement, Consultant grants to City a non-exclusive, non-transferable, irrevocable license to use the Consultant Property contained in the deliverables provided hereunder for the purposes of this Agreement.
The Consultant shall conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independently and independent of the control or direction of the City or of any City official, other than normal contract monitoring, for the entire term of this Agreement.

15. REPRESENTATION OF WORK

Any and all representations of FIRST PARTY, in connection with the work performed or the information supplied, shall not apply to any other project or site, except the project described in Exhibit "A" or as otherwise specified in Exhibit "A," and in accordance with CEQA and its applicable guidelines, consistent with the prevailing and customary standards of care in the industry for professional services in the preparation of environmental documentation ("Standards"), and in accordance with the agreed upon work program and schedule, as detailed in Exhibit A-1 attached hereto. City and Consultant further agree as follows: (i) City shall inform Consultant of any problems in the quality of Consultant's delivered work product within a reasonable period of time, (ii) if requested by City, Consultant will complete the required revisions of such work product to the reasonable satisfaction of City; and (iii) the additional costs of completing such requested revisions will not be chargeable to the City to the extent it is established that Consultant failed to meet the Standards in completing such work, but otherwise the additional costs are recoverable under this Agreement.

16. TERMINATION OF AGREEMENT

A. CITY may give ten (10) days written notice to FIRST PARTY, terminating this agreement in whole or in part at any time, either for CITY's convenience or because of the failure of FIRST PARTY to fulfill its contractual obligations or because of FIRST PARTY's change of its assigned personnel on the project without prior CITY approval. Upon receipt of such notice, FIRST PARTY shall:
   1. Immediately discontinue all services affected (unless the notice directs otherwise); and
   2. Deliver to the CITY all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated or produced by FIRST PARTY in performing work under this agreement, whether completed or in process.
B. If termination is for the convenience of CITY, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.
C. If the termination is due to the failure of FIRST PARTY to fulfill its agreement, CITY may take over the work and prosecute the same to completion by agreement or otherwise. In such case, FIRST PARTY shall be liable to CITY for any reasonable additional cost occasioned to the CITY thereby.
D. If, after notice of termination for failure to fulfill agreement obligations, it is determined that FIRST PARTY had not so failed, the termination shall be deemed to have been effected for the convenience of the CITY. In such event, adjustment in the contract price shall be made as provided in Paragraph B of this Section.
E. The rights and remedies of the CITY provided in this Section are in addition to any other rights and remedies provided by law or under this agreement.
F. Subject to the foregoing provisions, the CITY shall pay FIRST PARTY for services performed and expenses incurred through the termination date.

17. INSPECTION OF WORK

It is FIRST PARTY's obligation to make the work product available for CITY and project applicant to inspect upon request by CITY.
18. COMPLIANCE WITH LAWS

It shall be the responsibility of FIRST PARTY to comply with all State and Federal Laws applicable to the work and services provided pursuant to this agreement, including but not limited to compliance with prevailing wage laws, if applicable.

19. BREACH OF AGREEMENT

A. This agreement is governed by applicable federal and state statutes and regulations. Any material deviation by FIRST PARTY for any reason from the requirements thereof, or from any other provision of this agreement, shall constitute a breach of this agreement and may be cause for termination at the election of the CITY.

B. The CITY reserves the right to waive any and all breaches of this agreement, and any such waiver shall not be deemed a waiver of any previous or subsequent breaches. In the event the CITY chooses to waive a particular breach of this agreement, it may condition same on payment by FIRST PARTY of actual damages occasioned by such breach of agreement.

20. SEVERABILITY

The provisions of this agreement are severable. If any portion of this agreement is held invalid by a court of competent jurisdiction, the remainder of the agreement shall remain in full force and effect unless amended or modified by the mutual consent of the parties.

21. CAPTIONS

The captions of this agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction, or meaning of any provisions of this agreement.

22. LITIGATION OR ARBITRATION

In the event that suit or arbitration is brought to enforce the terms of this agreement, the prevailing party shall be entitled to litigation costs and reasonable attorneys' fees. The Dispute Resolution provisions are set forth on Exhibit "B," 'Dispute Resolution' attached hereto and by this reference incorporated herein.

23. RETENTION OF RECORDS

Contractor shall maintain all required records for three years after the City makes final payment and all other pending matters are closed, and shall be subject to the examination and /or audit of the City, a federal agency, and the state of California.

24. TERM OF AGREEMENT

This agreement shall remain in effect for the period of February 16, 2018, through June 30, 2020, unless extended, amended, or terminated in writing by CITY.

25. ENTIRE AGREEMENT

This document constitutes the sole agreement of the parties hereto relating to said project and states the rights, duties, and obligations of each party as of the document's date. Any prior agreement, promises, negotiations, or representations between parties not expressly stated in this document are not binding. All modifications, amendments, or waivers of the terms of this agreement must be in writing and signed by the appropriate representatives of the parties to this agreement.
26. STATEMENT OF ECONOMIC INTEREST

Consultants, as defined by Section 18701 of the Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations, are required to file a Statement of Economic Interests with 30 days of approval of a contract services agreement with the City of its subdivisions, on an annual basis thereafter during the term of the contract, and within 30 days of completion of the contract.

Based upon review of the Consultant’s Scope of Work and determination by the City Manager, it is determined that Consultant IS NOT required to file a Statement of Economic Interest. A statement of Economic Interest shall be filed with the City Clerk’s office no later than 30 days after the execution of the agreement.
IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

FOR FIRST PARTY:

[Signature]

Trina L. Fisher
Printed name

[Redacted]
Tax ID#

APPROVED AS TO FORM:

[Signature]

William L. McClure, City Attorney

FOR CITY OF MENLO PARK:

[Signature]

Alex D. McIntyre, City Manager

ATTEST:

[Signature]

Judi A. Herren, City Clerk

September 5, 2018
Date

Contracts Administrator
Title

[9/11/18]
Date

[9/17/18]
Date

[9/17/18]
Date
EXHIBIT “A” – SCOPE OF SERVICES

A1. SCOPE OF WORK

FIRST PARTY agrees to provide consultant services for CITY’s Community Development Department. In the event of any discrepancy between any of the terms of the FIRST PARTY’s proposal and those of this agreement, the version most favorable to the CITY shall prevail. FIRST PARTY shall provide the following services:

Provide general consultant services for projects as determined by the CITY. The detailed scope of work for each task the CITY assigns the consultant shall be referred to as Exhibit A-1, which will become part of this agreement. A notice to proceed will be issued separately for each separate scope of work agreed to between the CITY and FIRST PARTY.

FIRST PARTY agrees to perform these services as directed by the CITY in accordance with the standards of its profession and CITY’s satisfaction.

A2. COMPENSATION

CITY hereby agrees to pay FIRST PARTY at the rates to be negotiated between FIRST PARTY and CITY as detailed in Exhibit A-1. The actual charges shall be based upon (a) FIRST PARTY’s standard hourly rate for various classifications of personnel; (b) all fees, salaries and expenses to be paid to engineers, consultants, independent contractors, or agents employed by FIRST PARTY; and shall (c) include reimbursement for mileage, courier and plan reproduction. The total fee for each separate Scope of Work agreed to between the CITY and FIRST PARTY shall not exceed the amount shown in Exhibit A-1.

FIRST PARTY shall be paid within thirty (30) days after approval of billing for work completed and approved by the CITY. Invoices shall be submitted containing all information contained in Section A5 below. In no event shall FIRST PARTY be entitled to compensation for extra work unless an approved change order, or other written authorization describing the extra work and payment terms, has been executed by CITY before the commencement of the work.

A3. SCHEDULE OF WORK

FIRST PARTY’S proposed schedule for the various services required will be set forth in Exhibit A-1.

A4. CHANGES IN WORK -- EXTRA WORK

In addition to services described in Section A1, the parties may from time to time agree in writing that FIRST PARTY, for additional compensation, shall perform additional services including but not limited to:

- Change in the services because of changes in scope of the work.
- Additional tasks not specified herein as required by the CITY.

The CITY and FIRST PARTY shall agree in writing to any changes in compensation and/or changes in FIRST PARTY’s services before the commencement of any work. If FIRST PARTY deems work he/she has been directed to perform is beyond the scope of this agreement and constitutes extra work, FIRST PARTY shall immediately inform the CITY in writing of the fact. The CITY shall make a determination as to whether such work is in fact beyond the scope of this agreement and constitutes extra work. In the event that the CITY determines that such work does constitute extra work, it shall provide compensation to the FIRST PARTY in accordance with an agreed cost that is fair and equitable. This cost will be mutually agreed upon by the CITY and FIRST PARTY. A supplemental agreement providing for such compensation for extra work shall be negotiated between the CITY and the FIRST PARTY. Such supplemental agreement shall be executed by the FIRST PARTY and may be approved by the City Manager upon recommendation of the Community Development Director.
## A5. BILLINGS

FIRST PARTY’s bills shall include the following information: A brief description of services performed, project title and the agreement number; the date the services were performed; the number of hours spent and by whom; the current contract amount; the current invoice amount; Except as specifically authorized by CITY, FIRST PARTY shall not bill CITY for duplicate services performed by more than one person. In no event shall FIRST PARTY submit any billing for an amount in excess of the maximum amount of compensation provided in Section A2.

The expenses of any office, including furniture and equipment rental, supplies, salaries of employees, telephone calls, postage, advertising, and all other expenses incurred by FIRST PARTY in the performances of this agreement shall be incurred at the FIRST PARTY’s discretion. Such expenses shall be FIRST PARTY’s sole financial responsibility.
EXHIBIT “B” - DISPUTE RESOLUTION

| B1.0 | All claims, disputes and other matters in question between the FIRST PARTY and CITY arising out of, or relating to, the contract documents or the breach thereof, shall be resolved as follows: |
| B2.0 | Mediation |
| B2.1 | The parties shall attempt in good faith first to mediate such dispute and use their best efforts to reach agreement on the matters in dispute. After a written demand for non-binding mediation, which shall specify in detail the facts of the dispute, and within ten (10) days from the date of delivery of the demand, the matter shall be submitted to a mutually agreeable mediator. The Mediator shall hear the matter and provide an informal opinion and advice, none of which shall be binding upon the parties, but is expected by the parties to help resolve the dispute. Said informal opinion and advice shall be submitted to the parties within twenty (20) days following written demand for mediation. The Mediator’s fee shall be shared equally by the parties. If the dispute has not been resolved, the matter shall be submitted to arbitration in accordance with Paragraph B3.1. |
| B3.0 | Arbitration |
| B3.1 | Any dispute between the parties that is to be resolved by arbitration as provided in Paragraph B2.1 shall be settled and decided by arbitration conducted by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, as then in effect, except as provided below. Any such arbitration shall be held before three arbitrators who shall be selected by mutual agreement of the parties; if agreement is not reached on the selection of the arbitrators within fifteen (15) days, then such arbitrator(s) shall be appointed by the presiding Judge of the court of jurisdiction of the agreement. |
| B3.2 | The provisions of the Construction Industry Arbitration Rules of the American Arbitration Association shall apply and govern such arbitration, subject, however to the following: |
| B3.3 | Any demand for arbitration shall be writing and must be made within a reasonable time after the claim, dispute or other matter in question as arisen. In no event shall the demand for arbitration be made after the date that institution of legal or equitable proceedings based on such claim, dispute or other matter would be barred by the applicable statute of limitations. |
| B3.4 | The arbitrator or arbitrators appointed must be former or retired judges, or attorneys at law with last ten (10) years’ experience in construction litigation. |
| B3.5 | All proceedings involving the parties shall be reported by a certified shorthand court reporter, and written transcripts of the proceedings shall be prepared and made available to the parties. |
| B3.6 | The arbitrator or arbitrators must be made within and provide to the parties factual findings and the reasons on which the decisions of the arbitrator or arbitrators is based. |
| B3.7 | Final decision by the arbitrator or arbitrators must be made within ninety (90) days from the date of the arbitration proceedings are initiated. |
| B3.8 | The prevailing party shall be awarded reasonable attorneys’ fees, expert and non-expert witness costs and expenses, and other costs and expenses incurred in connection with the arbitration, unless the arbitrator or arbitrators for good cause determine otherwise. |
| B3.9 | Costs and fees of the arbitrator or arbitrators shall be borne by the non-prevailing party, unless the arbitrator or arbitrators for good cause determine otherwise. |
| B3.10 | The award or decision of the arbitrator or arbitrators, which may include equitable relief, shall be final, and judgment may be entered on it in accordance with applicable law in any court having jurisdiction over the matter.
February 2, 2018

Tom Smith, Associate Planner
City of Menlo Park Community Development Department
701 Laurel Street
Menlo Park, CA 94025

SUBJECT: Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project (rev. 1)

Dear Mr. Smith:

ICF Jones & Stokes, Inc. ("ICF") is pleased to present this scope and budget to prepare an Initial Study and Environmental Impact Report (EIR) for the proposed Commonwealth Building 3 Project (hereafter referred to as the Project). This scope of work reflects the proposed Project information provided to ICF by Menlo Park staff, knowledge of the area, and prior experience with similar projects within Menlo Park. We offer a team of highly skilled environmental professionals who are familiar with the City and will produce legally defensible and comprehensive CEQA documentation allowing the Project to be developed as expeditiously as possible. Our experience on several projects in the City allows our staff to respond quickly to your needs.

