# PROJECT SPONSOR AGREEMENT

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

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## AGREEMENT BETWEEN  
THE CITY OF MENLO PARK AND O'BRIEN DRIVE PORTFOLIO, LLC

THIS AGREEMENT made and entered into at Menlo Park, California, this 28th day of March, 2019, by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as "CITY," and O'BRIEN DRIVE PORTFOLIO, LLC, hereinafter referred to as "FIRST PARTY."

WITNESSETH:

WHEREAS, O'Brien Drive Portfolio LLC, proposes to redevelop the property addressed 1105, 1135 and 1165 O'Brien Drive (Assessor’s Parcel Number 055-433-320 and 055-433-330), Menlo Park, with approximately 132,500 square feet of gross floor area in size, and a new five-story parking structure with 295 parking stalls on a two-parcel site with two existing one-story office and R&D buildings, to be demolished, in the LS-B (Life Sciences, Bonus) zoning district. As part of the project, nine heritage trees are requested for removal. The project will be pursuing bonus level development and an administrative lot merger to combine the two existing parcels into a single parcel, 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, the Consultant is licensed to perform said services and desires to undertake to perform said services in accordance with the terms set forth in Exhibit A.

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

The City and its sole discretion has selected ICF Jones & Stokes, Inc., (the "Consultant") to prepare the Environmental Impact Report (EIR), as described in Exhibit A.
2. COMPENSATION AND PAYMENT

The City in its sole discretion has determined that the amount of compensation to be paid to the Consultant shall not exceed the sum of $314,338 for the preparation of the EIR; and

The amount of such compensation to be paid to the Consultant by the Project Sponsor shall be the sole sources of compensation to the Consultant for the work on the EIR and, therefore, shall be paid solely from City funds by the City; and

The Project Sponsor agrees (a) to pay the City the sum up to $314,338 for the preparation of the EIR, (b) to bear the sole financial responsibility for defending any lawsuit challenging the Project on any ground, and (c) to defend and indemnify the City against any such lawsuit, including attorney's fees and costs incurred as a result thereof; and

Upon completion or abandonment of the Project, all sums paid to the City by the Project Sponsor, under the terms of this Agreement shall be refunded to the Project Sponsor, pro-ratably, if the sum has not been paid by the City and is not due to the Consultant.

3. SCHEDULE OF WORK

Upon receipt of a fully executed Project Sponsor Agreement by O'Brien Drive Portfolio, LLC, and receipt of payment, the City shall enter into the contract with Consultant and shall monitor the performance by the Consultant of the contract for the preparation of the EIR, which shall be prepared in accordance with the industry standards. The City's obligation shall be limited to normal contract monitoring and shall not include City Attorney or other review of the legal adequacy of the Environmental Impact Report (EIR). The Consultant shall conduct research and arrive at conclusions independently of the control and direction of the City or any City official other than normal contract monitoring. The Project Sponsor shall have no control or direction of the work of the Consultant.

4. NOTICE

All notices hereby required under this Agreement shall be in writing and delivered in person or sent as set forth in Section 6 below. Notices required to be given to CITY shall be addressed as follows:

Tom Smith
Community Development
701 Laurel Street
Menlo Park, CA 94025
650-330-6730
tasmith@menlopark.org

Notices required to be given to FIRST PARTY shall be addressed as follows:

Chris Middlebrooks
O'Brien Drive Portfolio, LLC
1530 O'Brien Drive, Suite C
Menlo Park, CA 94025
construction@tarlton.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.
5. **OWNERSHIP OF WORK PRODUCT**

Work products for this Environment Impact Report, 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 FIRST PARTY.

6. **TERMINATION OF AGREEMENT**

It is understood and Agreed that the City has no responsibility for the legal adequacy of the Environmental Impact Report (EIR) and that the legal adequacy of the Environmental Impact Report (EIR) is the sole responsibility of the Project Sponsor and its attorneys, and that the City may terminate this Agreement upon 10 days written notice.

If the FIRST PARTY, in writing, withdraws all applications for discretionary land use entitlements for the Project or states its intent not to proceed with the Project (a "Withdrawal Notice"), then City agrees to give a 10-day termination notice to the Consultant after receipt of the Withdrawal Notice. The FIRST PARTY shall remain responsible for all costs incurred by the Consultant prior to the effective date of the termination notice. All notices under this Agreement shall be given in writing by overnight mail or overnight private courier to the address in Section 4 “Notice” and shall be deemed received the next business day following delivery to the U.S. Postal Service or private courier.

