



“The City With a Heart”

Jim Ruane, Mayor
Michael Salazar, Vice Mayor
Ken Ibarra, Councilmember
Rico E. Medina, Councilmember
Irene O'Connell, Councilmember

AGENDA – SPECIAL MEETING – STUDY SESSION SAN BRUNO CITY COUNCIL

January 27, 2015

6:00 p.m.

Meeting Location: San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno, CA

City Council meetings are conducted in accordance with Roberts Rules of Order Newly Revised and City Council Rules of Procedure. You may address any agenda item by standing at the microphone until recognized by the Council. All regular Council meetings are recorded and televised on CATV Channel 1 and replayed the following Thursday, at 2:00 pm. You may listen to recordings in the City Clerk's Office, purchase CD's, access our web site at www.sanbruno.ca.gov or check out copies at the Library. We welcome your participation. In compliance with the Americans with Disabilities Act, individuals requiring reasonable accommodations or appropriate alternative formats for notices, agendas and records for this meeting should notify us 48 hours prior to meeting. Please call the City Clerk's Office 650-616-7058.

1. CALL TO ORDER:

2. ROLL CALL:

3. PUBLIC COMMENT ON ITEMS NOT ON AGENDA: Individuals allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, ask the City Clerk to request that the Council consider your comments earlier. It is the Council's policy to refer matters raised in this forum to staff for investigation and/or action where appropriate. The Brown Act prohibits the Council from discussing or acting upon any matter not agendaized pursuant to State Law.

4. CONDUCT OF BUSINESS:

Conduct Study Session to Discuss the City's Policy Regarding Maintenance of Private Sewer Laterals.

5. ADJOURNMENT:

The next regular City Council Meeting will be held on January 27, 2015 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.



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AGENDA SAN BRUNO CITY COUNCIL

January 27, 2015

7:00 p.m.

Meeting Location: San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno, CA

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Thank the **San Bruno Garden Club** for providing the beautiful floral arrangement.

- 1. CALL TO ORDER:**
- 2. ROLL CALL/PLEDGE OF ALLEGIANCE:**
- 3. ANNOUNCEMENTS:**
- 4. PRESENTATIONS:**
- 5. REVIEW OF AGENDA:**
- 6. APPROVAL OF MINUTES:** Regular Council Meeting of January 13, 2015 and Special Council Meeting of January 13, 2015.
- 7. CONSENT CALENDAR:** All items are considered routine or implement an earlier Council action and may be enacted by one motion; there will be no separate discussion unless requested by a Councilmember, citizen or staff.
 - a. **Approve:** Accounts Payable of January 12, 2015.
 - b. **Approve:** Payroll of January 2, 2015 and January 16, 2015.
 - c. **Accept:** Reconciliation of General Ledger to Bank Reports and the Investment Reports Dated December 31, 2014.
 - d. **Waive:** Second Reading and Adopt an Ordinance Approving a Development Agreement with Castle Companies for Construction of Ten New Homes in the Crestmoor Neighborhood.
- 8. PUBLIC HEARING:**
- 9. PUBLIC COMMENT ON ITEMS NOT ON AGENDA:** Individuals allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, ask the City Clerk to request that the Council consider your comments earlier. It is the Council's policy to refer matters raised in this forum to staff for investigation and/or action where appropriate. The Brown Act prohibits the Council from discussing or acting upon any matter not agendaized pursuant to State Law.

10. CONDUCT OF BUSINESS:

- a. Adopt Resolution Accepting the City's Comprehensive Annual Financial Report (CAFR) and Measure A Funds Audit Report for the Fiscal Year Ended June 30, 2014.
- b. Adopt Resolution Approving the 2014-19 Five Year Capital Improvement Program and Appropriating Funding for the 2014-15 Capital Improvement Program Budget.
- c. Adopt Resolution Authorizing City Manager to Execute a Contract in the Amount of \$70,135 with Civica Software to Provide City Website Redesign and Hosting Services.
- d. Adopt Resolution Authorizing the City Manager to Execute a Contract with The EDCCO Group, Inc. for Implementation of the SCADA Radio Transmitter Project in an Amount Not to Exceed \$184,791.
- e. Adopt Resolution Authorizing the City Manager to Execute a Contract with Moffatt & Nichol to Provide Technical Assistance for the FEMA San Francisco Bay Coastal Study in the Amount of \$20,720 and Appropriating Funds in this Amount from the Stormwater Fund to the Stormwater Program Operating Budget.

11. REPORT OF COMMISSIONS, BOARDS, & COMMITTEES:

Receive Annual Report from the Community Preparedness Committee.

12. COMMENTS FROM COUNCIL MEMBERS:

13. CLOSED SESSION:

Conference with Labor Negotiators Pursuant to Gov't Code Section 54957.6; Agency Designated Representative: City Manager and Assistant City Manager; Employee Organization: Police Bargaining Unit.

14. ADJOURNMENT:

The next regular City Council Meeting will be held on February 10, 2015 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.



"The City With a Heart"

Jim Ruane, Mayor
Michael Salazar, Vice Mayor
Ken Ibarra, Councilmember
Rico E. Medina, Councilmember
Irene O'Connell, Councilmember

MINUTES– SPECIAL MEETING – CLOSED SESSION SAN BRUNO CITY COUNCIL

January 13, 2015

6:15 p.m.

1. CALL TO ORDER: THIS IS TO CERTIFY THAT the San Bruno City Council met on January 13, 2015 at San Bruno's Senior Center, 1555 Crystal Springs Road, San Bruno, CA. The meeting was called to order at 6:15 p.m.

2. ROLL CALL:

Presiding was Mayor Ruane, Vice Mayor Salazar, Councilmembers Ibarra, Medina and O'Connell. Recording by City Clerk Bonner.

3. PUBLIC COMMENT ON ITEMS NOT ON AGENDA: None.

4. CLOSED SESSION:

Mayor Ruane said they would be going into closed session with no reportable action.

Conference with Labor Negotiators Pursuant to Gov't Code Section 54957.6; Agency Designated Representative: City Manager and Assistant City Manager; Employee Organization: Police Bargaining Unit.

5. ADJOURNMENT:

Mayor Ruane closed the meeting at 7:00 p.m. The next regular City Council Meeting will be held on January 13, 2015 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.

Respectfully submitted for approval
at the City Council Meeting of
January 13, 2015

Carol Bonner, City Clerk

Jim Ruane, Mayor



“The City With a Heart”

Jim Ruane, Mayor
Michael Salazar, Vice Mayor
Ken Ibarra, Councilmember
Rico E. Medina, Councilmember
Irene O’Connell, Councilmember

MINUTES SAN BRUNO CITY COUNCIL

January 13, 2015

7:00 p.m.

1. **CALL TO ORDER: THIS IS TO CERTIFY THAT** the San Bruno City Council met on January 13, 2015 at San Bruno’s Senior Center, 1555 Crystal Springs Road, San Bruno, CA. The meeting was called to order at 7:00 p.m. **Mayor Ruane** thanked the Garden Club for the flower arrangement.

2. **ROLL CALL PLEDGE OF ALLEGIANCE:**

Presiding was Mayor Ruane, Vice Mayor Salazar, Councilmembers Ibarra, Medina and O’Connell. **Community Development Director Woltering** led the Pledge of Allegiance. Recording by City Clerk Bonner.

3. **ANNOUNCEMENTS:**

Mayor Ruane introduced the new Police Chief, Ed Barberini.

4. **PRESENTATIONS:** None.

5. **REVIEW OF AGENDA:** None.

6. **APPROVAL OF MINUTES:** Regular Council Meeting of December 9, 2014 and Special Council Meeting of December 22, 2014, approved as submitted.

7. **CONSENT CALENDAR:**

a. **Approve:** Accounts Payable of December 8 and 15, 22 and 29, 2014 and January 5, 2015.

b. **Approve:** Payroll of November 30, 2014 and December 14, 2014.

c. **Accept:** Reconciliation of General Ledger to Bank Reports and the Investment Reports Dated November 30, 2014.

M/S Ibarra/Medina to approve and passed with all ayes.

8. **PUBLIC HEARING:**

Hold Public Hearing, Waive First Reading and Introduce an Ordinance Approving a Development Agreement with Castle Companies for Construction of Ten New Homes in the Crestmoor Neighborhood.

City Attorney Zafferano gave introductory remarks. He discussed the Development Agreement and the key ingredients contained therein.

Community Development Director Woltering said on January 21 there will be a neighborhood meeting where Castle will present their plans. He said after that there will be an

Architectural Review Meeting to be held at City Hall scheduled for February 12. The results of that meeting will be presented to the Planning Commission tentatively scheduled for March 17. The intent is to issue permits for these homes in May of this year and completion should be within six to nine months.

Councilmember Ibarra asked what were the questions from the twenty-five residents who attended the Planning Commission meeting. **Woltering** said one of the concerns was that this project be moved forward in a timely manner. There was a concern when the construction would occur and that the work being done take place Monday through Friday.

Councilmember Medina asked if there were suggestions as far as the time frame. **Woltering** said he believed that would be a condition of approval.

Vice Mayor Salazar asked about the implications of the language – replacement vs. reconstruction. **Zafferano** said they are replacement homes and it is not a new subdivision. The developer has requested a condition each home will be treated as a separate entity.

Mayor Ruane opened the Public Hearing.

Perry Peterson, Scenic Ct. said this is an amazing project which will benefit the neighborhood that will raise the property values of those homes already there. This will tend to reunify the neighborhood.

Steve Garrett, Castle Companies thanked the Council and said they are looking forward to building these replacement homes in the neighborhood.

M/S Ibarra/Medina to close the public hearing and passed with all ayes.

Councilmember Ibarra asked what is the official term of the certificate of occupancy. **Woltering** said the utilities have been provided, the construction is completed and it is ready for legal occupancy.

M/S Ibarra/Medina to waive the first reading and passed with all ayes.

Councilmember Ibarra introduced the resolution for adoption and passed with a unanimous vote.

9. PUBLIC COMMENT ON ITEMS NOT ON AGENDA:

Robert Riechel, 7th Ave. thanked the Mayor for his State of the City address at the Chamber Event. He said it will be reaired on Channel 1. He also advised everyone that the kick-off for Relay for Life Thursday, February 5 from 6:30 to 8:30 p.m. at YOUTUBE.

10. CONDUCT OF BUSINESS:

a. Adopt Resolution Authorizing the City Manager to Execute a Construction Contract for the Crestmoor (Glenview) Neighborhood Reconstruction – Utility Sanitary Sewer Lateral Replacement Project with JMB Construction, Inc. in the Amount of \$1,216,180 and Approving a Construction Budget of \$1,816,376.

Project Manager Burrowes gave an overview of the staff report and asked for questions.

Councilmember Ibarra asked what was considered an average replacement. **Burrowes** said anywhere from \$3,000. up to \$12,000.

Councilmember O'Connell introduced the resolution for adoption and passed with a unanimous vote.

b. Adopt Resolution Authorizing the City Manager to Execute an Amendment to the Contract with West Yost Associates for Construction Management and Inspection Services for the Water Pump Station No. 4 (College) Project in the Amount of \$29,633.

Associate Engineer Anderson gave an overview of the staff report and asked for questions.

Councilmember Ibarra asked the original length of the project. **Anderson** said one year and **Councilmember Ibarra** said we are now at one year and four months.

Councilmember Ibarra said he was surprised that it was unknown if the electrical service was overhead or underground. If this has been caught early on, how different would it have made the project. **Anderson** said when the initial service application was made, PG&E asked when the service would be required, so the thought was we would need service once the project is out of the ground, the electrical components are in place and we need to power up the station. But, the question should have been when is PG&E's design required so we could have planned accordingly by installing the proper conduits and included it in the bid docs.

Interim Public Services Director Razavi said the existing station across the street had overhead power and during the design of the station, it was assumed the same power would be extended over. He also said this did extend the construction.

Councilmember Medina asked if the reason we are discussing this is because of a miscommunication, this is the reason we are discussing this. **Razavi** said during the preliminary design, assumptions are made and tested in the field.

Councilmember Medina asked what could or can be done in the future so that the assumptions made don't find themselves rearing their head again. **Razavi** said in the future, other alternatives can be looked at that could impact the schedule or the cost, we could be more proactive.

Vice Mayor Salazar had we known the power was going to be underground, would the project have cost the same or are we paying more for having discovered it later. **Anderson** said it would have been an additional cost that we paid up front.

Vice Mayor Salazar said if we had known everything we should have known in the beginning, would the construction management bid been closer to the \$199,000. **Razavi** concurred.

Vice Mayor Salazar asked why we didn't know about the 30-day extension up front. **Anderson** said the bid docs only included a two-day test period and it slipped through the cracks.

Councilmember O'Connell introduced the resolution for adoption and passed with a unanimous vote.

c. Receive Oral Report from City Clerk on Attendance at the City Clerks New Law and Elections Seminar in Monterey, California, Wednesday December 3 through Friday December 5, 2014.

City Clerk Bonner gave an overview of the sessions she attended at the City Clerks New Law and Elections Seminar.

11. REPORT OF COMMISSIONS, BOARDS, & COMMITTEES:

12. COMMENTS FROM COUNCIL MEMBERS:

Councilmember Ibarra asked a review be made of the collection boxes for clothes and shoes on non-private properties and those located on private property to make sure they are not located in the right-of-way, specifically the two boxes on Jenevein. He also asked that signs being placed on abandoned lots and buildings be looked at.

13. CLOSED SESSION:

14. ADJOURNMENT:

Mayor Ruane closed the meeting at 8:02 p.m. The next regular City Council Meeting will be held on January 27, 2015 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.

Respectfully submitted for approval
at the City Council Meeting of
January 27, 2015

Carol Bonner, City Clerk

Jim Ruane, Mayor

01/12/15

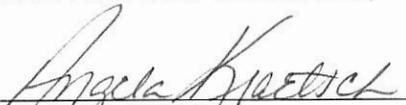
CITY OF SAN BRUNO
WARRANT REGISTER
TOTAL FUND RECAP

| FUND | FUND NAME | AMOUNT |
|--------------------|-----------------------------|----------------|
| 001 | GENERAL FUND | \$91,166.66 |
| 132 | AGENCY ON AGING | \$8,528.56 |
| 133 | RESTRICTED DONATIONS | \$6,677.41 |
| 190 | EMERGENCY DISASTER FUND | \$357,041.61 |
| 207 | TECHNOLOGY CAPITAL | \$7,361.91 |
| 611 | WATER FUND | \$730,860.77 |
| 621 | STORMWATER FUND | \$82.41 |
| 631 | WASTEWATER FUND | \$674,860.30 |
| 641 | CABLE TV FUND | \$323,262.57 |
| 701 | CENTRAL GARAGE | \$1,621.67 |
| 702 | FACILITY MAINT. FUND | \$4,606.82 |
| 703 | GENERAL EQUIPMENT REVOLVING | \$711.51 |
| 707 | TECHNOLOGY DEVELOPMENT | \$514.45 |
| 711 | SELF INSURANCE | \$38,547.26 |
| 880 | PROJECT DEVELOP. TRUST | \$1,010.00 |
| TOTAL FOR APPROVAL | | \$2,246,853.91 |

HONORABLE MAYOR AND CITY COUNCIL:

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGES NUMBERED FROM 1 THROUGH 2 INCLUSIVE, AND/OR CLAIMS NUMBERED FROM 152722 THROUGH 152821 INCLUSIVE, TOTALING IN THE AMOUNT OF \$2,246,853.91 HAVE BEEN CHECKED IN DETAIL AND APPROVED BY THE PROPER OFFICIALS, AND IN MY OPINION REPRESENT FAIR AND JUST CHARGES AGAINST THE CITY IN ACCORDANCE WITH THEIR RESPECTIVE AMOUNTS AS INDICATED THEREON.

RESPECTFULLY SUBMITTED,


FINANCE DIRECTOR 1/13/15
DATE

7a

Document group: komalley Bank: apbank 05507660

| Vendor Code & Name | Check # | Check Date | Amount |
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| 0096852 ABAG PLAN CORPORATION | 152722 | 1/12/2015 | 38,547.26 |
| 0000368 ABCO PRINTERS | 152723 | 1/12/2015 | 1,234.47 |
| 0017053 ACCOUNTEMPs | 152724 | 1/12/2015 | 4,416.00 |
| 0018601 ADVANCED MEDIA TECH., INC. | 152725 | 1/12/2015 | 1,992.07 |
| 0098891 ALAN DUONG | 152753 | 1/12/2015 | 875.00 |
| 0017459 ALL CITY MANAGEMENT SVC.INC. | 152726 | 1/12/2015 | 1,804.36 |
| 0000372 ALLIED SECURITY ALARMS | 152727 | 1/12/2015 | 228.00 |
| 0014617 AT&T | 152728 | 1/12/2015 | 12.84 |
| 0016123 AT&T | 152729 | 1/12/2015 | 2,209.07 |
| 0017211 AUTOMATIC DOOR SYSTEMS INC | 152730 | 1/12/2015 | 215.00 |
| 0000345 BAKER & TAYLOR BOOKS | 152731 | 1/12/2015 | 1,644.24 |
| 0001849 BAY AREA WATER SUPPLY & CONSERVATION AGEN | 152809 | 1/12/2015 | 4,864.86 |
| 0106118 BETTER HOMES CONSTRUCTION, INC | 152732 | 1/12/2015 | 1,262.27 |
| 0017331 BUDCO INC. | 152733 | 1/12/2015 | 367.21 |
| 0103670 CALIFORNIA BUILDING STANDARDS COMMISSION | 152806 | 1/12/2015 | 384.30 |
| 0097948 CARDINAL RULES | 152734 | 1/12/2015 | 2,160.00 |
| 0105155 CASEY CONSTRUCTION | 152735 | 1/12/2015 | 492,812.50 |
| 0017843 CENTRAL COUNTY FIRE DEPT. | 152736 | 1/12/2015 | 2,620.35 |
| 0016324 CINTAS CORPORATION | 152737 | 1/12/2015 | 383.88 |
| 0096053 CINTAS DOCUMENT MANAGEMENT | 152738 | 1/12/2015 | 54.95 |
| 0106048 CIT | 152739 | 1/12/2015 | 426.89 |
| 0098588 CITY OF BURLINGAME | 152740 | 1/12/2015 | 3,388.50 |
| 0000227 CITY OF SAN BRUNO | 152741 | 1/12/2015 | 5,460.61 |
| 0000386 CITY OF SOUTH SAN FRANCISCO | 152742 | 1/12/2015 | 2,956.85 |
| 0017802 CLEANSOURCE, INC. | 152743 | 1/12/2015 | 56.16 |
| 0018911 COMCAST CABLE COMMUNICATIONS | 152744 | 1/12/2015 | 24,881.40 |
| 0104508 COMCAST SPORTSNET CALIFORNIA | 152745 | 1/12/2015 | 20,824.65 |
| 0102625 CONTEC, LLC | 152746 | 1/12/2015 | 850.85 |
| 0106125 COURTESY TOW | 152747 | 1/12/2015 | 550.00 |
| 0018331 CSG CONSULTANTS INC. | 152748 | 1/12/2015 | 759.50 |
| 0106080 DATALINK CORPORATION | 152749 | 1/12/2015 | 3,074.00 |
| 0018188 DAU PRODUCTS | 152750 | 1/12/2015 | 156.20 |
| 0013926 DEPARTMENT OF CONSERVATION | 152751 | 1/12/2015 | 6,939.03 |
| 0104678 DIVISION OF THE STATE ARCHITECT | 152785 | 1/12/2015 | 80.70 |
| 0017300 ENVIRONMENTAL HEALTH FEE | 152755 | 1/12/2015 | 637.00 |
| 0000944 FEDEX | 152756 | 1/12/2015 | 42.67 |
| 0013714 FIRST NATIONAL BANK | 152758 | 1/12/2015 | 21,113.94 |
| 0106122 GARDENLAND POWER EQUIPMENT | 152759 | 1/12/2015 | 154.47 |
| 0104771 GILLERAN ENERGY MANAGEMENT SERVICES | 152754 | 1/12/2015 | 408.75 |
| 0100182 GLENN FILOTEO | 152757 | 1/12/2015 | 1,000.00 |
| 0017983 GLORIA DEETER | 152760 | 1/12/2015 | 1,101.38 |
| 0016969 GOLDEN IDEAS | 152761 | 1/12/2015 | 2,084.60 |
| 0017900 GREAT LAKES DATA SYSTEMS INC | 152762 | 1/12/2015 | 1,450.00 |
| 0095966 GREATAMERICA FINANCIAL SVCS. | 152763 | 1/12/2015 | 404.33 |
| 0096837 GYM DOCTORS | 152764 | 1/12/2015 | 100.00 |
| 0105488 HINES EDM, INC. | 152766 | 1/12/2015 | 2,359.62 |
| 0105378 HOME MAID RAVIOLI COMPANY INC. | 152767 | 1/12/2015 | 225.30 |
| 0103336 HUB INTERNATIONAL SERVICE INC. | 152768 | 1/12/2015 | 322.20 |
| 0018557 INTERSTATE SALES | 152769 | 1/12/2015 | 4,708.80 |
| 0000581 IRVINE & JACHENS INC. | 152770 | 1/12/2015 | 594.05 |
| 0018713 J.P. COOKE COMPANY | 152771 | 1/12/2015 | 130.45 |
| 0103342 JMB CONSTRUCTION, INC. | 152772 | 1/12/2015 | 355,233.80 |
| 0096586 K.J. WOODS CONSTRUCTION, INC. | 152773 | 1/12/2015 | 639,255.00 |

Document group: komalley Bank: apbank 05507660

| Vendor Code & Name | Check # | Check Date | Amount | |
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| 0018498 | KONICA MINOLTA BUSINESS SOL. | 152774 | 1/12/2015 | 711.51 |
| 0017774 | LAKE TRAFFIC SOLUTIONS, LLC | 152775 | 1/12/2015 | 2,594.55 |
| 0014262 | LC ACTION POLICE SUPPLY | 152776 | 1/12/2015 | 595.84 |
| 0104424 | LIDIA'S ITALIAN DELICACIES | 152777 | 1/12/2015 | 5,295.00 |
| 0018177 | LOWE'S | 152778 | 1/12/2015 | 219.64 |
| 0017026 | LYNX TECHNOLOGIES, INC. | 152779 | 1/12/2015 | 4,236.00 |
| 0001709 | MILLBRAE LOCK | 152780 | 1/12/2015 | 112.94 |
| 0104730 | MUNICIPAL EMERGENCY SERVICES | 152781 | 1/12/2015 | 1,571.27 |
| 0105725 | NATIONAL ACADEMY OF ATHLETICS | 152782 | 1/12/2015 | 963.30 |
| 0000357 | NATIONAL CABLE TV CO-OP, INC. | 152783 | 1/12/2015 | 228,381.56 |
| 0103301 | NHL NETWORK US, LP | 152784 | 1/12/2015 | 59.37 |
| 0092263 | OFFICE DEPOT INC | 152786 | 1/12/2015 | 352.64 |
| 0000012 | PACIFIC GAS & ELECTRIC | 152787 | 1/12/2015 | 58,629.68 |
| 0106123 | PACIFIC JANITORIAL SUPPLY CO. | 152788 | 1/12/2015 | 1,926.31 |
| 0001154 | PENINSULA LIBRARY SYSTEM | 152789 | 1/12/2015 | 2,493.21 |
| 0014961 | PENINSULA UNIFORMS & EQUIPMENT | 152790 | 1/12/2015 | 478.21 |
| 0000294 | PITNEY BOWES | 152791 | 1/12/2015 | 279.66 |
| 0016851 | QUALITY TUNE-UP SHOPS | 152792 | 1/12/2015 | 1,548.45 |
| 0017111 | RANDOM HOUSE INC | 152793 | 1/12/2015 | 85.80 |
| 0017712 | RECALL SECURE DESTRUCTION SERVICES, INC. | 152752 | 1/12/2015 | 93.21 |
| 0000229 | REEVES CO., INC. | 152794 | 1/12/2015 | 70.56 |
| 0103531 | RICOH USA, INC. | 152795 | 1/12/2015 | 296.23 |
| 0096458 | RMC WATER AND ENVIRONMENT | 152796 | 1/12/2015 | 1,469.00 |
| 0018839 | RYAN JOHANSEN | 152797 | 1/12/2015 | 91.84 |
| 0099047 | SAN MATEO CTY SHERIFF'S OFFICE | 152798 | 1/12/2015 | 12,429.06 |
| 0018597 | SAN MATEO DAILY JOURNAL | 152799 | 1/12/2015 | 1,680.00 |
| 0017145 | SAN MATEO LAWN MOWER SHOP | 152800 | 1/12/2015 | 403.12 |
| 0097849 | SCOTT HAFER | 152765 | 1/12/2015 | 1,000.00 |
| 0000074 | SFPUC - WATER DEPARTMENT | 152803 | 1/12/2015 | 176,790.04 |
| 0098030 | SHRED-IT USA - SAN FRANCISCO | 152804 | 1/12/2015 | 42.00 |
| 0097079 | SPRINT | 152805 | 1/12/2015 | 163.04 |
| 0105796 | SUNRISE FOOD DISTRIBUTOR INC. | 152807 | 1/12/2015 | 384.50 |
| 0106093 | SUPPLIESOUTLET.COM | 152808 | 1/12/2015 | 50.19 |
| 0097679 | SYLVIA ZHOU | 152821 | 1/12/2015 | 276.00 |
| 0097449 | THYSSENKRUPP ELEVATOR CORP. | 152810 | 1/12/2015 | 403.85 |
| 0017133 | TURBO DATA SYSTEMS INC | 152811 | 1/12/2015 | 3,300.34 |
| 0001362 | TV GUIDE MAGAZINE, LLC | 152812 | 1/12/2015 | 151.96 |
| 0018618 | UNITED SITE SERVICES INC. | 152813 | 1/12/2015 | 185.40 |
| 0102744 | UNIVERSAL BUILDING SERVICES | 152814 | 1/12/2015 | 652.00 |
| 0102865 | UNIVERSAL SERVICE ADMINISTRATIVE CO. | 152801 | 1/12/2015 | 4,960.12 |
| 0105133 | UTILITY TELEPHONE, INC. | 152815 | 1/12/2015 | 179.95 |
| 0017083 | VALI COOPER & ASSOCIATES INC | 152816 | 1/12/2015 | 1,503.00 |
| 0095749 | VERIZON WIRELESS | 152817 | 1/12/2015 | 2,511.95 |
| 0105762 | VUBIQUITY INC. | 152818 | 1/12/2015 | 4,168.18 |
| 0013841 | WITMER-TYSON IMPORTS INC | 152819 | 1/12/2015 | 635.00 |
| 0013721 | YOUTH SERVICE BUREAUS OF THE YMCA | 152802 | 1/12/2015 | 40,217.00 |
| 0104033 | ZCORUM, INC. | 152820 | 1/12/2015 | 22,391.10 |
| | | | GrandTotal: | 2,246,853.91 |
| | | | Total count: | 100 |



**City Council Agenda Item
Staff Report**

CITY OF SAN BRUNO

DATE: January 27, 2015
TO: Honorable Mayor and Members of the City Council
FROM: Angela Kraetsch, Finance Director
SUBJECT: Payroll Approval

City Council approval of the City payroll distributed January 2, 2015 and January 16, 2015 is recommended. The Labor Summary report reflecting the total payroll amount of \$1,453,101.72 for bi-weekly pay period ending December 28, 2014 and \$1,329,718.71 for bi-weekly pay period ending January 11, 2015 are attached.