The Project site consists of two parcels at the existing Commonwealth Corporate Center: the Commonwealth Site at 151 Commonwealth Drive and the Jefferson Site at 164 Jefferson Drive. The Project would demolish existing onsite surface parking and landscaping and construct a new building ("Building 3") and a new parking structure. The proposed 6-story office building would be approximately 318,610 square feet (sf) and the proposed 5-level parking structure would provide 1,490 parking spaces.

This scope of work reflects recent conversations and provides a solid launching point to move through the environmental review process efficiently, thoughtfully, and diligently. As demonstrated in our proposal, ICF has formed a team of expert internal staff and includes subconsultants to successfully and efficiently provide environmental services for the City. The proposed team includes Keyser Marston Associates (Housing Needs Assessment), Kittelson & Associates, Inc. (Transportation), and Bay Area Economics (Fiscal Impact Analysis).

This proposal is valid for a period of 90 days, at which time ICF reserves the right to revise the contents or extend the validity date, if needed. If selected to conduct the CEQA review, ICF respectfully reserves the right to negotiate contract terms similar to those we negotiated with the City in previous contracts. Please feel free to contact Jessica Viramontes at 415.677.7108 or jessica.viramontes@icf.com. We look forward to working with you on this project.
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project
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Sincerely,

[Signature]

Trina L. Prince-Fisher
Contracts Administrator

Attachments
A. Budget
B. Schedule
C. Keyser Marston Associates (Housing Needs Assessment)
D. Kittelson & Associates, Inc. (Transportation)
E. Bay Area Economics (Fiscal Impact Analysis)
A. Firm Profile

Founded in 1969, ICF is a leading global professional services firm that provides consulting and implementation services addressing today’s most complex management, technology, and policy challenges. Our work is primarily focused in four key markets: environment and infrastructure; energy and climate change; health, human services, and social programs; and homeland security and defense. Our environmental practice provides services in environmental planning, land use planning, regulatory compliance, regulatory implementation, natural resources, and supporting environmental review. Our full-time professional staff includes environmental compliance experts, land-use and natural resource planners, wildlife and fisheries biologists, plant and wetland biologists, watershed planners, restoration experts, archaeologists, architectural historians, community affairs experts, attorneys, engineers, and information technologists. With more than 4,500 employees on six continents, we combine passion for our work with industry and technical expertise to protect and improve the quality of life.

ICF is a recognized leader in California Environmental Quality Act (CEQA) compliance, having prepared thousands of environmental impact studies and related documents since the founding of the former Jones & Stokes. Bob Jones, one of the founders of Jones & Stokes, was instrumental in drafting the legislation that ultimately became CEQA in California. Shortly thereafter, Bob joined fellow biologist Jim Stokes to form Jones & Stokes, which rose to prominence in the fields of environmental planning and natural resources management. By the time it was acquired by ICF in 2008, Jones & Stokes was one of the most well-known and well-respected firms providing NEPA and CEQA compliance services in the Bay Area and throughout the west. Although we are able to draw expertise from all west coast offices, we will service the Project primarily by our San Francisco office.

B. Key Personnel and Project Experience

We offer unique advantages with our local knowledge and experience with issues important to the City of Menlo Park (City). This deep local knowledge and familiarity with City staff and practices directly relates to enabling us to deliver high-quality environmental support by understanding the nuances of your needs. We understand the issues important to City staff as well as members of the public and, using our relevant experience on City projects, can anticipate these needs and keep projects on schedule and budget. Similar to our project management team on previous Menlo Park projects, Rich Walter will serve as Senior Advisor, Erin Efner as Project Director, and Jessica Virramontes as Project Manager. In addition, ICF will team with Keyser Marston Associates (Housing Needs Assessment), Kittelson & Associates, Inc. (Transportation), and Bay Area Economics (Fiscal Impact Analysis). Please refer to Attachments C through E.

ICF has a long reputation as a leader in the preparation of documents on development, infrastructure, and transportation projects throughout the Bay Area. A list of relevant work is presented below. This is not an exhaustive list of projects completed by ICF on the peninsula in the Bay Area; additional project information is available upon request.

ICF
C. Project Understanding and General Approach

ICF has reviewed the information provided by the City and the Sobrato Organization (Project Sponsor). Based on our review of project materials and experience with similar projects, we understand that an Initial Study, followed by a focused EIR is needed. The project understanding and the general approach is discussed below.

Project Understanding

The Project involves the construction of a third building and a parking structure at the existing Commonwealth Corporate Center. The Project site is located within Menlo Park's Bayfront area and consists of two parcels: the Commonwealth Site and the Jefferson Site. The Commonwealth Site at 151 Commonwealth Drive is approximately 12.1 acres. The Jefferson Site at 164 Jefferson Drive is directly adjacent to the Commonwealth Site to the north and is approximately 1.2 acres. The Project site is bound to the north and west by commercial buildings, to the south by US 101, and to the southeast by the inactive Dumbarton Rail Corridor. The Project would demolish existing onsite surface parking and landscaping and construct a new building ("Building 3") and a new parking structure. The proposed 6-story office building would be approximately 318,610 square feet, bringing the total floor area ratio (FAR) to 1.0 per the bonus level zoning after the two parcels are combined. The proposed 5-level parking structure would provide 1,490 parking spaces.

General Approach

ConnectMenlo, which updated the City's General Plan Land Use and Circulation Elements and the M-2 Area, was approved on November 29, 2016. This serves as the City's comprehensive and long-range guide to land use and infrastructure development. ConnectMenlo assumed an increase in net new development of up to 2.3 million square feet of non-residential uses, up to 4,500 residential uses, and up to 400 hotel rooms. The Project site is within the M-2 Area and is within the parameters of the ConnectMenlo assumptions.

Because of the long-term planning horizon of ConnectMenlo, the ConnectMenlo EIR was prepared as a program EIR, pursuant to Section 15158 of the CEQA Guidelines. Once a program EIR has been certified, subsequent activities within the program must be evaluated to determine whether additional CEQA review needs to be prepared. However, if the program EIR addresses the program’s effects as
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project
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specifically and comprehensively as possible, subsequent activities could be found to be within the program EIR scope, and additional environmental review may not be required (CEQA Guidelines Section 15168[c]). When a program EIR is relied on for a subsequent activity, the lead agency must incorporate feasible mitigation measures and alternatives developed in the program EIR into the subsequent activities (CEQA Guidelines Section 15168[c][3]). If a subsequent activity would have effects that are not within the scope of a program EIR, the lead agency must prepare a new Initial Study leading to a Negative Declaration, a Mitigated Negative Declaration, or an EIR. The ConnectMenlo Program EIR will serve as the first-tier environmental analysis for the Project.

On December 5, 2017, the City Council approved the proposed settlement agreement between the City of Menlo Park and the City of East Palo Alto to resolve the litigation regarding ConnectMenlo. The key terms of the settlement agreement are related to reciprocal environmental review for future development projects, traffic studies, fair share mitigation impact fees, trip cap projects, and study of the multiplier effect. The settlement agreement will serve to inform the scope of the analysis for several topics in the EIR and provide guidance on the requirements for the Project's Housing Needs Assessment (HNA), as discussed in Attachment C.

Based on the requirements outlined in Section 15168 of the CEQA Guidelines, an Initial Study will be prepared to disclose relevant impacts and mitigation measures covered in the ConnectMenlo EIR and discuss whether the Project is within the parameters of the ConnectMenlo EIR. This will scope out several topics from further evaluation. Subsequent to the Initial Study, a Focused EIR will be prepared for the impacts that need further discussion and/or mitigation beyond those analyzed in the ConnectMenlo EIR. This is discussed in more detail below.

D. Scope of Work

Task 1. Project Initiation

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

- Discuss data needs to complete the Initial Study/EIR.
- Confirm procedures for contacting the Project Sponsor team, City staff, and public agencies.
- Review and agree on schedules and deadlines.
- Summarize the next steps, including the NOP, Initial Study, scoping, draft Project Description, and the EIR.
- Discuss in more detail how to apply ConnectMenlo and determine which mitigation measures would apply.
- Discuss City preferences regarding Initial Study/EIR format and organization.
- Discuss CEQA baseline and cumulative projects.
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project
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- Outline Alternatives.
This task also assumes a thorough site reconnaissance to be conducted by key EIR preparers.

**Deliverables**
- Data needs request for the City and Project Sponsor
- Revised schedule

**Task 2. Initial Study/EIR Project Description**

ICF will prepare the Project Description based on discussions with Project Sponsor team, input from City staff, site visit, data needs responses, and review of the Project application, plan set, and supplemental reports. A clear and accurate Project Description is essential to the analysis. Based on discussions with City staff and on the Project Sponsor’s application and plans, ICF will prepare a Project Description for both the Initial Study and the EIR that will incorporate the following topics:

- Project Overview and Background
- Project Site Location
- Project Objectives
- Project Characteristics by including:
  - Relationship to ConnectMenlo
  - Site plan
  - Development districts and uses
  - Employment levels
  - Site access, circulation, and parking
  - Transportation Demand Management (TDM) Program
  - Campus design, architectural themes, massing, building design, potential sustainable design features, and materials
  - Amenities such as landscaping, lighting, signage, courtyards, and gathering spaces
  - Utilities
  - Recycling and Waste
- Phasing and Construction Scenario
- Project Approvals and Entitlements

The Project Description will be submitted to the City for review. Following receipt of comments, ICF will then revise the Project Description based on City comments and additional data needs responses from the Project Sponsor. This revised version of the Project Description will be included in the Initial Study.

**Deliverables**
- Electronic copies of the draft Project Description in MS Word and Adobe PDF format

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1 Assumes that data needs outlined in ICF's data request have been fulfilled.
Task 3. Initial Study

In the Initial Study, ICF will disclose each of the CEQA environmental topics to determine which would require additional discussion in the focused EIR, and which would present no change from what was previously analyzed in the ConnectMenlo EIR. For consistency with other City documents, the Initial Study will follow a similar format as the CEQA checklists for the 1300 El Camino Real Project and the 500 El Camino Real Project.

The discussion below presents our initial approach as to the level of detail needed in the Initial Study. Please note that this is based on our initial, brief review of Project materials and ConnectMenlo only. It could be determined during the preparation of the Initial Study that topics listed below should be evaluated in the focused EIR (rather than the Initial Study). If that occurs, our scope and budget will be adjusted accordingly.

- **Aesthetics** – Aesthetic impacts were determined to be less than significant in the ConnectMenlo Draft EIR. The Project would include increased development intensity; therefore, the buildings would have more mass, bulk, height, lighting, and/or glare, resulting in potentially greater visual impacts. Upon receipt of site plans and building elevations and visual simulations prepared by the Project Sponsor, ICF will determine whether the Project would result in additional aesthetics impacts than what was analyzed in the ConnectMenlo EIR. The surrounding sensitive viewer locations that could be affected by the proposed development include Joseph P Kelly Park and Highway 101 northbound. However, based on existing receptors, it is not expected that impacts would be greater than those previously analyzed.

- **Agricultural and Forestry Resources** – No agricultural or forestry resources currently exist at the Project site. Therefore, no impacts would occur.

- **Air Quality** – It is anticipated that all of the air quality topics will be discussed in the EIR, rather than in the Initial Study (see Task 5, below).

- **Biological Resources** – The Project site is within an urban setting. The Project site is generally bound to the north and west by commercial buildings, to the south by US 101, and to the southeast by the Dumbarton Rail Corridor. Although the Project site is near the Bay and the Don Edwards San Francisco Bay National Wildlife Refuge, it is separated by State Route 84 and, therefore, is not expected to have an impact on special-status species inhabiting these areas. The Project site is currently occupied with office, biotech, and research and development (R&D) uses and includes surface parking lots and landscaping. However, trees planted within the past few years as part of the Commonwealth Corporate Center could provide habitat for nesting birds. The Initial Study would consider potential impacts to nesting birds during construction and would apply standard mitigation measures outlined in the ConnectMenlo EIR.

