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

| Agreement #: | 0 0 2 4 1 9 |

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 17th day of September, 2019, 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, Menlo Park Portfolio II, LLC, on behalf of Tarlton Properties, proposes to redevelop the property addressed 1350 Adams Court (Assessor’s Parcel Number 055-472-030), Menlo Park, with approximately 260,000 square-foot (sf) building for life science uses. The proposed building would be composed of three five-story modules offset from each other. Access to the project site would be provided via Adams Drive and Adams Court, with a potential future public connection through the Facebook property to the west, 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.

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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 $363,780 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:

Kyle Perata  
Community Development  
City of Menlo Park  
701 Laurel St.  
Menlo Park, CA 94025  
650-330-6721  
kperata@menlopark.org

Notices required to be given to FIRST PARTY shall be addressed as follows:  
Kirsten Chapman, Sr. Associate Project Manager  
ICF Jones & Stoke, Inc.  
201 Mission Street, 15th Floor  
San Francisco, CA 94105  
415-537-1702  
Kirsten.chapman@icf.com

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 staff will 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 14, 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.

(Signatures on the following page)
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

94-1730361
Tax ID#

APPROVED AS TO FORM:

William L. McClure, City Attorney

FOR CITY OF MENLO PARK:

Alex D. McIntyre, City Manager

ATTEST:

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 in 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

Kyle Perata, Senior Planner
City of Menlo Park Community Development Department
701 Laurel Street
Menlo Park, CA 94025

SUBJECT: Proposal to Conduct CEQA Review for the Lot 3 North – 1350 Adams Court Project (rev. 1)

Dear Mr. Perata:

ICF Jones & Stokes, Inc. (hereafter referred to as ICF) is pleased to present this scope and budget to prepare an Initial Study and Environmental Impact Report (EIR) for the proposed Lot 3 North – 1350 Adams Court 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 is located at 1350 Adams Court on the northern portion Lot 3, which is part of the Menlo Park Labs campus. The Project Sponsor would construct a new 260,000 square-foot (sf) building for life science uses. Parking would be provided in both podium-level and above-grade garages integrated into the building complex and reserved for the tenants of the new building, along with some parking dedicated to PacBio employees. The proposed building would be composed of three five-story modules offset from each other. Access to the Project site would be provided via Adams Drive and Adams Court, with a potential future public connection through the Facebook property to the west.

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 and Associates (Housing Needs Assessment), Hexagon (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 Kirsten Chapman at 415.537.1702 or kirsten.chapman@icf.com. We look forward to working with you on this project.
Sincerely,

[Signature]

Trina L. Prince-Fisher
Contracts Administrator

Attachments

A. Budget
B. Schedule
C. Keyser Marston and Associates (Housing Needs Assessment)
D. Hexagon (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 Kirsten Chapman as Project Manager. In addition, ICF will team with Keyser Marston and Associates (Housing Needs Assessment), Hexagon (Transportation), and Bay Area Economics (Fiscal Impact Analysis). Please refer to Appendices C through F.

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.

- Facebook Campus Expansion Project EIR and EIR Addendum—City of Menlo Park
Menlo Park Facebook Campus Project EIR and EIR Addendum—City of Menlo Park
Commonwealth Corporate Center EIR—City of Menlo Park
Middle Plaza Project at 500 El Camino Real—City of Menlo Park
1300 El Camino Real Project—City of Menlo Park
City Place Santa Clara EIR—Related Santa Clara (Related), Santa Clara
SF Giants Mission Seawall Lot 337/Pier 48 EIR—Seawall Lot 337 Associates LLC
Burlingame Point Project EIR Addendum—City of Burlingame

C. Project Understanding and General Approach

ICF has reviewed the information provided by the City and Tarlton Properties (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 site is located at 1350 Adams Court on the northern portion Lot 3, which is part of the Menlo Park Labs campus. The site is currently undeveloped and bounded by Adams Court to the north, Adams Drive to the east, the PacBio building to the south, and a Facebook property to the west. Under the City’s revised General Plan, the Project site was rezoned as an LS-B district. The Project Sponsor would construct a new 260,000 square-foot (sf) building for life science research and design (R&D) uses. Parking would be provided in both podium-level and above-grade garages integrated into the building complex and reserved for the tenants of the new building, along with some parking dedicated to PacBio employees. The proposed building would be composed of three five-story modules offset from each other. The east end of the proposed building would be setback from the Adams Court/Adams Drive intersection in order to provide a patio and outdoor deck on the second level. Access to the Project site would be provided via Adams Drive and Adams Court, with a potential future public connection through the Facebook property to the west. The Project proposes a bonus level development and seeks a conditional use permit.