LABOR SUMMARY FOR PAY PERIOD ENDING : December 28, 2014

| pyLaborDist | 01/02/15 |
|--------------------------------------|---------------------|
| Fund: 001 - GENERAL FUND | 1,106,098.06 |
| Fund: 122 - SOLID WASTE/RECYCL. | 1,626.45 |
| Fund: 190 - EMERGENCY DISASTER FUND | 12,972.82 |
| Fund: 203 - STREET IMPROVE. PROJECTS | 1,424.89 |
| Fund: 611 - WATER FUND | 91,233.66 |
| Fund: 621 - STORMWATER FUND | 18,363.83 |
| Fund: 631 - WASTEWATER FUND | 76,372.35 |
| Fund: 641 - CABLE TV FUND | 88,023.54 |
| Fund: 701 - CENTRAL GARAGE | 11,971.85 |
| Fund: 702 - FACILITY MAINT.FUND | 23,866.46 |
| Fund: 707 - TECHNOLOGY DEVELOPMENT | 16,213.60 |
| Fund: 711 - SELF INSURANCE | 4,934.21 |
| | <hr/> |
| Total | 1,453,101.72 |

LABOR SUMMARY FOR PAY PERIOD ENDING : January 11, 2015

| pyLaborDist | 01/16/15 |
|--------------------------------------|---------------------|
| Fund: 001 - GENERAL FUND | 999,466.69 |
| Fund: 122 - SOLID WASTE/RECYCL. | 1,652.97 |
| Fund: 190 - EMERGENCY DISASTER FUND | 12,976.18 |
| Fund: 203 - STREET IMPROVE. PROJECTS | 348.93 |
| Fund: 611 - WATER FUND | 85,836.46 |
| Fund: 621 - STORMWATER FUND | 18,789.39 |
| Fund: 631 - WASTEWATER FUND | 64,890.27 |
| Fund: 641 - CABLE TV FUND | 88,372.09 |
| Fund: 701 - CENTRAL GARAGE | 10,884.47 |
| Fund: 702 - FACILITY MAINT.FUND | 24,673.18 |
| Fund: 707 - TECHNOLOGY DEVELOPMENT | 16,858.13 |
| Fund: 711 - SELF INSURANCE | 4,969.95 |
| | <hr/> |
| Total | 1,329,718.71 |



John Marty
City Treasurer

CITY TREASURER

RECONCILIATION OF GENERAL LEDGER TO BANK

Month Ending December 2014

| Bank Balance | | General Ledger Balance | |
|--|--------------------------|--------------------------------|--------------------------|
| Union Bank of Ca. Investments | \$ 22,321,751.81 | | |
| LAIF - Account Ending -764 | 14,291,452.78 | | |
| LAIF - Account Ending -001 | 3,040,676.21 | | |
| San Mateo County Pool | 19,914,072.28 | | |
| FNB - Main Account | 2,093,307.95 | | |
| FNB - Parking Fines Account | 13,015.00 | | |
| FNB - Glenview Counseling Assistance Account | 1,367.95 | | |
| FNB - Successor Agency Account | 31,754.93 | | |
| Wells Fargo - Custodian of SB Community Foundation | 68,857,988.19 | | |
| Bank Balance as of 12/31/14 | \$ 130,565,387.10 | General Ledger Balance | \$ 130,026,036.15 |
| Outstanding Checks | (639,452.64) | Library Credit Card In-Transit | 180.00 |
| FNB Deposit In-Transit | 8,892.21 | Cable ACH In-Transit | 769.27 |
| FNB Deposit In-Transit | 15,617.43 | Utility ACH In-Transit | 503.26 |
| FNB Deposit In-Transit | 7,515.49 | Check Correction | (1,845.27) |
| FNB Deposit In-Transit | 10,850.63 | | |
| Cable Credit Card In-Transit | 2,854.71 | | |
| Finance Credit Card In-Transit | 13,845.97 | | |
| Utility Credit Card In-Transit | 40,132.51 | | |
| Adjusted Balance | \$ 130,025,643.41 | Adjusted Balance | \$ 130,025,643.41 |



John Marty, City Treasurer

1/21/2015 3:11:54PM

City of San Bruno

Through period: 6

Through December 2014

| | Cash | Investments | Fund Total |
|--|-----------------------|-------------------|-----------------------|
| 001 GENERAL FUND | 5,124,043.87 | 53,721.54 | 5,177,765.41 |
| 002 GENERAL FUND RESERVE | 8,558,383.75 | 0.00 | 8,558,383.75 |
| 003 ONE-TIME REVENUE | 19,729.99 | 0.00 | 19,729.99 |
| 004 NEW CAP IMPROV/ONE-TIME INITIATIVE RSRV | 7,650,675.11 | 0.00 | 7,650,675.11 |
| 101 GAS TAX | 1,048,826.84 | 0.00 | 1,048,826.84 |
| 102 MEASURE A TRANSPORTATION TAX | 1,620,885.46 | 0.00 | 1,620,885.46 |
| 103 STREET SPECIAL REVENUE | 309,635.09 | 0.00 | 309,635.09 |
| 104 TRAFFIC CONGESTION RELIEF | 0.00 | 0.00 | 0.00 |
| 111 POLICE ASSET FORFEITURE | 53,930.46 | 0.00 | 53,930.46 |
| 112 SAFETY AUGMENT. -PROP.172 | 115,269.08 | 0.00 | 115,269.08 |
| 113 POLICE SPECIAL REVENUE | 59,103.94 | 0.00 | 59,103.94 |
| 114 TRAFFIC SAFETY GRANT | 61,603.57 | 0.00 | 61,603.57 |
| 121 FEDERAL/STATE GRANTS | 9,324.21 | 0.00 | 9,324.21 |
| 122 SOLID WASTE/RECYCL. | 241,346.29 | 0.00 | 241,346.29 |
| 123 LIBRARY SPECIAL REVENUE | 220,841.93 | 0.00 | 220,841.93 |
| 131 IN-LIEU FEES | 4,118,627.18 | 0.00 | 4,118,627.18 |
| 132 AGENCY ON AGING | 632.82 CR | 0.00 | 632.82 CR |
| 133 RESTRICTED DONATIONS | 1,027,329.23 | 0.00 | 1,027,329.23 |
| 134 ED JOHNSON BEQUEST FUND | 25,942.68 | 0.00 | 25,942.68 |
| 135 GLENVIEW FIRE DONATIONS | 0.00 | 0.00 | 0.00 |
| 136 EMERGENCY DISASTER RESERVE | 3,040,676.21 | 0.00 | 3,040,676.21 |
| 151 SUCCESSOR AGENCY TO THE SB RDA - OPS | 0.00 | 0.00 | 0.00 |
| 152 CITY OF SB AS SUCCESSOR HOUSING AGENCY | 90,400.00 | 0.00 | 90,400.00 |
| 153 RDA OBLIGATION RETIREMENT FUND | 916,177.77 | 649,992.32 | 1,566,170.09 |
| 190 EMERGENCY DISASTER FUND | 2,364,421.59 CR | 0.00 | 2,364,421.59 CR |
| 201 PARKS AND FACILITIES CAPITAL | 543,628.06 | 0.00 | 543,628.06 |
| 203 STREET IMPROVE. PROJECTS | 1,450,120.54 | 0.00 | 1,450,120.54 |
| 207 TECHNOLOGY CAPITAL | 195,824.89 | 0.00 | 195,824.89 |
| 251 SUCCESSOR AGENCY TO THE SB RDA - CAPITAL | 0.00 | 0.00 | 0.00 |
| 302 LEASE DEBT SERVICE | 405,845.10 | 2.59 | 405,847.69 |
| 351 SUCCESSOR AGENCY TO THE SB RDA -2000 COP | 0.00 | 0.00 | 0.00 |
| 611 WATER FUND | 13,532,383.89 | 0.00 | 13,532,383.89 |
| 621 STORMWATER FUND | 136,742.75 | 0.00 | 136,742.75 |
| 631 WASTEWATER FUND | 9,731,425.16 | 142,594.74 | 9,874,019.90 |
| 641 CABLE TV FUND | 5,270,040.69 CR | 200.00 | 5,269,840.69 CR |
| 701 CENTRAL GARAGE | 604,758.12 | 0.00 | 604,758.12 |
| 702 FACILITY MAINT.FUND | 880,390.11 | 0.00 | 880,390.11 |
| 703 GENERAL EQUIPMENT REVOLVING | 4,218,715.93 | 0.00 | 4,218,715.93 |
| 707 TECHNOLOGY DEVELOPMENT | 238,375.79 | 0.00 | 238,375.79 |
| 711 SELF INSURANCE | 2,080,716.05 | 91,118.50 | 2,171,834.55 |
| 870 SAN BRUNO COMMUNITY FOUNDATION | 68,857,988.19 | 0.00 | 68,857,988.19 |
| 880 PROJECT DEVELOP. TRUST | 39,644.93 | 0.00 | 39,644.93 |
| 891 S.B. GARBAGE CO. TRUST | 431,819.08 | 0.00 | 431,819.08 |
| Grand Total: | 130,026,036.15 | 937,629.69 | 130,963,665.84 |

Expenditure Status Report
 City of San Bruno
 12/1/2014 through 12/31/2014

| Account Number | Adjusted Appropriation | Expenditures | Year-to-date Expenditures | Year-to-date Encumbrances | Balance | Prct Used |
|--|---------------------------|--------------|------------------------------|------------------------------|---------------|--------------|
| Total GENERAL FUND | 37,560,517.73 | 2,872,654.24 | 18,486,425.13 | 169,661.53 | 18,904,431.07 | 49.67 |
| Total GENERAL FUND RESERVE | 0.00 | 0.00 | 140,000.00 | 0.00 | -140,000.00 | 0.00 |
| Total ONE-TIME REVENUE | 0.00 | 214.76 | 23,566.69 | 0.00 | -23,566.69 | 0.00 |
| Total NEW CAP IMPROV/ONE-TIME INITIATIVE RSRV | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total GAS TAX | 750,000.00 | 62,500.00 | 375,000.00 | 0.00 | 375,000.00 | 50.00 |
| Total MEASURE A TRANSPORTATION TAX | 0.00 | 0.00 | 689,456.31 | 0.00 | -689,456.31 | 0.00 |
| Total POLICE ASSET FORFEITURE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total SAFETY AUGMENT. -PROP.172 | 86,000.00 | 0.00 | 0.00 | 0.00 | 86,000.00 | 0.00 |
| Total POLICE SPECIAL REVENUE | 100,000.00 | 0.00 | 0.00 | 0.00 | 100,000.00 | 0.00 |
| Total TRAFFIC SAFETY GRANT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total FEDERAL/STATE GRANTS | 720.07 | 781.52 | 51,392.86 | 0.00 | -50,672.79 | 7,137.20 |
| Total SOLID WASTE/RECYCL. | 60,806.00 | 3,483.79 | 22,233.96 | 0.00 | 38,572.04 | 36.57 |
| Total LIBRARY SPECIAL REVENUE | 39,000.00 | 3,250.00 | 19,500.00 | 0.00 | 19,500.00 | 50.00 |
| Total IN-LIEU FEES | 647,500.00 | 25,000.00 | 34,106.00 | 0.00 | 613,394.00 | 5.27 |
| Total AGENCY ON AGING | 184,405.00 | 8,918.21 | 70,519.22 | 0.00 | 113,885.78 | 38.24 |
| Total RESTRICTED DONATIONS | 83,873.00 | 43,611.06 | 237,940.26 | 29,267.00 | -183,334.26 | 318.59 |
| Total ED JOHNSON BEQUEST FUND | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total GLENVIEW FIRE DONATIONS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total EMERGENCY DISASTER RESERVE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total SUCCESSOR AGENCY TO THE SB RDA - OPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total CITY OF SB AS SUCCESSOR HOUSING AGENCY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total RDA OBLIGATION RETIREMENT FUND | 373,617.50 | 0.00 | 187,653.75 | 0.00 | 185,963.75 | 50.23 |
| Total EMERGENCY DISASTER FUND | 3,316,496.46 | 1,159,128.36 | 2,728,575.18 | 1,108,273.85 | -520,352.57 | 115.69 |
| Total PARKS AND FACILITIES CAPITAL | 0.00 | 0.00 | 56,497.19 | 183,715.08 | -240,212.27 | 0.00 |
| Total STREET IMPROVE. PROJECTS | 0.00 | 3,823.47 | 79,417.19 | 685,850.77 | -765,267.96 | 0.00 |
| Total TECHNOLOGY CAPITAL | 0.00 | 2,259.17 | 27,147.24 | 0.00 | -27,147.24 | 0.00 |
| Total SUCCESSOR AGENCY TO THE SB RDA - CAPITAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total LEASE DEBT SERVICE | 1,217,949.25 | 0.00 | 235,723.62 | 0.00 | 982,225.63 | 19.35 |

Expenditure Status Report
 City of San Bruno
 12/1/2014 through 12/31/2014

| Account Number | Adjusted Appropriation | Expenditures | Year-to-date Expenditures | Year-to-date Encumbrances | Balance | Pct Used |
|--|---------------------------|--------------|------------------------------|------------------------------|---------------|-------------|
| Total SUCCESSOR AGENCY TO THE SB RDA -2000 COP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total WATER FUND | 8,800,869.11 | 1,407,152.66 | 6,216,284.26 | 7,501,156.09 | -4,916,571.24 | 155.86 |
| Total STORMWATER FUND | 729,252.00 | 50,813.38 | 315,630.13 | 62,603.00 | 351,018.87 | 51.87 |
| Total WASTEWATER FUND | 8,030,610.30 | 1,122,248.15 | 4,416,937.93 | 738,321.60 | 2,875,350.77 | 64.20 |
| Total CABLE TV FUND | 9,736,052.15 | 792,609.35 | 4,693,695.52 | 2,850,978.70 | 2,191,377.93 | 77.49 |
| Total CENTRAL GARAGE | 624,417.00 | 45,958.11 | 267,088.91 | 710.00 | 356,618.09 | 42.89 |
| Total FACILITY MAINT.FUND | 1,023,061.00 | 65,210.68 | 453,977.89 | 0.00 | 569,083.11 | 44.37 |
| Total GENERAL EQUIPMENT REVOLVING | 173,030.49 | 1,359.06 | 35,290.34 | 193,977.09 | -56,236.94 | 132.50 |
| Total TECHNOLOGY DEVELOPMENT | 648,941.00 | 40,808.42 | 345,015.07 | 0.00 | 303,925.93 | 53.17 |
| Total SELF INSURANCE | 1,826,881.00 | 89,343.86 | 1,183,467.48 | 0.00 | 643,413.52 | 64.78 |
| Grand Total | 76,013,999.06 | 7,801,128.25 | 41,392,542.13 | 13,524,514.71 | 21,096,942.22 | 72.25 |

Revenue Status Report

City of San Bruno
12/1/2014 through 12/31/2014

| Account Number | Adjusted Estimate | Revenues | Year-to-date Revenues | Balance | Prct Rcvd |
|---|-------------------|--------------|-----------------------|---------------|-----------|
| Total GENERAL FUND | 37,599,979.00 | 7,563,814.76 | 19,109,087.72 | 18,490,891.28 | 50.82 |
| Total GENERAL FUND RESERVE | 0.00 | 986.75 | 2,290.15 | -2,290.15 | 0.00 |
| Total ONE-TIME REVENUE | 515,000.00 | 0.00 | 39,496.00 | 475,504.00 | 7.67 |
| Total NEW CAP IMPROV/ONE-TIME INITIATIVE RSRV | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total GAS TAX | 1,116,405.00 | 246,410.05 | 654,674.00 | 461,731.00 | 58.64 |
| Total MEASURE A TRANSPORTATION TAX | 867,160.00 | 98,925.85 | 474,394.77 | 392,765.23 | 54.71 |
| Total STREET SPECIAL REVENUE | 759.00 | 0.00 | 33.00 | 726.00 | 4.35 |
| Total POLICE ASSET FORFEITURE | 5,129.00 | 448.70 | 854.70 | 4,274.30 | 16.66 |
| Total SAFETY AUGMENT. -PROP.172 | 92,210.00 | 8,721.77 | 59,321.46 | 32,888.54 | 64.33 |
| Total POLICE SPECIAL REVENUE | 100,122.00 | 7,470.68 | 47,158.49 | 52,963.51 | 47.10 |
| Total TRAFFIC SAFETY GRANT | 150.00 | 0.00 | 7.00 | 143.00 | 4.67 |
| Total FEDERAL/STATE GRANTS | 0.00 | 1,000.00 | 59,208.00 | -59,208.00 | 0.00 |
| Total SOLID WASTE/RECYCL. | 70,386.50 | 6,936.15 | 35,998.92 | 34,387.58 | 51.14 |

Revenue Status Report

City of San Bruno
 12/1/2014 through 12/31/2014

| Account Number | Adjusted Estimate | Revenues | Year-to-date Revenues | Balance | Prct Rcvd |
|--|-------------------|-----------|-----------------------|------------|-----------|
| Total LIBRARY SPECIAL REVENUE | 635.00 | 0.00 | 25.00 | 610.00 | 3.94 |
| Total IN-LIEU FEES | 10,200.00 | 0.00 | 2,451.00 | 7,749.00 | 24.03 |
| Total AGENCY ON AGING | 184,452.00 | 16,258.05 | 82,874.62 | 101,577.38 | 44.93 |
| Total RESTRICTED DONATIONS | 115,699.00 | 9,388.74 | 139,611.59 | -23,912.59 | 120.67 |
| Total ED JOHNSON BEQUEST FUND | 64.00 | 0.00 | 3.00 | 61.00 | 4.69 |
| Total GLENVIEW FIRE DONATIONS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total EMERGENCY DISASTER RESERVE | 0.00 | 0.00 | 1,851.59 | -1,851.59 | 0.00 |
| Total SUCCESSOR AGENCY TO THE SB RDA - OPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total CITY OF SB AS SUCCESSOR HOUSING AGENCY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total RDA OBLIGATION RETIREMENT FUND | 0.00 | 5.40 | 32.94 | -32.94 | 0.00 |
| Total EMERGENCY DISASTER FUND | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total PARKS AND FACILITIES CAPITAL | 0.00 | 0.00 | 74,907.97 | -74,907.97 | 0.00 |

Revenue Status Report

City of San Bruno
12/1/2014 through 12/31/2014

| Account Number | Adjusted Estimate | Revenues | Year-to-date Revenues | Balance | Prct Rcvd |
|--|-------------------|--------------|-----------------------|--------------|-----------|
| Total STREET IMPROVE. PROJECTS | 0.00 | 0.00 | 706,207.50 | -706,207.50 | 0.00 |
| Total TECHNOLOGY CAPITAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total SUCCESSOR AGENCY TO THE SB RDA - CAPITAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total LEASE DEBT SERVICE | 1,217,949.25 | 98,289.96 | 628,228.22 | 589,721.03 | 51.58 |
| Total SUCCESSOR AGENCY TO THE SB RDA -2000 COP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total WATER FUND | 13,732,268.00 | 854,147.97 | 5,447,858.68 | 8,284,409.32 | 39.67 |
| Total STORMWATER FUND | 680,896.00 | 289,382.06 | 289,385.06 | 391,510.94 | 42.50 |
| Total WASTEWATER FUND | 14,916,194.01 | 1,083,024.25 | 5,980,542.55 | 8,935,651.46 | 40.09 |
| Total CABLE TV FUND | 10,447,278.08 | 757,359.59 | 4,593,731.52 | 5,853,546.56 | 43.97 |
| Total CENTRAL GARAGE | 624,417.00 | 52,035.00 | 312,210.00 | 312,207.00 | 50.00 |
| Total FACILITY MAINT.FUND | 1,023,061.00 | 85,255.00 | 511,530.00 | 511,531.00 | 50.00 |
| Total GENERAL EQUIPMENT REVOLVING | 430,587.00 | 35,882.00 | 222,282.00 | 208,305.00 | 51.62 |
| Total TECHNOLOGY DEVELOPMENT | 648,941.00 | 54,719.00 | 315,714.00 | 333,227.00 | 48.65 |

Revenue Status Report

City of San Bruno
 12/1/2014 through 12/31/2014

| <i>Account Number</i> | <i>Adjusted Estimate</i> | <i>Revenues</i> | <i>Year-to-date Revenues</i> | <i>Balance</i> | <i>Prct Rcvd</i> |
|-----------------------|--------------------------|-----------------|------------------------------|----------------|------------------|
| Total SELF INSURANCE | 1,826,881.00 | 152,240.00 | 913,440.00 | 913,441.00 | 50.00 |
| Grand Total | 86,226,822.84 | 11,422,701.73 | 40,705,411.45 | 45,521,411.39 | 47.21 |

INVESTMENT REPORT

MONTH ENDING DECEMBER 2014

| INVESTMENT POOLS | | YEILD |
|------------------------------|------------------|-------|
| Local Agency Investment Fund | \$ 14,291,452.78 | 0.26 |
| Glenview Fire LAIF | \$ 3,040,676.21 | 0.26 |
| San Mateo County Pool | \$ 19,914,072.28 | 0.58 |

| INVESTMENTS HELD AT UNION BANK | PAR VALUE | COST BASIS | MKT. VALUE | YIELD |
|---|-----------------|-----------------|-----------------|-------|
| Federal Farm Credit Bank 3/28/13 mat 3/28/16 | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 1,998,240.00 | 0.45 |
| Federal Home Loan Mtg Corp 0.57% 6/20/2016 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 998,490.00 | 0.57 |
| Federal Natl Mtg Corp 0.50% mat 8/15/16 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 996,870.00 | 0.50 |
| Federal National Mtg Assn 0.75% mat 12/19/16 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$997,380.00 | 0.75 |
| Federal Home Loan Bank 1.00% mat 3/29/17 | \$ 1,000,000.00 | \$1,000,000.00 | \$ 998,750.00 | 1.00 |
| Federal Home Loan Bank 1% mat 4/24/2017 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,001,390.00 | 1.00 |
| Federal Home Loan Mtg Corp 1.00% mat 6/26/2017 | \$ 1,000,000.00 | \$ 999,000.00 | \$ 995,800.00 | 1.00 |
| Federal National Mortgage 1.125% mat 9/18/17 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 999,330.00 | 1.12 |

| | | | | |
|---|------------------|-----------------|-----------------|------|
| Federal National Mortgage Assoc 1.00% mat 12/26/2017 | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 2,000,020.00 | 1.20 |
| Federal Natl Mtg Assoc 0.70% 12/26/17 | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 1,990,740.00 | 0.70 |
| Federal Home Loan Bank 1.00% mat 12/27/17 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 984,000.00 | 1.01 |
| Federal Farm Credit Bank 1,47% mat 7/9/18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 996,640.00 | 1.47 |
| Federal Home Loan Mtg Step-up mat 12/27/18 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,002,370.00 | 0.50 |
| Federal Home Loan Bank Step-up mat 5/28/19 | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 2,000,940.00 | 0.50 |
| Federal Home Loan Bank 1.25% mat 12/30/19 | \$1,000,000.00 | \$1,000,000.00 | \$997,940.00 | 1.25 |
| Cal State Fed Taxable 2.25% mat 5/1/2019 | \$ 2,000,000.00 | \$ 2,015,100.00 | \$ 1,998,460.00 | 2.25 |
| US Govt Money Market | \$ 1,307,651.81 | \$ 1,307,651.81 | \$ 1,307,651.81 | 0 |
| INVESTMENTS HELD AT WELLS FARGO BANK | | | | |
| City of San Bruno as Temporary Custodian | \$ 68,685,543.65 | | | 0.33 |
| TOTAL | \$129,239,396.73 | | | |



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: January 27, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Marc L. Zafferano, City Attorney
David Woltering, Community Development Director

SUBJECT: Waive Second Reading and Adopt an Ordinance Approving a Development Agreement with Castle Companies for Construction of Ten New Homes in the Crestmoor Neighborhood

BACKGROUND:

The Crestmoor Neighborhood is the site of the September 2010 Pacific Gas and Electric Company ("PG&E") gas line explosion and subsequent fire that resulted in the loss of eight lives, destroyed 38 homes and severely damaged 17 homes. Since the gas pipeline incident, reconstruction of the neighborhood has been ongoing, with 21 destroyed homes having been rebuilt or under construction. The City is currently in the process of reconstructing the utility and other infrastructure to serve the Crestmoor Neighborhood and anticipates that all phases of such reconstruction will be completed by the end of 2016.

On August 21, 2013, the City issued a Request for Proposal ("RFP"), seeking qualified homebuilder/developers to construct up to ten single-family homes on three parcels currently owned by the City located at 981 Glenview Drive, 1110 Glenview Drive and 1641 Claremont Drive ("City Parcels"), and seven parcels currently owned by PG&E located at 951 Glenview Drive, 991 Glenview Drive, 1721 Earl Drive, 1655 Claremont Drive, 1115 Fairmont Drive, 2735 Concord Way and 1100 Glenview Drive ("PG&E Parcels"). The City Parcels and PG&E Parcels are collectively referred to in this staff report and in the Development Agreement as the "Property."

Through the RFP process, the City selected the Developer to construct such single family homes on the Property consistent with certain "Development Standards" set forth in the RFP. Prior to the Planning Commission's consideration of the Development Agreement, the Developer has entered into purchase and sale agreements with the City and PG&E to acquire the Property, conditioned among other things on the City's approval and execution of the Development Agreement.

DISCUSSION:

California Government Code Section 65864, et seq., and City Resolution 1986-77 authorize the City to enter into an agreement for the development of real property with any person or entity having a legal or equitable interest in such property in order to establish certain development rights in the property. The City Council has found that development agreements will strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduce the economic costs of development, allow for the orderly planning of public improvements and services, allocate costs to achieve maximum utilization of public and private resources in the development process, and assure that appropriate measures to

7d

enhance and protect the environment are achieved.

Terms of Development Agreement with Castle Companies, Inc.

The proposed Development Agreement with the Developer provides the Developer with certain protections from changes in City laws, including changes to City zoning and other land use regulations and increases in City fees, for the term of the agreement. The term of the Development Agreement will begin to run upon the later of (1) the effective date of the City Council Ordinance approving the Development Agreement, and (2) the date upon which the Developer takes title to the Property. The initial term of the Development Agreement will run for two years from such date, with the possibility of a one year extension upon the Developer's request.

The Development Agreement specifically does not exempt the Developer from compliance with the requirements of building and construction standards currently applicable to the Property, requirements of the Federal and State governments, or changes in City laws that are mandated or required by changes in Federal or State law, nor does it limit the City's exercise of its police power for the protection of persons or property from conditions which create a threat to public health or safety. The Agreement requires the Developer to pay all permit fees, assessments and charges that are in effect at the time the Agreement is signed.