- **Cultural Resources** – Based on a review of historic aerial photos, two properties that adjoin the Project site appear to be more than 50 years old. In accordance with ConnectMenlo EIR Mitigation Measure CULT-1, ICF will perform the necessary historic research and prepare California Department of Parks and Recreation 523A and 523B forms to determine whether the
adjoining age-eligible properties are eligible for listing in the California Register of Historical Resources and thus qualify as historical resources for the purposes of CEQA review. ICF will summarize the results of the research in the Initial Study and the 523A and 523B forms will be appended to the Initial Study. The Project would likely result in the same amount and location of ground disturbance as what was assumed in the ConnectMenlo EIR. Thus, the findings of the ConnectMenlo EIR will be reviewed to assess the potential for encountering archaeological resources, paleontological resources, and/or human remains at the Project site. It is anticipated that the magnitude of potential impacts for the Project would not change relative to the ConnectMenlo EIR and the same mitigation measures would apply. These standard mitigation measures would be referenced in the Initial Study.

- **Geology and Soils** – It is expected that construction of the proposed new building and parking structure would have the same impacts related to geology and soils as previously analyzed in the ConnectMenlo EIR. Construction of the new buildings is expected to adhere to the California Building Code and associated recommendations and no additional impacts would result. The Initial Study would evaluate the geohazard risks specific to the Project site using the Geotechnical Report from the Project Sponsor.

- **Greenhouse Gas Emissions (GHG)** – It is anticipated that all of the GHG topics will be discussed in the EIR, rather than in the Initial Study (see Task 5, below).

- **Hazards and Hazardous Materials** – Construction and implementation of the Project would not create a significant hazard to the public or environment. The Project would likely not result in increased impacts compared to the ConnectMenlo EIR and the same mitigation measures would apply to mitigate the hazardous material impacts to a less-than-significant level. The previous analysis will be referenced here and a determination will be made as to whether the new Project would result in additional impacts.

- **Hydrology and Water Quality** – As stated above, the Project site is currently occupied with offices, biotech, and R&D uses and includes surface parking lots and landscaping. Therefore, it is anticipated that construction of a new building and parking structure could increase impervious surfaces and result in a reduction of stormwater runoff quality, which could result in drainage and localized flooding problems. The analysis will consider how the proposed building footprints and impervious surfaces compare to existing conditions would affect peak flow rates. Although development intensity would increase at the Project site, it is expected that the same hydrology impacts as analyzed in the ConnectMenlo EIR would occur. To analyze impacts specific to the Project site, ICF will review technical information received from the Project Sponsor, such as hydrology or drainage reports.

- **Land Use** – The land use and policy impacts are expected to be similar as those previously analyzed. The revised General Plan designated the Project site as Office with Density Bonus (O-B) and the zoning ordinance allows up to 1.0 FAR and 75.5-foot maximum height. The proposed 8-story office building would be approximately 318,610 square feet, bringing the total FAR to 1.0 per the bonus level zoning after the two parcels are combined. The Project would be
consistent with the General Plan and would comply with existing zoning and building requirements. It is not expected that additional physical environmental impacts would result beyond what was previously evaluated in the ConnectMenlo EIR.

- **Mineral Resources** – No mineral resources currently exist at the Project site. Therefore, no impacts would occur.

- **Noise** – Due to the development intensity at the Project site, the Project could result in greater noise levels compared to existing conditions. Increased development could result in a longer construction period, additional traffic, and more onsite activity during operation. ICF will address exposure of existing noise sensitive land uses to noise and vibration associated with construction activity. The discussion of construction noise and vibration impacts will mostly rely on the analysis in the ConnectMenlo EIR, and will include applicable mitigation measures from the ConnectMenlo EIR that would be required for the Project. In addition, ICF will discuss exposure of existing noise sensitive land uses to operational noise from the Project site (mechanical equipment, parking lots, loading docks, etc.) and apply mitigation measures from the ConnectMenlo EIR, as needed. These topics will be scoped out from further review in the EIR. However, traffic patterns resulting from the project could be different from what was disclosed in the ConnectMenlo EIR. Thus, the volume of traffic from the project on adjacent roadways may be different from the assumptions used in the ConnectMenlo EIR. Therefore, traffic-related noise will not be scoped out and will be reviewed in more detail in the EIR (see Task 5, below).

- **Population and Housing** – As discussed above, one of the key terms of the settlement agreement between the City of Menlo Park and the City of East Palo Alto is that an HNA will be prepared when the preparation of an EIR is required. It is anticipated that all of the population and housing topics will be discussed in the EIR, rather than in the Initial Study (see Task 5, below).

- **Public Services and Utilities** – As stated above, the Project would intensify uses at the site compared to existing conditions and would introduce new onsite employees as well as additional demand for services and utilities. ICF will estimate the Project-generated demand for public services and utilities based on existing operational standards. Compared to the analysis in the ConnectMenlo EIR, the Project is not expected to trigger the need for new or expanded public service facilities or utilities. This scope of work anticipates that the land use assumptions in the Water Supply Evaluation (WSE) Study prepared for ConnectMenlo were conservative. ICF will document the Project's compliance with zoning requirements. It is anticipated that a Water Supply Assessment (WSA) will be prepared for the Project and provided to ICF for inclusion in the EIR, rather than in the Initial Study (see Task 5, below). In addition, the Initial Study will discuss and evaluate the existing water flow issue for fire pressure in the Menlo Labs area of the City.

- **Transportation and Traffic** – It is anticipated that all of the transportation topics will be discussed in the EIR, rather than in the Initial Study (see Task 5, below).

ICF will submit the draft Initial Study to the City, edit the Initial Study based on one round of comments, and release the Final Initial Study. Additional rounds of review are not assumed in this scope of work.
Deliverables

- Electronic copies of the draft Initial Study in MS Word and Adobe PDF format
- Electronic copies of the revised (final) Initial Study that incorporates comments from the City and Project Sponsor in MS Word and Adobe PDF format

Task 4. Draft and Issue Notice of Preparation/Scope Definition

Concurrent with the finalization of the Initial Study, ICF will prepare the Notice of Preparation (NOP) for City staff review. Upon receipt of NOP comments, ICF may need to refine the scope of work based on discussions with staff (if necessary).

- **Draft and Issue Notice of Preparation.** An NOP will be prepared by ICF for City staff review. The NOP would include a description of the Project, a description and map of the Project location, the probable environmental effects of the Project, and the intersections to be analyzed in the EIR. The scope assumes that one draft and one final NOP will be prepared. The scope also assumes that ICF will distribute the final NOP and Notice of Completion (NOC) to the State Clearinghouse and that the City will distribute the NOP to the County Clerk (for posting) and oversee mailing to other interested parties and public agencies. The final Initial Study would be circulated with the NOP as an attachment.

- **Public Scoping.** ICF will attend and present at one scoping meeting (held as part of a regular Planning Commission meeting) and record comments received during the meeting. The principle objective of this scoping meeting will be to confirm or revise the list of critical environmental issues and the range of alternatives to be examined in the EIR.

- **Revised Scope of Work.** As a result of discussion at the project initiation meeting, public scoping meeting, and responses to the NOP, ICF will revise the scope of work for consideration by City staff, if necessary. The revised scope of work will fine-tune the data collection activities, refine impact methodologies and assumptions (e.g., number of locations for traffic counts, noise measurements, etc.), adjust significance criteria for key environmental and neighborhood issues, and affirm or revise expectations about the preparation process, schedule, and products. Additionally, topics that were originally scoped out in the Initial Study may need to be analyzed further in the EIR. Accordingly, in consultation with City staff, a revised scope of work and budget may be prepared as part of this task. This would be submitted as a budget amendment.

Deliverables

- Electronic copies of draft NOP in MS Word and Acrobat PDF format
- Electronic copies of the final NOP in MS Word and Adobe PDF format
- Fifteen hard copies of the final NOP to the State Clearinghouse
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project
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Task 5. Administrative Draft EIR

As discussed above, the Project site is within the ConnectMenlo area. Since the Project's site plan and
development parameters are consistent with ConnectMenlo, the programmatic ConnectMenlo EIR is
applicable to the Project. In accordance with Section 15168 of the CEQA Guidelines, the Draft EIR will be
limited to those effects that: have planned characteristics that are substantially different from those
defined in the ConnectMenlo EIR, require additional mitigation measures, or have specific impacts not
evaluated in sufficient detail in the ConnectMenlo EIR. The purpose of this task is to prepare the focused
Administrative Draft EIR. Based on initial review, we anticipate that the Initial Study (as outlined above)
will scope out all topics but the following: Air Quality, Greenhouse Gas Emissions, Noise, Population and
Housing, and Transportation and Traffic.

This task will synthesize background information for use in the existing setting, evaluate changes to those
baseline conditions resulting from implementation of the Project to identify significant impacts, and identify
mitigation measures to reduce potentially significant impacts to a less-than-significant level.

The ICF team will collect the information necessary to define baseline conditions in the Project area. We
anticipate that baseline conditions will reflect the conditions at the time of the NOP release. ICF will also
refer to the ConnectMenlo EIR and other EIRs prepared for projects in the area for applicable background
data, impact areas, and mitigation measures.

The analysis will be based on standard methodologies and techniques, and will focus on the net changes
anticipated at the Project site. The text will clearly link measures to impacts and indicate their
effectiveness (i.e., ability to reduce an impact to a less-than-significant level), identify the responsible
agency or party, and distinguish whether measures are proposed as part of the Project, are already being
implemented (such as existing regulations), or are to be considered. This approach facilitates preparation
of the Mitigation Monitoring and Reporting Program (MMRP) that follows certification of an EIR, as
discussed in more detail under Task 12, below.

The Administrative Draft EIR will also incorporate the alternatives and other CEQA considerations
described in Task 6 (below). It is envisioned that the City's initial review of the document will consider
content, accuracy, validity of assumptions, classification of impacts, feasibility of mitigation measures, and
alternatives analyses. Because the impacts and mitigations are subject to revision based on staff review
of the Administrative Draft EIR, the Executive Summary will be prepared only for the Screecheck Draft.
The following task descriptions summarize the data to be collected, impact assessment methodologies to
be used, and types of mitigation measures to be considered, by environmental issue.

Impacts Requiring No Further Analysis

Section 15123 of the CEQA Guidelines states, "An EIR shall contain a statement briefly indicating the
reasons that various possible significant effects of a project were determined not to be significant and
were therefore not discussed in detail in the EIR." The issues scoped out in the Initial Study will be briefly
summarized. As previously discussed, it is anticipated that a WSA will be prepared for the Project and provided to ICF for inclusion in the EIR. This section will briefly summarize the conclusions in the WSA. In addition, it is anticipated that traffic noise will be discussed in this chapter. While impacts from traffic-related noise could be less than significant, necessary traffic data will likely not be available before the release of the Initial Study and, as such, this topic will be evaluated in the EIR. For the purposes of this scope, it is assumed that traffic noise will not result in significant impacts and, therefore, would not be analyzed in detail in its own chapter of the EIR. Specifically, our scope assumes that ICF noise specialists along with the traffic consultants will compare roadway segment volumes for the project with what was assumed in the ConnectMenlo EIR. If there is no change or if project-generated traffic volumes do not exceed what was assumed in ConnectMenlo EIR, then no additional analysis would be necessary. However, if the project would result in a higher volume of traffic on any studied roadway segment, then additional analysis would be necessary. Our scope assumes that no more than four segments would experience changes to volumes. For those roadway segments, existing traffic noise conditions in the Project area will be modeled using the FHWA Traffic Noise Model (TNM) version 2.5 and traffic data to be provided by Hexagon. The analysis will implement all relevant mitigation measures from the ConnectMenlo EIR to reduce the potential traffic noise impacts to less-than-significant. This scope of work and budget assumes that the analysis tier off the analysis in the ConnectMenlo EIR; any potential for project-specific traffic noise impacts beyond what was previously analyzed will require additional work and a budget amendment will be issued at that time.

Air Quality

ICF will prepare an analysis of air quality impact for the Project consistent with all applicable procedures and requirements of the Bay Area Air Quality Management District (BAAQMD) and based on the findings and mitigation measures from the ConnectMenlo EIR. The air quality analysis will focus on the criteria pollutants of greatest concern in the San Francisco Bay Area Air Basin (SFBAAB) that will be generated by construction and operation of the Project. Those pollutants include ozone precursors (reactive organic gases [ROGs] and oxides of nitrogen [NOx]), carbon monoxide (CO), and inhalable particulate matter (PM10 and PM 2.5). ICF air quality specialists will prepare an air quality analysis describing existing air quality conditions, the project's impacts to air quality, and mitigation measures (including those recommended and required by the BAAQMD designed to reduce the significance of project-related air impacts).