7. **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.

(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

Date

Printed name

Title

Tax ID#

APPROVED AS TO FORM:

William L. McClure, City Attorney

FOR CITY OF MENLO PARK:

Starla Jerome-Robinson, Interim City Manager

Date

3/20/19

ATTEST:

Judi A. Herren, City Clerk

Date

4/11/19
O'BRIEN DRIVE PORTFOLIO, LLC
a Delaware limited liability company

CO-MANAGING MEMBER:

O'BRIEN DRIVE PORTFOLIO MEMBER, LLC
Delaware limited liability company, if co-managing member
By: PRINCIPAL REAL ESTATE INVESTORS, LLC
a Delaware limited liability company, authorized signatory

By: ______________________________________
Name: Jeffrey D. Uittenbogaard
Title: Investment Director

By: ______________________________________
Name: ______________
Title: __________________________

MANAGING MEMBER:

TARLTON PROPERTIES, INC., a California corporation

By: ______________________________________
Name: Ron Krietemeyer
Title: COO
STATE OF IOWA

COUNTY OF POLK

On [date], 201[1], before me, Shelley Miller, a Notary Public in and for said state, personally appeared Jeffrey D. Harms and [other person], personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the state of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Shelley Miller
Notary Public in and for said State

[Notary Seal]

SHELLEY MILLER
Commission Number 812175
My Commission Expires
August 15, 2021
O'BRIEN DRIVE PORTFOLIO, LLC
a Delaware limited liability company

CO-MANAGING MEMBER:
O'BRIEN DRIVE PORTFOLIO MEMBER, LLC
By: PRINCIPAL REAL ESTATE INVESTORS, LLC
a Delaware limited liability company, authorized signatory

By: ___________________________________________
   Name:
   Title:

By: ___________________________________________
   Name:
   Title:

MANAGING MEMBER:

TARLTON PROPERTIES, INC., a California corporation

By: _________________________________________
   Ron Krietemeyer
   COO
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Mateo

On March 5, 2019 before me, Kristen Roccaforte, notary public personally appeared Ronald Kristemeyer

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: __________________________

Document Date: __________________________ Number of Pages: __________

Signer(s) Other Than Named Above: __________________________

Capacity(ies) Claimed by Signer(s)

Signer's Name: __________________________

☐ Corporate Officer – Title(s): __________________________

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian of Conservator

☐ Other:

Signer is Representing: __________________________

Signer's Name: __________________________

☐ Corporate Officer – Title(s): __________________________

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian of Conservator

☐ Other:

Signer is Representing: __________________________

©2017 National Notary Association
June 22, 2018 (rev. November 26, 2018)

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

SUBJECT: Proposal to Conduct CEQA Review for the 1105 O’Brien Drive Project

Dear Mr. Smith:

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 1105 O’Brien Drive 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 1105, 1135, and 1165 O’Brien Drive, which are part of the Menlo Park Labs campus. The Project Sponsor would construct a new five-story, 118,567 square-foot (sf) building for life science uses, which would replace the three existing single story buildings (totally approximately 38,900 sf) and would merge the existing properties into one lot located at 1105 O’Brien Drive. Five levels of parking for approximately 280 stalls would be provided in an attached parking structure. Access to the Project site would be provided via O’Brien Drive.

This scope of work reflects recent conversations with the City and provides a solid launching point to move through the environmental review process efficiently, thoughtfully, and diligently. ICF is currently working on the 1350 Adams Court Project and the Commonwealth Corporate Center Building 3 Project, both of which are in the vicinity of the Project. ICF is proposing a similar CEQA approach for the 1105 O’Brien Drive Project as the ones being applied to these two projects. Using a similar approach will ensure schedule and budget efficiencies and consistency between the environmental documents. In addition, as demonstrated in our proposal, ICF has formed a team of expert internal staff and includes the same subconsultant team as the ones for the other two projects. 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. Keyser Marston and Associates (Housing Needs Assessment)
B. Hexagon (Transportation)
C. Bay Area Economics (Fiscal Impact Analysis)
D. Budget
E. Schedule
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, Erin Efner will serve 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.