The Development Agreement commits the Developer to start construction of all ten homes within 30 days of issuance of building permits by the City, provides that the homes are to be completed and ready for occupancy prior to November 30, 2015 (with four exceptions due to difficult topographic and fill conditions), and sets forth the following additional milestones:

- (a) Developer shall submit a complete application for required planning entitlements to the City of San Bruno on or prior to January 5, 2015;
- (b) The Planning Commission shall consider approving required planning entitlements within ninety (90) days of submission by Developer;
- (c) Developer shall submit to City for plan check complete construction documents for all ten homes within ten (10) days of Planning Commission approval of Project entitlements;
- (d) City shall issue building permits for all ten homes within forty-five (45) days of Developer's submission of complete construction documents meeting the requirements of the planning entitlements;
- (e) Developer shall commence construction of the Project in reliance upon issued building permits within thirty (30) days of issuance of such building permits; and
- (f) Developer shall complete construction and obtain certificates of occupancy for all homes except as specified herein within 180 days following issuance of the building permits for such homes. For the home at 951 Glenview Dr., it shall be completed and obtain a certificate of occupancy within 270 days following issuance of the building permit. With respect to the homes at 981 Glenview Dr., 991 Glenview Dr., and 1721 Earl Ave., those shall be completed and obtain a certificate of occupancy within 210 days following issuance of building permits.

Approval of the Development Agreement and construction of the ten replacement homes is categorically exempt from the California Environmental Quality Act (Public Resources Code Section 21000 et seq. ("CEQA") pursuant to CEQA Guidelines Sections 15195 (residential infill exemption), 15302 (replacement or reconstruction of existing structures and facilities) and 15303(a) (construction and location of single-family residence on a legal parcel in a residential zone).

The Planning Commission reviewed the Development Agreement at their January 6, 2015 meeting

and adopted Resolution No. 2015-01 finding that the Development Agreement is consistent with the San Bruno General Plan and the requirements of California Government Code, Title 7, Chapter 4, Article 2.5 and San Bruno City Council Resolution No. 1986-77 and recommending that the City Council approve the Development Agreement substantially in the form attached hereto.

On January 13, 2015, the City Council held a Public Hearing to consider introducing an ordinance approving the Development Agreement, with some minor changes that were presented at the meeting. The City Council introduced the ordinance with the amended Development Agreement, and those changes have been carried forward in the attached ordinance and Development Agreement.

Do we want to briefly summarize the change? →

FISCAL IMPACT:

Approval of the Development Agreement will allow construction of ten single-family residential homes on the Property, which should increase the value of the Property and result in higher property tax receipts for the City over time. In addition, approval of the Development Agreement will allow the Developer to close on the acquisition of the three City Parcels, for which the City will be paid \$1,245,000 (\$415,000 per lot). Those funds will be deposited to the \$70 million restitution fund that will be managed by the San Bruno Community Foundation, as the lots were originally obtained by the City as part of the restitution compensation negotiated between the City and PG&E.

ALTERNATIVES:

1. Do not approve the Development Agreement.
2. Approve the Development Agreement subject to specific amendments or modifications with the consent of the Developer.

RECOMMENDATION:

Waive second reading and adopt an ordinance approving a development agreement with Castle Companies for construction of ten new homes in the Crestmoor Neighborhood.

ATTACHMENTS:

1. City Council Ordinance Adopting Development Agreement
2. Development Agreement

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF SAN BRUNO APPROVING A DEVELOPMENT
AGREEMENT BETWEEN THE CITY OF SAN BRUNO
AND CASTLE COMPANIES, INC. FOR CONSTRUCTION
OF TEN SINGLE-FAMILY HOMES LOCATED AT 1641
CLAREMONT DRIVE, 1655 CLAREMONT DRIVE, 2735
CONCORD WAY, 951 GLENVIEW DRIVE, 981
GLENVIEW DRIVE, 991 GLENVIEW DRIVE, 1100
GLENVIEW DRIVE, 1110 GLENVIEW DRIVE, 1721 EARL
DRIVE AND 1115 FAIRMONT DRIVE - (DA-_____)**

WHEREAS, the City Council (“City Council”) of the City of San Bruno (“City”) has found that development agreements will strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduce the economic costs of development, allow for the orderly planning of public improvements and services, allocate costs to achieve maximum utilization of public and private resources in the development process, and assure that appropriate measures to enhance and protect the environment are achieved;

WHEREAS, the City Council has enacted Resolution 1986-77 (“Development Agreement Resolution”) establishing the procedures and requirements for the consideration of development agreements pursuant to California Government Code Section 65864 *et seq.* (“Development Agreement Statute”);

WHEREAS, the Crestmoor Neighborhood is the site of the September 2010 Pacific Gas and Electric Company (“PG&E”) gas line explosion and subsequent fire that resulted in the loss of eight lives, dozens of injuries, destroyed 38 homes and severely damaged 17 homes;

WHEREAS, since the gas pipeline incident, reconstruction of the neighborhood has been ongoing, with 21 destroyed homes having been rebuilt or under construction, and the City is currently in the process of reconstructing the utility and other infrastructure to serve the Crestmoor Neighborhood and anticipates that all phases of such reconstruction will be completed by the end of 2016;

WHEREAS, On August 21, 2013, the City issued a Request for Proposal (“RFP”), seeking qualified homebuilder/developers to construct up to ten single-family homes on three parcels currently owned by the City located at 981 Glenview Drive, 1110 Glenview Drive and 1641 Claremont Drive (“City Parcels”) and seven parcels currently owned by PG&E located at 951 Glenview Drive, 991 Glenview Drive, 1721 Earl Drive, 1655 Claremont Drive, 1115 Fairmont Drive, 2735 Concord Way and 1100 Glenview Drive (“PG&E Parcels,” and together with the City Parcels, “Property”);

WHEREAS, through the RFP process, the City selected Castle Companies, Inc. (“Developer”) to construct such single family homes on the Property consistent with certain

development standards set forth in the RFP and the City’s current residential design guidelines (“Project”);

WHEREAS, Developer and City staff have negotiated a proposed development agreement (“Development Agreement”) in accordance with the requirements of the Development Agreement Statute and the Development Agreement Resolution, which, among other things, sets forth the effective date and term of the agreement; permitted uses of the property; densities of uses; applicable fees; applicable rules, regulations and policies; provisions on amendments, annual review and default; and other miscellaneous provisions, to allow for development of the Project;

WHEREAS, prior to the City Council’s consideration of the proposed Development Agreement, Developer has entered into purchase and sale agreements with City and PG&E to acquire the Property, conditioned among other things on City’s approval and execution of the Development Agreement;

WHEREAS, on January 6, 2015, by adoption of Resolution No. 2015-01, the Planning Commission recommended that the City Council approve the Development Agreement;

WHEREAS, the construction of the ten replacement homes is categorically exempt from the California Environmental Quality Act (Public Resources Code Section 21000 et seq. (“CEQA”) pursuant to CEQA Guidelines Sections 15195 (residential infill exemption), 15302 (replacement or reconstruction of existing structures and facilities) and 15303(a) (construction and location of single-family residence on a legal parcel in a residential zone);

WHEREAS, the Development Agreement is consistent with the City’s General Plan and zoning for the Property;

WHEREAS, the City Council held the public hearing on the Development Agreement on January 13, 2015 and on said date, the public hearing was opened, held and closed.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN BRUNO, AS FOLLOWS:

Section 1. This Ordinance incorporates, and by this reference makes a part hereof, that certain Development Agreement, substantially in the form attached to the staff report, subject to minor and clarifying revisions approved by the City Attorney, by and between the City and Developer relative to the Project.

Section 2. This Ordinance is adopted under the authority of the Development Agreement Statute and pursuant to the provisions of the Development Agreement Resolution.

Section 3. The City Council hereby finds and determines that the Development Agreement is consistent with the General Plan of the City of San Bruno.

Section 4. The City Council hereby finds and determines that the construction of the ten replacement homes is categorically exempt from the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) (“CEQA”) pursuant to CEQA Guidelines

Sections 15195 (residential infill exemption), 15302 (replacement or reconstruction of existing structures and facilities) and 15303(a) (construction and location of single-family residence on a legal parcel in a residential zone).

Section 5. Based on the findings set forth in this Ordinance and the evidence in the accompanying staff report, the City Council hereby approves the Development Agreement, substantially in the form attached to said staff report, subject to minor and clarifying revisions approved by the City Attorney.

Section 6. The City Manager is hereby authorized and directed to execute the Development Agreement on behalf of the City.

Section 7. The City Manager or his or her designee is hereby authorized and directed to perform all acts required to be performed by the City in the administration and implementation of this Development Agreement, including, without limitation, reviewing the Development Agreement on an annual basis, approving assignments and executing other agreements or documents necessary to carry out the purposes of the Development Agreement.

Section 8. This Ordinance shall take effect thirty (30) days following its final passage. The City Clerk shall cause this Ordinance to be posted or published pursuant to the requirements of Government Code Section 36933.

Section 9. Within ten (10) days after the date upon which the City Manager executes the Development Agreement on behalf of the City, the City Clerk shall record the Development Agreement and this Ordinance with the County Recorder of the County of San Mateo.

Section 10. If any part of this Ordinance, or the Development Agreement which it approves, is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Agreement, and this City Council hereby declares that it would have passed the remainder of the Ordinance, or approved the remainder of the Agreement, if such invalid portion thereof had been deleted.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

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I hereby certify that the foregoing Ordinance No. _____ was introduced on
January 13, 2015, and adopted at a regular meeting of the San Bruno City Council
on _____ by the following vote:

AYES: COUNCIL MEMBERS: _____

NOES: COUNCIL MEMBERS: _____

ABSENT: COUNCIL MEMBERS: _____

City Clerk

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of San Bruno
City Clerk's Office
567 El Camino Real
San Bruno, CA 94066

(Space Above This Line for Recorder's Use Only)
Exempt from recording fee per Gov. Code §27383

DEVELOPMENT AGREEMENT

by and between

THE CITY OF SAN BRUNO

and

CASTLE COMPANIES, INC.

for

CRESTMoor NEIGHBORHOOD DEVELOPMENT

EFFECTIVE DATE

City of San Bruno, California

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“**Development Agreement**”) is made and entered in the City of San Bruno on the ___ day of _____, 2015, by and between the City of San Bruno, a municipal corporation (“**City**”) and Castle Companies, Inc., a California corporation (“**Developer**”), pursuant to the authority of Sections 65864 *et seq.*, of the Government Code and City Council Resolution No. 1986-77.

R E C I T A L S

A. The City Council has found that development agreements will strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduce the economic costs of development, allow for the orderly planning of public improvements and services, allocate costs to achieve maximum utilization of public and private resources in the development process, and assure that appropriate measures to enhance and protect the environment are achieved. The City has enacted Development Agreement Resolution 1986-77 establishing the procedures and requirements for the consideration of development agreements pursuant to California Government Code Section 65864 *et seq.*

B. California Government Code Section 65864, *et seq.*, and Resolution 1986-77 authorize the City to enter into an agreement for the development of real property with any person or entity having a legal or equitable interest in such property in order to establish certain development rights in the property.

C. The Crestmoor Neighborhood is the site of the September 2010 Pacific Gas and Electric Company (“**PG&E**”) gas line explosion and subsequent fire that resulted in the loss of eight lives, destroyed 38 homes and severely damaged 17 homes. Since the gas pipeline incident, reconstruction of the neighborhood has been ongoing, with 21 destroyed homes having been rebuilt or under construction. The City is currently in the process of reconstructing the utility and other infrastructure to serve the Crestmoor Neighborhood and anticipates that all phases of such reconstruction will be completed by the end of 2016.

D. On August 21, 2013, the City issued a Request for Proposal (“**RFP**”), a copy of which is attached as Exhibit A, seeking qualified homebuilder/developers to construct up to ten single-family replacement homes on three parcels currently owned by the City located at 981 Glenview Drive, 1110 Glenview Drive and 1641 Claremont Drive, as further described in Exhibit B-1 attached hereto and incorporated herein by this reference (“**City Parcels**”), and seven parcels currently owned by PG&E located at 951 Glenview Drive, 991 Glenview Drive, 1721 Earl Drive, 1655 Claremont Drive, 1115 Fairmont Drive, 2735 Concord Way and 1100 Glenview Drive, as further described in Exhibit B-2 attached hereto and incorporated herein by this reference (“**PG&E Parcels**”). The City Parcels and PG&E Parcels are collectively referred to herein as the “**Property**.”

E. Through the RFP process, City selected Developer to construct such single family replacement homes on each lot consistent with the “**Development Standards**” attached hereto as Exhibit C and incorporated herein by this reference and the City’s current residential design

guidelines. Prior to execution of this Development Agreement, Developer has entered into purchase and sale agreements with City and PG&E to acquire the Property, conditioned among other things on City's approval and execution of this Development Agreement.

F. City and Developer have reached mutual agreement and desire to voluntarily enter into this Development Agreement to facilitate development of single-family replacement homes on each individual lot, subject to the conditions and requirements set forth herein, such that Developer may complete construction of the homes as expeditiously as possible. City and Developer intend this Development Agreement to be separately and independently applicable to each individual lot and construction of each replacement home, as each home will be constructed in accordance with the schedule specified in Section 6.5, and the Development Agreement will be terminated as to each home once completed as specified in Section 5.2(d).

G. On January 6, 2015, the Planning Commission, the initial hearing body for purposes of development agreement review, recommended approval of a substantially similar Agreement to the City Council.

H. The City Council has reviewed and evaluated the Development Agreement in accordance with Resolution 1986-77 and has found that this Development Agreement is consistent with the City's General Plan.

I. On January 27, 2015, the City Council of the City of San Bruno adopted Ordinance No. _____ approving this Development Agreement. The Ordinance took effect on February 26, 2015.

J. The construction of single-family replacement homes as proposed is consistent with the City's General Plan and zoning for the Property. The City has determined construction of the replacement homes to be categorically exempt from the California Environmental Quality Act (Public Resources Code Section 21000 et seq. ("CEQA")) pursuant to CEQA Guidelines Sections 15195 (residential infill exemption), 15302 (replacement or reconstruction of existing structures and facilities) and 15303(a) (construction and location of single-family residence on a legal parcel in a residential zone). The City filed Notices of Exemption for construction of each of the replacement homes on _____, 2015.

K. The construction of such homes will require future approvals from the City including, without limitation, architectural review permits, building permits, and certificates of occupancy ("**Future Approvals**"). Future Approvals shall also include any environmental review, if any, required by CEQA, including all mitigation measures, monitoring programs and conditions adopted as a result of any such environmental review.

A G R E E M E N T

NOW, THEREFORE, with reference to the foregoing recitals and definitions and in consideration of the mutual promises, obligations and covenants herein contained, City and Developer agree as follows:

1. Definitions. The following defined terms are used in this Development Agreement:

“**Applicable Law**” is defined in Section 6.4(a).

“**CEQA**” is defined in Recital J.

“**City**” means the City of San Bruno.

“**City Parcels**” is defined in Recital D.

“**Developer**” is defined in the introductory paragraph of this Development Agreement and includes any successors or assigns approved by City pursuant to Section 14.1.

“**Development Agreement**” means this Development Agreement.

“**Effective Date**” of this Development Agreement is defined in Section 5.1.

“**Extended Term**” is defined in Section 5.2(b).

“**Future Approvals**” is defined in Recital K.

“**Initial Term**” is defined in Section 5.2(a).

“**Major Amendment**” is defined in Section 9.2.

“**Minor Amendment**” is defined in Section 9.2.

“**Mortgage**” is defined in Section 16.1.

“**Mortgagee**” is defined in Section 16.1.

“**Notice of Breach**” is defined in Section 11.2.

“**Other Vesting Statute**” is defined in Section 15.

“**Permitted Delay**” is defined in Section 9.4.

“**Permitted Transfer**” is defined in Section 14.1

“**PG&E**” is defined in Recital C.

“**PG&E Parcels**” is defined in Recital D.

“**Property**” is defined in Recital D and described in Exhibits B-1 and B-2.

“**RFP**” is defined in Recital D.

“**Term**” is defined in Section 5.2.

“**Vested Elements**” are defined in Section 6.4(a).

2. Description of Property. The Property which is the subject of this Development Agreement is described in Exhibits B-1 and B-2 attached hereto.

3. Interest and Qualifications of Developer. Developer represents and warrants that:

3.1 As of the Effective Date, Developer is: (i) duly organized and validly existing under the laws of the State of California; (ii) qualified and authorized to do business in the State of California and has duly complied with all requirements pertaining thereto; (iii) in good standing and has all necessary powers under the laws of the State of California to enter into and perform the undertakings and obligations of Developer under this Development Agreement;

3.2 No approvals or consents of any persons are necessary for the execution, delivery or performance of this Development Agreement by Developer, except as have been obtained;

3.3 The execution and delivery of this Development Agreement and the performance of the obligations of Developer by Developer hereunder have been duly authorized by all necessary action and approvals;

3.4 This Development Agreement is a valid obligation of Developer enforceable in accordance with its terms; and

3.5 As of the Effective Date, Developer has an equitable interest in the Property by virtue of its contractual right to purchase the City Parcels from City and the PG&E Parcels from PG&E pursuant to the terms of purchase and sale agreements with City and PG&E, respectively.

4. Relationship of City and Developer. It is understood that this Development Agreement is a contract that has been negotiated and voluntarily entered into by City and Developer and that Developer is not an agent or partner of City. City and Developer hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection therewith shall be construed as making the City a joint venturer or partner with Developer.

5. Effective Date and Term of Agreement.

5.1 Effective Date. This Development Agreement shall become effective upon the later of (1) the date that the ordinance approving this Agreement becomes effective, and (2) the date upon which Developer takes title to the Property ("**Effective Date**"); provided, however, if this Agreement has not become effective by April 14, 2015, this Agreement shall automatically terminate. The parties acknowledge that Section 65868.5 of the Government Code and Resolution 1986-77 require that the City Clerk record this Development Agreement with the County Recorder no later than 10 days after City executes this Development Agreement, and that the burdens of this Development Agreement shall be binding upon, and the benefits of this Development Agreement shall inure to, all successors in interest to the parties to this Development Agreement.

5.2 Term. The term ("**Term**") of this Development Agreement shall be the Initial Term together with any Extended Term.

(a) Initial Term. The Term of this Agreement shall commence upon the Effective Date and shall extend for a period of two (2) years thereafter (“**Initial Term**”). The Initial Term has been established by City and Developer as a reasonable estimate of the time required to complete construction of the replacement homes.

(b) Extended Term. Provided neither City nor Developer have terminated this Development Agreement and Developer has fully complied with all terms of this Development Agreement, Developer may request in writing that City extend the Initial Term of this Agreement for up to one (1) additional one (1) year period (“**Extended Term**”). Such written request may be delivered to City not earlier than two hundred seventy (270) days nor later than one hundred twenty (120) days prior to the termination date of the Initial Term.

(c) City Review of Request for Extended Term. Upon receipt of such request, City shall undertake a review of Developer’s good faith compliance with the terms of this Development Agreement in the same manner as set forth in Section 10 for a periodic review of this Development Agreement. Developer and City shall comply with the provisions of Section 10 with respect to such review so that it can be completed prior to the expiration of the Initial Term. If Developer has met all requirements of this Development Agreement, City may approve such extension. However, City may also approve an extension if the City Council determines that Developer has not fully satisfied all other material requirements and conditions of City approvals for construction of the replacement homes, but it is in the best interests of City and Developer to extend. If the Initial Term of this Development Agreement is extended in accordance with the provisions of this Section 10, City shall record an instrument giving notice of the Extended Term and the termination date thereof.

(d) Termination of Development Agreement As To Completed Homes. Notwithstanding the foregoing, and except as otherwise provided in Section 9.7, the obligations of Developer under this Agreement shall terminate as to each parcel upon issuance of a certificate of occupancy for the completed home on that parcel, and City shall thereafter cooperate with reasonable requests to remove this Agreement as an exception to title for such parcel.

6. Use of the Property and Applicable Law.

6.1 Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, and requirements for infrastructure and public improvements shall be governed by the provisions of this Development Agreement and Applicable Law.

6.2 Construction of Homes. If Developer elects to proceed with construction of the replacement homes, Developer agrees to do so in accordance with Applicable Law and the terms and conditions of this Development Agreement. Except as provided in Sections 11.1, 13.2 and 17.1 hereof, Developer shall have no liability if Developer elects not to proceed with such construction or the contemplated construction fails to occur for any reason.

6.3 Fees. Developer shall pay the following fees and charges, calculated at the time of payment:

(a) Processing and Consultant Fees. City may charge and Developer shall pay when due processing, engineering, outside inspection, legal and consulting fees in accordance with and as authorized by the terms of the Reimbursement Agreement executed concurrently herewith by and between Developer and City.

(b) Single-Family Residential Business License Tax. Developer shall pay the single-family residential business license tax in accordance with Section 3.16.170 (Single-family residential structures) of the San Bruno Municipal Code.

(c) Development Fees. Developer shall pay all fees and charges required by the San Bruno Municipal Code as of the Effective Date, including water and wastewater fees and capacity charges, application fees and building permit fees. Water capacity fees shall be calculated based upon the difference of the final meter size required for fire sprinkler flow and the prior ¾-inch meter for the previous residence on the lot. Wastewater capacity fees shall be calculated as the difference between the 1-inch meter rate (current City standard) and the prior ¾-inch meter for the previous residence on the lot. Fees shall be calculated using the applicable City Fee Schedule in effect as of the Effective Date and shall remain fixed as of the Effective Date for a period of one (1) year thereafter.

(d) Other Agency Fees. Nothing in this Development Agreement shall limit the right of any other local, regional, state or federal agency or district to impose otherwise lawful fees, including non-City fees imposed by such agencies or districts and collected by City solely for the benefit of such agencies or districts, unless such fees are levied only with the exclusive approval of the City.

6.4 Applicable Rules, Regulations and Policies.

(a) Vested Elements. The permitted uses of the Property, the maximum density and intensity of use, the maximum height and size of proposed buildings, types of land uses, and other terms and conditions of development applicable to the Property are as set forth in:

(i) The ordinances, resolutions, codes, rules, regulations and official policies of City, governing the permitted uses of land, governing density and intensity of use, and governing design, improvement and construction standards and specifications applicable to the development of the Property on the Effective Date, unless provided otherwise within this Development Agreement (collectively, “**Applicable Law**”); and

(ii) This Development Agreement, including all Exhibits; and are hereby vested subject to the provisions of this Development Agreement (“**Vested Elements**”). City hereby agrees to be bound with respect to the Vested Elements, subject to Developer’s compliance with the terms and conditions of this Development Agreement.

(b) Applicable Building and Construction Standards. All building and construction standards, including the Uniform Building Code, Uniform Plumbing Code, Uniform Swimming Pool Code, Uniform Electrical Code and Uniform Mechanical Code, applicable to the Property, whether as to existing or future structures, are not subject to this Development Agreement and Developer shall construct the replacement homes in accordance with such codes as applicable

from time to time including, in addition, codes, ordinances, policies, rules or regulations enacted or adopted from time to time to protect persons or property from health and safety perils.

(c) Compliance with Federal and State Requirements. Developer, at its sole cost and expense, shall comply with requirements of, and obtain all permits and approvals required by, regional, state and federal agencies having jurisdiction over construction of each replacement home.

(d) Changes in City Laws. This Development Agreement shall not preclude the application to the development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in state or federal laws or regulations as provided in Government Code Section 65869.5. In the event state or federal laws or regulations enacted after the Effective Date of this Development Agreement or action by any other governmental agency other than City prevent or preclude compliance with one or more provisions of this Development Agreement, or require changes in plans, maps or permits approved by City, this Development Agreement shall be modified, extended or suspended as may be necessary to comply with such state or federal laws or regulations or the regulations of such other governmental agency. Immediately after enactment of any such new law or regulation, the parties shall meet and confer in good faith to determine the necessity of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Development Agreement. It is the intent of the parties that any such modification or suspension be limited to that which is necessary, and to preserve to the extent possible the original intent of the parties in entering into this Development Agreement. If such modification or suspension would impact the purpose and intent of the Development Agreement and is infeasible in Developer's sole and absolute discretion, then Developer shall have the right to terminate this Development Agreement by written notice to City, subject to the provisions of Section 9.7 hereof.

In addition, Developer shall have the right, at its sole cost and expense and at no cost to City, to challenge the new law or regulation preventing compliance with the terms of this Development Agreement, and in the event such challenge is successful, this Development Agreement shall remain unmodified and in full force and effect and any related delay caused by the successful litigation challenge shall be deemed a Permitted Delay. In the event that Developer so challenges the new laws or regulations, City reserves the right to take any position in such Developer challenge, even if contrary to Developer, in order to protect City's lawful authority or jurisdiction or financial interests.

To the extent that any actions of federal or state agencies (or actions of other governmental agencies, including City, required by federal or state agencies or actions of City taken in good faith in order to prevent adverse impacts upon City by actions of federal, state or other governmental agencies) have the effect of preventing, delaying or modifying construction of the replacement homes or any portion thereof, neither Developer nor City shall in any manner be liable for any such prevention, delay or modification of said development. Such actions include flood plain or wetlands designations and actions of City or other governmental agencies as a result thereof and the imposition of air quality or transportation measures or sanctions and actions of City or other governmental agencies as a result thereof. If Developer elects to proceed with the construction of the replacement homes, Developer may be required, at its cost and,

subject to the rights of Developer in the foregoing paragraph of this Section 6.4(d) to challenge the law, without cost to or obligation on the part of City, to participate in such regional or local programs and to be subject to such development restrictions as may be necessary or appropriate by reason of such actions of federal, state or other governmental agencies (or action of City taken in order to prevent adverse impacts upon City by actions of federal, state or other governmental agencies). Any such actions described in this paragraph, which prevent or delay construction of the replacement homes shall constitute a Permitted Delay (as defined in Section 9.4 hereof). The imposition of taxes, fees or other charges or costs by state, federal or county agencies, which add to the cost of construction t but which do not otherwise prevent, delay or modify the construction shall not be deemed actions which prevent, delay or modify such construction for purposes of the foregoing provisions of this paragraph and shall not constitute a Permitted Delay.

(e) City's Police Power. Nothing in this Development Agreement shall be construed to limit the authority of City in the exercise of its police power or pursuant to federal, state or regional or other agency mandate to adopt and apply to Developer and the construction of the replacement homes, codes, ordinances, policies, rules and regulations that have the legal effect of protecting persons or property from conditions which create a threat to health, safety or physical risk. To the best of City's knowledge, there is no pending City enforcement action with respect to the Property. "City's knowledge" means the current actual knowledge of David Woltering.

(f) Construction Standards. The rules, regulations and official policies governing design, improvement and construction standards and specifications applicable to the construction, including all public improvements, shall be those in force and effect at the time of the applicable permit approval, to the extent not in conflict with the provisions of this Development Agreement.

6.5 Development Timing. City and Developer acknowledge that Developer's ability to proceed with development of the homes depends on numerous factors, including the timing of City approvals, construction field conditions and other factors outside the control of Developer. Notwithstanding the foregoing, City and Developer acknowledge and agree that it is Developer's intent to begin home construction as soon as possible after Developer's acquisition of the Property, and that in any event, Developer shall simultaneously begin and diligently thereafter pursue to completion construction of all ten of the homes within thirty (30) days of issuance of building permits by City. All ten homes shall be completed and ready for occupancy prior to November 30, 2015, except as specified below. The parties acknowledge and agree that achievement of the following milestones is critical to meeting such deadline:

(a) Developer shall submit a complete application for required planning entitlements to the City of San Bruno on or prior to January 5, 2015;

(b) The Planning Commission shall consider approving required planning entitlements within ninety (90) days of submission by Developer;

(c) Developer shall submit to City for plan check complete construction documents for all ten homes within ten (10) days of Planning Commission approval of the entitlements;

(d) City shall issue building permits for all ten homes within forty-five (45) days of Developer's submission of complete construction documents meeting the requirements of the planning entitlements;

(e) Developer shall commence construction on each replacement home in reliance upon issued building permits within thirty (30) days of issuance of such building permits; and

(f) Developer shall complete construction and obtain certificates of occupancy for all homes, except as specified herein, within one hundred eighty (180) days following issuance of building permits for such homes. With respect to the home located at 951 Glenview Drive, which lot exhibits unique topographic conditions, Developer shall complete construction and obtain a certificate of occupancy within two hundred seventy (270) days following issuance of the building permit for such home. With respect to the homes located at 981 Glenview Drive, 991 Glenview Drive, and 1721 Earl Avenue, which lots contain significant fill, Developer shall complete construction and obtain a certificate of occupancy within two hundred ten (210) days following issuance of building permits for each such home.