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 15168 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 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 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.
Discussions on CEQA baseline and cumulative projects.
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, building elevations, and/or visual simulations (if available) 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. 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 and is bordered on all sides by the Menlo Park Labs campus and industrial/warehousing uses. 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 undeveloped and is mostly covered in dirt, loose vegetation, and concrete paving. However, mature trees line the northern portion of the Project site, along Adams Court, which 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** – The Project area was undeveloped until 1983 and is unlikely to contain historic buildings. Therefore, the need for documenting and evaluating historic built resources, as outlined in the ConnectMenlo EIR Mitigation Measure CULT-1, is not anticipated. 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 buildings 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 mostly covered in dirt, loose vegetation, and concrete paving. Therefore, construction of a new building would 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 change in 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 an LS-B district and the zoning ordinance allows up to 1.25 FAR (plus 10 percent commercial use) and 110-foot maximum height with community benefits. The proposed 5-story structure, plus the existing PacBio building, would have a combined floor area of 448,139 sq. ft. at 0.91 FAR. 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 proposed 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 area.

- **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 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 Adobe 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

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 Screeencheck 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 15128 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, even though the combined square footage of the Project is not anticipated to exceed the corresponding screening size of 277,000 square feet. As discussed below, construction emissions will be required for the health risk assessment (HRA) during construction. As such, 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-2b2, 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 (OEHHA), 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-2a 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.

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.

**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 proposed 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.

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 proposed 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 life science R&D 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 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 life science R&D 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 Hexagon, 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 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

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 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 15063 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 hard 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 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 $363,780, 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.

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.
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 Lot 3 North – 1350 Adams 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 Lot 3 North – 1350 Adams Project. The Project consists of a new 260,000 square foot life sciences building to be integrated with an existing R&D building.

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 Commonwealth Corporate Center Building 3 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 Lot 3 North – 1350 Adams Project

The following scope of services is for preparation of a Housing Needs Assessment (HNA) addressing the Lot 3 North – 1350 Adams 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 6 – 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.
KMA proposes to complete this scope of services for the Lot 3 North – 1350 Adams 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 Commonwealth Corporate Center Building 3 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>
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<tbody>
<tr>
<td>Task 1 - Project Initiation and Data Collection</td>
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<td>Task 2 – Total Housing Need by Income, on-site workers</td>
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<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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<td>Task 5 – Relationship to Regional Housing Market and Displacement</td>
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<tr>
<td>Task 6 – Report (Draft and Final)</td>
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<tr>
<td>Task 7 – T&amp;M Allowance for DEIR responses to comments</td>
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<tr>
<td>Meetings in Menlo Park (one in addition to kickoff)</td>
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<tr>
<td>Public hearings (assume one)**</td>
<td>$2,000</td>
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<tr>
<td>Reimbursable Expenses (IMPLAN data and market data)</td>
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<tr>
<td><strong>Total for Lot 3 North – 1350 Adams Project</strong></td>
<td>$49,500</td>
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* Assumess efficiencies of also preparing the HNA for the Commonwealth Corporate Center Building 3 Project on a similar time frame. Budget will need to be adjusted if only the 1350 Adams analysis moves forward.