ICF will identify significant impacts using the BAAQMD’s thresholds of significance, California Environmental Quality Act: Air Quality Guidelines. We will describe the air quality thresholds used to identify significant impacts based on the BAAQMD’s Air Quality Guidelines, as well as the methodology used to estimate project-related emission impacts. Consistent with ConnectMenlo Mitigation Measure AQ-2b2 for projects that exceed the BAAQMD land use screening level sizes, ICF will quantify criteria air pollutant emissions associated with project construction, because the combined square footage of the project's office building and parking structure
will exceed the corresponding screening size of 277,000 square feet. We will quantify construction-related emissions of ROG, NOX, CO, PM10, and PM2.5 based on the CalEEMod model and construction data (i.e., anticipated construction schedule and equipment) for the Project provided by the Project Sponsor. Where project-specific data is unavailable, ICF will use default values from CalEEMod. The analysis will address construction-related mitigation measures required by BAAQMD (and as required by ConnectMenlo Mitigation Measure AQ-2-b1), including adherence to BAAQMD rules and regulations. Estimated construction emissions will then be compared to the BAAQMD's construction emission thresholds to determine the Project's significance for construction activities.

Consistent with ConnectMenlo Mitigation Measure AQ-2-b2, potential project construction-related impacts will be evaluated, including an assessment of increased health risks on sensitive receptors during construction. As such, ICF will prepare a detailed health risk assessment (HRA) to estimate potential health risks associated with the Project. The detailed HRA will evaluate construction-related health risks to existing sensitive receptors near the project site. ICF will coordinate with BAAQMD staff to verify the emission sources evaluated, methodology, and models used in the HRAs to estimate emissions, sensitive receptor exposure, and health risks. The HRA will be consistent with methodologies and procedures recommended by the Office of Environmental Health Hazard Assessment (OEHH), as well as the BAAQMD in their Recommended Methods for Screening and Modeling Local Risks and Hazards guidance document and California Air Pollution Control Officers Association in their Health Risk Assessments for Proposed Land Use Projects guidance document.

Consistent with ConnectMenlo Mitigation Measure AQ-2-a for projects that exceed the BAAQMD land use screening level sizes, ICF will quantify criteria air pollutant emissions associated with project operations, because the combined square footage of the project's office building and parking structure may exceed the corresponding screening level of 346,000 square feet. ICF will use the traffic data from the transportation analysis (i.e., trip generation rates) and the CalEEMod model to estimate operational emissions from project-related vehicle emissions. Motor vehicle emission estimates will be based on motor vehicle activity (number of trips, trip length) estimated by the traffic analysis prepared by the transportation engineers. Emissions of ROG, NOX, CO, PM10, and PM2.5, will be estimated using traffic data prepared for the Project and the CalEEMod model. Operational emissions associated with area sources (i.e., landscaping, residential heating, and consumer products) and stationary sources (i.e., routine generator testing) will also be estimated with the CalEEMod model.

For the assessment of CO impacts, data from the Project's transportation analysis will be reviewed to determine the need for localized CO modeling, consistent with the BAAQMD's CO screening procedures. In the event the screening analysis indicates a quantitative CO analysis is necessary, we will use the CALINE4 model and the latest version of ARB emission factors (EMFAC2017) to estimate CO concentrations at key intersections analyzed in the transportation analysis. CO concentrations at up to 3 intersections per project will be evaluated under existing, interim, (with and without implementation of the Project), and build-out conditions (with and without implementation of the Project). CO impacts will be assessed by evaluating whether the Project meets the ambient air quality requirements for localized
pollutants by determining whether it causes or contributes to an exceedance of state or federal CO standards.

The Project is an office building that may require the use of a diesel generator, which is a potential source of toxic air contaminants. ICF will qualitatively evaluate the TAC impacts of the generator based on guidance from the BAAQMD.

According to ConnectMenlo Mitigation Measure AQ-3a, projects that have the potential to increase traffic by more than 100 or more diesel truck trips or 40 or more truck trips with transportation refrigeration units per day and are within 1,000 feet of a sensitive land use shall prepare a health risk assessment in accordance with OEHHA and BAAQMD procedures. This scope assumes that the Project has the potential to increase diesel truck trips by more than 100 per day and will require an HRA to be prepared. We will meet this requirement by using the BAAQMD's roadway screening tool to estimate health impacts, based on input from the transportation analysis (i.e. average daily traffic on roadways in the vicinity). Scaling factors to reflect the most recent OEHHA guidance will be incorporated into the analysis. In the event that the Project Sponsor demonstrates that the project would increase truck trips by a lesser amount than the numbers specified in Mitigation Measure AQ-3a, no traffic-related HRA will be conducted and our fee would be reduced accordingly.

ICF will qualitatively evaluate the potential for odor impacts during construction and demolition activities. Odors generated during long-term project operation will also be considered.

In the event buildings to be demolished contain asbestos used for insulation purposes, ICF will describe and assess the potential for asbestos exposure during demolition in the air quality chapter. Potential mitigation for reducing exposure to asbestos will include compliance with BAAQMD Regulation 11, Rule 2; ARB Air Toxic Control Measures; and federal National Emission Standards for Hazardous Air Pollutants regulations.

Where significant impacts are identified and/or where mitigation is required by the mitigation monitoring and reporting program (MMRP), we will include the measures required by the MMRP and identify additional mitigation measures as necessary.

**Greenhouse Gas Emissions**

ICF will prepare an analysis of climate change impacts. The climate change analysis will describe existing environmental and regulatory climate change quality conditions, followed by an analysis of the Project's construction and operational impacts. The climate change analysis will focus on the greenhouse gases (GHG) of greatest concern, carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O) that will be generated by construction and operation of the Project.

ICF climate change specialists will prepare a climate change analysis describing existing conditions, the project's impacts to climate change, and mitigation measures designed to reduce the significance of project-related climate change impacts.
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project  
Page 15

In the project setting section, ICF will describe the key concepts of climate change, the GHGs of greatest concern and their contribution towards climate change, and the current climate change regulatory environment as it applies to the project. We will also summarize existing GHG levels based on GHG inventories conducted in jurisdictions in the vicinity of the project (City of Menlo Park Climate Action Plan, BAAQMD GHG Inventory).

We will quantify construction-related emissions of CO2 based on the CalEEMod emissions model and construction data (i.e., anticipated construction schedule and equipment) provided by the Project Sponsor. Construction-related emissions of CH4 and N2O will be based on factors provided by the Climate Registry.

ICF will use the traffic data from the transportation analysis (i.e., trip generation rates) and the CALEEMOD model to estimate CO2 emissions from vehicular trips resulting from the Project, while emissions of CH4 and N2O will be based on assumptions provided by the U.S. Environmental Protection Agency. GHG emissions associated with operational area sources (i.e., hearth and landscaping), energy consumption (electricity, natural gas), water consumption, and waste and wastewater generation will be quantified based on the CALEEMOD model, as well as other accepted protocols, such as the Climate Registry’s General Reporting Protocol. It is anticipated that there will be no major changes to vegetation and land cover associated with the project; these emissions will not be quantified.

For near-term greenhouse gases impacts, we will evaluate whether the project is consistent with the City’s most recent Climate Action Plan (CAP) update by identifying whether the Project is consistent with each strategy in the CAP update. If an individual project is found to be consistent with the CAP update, that project would not be expected to result in a cumulatively considerable contribution to a significant cumulative impact with regards to climate change per State CEQA Guidelines, Section 15183.5. We will also evaluate the project’s greenhouse gases impacts with respect to significance criteria adopted and recommended by the Bay Area Air Quality Management District, California Environmental Quality Act: Air Quality Guidelines. To assess the project’s impacts in the post-2020 period, ICF will develop an appropriate threshold based on substantial evidence that adequately characterizes the project’s progress toward reaching the state’s 2030 and 2050 GHG goals.

Where significant impacts are identified, we will identify mitigation measures (including those recommended by the California Air Pollution Control Officer’s Association and California Attorney General) designed to reduce the significance of project-related climate change impacts.

Population/Housing

The Project would include office uses, which would result in new employees. ICF will analyze the impact of the increase in employees and, in turn, the resulting population and housing impacts. The Population/Housing chapter of the EIR will examine the Project’s effect on population and housing in the City and, to a lesser extent, in the region. The analysis will focus on the increase in population and the secondary effects associated housing needed to accommodate the increased employment that would
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project

Page 16

result from the Project. ICF, with assistance from Keyser Marston Associates (KMA), will undertake the following tasks:

- As included in Attachment C, a HNA will be prepared by KMA. ICF will peer review the HNA and incorporate the findings into the analysis.
- Discuss the housing effect resulting from the Project in the context with the Association of Bay Area Governments (ABAG) regional household forecasts and fair share housing allocations.
- Similar to other job intensive projects, the EIR will examine the secondary housing demands based on future residential patterns for proposed employees. This discussion will be presented in the "Growth Inducement" section of the EIR.
- One of the key terms of the settlement agreement between the City of Menlo Park and the City of East Palo Alto is that an HNA will be prepared when the preparation of an EIR is required. As required by the settlement agreement, the HNA prepared for the Project will include an analysis of the multiplier effect for indirect and induced employment to the extent possible.

Transportation/Traffic

The Project would increase the amount of office space at the Project site. An increase in traffic would likely result and the greater development could affect how previously analyzed intersections and roadway segments operate in the future. The scope of work for the Transportation analysis, prepared by Kittelson & Associates, is included as Attachment D.

Deliverables

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

Task 6. Project Alternatives and Other CEQA Considerations

The purpose of this task is to complete drafts of the remaining sections (Alternatives and Other CEQA Considerations) of the EIR for City staff review. This task involves preparation of other required sections examining particular aspects of the Project’s effects and the identification and comparison of Project alternatives.

Other CEQA Considerations

This task involves documenting unavoidable adverse impacts, growth-inducing effects, and cumulative effects of the Project:

- The unavoidable effects will be summarized from analyses performed in Task 5.
- Cumulative effects where relevant will be addressed as part of Task 5 and summarized as part of this section of the EIR. The future projects in the vicinity of the Project site will be considered as they relate to potential cumulative impacts. This scope assumes the City will help develop the
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project
Page 17

approach for analyzing cumulative effects, typically a combination of using ConnectMenlo and a
list of other reasonably foreseeable planned projects.

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

Alternatives

In accordance with CEQA, the alternatives to the Project must serve to substantially reduce impacts
identified for the Project while feasibly attaining most of the Project objectives. ICF assumes that one
Reduced Project Alternative will be quantitatively analyzed and will be based on a sensitivity analysis to
reduce identified impacts. The No Project Alternative will be qualitatively analyzed. Up to one additional
alternative could be developed by ICF, the City, and/or the Project Sponsor and evaluated qualitatively (or
quantitatively, with an accompanying scope/budget amendment). This scope assumes that the
City/Project Sponsor will provide justification for dismissing offsite alternatives and other alternatives
considered but rejected.

Deliverables

- Other CEQA Considerations chapter to be submitted with Administrative Draft EIR
- Alternatives chapter to be submitted with Administrative Draft EIR

Task 7. Screencheck Draft

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

Deliverables

- Five hard copies of Screencheck Draft EIR
- Electronic copies of Screencheck Draft EIR in MS Word and Adobe PDF format
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project
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Task 8. Public Draft EIR

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

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

Task 9. Public Review and Hearing

The City will provide a 45-day review period during which the public will have an opportunity to review and comment on the Draft EIR. During the 45-day review period, the City will hold a public hearing to receive comments on the Draft EIR. ICF key team members will attend and participate as requested. This scope of work assumes the preparation of meeting materials (e.g., PowerPoint presentations and handouts) but does not assume the labor needed to provide meeting transcript/minutes.

Task 10. Draft Responses to Comments and Administrative Final EIR

The purpose of this task is to prepare responses to the comments received on the Draft EIR and incorporate these responses into an Administrative Final EIR for City review. The Administrative Final EIR will include:
- Comments received on the Draft EIR, including a list of all commenters and the full comment letters and public meeting transcripts with individual comments marked and numbered;
- Responses to all comments; and
- Revisions to the Draft EIR in errata format as necessary in response to comments.

