

"The City With a Heart"



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

## AGENDA SAN BRUNO CITY COUNCIL

February 26, 2013

7:00 p.m.

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

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](http://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.

Thank you **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 City Council Meeting of February 12, 2013 and Special City Council Meeting of February 20, 2013 and Special City Council and Planning Commission Meeting of February 20, 2013.
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 February 4 and 11, 2013.
  - b. **Approve:** Successor Agency Accounts Payable of February 11, 2013.
  - c. **Approve:** Payroll of February 10, 2013.
  - d. **Accept:** Reconciliation of General Ledger to Bank Reports and the Investment Reports Dated January 31, 2013.
  - e. **Adopt:** Resolution Authorizing the City Manager to Execute an Agreement for Shared Staffing Services Between the City of San Bruno, the City of Millbrae and the Central County Fire Departments.
  - f. **Adopt:** Resolution Accepting the Crestmoor (Glenview) Neighborhood Phase I Water System Improvements - Project No. 10002B as Complete and Authorizing Release of the Contract Retention Amount.

**8. PUBLIC HEARINGS:**

**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 agendized pursuant to State Law.

**10. CONDUCT OF BUSINESS:**

- a. Select a Development Team and Authorize the City Manager to Enter into an Exclusive Negotiating Rights Agreement and Commence Negotiations of a Disposition and Development Agreement for the Crossings Hotel.
- b. Provide Discussion and Direction to Adopt Resolution Supporting Federal and State Gun Violence Legislation, and to Identify Specific Local Measures to Reduce the Risk of Gun Violence.

**11. REPORT OF COMMISSIONS, BOARDS, & COMMITTEES:**

**12. COMMENTS FROM COUNCIL MEMBERS:**

**13. CLOSED SESSION:**

Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8  
Property: Parcel Nos. 019-041-010; 019-043-020; 019-024-230; 019-014-180; 019-023-250;  
019-043-460; 019-043-010; 019-041-030; 019-023-280; 019-014-150; 019-023-080.  
Agency Negotiator: City Manager  
Negotiating Parties: City of San Bruno and PG&E  
Under Negotiation: Price and Terms of Payment.

**14. ADJOURNMENT:**

The next regular City Council Meeting will be held on March 12, 2013 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.

**"The City With a Heart"**



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

**MINUTES  
SAN BRUNO CITY COUNCIL  
&  
SAN BRUNO SUCCESSOR AGENCY**

**February 12, 2013**

**7:00 p.m.**

**1. CALL TO ORDER: THIS IS TO CERTIFY THAT** the San Bruno City Council met on February 12, 2013 at the San Bruno Senior Center, 1555 Crystal Springs Rd., San Bruno, CA. The meeting was called to order at 7:00 p.m.

**2. ROLL CALL/PLEDGE OF ALLEGIANCE:** Presiding was Mayor/Chair Ruane, Vice Mayor/Vice Chair O'Connell, Council/Board Members Ibarra, Medina, and Salazar. **City Manager Jackson** led the Pledge of Allegiance. Recording by Clerk Bonner.

**3. ANNOUNCEMENTS:**

**Mayor Ruane** announced City Manager Jackson received the Wes McClure City Managers' Award of Distinction at the League of California Cities Annual Manager's Conference. He said in essence, this is basically the top City Manager in the State of California.

**Mayor Ruane** said thirty-one 5<sup>th</sup> Graders from Portola Elementary School were the grand prize winners in a national video competition which brought together science, nature, Halloween and just plain fun. The competition, themed "Dream Big in the Wild" was designed to generate student awareness and interest in wildlife conservation and recovery, as well as careers in wildlife and environmental sciences. They received an onsite "howling party" on Wednesday, February 6, 2013.

**Mayor Ruane** said the City of San Bruno and the San Bruno Fire Department would be having their CERT training starting February 27 through the end of March and into April. The information can be found on the City's website.

**4. PRESENTATIONS:**

**Mayor Ruane** Presented a Proclamation Recognizing Harold W, Brooks, American Red Cross Bay Area Chapter for his Service to the Residents of San Bruno, which was received by Madelyn Mackie who thanked the City of San Bruno.

**5. REVIEW OF AGENDA:** No changes.

**6. APPROVAL OF MINUTES:** Special Council Meetings of October 10 and 15, 2012 and Regular City Council Meeting of January 22, 2013 and Special Council Meeting of February 5, 2013, approved as submitted.

**7. CONSENT CALENDAR:**

a. **Approve:** Accounts Payable of January 22 and 28, 2013.

b. **Approve:** Successor Agency Accounts Payable of January 22 and 28, 2013.

c. **Approve:** Payroll of January 14, 2013.

d. **Adopt:** Adopt Resolution Authorizing the Purchase of Cable Television HD and HD/DVR Set-top Box Equipment in the Amount of \$78,550.00.

e. **Adopt:** Adopt Resolution Approving the Recognized Obligation Payment Schedule 2013-14A and Successor Agency Administrative Budget for the period of July 1, 2013 through December 31, 2013.

**M/S Medina/Ibarra** to approve the Consent Calendar and passed with all ayes.

## 8. PUBLIC HEARINGS:

a. Hold Public Hearing and Adopt Resolution Certifying the Final Environmental Impact Report for the San Bruno Transit Corridors Plan; Adopt Resolution Amending the General Plan to Ensure Consistency with the Transit Corridors Plan; Adopt Resolution Adopting the San Bruno Transit Corridors Plan; and Provide Direction Regarding Next Steps.

**Councilmembers Medina and Salazar** recused themselves from this item as they live in the Transit Corridor area. Note: At a previous Council meeting, it was determined three of the Council live in the area (Medina, Salazar and O'Connell) and straws were drawn and Vice Mayor O'Connell was picked to stay.

**City Manager Jackson** gave introductory remarks.

**Community Development Director Woltering** gave an overview of the Transit Corridors Plan.

**Housing and Redevelopment Manager Sullivan** gave a powerpoint presentation of the vision and how the vision was developed in terms of the community process for the Transit Corridors Plan.

**Associate Planner Russell** talked about the measures, implementation tools, planning tools and measures that this community can use to realize this vision.

**Housing and Redevelopment Manager Sullivan** talked about the benefits of the plan, what it will take for implementation, the specific actions before the City Council and next steps. He said full implementation of the Transit Corridor Plan requires revisions to the City's zoning ordinance and second it would require a citywide vote to amend Ordinance 1284.

**Mayor Ruane** asked if the amendment to Ordinance 1284 was just in the transit corridor area? **Sullivan** concurred.

**Councilmember Ibarra** asked if there was discussion about repealing Ordinance 1284? **Sullivan** said the discussion was to amend 1284 just with respect to the property within the transit corridor area.

**Mayor Ruane** opened the Public Hearing.

**Russell Stines, Reid Ave.** said if Ordinance 1284 is amended just for the corridor, it doesn't seem fair for residents it will impact; he said it should apply to the whole City. He asked if anyone has checked the impact on the price of existing homes in the area. He felt we should redo what we have and not build new. He asked if anyone on the City Council lives in this area?

**Vice Mayor O'Connell** responded to say two members of the Council were recused because they live in the area and she owned a rental in the area, but was able to vote because her name was drawn through a straw vote.

**Thomas Wells, Easton Ave.** addressed the building mass being a huge presence on the street. He suggested language to vary the plains of the building; if they step back the building below the required height, it would give the building the chance to project at a higher height. He also

encouraged language that enables the designer to make it look like there are separate buildings of reasonable size, separate parcels.

**Mayor Ruane** said anything that happens over the next few years needs to go through an intense planning process. **Councilmember Ibarra** said there have been a lot of changes over the last twenty to twenty-five years to respect adjacent residents and communities.

**Perry Peterson, Scenic Ct.** said at the Planning Commission when they voted to send the resolution to Council, there were two comments that needed to be included. One, as part of the plan, there should be a section called the resident protection program which would gather together all the elements of the plan that were designed to recognize the concerns of those living in the avenues. The second recommendation was to recognize that the format of the Transit Corridors Plan was going to be used by developers, the public and the council for many years. He said the recommendation was that the format be improved. He asked it be considered in the approval of any steps to go forward. He said it is a good document but it needs to be more readable. He said the document did not address Ordinance 1284.

**Robert Riechel, 7<sup>th</sup> Ave.** served on the Transit Corridor Plan and said there are many safeguards built in the plan before anything can change. He asked Council to vote on the resolutions.

**Serena Ip, Housing Leadership Council** urged Council to adopt the resolutions and expressed her support.

**Paula Bradley, 2<sup>nd</sup> Ave.** asked about the mixed use between 1<sup>st</sup> and 7<sup>th</sup> Ave. She said she thought it should stay at 3 stories for that portion of San Bruno Ave.

**Paul Ram, Easton Ave.** asked about the parking on the residential streets. He asked without eminent domain how would the new money come in to develop some of these projects?

**Mayor Ruane** asked were any studies done to address property values in and around the new development? **Sullivan** said the Environmental Impact Report analyzes environmental impacts and it looked at how new buildings and the development proposed in the Transit Corridor's area would affect properties on a physical level, but it did not look at the financial impact.

**City Manager Jackson** said there is a required review and analysis that will occur with any implementation of the plan.

**Mayor Ruane** asked about mixed used? **Sullivan** said she is right, residential is not planned in that area, it would be retail and office. **Russell** said this does not apply to the Reid area.

**Mayor Ruane** asked about the permit parking. **Russell** said there is an existing program within the community where permits are given to residents and guests.

**Russell Stines, Reid Ave.** asked Council think about the financial impact to the San Bruno residents.

**Catherine Dubon, 7<sup>th</sup> Ave.** said we purchased homes for our families because it is a town where there are parks and schools where the kids can ride their bikes without too many outside people that don't live in the City. Lots have struggled to live here. Bringing in businesses and offices, she didn't believe was the right thing.

**Sunil, Euclid Ave.** asked if the zoning would change? What impact will it have on the properties?

**Rob, Portola Way** asked if 1284 is revised, would it be very specific to that area? He asked if mixed housing is used, are they going to be condos?

**Mayor Ruane** said they are trying to make it attractive for people to come here. He said they wanted to make the City more livable going forward for the people of San Bruno.

