

# PROJECT SPONSOR AGREEMENT

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



Agreement #: 002791

## AGREEMENT BETWEEN THE CITY OF MENLO PARK AND CITIZENM ASSET MANAGEMENT USA LLC

THIS AGREEMENT made and entered into at Menlo Park, California, this 17 day of Sept., 2019, by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as "CITY," and CITIZENM ASSET MANAGEMENT USA LLC, hereinafter referred to as "FIRST PARTY."

### WITNESSETH:

WHEREAS, the Project Sponsor proposes to redevelop a vacant portion of the Facebook Campus Expansion project site ("Project Site") with an approximately 90,868 square foot, five-story limited service hotel with a surface parking lot that would consist of 240 hotel rooms, a restaurant, and associated hotel amenities, hereinafter referred to as the "Project"; and

WHEREAS, the City has determined that under the California Environmental Quality Act and its applicable guidelines to analyze the proposed project for consistency with the Facebook Campus Expansion Project Environmental Impact Report (EIR) that was certified in November 2016 and the Facebook Campus Expansion Project EIR Addendum dated September 2017.

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 in its sole discretion has selected ICF Jones & Stokes, Inc. ("ICF"), (the "Consultant") to prepare the Environmental Impact Report (EIR) Addendum, as described in Exhibit A.10

## 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 \$18,392 for the preparation of the EIR Addendum; 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 Addendum 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 \$18,392 for the preparation of the EIR Addendum, (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 CitizenM Asset Management USA LLC, and receipt of payment, the City shall enter into the contract with the Consultant and shall monitor the performance by the Consultant of the contract for the preparation of the EIR Addendum, 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 EIR Addendum. 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:

Kaitie Meador  
 Community Development  
 701 Laurel Street  
 Menlo Park, CA 94025  
 650-330-6731  
[kmmeador@menlopark.org](mailto:kmmeador@menlopark.org)

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

CitizenM Asset Management USA LLC  
 Anton Walker  
 148 Madison Avenue, 2<sup>nd</sup> Floor  
 New York, NY 10016  
[citizenanton@citizenm.com](mailto:citizenanton@citizenm.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 project, which are delivered under this Agreement or which are developed, produced and paid for under this Agreement, shall become the property of CITY and the FIRST PARTY.

**6. TERMINATION OF AGREEMENT**

It is understood and agreed that the City has no responsibility for the legal adequacy of the EIR Addendum and that the legal adequacy of the EIR Addendum 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 Project Sponsor 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.

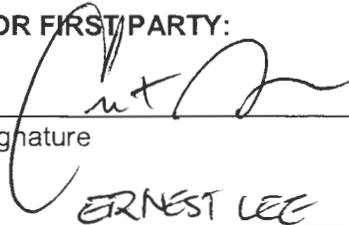
**7. ENTIRE AGREEMENT**

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.

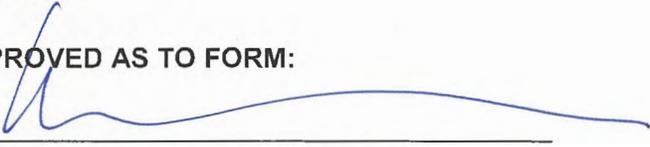
**FOR FIRST PARTY:**

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name

32-0600317  
\_\_\_\_\_  
Tax ID#

**APPROVED AS TO FORM:**

  
\_\_\_\_\_

William L. McClure, City Attorney

**FOR CITY OF MENLO PARK:**

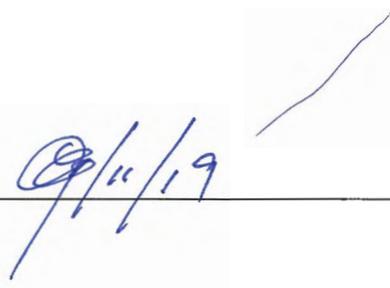
  
\_\_\_\_\_  
Starla Jerome-Robinson, City Manager

**ATTEST:**

  
\_\_\_\_\_  
Judi A. Herren, City Clerk

8/6/2019  
\_\_\_\_\_  
Date

AUTHORIZED SIGNATORY  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Date

9/17/19  
\_\_\_\_\_  
Date

9/23/19  
\_\_\_\_\_  
Date



July 17, 2019

Kaitie Meador, Senior Planner  
City of Menlo Park Community Development Department  
701 Laurel Street  
Menlo Park, CA 94025