** Includes related coordination and preparation.
<table>
<thead>
<tr>
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<tr>
<td>A. JERRY KEYSER*</td>
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</tbody>
</table>

Directly related job expenses not included in the above rates are: auto mileage, parking, air fares, hotels and motels, meals, car rentals, taxies, 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 7, 2018

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

Re: Proposal to Prepare a Traffic Impact Analysis for the Proposed R&D Development at 1350 Adams Court in Menlo Park, California

Dear Ms. Efner:

Hexagon Transportation Consultants, Inc. is pleased to submit this proposal to prepare a Traffic Impact Analysis for the proposed research and development project at 1350 Adams Court in Menlo Park, California. The project proposes 260,000 square feet of building area. Currently the site is vacant. Vehicular access to the project site would be provided by two full-access driveways located on Adams Drive and at the end of Adams Court. A curved driveway ramp would be provided from Adams Court to the entry plaza and the visitors’ parking area.

Scope of Services

The purpose of the traffic study is to identify any traffic impacts in accordance with City of Menlo Park standards and procedures. It is not anticipated that the project would generate more than 100 peak-hour trips on CMP facilities. Therefore, an analysis in accordance with the C/CAG’s CMP guidelines, as well as a C/CAG checklist, will not be required. The project would only add minimal trips to the freeway ramps, therefore, a freeway ramp analysis would not be necessary. Instead, the study will document the trips added by the project to the freeway ramps for information purposes only. A freeway ramp analysis would be conducted under future conditions when the ramps are signalized. The traffic study will include an analysis of weekday AM and PM peak-hour traffic conditions and will determine the traffic impacts of the proposed project on key intersections in the vicinity of the site. The intersections we propose to study are identified below.

Study Intersections:

1. University Avenue (SR 109) and Bayfront Expressway (SR 84) [CMP] [Menlo Park]
2. University Avenue (SR 109) and Adams Drive (unsignalized) [East Palo Alto]
3. University Avenue (SR 109) and O’Brien Drive [East Palo Alto]
4. University Avenue (SR 109) and Bay Road [East Palo Alto]
5. University Avenue (SR 109) and Donohoe Street
6. US 101 NB Off Ramp/University Plaza driveway and Donohoe Street
7. University Avenue and US 101 SB Off-Ramp
8. University Avenue (SR 109) and Kavanaugh Drive [East Palo Alto]
9. University Avenue (SR 109) and Notre Dame Avenue [East Palo Alto]
10. Willow Road (SR 114) and O’Brien Drive [Menlo Park]
11. Willow Road (SR 114) and Newbridge Street [Menlo Park]
12. Willow Road (SR 114) and Bay Road [Menlo Park]
13. Willow Road (SR 114) and Bayfront Expressway (SR 84) [CMP] [Menlo Park]
14. Willow Road (SR 114) and Hamilton Avenue [Menlo Park]
15. Willow Road (SR 114) and Ivy Drive [Menlo Park]
16. Willow Road (SR 114) and Durham Street [Menlo Park]
17. Willow Road (SR 114) and Coleman Avenue [Menlo Park]
18. Willow Road (SR 114) and Gilbert Avenue [Menlo Park]
19. Willow Road (SR 114) and Middlefield Road [Menlo Park]
20. Adams Drive and Adams Court (unsignalized) [Menlo Park]
21. Adams Drive and O’Brien Drive (unsignalized) [Menlo Park]
22. US 101 Northbound Ramps and Willow Road (future intersection)
23. US 101 Southbound Ramps and Willow Road (future intersection)

The tasks to be included in the traffic analysis are:

1. **Site Reconnaissance.** The physical characteristics of the site and the surrounding roadway network will be reviewed to identify existing roadway cross-sections, intersection lane configurations, traffic control devices, and surrounding land uses.

2. **Observation of Existing Traffic Conditions in the Study Area.** Existing traffic conditions will be observed in the field in order to identify any operational deficiencies and to confirm the accuracy of calculated levels of service.

3. **Data Collection.** Existing weekday AM (7:00 – 9:00 AM) and PM (4:00 – 6:00 PM) peak-hour traffic volumes will be obtained from the City of Menlo Park and previous studies with counts conducted in year 2017. New manual peak-hour turning movement counts will be conducted at the three unsignalized intersections of Adams Drive/Adams Court, Adams Drive/O’Brien Drive, and Adams Drive/University Avenue.