**Sullivan** said no changes to the zoning area and Ordinance 1284 would apply only to the Transit Corridor Area.

**Councilmember Ibarra** asked about the revisions added by the Planning Commission? **Russell** said Commissioner Peterson described his vision of a resident protection plan. She said staff went back and pulled out elements of the plan that addressed that concern and that is included in Council's packet retitled mixed-use to residential transition measures. She said staff proposes that be integrated into the plan permanently, as a new Appendix A so the community would know this is a significant thing to be addressed with every project. She said the transition measure also discusses building design. Included are design guidelines specifically related to the transition and approved land uses as well as parking and transportation.

**M/S Ibarra/O'Connell** to close the Public Hearing.

**Vice Mayor O'Connell** said she was concerned someone could come in and purchase a lot and leave it vacant. What will be done to be sure these properties are maintained until the property is developed? Are there restrictions? **Sullivan** said the plan was written to be a market based plan so it would incentivize developers to develop projects. He said they are in the process of updating the City's zoning code. **Vice Mayor O'Connell** asked if there is anything that can be done to make sure we don't have an empty lot? **Sullivan** replied he would get back to her.

**Councilmember O'Connell** talked about the parking requirements changing. She asked if parking would be changed for businesses? **Russell** said the Transit Corridor Plan does recommend a reduction in parking and all land uses.

**Councilmember Ibarra** said we need to look forward and he was in favor of this plan. He said there needed to be major guidelines in the zoning codes so the residents are confident they will be protected.

**Councilmember O'Connell** asked if the resolutions could be strengthened?

**City Attorney Zafferano** said amendments to the zoning code would be a way to strengthen our existing ordinances.

**Vice Mayor O'Connell** introduced the resolution certifying the final environmental impact report for the San Bruno Transit Corridors Plan and passed with a unanimous vote.

**Vice Mayor O'Connell** introduced the resolution amending the general plan to ensure consistency with the Transit Corridors Plan and passed with a unanimous vote.

**Councilmember Ibarra** introduced the resolution adopting the San Bruno Transit Corridors Plan and passed with a unanimous vote.

**Mayor Ruane** said he felt it would be pushing it to try to get this on a summer ballot, he said he felt November would be better.

**Councilmember Ibarra** said he would be watching out for those individuals who had concerns, **Mayor Ruane** concurred.

**Mayor Ruane** called a five-minute break.

b. Hold Public Hearing and Adopt Resolution Approving Request for Citizen's Option for Public Safety Funds for FY 2012/13 in the Amount of \$100,000.

**Police Chief Telford** gave an overview of the staff report and asked for questions.

**Mayor Ruane** opened the Public Hearing.

**Robert Riechel, 7<sup>th</sup> Ave.** asked for a unanimous vote.

**M/S Medina/Ibarra** to close the Public Hearing.

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

#### 9. PUBLIC COMMENT ON ITEMS NOT ON AGENDA:

**Robert Riechel, 7<sup>th</sup> Ave.** asked people to join Relay for Life.

#### 10. CONDUCT OF BUSINESS:

a. Receive Quarterly Financial Update Report as of December 31, 2012 and Adopt Resolution Approving a Mid-Year Amendment to the 2012-13 General Fund, Enterprise Fund, Internal Service Fund, and Special Revenue Funds Operating Budget.

**Finance Director Juran** highlighted the important parts of the quarterly finances in a powerpoint presentation and asked for adoption of mid-year amendments to the 2012-13 General Fund, Enterprise Fund, Internal Service Fund, and Special Revenue Funds Operating Budget.

**Vice Mayor O'Connell** introduced the resolution for adoption and passed with a unanimous vote.

b. Adopt Resolution Authorizing the City Manager to Execute a Contract with Bear Data Systems in the amount of \$99,454.86 for the Technology Disaster Recovery Project.

**Information Technology Analyst Jackson** gave an overview of the staff report and asked for questions.

**Councilmember O'Connell** asked if this system has an estimated life span? **Jackson** said five to six years. **Councilmember O'Connell** asked about upgrades? **Jackson** said the components could be swapped out.

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

c. Adopt Resolution Authorizing the City Manager to Execute a Construction Contract with American Asphalt Repair and Resurfacing Co. for the Street Rehabilitation – Slurry Seal Project in the Amount of \$638,943 and a Total Construction Budget of \$804,943.

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

**Councilmember Ibarra** asked about the bid rejection back in August? **Tseng** said there was no clear reason why the response from the last bid was so low. The bid took place in late summer and the contractors were quite busy. Advertising in advance of everyone else gave them time to work on it.

**Councilmember Medina** asked about the blanks and if that is because the work on those streets was done prior to 1993 or we don't have the data? **Tseng** said we don't have the data to confirm there was work done prior to 1993.

**Councilmember Medina** said on San Bruno Ave. west side in 2007 there was an overlay. He said on the east side of San Bruno Ave., why isn't that being addressed? **Tseng** said on the east side of El Camino, staff has prepared a design grant and they would like to do the work there after the grade separation, which will be brought to the City Council subcommittee for discussion.

**Councilmember Medina** said he walked 4<sup>th</sup> Ave. and one gentlemen has to be happy as well as the residents. **Tseng** said staff utilized the City's payment management plan to find a draft list of streets that would utilize the use of funds for maintenance or repair work. It is used as a starting point, incorporating community concern and a log is kept.

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

**11. REPORT OF COMMISSIONS, BOARDS, & COMMITTEES:**

**12. COMMENTS FROM COUNCIL MEMBERS:**

**Councilmember Ibarra** said there is a crab feed fundraiser at St. Robert's at 5:30 on Saturday night for Anna Marie Jones' granddaughter.

**13. CLOSED SESSION:**

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

a. Conference with Labor Negotiators Pursuant to Gov't Code Section 54957.6:

Agency Designated Representatives: City Manager, Human Resources Director, Geoff Rothman, Negotiator, Charles Sakai, Outside Counsel Employee Organizations: Public Safety Mid-Management Bargaining Unit and San Bruno Police Bargaining Unit.

b. Conference with Legal Counsel: Existing Litigation Pursuant to Government Code Section 54956.9(a), one case. Name of Case: AT&T v. San Bruno, San Mateo County Superior Court Case 518268.

c. Liability Claim Pursuant to Government Code Section 54956.95: Claimant: AT&T; Agency Claimed Against: City of San Bruno

**14. ADJOURNMENT:**

**Mayor Ruane** closed the meeting at 9:25 in memory of Jim Kelly a very active member of San Bruno's Community as well as one of the founders of St. Robert's Church. Also in memory of two law enforcement officers who recently lost their lives in Southern California and some associated family members due to the police situation going on down there. The next regular City Council Meeting will be held on February 26, 2013 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  
February 26, 2013

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Carol Bonner, City Clerk

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Jim Ruane, Mayor

"The City With a Heart"



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Michael Salazar, Councilmember

## MINUTES – SPECIAL MEETING

### SAN BRUNO CITY COUNCIL

### CLOSED SESSION

February 20, 2013

6:30 p.m.

**1. CALL TO ORDER: THIS IS TO CERTIFY THAT** the San Bruno City Council met on February 20, 2013 at the San Bruno Senior Center, 1555 Crystal Springs Rd., San Bruno, CA. The meeting was called to order at 6:30 p.m. Presiding was Mayor Ruane, Vice Mayor O'Connell, Council Members Medina, and Salazar; Council Member Ibarra had a delayed arrival. Recording by Clerk Bonner.

**2. PUBLIC COMMENT ON ITEMS NOT ON AGENDA:** None.

**3. 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 Representatives: City Manager, Human Resources Director, Geoff Rothman, Negotiator

Employee Organizations: Public Safety Mid-Management Bargaining Unit and San Bruno Police Bargaining Unit.

**14. ADJOURNMENT:**

**Mayor Ruane** closed the meeting at 7:10. The next regular City Council Meeting will be held on February 26, 2013 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  
February 26, 2013

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Carol Bonner, City Clerk

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Jim Ruane, Mayor

"The City With a Heart"



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## MINUTES – SPECIAL MEETING

Amended 2/19/13

### SAN BRUNO CITY COUNCIL & PLANNING COMMISSION

#### STUDY SESSION

February 20, 2013

7:00 p.m.

**1. CALL TO ORDER: THIS IS TO CERTIFY THAT** the San Bruno City Council and the Planning Commission met on February 20, 2013 at the San Bruno Senior Center, 1555 Crystal Springs Rd., San Bruno, CA. The meeting was called to order at 7:15 p.m.

**2. ROLL CALL/PLEDGE OF ALLEGIANCE:** Presiding was Mayor Ruane, Vice Mayor O'Connell, Council Members Ibarra, Medina, and Salazar; Planning Commissioners Chase, Biasotti, Peterson, Johnson, Sammut, Mishra and Marshall. **Associate Planner Russell** led the Pledge of Allegiance. Recording by Clerk Bonner.

**3. PUBLIC COMMENT ON ITEMS NOT ON AGENDA:**

**Rose Urbach, Euclid Ave.** asked that tall buildings not be built in the Transit Corridor Area because of the danger of the close proximity to the airplanes. She also asked to receive an explanation of why two of the Council members have to be recused when discussions taken place regarding the Transit Corridor Area.