**SUBJECT: Proposal to Prepare an Environmental Impact Report (EIR) Addendum for the Facebook Campus Expansion Project**

Dear Ms. Meador:

ICF Jones & Stokes, Inc. ("ICF") is pleased to present this scope and budget to prepare an Addendum to the Environmental Impact Report (EIR) for the Facebook Campus Expansion Project (hereafter referred to as the Project). 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 prepare the EIR, 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](mailto:kirsten.chapman@icf.com). We look forward to working with you on this project.

ICF looks forward to negotiating mutually acceptable terms and conditions. If you agree to authorize the tasks and costs associated with these items, please indicate your acceptance of this notice to proceed by signing this letter and returning it to me.

Sincerely,

A handwritten signature in blue ink that reads "Trina L. Fisher".

Trina L. Fisher  
Contracts Administrator

Attachments

- A. Budget

## Scope of Work

### Facebook Campus Expansion Project EIR Addendum

July 17, 2019

#### Project Understanding and General Approach

In November 2016, the City Council approved the Facebook Campus Expansion Project and certified the Facebook Campus Expansion Project Environmental Impact Report (EIR). The Facebook Campus Expansion Project included two office buildings (Buildings 21 and 22), a 200-room hotel, a pedestrian and bicycle bridge across the Bayfront Expressway and a new, approximately 2-acre publically accessible plaza and open space. The Facebook Campus Expansion Project included a maximum hotel envelope of 200 rooms, 174,800-square feet, 75-feet in height, 245 parking spaces and 150 hotel employees.

In 2017, the City approved amendments to the Facebook Campus Expansion Project to modify the design of Building 22, add a parking garage, modify the open space, and add recharging facilities for future electric shuttle buses and trams. These amendments did not include any changes to the hotel envelope. The City prepared an Addendum to the Facebook Campus Expansion EIR to analyze the potential impacts associated with the amendments under CEQA.

The proposed project that is the subject of this second Addendum primarily involves modifying the design of the proposed hotel (Revised Project). The Project Sponsor (citizenM) proposes a 240-room, 75-foot-tall, 89,488-square-foot (sf) hotel with approximately 120 parking spaces and approximately 92 to 180 employees (depending on employee generation rates used). The hotel and onsite restaurant will be open to the public and rooms will be available for public reservations.

ICF has reviewed the information provided by the City regarding the Revised Project and based on our preliminary review and discussions, we understand that a second Addendum to the Facebook Campus Expansion Project EIR will provide the required level of environmental review under CEQA. To this end, the following scope of work includes the work that would be conducted by ICF to prepare an Addendum.<sup>1</sup>

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<sup>1</sup> Please note that a subsequent or supplemental EIR will be required if substantial changes are proposed to the project or if substantial changes with respect to the circumstances under which the project is undertaken could result in new significant environmental effects or a substantial increase in the severity of previously identified environmental effects, or if new information of substantial importance becomes available per State CEQA Guidelines Section 15162. If a subsequent or supplemental EIR is required, ICF will submit an amended scope of work and budget.

## Scope of Work

### Task 1. Project Initiation/Data Collection

ICF will initiate the Addendum effort by discussing key issues, reviewing the completed Facebook Campus Expansion Project EIR, planning data collection efforts, and reviewing revised site plans and preliminary studies (if any) from the Project Sponsor. At the outset of the Addendum process, ICF will conduct a conference call with the City and the Project Sponsor. At this meeting, the team will:

ICF will initiate the second Addendum effort by discussing key issues, reviewing the completed Facebook Campus Expansion Project EIR, the first Addendum, planning data collection efforts, and reviewing revised site plans and preliminary studies (if any) from the Project Sponsor. At the outset of this Addendum process, ICF will conduct a conference call with the City and the Project Sponsor. At this meeting, the team will:

- Discuss the revised site plans and preliminary studies (if any). Provide comments.
- Discuss the format of the second Addendum.