7. Subsequently Enacted Rules and Regulations; Initiatives.

7.1 Subsequently Enacted Rules and Regulations. The City may during the term of this Development Agreement apply such newer City enacted or modified ordinances, rules, regulations and official policies adopted on a city-wide basis (except as limited by other development agreements or other vesting mechanisms) which are not in conflict with the terms of this Development Agreement. To the extent any changes in the General Plan, the zoning codes or other rules, ordinances, regulations or official policies (whether adopted by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City Council, Planning Commission or any other Board, Commission or Department of City or any designated officer or employee thereof, or by the electorate) are in direct conflict with the terms of this Development Agreement, the terms of this Development Agreement shall prevail.

7.2 Initiatives. Developer recognizes the risk that an initiative measure might invalidate or prevail over this Development Agreement and assumes such risk. Should an initiative measure or measures be enacted which would preclude construction of all or any substantial part of the replacement homes, and should such measure be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Development Agreement, Developer shall have no recourse against City for any damages Developer might sustain as a result thereof. In the event such court action is initiated, then City and Developer shall meet and confer in good faith to determine whether to: (a) challenge the initiative pursuant to Section 13.2; (2) modify the construction of the replacement homes and the Development Agreement pursuant to Section 9 in a manner which would, to the extent feasible, achieve the mutual goals and objectives of the parties hereto; or (3) terminate this Development Agreement pursuant to Section 9.1. In the event that the City and Developer cannot reach mutual agreement within a reasonable time to preserve the right to legal challenge, Developer may, at its own expense, institute and maintain such a legal challenge or terminate this Development Agreement. City shall not unreasonably delay an approval, inspection or certificate of occupancy prior to certification of the initiative measure election results.

8. Obligations of the Parties.

8.1 Developer. In addition to the other obligations of Developer set forth herein, in consideration of City entering into this Development Agreement, Developer agrees that if Developer elects to proceed with construction of the replacement homes, such development shall be in conformance with all of the terms, covenants and requirements of this Development Agreement and Future Approvals, and Developer shall perform those specific obligations and provide those specific contributions identified in this Development Agreement and in the conditions of approval to the Future Approvals. Developer and its successors and assigns, as applicable, shall pay when due any and all fees, charges and other costs, including mitigation impact fees and costs, which are imposed pursuant to this Development Agreement or are otherwise lawfully imposed, whether imposed by City or other agencies.

8.2 City. In addition to the other obligations of City set forth herein, in consideration of Developer entering into this Development Agreement, and provided that Developer exercises due diligence, good faith and files full, accurate and complete applications with timely payment of all fees, City agrees that it will accept, process and review, in good faith and in a timely manner, all applications for related Future Approvals filed by Developer or other owners of the Property or those with rights to acquire any such Property, in accordance with the terms of this Development Agreement. City agrees that the scope of its review of remaining or supplementary applications for development approvals shall be exercised in a manner consistent with the terms of this Development Agreement and Applicable Law.

9. Amendment.

9.1 Amendment By Written Consent. Except as otherwise expressly provided herein (including Section 10 relating to City's annual review and Section 11 relating to termination in the event of a breach), this Development Agreement may be terminated, modified or amended only by mutual written consent of the parties hereto or their successors-in-interest or assignees and in accordance with the provisions of Government Code Sections 65967, 65867.5 and 65868 and Resolution 1986-77.

9.2 Major Amendment. Any amendment to this Development Agreement which affects or relates to (a) the term of this Development Agreement; (b) permitted uses of the Property; (c) provisions for the reservation or dedication of land; (d) conditions, terms, restrictions or requirements for subsequent discretionary actions; (e) the density or intensity of use of the Property or the maximum height or size of proposed buildings; or (f) monetary contributions by Developer, shall be deemed a "**Major Amendment**" and shall require giving of notice and a public hearing before the Planning Commission and City Council. Any amendment which is not a Major Amendment shall be deemed a "**Minor Amendment**" subject to Section 9.3 below and shall not, except to the extent otherwise required by Applicable Law, require notice or public hearing before the parties may execute an amendment hereto. The City Manager or his or her designee shall have the authority to determine if an amendment is a Major Amendment subject to this Section 9.2 or a Minor Amendment subject to Section 9.3 below. Developer shall have the right to appeal the City Manager's determination to the City Council.

9.3 Minor Amendment. The City Manager or his or her designee shall have the authority to review and approve amendments to this Development Agreement provided that such amendments are not Major Amendments. Developer shall have the right to appeal such City Manager approvals to the City Council.

9.4 Permitted Delays. In addition to any specific provisions of this Development Agreement, performance by any party of its obligations hereunder shall be excused during any period of delay caused at any time by reason of acts of God or civil commotion, riots, strikes, picketing, or other labor disputes, shortage of materials or supplies, or damage to work in process by reason of fire, floods, earthquake, or other casualties, restrictions imposed or mandated by governmental or quasi-governmental entities, enactment or conflicting laws (including new or supplementary environmental regulations), litigation instituted after execution of this Development Agreement, acts or neglect of the other party, or any other cause beyond the reasonable control of party (each a “**Permitted Delay**”). Changes in the financial position of Developer or of the economy in general or Developer’s inability to obtain financing shall not be deemed a Permitted Delay. City or Developer shall promptly notify the other of any delay hereunder as soon as possible after the same has been ascertained. The term of this Development Agreement shall be extended by the period of any Permitted Delay.

9.5 Requirement for Writing. No modification, amendment or other change to this Development Agreement or any provision hereof shall be effective for any purpose unless specifically set forth in a writing, which refers expressly to this Development Agreement and is signed by duly authorized representatives of the parties or their successors. The City Clerk shall record an appropriate notice of any Major Amendment, cancellation or termination with the San Mateo County Recorder not later than ten (10) days after the effective date of the action effecting such amendment, cancellation or termination, accompanied by a legal description of the Property.

9.6 Amendments to Development Agreement Legislation. This Development Agreement has been entered into in reliance upon the provisions of the development agreement legislation (California Government Code Section 65864 *et seq.*) as those provisions existed on the Effective Date. No amendment or addition to those provisions which would materially affect the interpretation or enforceability of this Development Agreement shall be applicable to this Development Agreement unless such amendment or addition is specifically required by the California State Legislature, or is mandated by a court of competent jurisdiction. If such amendment or change is permissive (as opposed to mandatory), this Development Agreement shall not be affected by the same unless the parties mutually agree in writing to amend this Development Agreement to permit such applicability.

9.7 Provisions Surviving Termination. Notwithstanding anything in this Development Agreement to the contrary, Sections 9.7, 11.1, 13.2 and 17.1 of this Development Agreement shall survive and remain in effect following termination or cancellation of this Development Agreement for so long as necessary to give them full force and effect with respect to claims or rights of City arising prior to such termination or cancellation.

10. Annual Review.

10.1 Time of Review. City and Developer shall review this Development Agreement and all actions taken with respect to the construction of the replacement homes every 12 months from the Effective Date to determine Developer's good faith compliance with this Development Agreement. The time for review may be modified either by written agreement by the parties hereto or by one of the following ways: (a) recommendation by City staff; (b) by resolution of the Planning Commission; or (c) by resolution of the City Council. The burden of proof, by substantial evidence, of good faith compliance shall be upon Developer. If, after the required review and any subsequent appeals, City concludes that Developer has not complied in good faith with the terms of the Development Agreement, then City may deliver a Notice of Breach and the parties shall follow the procedure set forth in Section 11 for resolving a breach.

10.2 No City Waiver. City does not waive any claim of defect or breach in performance by Developer if, following periodic review pursuant to this Section 10, City does not propose to modify or terminate this Development Agreement. Failure of City to conduct an annual review shall not constitute a waiver by City of its rights to otherwise enforce the provisions of this Development Agreement nor shall Developer have or assert any defense to such enforcement by reason of any such failure to conduct an annual review.

11. Default.

11.1 Remedies for Breach. City and Developer acknowledge that the purpose of this Development Agreement is to carry out the parties' objectives as set forth in the Recitals hereof. City and Developer agree that to determine a sum of money which would adequately compensate City or Developer for choices they have made which would be foreclosed should the construction of the replacement homes not be completed pursuant to and as contemplated by this Development Agreement is not possible and that damages would not be an adequate remedy. Therefore, City and Developer agree that in the event of a breach of this Development Agreement, the only remedies available to the non-breaching party shall be: (1) suits for specific performance to remedy a specific breach; (2) suits for declaratory or injunctive relief; (3) suits for mandamus under Code of Civil Procedure Section 1085, or special writs; or (4) termination of this Development Agreement or, at the option of City in the event of breach by Developer, termination of the rights of Developer under this Development Agreement. Except for attorney's fees and associated costs as set forth herein, monetary damages shall not be awarded to City or Developer. All of these remedies shall be cumulative and not exclusive of one another, and the exercise of any one or more of these remedies shall not constitute a waiver or election with respect to any other available remedy.

11.2 Notice of Breach. Prior to the initiation of any action for relief specified in Section 11.1 above because of an alleged breach of this Development Agreement, the party claiming breach shall deliver to the other party or parties a written notice of breach ("**Notice of Breach**"). The Notice of Breach shall specify the reasons for the allegation of breach with reasonable particularity. The so-called breaching party shall have thirty (30) days to use good faith efforts to cure the breach or, if such cure is of the nature to take longer than 30 days, to take reasonable actions to commence curing the breach during such thirty (30) day period and to thereafter diligently prosecute such cure to completion as soon as possible and in any event no later than

ninety (90) days following the Notice of Breach. Failure to respond and cure the breach within said period shall not be deemed an admission of the breach, but the party alleging the breach may proceed to pursue its remedies hereunder.

12. Estoppel Certificate. Any party may, at any time, and from time to time, deliver written notice to any other party requesting such party to certify in writing that, to the knowledge of the certifying party, (i) this Development Agreement is in full force and effect and is a binding obligation of the parties, (ii) this Development Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, describing therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The City Manager of City shall have the right to execute any certificate requested by Developer hereunder. City acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees.

13. Cooperation and Implementation.

13.1 Other Governmental Permits. Developer shall apply in a timely manner for any approvals which may be required from other governmental or quasi-governmental agencies having jurisdiction over the construction of the replacement homes as may be required for the development of, or provision of services to, the construction activities. City shall cooperate with Developer (without, however, being required to be an advocate for Developer), without cost or financial obligation on the part of City, in Developer's endeavors to obtain such permits and approvals.

13.2 Cooperation in the Event of Third-Party Legal Challenge. City and Developer shall cooperate in the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Development Agreement or Future Approvals or the underlying environmental review and documents. To the extent that Developer determines to contest such litigation challenges, Developer shall reimburse City, within ten (10) days following City's written demand therefor which may be made from time to time during the course of such litigation, all costs incurred by City in connection with the litigation challenge, including City's administrative, legal and court costs, provided that the City shall either: (a) elect to joint representation by Developer's counsel; or (b) retain an experienced litigation attorney, require such attorney to prepare and comply with a litigation budget, and present such litigation budget to Developer prior to incurring obligations to pay legal fees in excess of \$10,000. Developer further agrees to indemnify and hold City harmless from and against any and all claims for recovery of the third party's litigation expenses, including attorney's fees. If Developer elects, in its sole and absolute discretion, not to contest such litigation challenges, the City shall have no obligation to contest such challenges.

14. Transfers, Assignments.

14.1 Limitations on Right to Assign. The qualifications and identity of Developer are of particular concern to City. It is because of those unique qualifications and identity that City has entered into this Development Agreement with Developer. Prior to completion of the

construction of the ten replacement homes in accordance with this Development Agreement and the Future Approvals, no voluntary or involuntary successor in interest of Developer shall acquire any interest in the Property nor any rights or powers under this Development Agreement, except as may be approved by the City in its sole and absolute discretion. Notwithstanding such limitation on the right to assign, City approval of a transfer or assignment of this Agreement or any interest therein shall not be required in connection with any of the following: (a) transfers resulting from the death or mental or physical incapacity of any shareholder, member or partner of Developer; (b) any assignment for financing purposes, including the grant of a deed of trust, to secure the funds necessary for construction and permanent financing of the replacement homes; (d) a transfer which combined with any and all previous or simultaneous transfers represents less than fifty percent (50%) of the equity or beneficial interest of Developer, provided such transfer does not cause a material change in the rights to manage and control Developer; (e) the sale of any of the individual replacement homes ; or (f) the grant of any easements on the Property required for development (a “**Permitted Transfer**”). Developer shall give at least 30 days prior written notice to City of a Permitted Transfer. In addition, City shall be entitled to review such documentation as may be reasonably required by the City’s City Manager to assess the nature and scope of the Permitted Transfer.

14.2 City Administration of Assignment Provisions. City shall administer the provisions of this Section 14 through its City Manager or his or her designee. Developer shall notify the City Manager in writing of its request for City consent to any sale, assignment or transfer under this Section 14 requiring such consent, and provide the City Manager with such supporting information and documentation which he or she may reasonably request in connection with the evaluation of the proposed sale, assignment or transfer.

15. Other Vesting Statutes, Land Use Entitlements. The parties intend that, so long as this Development Agreement is in effect, the provisions of this Development Agreement shall govern and control as to the procedures and the terms and conditions applicable to the development of the Property over any contrary or inconsistent provisions contained in Section 66498.1 *et seq.*, of the Government Code or any other State law now or hereafter enacted purported to grant or vest development rights based on land use entitlements (“**Other Vesting Statute**”). In furtherance of this intent, and as a material inducement to the City to enter into this Development Agreement, Developer on its own behalf and on behalf of its successors and assigns agrees that:

15.1 Notwithstanding any provisions to the contrary in any Other Vesting Statute, the conditions and requirements of the Future Approvals and this Development Agreement, while in effect, shall govern and control the rights of Developer to develop the Property;

15.2 While this Development Agreement is in effect, Developer waives the benefits of any Other Vesting Statute insofar as they may be inconsistent or in conflict with the terms and conditions of this Development Agreement or the Future Approvals; and

15.3 While this Development Agreement is in effect, Developer may make application for a land use entitlement under any Other Vesting Statute, but only insofar as said application for the granting of the land use entitlement pursuant to said application would not be inconsistent or in conflict with the terms and conditions of this Development Agreement or the Future Approvals.

16. Mortgagee Protection; Certain Rights of Cure.

16.1 Mortgagee Protection. This Development Agreement shall be superior and senior to any lien placed upon the Property or any portion thereof after the date of recording this Development Agreement, including the lien of any deed of trust or mortgage (“**Mortgage**”). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all of the terms and conditions contained in this Development Agreement (including City’s remedies to terminate this Development Agreement, and to seek other relief as provided in this Development Agreement) shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee (“**Mortgagee**”) who acquires title to the Property, or any portion thereof, by foreclosure, trustee’s sale, deed in lieu of foreclosure, or otherwise.

16.2 Mortgagee Not Obligated. Notwithstanding the provisions of Section 16.1 above, no Mortgagee shall have any obligation or duty under this Development Agreement to construct or complete the construction of the replacement homes, or to guarantee such construction or completion; provided, however, that a Mortgagee shall not be entitled to devote the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by this Development Agreement, or otherwise under the Future Approvals.

16.3 Notice of Default to Mortgagee. If City receives a written notice from a Mortgagee, Developer or any approved assignee requesting a copy of any notice of default given Developer or a designated approved assignee hereunder and specifying the address for service thereof, then City shall deliver to such Mortgagee at such Mortgagee’s cost (or Developer’ cost), concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that Developer is in default hereunder, and if City makes a determination of default hereunder, City shall if so requested by such Mortgagee likewise serve at such Mortgagee’s cost (or Developer’ cost) notice of such noncompliance on such Mortgagee concurrently with service thereon on Developer. Each Mortgagee shall have the right during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the event of default claimed or the areas of noncompliance set forth in City’s notice.

16.4 No Supersedure. Nothing in this Section 16 shall be deemed to supersede or release a Mortgagee or modify a Mortgagee’s obligations under any subdivision improvement agreement or other obligation incurred with respect to replacement homes outside this Development Agreement, nor shall any provision of this Section 16 constitute an obligation of City to such Mortgagee, except as to the notice requirements of Section 16.3.

17. Indemnification and Insurance.

17.1 Indemnification. It is specifically understood and agreed by the parties that the development contemplated by this Development Agreement is a private development, that City has no interest in or responsibility for or duty to third persons concerning any of said improvements, and that Developer shall have full power over the exclusive control of the Property herein described subject only to the limitations and obligations of Developer under this Development Agreement. Developer hereby agrees to and shall indemnify, defend with counsel

reasonably acceptable to City and hold City and its elected and appointed representatives, officers, agents and employees harmless from any and all claims arising out of this Agreement and not covered under Section 13.2 above, including claims for bodily injury, including death, and property damage, which may arise directly or indirectly from the acts, omissions, negligence or willful misconduct of Developer or its shareholders, partners, members, principals, officers, employees, representatives, agents, contractors or subcontractors, excepting suits and actions arising from the sole negligence or willful misconduct of City. This indemnification and hold harmless agreement applies to all damages and claims for damages (including attorneys' fees and costs) suffered or alleged to have been suffered by reason of the acts, omissions, negligence or willful misconduct referred to in this Section 17.1, regardless of whether or not City prepared, supplied or approved plans or specifications for the replacement homes.

17.2 Insurance. Developer shall procure and maintain or shall cause its contractors to take out and maintain for the duration of this Development Agreement, a commercial general liability policy in the amount of Two Million Dollars (\$2,000,000) combined single limit and workers' compensation insurance as required by law. Such policy or policies shall be written on an occurrence form. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. The commercial general liability policies hereunder shall name City and its officers, agents, employees, and representatives as additional insureds. Developer shall furnish City with a certificate of insurance or duly executed endorsement evidencing the required insurance coverage and such additional insured status. The certificate shall contain a statement of obligation on the part of the carrier to notify City of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination. Coverage provided hereunder by Developer shall be primary insurance and shall not be contributing with any insurance, self-insurance or joint self-insurance maintained by City, and the policy shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the City. The required certificate or endorsement shall be furnished by Developer to City at least thirty (30) days prior to the start of construction of the replacement homes.

18. Notices. Formal written notices, demands, correspondence and communications between City and Developer shall be sufficiently given if: (a) personally delivered; or (b) dispatched by next day delivery by a reputable carrier such as Federal Express to the offices of City and Developer indicated below, provided that a receipt for delivery is provided; or (c) if dispatched within the San Francisco Bay Area by first class mail, postage prepaid, to the offices of City and Developer indicated below. Such written notices, demands, correspondence and communications may be sent in the same manner to such persons and addresses as any party may from time-to-time designate by next day delivery or by mail as provided in this Section.

City: City Manager
City of San Bruno
567 El Camino Real
San Bruno, CA 94066
Telephone: (650) 616-7070
Facsimile: (650) 873-6749

with a copy to: City Attorney

City of San Bruno
567 El Camino Real
San Bruno, CA 94066
Telephone: (650) 616-7003
Facsimile: (650) 742-6515

Developer: Castle Companies, Inc.
Attention: Steve Garrett
12885 Alcosta Boulevard, Suite A
San Ramon, CA 94583
Telephone: (925)-328-1000
Facsimile: (925) 242- 8100

with a copy to: Toby Sherman & Doyle LLP
Attn: John F. Doyle
4309 Hacienda Dr., Suite 350
Pleasanton, CA 94588
Telephone: (925) 463-3300
Facsimile: (925) 463-3301

Notices delivered by deposit in the United States mail as provided above shall be deemed to have been served two (2) business days after the date of deposit if addressed to an address within the State of California, and three (3) business days if addressed to an address within the United States but outside the State of California.

19. Miscellaneous.

19.1 Headings. Section headings in this Development Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions of this Development Agreement.

19.2 Severability. Except as otherwise provided herein, if any provision of this Development Agreement is held invalid, the remainder of this Development Agreement shall not be affected, except as necessarily required by the invalid provisions, and shall remain in full force and effect unless amended or modified by mutual consent of the parties.

19.3 Agreement Runs with the Land. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Development Agreement shall be binding upon the parties and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, devisees, administrators, representatives, lessees, and all of the persons or entities acquiring the Property or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever, and shall inure to the benefit of the parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. All of the provisions of this Development Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law, including Section 1468 of the Civil Code of the State of California. Each covenant to do or refrain from doing some act on the Property hereunder, or with respect to any City-owned property, (a) is for the benefit of such

properties and is a burden upon such property, (b) runs with such properties, (c) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and each person or entity having any interest therein derived in any manner through any owner of such properties, or any portion thereof, and shall benefit each property hereunder, and each other person or entity succeeding to an interest in such properties. Every person who now or hereafter owns or acquires any right, title or interest in or to any portion of the replacement homes or the Property is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Development Agreement is contained in the instrument by which such person acquired an interest in the replacement homes or the Property.

19.4 Applicable Law/Venue/Attorneys' Fees and Costs. This Development Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Development Agreement shall be brought only in the Superior Court of the County of San Mateo, State of California. Should any legal action be brought by any party because of breach of this Development Agreement or to enforce any provision of this Development Agreement, the prevailing party shall be entitled to reasonable attorney's fees and such other costs as may be found by the court.

19.5 Recordation of Termination. Upon completion of performance of the parties or termination of this Development Agreement, a written statement acknowledging such completion or termination shall be recorded by City in the Official Records of San Mateo County, California.

19.6 Interpretation. All parties have been represented by counsel in the preparation and negotiation of this Development Agreement, and this Development Agreement shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Development Agreement. Unless the context clearly requires otherwise, (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; (e) "includes" and "including" are not limiting; and (f) "days" means calendar days unless specifically provided otherwise.

19.7 Time is of the Essence. Time is of the essence of this Development Agreement and of each and every term and condition hereof.

19.8 Agreement is Entire Understanding. This Development Agreement is executed in one original. This Development Agreement constitutes the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Development Agreement as of the date first above-written.

CITY:

CITY OF SAN BRUNO, a municipal corporation

By: _____
Constance C. Jackson

[SIGNATURE MUST BE NOTARIZED]

Title: City Manager

ATTEST:

By: _____,
_____, City Clerk

APPROVED AS TO FORM:

By: _____
Marc L. Zafferano, City Attorney

DEVELOPER:

CASTLE COMPANIES, INC., a California corporation

By: _____
[SIGNATURE MUST BE NOTARIZED]

Name: THOMAS A. BALDACCI

Title: PRESIDENT

ACKNOWLEDGEMENTS

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2015 before me, _____,
Notary Public, personally appeared _____,
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: _____ (SEAL)

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2015 before me, _____,
Notary Public, personally appeared _____,
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: _____ (SEAL)

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2015 before me, _____,
Notary Public, personally appeared _____,
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: _____ (SEAL)

EXHIBIT A
REQUEST FOR PROPOSAL

EXHIBIT B-1

LEGAL DESCRIPTION OF THE CITY PARCELS

Real Property in the City of San Bruno, County of San Mateo, State of California, legally described as follows:

[to be inserted]

LEGAL DESCRIPTION

Real property in the City of San Bruno , County of San Mateo, State of California, described as follows:

PARCEL ONE:

LOT 25, IN BLOCK 14, AS SHOWN ON THAT CERTAIN MAP ENTITLED "CRESTMOR PARK NO. 2, SAN BRUNO, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, ON AUGUST 26, 1955, IN BOOK 43 OF MAPS, AT PAGES 21 AND 22.

PARCEL TWO:

LOT 18, BLOCK 15, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "CRESTMOR PARK NO. 2, SAN BRUNO, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON AUGUST 26, 1956, IN BOOK 43 OF MAPS AT PAGE(S) 21 AND 22.

PARCEL THREE:

LOT 3, IN BLOCK 40 AS SHOWN ON THAT CERTAIN MAP ENTITLED "CRESTMOR PARK NO. 7," WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON JULY 2, 1958, IN BOOK 49 OF MAPS AT PAGE 19.

APN: 019-023-340 (Affects Parcel One)

019-014-180 (Affects Parcel Two)

019-043-500 (Affects Parcel Three)

JPN: 019-002-023-25A (Affects Parcel One)

019-001-014-18A (Affects Parcel Two)

019-004-043-02A (Affects Parcel Three)

EXHIBIT B-2

LEGAL DESCRIPTION OF THE PG&E PARCELS

[to be inserted]

Real Property in the City of San Bruno, County of San Mateo, State of California, legally described as follows:

LEGAL DESCRIPTION

Real property in the City of San Bruno , County of San Mateo, State of California, described as follows:

PARCEL A:

LOT 1-A, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED "PARCEL MAP (MUN. CODE SEC. 12.52) BEING A LOT LINE ADJUSTMENT OF LOT 1, BLOCK 40, CRESTMOOR PARK #7, AND LOTS 21A AND 40, CRESTMOOR HIGHLANDS #1, CITY OF SAN BRUNO, SAN MATEO COUNTY, CALIFORNIA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JULY 31ST, 1984 IN VOLUME 54 OF PARCEL MAPS, AT PAGE 79.

PARCEL B:

LOT 4, BLOCK 40, AS DESIGNATED ON THE MAP ENTITLED "CRESTMOOR PARK NO. 7, SAN BRUNO, CALIFORNIA", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JULY 2, 1958 IN BOOK 49 OF MAPS AT PAGES 19 AND 20.

PARCEL C:

LOT 17, BLOCK 15 AS DESIGNATED ON THE MAP ENTITLED "CRESTMOOR PARK NO. 2 SAN BRUNO, CALIFORNIA" WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON AUGUST 26, 1955 IN BOOK 43 OF MAPS AT 21 AND 22.

PARCEL D:

LOT 30, BLOCK 18, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED, "CRESTMOOR PARK NO. 7, SAN BRUNO, CALIFORNIA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JULY 2, 1958 IN BOOK 49 OF MAPS, AT PAGES 19 AND 20.

PARCEL E:

LOT 15 IN BLOCK 15 AS SHOWN ON THAT CERTAIN MAP ENTITLED "CRESTMOOR PARK NO. 2 SAN BRUNO CALIFORNIA," FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON AUGUST 26, 1955 IN BOOK 43 OF MAPS AT PAGES 21 AND 22.

PARCEL F:

LOT 28, IN BLOCK 14, AS SHOWN ON THAT CERTAIN MAP ENTITLED "CRESTMOOR PARK NO. 2, SAN BRUNO, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, ON AUGUST 26, 1955, IN BOOK 43 OF MAPS, AT PAGES 21 AND 22.

PARCEL G:

LOT 8, BLOCK 14, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED "CRESTMOOR PARK NO. 2, SAN BRUNO, CALIFORNIA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON AUGUST 26TH, 1955 IN BOOK 43 OF MAPS, AT PAGES 21 AND 22.