**4. CONDUCT OF BUSINESS:**

The City Council and the Planning Commission Conducted a Study Session to Review and Discuss the Zoning Code Update. Among the Topics to be discussed are:

- Historic Preservation
- Home Occupations (*should read as Home Occupations*)
- Industrial Zone
- Landscaping
- Urban Food Production
- Parking
- Permitting

**5. ADJOURNMENT:**

**Mayor Ruane** closed the meeting at 9:10 with no reportable action. The City Council and Planning Commission will meet at a future date to complete the above Conduct of Business. The next regular City Council Meeting will be held on February 26, 2013 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  
February 26, 2013

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Carol Bonner, City Clerk

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Jim Ruane, Mayor

02/04/13

CITY OF SAN BRUNO  
WARRANT REGISTER  
TOTAL FUND RECAP

FUND	FUND NAME	AMOUNT
001	GENERAL FUND	\$78,571.60
132	AGENCY ON AGING	\$3,103.50
190	EMERGENCY DISASTER FUND	\$4,497.60
207	TECHNOLOGY CAPITAL	\$480.00
611	WATER FUND	\$1,758.72
631	WASTEWATER FUND	\$6,313.70
641	CABLE TV FUND	\$16,174.32
701	CENTRAL GARAGE	\$3,572.38
702	FACILITY MAINT. FUND	\$4,316.70
711	SELF INSURANCE	\$350.00
TOTAL FOR APPROVAL		\$119,138.52

HONORABLE MAYOR AND CITY COUNCIL:

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGES NUMBERED FROM 1 THROUGH 3 INCLUSIVE, AND/OR CLAIMS NUMBERED FROM 139741 THROUGH 139845 INCLUSIVE, TOTALING IN THE AMOUNT OF \$119,138.52 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

2/6/13  
\_\_\_\_\_  
DATE

Document group: komalley Bank: apbank 05507660

Vendor Code & Name	Check #	Check Date	Amount
0017188 3T EQUIPMENT COMPANY INC.	139742	2/4/2013	101.63
0096852 ABAG PLAN CORPORATION	139743	2/4/2013	350.00
0000858 ADECCO EMPLOYMENT SERVICES	139744	2/4/2013	1,285.60
0001170 AIRGAS NCN	139745	2/4/2013	211.86
0000163 AIRPORT AUTO PARTS INC.	139746	2/4/2013	65.76
0097137 ALERT DOOR SERVICE INC	139747	2/4/2013	150.00
0105560 ALFRED BIAGI	139759	2/4/2013	100.00
0000372 ALLIED SECURITY ALARMS	139748	2/4/2013	312.44
0017298 ALLSTAR FIRE EQUIPMENT INC	139749	2/4/2013	1,064.48
0000082 AMERICAN MESSAGING	139750	2/4/2013	36.07
0104296 ANNA M. HARTLEB	139781	2/4/2013	100.00
0001965 ARISTA BUSINESS	139752	2/4/2013	1,381.82
0016123 AT&T	139753	2/4/2013	756.16
0105610 AUDREY HUDSON	139784	2/4/2013	100.00
0000345 BAKER & TAYLOR BOOKS	139754	2/4/2013	5,813.25
0105635 BARBARA SLAGLE	139826	2/4/2013	50.00
0015628 BAY AREA TREE CO., INC.	139757	2/4/2013	4,025.00
0001849 BAY AREA WATER SUPPLY & CONSERVATION AGEI	139828	2/4/2013	324.00
0096420 BSN SPORTS	139761	2/4/2013	217.34
0105611 CARLOS BENADUCCI	139758	2/4/2013	100.00
0017843 CENTRAL COUNTY FIRE DEPT.	139763	2/4/2013	1,680.26
0105618 CHAD HAASE	139779	2/4/2013	43.26
0105561 CHRISTINE TIAN	139831	2/4/2013	100.00
0098656 COMPLETE LINEN SERVICE	139765	2/4/2013	101.16
0000251 CUMMINS WEST INC.	139766	2/4/2013	1,089.73
0105109 DANIEL BARROS	139755	2/4/2013	3,521.80
0104693 DEBBIE GRECH	139778	2/4/2013	777.69
0102820 DEBRA HALL	139780	2/4/2013	289.00
0105621 DIANE YOU	139845	2/4/2013	21.65
0105607 DOUGLAS DEVOLDER	139767	2/4/2013	100.00
0093314 EDDIE FONSECA	139768	2/4/2013	151.58
0105619 EDNA M. GENTRY	139775	2/4/2013	39.81
0105634 FETELENI VEUKISO	139840	2/4/2013	100.00
0102869 FRANCHISE TAX BOARD	139774	2/4/2013	650.00
0018881 GARY LEPORI	139790	2/4/2013	299.82
0105632 GRACE BOTTARINI	139760	2/4/2013	17.01
0000162 GRAINGER	139777	2/4/2013	77.69
0105623 GREGORY KOFMAN	139789	2/4/2013	28.85
0105378 HOME MAID RAVIOLI COMPANY INC.	139783	2/4/2013	61.00
0104848 J & B LEAK FINDERS	139785	2/4/2013	600.00
0105609 JACK LOW	139794	2/4/2013	200.00
0100663 JANE CHANG	139786	2/4/2013	100.00
0105617 JENNIFER FLORES	139773	2/4/2013	94.38
0105606 JEREMY VELASCO	139839	2/4/2013	200.00
0101257 JOEL MORIN	139787	2/4/2013	109.76
0105633 JUDY GIAMPAOLI	139776	2/4/2013	146.00
0104717 KRISTEN ELDERSON	139769	2/4/2013	500.00
0104424 LIDIA'S ITALIAN DELICACIES	139793	2/4/2013	3,042.50
0105608 LINDA PERRY	139810	2/4/2013	100.00
0103595 MARIA CENTENO	139762	2/4/2013	100.00
0105616 MARILYN BASQUES	139756	2/4/2013	85.03
0091855 MARK REINHARDT	139795	2/4/2013	94.87
0105620 MARLINA WU	139843	2/4/2013	15.00

Document group: komalley Bank: apbank 05507660

Vendor Code & Name	Check #	Check Date	Amount	
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0105627	MARY LEUNG-ANGLE	139792	2/4/2013	6.62
0105629	MARY ONTANO	139805	2/4/2013	18.55
0102770	METLIFE	139797	2/4/2013	1,205.08
0092285	MICROMARKETING LLC	139798	2/4/2013	39.95
0016863	MIDWEST TAPE, LLC	139799	2/4/2013	37.49
0096800	MOBILE CALIBRATION SVCS. LLC	139800	2/4/2013	547.34
0105630	MOHAMMAD ELMARI	139770	2/4/2013	19.15
0100684	NOE D. HINOJOSA	139782	2/4/2013	30.38
0105238	NORTHERN SERVICES INC.	139802	2/4/2013	2,829.20
0092263	OFFICE DEPOT INC	139803	2/4/2013	519.80
0000210	OLE'S CARBURETOR &ELECTRIC INC	139804	2/4/2013	867.20
0105626	OSCAR ARAGON	139751	2/4/2013	34.24
0102373	PAUL'S FLOWERS	139806	2/4/2013	61.13
0001154	PENINSULA LIBRARY SYSTEM	139807	2/4/2013	75.00
0095148	PENINSULA MUNI.ENGINEERING	139808	2/4/2013	10,668.00
0016828	PRECISION AUTO SERVICE	139812	2/4/2013	79.95
0105458	RADIODETECTION	139814	2/4/2013	3,793.82
0017111	RANDOM HOUSE INC	139815	2/4/2013	40.69
0094546	RECORDED BOOKS	139816	2/4/2013	150.12
0090749	RED WING SHOE STORE	139817	2/4/2013	199.99
0102961	REY PERKINS	139809	2/4/2013	97.64
0105631	RON FACCIANO	139772	2/4/2013	10.83
0103457	ROSA MONTGOMERY	139801	2/4/2013	38.00
0103144	SACRAMENTO REGIONAL PUBLIC SAFETY TRAININ	139813	2/4/2013	110.00
0104691	SAN FRANCISCO FENCERS CLUB	139818	2/4/2013	150.40
0092148	SAN MATEO CTY LAW ENFORCEMENT TRAINING M	139771	2/4/2013	75.00
0018597	SAN MATEO DAILY JOURNAL	139819	2/4/2013	480.00
0105628	SCOTT LESHER	139791	2/4/2013	32.79
0094274	SCOTT ROGGE	139820	2/4/2013	125.00
0018461	SERRAMONTE FORD, INC.	139821	2/4/2013	85.45
0017676	SIEMENS INDUSTRY, INC.	139824	2/4/2013	352.00
0014075	STATE BOARD OF EQUALIZATION	139741	1/30/2013	33,063.00
0105622	STEPHEN SEYMOU	139823	2/4/2013	51.20
0000801	STEWART AUTOMOTIVE GROUP	139827	2/4/2013	51.93
0105600	SUMINTRA PRASHAD	139811	2/4/2013	74.80
0096616	TENNANT SALES AND SERVICE CO.	139829	2/4/2013	404.16
0017089	THOMSON-REUTERS/BARCLAYS	139830	2/4/2013	80.00
0096965	TINA TSENG	139834	2/4/2013	425.00
0018730	TOSHIBA INTERNATIONAL CORP.	139832	2/4/2013	5,264.84
0017134	TRINET CONSTRUCTION INC.	139833	2/4/2013	6,176.00
0001362	TV GUIDE MAGAZINE, LLC	139835	2/4/2013	324.88
0105613	UNIVERSAL DEVELOPING INC.	139836	2/4/2013	4,497.60
0102865	UNIVERSAL SERVICE ADMINISTRATIVE CO.	139822	2/4/2013	5,308.77
0105133	UTILITY TELEPHONE, INC.	139837	2/4/2013	177.18
0102988	VANTAGEPOINT TRANSFER AGENTS	139838	2/4/2013	7,361.18
0105599	VIJAY AND SARAS CHAND	139764	2/4/2013	875.00
0105624	WARREN SIU	139825	2/4/2013	33.09
0105615	WILLIAM KIRK	139788	2/4/2013	105.45
0105295	WINGFOOT COMMERCIAL TIRE	139841	2/4/2013	583.35
0097976	WORLDWIDE DIGITAL LLC	139842	2/4/2013	270.55
0105625	YU YING YANG	139844	2/4/2013	6.62

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GrandTotal:      119,138.52  
Total count:      105

02/11/13

CITY OF SAN BRUNO  
WARRANT REGISTER  
TOTAL FUND RECAP

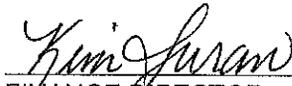
FUND	FUND NAME	AMOUNT
001	GENERAL FUND	\$85,563.01
003	ONE-TIME REVENUE	\$3,041.58
132	AGENCY ON AGING	\$4,913.83
133	RESTRICTED DONATIONS	\$1,302.93
190	EMERGENCY DISASTER FUND	\$43,031.75
201	PARKS AND FACILITIES CAPITAL	\$595,057.72
203	STREET IMPROVE/ PROJECTS	\$510.00
207	TECHNOLOGY CAPITAL	\$6,355.45
611	WATER FUND	\$45,323.56
621	STORMWATER FUND	\$64,018.41
631	WASTEWATER FUND	\$70,843.30
641	CABLE TV FUND	\$262,067.72
701	CENTRAL GARAGE	\$1,694.59
702	FACILITY MAINT. FUND	\$10,160.90
707	TECHNOLOGY DEVELOPMENT	\$19,833.38
711	SELF INSURANCE	\$27,646.05
880	PROJECT DEVELOP. TRUST	\$531.25