This team is currently preparing two other CEQA documents for similar projects in the vicinity: 1350 Adams Court and Commonwealth Corporate Center Building 3. As with the Project, these two projects are within the M-2 Area and are tiering off of the ConnectMenlo EIR. Since templates and processes are currently being established for these projects, ICF and the subconsultant team will apply a similar strategy to move the 1105 O’Brien Project through the CEQA process. Using the same team and techniques will allow for time and cost savings and consistency between all projects in the M-2 area.
In addition to the two ongoing projects listed above, a list of completed 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, particularly the 1350 Adams Court Project, 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 1105, 1135, and 1165 O’Brien Drive, which are part of the Menlo Park Labs campus. The site is currently developed with three existing single-story buildings totaling 38,900 sf. The site is bounded by ReadyFresh warehouse and Dura-Foam Roofing & Solar Center to the north, O’Brien Drive to the east and south, and a warehouse property adjacent to Kelly Court to the west. Under the City’s current General Plan, the Project site was rezoned as an Life Science-Bonus (LS-B) district. The Project Sponsor would construct a new 118,567 square-foot (sf) building for life science research and design (R&D) uses. Five levels of parking would be provided in a parking garage with approximately 280 parking stalls for future tenants. The proposed building would include five stories featuring R&D uses, office uses, a fitness center, lounge areas, and ground floor commercial space. The roof of the parking garage would include a 13,220-sf roof deck area with seating, landscaping, and sports courts. The exterior of the Project site would feature an entry plaza, a shuttle stop, bio-retention areas, and two driveways from O’Brien Drive.

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.

As discussed above, ICF and the proposed subconsultants are currently working on the 1350 Adams Court Project and the Commonwealth Corporate Center Building 3 Project. Both projects are within the M-2 Area and are tiering from the ConnectMenlo EIR, as proposed for the 1105 O’Brien Project. This scope of work draws from our experience with these two projects and proposes a very similar process and approach. ICF will use the same template for the Initial Study and EIR as is currently being developed for the 1350 Adams Court Project. This will allow for schedule and budget efficiencies, as well as consistency between the CEQA documents being prepared for all projects in the M-2 area.
D. Scope of Work

Task 1. Project Initiation

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

- Discuss data needs to complete the Initial Study/EIR.
- Confirm procedures for contacting the Project Sponsor team, City staff, and public agencies.
- Review and agree on schedules and deadlines.
- Summarize the next steps, including the NOP, Initial Study, scoping, draft Project Description, and the EIR.
- Discuss in more detail how to apply ConnectMenlo and determine which mitigation measures would apply.
- Discuss City preferences regarding Initial Study/EIR format and organization.
- Discuss CEQA baseline and cumulative projects.
- 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:1

- Project Overview and Background
- Project Site Location
- Project Objectives
- Project Characteristics by including:
  - Relationship to ConnectMenlo
  - Site plan
  - Development districts and uses
  - Employment levels

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1 Assumes that data needs outlined in ICF’s data request have been fulfilled.
Proposal to Conduct CEQA Review for the 1105 O’Brien Drive Project

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

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 efficiency and consistency with other City documents, the Initial Study will follow the same format as the 1350 Adams Court Project Initial Study.

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/warehouse 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 developed with three single-story buildings and surface parking lots. Trees line the southern of the Project site bordering the parking lot,
which could provide habitat for nesting birds. The Initial Study would consider potential impacts to nesting birds during construction. This scope assumes that the applicant will provide a Biological Resources Assessment (BRA), per Mitigation Measure BIO-1 from the ConnectMenlo EIR. ICF will review the BRA and incorporate it into the Initial Study.

- **Cultural Resources** – The Project area was undeveloped until the 1960s and, therefore, due to the ages of the structures, may contain historic buildings. The need for documenting and evaluating historic built resources, as outlined in the ConnectMenlo EIR Mitigation Measure CULT-1, is anticipated. The Project may result in the same amount and location of ground disturbance as what was assumed in the ConnectMenlo EIR. 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. Results from existing archaeological technical reports, as available, will be incorporated into the Initial Study.

- **Geology and Soils** – It is expected that construction of the proposed new building would have the same impacts related to geology and soils as previously analyzed in the ConnectMenlo EIR. Construction of the new building 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 impervious surfaces with paved surface parking lots and three single-story buildings. Therefore, the demolition of the existing buildings and the construction of a new building would likely result in minimal changes to impervious surfaces and would have less-than-significant impacts on stormwater runoff quality or quantity, flooding, or drainage. The analysis will consider how the change in building footprints and impervious surfaces compare to existing conditions would potentially affect peak flow rates. 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 would have a combined floor area of 118,567 sf. The Project would be consistent with the General Plan and would comply with existing zoning and building requirements, with the bonus level development. 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. This will be documented in the IS.