APN: 019-043-460 (Affects Parcel A)

019-043-010 (Affects Parcel B)

019-014-170 (Affects Parcel C)

019-041-030 (Affects Parcel D)
019-014-150 (Affects Parcel E)
019-023-280 (Affects Parcel F)
019-023-080 (Affects Parcel G)

JPN: 019-004-043-04A (Affects Parcel A)
019-004-043-01A (Affects Parcel B)
019-001-014-17A (Affects Parcel C)
019-004-041-03A (Affects Parcel D)
019-001-014-15A (Affects Parcel E)
019-002-023-28A (Affects Parcel F)
019-002-023-08A (Affects Parcel G)

EXHIBIT C

DEVELOPMENT STANDARDS

Developer shall comply with the development standards outlined in the City's "Request for Proposal (RFP) for Construction of Single Family Homes – Crestmoor Neighborhood," released August 21, 2013.



City of San Bruno

REQUEST FOR PROPOSAL (RFP) FOR CONSTRUCTION OF SINGLE FAMILY HOMES CRESTMOR NEIGHBORHOOD

I. INTRODUCTION AND BACKGROUND

The City of San Bruno is seeking qualified homebuilder/developers to construct up to ten (10) single-family homes in the Crestmoor Neighborhood. The Crestmoor Neighborhood is the site of the September 2010 PG&E gas pipeline explosion and fire that resulted in the loss of 8 lives, the destruction of 38 homes, and extensive damage to an additional 17 homes.

Since the gas pipeline incident, reconstruction of the neighborhood has been ongoing. To date, twenty-one destroyed homes have been rebuilt or are currently being constructed. PG&E owns six (6) vacant lots and has an additional lot currently in escrow to purchase. The City of San Bruno owns five (5) lots, three (3) of which are available for development as a part of this RFP. The selected developer will construct nine new homes with the possibility of one additional home should PG&E close escrow on the remaining lot in the near future.

The City and PG&E have entered into an agreement that authorizes the City to issue this RFP and to select a single homebuilder/developer ("Developer") to construct the new homes on all of the designated lots. Interested developers shall not contact PG&E regarding this RFP or development of the lots. All inquiries shall be directed to Tony Rozzi, City of San Bruno at (650) 616-7089 or via email at trozzi@sanbruno.ca.gov.

Once selected, the Developer will be expected to enter into a Development Agreement (DA) with the City to construct homes on these lots in accordance with the City's development standards, building requirements and timeframe as specified in this RFP.

Following a review of proposals submitted by interested developers, the City will interview one or more teams that it determines to be best suited to successfully build the homes and make a final recommendation for approval by the City Council. Only one developer will be selected to develop all lots.

II. DEVELOPMENT OPPORTUNITY

Overview

In the aftermath of the 2010 PG&E gas line explosion and subsequent fire that destroyed 38 homes and severely damaged 17 homes, the City Council encouraged displaced residents to return to the community and rebuild. To date, seventeen (17) of the destroyed homes have been completed and four (4) are currently under construction. There are nine (9) vacant parcels available for development,

measuring between 5,000 and 7,500 square feet in size with rear- and front yard Public Utility Easements in many instances. In addition, one more parcel may become available for development during or after the RFP process. The Overview Map of Vacant Parcels (Exhibit 1) illustrates the location of the lots that are available for home construction per this RFP:

| Address | Owner | Lot Size | Maximum Floor Area** |
|----------------------|--------------------|----------|----------------------|
| 981 Glenview Drive | City of San Bruno | 5490 | 2929 |
| 1110 Glenview Drive | City of San Bruno | 5150 | 2745 |
| 1641 Claremont Drive | City of San Bruno | 5893 | 3047 |
| 951 Glenview Drive | PG&E | 7108 | 2377 |
| 991 Glenview Drive | PG&E | 6005 | 3105 |
| 1721 Earl Avenue | PG&E | 7129 | 3344 |
| 1655 Claremont Drive | PG&E | 7495 | 3504 |
| 1115 Fairmont Drive | PG&E | 5000 | 2750 |
| 2735 Concord Way | PG&E | 5292 | 2823 |
| 1100 Glenview Drive | In Escrow to PG&E* | 6014 | 3013 |

* May become available for purchase.

** This is an estimate of allowable floor area, which includes a minimum 400 s.f. garage, and should be verified using the Residential Development Standards.

The City requires that each vacant parcel be developed with a single family home. A licensed architect should design the individual homes for each property, conform to all development standards, as well as the City's Residential Design Guidelines, and respect the prevailing development pattern in the entire neighborhood, which is modest in size.

It is the City and the community's goal to have all of the homes that are the subject of this RFP constructed and sold by the time that all of the infrastructure is completed in the neighborhood (end of 2014). Ideally, the successful developer will be able to construct and sell all nine (or ten) homes within a 12-16 month timeframe from the selection by the City as the Developer.

Public Infrastructure Improvements in the Neighborhood

The City is currently in the process of reconstructing the infrastructure in the entire Crestmoor neighborhood. All of the subject lots have the required utility connections in place to the property line (with the exception of PG&E gas service that will be extended during home construction). The City has recently completed new infrastructure (water, sewer, storm drain) replacement in the portion of the neighborhood containing these lots. The next phase of the infrastructure reconstruction (Phase III) will replace the same underground utilities in the remainder of the neighborhood. Phase III is scheduled to be completed in spring 2014. The final phase of infrastructure (Phase IV) will be the replacement of curb, gutter, sidewalk, roadway resurfacing, and new streetlights in the entire neighborhood. Phase IV will commence upon the completion of Phase III and

should be completed by the end of 2014. The replacement of the former "tot lot" park at Earl Avenue and Glenview Drive (possibly on the 1670, 1680, & 1690 Claremont lots) will also occur during this timeframe. More information regarding the infrastructure replacement project can be found at the Rebuild Crestmoor Website at www.RebuildCrestmoor.org.

Environmental Background

The City anticipates filing a Notice of Determination that the project is Statutorily Exempt per the California Environmental Quality Act (CEQA) according to Section 15302: Replacement or reconstruction of existing structures and facilities and Section 15303(a): Construction and location of one-single family residence on a legal parcel in a residential zone.

The San Mateo County Health Department - Environmental Health Services Division directed the removal of building debris from the destroyed and damaged houses and performed testing for the presence of hazardous materials as part of the cleanup effort after the September 2010 fire. Following the demolition and debris removal operations, the lots where homes burned down underwent extensive soil contamination testing. This testing indicated that results were well below the thresholds of concerns for risks to human health. A sample report submitted to the City by San Mateo County is available in the Available Project Information section at the end of this document. Reports on all vacant lots will be made available to the selected development team.

Developer's Financial Responsibility

It shall be the Developer's responsibility to secure any necessary funding for the purchase of the lots and the construction and sales of the homes. No financial assistance will be provided by the City. All costs for building permits, development review, plan checking, building inspection and other services required for the home construction shall be borne solely by the Developer. A representative calculation for the permit fees associated with an example 2,500 square foot house in this neighborhood is included in the Design Criteria and Requirements section. The successful Developer shall be required to fund a deposit account with the City to ensure the payment of all staff and consultant time in processing the entitlement approvals for the proposed homes. This will be in addition to direct permitting fees (e.g. building permit, encroachment permit, San Bruno School District fees).

Upon selection of a developer by the City Council and subsequent execution of a Development Agreement, the Developer shall be prepared to immediately begin design of the proposed homes. A non-refundable deposit of \$125,000 shall be placed into escrow upon execution of the Development Agreement to ensure the homes are constructed. These funds shall be drawn against to cover staff and consultant time described above as part of the deposit account. Any funds remaining at the completion of design approval shall be applicable to the purchase price. The Developer shall close escrow on the purchase of each lot within five (5) calendar days of issuance of the building permit for each lot. All necessary performance bonds and other assurances to guarantee the completion of all of the homes, as specified in the Development Agreement, shall be in place at the time of building permit issuance.

III. DESIGN CRITERIA & REQUIREMENTS

The planned homes in this proposal for the Crestmoor neighborhood will need to strictly adhere to the City's development standards without requiring entitlement approval; shall follow the adopted Residential Design Guidelines; and participate in a public input process as requested by the City. The City is not seeking "custom" homes in this neighborhood. The new homes will need to adhere to the aesthetics of the existing neighborhood and blend with the surrounding development. Although designs that exceeded the development standards were considered and approved for displaced property owners, the City **will not** consider homes on these lots that exceed the development standards.

All proposals for the vacant lots in the Crestmoor neighborhood will need to strictly adhere to the City's pre-disaster development standards without requiring approval of any variance, conditional use permit, or other exception to those standards. The selected Developer shall follow the adopted Residential Design Guidelines to ensure the construction of homes that are consistent with the aesthetics of the homes that existed pre-disaster, and participate in a public review process by the City.

A. Development Standards

The selected development team will have a demonstrated ability to design a project that fits the character and scale of the neighborhood and follows the current development standards below.

- Overall Size – The maximum permitted floor area is inversely proportional to size and slope of a lot. In general, the maximum Floor Area Ratio (FAR) will be .55 but the average slope of the lot will determine the maximum FAR. All enclosed area is included in the floor area calculation (living area, garage). Open patios do not count towards the floor area calculation.
- Parking – A two-car parking garage will be required, with a minimum 20'-0" by 20'-0" interior dimension. A 20'-0" driveway, measured from back of sidewalk to face of garage is required.
- Lot Coverage – The maximum allowable lot coverage is 80% of the maximum allowable floor area.
- Height – Limited to a two-story building with a height of 28 feet for lots with less than a 20% slope.
- Setbacks:

Front Yard

- a) 15 feet from front property line to front of main structure
- b) Open porches and similar architectural elements may be as close as 9'-0" from the front property line.

- c) 20 feet from back edge of the sidewalk to front of garage (Size of driveway)

Side Yard

- a) 5 feet from side of main structure to side property line (Interior side)
- b) 10 feet from side of main structure to side property line (Corner side, if applicable)

Rear Yard

- a) 10 feet from back of main structure to rear property line

Front Property Lines

The location of front property lines vary based on the width of the City's right of way. Property lines are measured from the back of sidewalk as follows:

- a) Glenview Drive between San Bruno Ave and Earl Ave – 5.5 feet
- b) Glenview Drive between Earl Ave and Plymouth Way – 4.5 feet
- c) Claremont Drive – 5.5 feet
- d) Earl Avenue – 4.5 feet
- e) Fairmont Drive – 4.5 feet
- f) Concord Way – 5.5 feet

Public Utility Easements

There are several public utility easements (PUE) in the neighborhood and on the vacant parcels. No structures are permitted in a PUE. The individual lot surveys and topographic survey indicate the location of easements and are available in the Available Project Information section.

B. Residential Design Guidelines

The City will require that the successful proposal include several home designs for the vacant lots and that no single design will be used more than three (3) times or be located adjacent to one another. Front elevation options shall be offered to create further diversity within the project. All attempts should be made to create a thoughtful, varied set of designs for the replacement homes.

Although the development standards detail the general limits for the mass and scale of the home design, the architectural design team should reference the Residential Design Guidelines closely for specific façade expectations, including:

- Neighborhood Compatibility
- Second Floor Treatment
- Entries
- Doors and Windows
- Materials and Colors
- Architectural Details
- Open Space and Landscaping
- Privacy and Solar Access

The Residential Development Guidelines that will be applicable to this project are accessible from the Available Project Information at the end of this document.

C. Green Building

The circumstances of this development opportunity are unique, given the natural gas line explosion and subsequent fire that destroyed a large portion of the neighborhood. The homeowners who have chosen to rebuild have made sustainable construction a priority. Many of the rebuilt homes are a minimum 35% more energy efficient than typical homes in California and offsetting 100% of their electricity demand with solar power. Two homes are currently being certified as LEED Platinum and two homes are currently being built to LEED Gold standards and preparing for certification. Proposed homes should reflect the rebuilding community's commitment to energy independence and efficiency.

The City encourages, but does not require, the following:

- A Title 24 energy report that is a minimum 35% better than CA code
- Quality Insulation Installation (QII) verified by a certified QII inspector
- Solar photovoltaic and/or solar hot water installation

Proposals that include green building elements will be evaluated favorably.

D. Development Review and Permitting

Planning Entitlement

The City expects to execute a DA to transfer the vacant parcels to the selected development team. As part of that DA, the City will require an Architectural Review Permit and associated public review process. The Architectural Review Permit process will require a high quality submittal that includes complete floor and site plans, elevations, renderings, material samples and associated graphics to illustrate compatibility with the Residential Design Guidelines.

Building Permit

The Community Development Department will be the lead Department for design and development review. The City expects to review all the homes as one submittal package and will issue individual building permits for each home.

There are no timing restrictions for breaking ground in San Bruno but storm water pollution prevention measures will be required for the rainy season between October 1st and April 30th. Seasonally appropriate best management practices shall be required through the year.

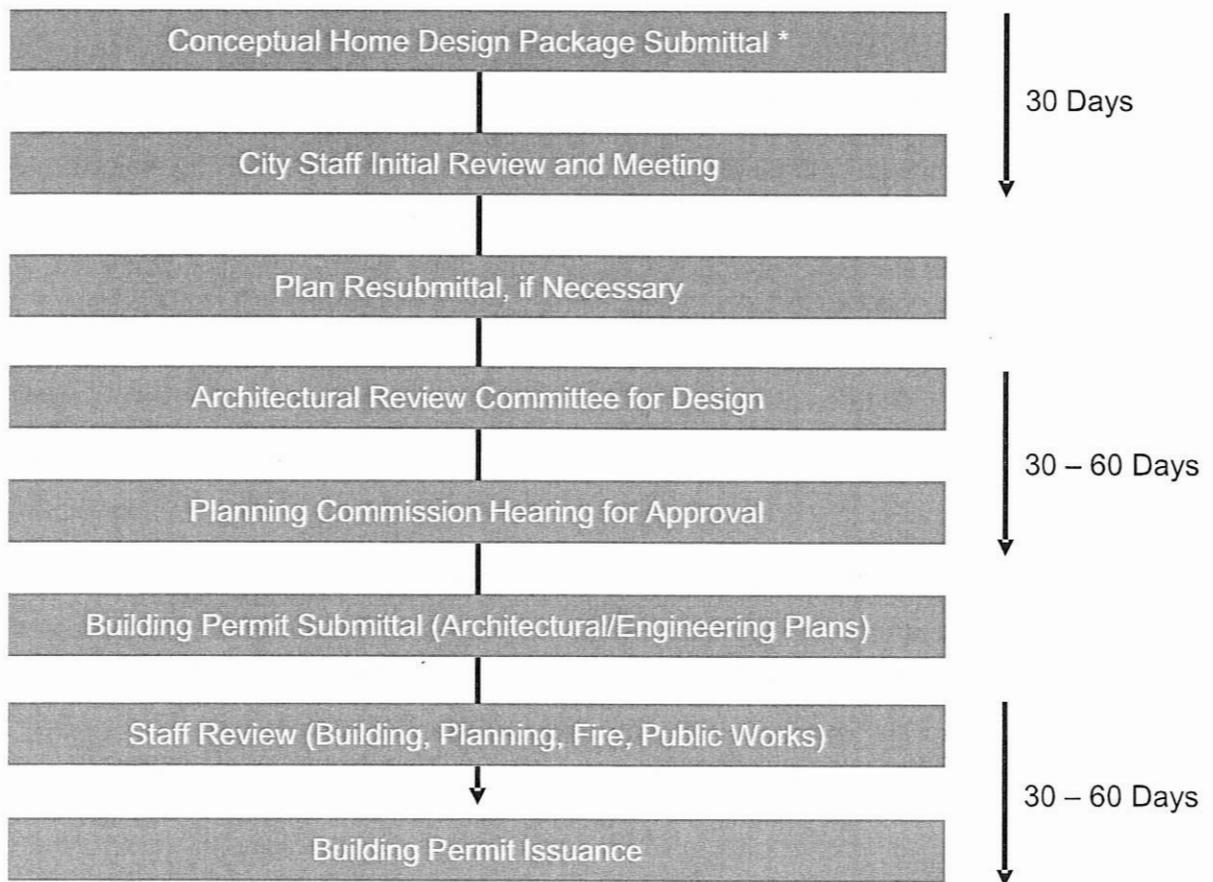
Development Fees

All fee estimates are based on a home with 2,500 s.f. of living area and a 400 s.f. garage. The fee estimates were generated using minimum valuations and are subject to change based on actual building costs at time of building permit submittal.

| | | |
|-------------------------------|------------------|---|
| Building Permit Estimate | \$ 38,500 | Based on minimum valuation of \$185/s.f. for finished space and \$70/s.f. for garage. Includes wastewater and water capacity charges. |
| San Bruno School District Fee | \$ 7,425 | Calculated at \$2.97/s.f. of new living area |
| Encroachment Permit | \$ 354 | Plus \$276 refundable deposit |
| Estimated Total | \$ 46,279 | Per home |

Approval Process Overview for New Homes

The following flow chart indicates the process for the review of the new homes:



* Per Section III Design Criteria and Requirements, all homes must meet current development standards and building codes. No Use Permit requests will be considered.

IV. SUBMITTAL REQUIREMENTS

The Developer should have a successful track record of construction of multiple homes simultaneously and must demonstrate the financial viability of its offer to purchase these lots.

Respondents to this RFP are requested to supply all of the information described herein, in a complete yet concise format. The City expects submittals to provide enough information to allow staff and other advisors to evaluate and rank the qualifications of the Development Teams.

Developer's proposals shall follow the order and contain, at a minimum, the following information:

Project Team and Qualifications

- Executive Summary of the firm(s)
- Team member names, roles and contact information
- Resumes of Team members highlighting their experience in single-family residential home construction
- Designated public liaison to interface with the community
- Minimum of three (3) references from completed home building projects

Previous Single-family Home Construction Experience

- Provide a brief narrative of five (5) residential single-family construction projects that the team members have completed within the last 10 years, focusing on partners, financing, type of homeownership programs, roles and tasks
- Include three (3) examples of home designs/floor plans and elevations with finished color project photos if available (Ten page maximum, not including home designs and photos)

Financial Capacity

- Financial statements for the last two (2) years for which they are available
- Evidence of ability to close purchase of lots and ability to finance and construct. Provide letter or other evidence from prospective construction lender indicating willingness to provide construction financing or provide proof of funds adequate to construct homes.
- Provide financial information on equity partners (if any)
- Bonding capacity and name, address and phone number of bonding company

Design Proposal

- One preliminary (conceptual) illustrative home design for a corner lot
- One preliminary (conceptual) illustrative home design for an interior lot
- Preliminary plans should include a site plan, floor plan(s), and elevations
- The City will be looking for consistency with the Development Standards and Residential Design Guidelines

Build out Schedule and Marketing Plan

- Provide an estimated timeline of build out of the homes and sales schedule based upon Developer's knowledge of the market for the homes in this area.
- Provide a narrative of the marketing and sales plan/effort that is anticipated to achieve the estimated delivery timeline.

Purchase Price

The Developer shall provide a binding purchase price for each of the lots per this schedule:

| | Address | Purchase Price |
|----|----------------------|-----------------------|
| 1 | 981 Glenview Drive | |
| 2 | 1110 Glenview Drive | |
| 3 | 1641 Claremont Drive | |
| 4 | 951 Glenview Drive | |
| 5 | 991 Glenview Drive | |
| 6 | 1721 Earl Avenue | |
| 7 | 1655 Claremont Drive | |
| 8 | 1115 Fairmont Drive | |
| 9 | 2735 Concord Way | |
| 10 | 1100 Glenview Drive | |

Supplemental Information

The Developer is free to include any additional supplemental information regarding their approach, delivery/sales strategy, scheduling, timing, or other items that may differentiate their proposal from others.

Any part of the proposal considered to contain proprietary or other privileged information shall be marked as "Confidential".

V. SUBMITTAL DELIVERY AND SCHEDULE

All responses to this RFP must be submitted on or before **4:45 PM on September 6, 2013** to the following address and contact:

Tony Rozzi
Contract Associate Planner
City of San Bruno
567 El Camino Real
Tel: (650) 616-7089
Fax: (650) 873-6749
Email: trozzi@sanbruno.ca.gov

The City requests five (5) hard copies of the full proposal and one electronic copy on CD in PDF format. Late proposals will not be considered and incomplete proposals may be rejected.

No later than 5:00PM on Tuesday, September 10, 2013, all potential proposers shall submit a statement of their intent to submit a proposal to the City of San Bruno. This notice of intent shall include the proposer's company name, address, primary contact and primary contact's e-mail address and telephone number. This notice of intent shall be emailed to the City contact at the email listed above.

Proposals must be made in the official name under which the respondent's business is conducted and must be signed by a person duly authorized to legally bind the entity submitting the proposal.

To maintain an open process, all questions shall be directed via e-mail on or before September 19, 2013 to the contact person above. The City will group and respond to all questions (without attribution). Responses will be made available as an addendum to this RFP and published on the Rebuild Crestmoor web site (www.rebuildcrestmoor.org). No information other than that flowing through these channels will be provided once the RFP has been released. In addition, interested parties may participate in the Bidders Conference, as described further herein.

The overall schedule for this RFP process is summarized below:

| Action/Event | Schedule/Deadline |
|---|--|
| City release of RFP | August 21, 2013 |
| Deadline for Notice of Intent to Submit Proposal | September 10, 2013 (5:00 PM) |
| Mandatory Bidders Conference | September 12, 2013 (1:00 PM @ San Bruno City Hall) |
| Deadline for submission of questions related to the RFP | September 19, 2013 (5:00 PM) |
| Deadline for submissions of RFP | September 25, 2013 @ 4:45PM |
| Interviews of selected team(s)* | Week of October 7, 2013 |
| City Council Consideration* | October 22, 2013 |
| DA Negotiation & Execution Period* | November 2013 |
| DA to City Council* | December 2013 |

**Denotes dates are tentative and subject to change.*

As noted, the City will be hosting a Mandatory Bidders Conference at the San Bruno City Hall to answer any questions related to this RFP on September 12, 2013 at 1:00 PM. Interested parties must attend in person.

VI. SELECTION CRITERIA AND PROCESS

This RFP is the first step in considering the selection of a qualified development team to construct these homes. Upon receipt of qualifications packages from interested parties, City staff and its advisors will review and screen the list of candidate developers down to selected finalist. The finalists will be asked to participate in an interview with the City and its selected advisors. Based on the submittal materials, the interview, and the application of the criteria described below, the City will select a top-ranked team and prepare a staff report for consideration by Council.

Upon approval by the City Council, the selected developer and the City will negotiate and execute a DA for the construction of the homes on the lots. The exact terms and conditions of the DA will be determined subsequent to selection of a Developer. However, the DA will include milestones for construction timing, development guidelines, payment terms and timing, deposits, and other items requiring clarity and documentation for both the City and Developer. Substantial deviations from the terms outlined by the Proposer in response to this RFP may be grounds for disqualification.

The City does not warrant or promise to select a finalist developer and reserves the right to determine its best course of action. The City also reserves the right to select a developer based on the response to this RFP, foregoing the interview process, if it is determined at its sole discretion that it is advantageous to do so. Further, the City reserves the right to modify the terms and conditions of this or subsequent offerings, and to alter the selection process, criteria, and timetable as circumstances require, including making no selection at all.

Each proposal will be evaluated in its entirety with all of the submittal requirements described above being considered as appropriate. In conjunction with the evaluation of each Submittal for responsiveness and conformance to the RFP, the City will evaluate each Submittal based upon the following primary criteria.

1. Developer Experience and Qualifications

The City will carefully evaluate the qualifications of the Developer, and the specific personnel assigned to this project, in terms of their home building experience. In addition, the residents of the Crestmoor neighborhood have all experienced significant impacts and disruption due to the September 9, 2010 PG&E gas pipeline explosion and fire and ongoing reconstruction within the community. Assigned personnel to this project and the construction of these homes shall respect the history in the neighborhood. Developer shall include a qualified liaison to interact with the community in a thoughtful and sensitive manner.

2. Financial Capacity and Acumen

The City will evaluate the developer's demonstration of a credible ability to provide adequate funds to acquire the lots and construct these homes in the timeframe required for this project. The financial and organizational capacity of

the proposed development entity that will be signing the DA will be of critical importance. The proposal shall include the disclosure of current uncommitted equity capital on hand, lines of credit available, and estimates of how much debt and equity could be made available for this project. Selection will be significantly weighted in favor of those responses that include strong equity capacities backed by quantified information.

3. Delivery Schedule and Timing

The development of homes on these vacant lots is a priority for the City and the community. Given the pace of the reconstruction of the infrastructure in the neighborhood, it is anticipated that a majority of the street and utility reconstruction will be completed by January 2015. Proposals should consider the desire to have all of the homes constructed within this timeframe. Regardless, a realistic projection of the construction and sales timeframe should be included in the proposal. Any concerns or issues that could impact the delivery timing should be fully explained and discussed.

4. Purchase Price

The purchase price to be paid to the City and PG&E for the lots is an important aspect of the proposal. However, purchase price is not the overriding or primary issue that will be considered in the selection of a developer. A developer who possesses the financial ability to deliver the project, proven track record and experience, the sensitivity to the environment of the neighborhood, and resources to meet the desired timeframes may be selected even if their purchase price is not the highest.

5. Special Requirements or Conditions

The City will consider the implications of any significant conditions, limitations, special requirements, reservations or conditions precedent that the Developer will require before signing a DA. Developers shall clearly and candidly state special requirements in the proposal.

VII. GENERAL CONDITIONS

Any material clarifications or modifications to the RFP or the selection process will be made in writing and provided to all registered proposers. It is the responsibility of the developers, before submitting a response to the RFP, to ascertain if any notices, clarifications, addenda, or other communications to responders have been issued by the City. Oral explanations or instructions from City staff or consultants shall not be considered binding.

Developers' responsiveness to all items in this RFP will be taken as evidence of the developer's interest and commitment to the project. A failure to respond completely will be interpreted as a lack of full interest and commitment or a deficiency on the developer's part.

The City reserves the right to:

- Modify or cancel the selection process or schedule at any time.
- Waive minor irregularities.
- Reject any and all responses to this RFQ/P and to seek new submissions when it is in the best interest of the City to do so.
- Seek clarification or additional information or evidence from individual respondents, including, but not limited to, evidence of the developer's financial status.
- Judge the developer's written or oral representations as to their veracity, substance and relevance to development in the Crestmoor neighborhood, including seeking and evaluating independent information on any Developer.
- Incorporate this RFP and the selected team's response to this RFP as a part of any formal agreement between the City and the developer.
- Modify the development opportunity available to potential Developers.

All expenses related to any developer's response to this RFP, or other expenses incurred during the period of time the selection process is underway, are the sole obligation and responsibility of that Developer. The City will not, directly or indirectly, assume responsibility for these costs. In addition, the City shall not be liable for any real estate commissions or brokerage fees which may arise as a result of the Developer selection process.

The proposer shall not offer any gratuities, favors, or anything of monetary value to any official, employee, or outside consultant associated with the development of the Crestmoor neighborhood for purposes of influencing consideration of a response to this RFP.

The City makes no representations about the conditions of the site, including utilities, soils, or other surface or subsurface conditions. The respondent shall make its own conclusions concerning such conditions. Information provided in this RFP, as well as in related reports by City staff or consultants, is provided for the convenience of the responders only and is not intended to be exhaustive. The accuracy or completeness of this information is not warranted by the City.