TOTAL FOR APPROVAL \$1,241,895.43

HONORABLE MAYOR AND CITY COUNCIL:

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGES NUMBERED FROM 1 THROUGH 3 INCLUSIVE, AND/OR CLAIMS NUMBERED FROM 139846 THROUGH 139977 INCLUSIVE, TOTALING IN THE AMOUNT OF \$1,241,895.43 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

2/13/13  
DATE

Document group: komalley Bank: apbank 05507660

Vendor Code & Name	Check #	Check Date	Amount
0096852 ABAG PLAN CORPORATION	139846	2/11/2013	7,151.78
0018330 ADAMS CABLE EQUIPMENT, INC.	139847	2/11/2013	119.00
0000858 ADECCO EMPLOYMENT SERVICES	139848	2/11/2013	3,785.60
0000163 AIRPORT AUTO PARTS INC.	139849	2/11/2013	13.21
0018902 ALLGOOD DRIVING SCHOOL, INC.	139850	2/11/2013	60.00
0000372 ALLIED SECURITY ALARMS	139851	2/11/2013	441.00
0105639 AMERICAN COUNCIL ON CRIMINAL JUSTICE TRAINI	139875	2/11/2013	198.00
0017359 AMERICAN EXPRESS	139852	2/11/2013	3,185.75
0018439 ARCOM LABS INC.	139853	2/11/2013	1,215.28
0001965 ARISTA BUSINESS	139854	2/11/2013	191.21
0000118 ART'S PENINSULA LOCKSMITH	139855	2/11/2013	2,398.40
0104233 ASTOUND BROADBAND	139856	2/11/2013	3,030.00
0014617 AT&T	139857	2/11/2013	119.04
0016123 AT&T	139858	2/11/2013	1,415.62
0017191 AT&T	139859	2/11/2013	299.72
0000345 BAKER & TAYLOR BOOKS	139860	2/11/2013	1,370.06
0104781 BARTLE WELLS ASSOCIATES	139861	2/11/2013	360.00
0103924 BEAR DATA SOLUTIONS, INC.	139862	2/11/2013	3,317.30
0102737 BURKE, WILLIAMS & SORENSEN,LLP	139863	2/11/2013	1,595.36
0094705 CACEO	139864	2/11/2013	75.00
0105612 CALVIN ELLISON	139882	2/11/2013	1,738.00
0093690 CAPUCHINO SPORTS BOOSTERS	139865	2/11/2013	370.00
0105248 CARLOS FISHBURN	139891	2/11/2013	800.00
0103854 CHRISTINE HOPKINS	139903	2/11/2013	254.80
0016324 CINTAS CORPORATION #464	139866	2/11/2013	353.43
0098588 CITY OF BURLINGAME	139867	2/11/2013	3,388.50
0000060 CITY OF MILLBRAE	139868	2/11/2013	228.66
0000227 CITY OF SAN BRUNO	139869	2/11/2013	3,466.96
0018978 CLEAN HARBORS ENV SERVICES INC	139870	2/11/2013	422.72
0017802 CLEANSOURCE, INC.	139871	2/11/2013	2,784.83
0105091 COLE SUPPLY CO., INC.	139872	2/11/2013	393.10
0002012 CPS	139873	2/11/2013	4,110.90
0014338 CREST/GOOD MANUFACTURING CO.	139874	2/11/2013	27.67
0000650 CRW SYSTEMS, INC.	139876	2/11/2013	8,000.00
0018331 CSG CONSULTANTS INC.	139877	2/11/2013	7,504.25
0096044 D-PREP, LLC	139881	2/11/2013	580.00
0018166 DANIELLE KRANITZ	139878	2/11/2013	500.00
0018912 DASH MEDICAL GLOVES INC.	139879	2/11/2013	314.22
0018169 DELL MARKETING L.P.	139880	2/11/2013	7,413.12
0017899 EMD MILLIPORE CORPORATION	139883	2/11/2013	814.54
0094788 ENGEO INC	139884	2/11/2013	2,654.08
0018798 ESRI INC.	139886	2/11/2013	5,414.51
0105459 ETIC ENGINEERING, INC.	139887	2/11/2013	52,930.20
0018697 EVIDENT	139888	2/11/2013	291.00
0000944 FEDEX	139889	2/11/2013	8.91
0013714 FIRST NATIONAL BANK	139890	2/11/2013	11,938.38
0001782 FLOWERS ELECTRIC & SVC.CO.INC.	139892	2/11/2013	4,159.85
0018117 FLYERS ENERGY, LLC	139893	2/11/2013	14,001.87
0105161 FREMONT ALARM	139894	2/11/2013	2,390.54
0103258 GC MICRO CORPORATION	139895	2/11/2013	230.77
0016363 GCS ENVIRONMENTAL & EQUIPMENT SVC.	139885	2/11/2013	208.48
0095666 GLOBAL TELECOM & TECHNOLOGY	139896	2/11/2013	4,101.59
0016969 GOLDEN IDEAS	139897	2/11/2013	226.00

Document group: komalley Bank: apbank 05507660

Vendor Code & Name	Check #	Check Date	Amount
0000162 GRAINGER	139898	2/11/2013	543.64
0017900 GREAT LAKES DATA SYSTEMS INC	139899	2/11/2013	1,850.00
0095966 GREATAMERICA FINANCIAL SVCS.	139900	2/11/2013	402.48
0096316 GREEN CARPET LANDSCAPING & MAINTENANCE	139917	2/11/2013	1,100.00
0105488 HINES EDM, INC.	139901	2/11/2013	2,007.10
0105378 HOME MAID RAVIOLI COMPANY INC.	139902	2/11/2013	52.50
0103336 HUB INTERNATIONAL SERVICE INC.	139904	2/11/2013	182.74
0015644 INDUSTRIAL WIPER & SUPPLY,INC.	139905	2/11/2013	167.48
0015531 INTERSTATE BATTERY SYS. OF SF	139906	2/11/2013	243.96
0104018 INTERSTATE TRAFFIC CONTROL	139907	2/11/2013	530.57
0018261 INTL MEDIA DISTRIBUTION, LLC	139908	2/11/2013	4,615.16
0103884 JJ NGUYEN, INC.	139909	2/11/2013	556,184.83
0000771 JT2 INTEGRATED RESOURCES	139910	2/11/2013	15,074.73
0018376 JT2 INTEGRATED RESOURCES	139911	2/11/2013	5,161.54
0000075 K-119 TOOLS OF CALIFORNIA INC.	139912	2/11/2013	287.59
0018050 KAISER FOUNDATION HEALTH PLAN	139913	2/11/2013	4,031.00
0018808 KAISER FOUNDATION HEALTH PLAN	139914	2/11/2013	258.00
0000132 KELLY-MOORE PAINT CO INC.	139915	2/11/2013	348.65
0018728 KONICA MINOLTA BUSINESS SOLUTIONS	139923	2/11/2013	1,580.50
0018561 LANCE BAYER	139916	2/11/2013	312.50
0018177 LOWE'S	139918	2/11/2013	320.73
0095556 MCELROY CONSTRUCTION	139920	2/11/2013	1,000.00
0105643 MICHAEL STAROBIN	139958	2/11/2013	100.00
0092285 MICROMARKETING LLC	139921	2/11/2013	30.99
0001709 MILLBRAE LOCK	139922	2/11/2013	21.05
0000762 MUNICIPAL MAINTENANCE EQUIPMENT INC.	139919	2/11/2013	30.67
0000357 NATIONAL CABLE TV CO-OP, INC.	139924	2/11/2013	210,370.24
0018319 NEAL MARTIN & ASSOCIATES	139925	2/11/2013	15,487.50
0018692 NHK COSMOMEDIA AMERICA, INC.	139926	2/11/2013	643.75
0103301 NHL NETWORK US, LP	139927	2/11/2013	1,898.63
0105238 NORTHERN SERVICES INC.	139928	2/11/2013	5,751.16
0092263 OFFICE DEPOT INC	139929	2/11/2013	975.58
0018284 OFFICEMAX INC.	139930	2/11/2013	225.56
0000210 OLE'S CARBURETOR &ELECTRIC INC	139931	2/11/2013	133.06
0097567 ONE HOUR DRY CLEANING	139933	2/11/2013	117.40
0018701 ORKIN INC.	139934	2/11/2013	594.08
0000012 PACIFIC GAS & ELECTRIC	139935	2/11/2013	41,755.90
0000102 PACIFIC WEST SECURITY, INC.	139936	2/11/2013	165.86
0095148 PENINSULA MUNI.ENGINEERING	139937	2/11/2013	11,088.00
0103515 PENINSULA POWER WASH	139938	2/11/2013	4,350.00
0015163 PENINSULA SPORTS OFFICIALS ASSOC.INC.	139956	2/11/2013	312.00
0017260 PETERSON	139939	2/11/2013	576.00
0018861 PITNEY BOWES	139940	2/11/2013	6,000.00
0018094 PLAYBOY ENTERPRISES, INC.	139941	2/11/2013	10.79
0097558 PURCHASE POWER	139942	2/11/2013	200.00
0013981 QUILL CORPORATION	139943	2/11/2013	102.82
0000071 R & B COMPANY	139944	2/11/2013	25.16
0017111 RANDOM HOUSE INC	139945	2/11/2013	40.69
0090749 RED WING SHOE STORE	139946	2/11/2013	297.82
0093355 SAN BRUNO FLOWER FASHIONS	139947	2/11/2013	75.95
0018461 SERRAMONTE FORD, INC.	139949	2/11/2013	681.84
0098840 SHAW PIPELINE INC	139950	2/11/2013	17,939.80
0000216 SHOWTIME NETWORKS INC.	139951	2/11/2013	6,566.97
0098030 SHRED-IT USA - SAN FRANCISCO	139952	2/11/2013	37.18