Noise – It is anticipated that all of the noise topics will be discussed in the EIR, rather than in the Initial Study (see Task 5, below).

Population and Housing – As discussed above, one of the key terms of the 2017 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. Therefore, 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. 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. Due to the size of the Project, it is not expected to have significant impacts on the environment; any impacts would likely be reduced to a level of less than significant with incorporation of mitigation measures. However, because of the 2017 East Palo Alto settlement, the Project is required to prepare an EIR analysis for the topics of Transportation and Population and Housing. Since increases in traffic can result to impacts to Air Quality, Greenhouse Gas Emissions, and Noise, those topics will also be included in the EIR.

This task will synthesize background information for use in the existing setting, evaluate changes to those baseline conditions resulting from implementation of the Project to identify significant impacts, and identify mitigation measures to reduce potentially significant impacts to a less-than-significant level. 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 (such as the 1350 Adams Court Project) 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 Screechcheck 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.

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
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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 sf. 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-2b1), 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 and the BAAQMD Guidelines, projects that do not exceed the BAAQMD land use screening level sizes do not require a detailed analysis of operational
emissions. The combined square footage of the Project's office building and parking structure would not exceed the corresponding screening level of 346,000 sf.

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. Although the Project site is within 1,000 feet of sensitive receptors, this scope assumes that the Project would not increase diesel truck trips by more than 100 per day and, thus, an HRA is not required. In the event that the Project Sponsor demonstrates that the Project would increase truck trips to levels specified in Mitigation Measure AQ-3a, our scope and budget will be modified to reflect preparation of an operational HRA.

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). ICF 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 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 2017 settlement agreement, the HNA prepared for the Project will include an analysis of the multiplier effect for indirect and induced employment.

**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.

**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. In addition, traffic noise will be discussed in this chapter. 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.
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 significant and unavoidable effects will be summarized from analyses performed in Task 5 (if applicable).
- 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. 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 15093 of the CEQA Guidelines, if required based on the impacts of the Project. CEQA requires the decision-making agency to balance the economic, legal, social, and technological benefits of a proposed project against its unavoidable environmental impacts. The Statement of Overriding Considerations includes the specific reasons to support its action based on the Final EIR and other information in the record.

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

**Deliverables**

- Electronic copies of the Draft MMRP in MS Word and Adobe PDF format
- Five hard copies of the Final MMRP
- Electronic copies of the Final MMRP in MS Word and Adobe PDF format
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- 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 $314,338, as detailed in Attachment D. 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. As discussed above, ICF and the proposed subconsultants are currently working on the 1350 Adams Court Project and the Commonwealth Corporate Center Building 3 Project. Both projects are within the M-2 Area and are tiering from the ConnectMenlo EIR, as proposed for the 1105 O’Brien Drive Project. Therefore, this budget reflects that much of the setting, format, and analysis prepared for these ongoing projects will also be used for the 1105 O’Brien Drive Project, resulting in cost savings. This budget assumes that the 1105 O’Brien Drive Project would follow these projects in schedule. If these other projects are put on hold, and 1105 O’Brien Drive needs original analysis, this scope and budget will be revisited.

F. Schedule

The preliminary schedule is included in Attachment E. 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.
June 6, 2018

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

Re: Proposed Scope of Services to Prepare a Housing Needs Assessment for the 1105 O’Brien Drive Project.

Dear Ms. Efner and Ms. Chapman:

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 1105 O’Brien Drive Project. The Project consists of a new 118,567 square foot life sciences building that will replace three existing buildings with a combined 38,900 square feet of building area.

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. KMA is also currently preparing an HNA for a similar project, 1350 Adams Court, which is being undertaken by the same applicant. We anticipate that the analysis of the 1350 Adams Court project will provide the groundwork for the HNA for the 1105 O’Brien Drive Project and enable significant cost efficiencies.

The enclosed HNA scope 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 and proposed budget for the HNA is enclosed as Attachment A.

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

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.

