



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: April 27, 2010
Staff Report #: 10-057

Agenda Item #: F3

REGULAR BUSINESS: **Approval of a Revision to the Approved Consultant Services Work Plan, Budget, and Schedule for the El Camino Real/Downtown Specific Plan to Include a Water Supply Assessment (WSA) as Part of the Draft Environmental Impact Report (EIR)**

RECOMMENDATION

Staff recommends that the City Council approve a revision to the approved consultant services work plan, budget, and schedule for the El Camino Real/Downtown Specific Plan to include a Water Supply Assessment (WSA) as part of the Draft Environmental Impact Report (EIR) and an increase appropriation of \$27,010 in the project budget.

BACKGROUND

Menlo Park is developing a long-term plan for the El Camino Real and Downtown areas. The completed visioning process (Phase I: 2007-2008) has led into the preparation of a Specific Plan and associated EIR (Phase II: 2009-2010). The culmination of the first phase of work was the City's Council's unanimous acceptance of the Vision Plan, which serves as the foundation for the Specific Plan. As was the case with Phase I, the Phase II process has been highly community-oriented, with unprecedented levels of public outreach and participation.

The Specific Plan process is being guided by the planning and architecture consulting firm Perkins+Will ("the consultant") and several subconsultants, with the close assistance of City staff. The project is currently in Task 4 (*Draft Specific Plan, Fiscal Impact Analysis, and Draft EIR*), having completed the *Project Initiation, Existing Conditions Analysis, Vision Refinement, and Development of Framework, Concept Plans, Programs and Guidelines* tasks. The pending Task 5 (*Final Specific Plan, EIR and Amendments*) will represent the final segment of this process. The key milestones for the earlier portion of the Specific Plan process were the three Community Workshops. Throughout that part of the process, workshop attendance was strong (ranging between 100 and 150 persons per event) and diverse, including both recurring participants as well as new faces. In addition, the project email list has grown steadily throughout the process, and now includes 932 subscribers.

At the third community workshop on September 17, 2009, a preliminary “emerging plan” was presented for public review. Input from that workshop and subsequent direction from the project Oversight and Outreach Committee, Planning Commission, and City Council was used by the consultant and staff over the following months to prepare the Draft Specific Plan. The Draft Specific Plan was released for public review on April 7, 2010 to strong community interest. The release of this document had originally been planned to occur later in the process, but it was expedited in order to provide greater time for public review. To help inform and educate the public about the plan, staff held two informational "open house" events that generated a positive turnout: April 7 (approximately 50 persons) and April 11 (approximately 30 persons). In addition, the Planning Commission held a study session on April 12 that generated a productive preliminary dialogue. The next step in the process involves the preparation of the Draft EIR, which is discussed in more detail in the following section.

ANALYSIS

Environmental analysis of projects, defined as both individual development projects and long-range planning projects (such as a specific plan), is required by the California Environmental Quality Act (CEQA). The CEQA process is highly structured by State law, guidelines, and court cases. Environmental review can take different forms depending on the attributes of the individual project or plan. For the Specific Plan process, the appropriate level of analysis is a program-level EIR. An EIR is an informational document meant to disclose impacts to the public and decision makers. The impacts that are analyzed in an EIR must be physical effects on the environment, not social or economic impacts. In contrast to a project-level EIR (the Menlo Gateway EIR is a recent example), a program-level EIR represents a higher-level review, reflecting the fact that no precise development plans are proposed at the time. As described in more detail within the Draft Specific Plan itself, the plan includes a projected development program, which represents one potential development concept. The development program of the Draft Specific Plan projects the following additional new development over the 20- to 30-year timeframe:

- Residential: 680 dwelling units
- Retail Space: 91,800 square feet
- Commercial Space: 240,820 square feet
- Hotel: 380 rooms

If the Specific Plan EIR is certified, future public and private projects would need to conduct preliminary analysis to determine whether additional project-level environmental review is required. Depending on the attributes of a particular project, the determination could range between it being categorically or statutorily exempt and not requiring any additional review, to requiring a new project-level EIR.

The Specific Plan program-level EIR process is being directed by ESA (Environmental Science Associates), a subconsultant to the primary consultant Perkins+Will. The EIR

process was originally scoped in late 2008, when the work plan, budget, and schedule were established for the overall Specific Plan process. At this point, details about the potential development program were not known, as the community workshops and other events had not yet taken place. After the completion of the workshop phase, more detailed work on the Draft EIR commenced, and in December 2009, the Notice of Preparation (NOP) was released and an optional scoping session was held in conjunction with the December 15, 2009 City Council meeting. The NOP listed general categories of likely environmental effects to be analyzed in more detail in the Draft EIR, and included the following:

- **Public Services and Utilities:** the analysis will discuss the potential for the Specific Plan to result in an increase in public services such as, fire and police protection, solid waste, water supply, and wastewater disposal services.