4. **Evaluation of Existing Conditions.** Existing traffic conditions will be evaluated based on existing traffic volumes at the study intersections. The existing traffic conditions at the study intersections within the City of Menlo Park will be evaluated using the software VISTRO, which employs the 2010 Highway Capacity Manual (HCM) methodology for intersection analyses. Due to the close spacing of the study intersections, the three intersections in the vicinity of the US 101/University Avenue interchange will be analyzed using the Synchro/SimTraffic 9 software. The remaining three study intersections in the City of East Palo Alto will be evaluated using the VISTRO software based on the 2010 Highway Capacity Manual methodology pending the approval of the City of East Palo Alto.

5. **Evaluation of Background Conditions.** Background traffic volumes represent the existing volumes plus the projected volumes from approved developments that have not yet been constructed and occupied. A list of approved projects will be obtained from the City of Menlo Park, the City of East Palo Alto, and the City of Palo Alto. A growth factor developed based on the City of Menlo Park Travel Demand Model will also be applied to the existing traffic volumes to account for regional growth. Intersection levels of service under background conditions will be evaluated.

6. **Project Trip Generation, Distribution, and Assignment.** Estimates of trips to be added to the surrounding roadway network by the proposed R&D development will be based on the trip generation rates recommended by the Institute of Traffic Engineers’ Trip
Generation Manual, 10th Edition. A 20% transportation demand management (TDM) reduction will be applied in accordance with Menlo Park requirements. The directional distribution of site-generated traffic will be forecast based on the City of Menlo Park Travel Demand Model. The site-generated net traffic will be assigned to the roadway network based on the trip generation and distribution pattern discussed above.

7. Evaluation of Background Plus Project Conditions. Project-generated traffic will be added to the background condition traffic volumes. Intersection levels of service under project conditions will be evaluated using different software based on the jurisdiction of the study intersection. Intersection level of service calculations will be conducted to estimate project traffic conditions during the AM and PM peak hours after project completion. Intersection impacts associated with the development of the proposed project will be evaluated relative to background conditions.

8. Cumulative Conditions. Hexagon will use the 2040 model run results for the City of Menlo Park General Plan EIR certified in December 2016 to describe operating conditions at the study intersections under cumulative conditions. Volumes will be interpolated for study intersections not included in the model. Hexagon will determine whether the proposed project is included in the existing forecasts. If not, the forecasts will be adjusted to include the proposed project. An alternative access analysis will be conducted under cumulative conditions to evaluate access and circulation changes for the project if the proposed Facebook Willow Campus is approved. The changes include a new signalized intersection on O’Brien Drive at the Facebook property line and a new signalized intersection on Willow Road between Hamilton Avenue and Ivy Drive. These intersections will be evaluated in the alternative access analysis.

9. VMT Analysis. The vehicle miles travelled (VMT) associated with the proposed project will be estimated using a manual methodology developed in consultation with City staff. The project VMT will be presented for informational purposes as the City has not yet adopted any policies or thresholds of significance with regard to VMT.

10. Site Access and On-Site Circulation. A review of the project site plan will be performed to determine the overall adequacy of the site access and on-site circulation in accordance with generally accepted traffic engineering standards and to identify any access or circulation issues that should be improved. The analysis will also discuss the access and circulation pattern under the scenario when a connection is assumed between the project site and the proposed Facebook project. Sight distance will be checked at the project driveways. Parking will be evaluated relative to the City of Menlo Park Parking Code.

11. Evaluation of Vehicle Queuing. For selected locations where the project would add a significant number of left-turning vehicles, the adequacy of existing/planned storage at turn pockets will be assessed by means of comparison with expected maximum vehicle queues. Vehicle queues will be estimated using a Poisson probability distribution.

12. Bicycle, Pedestrian, and Transit Facilities. A qualitative analysis of the project’s effect on transit service in the area and on bicycle and pedestrian circulation in the study area will be included in the traffic report. Any impacts of the project on the nearby facilities will be identified and improvements recommended to mitigate the impacts.
13. **Description of Impacts and Recommendations.** Based on the results of the level of service calculations, impacts of the site-generated traffic will be identified and described. Recommendations will be formulated that identify the locations and types of improvements or modifications necessary to mitigate significant near term or long-range project impacts. Improvements could include street widenings, lane additions, changes in lane usage, or modifications to existing traffic signals, which will be consistent with the mitigation measures proposed in the City’s General Plan Update - ConnectMenlo.