[Signature]

David Doezema

Attachment A: Scope of Services
Attachment B: KMA Rate Schedule
The following scope of services is for preparation of a Housing Needs Assessment (HNA) addressing the 1105 O'Brien Drive 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 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 net new 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. KMA is also currently preparing a similar analysis for the 1350 Adams Court Project. We have 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.
Budget

KMA proposes to complete this scope of services for the 1105 O’Brien Drive Project on a time and materials basis for an amount not to exceed $29,000 per the estimate below. The proposed budget assumes cost efficiencies from also preparing the HNA for the separate 1350 Adams Court Project within a similar time frame. The proposed costing will need to be adjusted if both analyses are not fully completed. A copy of our current rate schedule is attached.

<table>
<thead>
<tr>
<th>Task</th>
<th>Budget Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 - Project Initiation and Data Collection</td>
<td>$2,000</td>
</tr>
<tr>
<td>Task 2 – Total Housing Need by Income, on-site workers</td>
<td>$7,000</td>
</tr>
<tr>
<td>Task 3 – Potential Multiplier Effects</td>
<td>$2,500</td>
</tr>
<tr>
<td>Task 4 – Geographic Distribution of Housing Needs</td>
<td>$2,500</td>
</tr>
<tr>
<td>Task 5 – Relationship to Regional Housing Market and Displacement</td>
<td>$2,500</td>
</tr>
<tr>
<td>Task 6 – Report (Draft and Final)</td>
<td>$5,000</td>
</tr>
<tr>
<td>Task 7 – T&amp;M Allowance for DEIR responses to comments</td>
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</tr>
<tr>
<td>Meetings in Menlo Park (one in addition to kickoff)</td>
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</tr>
<tr>
<td>Public hearings (assume one)**</td>
<td>$2,000</td>
</tr>
<tr>
<td>Reimbursable Expenses (IMPLAN data and market data)</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Total for the 1105 O’Brien Drive Project</strong></td>
<td><strong>$29,000</strong></td>
</tr>
</tbody>
</table>

* Includes efficiencies from also preparing the HNA for the 1350 Adams Court Project. Budget will need to be adjusted if work is halted on the 1350 Adams HNA.

** Includes related coordination and preparation.
## Keyser Marston Associates, Inc.

### Public Sector Hourly Rates

<table>
<thead>
<tr>
<th>Position</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
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<td>$260.00</td>
</tr>
<tr>
<td>Managing Principals*</td>
<td>$280.00</td>
</tr>
<tr>
<td>Senior Principals*</td>
<td>$270.00</td>
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<tr>
<td>Principals*</td>
<td>$250.00</td>
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<td>Managers*</td>
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<td>Senior Analysts</td>
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<td>Analysts</td>
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<tr>
<td>Technical Staff</td>
<td>$95.00</td>
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<tr>
<td>Administrative Staff</td>
<td>$80.00</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, taxis, 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.
August 9, 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 1105 O’Brien Drive 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 (R&D) project at 1105 O’Brien Drive in Menlo Park, California. The project consists of 118,567 square of office/R&D space and a 5-level parking garage, which will replace the existing 38,900 square feet of office/R&D space on site. Vehicular access to the project site would be provided by two driveways located on O’Brien Drive.

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. 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. Because the project would generate only about 25 net peak-hour trips, its traffic impact would extend to only a small area in the vicinity of the site. The intersections we propose to study are identified below.

Study Intersections:

1. Willow Road (SR 114) and O’Brien Drive [Menlo Park]
2. Willow Road and Newbridge Street [Menlo Park]
3. Willow Road and US 101 NB Off-ramp [Menlo Park]
4. Willow Road and SB 101 Off-ramp [Menlo Park]
5. O’Brien Drive and Kavanaugh Drive (unsignalized) [Menlo Park]
6. University Avenue and Bayfront Expressway [Menlo Park]
7. University Avenue (SR 109) and O’Brien Drive [East Palo Alto]
8. University Avenue (SR 109) and Kavanaugh Drive [East Palo Alto]

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 one unsignalized intersection: O'Brien Drive and Kavanaugh Drive.

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 two 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. The remaining two 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. Background traffic volumes will be taken from the 1350 Adams Court traffic study. 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. This task includes a peer review of the project's TDM Plan to insure that the 20% trip reduction can be achieved. The trip generation estimate for the proposed project will give credit for the trips generated by the existing buildings on site. The trip generation of the existing buildings will be estimated using ITE rates. 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. Project trips for a project alternative with reduced size will also be estimated. A qualitative discussion of the project’s impact under this alternative will be included.