Document group: komalley Bank: apbank 05507660

Vendor Code & Name	Check #	Check Date	Amount
0104787 SINGER ASSOCIATES, INC.	139953	2/11/2013	12,035.94
0017508 SOUTH CITY LUMBER AND SUPPLY	139954	2/11/2013	81.92
0015875 SPICE DIGITAL NETWORKS	139955	2/11/2013	66.07
0097079 SPRINT	139957	2/11/2013	5,165.91
0018602 STARZ ENTERTAINMENT LLC.	139959	2/11/2013	1,711.57
0000801 STEWART AUTOMOTIVE GROUP	139960	2/11/2013	48.50
0000289 SUN VALLEY DAIRY PRODUCTS	139961	2/11/2013	1,383.98
0097308 TECHNOLOGY UNLIMITED INC.	139962	2/11/2013	393.22
0018083 THE CROSSING SAN BRUNO PROPERTY OWNERS ,	139948	2/11/2013	3,041.58
0097449 THYSSENKRUPP ELEVATOR CORP.	139963	2/11/2013	378.83
0104282 TOWNE FORD SALES	139964	2/11/2013	66,956.75
0103780 TREADWELL & ROLLO, INC.	139965	2/11/2013	3,649.04
0000665 TSQ SOLUTIONS INC.	139966	2/11/2013	325.00
0018618 UNITED SITE SERVICES INC.	139967	2/11/2013	185.10
0016835 US BANK NATIONAL ASSOCIATION	139968	2/11/2013	187.50
0096844 USA BLUE BOOK	139969	2/11/2013	141.47
0017083 VALI COOPER & ASSOCIATES INC	139970	2/11/2013	9,600.00
0104660 WEST YOST ASSOCIATES, INC.	139971	2/11/2013	9,319.41
0000612 WESTVALLEY CONSTRUCTION CO.INC	139972	2/11/2013	4,721.85
0018385 WFCB - OSH COMMERCIAL SERVICES	139973	2/11/2013	985.30
0105295 WINGFOOT COMMERCIAL TIRE	139974	2/11/2013	386.13
0098613 WINNIFRED OMODT	139932	2/11/2013	463.00
0013841 WITMER-TYSON IMPORTS INC	139975	2/11/2013	662.75
0104033 ZCORUM, INC.	139976	2/11/2013	22,012.50
0103399 ZUMAR INDUSTRIES, INC.	139977	2/11/2013	2,766.75
		<b>GrandTotal:</b>	<b>1,241,895.43</b>
		<b>Total count:</b>	<b>132</b>

02/11/13

CITY OF SAN BRUNO  
WARRANT REGISTER  
TOTAL FUND RECAP  
SUCCESSOR AGENCY

FUND	FUND NAME	AMOUNT
153	RDA OBLIGATION RETIREMENT FUND	\$3,336.52
TOTAL FOR APPROVAL		\$3,336.52

HONORABLE MAYOR AND CITY COUNCIL:

THIS IS TO CERTIFY THAT THE CLAIMS LISTED ON PAGE NUMBERED 1,  
AND/OR CLAIMS NUMBERED FROM 100051 THROUGH 100052 INCLUSIVE, TOTALING  
IN THE AMOUNT OF \$3,336.52 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

2/13/13  
\_\_\_\_\_  
DATE

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Document group: komalley      Bank: sagny      06995403

<u>Vendor Code &amp; Name</u>	<u>Check #</u>	<u>Check Date</u>	<u>Amount</u>
0102737      BURKE, WILLIAMS & SORENSEN,LLP	100051	2/11/2013	747.24
0102832      MOORE IACOFANO GOLTSMAN, INC.	100052	2/11/2013	2,589.28
		<b>GrandTotal:</b>	<b>3,336.52</b>
		<b>Total count:</b>	<b>2</b>



**City Council Agenda Item  
Staff Report**

CITY OF SAN BRUNO

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DATE: February 26, 2013  
TO: Honorable Mayor and Members of the City Council  
FROM: Kim Juran, Finance Director  
SUBJECT: Payroll Approval

City Council approval of the City payroll distributed February 15, 2013 is recommended. The Labor Summary report reflecting the total payroll amount of \$1,214,248.29 for the bi-weekly pay period ending February 10, 2013 is attached.

*7.c.*

**LABOR SUMMARY FOR PAY PERIOD ENDING : February 10, 2012**

<b>pyLaborDist</b>	<b>02/15/13</b>
Fund: 001 - GENERAL FUND	917,013.55
Fund: 122 - SOLID WASTE/RECYCL.	1,357.58
Fund: 153 -RDA OBLIGATION RETIREMENT FUND	5,986.38
Fund: 190 - EMERGENCY DISASTER FUND	18,425.84
Fund: 201 - PARKS AND FACILITIES CAPITAL	1,639.12
Fund: 207 - TECHNOLOGY CAPITAL	3,535.35
Fund: 203 - STREET IMPROVE. PROJECTS	1,660.25
Fund: 611 - WATER FUND	68,896.85
Fund: 621 - STORMWATER FUND	13,168.96
Fund: 631 - WASTEWATER FUND	50,694.33
Fund: 641 - CABLE TV FUND	83,803.22
Fund: 701 - CENTRAL GARAGE	11,062.13
Fund: 702 - FACILITY MAINT.FUND	21,061.67
Fund: 707 - TECHNOLOGY DEVELOPMENT	9,534.74
Fund: 711 - SELF INSURANCE	6,408.32
<b>Total</b>	<b>\$1,214,248.29</b>



## RECONCILIATION OF GENERAL LEDGER TO BANK

MONTH ENDING JANUARY 2013

### City of San Bruno Cash

### City of San Bruno General Ledger

Investment Balance	\$ 42,693,011.12
Glenview Fire LAIF	3,027,560.78
Checking	4,879,639.89
Police Checking	5,431.00
Glenview Fire Recovery	4,745.16
Glenview Counseling Assist	19,056.00
Successor Agency of SB RDA	451,739.39
Successor Housing Agency	782,124.77
City of SB as Custodian - WFB	68,757,743.72

**Bank Balances as of 1/31/13** 120,621,051.83

**General Ledger Balance** \$ 119,311,542.44

Outstanding checks \$ (1,452,765.89)

FNB Deposit Transit	14,307.56
FNB Deposit Transit	43,614.22
FNB Deposit Transit	15,629.71
FNB Deposit Transit	35,334.55
Finance CC	957.42
Finance CC	1,243.25
CATV Merchant Bankcard CC	2,493.03
Utility Online Billpay - ACH	419.41
Utility Online Billpay - ACH	1,266.11
Utility Online Billpay - ACH	3,534.52
Utility Online Billpay - cc	2,444.38
Utility Online Billpay - cc	5,443.18
Utility Online Billpay - cc	3,737.30
Utility Online Billpay - VISA	13,602.97
Mercchant Bankcard	208.61
FNB Misc Debit	4.50

CATV Paymentech	1,011.22
Oct FNB misc adjustment	4.50
CATV Merchant Bankcard CC	-31.50

**Adjusted Balance** \$ 119,312,526.66

**Adjusted Balance** \$ 119,312,526.66



John E. Marty  
City Treasurer

CITY OF SAN BRUNO  
CITY TREASURER

## INVESTMENT REPORT

Month ending January 2013

INVESTMENTS				YIELD
<b>INVESTMENT POOLS</b>				
Local Agency Investment Fund	12,233,339.81			0.300
Glenview Fire LAIF	3,027,560.78			0.300
San Mateo County Pool	19,385,238.82			0.750
<b>INVESTMENTS HELD AT UNION BANK</b>				
	PAR VALUE	COST BASIS	MKT. VALUE	YIELD
Federal home Loan Mtg 0.375 mat 10/30/13	\$ 2,000,000.00	\$ 2,003,356.08	\$ 2,002,760.00	0.370
Federal Farm Credit Bank 0.20% mat 12/3/13	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,170.00	0.200
Federal Farm Credit Bank 0.20 mat 2/26/14	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,090.00	0.200
Federal Farm Credit Bank 0.25% MAT 4/4/14	\$ 1,000,000.00	\$ 1,000,399.00	\$ 1,000,500.00	0.250
Federal Home Loan Bank 1.42 mat 5/30/14	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,015,770.00	1.400
Federal Home Loan Bank 0.50 mat 2/24/15	\$ 1,000,000.00	\$ 999,000.00	\$ 1,000,040.00	0.500
Federal Farm Credit Bank 0.50% mat 11/5/15	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,140.00	0.500

Federal Home Loan Bank Bond 0.55% mat 11/13/15	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,140.00	0.550
Federal Natl Mtg Assoc mat 12/26/2017	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,992,820.00	0.700
US Govt Money Market	\$ 71,677.41	\$ 71,677.41	\$ 71,677.41	0.000

**INVESTMENTS HELD AT WELLS FARGO BANK**

City of San Bruno as Temporary Custodian	68,757,743.72			0.142
<b>TOTAL</b>	<b>\$114,475,560.54</b>			