VIII. AVAILABLE PROJECT INFORMATION

The following website provides a number of documents in addition to a copy of this RFP. It also includes notices concerning important dates and events. As noted above, answers to e-mailed questions will be posted to this website and any additional notifications will also be posted.

http://www.rebuildcrestmoor.org/app_pages/view/300

Available Exhibits for review include:

- 1) Overview Map of Vacant Parcels
<http://www.rebuildcrestmoor.org/files/managed/Document/308/Crestmoor%20Vacant%20Lots%20061213.pdf>
- 2) Single Family New Home Construction Development Standards
http://www.sanbruno.ca.gov/comdev_images/planning/Residential%20Additions%20&%20New%20Construction.pdf
- 3) Residential Design Guidelines
http://www.sanbruno.ca.gov/comdev_images/planning/San%20Bruno%20RDG%20FINAL%20042210%20.pdf
- 4) Topographic Survey Map
<http://www.rebuildcrestmoor.org/files/managed/Document/301/Topographic%20Survey.pdf>
- 5) Topographic Survey of Individual Vacant Lots
<http://www.rebuildcrestmoor.org/files/managed/Document/311/Individual%20Lot%20Surveys%20for%20RFP.pdf>
- 6) Pre- and Post-Removal Activity Results Report for 1680 Claremont Drive
<http://www.rebuildcrestmoor.org/files/managed/Document/312/1680%20Claremont%20Dr%20Pre%20and%20Post%20Removal%20Report.pdf>



City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: January 27, 2015
TO: Honorable Mayor and Members of the City Council
FROM: Angela Kraetsch, Finance Director
SUBJECT: Adopt Resolution Accepting the City's Comprehensive Annual Financial Report (CAFR) and Measure A Funds Audit Report for the Fiscal Year Ended June 30, 2014

BACKGROUND

The annual financial audit of the City was completed on December 29, 2014 and resulted in the issuance of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The City's independent auditor, Vavrinek, Trine, Day & Company, LLP, conducted the audit of the City's financial statements and an unmodified ("clean") opinion was received.

The following statements for the year ended June 30, 2014 are presented for the City Council's review:

1. Comprehensive Annual Financial Report (CAFR)
2. Audit of Measure A Funds

Generally accepted accounting principles (GAAP) provide the criteria for judging whether a financial report is fairly presented. In defining the minimum standard of acceptable basic financial reporting for state and local governments, GAAP mandates a complete set of basic financial statements, including accompanying note disclosures, as well as the presentation of certain required supplementary information in connection with the basic financial statements. GAAP encourages government agencies to present this information within the broader framework of a CAFR.

The CAFR is a more detailed financial report beyond just the basic financial statements. It is made up of three basic sections:

- **The introductory section:** provides general information of the City which includes the letter of transmittal, list of principal officials, and organizational chart.
- **The financial section:** provides the overall financial information of the City which includes the report of the independent auditor, management's discussion and analysis (MD&A), the basic financial statements, notes to the financial statements, required supplementary information, and other supplementary schedules and statements.

10a

- **The statistical section:** provides a broad range of operational, economic, and historical data that provides a context for assessing the City's economic condition. This section provides information about the City's general financial trends, revenue capacity, debt capacity, economic and demographic trends, and operating information.

The format of the CAFR is designed to serve the needs of three primary users. These include the City Council and other governmental oversight bodies, the public, and agencies assessing the City's creditworthiness.

For the fourth consecutive year, the City's CAFR was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officer's Association (GFOA) of the United States and Canada. The Certificate of Achievement is the highest form of recognition for excellence in state and local government reporting and it ensures that the published CAFR is an easily readable and efficiently organized comprehensive annual financial report.

The City of San Bruno is responsible for complying with the *Agreement for Distribution of San Mateo County Measure A Funds For Local Transportation Purposes* between the City and the San Mateo County Transportation Authority entered on August 18, 1989. This agreement requires an annual compliance audit by an external audit firm of the City's allocation of Measure A funds.

DISCUSSION

The auditors completed the audit of the City's financial statements and the Measure A sales tax special revenue. The auditors found the financial statements present fairly, in all material ways, the City's financial position as of June 30, 2014. The audited financial statements include the statement of net position, statements of activities and changes in net position, balance sheets, statements of revenues, expenditures, and, changes in fund balances, and statements of cash flows.

Key financial highlights for fiscal year June 30, 2014 are as follows:

- The City's government-wide net position increased by \$17.3 million, bringing the total net position to \$128.3 million. The increase in net position is primarily the result of greater investment in capital infrastructure, increases derived from business-type service charges, and higher than expected tax revenues.
- At the close of fiscal year 2013-14, the General Fund had an increase in fund balance of \$1.3 million bring the total to \$10.9 million
- The City Council adopted a reserve policy on January 22, 2013 to support the Council's commitment to ensuring financial stability and sustainability of operations during times of fiscal constraint and emergencies. As of June 30, 2014, the reserve fund balances amount to:

- General Fund Reserve - \$9.3 million (equals the reserve policy goal of 25% of budgeted expenditures)
- Emergency Disaster Reserve - \$3 million (maintains the target reserve goal)
- Capital Improvement/One-Time Initiative Reserve - \$7.7 million (exceeds the reserve policy goal of \$5 million)
- Central Garage Reserve - \$0.2 million (meets the reserve policy goal of 25% of budgeted department expenditures)
- Building and Facilities Reserve - \$0.2 million (meets the reserve policy goal of 25% of budgeted department expenditures)
- Technology Reserve - \$0.1 million (meets the reserve policy goal of 25% of budgeted department expenditures)

The City's CAFR is in compliance with newly effective Government Accounting Standards Board (GASB) pronouncements. The implementation of GASB Statements No. 65 and No. 66 are the only new accounting pronouncements that had an impact on the City's financial statements. GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities" specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources and GASB Statement No. 66 "Technical Corrections – 2012; an amendment of GASB Statement No. 10 and No. 62" which resolves conflicting guidance that resulted from the issuance of two conflicting pronouncements.

The standards governing Single Audit engagements require that agencies expending more than \$500,000 in federal monies have an independent audit. The City of San Bruno did not reach the \$500,000 threshold amount in fiscal year 2013-14 therefore a Single Audit Report was not required.

FISCAL IMPACT

Financial reports are to be submitted to the City Council in accordance with section 2.28.030 of the Municipal Code. The CAFR and other financial statements have no direct fiscal impact on the City. However, the reports are necessary to allow City Council oversight and failing to prepare such reports could jeopardize the City's credit rating and its ability to obtain grants and debt financing.

ALTERNATIVES

1. Request additional analysis or the preparation of other financial statements prior to accepting the audit reports as of June 30, 2014.
2. Complete further review of the audit reports.

RECOMMENDATION

Adopt Resolution Accepting the City's Comprehensive Annual Financial Report (CAFR) and Measure A Funds Audit Report for the Fiscal Year Ended June 30, 2014.

DISTRIBUTION

None

ATTACHMENTS

Resolution

DATE PREPARED

January 9, 2015

REVIEWED BY

_____CM

RESOLUTION NO. 2015 _____

RESOLUTION ACCEPTING THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND MEASURE A FUNDS AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

WHEREAS, the independent audit provides an annual report on the financial condition of the City in accordance with Municipal Code Section 2.28.030, and;

WHEREAS, the City retained the firm of Vavrinek, Trine, Day and Company, LLP, to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno for the fiscal year ended June 30, 2014, and;

WHEREAS, the audit was conducted in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, and;

WHEREAS, the City applies all applicable Government Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989 to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee of Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements, and;

WHEREAS, the financial statements include the statement of net position, statements of activities and changes in net position, balance sheets, statements of revenues, expenditures, and changes in fund balances, and statements of cash flows.

WHEREAS, the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014 has been reviewed by the City Council, and;

WHEREAS, the Audit of Compliance with the Agreement for the Distribution of San Mateo County Measure A Funds for Local Transportation Purposes for the fiscal year ended June 30, 2014 has been reviewed by the City Council.

NOW THEREFORE, the City Council of the City of San Bruno hereby resolves to accept the following reports of the City's independent auditors for the year ended June 30, 2014:

1. City's Comprehensive Annual Financial Report
2. Audit of Measure A Funds

—oOo—

I hereby certify the foregoing Resolution No. 2015-
was introduced and adopted by the San Bruno City Council
at a regular meeting on January 27, 2015 by the following vote:

AYES:

NOES:

ABSENT:

City Clerk



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: January 27, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Connie Jackson, City Manager

SUBJECT: Adopt Resolution Approving the 2014-2019 Five Year Capital Improvement Program and Appropriating Funding for the 2014-15 Capital Improvement Program Budget

BACKGROUND

The Capital Improvement Program (CIP) is a planning document covering a five-year period that includes project descriptions and funding requirements for projects planned for completion during the five-year time period. Each year, the City Council is requested to review and approve projects and related appropriations through the CIP. The CIP includes capital projects that are designed to protect, preserve, and enhance the City's infrastructure, extend the useful life of public facilities, and improve or enhance the delivery of City services. The program addresses the various long-term capital needs such as improving water and wastewater facilities, traffic and transportation circulation, park and building improvements, and the purchase of new technologies and equipment.

DISCUSSION

A Study Session was held on December 22, 2014 to review the proposed 2014-19 CIP. At that time, staff presented the recommended five-year CIP Budget document to the City Council. During the study session, staff discussed additional budget priorities that had not been included in the preliminary budget document but that were deemed critical to the City's infrastructure. These budget priorities have been incorporated into the final CIP budget for FY 2014-15 as follows:

- Sharp Park Basin Sewer Laterals (\$65,000) - due to low resident participation in the Sharp Park Grant Program, the City will perform sewer lateral video inspections of homes in the Sharp Park Basin neighborhood. The settlement agreement requires repair and replacement of a minimum of 110 damaged sewer laterals. Video inspection work is estimated to be complete by June 2015.
- Shelter Creek Water Main Replacement (\$150,000) - main replacements along Shelter Creek were originally identified as a Master Plan Priority 3 project. However, this project will be added to the five-year priority list based on an updated condition evaluation, the history of leaks, and the potential impact of a main break on nearby properties.

- City Park Stormwater Improvement (\$50,000 in FY 2014-15 and an additional \$250,000 has been included in FY 2015-16 to complete the project) - due to the significant flooding that occurred along City Park Way during December 2014, the Master Plan's Priority 2 City Park project has been given a higher priority. The current year work plan will include design and construction of a stormwater channel system through City Park to alleviate rainwater runoff along City Park Way.
- Grade 5 – Sewer Critical Main Segment Replacement project (\$350,000) - repair and replace critical sewer main pipe segments as identified during the citywide video condition assessment project. Staff determined that there is sufficient funding in the Sewer Main Improvement and Replacement Program-Pipeline Repair to begin the project in FY 2014-15. However, an additional \$2,000,000 has been included in FY 2015-16 to complete the project.

Both the Sharp Park and Grade 5 projects for a total budget of \$2,415,000 will be funded from the Wastewater Fund. The \$150,000 for the Shelter Creek project has been included in the current Water Main Improvement and Replacement Program with the Water Fund as the funding source. Due to the fact that the City does not have adequate funding available in the Stormwater Fund for the City Park project, staff is recommending that the \$300,000 be funded from the Capital Improvement Reserve Fund.

One additional change has been made to the final CIP budget. In reviewing the SCADA Radio Transmitter Installation project it was determined that \$65,000 of the cost should be funded from the Wastewater Fund. Therefore, the budget has been adjusted to reflect the \$65,000 decrease in the Water Fund and the offsetting increase in the Wastewater Fund. The overall cost of the project remains the same.

The recommended CIP appropriations for 2014-15 are as follows:

| | |
|----------------------|---------------------|
| Water | \$ 5,175,000 |
| Wastewater | 3,333,747 |
| Stormwater | 50,000 |
| Cable | 1,778,827 |
| Parks and Facilities | 884,500 |
| Crestmoor Recovery | 9,450,000 |
| Streets | 3,207,085 |
| Technology | 273,000 |
| Operating Programs | 334,964 |
| Equipment Purchase | <u>1,051,200</u> |
| | <u>\$25,538,323</u> |

In addition to the recommended new appropriations, the 2014-15 CIP Budget includes carry-over appropriations for projects that were not completed at year-end or that are on schedule to commence. Total carry-over appropriations amounts to \$29,850,507.

The five-year CIP Budget identifies 59 projects with a total projected cost of \$379,070,853. The City has embarked on an aggressive 20 year program to replace all of the aged and deteriorated infrastructure. The majority of the project costs (60%) are within the Water and Wastewater Funds.

Several new projects are proposed for inclusion in the 2014-19 CIP Budget, these include cable equipment upgrades, facility replacement and repairs, enhanced security for Water and Wastewater facilities, restoration of the Crestmoor neighborhood, downtown parking lot evaluation, and technology improvements.

The FY 2014-15 CIP Budget includes the Operating Programs section which includes work efforts that span multiple fiscal years and have a total cost in excess of \$15,000. Many of the items included in this section of the budget provide the foundation for the rehabilitation and replacement of City infrastructure and the ability to encourage economic growth.

- Bart Closeout
- City Hall Landscaping Master Plan
- Climate Action Plan
- Grand Boulevard Initiative Study
- Renewable Energy Study for Utility Facilities
- Sharp Park Neighborhood Private Sewer Lateral Grant Program
- Miscellaneous Storm Drain Improvement Program
- South Westside Basin Groundwater Management Study

The CIP Budget also includes the purchase and replacement of critical vehicles and equipment used in daily operations. This includes 16 vehicles, ranging from service trucks to heavy duty vehicles, and \$282,000 of equipment replacements. Total vehicle and equipment purchases comes to \$1,051,200.

FISCAL IMPACT

The recommended 2014-19 Five-Year Capital Improvement Program Budget totals \$379,070,853 (carryover appropriations plus five-year request). The 2014-15 Capital Budget consists of carryover appropriations, in the amount of \$29,850,507, and new appropriation requests in the amount of \$25,538,323 for a total funding cost of \$55,388,830.

RECOMMENDATION

Adopt Resolution Approving the 2014-2019 Five Year Capital Improvement Program and Appropriating Funding for the 2014-15 Capital Improvement Project Budget

ALTERNATIVES

1. The City Council may amend the funding or work plan for the proposed Capital Improvement Program or any project included in the Program.

DISTRIBUTION

None.

ATTACHMENTS

1. Resolution Adopting the City Manager's Recommended 2014-2019 Five Year Capital Improvement Program and Appropriating Funding for the 2014-15 Capital Improvement Project Budget
2. New Priority Project Descriptions

DATE PREPARED

January 13, 2015

REVIEWED BY

_____ CM

RESOLUTION NO. 2015-_____

RESOLUTION APPROVING THE 2014-19 FIVE YEAR CAPITAL IMPROVEMENT PROGRAM AND APPROPRIATING FUNDING FOR THE 2014-15 CAPITAL IMPROVEMENT PROGRAM BUDGET

WHEREAS, the City Manager transmitted the FY 2014-15 Proposed Capital Improvement Program Budget to the City Council in accordance with Municipal Code Section 2.12.060; and

WHEREAS, the City prepares and adopts the Capital Improvement Program and Budget with the intent of providing a planned program for water and wastewater facilities, traffic and transportation circulation, building improvements, and the purchase of new technology and the financial system to carry out the planned program; and

WHEREAS, the San Bruno Planning Commission reviewed the capital improvement projects contained in the above budget, on October 21, 2014 for compliance with the General Plan of the City and adopted a resolution confirming project compliance; and

WHEREAS, the Proposed Capital Improvement Program identifies a total of 59 projects in the 2014-15 work-plan;

WHEREAS, the Proposed FY 2014-19 Capital Improvement Program and FY 2014-15 Capital Improvement Program Budget were presented to the City Council at a study session on December 22, 2014.

NOW THEREFORE, be it resolved by the City Council of the City of San Bruno as follows:

SECTION 1: That the Proposed Capital Improvement Program Budget is hereby adopted and budget appropriations in the following amounts are hereby approved:

| | |
|----------------------|-------------|
| Water | \$5,175,000 |
| Wastewater | \$3,333,747 |
| Stormwater | \$ 50,000 |
| Cable | \$1,778,827 |
| Parks and Facilities | \$ 884,500 |
| Crestmoor Recovery | \$9,450,000 |
| Streets | \$3,207,085 |
| Technology | \$ 273,000 |
| Operating Programs | \$ 334,964 |
| Equipment Purchase | \$1,051,200 |

SECTION 2: The FY 2014-15 capital improvement work plan is authorized to include carry-over appropriations for projects moving toward completion or on the schedule to commence. Total carry-over appropriations from FY 2013-14 amount to \$29,850,507.

—oOo—

I hereby certify the foregoing Resolution No. 2015-
was introduced and adopted by the San Bruno City Council
at a regular meeting on January 27, 2015 by the following vote:

AYES:

NOES:

ABSENT:

City Clerk

Miscellaneous Storm Drain Improvements Program

This project provides funding to mitigate areas of surface water ponding during storms along residential curb and gutter. Small scale improvements such as replacement of curb and gutters, minor re-grading and paving, installation of previous paving and trench drains, and landscape improvements are among the improvements funded through the program.

2014-15 Fiscal Impact: A carry forward appropriation of \$50,981 remains in the project and is sufficient for the current year work program.

Renewable Energy Study for Utility Facilities

The City operates utility facilities such as water and sewer pump stations and water wells, which consume significant amounts of electricity. This project will evaluate the City's facilities and determine opportunities to reduce energy consumption by utilizing renewable energy in the form of solar or wind generated power. The findings will be incorporated into future pump station and well rehabilitation projects when feasible.

2014-15 Fiscal Impact: A carry forward appropriation of \$17,375 remains in the project and is sufficient for the current year work effort.

Sharp Park Neighborhood Private Sewer Lateral Video Inspection Project and Grant Program

The San Bruno Private Sewer Lateral Grant Program is available for property owners within the Sharp Park Basin as part of the settlement with the Regional Water Quality Control Board. The program provides 50% matching grant funds to video inspect the lateral up to \$150. If the private sewer lateral is determined to be in defective condition, the City will provide 50% matching grant funds up to \$1,700 to repair or replace the private sewer lateral.

Due to low resident participation in the Grant Program, the City will perform sewer lateral video inspections of homes in the Sharp Park Basin neighborhood. The settlement agreement requires repair and replacement of a minimum of 110 damaged sewer laterals. Video inspection work is estimated to be complete by June 2015. Condition assessment results will be provided to the respective homeowner. After completion of the video condition assessment, staff will provide Council with recommendations to fulfil the settlement agreement requirements.

2014-15 Fiscal Impact: A carry forward appropriation of \$106,238 remains in the project specifically for homeowner grant reimbursement. An additional appropriation of \$65,000 from the Wastewater Fund is necessary to complete the Sharp Park Neighborhood sewer lateral video inspections.

South Westside Basin Groundwater Management Study

This proposed study will improve the overall technical understanding of the shallow groundwater system in the South Westside Groundwater Basin. The project includes technical analyses that will lead to an improved understanding of water table conditions, the shallow groundwater system and the relationships between recharge and deep water aquifer, both in terms of quantity and quality. With this information, San Bruno will be better able to develop recharge projects, including low impact development techniques, guide future land use and water use decisions, model flow and analyze groundwater conditions more reliably and address nitrate and other water quality concerns in the basin.

Results from the study will be used to update the Westside Basin Groundwater Flow model, a numerical model that can be utilized to improve management of the groundwater system. The model requires consistent updating to incorporate new groundwater and climatic data. The City of Daly City will be leading the model updates.

2014-15 Fiscal Impact: This project will utilize funds from the AB303 grant of \$224,964 and a City match of \$15,000, funded by the Water Capital Fund, for public outreach effort. The study is expected to be completed by Fall 2015.

BART Closeout

The construction of the San Bruno BART Station, which was completed in 2004, involved underground tunneling, road realignment and paving, and construction of the station and parking structure. The closeout of this project, which includes accepting public infrastructure and delineating right-of-ways, is particularly difficult due to the project's location and the involvement of several agencies including the City, BART, and the Joint Powers Board (JPB).

The remaining issues include finalizing the Operations and Maintenance (O&M) Agreement with BART and the realignment of Huntington Avenue.

2014-15 Fiscal Impact: A carry forward appropriation of \$53,322 remains in the project and is sufficient for the current year work effort.

City Hall Landscaping Master Plan

Last year, the Civic Center Identity Project was completed with the repainting of City Hall. The appearance of City Hall now accentuates the poor condition of the turf and landscaped areas around City Hall. Currently, both sides of City Hall are landscaped with turf which requires regular irrigation. This turf is decades old, heavily thatched, and difficult to maintain given the poor quality of the soil. The irrigation system requires regular attention and is ineffective given the wind in the area which causes the irrigation system to overspray the planted area. This results in wasted water and calcification damage to the windows of City Hall. A landscape architect will be retained to develop a master plan for converting the landscaped areas of City Hall into drought tolerant and low water landscaping.

2014-15 Fiscal Impact: An appropriation of \$30,000 from the Capital Improvement/One-Time Initiative Fund is necessary to complete the City Hall Landscaping Master Plan.

Climate Action Plan

The City is in the process of creating its first Climate Action Plan (CAP), which outlines specific actions the City could take to reduce greenhouse gas emissions. The creation of the CAP implements Policy ECR-31 in the City's General Plan and represents local collaboration to help achieve the goals of AB 32, the California Global Warming Solutions Act of 2006.

A Public Review Draft of the CAP has been developed through a partnership including C/CAG and Local Governments for Sustainability (ICLEI). The CAP was developed using a computer model that quantifies reductions in emissions. The next steps of the process include public comment and City Council direction on the specific measures within the Plan, along with an environmental review.

2014-15 Fiscal Impact: A carry forward appropriation of \$14,772 remains in the project and is sufficient for the current year work effort.

Grand Boulevard Initiative Study

San Bruno was selected as one of the four cities to participate in the Grand Boulevard Initiative (GBI)'s Complete Streets Case Study project. The other three cities selected are South San Francisco, Daly City, and San Carlos. The GBI is a collaboration of 19 cities, counties, local and regional agencies working together to improve the performance, safety and aesthetics for all users (pedestrians, bicyclists, transit users, drivers of vehicles, etc. of all ages and abilities) of El Camino Real. To participate, local cash matching of \$11,000 is required. The City's local match does not obligate the City to implement the GBI case study design; however, it would enable the City to continue to work with Caltrans staff and other agency representatives to develop a design scheme for El Camino Real, and should the City decide to proceed, it will make the City eligible for final design funding and a portion of construction funding.

2014-15 Fiscal Impact: A carry forward appropriation of \$11,000 from Measure M remains in the project and is sufficient for the current year work effort.

Water Main Improvement and Replacement Program

PROJECT INFORMATION

Origination Year: 2005-06

Project Number: 84129 / 84150 / 84151 / 84152 /
84153

Projected Completion Date: On-going Program

Total Project Cost: \$ 24,203,500

Project Description:

This project replaces large segments of water mains on an annual basis. The particular pipeline segments scheduled for replacement are guided by the Water System Master Plan, which uses water leak reports, maintenance history, water flow adequacy analysis, and age of pipe to determine replacement project priorities.

Consistent with the 2011-12 Rate Study and the Water System Master Plan, future costs reflect the level of investment required to replace the City's water mains within 20 years. The 2012 Master Plan provides a list with relevant priority for rehabilitation or replacement due to age, condition, and capacity. The high-priority projects over the next five years will include pipelines in the neighborhoods in and around the San Bruno heart and the central portion of the City between Jenevein Avenue and San Bruno Avenue. These projects entail replacement of approximately 21,000 feet of large diameter and 55,000 feet of small diameter water main pipelines.

Projects within the next five years include replacement of water mains in the following areas: Spyglass/Merion Drive, Jenevein Avenue, San Mateo Avenue/San Antonio Avenue, Crystal Springs Avenue, Crestmoor Drive, San Antonio Avenue, and replacement of water mains in the eastern portion of the city south of I-380, also known as "the Avenues". Project locations are based on the priorities identified in the Water Master Plan (see project location map). Main replacements along Shelter Creek were originally identified as a Master Plan Priority 3 project. This project will be added to the five-year priority list based on an updated condition evaluation, the history of leaks, and the potential impact of a main break on nearby properties.

Master plans for sewer, water, and storm drain systems have been developed independently and prioritize improvement projects based on capacity and rehabilitation needs independent of other infrastructure systems. The most efficient way to construct the improvements would be to coordinate the different infrastructure priorities with bundled projects to minimize impacts to public and realize the economies of larger scale construction projects. A draft 10-year prioritized work plan was developed in June 2014 with a final plan to be complete by the end of 2014. The 10-year work plan coordinates the individual improvement projects identified in the separate utility master plans into sequenced, bundled construction projects.

A project funding increase request of \$1,775,000 for 2014-15 includes Master Plan priority projects scheduled for design and construction.

2013-14 Status:

Completed design and awarded construction contract in March 2014 to replace the Spyglass Drive and Merion Drive water mains. The City Council appropriated additional funding to the Spyglass and Merion Drive project, in the amount of \$41,000, for a total project appropriation of \$688,500, to provide sufficient funding for project management and inspection by city staff.

2014-15 Work Plan:

Complete construction to replace the Spyglass Drive and Merion Drive water mains. Construction completion estimated by November 2014. Begin design and award construction contracts for the following projects: Jenevein Avenue, San Mateo Avenue, Crystal Springs Avenue, Avenues 1-1, and Shelter Creek.