14. **TDM Plan Review.** Hexagon will provide a peer review of the project’s TDM plan. This task will include: reviewing the trip generation estimation; reviewing the proposed TDM measures; and determining whether the targeted trip reduction goals could be achieved.

15. **Meetings.** The fee estimate includes Hexagon staff attendance at three meetings in connection with the project: one staff meeting, one Planning Commission meeting, and one City Council meeting. Additional meeting attendance would be provided as additional services and will be billed based on staff time plus expenses.

16. **Reports.** Our findings and recommendations will be summarized in the transportation/traffic section in the project’s administrative draft environmental impact report (DEIR). Hexagon will revise the EIR transportation chapter based on City comments. Hexagon also will help the team respond to DEIR comments to produce the final EIR.

17. **Additional Services.** Any work not specifically referenced in the above Scope of Services—for example analyzing project alternatives, analyzing additional intersections, and attending additional meetings—shall be considered additional services

**Time of Performance**

Barring any unforeseen delays, an administrative draft traffic analysis report will be submitted approximately six weeks after authorization to proceed. The final traffic report will be delivered one week after receipt of all review comments.

**Cost of Services**

The fee for the scope of services will be based on time and expenses up to a maximum budget of $62,000.
Optional Services

The following work items are not part of this scope and would be considered additional services or require a budget amendment should they be deemed necessary:

1. **Spot Counts Collection (Optional).** If required, Hexagon will conduct spot counts during weekday AM (7:00 – 9:00 AM) and PM (4:00 – 6:00 PM) peak-hours at four intersections: University Avenue/Bayfront Expressway; Willow Road/Bayfront Expressway; Marsh Road/Bayfront Expressway; and Marsh Road/Scott Road. The cost for spot counts would be $1,600.

We appreciate your consideration of Hexagon Transportation Consultants for this assignment. If you have any questions, please do not hesitate to call.

Sincerely,

HEXAGON TRANSPORTATION CONSULTANTS, INC.

Gary K. Black
President
Hexagon 2018 Billing Rates

<table>
<thead>
<tr>
<th>Professional Classification</th>
<th>Rate per Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>$275</td>
</tr>
<tr>
<td>Principal</td>
<td>$230</td>
</tr>
<tr>
<td>Senior Associate II</td>
<td>$215</td>
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<tr>
<td>Senior Associate I</td>
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<td>Associate II</td>
<td>$180</td>
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<tr>
<td>Associate I</td>
<td>$165</td>
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<td>Planner/Engineer II</td>
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<tr>
<td>Planner/Engineer I</td>
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<td>Admin/Graphics</td>
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<tr>
<td>Senior CAD Tech</td>
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<tr>
<td>Technician</td>
<td>$75</td>
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</table>

Direct expenses are billed at actual costs, with the exception of mileage, which is reimbursed at the current rate per mile set by the IRS.

Billing rates shown are effective January 1, 2018 and subject to change January 1, 2019.
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 proposed R&D/office project located at 1350 Adams Court ("Project"). Our understanding is that the Project would entail developing Lot 3, which under the LS-B district would allow up a 1.25 FAR (+10% commercial use) with community benefits, with a new 260,000 square foot facility targeted to life science tenants. Parking would be a combination of podium and above-grade configurations. 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 18 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  
530.750.2195

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
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>Role</th>
<th>Rate (hour)</th>
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<tbody>
<tr>
<td>Principal</td>
<td>$300</td>
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<td>Senior Advisor</td>
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<td>Director</td>
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<td>Vice President</td>
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<td>Associate</td>
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<td>Sr. Analyst</td>
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<td>Analyst</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.

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<thead>
<tr>
<th>Task 1: Start-up Meeting and Review of Background Materials</th>
<th>Hourly Rate</th>
<th>Principal Shiver</th>
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<th>Vice President Hagar</th>
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<td><strong>Total (Labor + Expenses)</strong></td>
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<td><strong>$18,220</strong></td>
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</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.