2/20/2013 6:02:13PM

City of San Bruno

Through period: 7

Through January 2013

	Cash	Investments	Fund Total
001 GENERAL FUND	5,622,494.03	53,633.42	5,676,127.45
002 GENERAL FUND RESERVE	2,902,946.11	0.00	2,902,946.11
003 ONE-TIME REVENUE	4,440,060.17	0.00	4,440,060.17
101 GAS TAX	511,314.56	0.00	511,314.56
102 MEASURE A TRANSPORTATION TAX	811,049.25	0.00	811,049.25
103 STREET SPECIAL REVENUE	306,939.09	0.00	306,939.09
104 TRAFFIC CONGESTION RELIEF	0.00	0.00	0.00
111 POLICE ASSET FORFEITURE	64,844.50	0.00	64,844.50
112 SAFETY AUGMENT. -PROP.172	11,321.40	0.00	11,321.40
113 POLICE SPECIAL REVENUE	20,860.18	0.00	20,860.18
114 TRAFFIC SAFETY GRANT	60,748.73	0.00	60,748.73
121 FEDERAL/STATE GRANTS	69,211.81 CR	0.00	69,211.81 CR
122 SOLID WASTE/RECYCL.	211,228.54	0.00	211,228.54
123 LIBRARY SPECIAL REVENUE	286,604.41	0.00	286,604.41
131 IN-LIEU FEES	3,656,426.64	0.00	3,656,426.64
132 AGENCY ON AGING	37,060.60	0.00	37,060.60
133 RESTRICTED DONATIONS	995,596.40	0.00	995,596.40
134 ED JOHNSON BEQUEST FUND	25,346.26	0.00	25,346.26
135 GLENVIEW FIRE DONATIONS	4,745.16	0.00	4,745.16
136 PGE	3,027,560.78	0.00	3,027,560.78
151 SUCCESSOR AGENCY TO THE SB RDA - OPS	515,792.23	0.00	515,792.23
152 CITY OF SB AS SUCCESSOR HOUSING AGENCY	0.04	0.00	0.04
153 RDA OBLIGATION RETIREMENT FUND	2,096,992.31	0.00	2,096,992.31
190 EMERGENCY DISASTER FUND	3,357,191.72 CR	0.00	3,357,191.72 CR
201 PARKS AND FACILITIES CAPITAL	458,589.97	0.00	458,589.97
202 CITY/BART POLICE FACIL	0.00	0.00	0.00
203 STREET IMPROVE. PROJECTS	2,437,889.10	0.00	2,437,889.10
207 TECHNOLOGY CAPITAL	253,611.21	0.00	253,611.21
251 SUCCESSOR AGENCY TO THE SB RDA - CAPITAL	52,945.90	0.00	52,945.90
301 PARKING.DIST.BONDS	0.00	0.00	0.00
302 LEASE DEBT SERVICE	449,163.33 CR	449,178.75	15.42
351 SUCCESSOR AGENCY TO THE SB RDA -2000 COP	157,580.00	649,962.50	807,542.50
611 WATER FUND	12,553,249.47	0.00	12,553,249.47
621 STORMWATER FUND	1,214,593.97	0.00	1,214,593.97
631 WASTEWATER FUND	7,189,023.91	629,714.73	7,818,738.64
641 CABLE TV FUND	3,244,178.00 CR	200.00	3,243,978.00 CR
701 CENTRAL GARAGE	462,516.97	0.00	462,516.97
702 FACILITY MAINT.FUND	965,300.28	0.00	965,300.28
703 GENERAL EQUIPMENT REVOLVING	3,558,777.61	0.00	3,558,777.61
707 TECHNOLOGY DEVELOPMENT	365,608.67	0.00	365,608.67
711 SELF INSURANCE	2,009,782.35	91,118.50	2,100,900.85
810 DEFERRED COMPENSATION PLANS	0.00	0.00	0.00
870 CRESTMOOR GLENVIEW RESTITUTION FUND	68,757,743.72	0.00	68,757,743.72
880 PROJECT DEVELOP. TRUST	105,322.21	0.00	105,322.21
891 S.B. GARBAGE CO. TRUST	278,820.57	0.00	278,820.57
<b>Grand Total:</b>	<b>119,311,542.44</b>	<b>1,873,807.90</b>	<b>121,185,350.34</b>

Revenue Status Report

revstat.rpt

02/20/2013 6:15PM

Periods: 7 through 7

City of San Bruno

1/1/2013 through 1/31/2013

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prc't Rcvd
Total GENERAL FUND	32,618,921.61	3,041,814.74	18,796,802.10	13,822,119.51	57.63
Total GENERAL FUND RESERVE	0.00	0.00	0.00	0.00	0.00
Total ONE-TIME REVENUE	0.00	0.00	366,941.46	-366,941.46	0.00
Total GAS TAX	1,189,432.00	181,257.47	593,884.86	595,547.14	49.93
Total MEASURE A TRANSPORTATION TAX	701,763.00	58,938.52	483,552.23	218,210.77	68.91
Total STREET SPECIAL REVENUE	772.00	0.00	29.00	743.00	3.76
Total TRAFFIC CONGESTION RELIEF	0.00	0.00	0.00	0.00	0.00
Total POLICE ASSET FORFEITURE	5,160.00	1,006.18	2,539.67	2,620.33	49.22
Total SAFETY AUGMENT. -PROP. 172	86,115.00	7,766.83	60,114.62	26,000.38	69.81
Total POLICE SPECIAL REVENUE	100,029.00	22,410.02	22,412.02	77,616.98	22.41
Total TRAFFIC SAFETY GRANT	148.00	0.00	42.60	105.40	28.78
Total FEDERAL/STATE GRANTS	109.00	0.00	1,187.00	-1,078.00	1088.99
Total SOLID WASTE/RECYCL.	68,814.00	4,996.12	38,540.73	30,273.27	56.01

Revenue Status Report

revstat.rpt  
02/20/2013 6:15PM  
Periods: 7 through 7

City of San Bruno  
1/1/2013 through 1/31/2013

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
Total LIBRARY SPECIAL REVENUE	1,065.00	0.00	793.93	271.07	74.55
Total IN-LIEU FEES	764,751.00	0.00	122,118.75	642,632.25	15.97
Total AGENCY ON AGING	173,418.00	16,654.81	86,283.84	87,134.16	49.75
Total RESTRICTED DONATIONS	111,270.00	16,580.26	93,833.48	17,436.52	84.33
Total ED JOHNSON BEQUEST FUND	64.00	0.00	44.89	19.11	70.14
Total GLENVIEW FIRE DONATIONS	0.00	0.00	4.78	-4.78	0.00
Total PGE	0.00	2,454.08	5,152.53	-5,152.53	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	250,000.00	817,183.00	817,183.00	-567,183.00	326.87
Total EMERGENCY DISASTER FUND	5,368,159.00	0.00	243,130.78	5,125,028.22	4.53
Total PARKS AND FACILITIES CAPITAL	195,258.00	193,500.00	197,981.93	-2,423.93	101.24

Revenue Status Report

revstat.rpt

02/20/2013 6:15PM

Periods: 7 through 7

City of San Bruno  
1/1/2013 through 1/31/2013

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prc't Rcv'd
Total STREET IMPROVE. PROJECTS	1,507,582.00	1,505,000.00	1,508,174.41	-492.41	100.03
Total TECHNOLOGY CAPITAL	203,680.00	203,457.00	204,149.21	-469.21	100.23
Total SUCCESSOR AGENCY TO THE SB RDA - CAPITAL	0.00	0.00	0.00	0.00	0.00
Total LEASE DEBT SERVICE	686,856.00	13.31	38,513.41	648,342.59	5.51
Total SUCCESSOR AGENCY TO THE SB RDA -2000 COP	0.00	0.00	0.00	0.00	0.00
Total WATER FUND	11,152,000.00	928,493.86	6,101,983.95	5,050,016.05	54.72
Total STORMWATER FUND	599,500.00	46,155.79	337,114.25	262,385.75	56.23
Total WASTEWATER FUND	12,044,000.00	1,043,849.04	6,172,752.17	5,871,247.83	51.25
Total CABLE TV FUND	10,036,180.00	824,811.06	5,653,359.08	4,382,820.92	56.33
Total CENTRAL GARAGE	625,056.00	52,089.00	364,623.00	260,433.00	58.33
Total FACILITY MAINT.FUND	881,655.00	73,477.64	514,503.64	367,151.36	58.36
Total GENERAL EQUIPMENT REVOLVING	430,587.00	35,882.00	251,174.00	179,413.00	58.33
Total TECHNOLOGY DEVELOPMENT	512,652.26	66,769.00	308,983.00	203,669.26	60.27

Revenue Status Report

City of San Bruno  
 1/1/2013 through 1/31/2013

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
Total SELF INSURANCE	1,611,477.00	134,290.00	940,030.00	671,447.00	58.33
Grand Total	82,026,573.87	9,378,849.73	44,427,634.32	37,598,939.55	54.16

### Expenditure Status Report

expstat.rpt  
02/20/2013 6:16PM  
Periods: 7 through 7

City of San Bruno  
1/1/2013 through 1/31/2013

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
Total GENERAL FUND	32,697,819.67	2,521,336.17	19,755,956.27	110,144.18	12,831,719.22	60.76
Total GENERAL FUND RESERVE	123,500.00	123,500.00	123,500.00	0.00	0.00	100.00
Total ONE-TIME REVENUE	220,000.00	36,439.08	1,456,564.33	0.00	-1,238,564.33	662.98
Total GAS TAX	1,697,516.00	885,000.00	1,260,000.00	0.00	437,516.00	74.23
Total MEASURE A TRANSPORTATION TAX	782,500.00	782,500.00	782,500.00	0.00	0.00	100.00
Total TRAFFIC CONGESTION RELIEF	0.00	0.00	0.00	0.00	0.00	0.00
Total POLICE ASSET FORFEITURE	16,500.00	0.00	5,850.08	9,389.73	1,260.19	92.36
Total SAFETY AUGMENT. -PROP.172	86,000.00	60,070.00	60,070.00	0.00	25,930.00	69.85
Total POLICE SPECIAL REVENUE	100,000.00	22,410.00	22,410.00	0.00	77,590.00	22.41
Total TRAFFIC SAFETY GRANT	0.00	0.00	0.00	0.00	0.00	0.00
Total FEDERAL/STATE GRANTS	720.07	0.00	0.00	720.07	0.00	100.00
Total SOLID WASTE/RECYCL	69,833.00	2,428.19	13,041.45	0.00	56,791.55	18.68
Total LIBRARY SPECIAL REVENUE	99,000.00	63,250.00	82,750.00	0.00	16,250.00	83.59
Total IN-LIEU FEES	43,500.00	0.00	0.00	0.00	43,500.00	0.00
Total AGENCY ON AGING	123,258.00	14,373.67	61,195.20	0.00	62,062.80	49.65
Total RESTRICTED DONATIONS	128,479.00	18,166.00	42,532.38	0.00	85,946.62	33.10
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 PGE	0.00	0.00	0.00	0.00	0.00	0.00
Total SUCCESSOR AGENCY TO THE SB RDA - OPS	0.00	0.00	2,482,666.00	0.00	-2,482,666.00	0.00
Total CITY OF SB AS SUCCESSOR HOUSING AGENCY	1,083,054.00	33,454.64	206,741.86	10,257.97	866,054.17	20.04
Total RDA OBLIGATION RETIREMENT FUND	15,076,089.49	299,298.71	3,063,078.40	2,526,142.55	9,486,958.54	37.07
Total EMERGENCY DISASTER FUND	2,337,756.70	632,279.58	1,034,959.00	214,059.78	1,088,737.92	53.43
Total PARKS AND FACILITIES CAPITAL	5,415,872.08	151,308.00	645,520.35	84,564.23	4,685,787.50	13.48
Total STREET IMPROVE. PROJECTS	299,900.26	34,375.64	41,418.09	0.00	258,482.17	13.81
Total TECHNOLOGY CAPITAL	0.00	0.00	0.00	0.00	0.00	0.00
Total SUCCESSOR AGENCY TO THE SB RDA - CAPITAL	686,856.00	0.00	38,497.99	0.00	648,358.01	5.60
Total LEASE DEBT SERVICE						