Project Appropriations:

Current Year Appropriations:

| Projects | Map Location (see Page 34) | Prior Approp. | Prior Expense | Carryover Approp. | 2014-15 Funding Request | 2014-15 Total Funds Available | Total Project Cost |
|---|----------------------------|----------------------|------------------|----------------------|-------------------------|-------------------------------|--------------------|
| Spyglass/Merion Dr. (84129-0004) | Location ① | 688,500 | (217,116) | 471,384 | 0 | 471,384 | 688,500 |
| Other Water Main Replacement (84129-0005) | n/a | 225,000 | (118,599) | 106,401 | 0 | 106,401 | 7,225,000 |
| Jenevein Ave (84150) | Location ③ | 0 | 0 | 0 | 222,500 | 222,500 | 890,000 |
| San Mateo Ave (84151) | Location ⑥ | 0 | 0 | 0 | 267,500 | 267,500 | 1,070,000 |
| Crystal Springs Ave (84152) | Location ④ | 0 | 0 | 0 | 557,500 | 557,500 | 2,230,000 |
| Crestwood Drive | Location ② | 0 | 0 | 0 | 0 | 0 | 1,010,000 |
| San Antonio Ave | Location ⑤ | 0 | 0 | 0 | 0 | 0 | 1,430,000 |
| Avenues No. 1-1 (84153) | Location ⑦ | 400,000 ^a | 0 | 400,000 ^a | 577,500 | 977,500 | 2,710,000 |
| Avenues No. 1-2 | Location ⑦ | 0 | 0 | 0 | 0 | 0 | 2,750,000 |
| Avenues No. 1-3 | Location ⑦ | 0 | 0 | 0 | 0 | 0 | 4,020,000 |
| Avenues No. 2-1 | Location ⑧ | 0 | 0 | 0 | 0 | 0 | 180,000 |
| Shelter Creek | Location ⑨ | 0 | 0 | 0 | 150,000 | 150,000 | 150,000 |
| Total Water Capital Funding | | 1,313,500 | (335,715) | 977,785 | 1,775,000 | 2,752,785 | 24,353,500 |

Five-Year Work Program Appropriations:

| Projects | Map Location (see Page 34) | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total Request |
|---|----------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Spyglass/Merion Dr. (84129-0004) | Location ① | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Water Main Replacement (84129-0005) | n/a | 0 | 0 | 1,000,000 | 3,000,000 | 3,000,000 | 7,000,000 |
| Jenevein Ave (84150) | Location ③ | 222,500 | 667,500 | 0 | 0 | 0 | 890,000 |
| San Mateo Ave (84151) | Location ⑥ | 267,500 | 802,500 | 0 | 0 | 0 | 1,070,000 |
| Crystal Springs Ave (84152) | Location ④ | 557,500 | 1,672,500 | 0 | 0 | 0 | 2,230,000 |
| Crestwood Drive | Location ② | 0 | 252,500 | 757,500 | 0 | 0 | 1,010,000 |
| San Antonio Ave | Location ⑤ | 0 | 0 | 357,500 | 1,072,500 | 0 | 1,430,000 |
| Avenues No. 1-1 (84153) | Location ⑦ | 577,500 | 1,732,500 | 0 | 0 | 0 | 2,310,000 |
| Avenues No. 1-2 | Location ⑦ | 0 | 687,500 | 2,062,500 | 0 | 0 | 2,750,000 |
| Avenues No. 1-3 | Location ⑦ | 0 | 0 | 1,005,000 | 3,015,000 | 0 | 4,020,000 |
| Avenues No. 2-1 | Location ⑧ | 0 | 0 | 45,000 | 135,000 | 0 | 180,000 |
| Shelter Creek | Location ⑨ | 150,000 | 0 | 0 | 0 | 0 | 150,000 |
| Total Water Capital Funding | | 1,775,000 | 5,815,000 | 5,227,500 | 7,222,500 | 3,000,000 | 23,040,000 |

^a Under the 2013-14 Capital Improvement Program Budget, \$500,000 was requested for Other Main Replacement, of which \$400,000 was intended for water main pipelines replacement upon completion of the Water Master Plan. In 2014-15, the Master Plan identifies the pipelines with high priorities for replacement. Therefore, the appropriation of \$400,000 is now transferred out from Other Main Replacements and shown as carryover under Avenues No. 1-1.

Stormwater Infrastructure Improvement Program

PROJECT INFORMATION

Origination Year: 2014-15

Project Number: Unassigned

Projected Completion Date: Unidentified

Total Project Cost: \$ 20,320,000

Project Description:

This project replaces segments of stormwater pipes, catch basins, collection boxes, detention basins, culverts and other stormwater assets needing rehabilitation. Smaller spot repairs that are complex enough to require the expertise of civil engineering in the repair are also in this project. Rehabilitation projects are identified by incidents of flooding, maintenance history, video inspection, and flow adequacy identified in the Stormwater Master Plan.

The Stormwater Master Plan identified Priority 1 and Priority 2 Storm Drain Collection System projects. The Master Plan also identified planned San Mateo County Flood Control District (SMCFCD) Pump Station and Tide Gate Improvement projects to be funded by the County.

Total Cost of Priority 1 Collection System projects is \$12,860,000.

Belle Air Box: North Side of Pine Street (\$5M); Pipeline Improvement: 7th and Angus Avenues adjacent to pump station (\$1.96M); Bolt Manholes and Install Catch Basin Backflow Preventers in the vicinity of San Mateo, Huntington, Angus and Kains Avenues (\$0.15M); Pipeline Improvement: San Bruno Avenue East (\$1.9M); Detention Basin at Crestmoor Canyon (\$2.8M); Compliance with Municipal Regional Permit-Long Term Trash Control Operation and Maintenance (\$1M).

Total Cost of Priority 2 Projects Collection System projects is \$7,460,000.

Pipeline Improvement: North of Jenevein Avenue and El Camino Real (\$2.24M); Pipeline Improvement: Jenevein Avenue between Hazel and Cypress Avenues (\$1.41M); Pipeline Improvement: El Camino Real at 380 undercrossing (\$0.82M); Pipeline Improvement: Whitman Way between Madison Avenue and Eastburn Court (\$1.38M); Pipeline Improvement: Huntington Avenue at Cupid Row (\$1.1M); Concrete Channel at City Park: South side of Crystal Springs Avenue (\$0.30M); Catch Basins at San Antonio Avenue (\$0.22M).

The City receives approximately \$600,000 annually from Stormwater National Pollutant Discharge Elimination System (NPDES) drainage fees applied against all parcels and collected with the property tax. The revenues are only enough to cover Stormwater's day-to-day operations. To accomplish the City's long-term goals as described in the Stormwater Master Plan, the City will need to develop a sustainable funding mechanism to complete Stormwater infrastructure improvement projects.

2013-14 Status:

New Project.

2014-15 Work Plan:

Due to the significant flooding that occurred along City Park Way during December 2014, the Master Plan's Priority 2 City Park project was given a higher priority by the City Council at the December 22, 2014 Budget Study Session. The current year work plan will include design and construction of a stormwater channel system through City Park to alleviate rainwater runoff along City Park Way. Staff will also develop a fiscal plan to address Stormwater infrastructure improvement and repair projects identified in the 2014 Stormwater Master Plan.

**Project Appropriations:
 Current Year Appropriations:**

| Projects | Prior Approp. | Prior Expense | Carryover Approp. | 2014-15 Funding Request | 2014-15 Total Funds Available | Total Project Cost |
|----------------------------------|---------------|---------------|-------------------|-------------------------|-------------------------------|--------------------|
| Stormwater Master Plan Projects | 0 | 0 | 0 | 0 | 0 | 20,020,000 |
| City Park Stormwater Improvement | 0 | 0 | 0 | 50,000 | 50,000 | 300,000 |
| Total | 0 | 0 | 0 | 50,000 | 50,000 | 20,320,000 |

Five-Year Work Program Appropriations:

| Funding Source | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total Request |
|---|---------------|----------------|----------|----------|----------|----------------|
| Stormwater Capital | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Improvement/One-Time Initiative | 50,000 | 250,000 | 0 | 0 | 0 | 300,000 |
| Total | 50,000 | 250,000 | 0 | 0 | 0 | 300,000 |

Sewer Main Improvement and Replacement Program

PROJECT INFORMATION

Origination Year: 2005-06

Project Number: 84322 / 84326 / 85704 / 84340 /
84341 / 84342 / 84343

Projected Completion Date: On-going Program

Total Project Cost: \$ 30,999,053

Project Description:

This project replaces substantial segments of sewer mains in need of rehabilitation, as well as smaller spot repairs that are complex enough to require the expertise of civil engineering in designing the repair. Rehabilitation projects are identified by the number of sanitary sewer overflow incidents, maintenance history, video inspection, and flow adequacy. The City Council adopted an updated Sewer System Master Plan in 2014 to identify system rehabilitation and replacement priorities and to guide the development of the City's capital work program.

The City's master planning documents have identified several areas for replacement or significant rehabilitation within the next five years. Future costs reflect the level of investment required for a 25-year replacement schedule for City sewer mains.

The sewer main behind Trenton Drive has been subject to sanitary sewer overflows in the recent past and is located on a hillside behind homes fronting Trenton Drive, which makes inspections and maintenance difficult. The City completed analysis of the alternatives for the replacement of the line including the feasibility of relocating the line. That analysis concluded that relocation of the line is not a viable option given slope and other geographic considerations. Engineering design for replacement of this line will be complete in 2014-15.

Projects within the next five years include replacement of sewer mains in the following areas: Trenton Drive, Jenevein Avenue, San Mateo Avenue/San Antonio Avenue, Crystal Springs Avenue, Crestmoor Canyon, Crestwood Drive, San Antonio Avenue, and rehabilitation of sewer mains in the eastern portion of the city south of I-380, also known as "the Avenues". Project locations are based on the priorities identified in the 2014 Sewer Master Plan (see attached project location maps).

Master plans for sewer, water, and storm drain systems have been developed independently and prioritize improvement projects based on capacity and rehabilitation needs independent of other infrastructure systems. The most efficient way to construct the improvements would be to coordinate the different infrastructure priorities with bundled projects to minimize impacts to public and realize the economies of larger scale construction projects. A draft 10-year prioritized work plan was developed in June 2014 with a final plan to be complete by the end of 2014. The 10-year work plan coordinates the individual improvement projects identified in the separate utility master plans into sequenced, bundled construction projects.

A project funding increase request of \$2,191,047 for 2014-15 includes Master Plan priority projects scheduled for design and construction, along with repair and replacement of critical sewer main pipe segments.

2013-14 Status:

Design and construction for pipe rehabilitation of the 250-foot section of sewer main was completed for Chestnut Sewer Rehabilitation Project. The feasibility analysis for relocating the sewer main on Trenton Drive was completed.

On May 27, 2014, the City Council authorized the use of \$374,000 from the Pipeline Repair Project 84322 and approved an additional funding of \$654,000 to support construction, inspection, testing, and project management costs for the 1st Avenue Sanitary Sewer Line Project. The total project appropriation of \$1,028,022 is shown as carryover under project number 84339.

2014-15 Work Plan:

Complete final engineering design and award construction contract for the Trenton Drive Sewer Replacement Project. Begin design and award construction contracts for projects in the following locations: Jenevein Avenue, San Mateo Avenue, Crystal Springs Avenue, and Avenues Project 1-1. Also, as part of the completion of the Caltrain Grade Separation Project, sewer pipe repairs, replacement, and street repaving along 1st Avenue will occur by June 2015. Complete final engineering design and award construction contract to repair and replace critical sewer main pipe segments as identified during the citywide video condition assessment project.

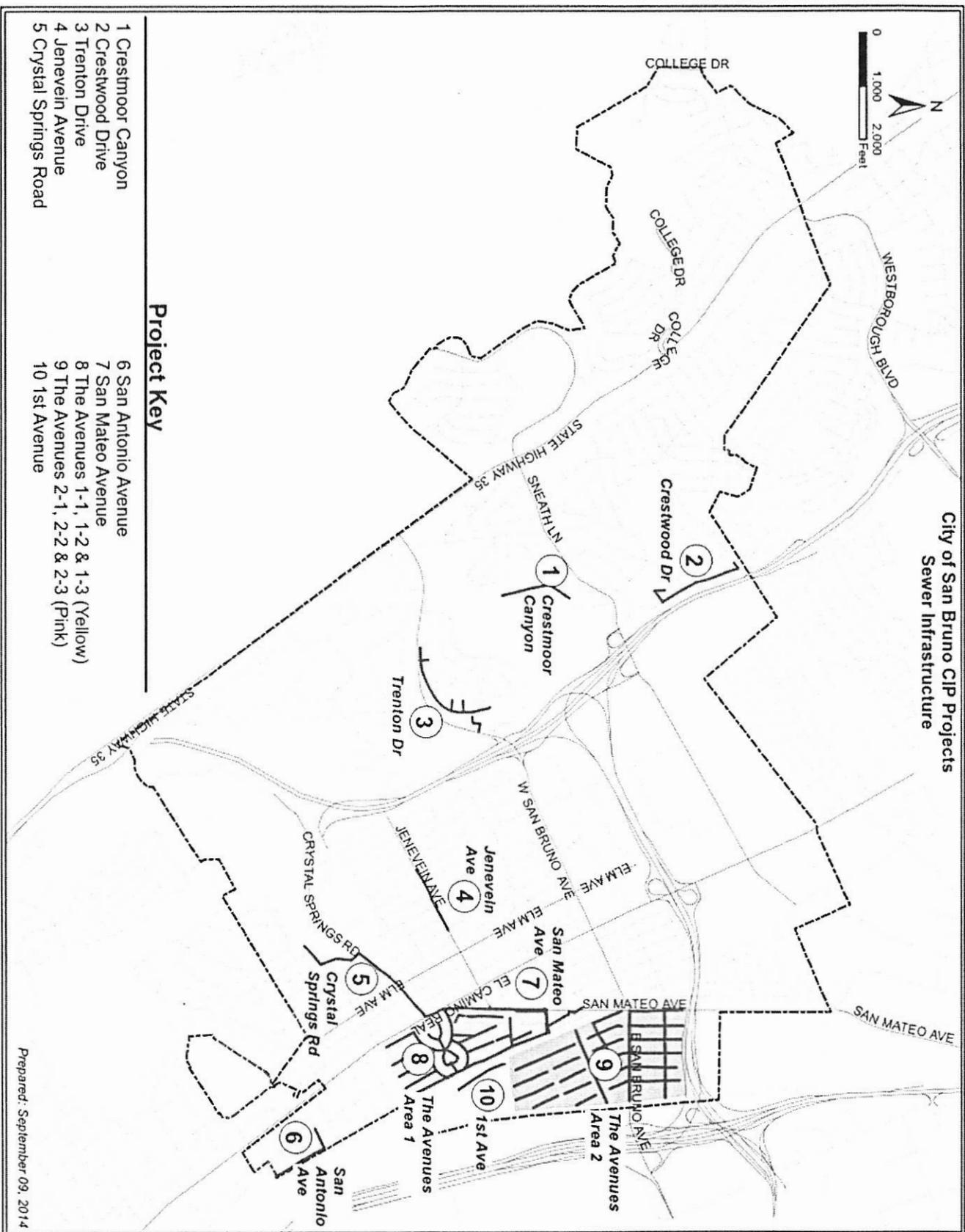
Project Appropriations:

Current Year Appropriations:

| Projects | Map Location (see Page 51) | Prior Approp. | Prior Expense | Carryover Approp. | 2014-15 Funding Request | 2014-15 Total Funds Available | Total Project Cost |
|---|----------------------------|------------------|------------------|-------------------|-------------------------|-------------------------------|--------------------|
| Trenton Drive (85704) | Location ③ | 1,315,000 | (177,345) | 1,137,655 | 0 | 1,137,655 | 1,315,000 |
| Pipeline Repair (84322) | | 552,484 | (526,031) | 26,453 | 473,547 | 500,000 | 3,026,031 |
| 1 st Ave Sanitary Sewer Line (84339) | Location ⑩ | 1,028,022 | 0 | 1,028,022 | 0 | 1,028,022 | 1,028,022 |
| Jenevein Ave (84340) | Location ④ | 0 | 0 | 0 | 215,000 | 215,000 | 860,000 |
| San Mateo Ave (84341) | Location ⑦ | 0 | 0 | 0 | 400,000 | 400,000 | 1,600,000 |
| Crystal Springs (84342) | Location ⑤ | 0 | 0 | 0 | 580,000 | 580,000 | 2,320,000 |
| Crestmoor Canyon | Location ① | 0 | 0 | 0 | 0 | 0 | 520,000 |
| Crestwood Drive | Location ② | 0 | 0 | 0 | 0 | 0 | 1,200,000 |
| San Antonio Ave | Location ⑥ | 0 | 0 | 0 | 0 | 0 | 900,000 |
| Avenues No. 1-1 (84343) | Location ⑧ | 0 | 0 | 0 | 522,500 | 522,500 | 2,090,000 |
| Avenues No. 1-2 | Location ⑧ | 0 | 0 | 0 | 0 | 0 | 3,470,000 |
| Avenues No. 1-3 | Location ⑧ | 0 | 0 | 0 | 0 | 0 | 2,930,000 |
| Avenues No. 2-1 | Location ⑨ | 0 | 0 | 0 | 0 | 0 | 2,510,000 |
| Avenues No. 2-2 | Location ⑨ | 0 | 0 | 0 | 0 | 0 | 3,570,000 |
| Avenues No. 2-3 | Location ⑨ | 0 | 0 | 0 | 0 | 0 | 3,660,000 |
| Total Wastewater Capital Funding | | 2,895,506 | (703,376) | 2,192,130 | 2,191,047 | 4,383,177 | 30,999,053 |

Five-Year Work Program Appropriations:

| Projects | Map Location (see Page 51) | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total Request |
|---|-----------------------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| Trenton Drive (85704) | Location ③ | 0 | 0 | 0 | 0 | 0 | 0 |
| Pipeline Repair (84322) | | 473,547 | 2,000,000 | 0 | 0 | 0 | 2,473,547 |
| 1 st Ave Sanitary Sewer Line (84339) | Location ⑩ | 0 | 0 | 0 | 0 | 0 | 0 |
| Jenevein Ave (84340) | Location ④ | 215,000 | 645,000 | 0 | 0 | 0 | 860,000 |
| San Mateo Ave (84341) | Location ⑦ | 400,000 | 1,200,000 | 0 | 0 | 0 | 1,600,000 |
| Crystal Springs (84342) | Location ⑤ | 580,000 | 1,740,000 | 0 | 0 | 0 | 2,320,000 |
| Crestmoor Canyon | Location ① | 0 | 130,000 | 390,000 | 0 | 0 | 520,000 |
| Crestwood Drive | Location ② | 0 | 300,000 | 900,000 | 0 | 0 | 1,200,000 |
| San Antonio Ave | Location ⑥ | 0 | 0 | 225,000 | 675,000 | 0 | 900,000 |
| Avenues No. 1-1 (84343) | Location ⑧ | 522,500 | 1,567,500 | 0 | 0 | 0 | 2,090,000 |
| Avenues No. 1-2 | Location ⑧ | 0 | 867,500 | 2,602,500 | 0 | 0 | 3,470,000 |
| Avenues No. 1-3 | Location ⑧ | 0 | 0 | 732,500 | 2,197,500 | 0 | 2,930,000 |
| Avenues No. 2-1 | Location ⑨ | 0 | 0 | 627,500 | 1,882,500 | 0 | 2,510,000 |
| Avenues No. 2-2 | Location ⑨ | 0 | 0 | 0 | 892,500 | 2,677,500 | 3,570,000 |
| Avenues No. 2-3 | Location ⑨ | 0 | 0 | 0 | 915,000 | 2,745,000 | 3,660,000 |
| Total Wastewater Capital Funding | | 2,191,047 | 8,450,000 | 5,477,500 | 6,562,500 | 5,422,500 | 28,103,547 |





STAFF REPORT

CITY OF SAN BRUNO

DATE: January 27, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Tami Yuki, Assistant City Manager
Eric Jackson, Information Technology Manager

SUBJECT: Adopt Resolution Authorizing the City Manager to Execute a Contract in the Amount of \$70,135 with Civica Software to Provide City Website Redesign and Hosting Services

BACKGROUND:

The City of San Bruno's official website, www.sanbruno.ca.gov was last updated in 2008. Since that time, websites have transitioned from being an information portal to a critical customer service tool that enables residents, businesses, and visitors to access services and conduct business. The City Council and staff have identified the redesign and refresh of the City's website as a priority for operational efficiency and effectiveness. This website redesign project was included in the 2014-19 Capital Improvement Program Budget. The project included input from City employees across all departments, and a Website Committee was formed to identify critical features and services to include on the City website, and to create a comprehensive request for proposals (RFP). After careful analysis of proposals from responsive vendors, Civica Software was selected as the service provider for redesign of the City's website and for website hosting services.

DISCUSSION:

This project would upgrade the City's website to make it easier to navigate and enable website visitors the flexibility to conduct a greater amount of City business from the City's website. The updated website will better meet the requirements of the Americans with Disability Act, improve website functionality by use of 'responsive design' to adjust automatically when viewed by mobile devices or different web browsers, provide Search Engine Optimization (SEO) within the site to easily access information, and allow social media integration. Additionally, the updated website will enhance the City's public service offerings by expanding e-commerce capabilities, providing improved media support for images, audio, and video, and allowing fillable online forms. The project will include comprehensive support to maintain the website, including configuration, technical support, and ongoing maintenance to ensure web services and programs function securely and efficiently. The evolution of technology and customer's needs are

requiring that the City's website becomes more of a business and service center than an information center.

This website redesign will also include the redesign and integration of the San Bruno Cable TV website, www.sanbrunocable.com, the Community Development website, www.planbruno.org, and the San Bruno Water Division website, www.sanbrunowater.ca.gov.

The RFP generated nine responses and the City's Website Committee reviewed each response and ranked the elements of each vendor using a scoring matrix. The Committee identified three vendors that best demonstrated their ability to provide the City with the website envisioned. The three vendors were invited to present and demonstrate their vision and products to City Department Directors and Committee members.

The Committee determined that Civica Software was the best fit for the City of San Bruno's needs. Civica Software has assisted other municipalities with their websites' redesign which have been recognized with several national awards. Civica Software has assisted with creating websites that provide the services and features for the community and visitors with operational capability and transparency.

Civica Software is a leader in building websites since 1997 and is credited with over 125 public sector agency clients. Civica stood out from the competition due to the wide range of clients' website designs and creative features. Civica's client websites are 'unique' and tailored to the organization's needs. Civica's web content management tools which is used to maintain and edit websites appeared to be easier to use and more intuitive than the other vendors. Also Civica's citizen engagement features such as citizen requests and tracking, email lists, calendar features, and emergency notification was much easier to activate, manage, and use.

Civica's customizable citizen portals ('MySB') and dashboards were much more intuitive and easier for visitors to manage. This feature may be more attractive for visitors, in addition to not requiring maintenance or administration by the City. The 'MySB' portal will allow visitors to manage their notifications, set favorite pages, customize the "charm bar," and to follow their favorite news and calendar feeds throughout the site.

In addition, Civica Software's platform will allow for future e-government, e-commerce, mobile, and other internal initiatives the City may wish to implement.

The list below includes a few current clients of Civica:

| | |
|---------------------------|---|
| City of Lakewood, CA | http://www.lakewoodcity.org/ |
| City of Palo Alto, CA | http://www.cityofpaloalto.org/ |
| City of Thousand Oaks, CA | http://www.toaks.org/ |
| City of San Barbara, CA | http://www.santabarbaraca.gov/ |

An online survey will be added to the City's existing website to engage visitors in the feedback of requested features and services. Shortly thereafter, a comprehensive analysis will be completed of website requirements, layout and design features, survey data, and staff objectives. The project is estimated to take approximately 24 weeks from kickoff early February to launch in August 2015.

FISCAL IMPACT:

The 2014-19 Capital Improvement Program Budget includes \$90,000 to cover the cost of the City website redesign and hosting services project.

The cost of the annual maintenance of \$16,560 will be allocated to all departments based on a formula consistent with the internal service allocation for the Technology Fund. The first year's annual maintenance is included in the \$70,135 contract amount.

ALTERNATIVES:

1. Do not authorize the City Manager to Execute a Contract with Civica Software to Provide City Website Redesign and Hosting Services in the Amount of \$ 70,135.
2. Direct staff to re-issue Requests for Proposal (RFP) and evaluate responsive vendors.
3. Direct staff to proceed with further analysis.

RECOMMENDATION:

Adopt Resolution Authorizing the City Manager to Execute a Contract in the Amount of \$70,135 with Civica Software to Provide City Website Redesign and Hosting Services.

ATTACHMENTS:

1. Resolution
2. 2014-19 Capital Improvement Program – City Website Upgrade Project

DATE PREPARED:

January 23, 2015

REVIEWED BY:

_____CM

RESOLUTION NO. 2015-

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT IN THE AMOUNT OF \$70,135 WITH CIVICA SOFTWARE TO PROVIDE CITY WEBSITE REDESIGN AND HOSTING SERVICES

WHEREAS, the City of San Bruno's official website, www.sanbruno.ca.gov was last updated in 2008; and

WHEREAS, since that time, websites have transitioned from being an information portal to a critical customer service tool that enables residents, businesses, and visitors to access services and conduct business; and

WHEREAS, the City Council and staff have identified the redesign and refresh of the City's website as a priority for operational efficiency and effectiveness; and

WHEREAS, this website redesign project was included in the 2014-19 Capital Improvement Program Budget to cover the cost of \$90,000 for the City website redesign and hosting services project; and

WHEREAS, The project included input from City employees across all departments, and a Website Committee was formed to identify critical features and services to include on the City website, and to create a comprehensive request for proposals (RFP); and

WHEREAS, after careful analysis of proposals from responsive vendors, Civica Software was selected as the service provider for redesign of the City's website and for website hosting services; and

WHEREAS, Civica Software possesses the skill, experience, ability, background, certification and knowledge to provide the services described in the website contract; and

WHEREAS, Civica Software has affirmed its willingness and ability to perform such work; and

NOW, THEREFORE, BE IT RESOLVED that the City Council authorizes the City Manager to Execute a Contract in the Amount of \$70,135 with Civica Software to Provide City Website Redesign and Hosting Services.

Dated: January 27, 2015

ATTEST:

Carol Bonner, City Clerk

I Carol Bonner, City Clerk, do hereby certify that foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of San Bruno on this 27th day of January 2015 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

City Website Upgrade Project

PROJECT INFORMATION

Origination Year: 2013-14

Project Number: 81003

Projected Completion Date: Ongoing Program

Total Project Cost: \$90,000

Project Description:

This project upgrades the City's official website, www.sanbruno.ca.gov.

The current City website was last updated in 2008. Since that time, websites have transitioned from an information portal to a critical customer service tool that enables residents, businesses, and visitors to access City services and conduct business.

This project will upgrade the City's website to make it easier to navigate and enable website visitors to conduct a greater amount of City business electronically. The updated website will meet the requirements of the Americans with Disability Act, improve website functionality when viewed by mobile device, provide Search Engine Optimization (SEO) within the site to easily access information, and allow social media integration. Additionally, the updated website will enhance our public service offerings by expanding our e-commerce capabilities, providing improved media support for images, audio, and video, and will allow fillable online forms. The proposed website update will also create a secure Intranet which will increase efficiency by providing a conduit for communication and information sharing between City employees 24/7. The project will include comprehensive support to host and maintain the website, including configuration, technical support, staff training, and ongoing maintenance to ensure web services and programs function securely and efficiently. The evolution of technology mandates that our website becomes more of a business center than an information center.

2013-14 Status:

Pending.

2014-15 Work Plan:

Complete research and needs assessment to discuss and formulate comprehensive requirements for request for proposal. Engage a qualified website development firm to evaluate, recommend, and re-design the website expanding its usefulness. Obtain feedback and suggestions from City Department web representatives concurrently with assessing needs and developing website. Website launch is anticipated by end of 2014 or first quarter of 2015.

**Project Appropriations:
 Current Year Appropriations:**

| Funding Source | Prior Approp. | Prior Expense | Carryover Approp. | 2014-15 Funding Request | 2014-15 Total Funds Available | Total Project Cost |
|-----------------------|--------------------------|--------------------------|------------------------------|--|--|-----------------------------------|
| Technology Fund | 50,000 | 0 | 50,000 | 0 | 50,000 | 50,000 |
| Technology Fee | 20,000 | 0 | 20,000 | 0 | 20,000 | 20,000 |
| Crestmoor Trust Fund | 20,000 | 0 | 20,000 | 0 | 20,000 | 20,000 |
| Total | 90,000 | 0 | 90,000 | 0 | 90,000 | 90,000 |

Five-Year Work Program Appropriations:

| Funding Source | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total Request |
|-----------------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| None | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 |



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: January 27, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Ray Razavi, Interim Public Services Director
Jimmy Tan, Deputy Public Services Director/City Engineer

SUBJECT: Adopt Resolution Authorizing the City Manager to Execute a Contract with The EDCCO Group, Inc. for Implementation of the SCADA Radio Transmitter Project in an Amount Not to Exceed \$184,791

BACKGROUND:

In 2007, the City implemented the Supervisory Control and Data Acquisition (SCADA) system for both water and wastewater facilities. The SCADA system is an integral water and wastewater system management component as it provides staff with real time information and accurate data to assess the facilities function 365 days a year. SCADA provides operations staff the ability to remotely monitor and control the facilities without having to be on-site to monitor the system. The SCADA system allows City staff to remotely control and manage tank levels, water system pressures, alarm conditions, wet-well levels and pump operations at pumping facilities.