The project initiation effort also includes review of the revised site plans and the data needs responses. ICF will provide comments and ensure that all necessary information of the environmental review is included.

### Deliverables

Data request for the City and Project Sponsor. Comments on site plans and studies.

### Task 2. Revised Project Description

ICF will prepare a revised Project Description based on input from City staff and review of the revised site plans and other application materials.

To prepare the second Addendum, a clear and accurate Project Description is essential. The Project Description will be included in the second Addendum and will clearly call out the major differences between the original and revised site plans. ICF will prepare a Project Description to incorporate the following topics: <sup>2</sup>

- Project Overview and Background, including the former EIR processes and rationale for the revised project and associated CEQA review
- Project Site Location
- Project Characteristics (and comparison to the Facebook Campus Expansion Project) including:
  - Revised site plan
  - Development area and uses
  - Employment levels

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<sup>2</sup> Assumes that data needs outlined in ICF's data request have been fulfilled.

- Site access, circulation, and parking
- Design, architectural themes, massing, building design, potential sustainable design features, and materials
- Amenities such as landscaping, lighting, signage, and open space
- Project Phasing (and comparison to Facebook Campus Expansion Project)
- Project Construction (and comparison to Facebook Campus Expansion Project)
- Project Approvals and Entitlements (and comparison to Facebook Campus Expansion Project)

### **Deliverables**

A draft and final version of the revised Project Description that incorporates comments from the City and the data need responses from the Project Sponsor.

### **Task 3. Administrative Draft Addendum**

ICF will prepare the second Addendum to the EIR based on input from City staff and the revised Project Description. ICF will disclose each of the CEQA environmental topics. Based on preliminary site plans and review of the Revised Project, it appears that the Revised Project would present no significant change from the Facebook Campus Expansion Project. Therefore, ICF proposes an Addendum in a memorandum form, discussing how conclusions for each CEQA topic would not change based on the Revised Project. The memorandum will include a summary of the findings in the certified EIR and will explain why the impacts have not changed due to the revised site plan. The mitigation measures that applied to the Facebook Campus Expansion Project that would also apply to the Revised Project will be reproduced or referenced in the second Addendum. The discussion below presents ICF's recommendations as to why each topic is expected to be scoped out.

- **Land Use.** The Facebook Campus Expansion Project included a hotel with a restaurant and hotel bar open to the public. The Revised Project would include the same. In addition, the new hotel would be the same height, but with less building area than previously proposed. The Revised Project would continue to be consistent with General Plan goals and policies and other existing City regulations.
- **Aesthetics.** The hotel would be 75 feet as previously analyzed, with less building area. The EIR Addendum will disclose the proposed artwork and revised lighting plan, but the impacts and mitigation measures are expected to be similar to those previously analyzed.
- **Transportation.** It is possible that the trip generation for the hotel would be greater than previously analyzed due to the increase in hotel rooms. However, a trip cap is imposed on the Project site; therefore, traffic impacts would not change. This scope assumes that the trip cap imposed on the Facebook Campus Expansion Project would remain in place. The second Addendum will provide a qualitative discussion as to why traffic impacts would be the same as previously analyzed. The amount of parking would be decreased with the



Revised Project, which could result in additional vehicle circling around the Project site in search for parking. However, this scope assumes that a parking study will be provided by the Project Sponsor that explains how this decrease would not result in additional traffic/circulation impacts, likely as a result of a shared parking program. ICF will review and summarize this report.