### Expenditure Status Report

expstat.rpt  
02/20/2013 6:16PM  
Periods: 7 through 7

City of San Bruno  
1/1/2013 through 1/31/2013

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct 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	16,191,499.73	653,369.61	4,701,286.00	1,161,330.61	10,326,881.12	36.21
Total STORMWATER FUND	1,280,757.65	109,067.51	602,633.87	41,578.54	636,545.24	50.30
Total WASTEWATER FUND	12,284,930.83	224,018.69	4,091,683.22	715,604.64	7,537,642.97	38.64
Total CABLE TV FUND	10,234,310.28	1,094,773.37	5,456,476.73	1,472,285.75	3,305,547.80	67.70
Total CENTRAL GARAGE	612,040.00	47,863.98	349,433.12	0.00	262,606.88	57.09
Total FACILITY MAINT.FUND	859,194.00	112,916.35	540,202.23	0.00	318,991.77	62.87
Total GENERAL EQUIPMENT REVOLVING	308,554.70	414.73	56,714.67	113,737.21	138,102.82	55.24
Total TECHNOLOGY DEVELOPMENT	660,051.26	179,589.37	446,985.54	0.00	213,065.72	67.72
Total SELF INSURANCE	1,611,477.00	35,530.71	1,078,233.19	0.00	533,243.81	66.91
<b>Grand Total</b>	105,130,969.72	8,137,734.00	48,444,901.97	6,459,815.26	50,226,252.49	52.23



## City Council Agenda Item Staff Report

CITY OF SAN BRUNO

**DATE:** February 26, 2013

**TO:** Honorable Mayor and Members of the City Council

**FROM:** David Downing, Deputy Fire Chief

**SUBJECT:** Adopt Resolution Authorizing the City Manager to Execute an Agreement for Shared Staffing Services Between the City of San Bruno, the City of Millbrae and the Central County Fire Departments.

### **BACKGROUND:**

The City of San Bruno has been working with neighboring jurisdictions toward consolidating fire services since 2008. San Bruno has had an agreement with the City of Millbrae to share Division /Battalion Chiefs as well as truck services in all phases of operations and administration. In October of 2011, the City of San Bruno, the City of Millbrae and Central County Fire Departments began sharing sworn administrative staff and exploring the concept of a combined pilot fire station between Millbrae and Central County. Recent agreements were reached to share a Fire Chief, Deputy Chief and Battalion Chief/Fire Marshal. This was a result of the continuous effort to move incrementally towards sharing administrative resources between the Fire Departments of all three agencies.

All agencies suspended hiring as they studied the personnel needs involved in this new merged administration and pilot fire station concept. In addition there was a need to study the integration of personnel for training purposes and to ensure a successful transition once the temporary fire station was in place. "Mandatory days", the days that employees were being required to work, began to increase as the departments reviewed personnel vacancy needs of all three agencies. Staff identified a mutual need to share resources to cover vacancies resulting from retirements and personnel recovering from work-related injuries. The departments continue to evaluate every opportunity to consolidate functions and reduce staff positions among the three agencies. After an extended review of the personnel needs of all departments, staff determined that problems still existed to cover vacancies and mandatory shifts. All agencies informally began to use staff in other agencies when it was determined that each agency could benefit from sharing personnel when they could not meet minimum staffing levels.

In an attempt to meet training requirements and decrease the number of "Mandatory" shifts, agency representatives, the administrative team, and all affected unions, verbally agreed and began sharing personnel at the beginning of the calendar year 2012.

*7.e.*

San Bruno has recently hired three new firefighters because their staffing levels do not affect the CCFD and MFD merged station.

**DISCUSSION:**

Per the recommended agreement, a flat rate of \$1400 per overtime shift is proposed. This rate was calculated based upon the current firefighter overtime rate averages in San Bruno, Millbrae and Central County. The proposed agreement formalizes the system currently in operation.

Personnel will remain covered for workers' compensation benefits under their own agency should an employee become injured while working a mandatory overtime shift for a different agency.

**FISCAL IMPACT:**

The shared personnel costs are currently being covered by funds allocated in the 2012/13 overtime budget. Vacancies have created an increase in overtime shifts and in overtime costs.

**ALTERNATIVES:**

1. Amend proposed agreement.
2. Elect not to participate in future shared overtime-staffing opportunities.

**RECOMMENDATION:**

Adopt Resolution Authorizing the City Manager to Execute an Agreement for Shared Staffing Services Between the City of San Bruno, the City of Millbrae and the Central County Fire Departments.

**ATTACHMENTS:**

1. Shared Staffing Agreement
2. Resolution
3. Shared Staffing Policy

**DATE PREPARED:**

February 20, 2013

**REVIEWED BY:**

\_\_\_\_\_ CM

\_\_\_\_\_ ACM

\_\_\_\_\_ FD, Other

**AGREEMENT FOR SHARED STAFFING BETWEEN THE CITY OF MILLBRAE,  
CITY OF SAN BRUNO AND CENTRAL COUNTY FIRE DEPARTMENT**

This Agreement ("Agreement") is entered into as of \_\_\_\_\_, 2012, by and between the City of Millbrae, a municipal corporation ("MILLBRAE"), City of San Bruno, a municipal corporation ("SAN BRUNO"), and the Central County Fire Department, a joint powers authority ("DEPARTMENT"). MILLBRAE, SAN BRUNO and DEPARTMENT will collectively be referred to herein as the Parties.

**RECITALS**

WHEREAS, the Parties have determined that sharing of personnel between the Parties would result in more efficient delivery of services; and

WHEREAS, labor groups for the Parties have agreed to the concept of shared staffing; and

WHEREAS, the Parties are entering into this Agreement as authorized pursuant to California Government Code sections 6502, 6504(d) and 54980, *et seq.*

Now therefore, the Parties agree as follows:

1. Shared Staffing. The Parties will implement shared staffing pursuant to the terms enumerated in Exhibit A, Policies and Standards Manual, Title: Shared Staffing.

2. Term of the Agreement. The term of this Agreement shall commence upon execution of this Agreement and continue until \_\_\_\_\_, unless terminated sooner pursuant to Section 6 below.

3. Employment of Personnel. Employees of the Parties shall not be deemed employees of one another for any purpose. Each Party shall be solely responsible for all salary, benefits, workers' compensation, and insurance for their employees and for all supervisory, disciplinary and other employment related purposes.

4. Litigation Support. Each Party will make its employees available to testify in any litigation or administrative proceeding brought regarding work performed under this Agreement. Should any Party request that another Party's employee testify in any litigation or administrative hearing following the termination of this Agreement, the requesting Party shall compensate for costs and expenses associated with preparing for, traveling to, and testifying in such matters at the employee's then current hourly rate of compensation, unless such litigation or administrative matter is brought by the requesting Party or is based solely on allegations of requesting Party's negligent performance or wrongdoing.

5. Payment. The Parties shall be compensated for providing services pursuant to this Agreement as follows:

(a) The charge for an employee performing work under this Agreement shall be \$1,400.00 per shift.

(b) Payment shall be made quarterly in arrears within 30 days of billings for services provided pursuant to this Agreement. The billings shall include a special sheet to support the charges for the month.

(c) In the event of termination, payment shall be made for the services performed as of the date of termination, to the extent any payment is due and owing pursuant to this Section.

6. Termination or Withdrawal. At any time and without cause, any Party may terminate in whole or any part, its participation in this Agreement by giving 60 days written notice to the other Parties prior to the termination date.

7. Indemnification. The Parties to this Agreement agree to defend, save harmless and indemnify the other Parties, their elected and appointed officials, employees and agents, from any and all claims for injuries or damage to persons or property caused by the indemnifying Party's performance or failure to perform under this Agreement.

8. Insurance. Each Party shall provide and maintain either insurance in the form and amounts prescribed below or a statement that the Party is self-insured up to the amounts specified below:

(a) Commercial General Liability Insurance, occurrence form, with a limit of not less than \$1,000,000 each occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

(b) Automobile Liability Insurance, occurrence form, with a limit of not less than \$1,000,000 each occurrence. Such insurance shall include coverage for owned, hired, and non-owned automobiles.

(c) Workers Compensation in at least the minimum statutory limits. With respect to Workers Compensation coverage, the Parties will provide Workers Compensation coverage for any injuries sustained in the normal course and scope of the Shop Services Mechanic Employee's performance of services.

(d) General provisions for all insurance. All insurance shall:

(1) Include the other Party, its elected and appointed officials, employees, and agents, as additional insureds, except errors and omissions, with respect to this Agreement and the performance of services in this Agreement. The coverage shall contain no special limitations on the scope of its protection to the above-designated insureds.

(2) Be primary with respect to any insurance or self-insurance programs of that Party, its elected and appointed officials, employees, and agents.

(3) Be evidence, prior to commencement of services, by properly executed policy endorsements in addition to a certificate of insurance.

(4) No changes in insurance may be made without the written approval of both Parties' attorneys.