All substantive comments for each written and oral comment will be reviewed, bracketed, and coded for a response. Prior to preparing responses, ICF will meet with staff to review the comments and suggest strategies for preparing responses. This step is desirable to ensure that all substantive comments are
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project
Page 19

being addressed and that the appropriate level of response will be prepared. This scope of work and budget assumes ICF will prepare responses for up to 50 substantive discrete, non-repeating comments and will coordinate integrating the responses prepared by other consultants. However, the number and content of public comments is unknown at this time. Therefore, following the close of the Draft EIR public review period and receipt of all public comments, ICF will meet with the City to revisit the budget associated with this effort to determine if additional hours are needed. Very roughly, each additional substantive discrete comment may cost an additional $350.

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

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

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

**Deliverables**

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

**Task 11. Final EIR**

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

**Deliverables**

- Twenty hard copies of the Final EIR
- Electronic copies of the Final EIR in MS Word and Adobe PDF format
Task 12. Certification Hearings, MMRP, Statement of Overriding Considerations, and Administrative Record

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

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

- The mitigation measures to be implemented (including applicable mitigation measures from ConnectMenlo and Project-specific mitigation measures)
- The entity responsible for implementing a particular measure
- The entity responsible for verifying that a particular measure has been completed
- A monitoring milestone(s) or action(s) to mark implementation/completion of the mitigation measure

ICF will prepare the Statement of Overriding Considerations and Findings of Fact pursuant to Section 15093 of the CEQA Guidelines, if required based on the impacts of the Project. CEQA requires the decision-making agency to balance the economic, legal, social, and technological benefits of a proposed project against its unavoidable environmental impacts. The Statement of Overriding Considerations includes the specific reasons to support its action based on the Final EIR and other information in the record.

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

Deliverables

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

Task 13. Project Management and Meetings

The purpose of this task is to effectively manage the above tasks, and maintain communication with City staff. ICF project management will be responsible for coordination activities, will maintain QA/QC requirements for document preparation, and will monitor schedule and performance for all EIR work tasks. Project management subtasks also include maintaining internal communications among ICF staff and subconsultants and with City staff and other team members through emails and frequent phone calls.
Proposal to Conduct CEQA Review for the Commonwealth Building 3 Project
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contact, as well as the preparation of all correspondence. The Project Manager will coordinate internal
staff, project guidance, and analysis criteria. Contracting with the City and subconsultants will be
performed at the onset of the Project.

Team members will attend and participate in meetings on an as-needed basis. For purposes of the cost
estimate, ICF has assumed three City staff and/or Project Sponsor face-to-face meetings (in addition to
the Project Initiation meeting described in Task 1), up to three public meetings (described in Task 12),
and 10 phone conference calls. Additional meetings may be appropriate during the course of this effort,
and will be invoiced on a time-and-materials basis.

E. Cost

The cost estimate for the Initial Study and EIR is $402,275, as detailed in Attachment A. Please note that
the budget assumes that the ConnectMenlo Program EIR will serve as the first-tier environmental
analysis for the Project. In addition, the budget reflects some efficiency gained from preparing concurrent
CEQA documents for other projects in the City. ICF proposes to invoice costs monthly, on a time and
materials basis.

F. Schedule

The preliminary schedule is included in Attachment B. This schedule can be used for discussion at the
kick-off meeting. A revised schedule will be submitted at a later date once ICF has a better understanding
of the start date.
Attachment A. Cost Estimate for the Commonwealth Building 3 Project

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**Task Breakdown**

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**Subcontractor Costs**

- **Total Direct Expenses:** $492,275
- **Total Labor Cost:** $315,000
- **Total:** $807,275

**Notes:**
- Direct expenses include all-industry rates.
- Mark up on all-industry rates and subcontractors.

**Date:** 2/20/2016 10:42 AM

**Approved by**: Finance [signature]

**Mail/Pep Commonwealth 3 KCP Initial Item 00218 (EdEn)**
January 31, 2018

Erin Efner, Kirsten Chapman, Jessica Viramontes  
ICF International  
201 Mission Street, Suite 1500  
San Francisco, CA 94105

Re: Proposed Scope of Services to Prepare a Housing Needs Assessment for the Commonwealth Corporate Center Building 3 Project.

Dear Ms. Efner, Ms. Chapman and Ms. Viramontes:

Keyser Marston Associates, Inc. ("KMA") is pleased to present the enclosed proposed scope of services to prepare a Housing Needs Assessment ("HNA") for the City of Menlo Park addressing the proposed Commonwealth Corporate Center Building 3 Project. The Project will add 319,000 square feet of new office space to an existing office complex.

KMA is exceptionally well qualified to prepare the HNA for the Project based on our broad expertise preparing housing impact studies and project-specific housing needs analyses. Our HNA experience includes three previous projects in Menlo Park: Menlo Gateway, the Facebook Campus, and the Facebook Campus Expansion Project.

The enclosed HNA scopes of services includes preparation of an HNA addressing, to the extent possible, the following housing-related impacts of the proposed Project:

- Housing need by affordability level for on-site workers;
- Potential range of indirect and induced employment or “multiplier effects” and indirect and induced worker housing needs;
- Estimated geographic distribution of housing needs by jurisdiction for both on-site workers and indirect and induced workers; and
- Evaluation of the potential impacts on the regional housing market and the degree to which the project may contribute to rising housing costs and displacement of existing residents of lower income communities in the local area.

We understand that the HNA must be prepared consistent with the terms of the recent settlement agreement between the City of East Palo Alto and Menlo Park. The enclosed
scope of service is designed to provide the analyses contemplated by the settlement agreement. However, we would be happy to discuss potential refinements to the scope of services and budget to ensure the HNA address the City's needs as well as satisfy the intent of the agreement with East Palo Alto.

The scope of services for the HNA is enclosed as Attachment A. The proposed budget assumes efficiencies from also preparing the HNA for the Lot 3 North – 1350 Adams project, addressed in a separate proposal letter, in parallel and on a similar time frame.

Please let me know if you have any questions or comments regarding this proposed scope of services.

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.

David Doezema

Attachment A: Scope of Services
Attachment B: KMA Rate Schedule
Attachment A
Scope of Services to Prepare a Housing Needs Assessment (HNA) for the Commonwealth Corporate Center Building 3 Project

The following scope of services is for preparation of a Housing Needs Assessment (HNA) addressing the Commonwealth Corporate Center Building 3 Project. The HNA will address the following major housing-related topics:

1) Housing need by affordability level for on-site project workers;

2) Potential range of indirect and induced employment or “multiplier effects” and indirect and induced worker housing needs;

3) Estimated geographic distribution of housing needs by jurisdiction for both on-site workers and indirect and induced workers; and

4) Evaluation of the potential impacts on the regional housing market and the degree to which the project may contribute to rising housing costs and displacement of existing residents of lower income communities in the local area.

These housing-related impacts are not required to be analyzed under CEQA but may be of interest to decision-makers and/or the public in evaluating the merits of the project. These analyses are being provided consistent with the terms of a 2017 settlement agreement with the City of East Palo Alto. The pertinent paragraph from the 2017 settlement agreement states the following:

When the preparation of an EIR is required pursuant to this Agreement, concurrent with the preparation of the EIR, Menlo Park or East Palo Alto, whichever is the lead agency for the Development Project, will conduct a Housing Needs Assessment (“HNA”). The scope of the HNA will, to the extent possible, include an analysis of the multiplier effect for indirect and induced employment by that Development Project and its relationship to the regional housing market and displacement. Nothing in this section indicates an agreement that such an analysis is required by CEQA.

Task 1 – Project Initiation and Data Collection

The purpose of this task is to identify the availability of data necessary to complete the HNA, identify key analysis inputs and assumptions, and refine the approach to the assignment. As part of this task, KMA will:

(1) Provide a list of data needs to complete the HNA and work with ICF International and the City’s project team as necessary to gather the necessary data.
(2) Meet with City staff, its consultants, and the project sponsor team to: (a) discuss data and analysis alternatives (b) review technical methodology and approach (c) discuss and agree on schedule.

Task 2 – Housing Needs Assessment for On-Site Workers

KMA will quantify, by affordability level, the housing demand associated with the proposed project. The analysis will quantify total housing demand based on the estimated number of employees added by the project (which are net new jobs in the region) and household size ratios developed from Census data. Employee compensation levels are estimated by linking generic occupational categories with local data on compensation levels. Employee compensation levels are then translated into housing need by affordability level using published income limits and accounting for the fact that households have more than one worker on average.

The primary data sources we will use for this component of the analysis are:

1. Data on occupations by industry from the Bureau of Labor Statistics. KMA will select the industry category (or blend multiple categories) to represent the likely mix of tenants expected to occupy the project.

2. Current employee compensation data specific to San Mateo County for the relevant occupational categories from the California Employment Development Department will be used in the analysis.

KMA has prepared similar analyses for other projects in Menlo Park including the existing Facebook Campus, the Facebook Campus Expansion Project, and the Menlo Gateway Project. We have also performed project-specific housing needs analyses for commercial and institutional development proposals in the cities of San Carlos, Palo Alto, Redwood City, and Napa County. Some of these analyses have been performed using employee occupation and compensation data provided by the applicant and some have been performed using generic data as is assumed in this proposal. KMA has also prepared affordable housing nexus fee studies in many cities. Roughly twenty five years ago, KMA developed a proprietary model to perform the nexus analysis and allocate households into affordability levels using local, state and federal data sources. KMA has refined the model over the years and now has considerable experience adapting the model to specific projects.

The end product of this task is the total number of net new employee households attributable to the development, by affordability level, who will need housing within daily commute distance.
Task 3 – Potential Multiplier Effects on Employment

To the extent possible, KMA will prepare an analysis estimating the range of potential indirect and induced employment impacts of the project, also referred to as multiplier effects. The estimated multiplier effects on employment will then be translated into an estimate of housing need.

Indirect jobs are within firms that provide services to the building tenant, for example, legal or accounting services. Induced jobs are those associated with the consumer spending of both direct on-site workers and indirect workers. Jobs in restaurants, retail, and healthcare are examples.

Multiplier effects will vary significantly depending on the occupant of the building and whether the associated economic activity will be net new to the region. Our preliminary understanding is that specific tenants have not been identified. Even if initial tenants were known, the structures may still be occupied by a variety of tenants over their lifetime. To address this uncertainty, KMA will test a range of tenant types to bracket the potential range of multiplier effects. The analysis will also test how multiplier effects vary based on the degree to which economic activity is net new to the region. As an example, multiplier effects of a law firm would vary depending on whether the practice is primarily focused on serving Bay Area clients, in which case multiplier effects may be relatively minimal, versus a firm that serves a broader national or international client base, effectively “exporting” its services outside the local area, in which case multiplier effects will be more substantial.

We propose to complete the analysis using the economic analysis software IMPLAN. IMPLAN is the most common tool used for quantifying economic impacts and is widely used throughout the Bay Area, including for purposes of both Menlo Park’s and East Palo Alto’s affordable housing nexus studies. For purposes of the scope of services and budget, we are assuming the analysis will address multiplier effects within a four-county area inclusive of San Mateo, Santa Clara, San Francisco and Alameda counties, selected based on proximity and commute shed. The counties to be considered may be adjusted based on a discussion with the client, keeping in mind there is a data cost associated with adding additional counties.

KMA will translate the indirect and induced employment into an estimated housing need using the same methodology as employed for the Task 2 analysis. KMA is not proposing to quantify housing needs by affordability level for indirect and induced workers.

Task 4. Analysis of Commuting and Geographic Distribution of Housing Needs

The prior tasks are to determine the total housing needs irrespective of where workers will live. This task develops information to help understand existing commute relationships and trends, and approaches to identifying how the total housing needs will be accommodated locally. KMA will analyze the commute relationships of existing jobs in Menlo Park and where job holders live.
(or commute from as a place of residence) using data from the U.S. Census. KMA will then apply the data to estimate Menlo Park’s share of increased housing needs and the estimated distribution of housing needs throughout the region. To the extent possible, the distribution of housing needs will also be estimated for potential indirect and induced jobs. We will incorporate any tenant-specific commute data to the extent available, although our understanding is that tenants are not yet known.

Task 5 – Relationship to Regional Housing Market and Potential to Contribute to Displacement

This task is designed to provide an evaluation, to the extent possible, of the potential for the project to influence housing prices and rents and contribute to displacement pressures in the local area. Lower income communities in the Bay Area have become increasingly vulnerable to displacement of existing residents. Employment growth, constrained housing production, and rising income inequality are among the factors that have contributed to increased displacement pressures, especially within lower income communities in locations accessible to employment centers where many households are housing-cost burdened.