With regard to water, the Draft EIR was always intended to include an analysis of plan-related demand in relation to supply constraints. However, during review of the initial administrative draft of the EIR in March-April 2010, staff in conjunction with the City Attorney and the environmental consultant have determined a probable need for a more detailed analysis known as a Water Supply Assessment (WSA) due to the specific attributes of the projected Specific Plan development program. In particular, the development program's inclusion of 680 dwelling units would exceed the 500-dwelling-unit threshold in WSA legislation. In addition, even if the dwelling units were reduced below 500, it is likely that the overall development program would exceed a separate threshold for creating water demand equivalent to, or greater than, the demand associated with a 500-dwelling-unit project. Although the state legislation that requires WSAs does not specify that they are required for program-level EIRs, staff in close discussion with the City Attorney's office believe that it would be prudent and beneficial to conduct a WSA for the Specific Plan in order to make the EIR as complete and accurate as possible.

The proposal to conduct a WSA as part of the Draft EIR is included as Attachment A. The proposal is from the firm of PBS&J, which recently performed the WSA for the Menlo Gateway proposal and which has a local familiarity that offers the potential for time and cost savings (although the Menlo Gateway proposal site and the Specific Plan area are within separate water districts, there are multiple overlapping issues and analyses). The proposal includes more detailed information about the WSA regulations and background. The proposal has a not-to-exceed budget of \$27,010 (\$25,010 of base costs and \$2,000 contingency), and billing will only occur for the work conducted. The proposal has a timeframe of approximately 10 weeks, although all possible expediting options would be explored. The preparation and approval of a WSA requires extensive interactions with the water service provider itself, which accounts for a significant percentage of the overall schedule.

Under the original schedule, the Draft EIR (and the Draft Fiscal Impact Analysis, or FIA) were anticipated to be released in mid-May. The release of these documents would have been followed by meetings of the Oversight and Outreach Committee, Planning

Commission, and City Council in May and June 2010, at which point comprehensive input on the plan and its associated impacts would be solicited. The Specific Plan, EIR, and FIA would have then been revised and presented in final draft form for Planning Commission recommendation and City Council action in September and October 2010. The preparation of the WSA will delay the Draft EIR release to mid- or late-July, with the Oversight and Outreach Committee, Planning Commission, and City Council meetings occurring between late July and early September. The final review by the Planning Commission and City Council would be delayed to the November and December timeframe.

Prior to scheduling this item for full City Council review, staff discussed the topic with the Council Subcommittee (Boyle/Cline), who expressed their disappointment with the budget and schedule implications, but who agreed that the analysis was warranted based on the information presented and detailed in this report. In addition, staff notes that the extension of the schedule could provide a benefit to the overall project by potentially allowing for additional outreach and review in the interim.

IMPACT ON CITY RESOURCES

As originally scoped and approved, the Specific Plan requires both staff resources dedicated to the project, as well as appropriations of \$830,550 from the General Fund Reserve for consultant services, \$78,400 for transportation and traffic analysis contingency, and \$25,000 for related City costs, for a total appropriation of \$933,950. At the City Council meeting of December 16, 2008, the Council approved the overall scope of work and made a General Fund Reserve appropriation of \$380,000 for the cost for the first year of the project (fiscal year 2008-2009). As part of the 2009-2010 budget, the City Council made a General Fund Reserve appropriation of \$450,000 for the current year's work. A future appropriation of \$100,000 is projected for fiscal year 2010-2011.

The WSA requires a separate General Fund Reserve appropriation of \$27,010, primarily within the fiscal year 2009-2010, but partly within the fiscal year 2010-2011. The revised total Specific Plan appropriation would be \$960,960.

The City Council prioritized planning work on the El Camino Real/Downtown areas during the project priorities process. Planning fee changes approved by the City Council on November 25, 2008 include overhead allocations for General Plan and Zoning Ordinance Amendments, which could be applied to this project. In addition, costs for the Specific Plan preparation could be applied directly to future development in the project area through fees, although this would require future analysis to allocate the costs appropriately, as required by law.

The Vision Plan (Phase I) required both staff resources dedicated to the project as well as a General Fund reserve appropriations of \$176,500 for consultant services and \$50,000 related City costs (initial outreach, speaker series, printing and mailing of the project newsletters, meeting documents and refreshments, and contingencies).

POLICY ISSUES

The El Camino Real/Downtown Specific Plan will result in policy clarifications or changes related to land use and transportation issues.

ENVIRONMENTAL REVIEW

The Vision Plan (Phase I) was a planning study and as such was not a project requiring environmental review under the California Environmental Quality Act (CEQA). The Specific Plan (Phase II) includes the preparation of a program-level Environmental Impact Report (EIR). The current phase of environmental review is discussed in more detail in the Analysis section of this report.

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PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting. In addition, the City has prepared a project page for the proposal, which is available at the following address: <http://www.menlopark.org/specificplan>. This page provides up-to-date information about the project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated or meetings are scheduled. The project list currently has 932 subscribers.

ATTACHMENTS

- A. [Proposal to Prepare a Water Supply Assessment \(SB 610\) Analysis for the City of Menlo Park El Camino Real/Downtown Specific Plan](#)

EXHIBITS TO BE PROVIDED AT MEETING

None