Currently, the City has two sources of data communication transmission for the water and wastewater SCADA systems which provide redundant capability to assure uninterrupted data transmission service. The San Bruno Cable broadband network is the primary means of data transmission and will remain in this capacity. Secondary backup data communication and transmission service is currently provided through a dial up modem telephone systems.

This project will be replacing the current dial up modem telephone system with a radio transmission network. The current dial up telephone modem system has experienced repeated down times and been non-operational at several locations. Once the project is implemented, the radio transmission will become the City's backup communication system to the Cable TV broadband network to maintain reliable and uninterrupted utility services. Although the Cable TV broadband network is stable and reliable, redundancy for the communication system is essential to provide a backup for infrequent situations of possible outages at the facilities.

The radio transmission network is the industry standard for SCADA systems to achieve minimal downtime after severe weather, power failures, and accidental cuts in utilities. The SCADA radio technology relies on limited above ground infrastructure which is experiences limited vulnerability during an earthquake compared to the many above and below ground transmission lines of the current telephone system.

As part of the project, antiquated older SCADA components will be updated to allow for radio communications. Several of the facilities are equipped with older Programmable Logic Controllers (PLCs) that only have two serial communication ports. New PLCs will need to be installed to allow for connection to radio equipment along with radio antennas.

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DISCUSSION:

The City issued a Request for Proposal (RFP) for the integration of the SCADA Radio Transmitter Project and received two proposals. Staff received a limited number of proposals due to the specialized type of work for this project. Staff evaluated the consultant's qualifications and the scope of work to determine whether it met the City's requirements. One consultant had limitation with their product and couldn't provide remote internet protocol based communication software which was required for the project. Based on the evaluation, staff is recommending The EDCCO Group, Inc. to provide the implementation for the SCADA Radio Transmitter Project.

The EDCCO Group, Inc. is a qualified firm that specializes in SCADA and has extensive experience with the City through their previous work in implementing the City's water and wastewater SCADA system. The EDCCO Group, Inc. has also provided other City agencies such as Redwood City and San Carlos within the Peninsula with similar integration work.

A total of seventeen (17) water and five (5) sewer facility sites will be integrated with the new radio communication system. The scope of work for the project includes providing new PLC to replace antiquated units, touch panels, SCADA radios and antennas, performing radio survey, applying for FCC license, developing testing plans and providing electrical design.

Upon completion of the SCADA Radio Transmitter Project, the City will have a reliable network backup that is capable of transmitting communication without failure. Staff anticipates the integration to be completed by July 2015.

As part of this radio integration work, staff will also obtain bids for an electrical contractor to assist with the installation of conduits, antenna, antenna mast, and antenna cable. Staff anticipates the electrical contract to be awarded in May 2015.

FISCAL IMPACT:

There are sufficient funds for this contract within the approved 2014-2015 Capital Improvement Program Budget for the "SCADA Radio Transmitter" project. In addition to the contract approval, staff is recommending modification of project funding sources. Original project funding was provided entirely from the Water Enterprise Fund. To more accurately account for SCADA integration at both Water and Wastewater facilities, staff recommends an appropriation of \$65,000 in Wastewater Capital funds and reducing the Water Capital portion by \$65,000 with no change to the overall project budget. This change in fund allocation is included in the 2014-15 CIP.

ALTERNATIVES:

1. Do not authorize award of this contract and defer the project.
2. Request staff to issue new request for proposals.

RECOMMENDATION:

Adopt resolution authorizing the City Manager to execute a contract with The EDCCO Group, Inc. for Implementation of the SCADA Radio Transmitter Project in an amount not to exceed \$184,791.

ATTACHMENTS:

1. Resolution
2. 2014-15 CIP Budget Sheet

RESOLUTION NO. 2015 - ____

ADOPT RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE EDCCO GROUP, INC. FOR IMPLEMENTATION OF THE SCADA RADIO TRANSMITTER PROJECT IN AN AMOUNT NOT TO EXCEED \$184,791

WHEREAS, the Supervisory Control and Data Acquisition (SCADA) Radio Transmitter Project will provide a radio transmission network for the SCADA system that monitors and controls the City's water and wastewater facilities; and

WHEREAS, the radio transmission network is the industry standard for SCADA systems to achieve minimal downtime after severe weather, power failures, and accidental cuts in utilities; and

WHEREAS, the current two source of communications for the water and wastewater facilities are cable and telephone systems; and

WHEREAS, the City is discontinuing the telephone communication system for SCADA systems which has experienced repeated down times and been non-operational at several locations and a reliable secondary source of data transmission is required; and

WHEREAS, the Cable TV broadband network is and reliable, a redundant communication system is required to provide a backup for infrequent situations of possible outages at the facilities;

WHEREAS, the City has solicited requests for proposal for the implementations of the SCADA Radio Transmitter Project and received two proposals;

WHEREAS, The EDCCO Group, Inc. was determined to be the most qualified firm that specializes in SCADA and has experience with the City's SCADA system; and

WHEREAS, the scope of work for the project includes providing new PLC to replace antiquated units, touch panels, SCADA radios and antennas, performing radio survey, applying for FCC license, developing testing plans and providing electrical design; and

WHEREAS, the completion of the project will provide the City with a reliable communication network that is capable of transmitting communication without failure; and

WHEREAS, the SCADA Radio Transmitter Project is an established Capital Improvement Project funded through Water and Wastewater Enterprise funds.

NOW, THEREFORE, BE IT RESOLVED that the San Bruno City Council hereby authorizes the City Manager to execute a contract with The EDCCO Group, Inc. for implementation of the SCADA Radio Transmitter Project in an amount not to exceed \$184,791.

Dated: January 27, 2015

ATTEST:

Carol Bonner, City Clerk

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I, Carol Bonner, City Clerk, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of San Bruno this 27th day of January 2015 by the following vote:

| | | |
|---------|-----------------|-------|
| AYES: | Councilmembers: | _____ |
| NOES: | Councilmembers | _____ |
| ABSENT: | Councilmembers: | _____ |

SCADA Radio Transmitter Installation

| <u>PROJECT INFORMATION</u> | |
|--------------------------------------|-----------------------|
| Origination Year: 2013-14 | Project Number: 84102 |
| Projected Completion Date: June 2015 | |
| Total Project Cost: \$375,000 | |

Project Description:

This project provides radio transmission for the supervisory control and data acquisition (SCADA) system that monitors and controls the City's water supply and distribution systems. Currently, computer controls and other equipment are installed at each water pump station, tank, and well to monitor and control movement of water through the City. The primary means of data transmission is, and will continue, through the Cable TV broadband network. Radio transmission will become the City's backup communication system, replacing the current dial up modem telephone system. The phone system has experienced repeated down times and has been non-operational at several locations, with transmission failure rates averaging about 5 per month.

San Bruno is fortunate to have access to high-speed municipal, fiber-optic cable service. It is also important the City have in place a backup communication system to maintain reliable and uninterrupted utility services. SCADA radio technology relies on limited above ground infrastructure which is less vulnerable during an earthquake compared to the many above and below ground transmission lines of the current telephone system. This technology will also limit water delivery interruptions to other parts of the City if there is damage to telephone communication or electrical systems in a large service area as occurred during the Glenview Fire. As part of this project, wastewater pump stations will also be connected to the SCADA radio communication system.

2013-14 Status:

Finalized project scope to address compatibility and integration of radio transmission technologies with existing SCADA monitoring system.

2014-15 Work Plan:

Install radio transmission equipment to water and wastewater facilities with estimated completion in June 2015.

Project Appropriations:

Current Year Appropriations:

| Funding Source | Prior Approp. | Prior Expense | Carryover Approp. | 2014-15 Funding Request | 2014-15 Total Funds Available | Total Project Cost |
|--------------------|------------------|------------------|----------------------|-------------------------------|--|--------------------------|
| Water Capital | 375,000 | (7,894) | 302,106 | 0 | 302,106 | 310,000 |
| Wastewater Capital | 0 | 0 | 0 | 65,000 | 65,000 | 65,000 |
| Total | 375,000 | (7,894) | 302,106 | 65,000 | 367,106 | 375,000 |

Five-Year Work Program Appropriations:

| Funding Source | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total Request |
|--------------------|----------|----------|----------|----------|----------|------------------|
| Water Capital | 0 | 0 | 0 | 0 | 0 | 0 |
| Wastewater Capital | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 |



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: January 27, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Jimmy Tan, Deputy Public Services Director/City Engineer

SUBJECT: Adopt Resolution Authorizing the City Manager to Execute a Contract with Moffatt & Nichol to Provide Technical Assistance for the FEMA San Francisco Bay Coastal Study in the Amount of \$20,720 and Appropriating Funds in this Amount from the Stormwater Fund to the Stormwater Program Operating Budget

BACKGROUND:

The Federal Emergency Management Agency (FEMA) recently completed an engineering study of San Francisco Bay including detailed analyses of coastal hazards as part of the California Coastal Analysis and Mapping Project. The results of the study are summarized in the "Central San Francisco Bay Coastal Flood Hazard Study" prepared in July 2014 which will be used by FEMA to remap the elevation and inland extent of wave induced coastal flood hazards for San Francisco Bay communities including San Bruno. FEMA conducted the study as part of their nationwide Risk Mapping, Assessment, and Planning Program to determine revised Base Flood Elevation, the extent of the Special Flood Hazard Areas for coastal communities, and to update the Flood Insurance Study reports and Flood Insurance Rate Maps.

The topographic data used in the analysis were from 2010 and 2011 collected by United States Geological Survey and National Oceanic and Atmospheric Administration. Hydraulic modeling and engineering analysis were performed to generate wave models for San Francisco Bay to calculate the effects of wave action to predict the potential for Bay waters to inundate and flood nearby land areas.

FEMA provided information from this analysis to agencies that could be affected with only preliminary Flood Insurance Rate Maps for review and to seek comments. The results of the study identified potential flood hazard areas in San Bruno. The majority of the affected area is comprised of residential properties located on the west side of Highway 101 and south of Interstate 380. When the maps become effective, properties shown in the Flood Insurance Study and Rate Maps will be required to purchase flood insurance if the property has a federally regulated or insured lender.

The coastal study mapping timeline is as follows:

- February 2013: FEMA initiated the Coastal Analysis Study and Mapping Project
- April – September 2014: FEMA generated revised floodplain mapping

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- October 1, 2014: FEMA met with local agencies to discuss the new maps
- December 17, 2014: Deadline for initial commenting period on proposed mapping
- June 2015: FEMA to release Preliminary Flood Insurance Rate Maps
- October 2015 – January 2016: 90 day appeal period
- March 2016: Final map determination by FEMA
- September 2016: new Rate Maps effective

DISCUSSION:

Staff reviewed the preliminary Flood Insurance Rate Map generated by FEMA and developed a number of questions related to the results generated from the model for San Francisco Bay. The questions and comments were submitted to FEMA for response and clarification on January 15, 2015. (Although December 17, 2014 was the deadline for the initial commenting period, the City was granted an extension by FEMA to provide initial comments by January 15, 2015 and other subsequent comments by February 16, 2015.)

Based on staff's initial review of the FEMA materials, staff recommends that additional technical assistance will be needed to support the City's review of the FEMA study and to provide additional comments that address the impact of the preliminary Flood Insurance Rate Maps for San Bruno. Moffatt & Nichol (M&N), an engineering firm with broad technical qualifications related to hydrologic analysis is currently performing a Sea Level Rise Study for the County to assess impacts of sea level rise on the Colma and San Bruno Creeks Watersheds and is also contracted to review impacts to San Francisco International Airport (SFO) from the preliminary Flood Insurance maps. Based on the City's immediate need for technical assistance and on M&N's familiarity and expertise related to hydrologic conditions in the San Bruno vicinity, staff contacted the firm to request a proposal for initial technical assistance services.

The proposed scope of work for M&N includes the following:

- Communicating and coordinating with FEMA and their consultant AECOM to obtain technical documents and information that support the FEMA study pertinent to the City of San Bruno.
- Providing comments on the methodology used in the FEMA study that resulted in the floodplain area for the lower portion of the San Bruno Creek watershed.
- Commenting on the applicability of applying basic flood routing techniques.
- Preparing a technical memorandum summarizing the results of the review of FEMA's study.

Upon completion of the technical memorandum, staff will provide additional response to FEMA and determine whether and what additional resources will be needed to pursue an appeal during the appeal period of October 2015 through January 2016.

FISCAL IMPACT:

M&N has provided a proposal for the required initial services in the amount of \$20,720. The City was not aware of the FEMA study process or the potential for impacts to San Bruno at

the time the FY2014-15 Budgets were being prepared. As a result, there is no available funding that can be used to cover the cost of this contract. There is a balance of approximately \$100,000 in unappropriated funds in the Stormwater Fund. Staff recommends appropriation of an amount sufficient to cover the cost of the contract from the Stormwater fund to the Stormwater Program Operating Budget.

ALTERNATIVES:

1. Do not authorize award of this contract and direct staff to renegotiate the scope.
2. Provide alternative direction to staff.

RECOMMENDATION:

Adopt resolution authorizing the City Manager to execute a contract with Moffatt & Nichol to provide technical assistance for the FEMA San Francisco Bay Coastal Study in the amount of \$20,720 and appropriating funds in this amount from the Stormwater Fund to the Stormwater Program operating budget.

ATTACHMENTS:

1. Resolution
2. Proposed Preliminary flood Insurance Rate Map for San Bruno
3. Coastal Beat – Translating Coastal Flood Hazard Modeling Results into Floodplain Mapping Informational Publication

DISTRIBUTION:

None

DATE PREPARED:

January 22, 2015

REVIEWED BY:

_____ CM

RESOLUTION NO. 2015 - ____

**RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE
A CONTRACT WITH MOFFATT & NICHOL TO PROVIDE TECHNICAL ASSISTANCE IN
THE AMOUNT OF \$20,720 AND APPROPRIATING FUNDS IN THE AMOUNT FROM
THE STORMWATER FUND TO THE STORMWATER PROGRAM OPERATING BUDGET**

WHEREAS, the Federal Emergency Management Agency (FEMA) completed an engineering study of San Francisco Bay that included detail analyses of coastal hazards as part of the California Coastal Analysis and Mapping Project; and

WHEREAS, the study was part of FEMA nationwide Risk Mapping, Assessment, and Planning Program to determine revised Base Flood Elevation, the extent of the Special Flood Hazard Areas for coastal communities, and to update the Flood Insurance Study reports and Flood Insurance Rate Maps; and

WHEREAS, the evaluation was performed to generate the wave models of the San Francisco Bay to calculate and predict impacts of wave and tidal actions on adjacent and nearby land areas; and

WHEREAS, FEMA provided agencies that were affected with preliminary Flood Insurance Rate Maps for review; and

WHEREAS, the Rate Maps for San Bruno identified potential flood hazard areas affecting residential properties located on the west of Highway 101 and south of Highway 380; and

WHEREAS, when the maps becomes effective, properties shown on the Rate Maps will be required to purchase flood insurance if the property has a federally regulated or insured lender; and

WHEREAS, staff recommends that the City needs additional technical expertise to adequately complete review and comment on the FEMA study results; and

WHEREAS, Moffatt & Nichol has submitted a proposal to provide technical assistance in reviewing the FEMA study and additional comments that address the impact of the preliminary Rate Maps for San Bruno; and

WHEREAS, Moffatt & Nichol has the experience and qualifications as the firm is currently performing the Sea Level Rise Study and reviewing impacts to San Francisco International Airport; and

WHEREAS, funding is not currently programmed through the FY2014-15 Budgets to cover the cost of this contract.

NOW, THEREFORE, BE IT RESOLVED that the San Bruno City Council hereby authorizes the City Manager to execute a contract with Moffatt & Nichol to provide technical assistance for the FEMA San Francisco Bay Coastal Study in the amount of \$20,720

BE IT FURTHER RESOLVED, that funds in this amount be and are hereby appropriated from the Stormwater Fund to the Stormwater Program operating budget.

Dated: January 27, 2015

ATTEST:

Carol Bonner, City Clerk

I, Carol Bonner, City Clerk, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of San Bruno this 27th day of January 2015 by the following vote:

| | | |
|---------|-----------------|-------|
| AYES: | Councilmembers: | _____ |
| NOES: | Councilmembers | _____ |
| ABSENT: | Councilmembers: | _____ |



San Francisco Bay Area Coastal Hazard Study
San Mateo County

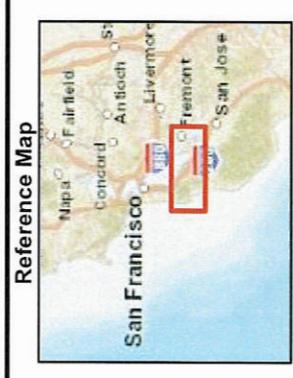
Coastal Hazard Analysis Transect Layout - B

Scale - 1:36,000 1 inch = 3,000 feet

0 0.125 0.25 0.5 0.75 1 Miles

N

October 2014



Legend

- Coastal Transects
- Major Highways and Roads
- Flood Zones**
 - 1 pct Annual Chance Flood Hazard
 - Floodway
 - SFHA
 - 0.2 pct Annual Chance Flood Hazard
 - Area with Reduced Flood Risk Due to Levee
 - D

Translating Coastal Flood Hazard Modeling Results into Floodplain Mapping

Krista Conner

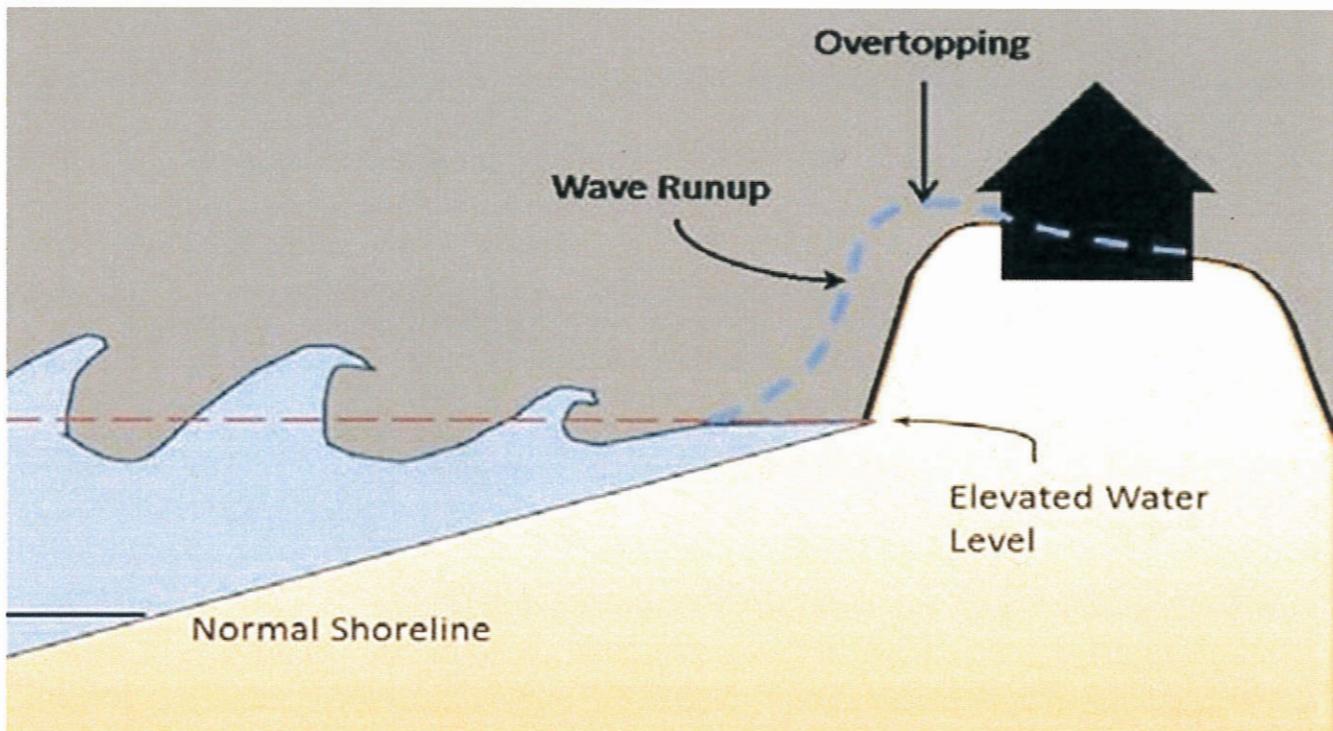
FEMA coastal flood hazard mapping under CCAMP follows guidelines set forth in FEMA's Final Draft Guidelines for Coastal Flood Hazard Analysis and Mapping for the Pacific Coast of the United States (2005). This article summarizes some of the important considerations that go into coastal floodplain mapping.

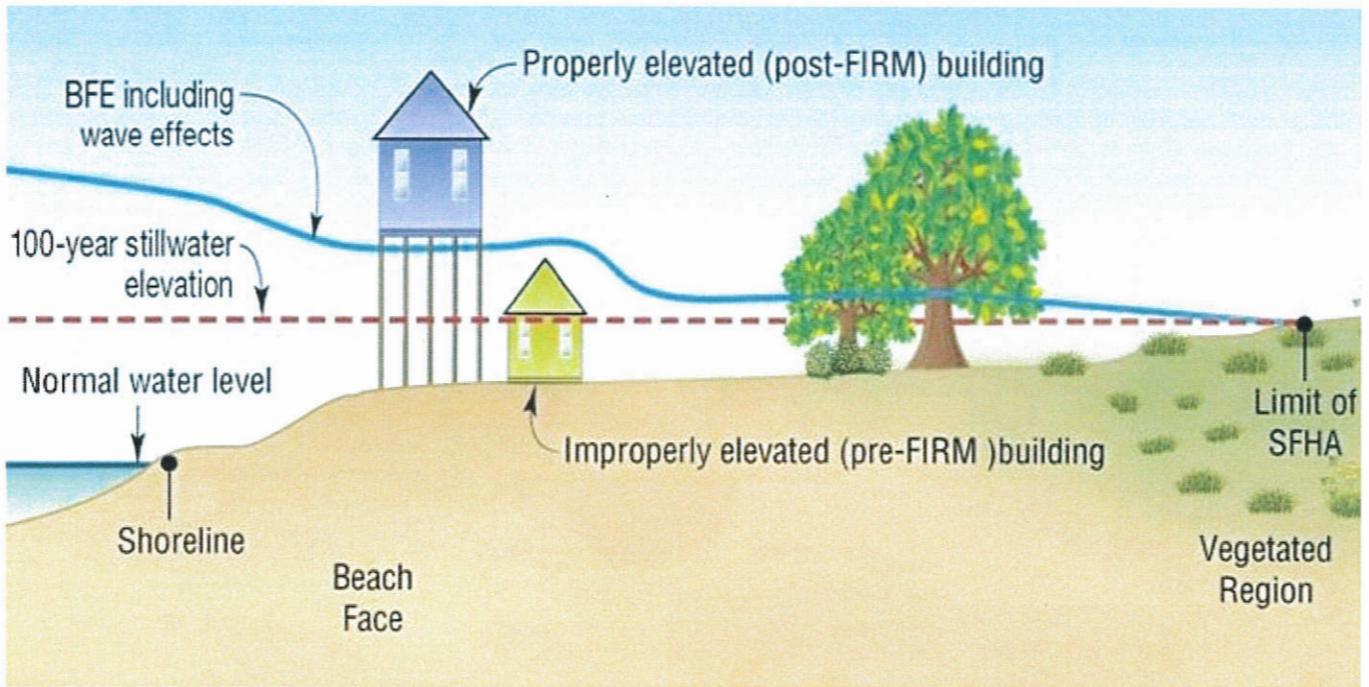
Coastal flood hazards often include both elevated water levels and storm-induced wave action. Elevated water levels can inundate low-lying areas and allow larger waves to reach beyond the shoreline. The primary wave hazards evaluated in a FEMA coastal flood hazard study are wave runup and overland wave propagation.

Wave runup is the dominant wave hazard along shorelines with steep terrain, including natural features such as coastal bluffs and dunes, and engineered structures such as revetments, levees and flood walls. Wave runup occurs when waves break against the shore and water rushes up

the steep shoreline. If the crest elevation of the feature or structure is relatively low, the wave runup can exceed the crest resulting in overtopping (see figure below). The primary characteristics of a study area that impact wave runup results are incident wave conditions, shoreline slope, and the crest elevation of the shoreline feature or structure.

Overland wave propagation occurs when elevated water levels, often referred to as the stillwater elevation (SWEL), inundate normally dry land and waves are able to propagate farther inland. Analysis of overland wave propagation evaluates how wave energy changes as the waves propagate inland and are attenuated by obstructions, such as vegetation and buildings, or augmented by wind energy over open water fetches, such as ponds or lagoons. The primary characteristics of a study area that impact overland wave propagation results are incident wave conditions, depth of inundation, and density of obstructions.





Once complete, the results of the coastal flood hazard assessment are translated into floodplain mapping that includes base flood elevations (BFEs) and flood zone hazard designations such as VE and AE Zones. VE Zones are coastal high hazard areas where wave action and/or high-velocity water can cause structural damage during the 1-percent-annual-chance flood. AE Zones are areas with less hazardous wave action and/or areas of inundation.

Reaches of shoreline where wave runup is the dominant wave hazard are mapped with shore-perpendicular flood zone break lines separating segments of shoreline with differing runup elevations. The zone break lines are located at changes in the slope of the ground and orientation of the shoreline. The BFE for a runup reach is the 1-percent-annual-chance wave runup elevation. The flood zone designation of Zone VE or Zone AE is based on the magnitude of wave runup above the stillwater level. A VE Zone is mapped for transects with runup heights greater than or equal to 3 feet; an AE Zone is mapped for transects with runup heights less than 3 feet. The floodplain is typically narrow with a single flood zone designation and BFE for each transect.

Overland wave propagation is typically mapped with zone break lines that are approximately shore parallel and that follow ground topography. The BFE in areas of overland wave propagation is the wave crest elevation, or in areas of inundation with minimal wave action, the BFE is based on the 1-percent-annual-chance stillwater

elevation. Zone VE is mapped for areas with wave heights greater than or equal to 3 feet; Zone AE is mapped for areas with wave heights less than 3 feet. The floodplain is typically broad with changes in zone designation and BFEs along the transect.

BFEs in coastal high hazard areas are shown as whole foot values on FEMA Flood Insurance Rate Maps. A single BFE is shown for each area bounded by the zone breaklines. Although the 1-percent-annual-chance water surface elevation can vary between 0.5 feet higher and 0.5 feet lower than the whole foot BFE with the bounded area, FEMA considers the whole foot value to be valid for enforcement of community floodplain management regulations and for flood insurance policy rating purposes.

The figure below is an example of overland wave propagation and wave runup mapping (from draft Marin County, San Francisco Bay Study).