Given the complex array of factors that influence housing markets and neighborhood change, precise estimates or projections of impacts and outcomes are not feasible; rather, the analysis will seek to provide information and context that will be useful to understanding the likely magnitude or range of potential impacts. The analysis will consider both the direct employment identified in Task 2 and, to the extent possible, the indirect and induced employment addressed in Task 3.

KMA will complete the following tasks to inform an evaluation of potential impacts:

a) Review of Historic Real Estate Trends – KMA will review historic data on home sales and rental trends in 3 or 4 selected housing submarkets over a historic period utilizing data readily available from commercial data providers such as REIS and data quick. The purpose will be to provide context regarding recent housing market trends.

b) Review of Employment Trends – KMA will assemble data on historic employment trends for the same time frame as the historic review of real estate trends. Employment trends data will be distinguished by compensation level so that growth in higher-income and lower-income jobs can be separately understood. We will also look at employment trends across different geographic scales to enable relationships to be tested at the different geographic scales.

c) Analysis of Historic Relationships – KMA will analyze the extent to which employment growth and real estate trends have been correlated with one another. This relationship will be drawn upon to provide context for understanding the degree of influence the project may have on local home prices and rents.
d) *Estimated increased housing demand in East Palo Alto* – KMA will draw on the commute shed data from Task 4 to describe the estimated share of new workers likely to seek and find housing in East Palo Alto and other communities of interest. However, it may not be possible to isolate commute trends for specific neighborhoods, such as the Belle Haven neighborhood of Menlo Park, unless there is specific proposed tenant that is able to provide commute data for smaller geographic areas.

KMA will discuss the likely impacts or range of impacts on housing prices and displacement that could be experienced as a result of the project based upon the information assembled in a) through d), above. Findings will be qualitative in nature but will reference the quantitative information assembled in the analysis tasks as part of the narrative.

*Task 5 – Report Preparation*

The methodology, data sources, results and implications of the HNA will be documented in a written report. This scope assumes one draft version of the report for review and one final report.

*Task 7 – Responses to DEIR Comments*

KMA anticipates assisting the City and ICF International in preparing responses to comments on the Draft EIR. KMA’s focus will be on comments that are directly related to the HNA. We have included a time and materials budget allowance for KMA to assist with preparation of responses to comments.
## Budget

KMA proposes to complete this scope of services for the Commonwealth Corporate Center Building 3 Project on a time and materials basis for an amount not to exceed $49,500 per the estimate below. The proposed budget assumes cost efficiencies from concurrently preparing the HNA for the separate Lot 3 North - 1350 Adams project within a similar time frame. If the City moves forward with only one of the two analyses, then the proposed costing will need to be adjusted. A copy of our current rate schedule is attached.

<table>
<thead>
<tr>
<th>Task</th>
<th>Budget Estimate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 - Project Initiation and Data Collection</td>
<td>$2,500</td>
</tr>
<tr>
<td>Task 2 - Total Housing Need by Income, on-site workers</td>
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</tr>
<tr>
<td>Task 3 - Potential Multiplier Effects</td>
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</tr>
<tr>
<td>Task 4 - Geographic Distribution of Housing Needs</td>
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</tr>
<tr>
<td>Task 5 - Relationship to Regional Housing Market and Displacement</td>
<td>$12,000</td>
</tr>
<tr>
<td>Task 6 - Report (Draft and Final)</td>
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</tr>
<tr>
<td>Task 7 - T&amp;M Allowance for DEIR responses to comments</td>
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</tr>
<tr>
<td>Meetings in Menlo Park (one in addition to kickoff)</td>
<td>$1,000</td>
</tr>
<tr>
<td>Public hearings (assume one)**</td>
<td>$2,000</td>
</tr>
<tr>
<td>Reimbursable Expenses (IMPLAN data and market data)</td>
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</tr>
<tr>
<td><strong>Total for the Commonwealth Corporate Center Building 3 Project</strong></td>
<td><strong>$49,500</strong></td>
</tr>
</tbody>
</table>

* Assumes efficiencies of also preparing the HNA for the Lot 3 North - 1350 Adams project on a similar time frame. Budget will need to be adjusted if only the Commonwealth Corporate Center Building 3 analysis moves forward.

** Includes related coordination and preparation.
<table>
<thead>
<tr>
<th>Role</th>
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<tbody>
<tr>
<td>A. JERRY KEYSER*</td>
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<tr>
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<td>TECHNICAL STAFF</td>
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</tr>
<tr>
<td>ADMINISTRATIVE STAFF</td>
<td>$60.00</td>
</tr>
</tbody>
</table>

Directly related job expenses not included in the above rates are: auto mileage, parking, air fares, hotels and motels, meals, car rentals, taxes, telephone calls, delivery, electronic data processing, graphics and printing. Directly related job expenses will be billed at 110% of cost.

Monthly billings for staff time and expenses incurred during the period will be payable within thirty (30) days of invoice date.

* Rates for individuals in these categories will be increased by 50% for time spent in court testimony.
February 1, 2018

Erin Efner
ICF International
201 Mission Street
Suite 1500
San Francisco, CA 94105
415.205.2268


Dear Ms. Efner,

Revised to address City comments on: 1/31/2018

Attached is our proposed scope of work to prepare a transportation impact analysis (TIA) section for the Menlo Park Commonwealth Building 3 Development EIR in the City of Menlo Park. This analysis will focus on the third and final building on the site. The TIA will serve as the transportation section of the environmental document for this project to satisfy the California Environmental Quality Act (CEQA) requirement. This scope was developed based on our discussions with you and City staff, our understanding of the preliminary proposed development plan, and our familiarity with the City. We are happy to discuss it with you and the City and fine-tune it based on your comments.

We estimate the cost of our work effort to be approximately $89,989. We propose to conduct the work on a time-and-materials basis at our standard billing rates. This proposal (scope of work, budget, and timeline) is effective for sixty days.

I will serve as the Project Manager and Mike Aronson will serve as the Project Principal providing senior review and quality assurance. Any questions of a technical or contractual nature can be directed to Damien Stefanakis.

Please review this proposal at your earliest convenience. Thank you for the opportunity to propose on this project. If you have any questions please call us at 510-433-8088.

Sincerely,

KITTELSON & ASSOCIATES, INC.

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Damian Stefanakis  
Project Manager  

Mike Aronson, P.E.  
Principal Engineer
PART A - SCOPE OF WORK

In 2014, the Commonwealth Corporate Center Environmental Impact Report (EIR) was approved by the City of Menlo Park to develop two office buildings with a total of 260,000 square feet. The Project site is located in the area east of US-101, and between Commonwealth Drive and Jefferson Drive. Since the approval of the EIR, both buildings have been constructed and are currently occupied. Now the Sobrato Organization is proposing to develop a third building on the site with 6-stories of 318,614 square feet of office in the parking lot to the east of the two existing buildings (see Figures 1 through 4). Note: The site plan shown below is for illustrative purposes, as it is from October 17, 2017, and Kittelson and Associates, Inc. (KAI) recognizes this may not be current.

To proceed with this application, the City requires an Initial study to assess and document the potential environmental impacts of the proposed project. Given the size of the project, the City proposes to clear this development with preparation of an EIR.

The purpose of this study is to prepare a Transportation section for the newly proposed land uses for Building 3, to assess the impacts of the Project on the surrounding transportation network, to determine if the new proposed parking is sufficient, and to compare the results with the impacts identified in the EIR for the two existing buildings.

In addition to the No Project, there will be one Project Alternative analyzed at a qualitative level:

- Reduced Project Alternative 1 – TBD

The following presents Kittelson & Associates, Inc.’s (KAI) understanding of the Project, and proposed scope of work for assisting in the completion of the Transportation Section that will meet the needs and requirements of the City of Menlo Park, Caltrans, as well as City/County Association of Governments of San Mateo County (C/CAG).
Figure 1: Commonwealth Building 3 Concept

Source: The S Sobrato Organization – Commonwealth Building 3, October 11, 2017
Figure 2: Current Site Plan

Source: The Sobrato Organization – Commonwealth Building 3, October 11, 2017
Figure 3: Site Plan with Existing Buildings

Source: The Sobrato Organization – Commonwealth Building 3, October 11, 2017
Figure 4: Future Site Plan with Existing Buildings

Source: The Sobrato Organization – Commonwealth Building 3, October 11, 2017

TASK 1: PROJECT INITIATION AND SCOPING

KAI will work closely with the City and with ICF to coordinate and to include all the required analyses in this study. This task includes initial discussions and refinements to the scope and study locations and ongoing project management for the duration of the study.

TASK 2: PROJECT DESCRIPTION

This section will include a brief description of the existing use on the Project site, the current land use, and a summary of the proposed Project and one Project Alternative. A graphic representation of the Project area and the planned location for the Project will be provided.

Data to be obtained from the City and/or ICF:

- Approved land uses
- Project description and Project Alternative descriptions
- Most recent Project site plan
- Additional information relevant to the Project
- Recent traffic counts (from City)
- Travel demand model from the General Plan (received already)
- Recent General Plan for Connect-Menlo
- Most recent Menlo Park Traffic Analysis Guidelines (2004 Circulation System Assessment – CSA) or more recent update to the 2004 CSA
- VISTRO model containing the study intersections and the existing AM and PM signal timings for the signalized study intersections.
- Figures showing the existing bicycle facilities in the study area, preferably in GIS format
- Figures showing the existing pedestrian facilities in the study area, preferably in GIS format
- A list projects (under construction, approved but not yet constructed, proposed) to be included in the Near Term and Cumulative scenarios. The information provided by the City should include trip generation, trip distribution and trip assignment information for these approved projects.
- A list of roadway system improvements associated with the developments to be included in each of the Near Term and Cumulative scenarios.
- The City’s parking requirement for the various land use types

**TASK 3: DATA COLLECTION**

**Intersections**

It is assumed that most traffic counts are available from recent data collection conducted by the City. KAI proposes to analyze the following 31 intersections. Most are similar to the 2014 EIR. (note: these may be paired down during scoping meetings with the City):

1. Marsh Road and Bayfront Expressway (State)
2. Marsh Road and Independence Drive (State)
3. Marsh Road and US-101 NB Off-Ramp (State)
4. Marsh Road and US-101 SB Off-Ramp (State)
5. Marsh Road and Scott Drive (Menlo Park)
6. Marsh Road and Bay Road (Menlo Park)
7. Marsh Road and Middlefield Road (Atherton)
8. Independence Drive and Constitution Drive (Menlo Park)
9. Chrysler Drive and Bayfront Expressway (State)
10. Chrysler Drive and Constitution Drive (Menlo Park)
11. Chrysler Drive and Jefferson Drive (Menlo Park)
12. Chrysler Drive and Independence Drive (Menlo Park)
13. Chilco Street and Bayfront Expressway (State)
14. Chilco Street and Constitution Drive (Menlo Park)
15. Willow Road and Bayfront Expressway (State)
16. Willow Road and Hamilton Avenue (State)
17. Willow Road and Ivy Drive (State)
18. Willow Road and O'Brien Drive (State)
19. Willow Road and Newbridge Street (State)
20. Willow Road and Bay Road (State)
21. Willow Road and Durham Street (Menlo Park)
22. Willow Road and Coleman Avenue (Menlo Park)
23. Willow Road and Gilbert Avenue (Menlo Park)
24. Willow Road and Middlefield Road (Menlo Park)
25. University and Bayfront Expressway (State)
26. Middlefield Road and Ravenswood Avenue (Menlo Park)
27. Middlefield Road and Ringwood Avenue (Menlo Park)
28. Marsh Road and Florence Street-Bohannon Drive (Menlo Park)
29. Willow Road and US-101 NB Ramps (Future only)
30. Willow Road and US-101 SB Ramps (Future only)
31. Bay Road and Ringwood Avenue (Menlo Park)

Most of the locations have available counts that City will provide. However, KAI will request a count from Atherton for intersection 7. Should this not be available, then KAI has budgeted to conduct a new count.

In addition, per City's suggestion, KAI will analyze 3 more intersections (29-31) and will add spot counts at the following 4 intersections to determine whether any growth factor should be applied to the available existing counts:

1. University/ Bayfront
2. Willow/ Bayfront
3. Marsh/ Bayfront
4. Marsh/ Scott

KAI has also scoped to collect up to three (3) driveway counts at the existing project site.

KAI will contact Caltrans to obtain the most current traffic counts on the US 101 freeway mainline and ramps. The PeMS database will also be consulted for recent volume information.

**CMP Arterial Segments**

To the extent they are still considered current, KAI will rely on the recent Menlo Park General Plan for the most current traffic counts on the CMP arterial segments. The analysis associated with the CMP...
facilities will not be required if the Proposed Project does not generate more than 100 PM peak hour trips (to be determined).