- **Air Quality.** This scope assumes that the construction of the hotel will be substantially the same as the Facebook Campus Expansion Project with regard to schedule, demolition, construction equipment, etc. ICF will briefly summarize these impacts, as included in the certified EIR. With the exception of additional rooms, operation of the hotel is expected to be the same as previously analyzed, including the implementation of the trip cap, which would result in no net increase in vehicle trips.
- **Greenhouse Gas Emissions.** This scope assumes that the construction schedule and amount of construction activity would remain substantially the same as previously analyzed. Greenhouse gas emissions associated with operation of a project are determined based on the square footage of the new development, potential changes to VMT, and stationary sources. Stationary sources are not anticipated to change and the square footage of the hotel is expected to be less than the Facebook Campus Expansion Project. In addition, due to the trip cap and the same use as previously analyzed (hotel), VMT is expected to remain the same.
- **Noise.** This scope of work assumes that construction noise impacts would be the same as those discussed in the certified EIR. The second Addendum will restate the conclusions of the certified EIR related to construction noise. This scope also assumes that total trips will not change under the Revised Project. As such, it is anticipated that traffic-related noise on roadway segments evaluated in the certified EIR would not change. The second Addendum will restate the conclusions of the certified EIR related to traffic noise. This scope of work assumes that on-site operational noise sources (such as HVAC equipment, emergency generators, truck loading docks, parking lots, recycled water system, on-site gathering areas, etc.) would not be moved closer to off-site noise sensitive receptors under the Revised Project compared to the Facebook Campus Expansion Project.
- **Biological Resources.** No additional trees would be removed with the implementation of the Revised Project beyond what was evaluated in the certified EIR. The Addendum will also confirm that other potential impacts to biological resources under the Revised Project would be similar to the Facebook Campus Expansion Project. Thus, it is assumed that the magnitude of potential impacts would not change and the same mitigation measures presented in the certified EIR would apply to the Revised Project. These mitigation measures would be reproduced or referenced in the second Addendum.

- **Hydrology and Water Quality.** It is anticipated that the Revised Project would have similar impacts related to hydrology and water quality similar to the Facebook Campus Expansion Project. Due to the building area, it is possible that the building footprint could reduce under the Revised Project. The second Addendum will explore how the Revised Project would comply with stormwater regulations and relevant policies. This scope of work assumes that the findings of the hydrology and hydraulics report prepared for the Facebook Campus Expansion Project apply to the Revised Project.
- **Cultural Resources.** Total building footprint under the Revised Project would be the same, or reduced, compared to the Facebook Campus Expansion Project. Thus, the magnitude of potential impacts would not increase and the same mitigation measures presented in the certified EIR would apply to the Revised Project.
- **Geology and Soils.** It is anticipated that construction of the Revised Project would have impacts related to geology and soils similar to the Facebook Campus Expansion Project. Construction of the Revised Project would adhere to the 2016 California Building Standards Code, City building permit requirements, and the required design-level geotechnical studies during the development of the construction plans and associated recommendations, similar to the Facebook Campus Expansion Project.
- **Hazards and Hazardous Materials.** It is anticipated that construction of the Revised Project would have impacts related to hazards and hazardous materials similar to the Facebook Campus Expansion Project. Compliance with existing laws, regulations, and Certified Unified Program Agency programs is mandatory, operation of the Revised Project, similar to the Facebook Campus Expansion Project, is not expected to create a significant hazard to public health or the environment through the routine transport, use, or disposal of hazardous materials.
- **Population and Housing.** The Revised Project would include 40 additional guest rooms compared to the Facebook Campus Expansion Project. The certified EIR assumed 150 employees. It would be reasonable to anticipate that an increase in hotel rooms would result in an increase of employees. As part of the second Addendum, ICF will review the employment generation assumptions and information provided by the Project Sponsor and include an analysis using the employee numbers from the applicant. In addition, ICF will also use the employee generation rate from the certified EIR and will include an analysis of those employee numbers. It is expected that the second EIR Addendum will analyze a range of employees from 92 workers to 180 workers.
- **Public Services.** ICF will prepare a brief updated qualitative analysis of the Revised Project's impacts related to its demand for public services, including police, fire, recreation, schools, and libraries, to the extent necessary based on the information to be provided

regarding employment assumptions. ICF does not anticipate that any additional information would need to be requested from public service providers.