7. **Evaluation of Background Plus Project Conditions.** Project-generated traffic will be added to the background condition traffic volumes. 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.

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. 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. **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.

15. **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.

16. **Additional Services.** Any work not specifically referenced in the above Scope of Services—for example analyzing additional 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 five weeks after 1) authorization to proceed, and (2) receipt of new count data, which need to wait until Fall when schools are back in session. 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 $28,000. This scope/budget assumes that the traffic study for the project located at 1350 Adams Court will be completed first, and this traffic study will use information from that analysis. Should this project come before 1350 Adams Court, or lag significantly behind, the scope and budget may need to be revisited.

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>
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</thead>
<tbody>
<tr>
<td>President</td>
<td>$275</td>
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<tr>
<td>Principal</td>
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<tr>
<td>Senior Associate II</td>
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<td>Senior Associate I</td>
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<td>Associate II</td>
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<td>Associate I</td>
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<td>Planner/Engineer II</td>
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<td>Planner/Engineer I</td>
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<td>Admin/Graphics</td>
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<td>Senior CAD Tech</td>
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<tr>
<td>Technician</td>
<td>$75</td>
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</tbody>
</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.
June 13, 2018

Kirsten Chapman
Project Manager
ICF
201 Mission Street, Suite 1500
San Francisco, CA 94105

Dear Ms. Chapman:

We appreciate the opportunity to submit this proposal to prepare a Fiscal Impact Analysis for the proposed R&D life sciences project located at 1105 O'Brien Drive ("Project"). Our understanding is that the Project would entail demolition of the existing buildings at 1105, 1135, and 1165 O'Brien Drive and developing a new 118,567-square foot R&D building targeted to life science tenants. The proposed plan for the site would also include a 116,365-square foot parking garage. The City of Menlo Park requires a Fiscal Impact Analysis study that will address impacts to the City's General Fund, as well as Special Districts, including the Menlo Park Fire Protection District.

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.

BAE is currently working on a fiscal impact analysis for the project at 1350 Adams Court, which we understand will be similar to the proposed projects at 1105 O'Brien Drive. Consequently, the following scope and budget proposal includes efficiencies based on our ability to use information and analysis from the 1350 Adams Court fiscal analysis to prepare the fiscal analysis for the 1105 O'Brien Drive fiscal analysis.
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 contact me at 510.547.9380 for additional information regarding our submittal.

Sincerely,

[Signature]

Stephanie Hagar
Vice President


**Scope of Services**

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

**Task 1: Project Start-Up and Background Data Collection**

Task 1A: Project Start-Up. BAE will convene a phone conference with City staff to review the project and discuss overall project objectives, the proposed schedule, and deliverables. The discussion will focus on the extent to which methodologies and assumptions used for the 1350 Adams Court fiscal analysis and prior fiscal analyses should be modified to better tailor the analysis to the specific characteristics of the Project. The proposed budget for this task is based on the assumption that BAE will not need to conduct a site visit for this analysis due to our existing familiarity with the site and overall context.

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, and City staff reports.

BAE’s collection and analysis of background materials for this task will rely heavily on the analysis of background materials that BAE will prepare for the fiscal analysis for the 1350 Adams Court. Consequently, the proposed budget for this task does not include review the City budget, the Comprehensive Annual Financial Report, City fee ordinances, or other financial documents from the City and affected special districts, as this analysis will be prepared for the 1350 Adams Court project. BAE will also use the market, demographic, and other data that BAE will assemble for the fiscal analysis for the 1350 Adams project to the extent applicable to the Project. This approach is based on the assumption that BAE will receive an authorization to proceed on the fiscal analysis during the 2018/2019 fiscal year.

**Task 2: Analyze Fiscal Impacts**

BAE will adapt the fiscal model that BAE is currently preparing for the fiscal analysis at 1350 Adams Court, as well as prior fiscal analyses for projects in Menlo Park, to analyze the revenue and cost implications of the Project and up to three Project Alternatives for the City, Menlo Park Fire Protection District, and affected school districts.

BAE will estimate annual General Fund revenue sources, including sales tax, property tax, transient occupancy tax, business license revenue, franchise fees, and any other applicable taxes. BAE will also estimate one-time revenue sources including impact fees and property transfer tax, as applicable. For key revenues subject to substantial variation (e.g., business-to-business sales tax), BAE will estimate revenues within an expected low to high range as appropriate.
BAE will estimate annual General Fund operating expenses by city department. The cost analysis will, whenever feasible, evaluate the marginal cost of providing additional service to the project. BAE plans to use upcoming conversations with City staff and special districts related to the project at 1350 Adams Court to also discuss potential marginal costs for the project at 1105 O’Brien Drive.