TASK 4: EXISTING CONDITIONS

KAI will document the existing traffic, transit, bicycle, and pedestrian components of the transportation system within the study area.

Field Reconnaissance

KAI staff will conduct field visits during the AM and PM peak periods on a typical weekday (Tuesday, Wednesday or Thursday) in the immediate study area to observe:

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

Roadway, Transit, Bicycle, Pedestrian

KAI will describe the existing roadway network, transit services, bicycle facilities and pedestrian facilities in the study area. KAI will also prepare the following figures:

- Map of all study intersections illustrating existing counts, existing lane configurations and signal control;
- Map of transit services within the study area;
- Map of bicycle facilities in the study area; and
- Map of pedestrian facilities in the study area.

Intersections

KAI will determine and report the existing intersection level-of-service (LOS) conditions for the twenty eight (28) study intersections during the weekday AM and PM peak hours.

Study intersections will be analyzed using the VISTRO software package and the 2010 Highway Capacity Manual (HCM 2010) Operations Methodology. It is assumed the City will provide the most updated
Existing Year VISTRO model file as developed for the recent General Plan that includes the existing AM and PM signal timing information for all signalized study intersections. KAI would add the additional intersections outside of the City (if they are not already included).

The existing traffic volumes for all study intersections will be illustrated in a figure. The resultant LOS will be summarized in a table format, and to the extent relevant, they will be compared against the Existing LOS as reported in the General Plan and the prior Commonwealth EIR. For unsignalized intersections, the LOS will be reported for the worst approach movement. Signal warrant analysis will be performed for any unsignalized study intersections.

Routes of Regional Significance – CMP Segments

If the proposed project generates more than 100 PM peak hour trips, then the proposed project will be subject to review by the San Mateo County Congestion Management Program (CMP) and its requirements. As such, KAI will evaluate the Routes of Regional Significance identified above.

KAI will perform LOS analysis during the weekday AM and PM peak hours for the following CMP locations. However, the analysis associated with the CMP facilities will not be required if the Proposed Project does not generate more than 100 PM peak hour trips (to be determined):

Arterials

1. SR 84 Bayfront Expressway
2. SR 109 University Avenue
3. SR 114 Willow Avenue

Freeways

4. US 101, North of Marsh Road
5. US 101, north of Willow Road
6. US 101, north of University Avenue
7. US 101, south of University Avenue

Freeway Ramps

1. US 101 ramps at Marsh Road
2. US 101 ramps at Willow Road

TASK 5: DEVELOPMENT OF NEAR TERM CONDITIONS

The Near Term or Background (Existing plus Approved) Conditions will include traffic projections of all the approved but not yet constructed developments in the study area. Near Term Conditions will also
include selected roadway system improvements associated with the approved developments. The Project site is assumed to remain as current conditions under the Near Term Conditions.

According to City staff, the City VISTRO model does not include individual projects representing the near term condition, therefore KAI will need to update the City VISTRO model with a list of relevant near term projects to be obtained from Menlo Park, Redwood City and East Palo Alto (and Atherton).

Traffic projections for US 101 will be developed by adding traffic from the approved but not yet constructed developments to the existing traffic counts.

**Intersections**

KAI will determine the intersection LOS analysis for the 31 study intersections during weekday AM and PM peak hours for the Near Term Conditions using the same methodology as presented under the Existing Conditions. KAI will perform signal warrant analysis for any unsignalized study intersections.

**CMP Segments**

For the Near Term Conditions, KAI will perform the following analyses during the weekday AM and PM peak hours. However, the analysis associated with the CMP facilities will not be required if the Proposed Project does not generate more than 100 PM peak hour trips (to be determined):

- Freeway mainline LOS analysis for the four (4) study segments;
- CMP arterial analysis for the three (3) roadways and related segments
- Freeway ramps in the study area

**TASK 6: DEVELOPMENT OF CUMULATIVE NO PROJECT CONDITIONS**

The Cumulative No Project Conditions will be represented by Year 2040 conditions which include traffic projections from approved and probable future development projects in the study area. The Cumulative No Project Conditions will also include roadway system improvements as identified in the Menlo Park General Plan. The Project site is assumed to remain as current conditions under the Cumulative No Project Conditions. This scope assumes that the majority of information on cumulative development is already included in the VISTRO model to be provided by the City.

Traffic projections for US 101 through San Mateo and Menlo Park will be developed from freeway forecasts using the Citywide General Plan version of the C/CAG-VTA County Travel Model, which covers both San Mateo and Santa Clara Counties and is maintained by Santa Clara Valley Transportation Authority (VTA) staff.

For this scope, it is assumed that the City VISTRO model does NOT include a list of relevant trip generation for all Cumulative projects to be included in the analysis. Therefore, KAI will review the
City's travel demand model to determine what growth factor should be applied for any regional background growth.

It is assumed the future year (2040) model already includes land uses in Menlo Park from the proposed buildout conditions of the Menlo Park General Plan Update.

**Intersections**

KAI will determine the intersection LOS analysis for the 28 study intersections during weekday AM and PM peak hours for the Cumulative No Project Conditions using the same methodology as presented under the Existing Conditions. KAI will perform signal warrant analysis for any unsignalized study intersections.

**CMP Segments**

For the Near Term Conditions, KAI will perform the following analyses during the weekday AM and PM peak hours. However, the analysis associated with the CMP facilities will not be required if the Proposed Project does not generate more than 100 PM peak hour trips (to be determined):

- Freeway mainline LOS analysis for the four (4) study segments;
- CMP arterial analysis for the three (3) roadways and related segments
- Freeway ramps in the study area

**TASK 7: TRIP GENERATION**

KAI will follow similar procedures used in the Commonwealth Corporate Center EIR, from February 2014. These will be updated per the latest Institute of Transportation Engineers (ITE) Trip Generation Manual 10.

To investigate whether the ITE Trip Generation rates are suitable for representing Menlo Park City conditions KAI proposed to conduct a comparison of trip generation based on three different sources:

- ITE Trip Generation Manual
- Facebook Trip Generation Rates
- Commonwealth Corporate Center EIR
ITE Trip Generation Manual

KAI will use published trip generation rates in the Institute of Transportation Engineers (ITE) Trip Generation Manual 10th Edition to determine the total trip generation for the Project. This will be determined for the weekday Daily, AM, and PM peak hours.

Facebook Rates

KAI will obtain published Facebook office/R&D rates from prior studies or surveys to compare to ITE rates.

Commonwealth Corporate Center EIR

KAI will review the trip generation estimates from the prior EIR and provide a comparison table with the new estimates.

Trip Generation Recommendations

KAI will prepare a Trip Generation Memorandum which summarizes the total trips generated by the Commonwealth Corporate Center Building 3. The table will include trips generated by all three trip generation rates sources. KAI will then work with the City to determine the most appropriate trip generation rates for the Office land use that best represent City of Menlo Park conditions. At the end, KAI will provide a recommended trip generation, including any TDM reductions for review by the City. Since the project does not include multiple uses or retail uses, it will therefore have little reduction associated with mixed-use, pass-by trips and transit trips.

TASK 8: TRIP DISTRIBUTION, AND ASSIGNMENT

If the Menlo Park CSA Guidelines have not been updated yet, then the trip distribution percentages will be obtained from the City's model. The Project trips will then be distributed and assigned through the study intersections based on the approved trip distribution percentages provided in the VISTRO model.

TASK 9: IMPACT ANALYSIS

Impact findings will follow City of Menlo Park General Plan and traffic impact guidelines. Currently the guidelines are level of service-based as the City has not adopted impact thresholds for VMT. However, the traffic analysis will report project VMT for informational purposes.
Intersections

KAI will document the significance criteria representing a project impact for intersection operations. KAI will then identify the transportation impacts associated with the Project. This assessment will document the proposed changes and potential impacts to intersection LOS for the study intersections. The LOS will be calculated and presented for the following scenarios:

- Existing
- Near Term
- Near Term plus Project Conditions
- Cumulative
- Cumulative plus Project Conditions

Impacts will only be identified for the plus project conditions. KAI will also prepare a signal warrant analysis for unsignalized study intersections.

All study intersections will be evaluated during the AM and PM peak hours using VISTRO software and the 2010 Highway Capacity Manual methodology. This traffic analysis will include estimates of average vehicle delays on all approaches. For any impact found to be significant, KAI will determine the traffic contribution from the proposed project. Any suggested mitigation measures in the Downtown Specific Plan, El Camino Real Corridor Study, Commonwealth Phase 1 and 2, and other approved development projects in Menlo Park as detailed in the documents or EIRs prepared for those projects, will also be included if they are within the jurisdiction of Menlo Park.

Impacts will be assessed according to the City of Menlo Park’s most recent guidelines and significance criteria. For any study intersections or roadway segments not in Menlo Park, KAI will apply the local agency’s adopted analysis methods and significance criteria.

CMP Segments

If the proposed project generates more than 100 PM peak hour trips, then the proposed project will be subject to review by the San Mateo County Congestion Management Program (CMP) and its requirements. As such, KAI will evaluate the Routes of Regional Significance identified above. Evaluation of the CMP routes will be based on the most recently approved CMP Traffic Impact Analysis guidelines in the Land Use section of the CMP.

KAI will determine and report the Project’s impacts to the CMP segments for the Near Term plus Project Conditions, and Cumulative plus Project Conditions.
**TASK 10: OTHER TOPICS**

**Congestion Management Program**

Facilities under the City and County of San Mateo Association of Governments (C/CAG) Congestion Management Program (CMP) are required to be analyzed per C/CAG guidelines. KAI will analyze the intersections and/or freeway facilities that are part of the San Mateo County CMP network in the study area for all scenarios.

**Pedestrian and Bicycle Facilities**

KAI will qualitatively discuss the Project’s impacts to the pedestrian and bicycle network for the Existing plus Project, Near Term plus Project Conditions, and 2040 Cumulative plus Project Conditions. A figure illustrating any proposed improvements to the pedestrian and bicycle facilities will be prepared.

**Transit Facilities**

KAI will qualitatively discuss the Project’s impacts to the transit network for the Existing plus Project, Near Term plus Project Conditions, and 2040 Cumulative plus Project Conditions. A figure illustrating any proposed improvements to the transit facilities will be prepared.

**Parking Assessment**

KAI will identify the City’s parking requirement for the Project based on its land use type. KAI will also estimate the parking demand based on the Parking Generation (4th edition) reference published by the Institute of Transportation Engineers (ITE). A parking analysis will be performed by assessing the proposed number of parking spaces and comparing it to the City’s parking requirement and the parking demand calculated using the ITE Parking Generation rates.

**Site Circulation**

KAI will review the site circulation and identify any potential issues within the site, assuming the Project Sponsor would provide the site plan.

**Emergency Access**

KAI will review the site plan and the roadways surrounding the Project site to identify any potential issues for emergency vehicle access.
Air Traffic

If necessary, KAI will assess the potential project impact to air traffic due to the increased number of trips generation by the Project. In addition, KAI will review site plans to determine if the height of any proposed building will interfere with flight operations at local airports.

Construction

KAI will qualitatively discuss how the Project’s Construction might impact off-site circulation due to increased truck traffic to and from the Project site. In additional, KAI will also qualitatively discuss the impact on transit, pedestrian and bicycle facilities during Construction.

C/CAG Transportation Demand Management Requirement

As part of the land use element of the CMP, all projects that generate 100 or more new trips during the AM or PM peak hour are required to implement TDM programs that have the capacity to reduce the demand for new peak-hour trips.

The City has a requirement that the proposed development implement a TDM plan that reduces peak hour trips by 20%. KAI will peer review this proposed TDM plan and determine if it adequately meets the 20% goal.

KAI will also make recommendations of how the City could monitor the effectiveness of TDM measures.

TASK 11: DEVELOP MITIGATION MEASURES

KAI will identify Project generated impacts to the transportation network under the Existing plus Project Conditions, Near Term plus Project Conditions, and 2040 Cumulative plus Project Conditions. KAI, in consultation with the City, will determine if significant Project-generated impacts could be mitigated using measures approved in the Menlo Park City General Plan EIR, or if they would require additional mitigation, or if they could not be mitigated and would thus be considered significant and unavoidable.

TASK 12: PROJECT ALTERNATIVES

KAI will use the trip generation sources as defined in Task 7 to determine the trip generation for one additional Project Alternative. KAI will then perform a qualitative analysis for a reduced development Project Alternative to identify if it would add or reduce any project identified impacts.
TASK 13: TRAFFIC SECTION

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

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

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

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

KAI will provide the EIR consultant with all traffic related data for noise, air quality and GHG analysis.