- **Utilities and Service Systems.** This scope of work assumes that there is no need for a revised Water Supply Assessment because there is a cap on water usage at the project site and the Project Sponsor has agreed to comply with the cap. ICF will prepare a brief updated qualitative analysis of the Revised Project's impacts related to its wastewater generation, solid waste generation, and energy demand as necessary.

#### **Deliverables**

- One electronic copy of the Administrative Draft Addendum in MS Word
- One electronic copy of the Administrative Draft Addendum in Adobe PDF

#### **Tasks 4 and 5. Screencheck and Final Addendum**

ICF will prepare a Screencheck Addendum to respond to the City's comments on the Administrative Draft Addendum. Based on comments received from City staff, ICF will revise the Screencheck Addendum as necessary and will prepare the Final Addendum.

The level of effort is highly variable and depends on City comments on the Administrative Draft Addendum. The level of effort included in the cost estimate reflects the duration of the task and the available time to revise the supplemental reports. During those periods when ICF is responding to comments on Administrative Draft and the Screencheck, we expect to be fully engaged and committed at the hours estimated to meet the schedule deadlines.

#### **Deliverables**

- One electronic copy of the Screencheck Addendum in MS Word
- One electronic copy of the Screencheck Addendum in Adobe PDF
- Ten hard copies of the Final Addendum
- One electronic copy of the Final Addendum in MS Word
- One electronic copy of the Final Addendum in Adobe PDF

#### **Task 6. Project Management/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 Addendum work tasks. Project management subtasks also include maintaining internal communications among ICF staff 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. It is assumed that ICF will attend up to two conference calls.



In addition, an optional task is included in the budget to attend one Planning Commission hearing and one City Council hearing. However, the scope assumes that ICF would not attend the hearings.

## Cost Estimate

The cost estimate for the Addendum is included in Attachment A. ICF proposes to invoice the City monthly on a time and materials basis.



**Appendix A. Cost Estimate for Facebook Hotel EIR Addendum**

Task	Consulting Staff							Subtotal	Labor Total	Direct Expenses	Total Price
	Employee Name	Efner E	Chapman K	Mena L	Vurlumis C	Mathias J	Messick T				
	Project Role	Project Director	Project Manager	Deputy Project Manager	Analyst	Editor	Graphics				
	Labor Classification	Proj Dir	Sr Consult II	Assoc Consult I	Assoc Consult I	Asst Consult	Assoc Consult III				
Task 1: Kick-Off Meeting/Data Collection	1	4	6				\$1,711	\$1,711			
Task 2: Project Description	1	2	6		4	4	\$2,461	\$2,461			
Task 3: Preparation of Administrative Draft Addendum	2	4	16	10	4		\$4,844	\$4,844			
Task 4: Screencheck Draft Addendum	1	2	8	2	1		\$1,978	\$1,978			
Task 5: Final Addendum	1	2	4		1		\$1,236	\$1,236			
Task 6: Project Management/Meetings	4	8	12				\$3,952	\$3,952			
Total hours	10	22	52	12	10	4					
ICF E&P 2019 Billing Rates	\$265	\$165	\$131	\$109	\$117	\$153					
Subtotals	\$2,650	\$3,630	\$6,812	\$1,308	\$1,170	\$612	\$16,182	\$16,182			
<b>Direct Expenses</b>											
523.04 Postage and Delivery										\$50	
523.05 Travel, Auto, incld. Mileage at current IRS rate (.58/mile)										\$50	
Mark up on all non-labor costs and subcontractors: 10%										\$10	
Direct expense subtotal										\$110	
Total price											\$16,292
Optional Task - Attendance at Planning Commission and City Council Hearings											\$2,100
Total with Optional Task											\$18,392