Fiscal impacts will be presented in current dollars on a net annual and cumulative basis over a 20-year period presented in constant 2018 dollars.

Task 3: Prepare Draft and Final Fiscal Impact Reports

Task 3A: Prepare Administrative Draft Fiscal and Economic Impact Analysis Report. BAE will prepare and submit an Administrative Draft Fiscal Impact Analysis report in electronic format to City staff. The report will include a concise executive summary of the findings, as well as detailed explanations of the methodologies, data sources, and assumptions used to project the fiscal impacts of the Project. The report will identify key contributing factors to the fiscal outcomes and discuss the sensitivity factors that could cause the fiscal impacts to vary from those projected in the report.

Task 3B: Prepare Public Review and Final Draft Report. Upon receipt of a single-consolidated set of comments from the City, BAE will prepare revisions to the report as necessary. At the discretion of City Staff, BAE will also review any comments from the Project Applicant and make modifications to the report as appropriate. BAE will then submit a draft Public Review Draft for staff to review. Staff will note any minor corrections and BAE will submit a Final report.

Task 3C: Prepare Presentation, Attend Two Meetings. BAE staff will attend up to two public meetings (e.g. one Planning Commission meeting and one City Council meeting) to present the results of the fiscal impact analysis. BAE will prepare a PowerPoint presentation and provide the presentation to City staff for review prior to each meeting.

Task 4: Project Coordination

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

Data Needs

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

**Budget and Fees**

BAE will complete all work identified in the Scope of Services, including expense reimbursement, for the not-to-exceed amount of $14,310. 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.

- **Principal**: $300/hour
- **Senior Advisor**: $300/hour
- **Director**: $235/hour
- **Vice President**: $210/hour
- **Senior Associate**: $185/hour
- **Associate**: $140/hour
- **Sr. Analyst**: $110/hour
- **Analyst**: $95/hour

Shown below is a project staffing plan and estimated cost per task. David Shiver will serve as Principal in Charge and Stephanie Hagar as Project Manager for this assignment.

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Principal</th>
<th>Vice President</th>
<th>Associate</th>
<th>Budget</th>
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<tbody>
<tr>
<td>Task 1: Project Start-Up and Background Data Collection</td>
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<td>2</td>
<td>3</td>
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<td>Task 3: Prepare Draft and Final FIA Reports (incl. 2 public meetings)</td>
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<td><strong>Subtotal Labor</strong></td>
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Expenses (a) $400

Total (Labor + Expenses) $14,310

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 will complete the Administrative Draft within four weeks following project start up. BAE will prepare a Public Review Draft within two weeks of receiving a single set of combined written comments on the Administrative Draft. BAE will prepare a Final report within two weeks of receiving a single set of combined written comments on the Public Review Draft.
## Attachment D. Cost Estimate for 1105 O'Brien Project

### Consulting Staff

<table>
<thead>
<tr>
<th>Task</th>
<th>Project Role</th>
<th>Project Director</th>
<th>Project Manager</th>
<th>Deputy Planner</th>
<th>Noise Management</th>
<th>Hydrology &amp; Geology</th>
<th>Production Engineering</th>
<th>AOG/HD Oversight &amp; Management</th>
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<tr>
<td><strong>Total Hours</strong></td>
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### Subcontractors

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<tr>
<th>Task</th>
<th>Subcontractor</th>
<th>Direct Expenses</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
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<td>2.</td>
<td>KMA</td>
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<td>3.</td>
<td>SAE</td>
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<td>$24,000</td>
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</tbody>
</table>

### Direct Expenses

- **Reproductions**: $7,000
- **Postage and Delivery**: $500
- **Travel, Assist., incl. mileage at current IRS rate (LESS Mileage)**: $4,065
- **Other Overhead Costs and Subcontractors**: 5% of Direct Expenses

**Total Direct Expenses**: $34,335

*Fees are subject to a 5% increase effective March 1 of each year.

### Notes

- Project estimate includes all contractor costs and subcontractor costs.
- **Total Direct Expenses**: $34,335

**Total Direct Expenses**

### Approval

[Approval by Finance: 4th]