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

KAI staff will respond to one set of comments on the FEIR. Should the comments require additional analysis or effort not anticipated, KAI may request a budget amendment.

*Deliverable: Electronic Copy of Administrative Draft EIR Transportation Chapters (pdf, WORD)*
TASK 14: MEETINGS

KAI will attend up to three meetings. These meetings can be project meetings to discuss the project, review interim products, and address any issues that may arise or public hearings. Additional meetings will be considered out-of-scope work and will be accommodated on a time-and-materials basis.

Exclusions:

- All study scenarios will be evaluated based on existing intersection geometrics. Should significant impacts be determined with the proposed project development, mitigation measures which may include changes to the intersection geometrics will be recommended;
- Any material modifications to the site plan, driveway locations or project description once KAI has begun the traffic analysis may constitute a change in work scope and/or budget;
- Should analysis of additional phases, scenarios, intersections, or roadway segments be requested, or more than one Administrative Draft report, or additional meetings, then a modification to this scope and budget will be requested.
- Should additional time be necessary to prepare the Final EIR beyond the budgeted hours (as it is unknown how many comments or the level of effort that will be required to respond to Draft EIR comments) we will request additional budget at that time, and proceed only after receiving written authorization for additional services;
- Any services not explicitly identified above are excluded.
PART B – PROPOSED BUDGET & SCHEDULE

Budget

We propose to conduct the work on a time-and-materials basis at our standard billing rates. The cost to complete the scope of work described in Part A will be $89,989. Direct costs are estimated at $3,384 for travel and traffic counts. Table 1 presents the detailed estimated labor hours and cost by task. Our standard billing rate schedule is attached.

Schedule

The schedule for delivery of Admin Draft traffic section is 10 weeks from when KAI receives the following:

- Written Authorization to Proceed
- Project land uses
- Project Description (including site plan, land use type, size, trip generation information)
- Project Site Plan
- Project Alternatives Description (including land use type, size, trip generation information)
- Most recent traffic counts
- A VISTRO LOS model containing the study intersections
- List of Approved Projects to be included under the Near Term Conditions (may already be updated in VISTRO)
- List of Roadway Improvements to be assumed under the Near Term Conditions (may already be updated in VISTRO)
- List of Approved and Probable Projects to be included under the Cumulative Conditions (may already be updated in VISTRO)
- List of Roadway Improvements to be assumed under the Cumulative Conditions (may already be updated in VISTRO)
- Figures showing the existing and planned bicycle facilities in the study area, preferably in GIS format
- Figures showing the existing and planned pedestrian facilities in the study area, preferably in GIS format
- City’s Parking Requirements

KAI will then provide a Draft traffic section within two weeks of receiving comments from the Prime and City.

This schedule shall be equitably adjusted as the work progresses, allowing for changes in scope, character or size of the Project requested by you, or for delays or other causes beyond our reasonable control.
This scope does not include preparatory time (graphics and handouts) for public hearings or other meetings. All client requests for additional presentations and meetings of this nature will be accommodated on a time-and-materials basis and will be considered out-of-scope work.
### Table 1: Estimated Labor Hours and Budget by Task

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<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Project Principal</th>
<th>Project Manager</th>
<th>Associate Engineer</th>
<th>Senior Engineer</th>
<th>Analyst</th>
<th>Graphic Support</th>
<th>Total Hours</th>
<th>Estimated Budget</th>
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<tr>
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<td><strong>319</strong></td>
<td><strong>54</strong></td>
<td><strong>576</strong></td>
<td><strong>$89,989</strong></td>
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**Labor Expenses Total**

$2,170

$2,175

$3,270

$3,234

$6,504

$7,923

$9,800

$9,800

$8,560

$8,560

$3,540

$3,540

$1,910

$1,910

$6,660

$6,660

$7,115

$7,115

$5,140

$5,140

$1,850

$1,850

$22,865

$22,865

$3,690

$87

$3,777

$86,605

$3,384

$89,989
January 8, 2018

Jessica Viramontes  
Senior Associate  
ICF  
201 Mission Street, Suite 1500  
San Francisco, CA 94105

Dear Ms. Viramontes:

We appreciate the opportunity to submit this proposal to prepare a Fiscal Impact Analysis for the Commonwealth Building 3 project located at 164 Jefferson Drive ("Project"). Our understanding is that the Project would entail adding a third building containing 318,614 square feet and a five-story structured parking facility to the existing two-building Commonwealth development. The City of Menlo Park requires a Fiscal Impact Analysis study that would address impacts to the City’s General Fund, as well as Special Districts, including the Menlo Park Fire Protection District. Impacts from potential sales tax generation from future tenants in the project would also need to be evaluated.

BAE is an award-winning real estate economics and development advisory firm with a distinguished record of achievement over its 30+ year history. Headquartered in Berkeley, CA, BAE also has branch offices in Los Angeles, Sacramento, New York City, and Washington DC, enabling our 126 staff to contribute to and learn from best practices in urban sustainable development around the U.S. Our practice spans national and state policy studies to local strategic plans and public-private development projects. BAE has extensive experience assessing the fiscal impacts and economic impacts of proposed new development, including our previous work for the City of Menlo Park, as well as assisting local governments to negotiate for community benefits from proposed new development.

The following pages detail our proposed work program, schedule, and budget. This proposal remains effective for 90 days from the date of submittal of this letter. Please feel free to call me at 510.547.9380 for additional information regarding our submittal.

Sincerely,

[Signature]

David Shiver  
Principal

San Francisco  
2600 10th St., Suite 300  
Berkeley, CA 94710  
510.547.9380

Sacramento  
803 2nd St., Suite A  
Davis, CA 95616  
530.755.2195

Los Angeles  
448 South Hill St., Suite 701  
Los Angeles, CA 90013  
213.471.2666

Washington DC  
1400 I St. NW, Suite 350  
Washington, DC 20005  
202.588.8945

New York City  
49 West 27th St., Suite 10W  
New York, NY 10001  
212.683.4486

www.baeet.com
**SCOPE OF SERVICES**

This section outlines BAE’s proposed work program, including deliverables.

**Task 1: Meet with City Staff and Review Background Materials**

**Task 1A: Meet with City Staff and Tour Project Site.** BAE will meet with City staff to review the scope of services, proposed schedule, and deliverables. BAE will also tour the site and area.

**Task 1B: Review Key Financial, Planning, and Environmental Documents.** This task will include a review of relevant documents and plans pertaining to the proposed project including the General Plan, the Zoning Ordinance, the project Environmental Impact Report (if applicable), and City staff reports. BAE will also review the City budget, the Comprehensive Annual Financial Report, City fee ordinances, and other financial documents from the City and affected special districts including fire, sanitation, and school districts.

**Task 2: Analyze Fiscal Impacts**

This analysis will consider revenue and cost implications for City, Menlo Park Fire Protection District, and affected special districts and school districts of the project at its proposed bonus density level compared to the baseline level of development permitted. BAE will utilize and update prior FIA models prepared for the City of Menlo Park.

Revenue items considered will include sales tax, property tax, property transfer tax, transient occupancy tax, business license revenue, franchise fees, and any other applicable taxes. Also considered will be one-time revenue sources including impact fees, and construction period sales taxes. For key revenues, (e.g., property taxes) BAE will estimate revenues within an expected low to high range as appropriate.

Cost items considered will include police, fire, public works, recreation and library services, and general government services. The cost analysis will, whenever feasible, study the marginal cost of providing additional service. As part of this process, BAE will contact local public service providers including the police department and Fire Protection District to assess existing service capacity and the potential impact of the proposed project. For police, BAE will work with the local department to examine the current beat structure and determine how this may need to be altered to serve the new development. Any new patrol officers and/or equipment would also be analyzed on a marginal basis. For fire, BAE will study existing capacity at the station that would serve the proposed project and assess any additional labor or equipment costs that the station would incur. Cost impacts for other city departments and school districts would also be analyzed.
Fiscal impacts will be presented in current dollars on a net annual and cumulative basis over a 20-year period present in constant 2018 dollars. To determine an appropriate absorption rate for the various proposed land uses, BAE will review the project applicant’s anticipated absorption schedule and refine it based on a review of market conditions.

During the preparation of the FIA, all communication with the project sponsor would be with or through City staff.

**Task 3: Prepare Fiscal and Economic Impact Report**

**Task 3A: Prepare Administrative Draft Fiscal and Economic Impact Analysis Report.** BAE will prepare and submit an Administrative Draft Fiscal Impact Analysis report to City staff. The report will include a concise and highly-accessible executive summary, including a summary of the methodology and key findings from Tasks 1 and 2.

**Task 3B: Prepare Public Review and Final Draft Report.** Staff will provide written comments to BAE regarding the Administrative Draft. BAE will address all comments with staff and make modifications as needed. BAE will then submit a draft Public Review Draft for staff to review. Staff will note any minor corrections and BAE will submit a Public Review Draft.

**Task 3C: Prepare Presentation, Attend Two Meetings.** This task includes preparation of a PowerPoint presentation for use by staff, BAE, and posting to the City’s website. BAE will attend up to two meetings to present its findings, anticipated to be a Planning Commission and City Council meeting. BAE will discuss comments with City staff and make changes as necessary. BAE will then submit a Final report.

**Task 4: Project Coordination**

BAE will coordinate this assignment and participate in team conference calls with ICF, as necessary.

**DATA NEEDS**

In order to complete this analysis BAE will require access to various City and special district staff to conduct brief interviews and confirm methodologies and assumptions. In particular, BAE would intend to speak with most department/district heads, or their designees, as well as the City finance director. BAE would work with the finance department to obtain electronic copies of relevant budget files.

From the project sponsor, BAE will need development pro formas, market studies, and marketing plans, including pricing assumption. In addition to data from the City and project
sponsor, BAE will need to acquire market, demographic, and other data from vendors. A budget for these materials is included below.

**BUDGET AND FEES**

BAE would complete all work identified in the Scope of Services, including expense reimbursement, for the not-to-exceed amount of $18,220. This budget includes two public meetings as part of Task 3. Please note that attendance at additional public meetings/hearings is calculated at the rate of $1,500 for preparation, travel and up to three hours of meeting time, with hourly rates for all meeting time over three hours, as well as additional meetings beyond those set forth in the scope. All hours will be billed according to the following 2018 rates as listed below.

<table>
<thead>
<tr>
<th>Position</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>$300/hour</td>
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<tr>
<td>Senior Advisor</td>
<td>$300/hour</td>
</tr>
<tr>
<td>Director</td>
<td>$235/hour</td>
</tr>
<tr>
<td>Vice President</td>
<td>$210/hour</td>
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<tr>
<td>Senior Associate</td>
<td>$185/hour</td>
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<tr>
<td>Associate</td>
<td>$140/hour</td>
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<td>Sr. Analyst</td>
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<tr>
<td>Analyst</td>
<td>$95/hour</td>
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Shown below is a project staffing plan and estimated cost per task. David Shiver will serve as Principal in Charge and Stephanie Hagar as Project Manager for this assignment.

<table>
<thead>
<tr>
<th>Task</th>
<th>Hours by Staff</th>
<th>Principal Shiver</th>
<th>Vice President Hagar</th>
<th>Associate</th>
<th>Budget</th>
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<td></td>
<td>Hourly Rate</td>
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<td>$210</td>
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<td>Task 1: Start-up Meeting and Review of Background Materials</td>
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<td>4</td>
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<td></td>
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<td>Task 2: Conduct Fiscal Impact Analysis</td>
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<td>8</td>
<td>24</td>
<td>$6,240</td>
<td></td>
</tr>
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<td>Task 3: Prepare Draft and Final FIA Reports (includes 2 mtgs)</td>
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<td>12</td>
<td>$7,530</td>
<td></td>
</tr>
<tr>
<td>Task 4: Project Coordination</td>
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<tr>
<td><strong>Total (Labor + Expenses)</strong></td>
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<td></td>
<td><strong>$18,220</strong></td>
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</tr>
</tbody>
</table>

Optional Task: BAE Attendance at Additional Public Meetings/Hearings - Each (a) $1,500

Notes:
(a) Includes data expenses and mileage for meetings.
**Project Schedule**

Assuming that BAE receives all requested data within the first two weeks following project start up, BAE would complete the Administrative Draft within six weeks following project start up.

BAE would prepare a Public Review Draft within two weeks of receiving a single set of combined written comments on the Administrative Draft.

BAE would prepare a Final report within two weeks of receiving a single set of combined written comments on the Public Review Draft.