9. Mediation. Should any dispute arise out of this Agreement, either Party may request that it be submitted to mediation. The Parties shall meet in mediation within 30 days of a request. The mediator shall be agreed to by the Parties; in the absence of an agreement, the Parties shall each submit one name from mediators listed by either the American Arbitration Association, the California State Board of Mediation and Conciliation, or other agreed-upon service. The mediator shall be selected by a "blindfolded" process. The cost of mediation shall be borne equally by the Parties. Neither Party shall be deemed the prevailing Party. Neither Party shall be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall not last more than 60 days, unless the 60 day period is extended in writing by the Parties.

10. Costs and Attorney Fees. Attorney fees in an amount not exceeding \$85 per hour per attorney, and in total amount not exceeding \$5,000, shall be recoverable as costs (by the filing of a cost bill) by the prevailing Party in any action or actions to enforce the provisions of this Agreement. The above \$5,000 limit is the total of attorney fees recoverable whether in the trial court, appellate court, or otherwise, and regardless of the number of attorneys, trials, appeals, or actions. It is the intent of this Agreement that neither Party shall have to pay the other more than \$5,000 for attorney fees arising out of an action, or actions, to enforce the provisions of this Agreement.

11. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

12. Not a Joint Venture or Joint Powers Authority. The Parties intend by this Agreement to establish only an Agreement for contract Shop Services Mechanic services, and do not intend to create a joint powers agency, partnership, joint venture, or joint enterprise of any kind.

13. No Third Party Beneficiary. This Agreement is only for the benefit of the Parties as corporate entities and shall not be construed as or deemed to operate as an agreement for the benefit of any third Party or Parties, and no third Party or Parties shall have any right of action or obtain any right to benefits or position of any kind for any reason whatsoever.

14. Notices. All notices required or permitted to be given under this Agreement shall be in writing and mailed postage prepaid by certified or registered mail to the appropriate address indicated below.

To DEPARTMENT:

Central County Fire Department  
1399 Rollins Road  
Burlingame, CA 94404  
Attention: Don Dornell, Fire Chief

To MILLBRAE:

MILLBRAE City Manager  
621 Magnolia Avenue  
Millbrae, CA 94030

To SAN BRUNO:

SAN BRUNO City Manager  
330 West 20<sup>th</sup> Avenue  
San Bruno, CA 94403  
Attention: City Manager

15. Waiver. No failure on the part of either Party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that either Party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

16. Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by both Parties.

17. Governing Law. This Agreement, regardless of where executed, shall be governed by and construed according to the laws of the State of California.

18. Venue. Venue for any action regarding this Agreement shall be in the Superior Court of the County of San Mateo.

19. Authority to Enter into Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective Party.

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20. Entire Agreement. This Agreement constitutes the complete and exclusive Statement of the Agreement between the Parties. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by each Party to be bound, shall be binding on any of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date indicated on page one (1).

City of San Bruno,  
A municipal corporation of the State of  
California

Central County Fire Department,  
A Joint Powers Authority

By: \_\_\_\_\_  
Connie Jackson, City Manager

By: \_\_\_\_\_  
Randy Schwartz, Chief Administrative Officer

ATTEST:

ATTEST:

By: \_\_\_\_\_  
Carol Bonner, City Clerk

By: \_\_\_\_\_  
Rubina Ellam, Secretary to the Board

Approved as to Form:

Approved as to Form:

By: \_\_\_\_\_  
Marc L. Zafferano, City Attorney

By: \_\_\_\_\_  
Jean B. Savaree, Department General Counsel

City of Millbrae,  
A municipal corporation of the State of  
California

By: \_\_\_\_\_  
Marcia Raines, City Manager

ATTEST:

By: \_\_\_\_\_  
Angela Louis, City Clerk

Approved as to Form:

By: \_\_\_\_\_  
Joan L. Cassman, City Attorney

**RESOLUTION NO. -**

**ADOPT RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR SHARED STAFFING SERVICES BETWEEN THE CITY OF SAN BRUNO, THE CITY OF MILLBRAE AND THE CENTRAL COUNTY FIRE DEPARTMENTS**

**WHEREAS**, in October 2011 the San Bruno Fire Department, Millbrae Fire Department and Central County Fire Department entered into a merged administration and shared pilot fire station agreement; and

**WHEREAS** the parties have determined that the sharing of personnel between the parties would result in more efficient delivery of services to the community; and

**WHEREAS**, labor groups for the parties have agreed to the concept of shared staffing; and

**WHEREAS**, the parties will implement shared staffing pursuant to the terms in the Shared Staffing Policy (*Policies and Standards Manual, OPS-6 Shared Staffing*); and

**WHEREAS**, the Parties are entering into this Agreement as authorized pursuant to California Government Code sections 6502, 6504(d) and 54980, *et seq.*

**NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of San Bruno that the City Manager is hereby authorized to execute the Agreement entitled Shared Staffing Agreement between and among the Cities of San Bruno, Millbrae, and Central County Fire Departments.

—oOo—

I hereby certify the foregoing Resolution No. \_\_\_\_\_ was introduced and adopted by the San Bruno City Council at a regular meeting on February 26, 2013 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Carol Bonner, City Clerk



## POLICIES AND STANDARDS MANUAL

### Title: **SHARED STAFFING**

Policy No.:  
**OPS-6**

Adopted: January 13, 2012  
Amended: September 25, 2012

Review date:  
January 13, 2017

**Purpose:** To establish that personnel can be shared between Central County Fire Department (CCFD), Millbrae Fire Department (MFD) and San Bruno Fire Department (SBFD).

**Policy:** It is the intent of the agencies mentioned above to share personnel between agencies under the conditions herein established.

#### **Standard:**

1. All labor groups have an agreement allowing the sharing of personnel between Central County Fire Department, Millbrae Fire Department and San Bruno Fire Department under the following conditions:
  - a. When a vacancy can not be filled by the home agency and would require an individual to work a mandatory shift.
  - b. During training to allow an additional engine/truck company to stay in service.
  - c. To fill for out of county deployments.
2. There will be two overtime lists; one for "more than 14 hours" and one for "14 hours or less" comprised of firefighters and captains who have volunteered from all three agencies. The overtime lists will initially be structured based upon the hire date of the employee, not the promotional date or rank.
3. When a vacancy occurs within an agency requiring overtime to be scheduled, all normal overtime hiring policies will be followed.
4. Prior to filling the vacancy with a mandatory fill, the individual doing the staffing will contact Battalion 8 (B8), and notify him/her that one of the merged overtime lists will need to be utilized.



## POLICIES AND STANDARDS MANUAL

### Title: **SHARED STAFFING**

Policy No.:  
**OPS-6**

Adopted: January 13, 2012  
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Review date:  
January 13, 2017

5. B8 will send out notifications using Telestaff under two different scenarios: "Immediate need" and "Planned need". An "Immediate need" is a vacancy that requires filling within the next 2 hours. A "Planned need" is a vacancy that is greater than 2 hours from needing to be filled. (See Appendix "A")
6. If an "Immediate need" vacancy occurs B8 will send out a notification to include: Date, hours, location, and the call back phone number 650.558.7602. All interested personnel will call back and leave a message if they are available. B8 will check the voicemail in 20 minutes and the highest person on the list will be assigned the overtime and called back for confirmation.
7. If a "Planned need" vacancy occurs B8 will send out a notification with the above information at approximately 0830. All interested personnel will call back and leave a message if they are available. B8 will check the voicemail at 1200 hours and the highest person on the list will be assigned the overtime and called back for confirmation.
8. If a "Planned need" vacancy occurs after 1200 hours, B8 will send out a notification at approximately 1730 hours. All interested personnel will call back and leave a message if they are available. B8 will check the voicemail at 2000 hours and the highest person on the list will be assigned the overtime and called back for confirmation.
9. If a need to fill a vacancy occurs after 2000 hours, B8 will use the immediate need fill up until 2200 hours. All vacancies requiring filling after 2200 hours and before 0800 will begin at 0600.
10. Once the vacancy is filled, the individual will rotate to the bottom of the appropriate list. Personnel will NOT be moved to the bottom of the list if the overtime filled in less than 6 hours.



## POLICIES AND STANDARDS MANUAL

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11. B8 will contact the agency's staffing person with the individual's name and hours to be worked so they may place that individual in an unavailable mode. The agency's staffing person will also check to ensure the individual assigned the overtime is not working more than the 96 hours allowed without approval.
12. Captain and Firefighter/EMT/Paramedic positions will be filled by qualified firefighters and/or captains. Positions will be filled on a position for position basis first and then be offered to captains or firefighters as needed. Positions on the trucks will also be filled once adequate training has taken place. Captains may work as firefighters as long as there is not an acting captain assigned to the captain position.
13. If B8 is unable to fill the vacancy with the merged overtime list he/she will notify the appropriate staffing person to advise them that their department is now in a mandatory situation. The agency with the vacancy will adhere to its own mandatory policy.
14. B8 or B9 may approve the exchange of personnel for training purposes.
15. **Out of County deployments:** A separate merged list will be maintained for out of county deployments. A priority list will be established at the beginning of each year with all personnel interested in participating based upon the date of their last deployment.
  - a. It is the intent of all agencies to send four (4) personnel out on every engine for all out of county deployments dispatches, (Wildland - Immediate Need, Planned Need, and Crew Rotation), except Initial Attack responses. Each agency will follow their own out of county policy to fill for vacancies.
  - b. All attempts shall be made to ensure each agency's engine is staffed with a minimum of two (2) personnel from their own agency.



## POLICIES AND STANDARDS MANUAL

### Title: **SHARED STAFFING**

Policy No.:  
**OPS-6**

Adopted: January 13, 2012  
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- c. If there are still vacancies after each department has attempted to fill from their own lists then the established merged availability list will be used. B8 will use the same notification process as above to fill the out of county deployment.
- d. Each member will go to the bottom of the list after they go on an out of county deployment. It is considered an out of county deployment if you arrive at the incident and get an assignment or are gone long enough to receive overtime compensation. The goal is to balance deployments amongst all personnel.
- e. For a "Planned Need", within one (1) hour, out of county assignments will be given to on duty personnel first whether they are on their own shift, OT or trade. If all is equal, the personnel assigned to that particular shift will be given the assignment.
- f. For a planned "Crew Rotation" - a relief team could be sent after seven (7) days, but ten (10) days will be the targeted time frame. If a crew rotation is planned, the home agency (the agency the engine belongs to) will attempt to fill the needed positions. If there are still vacancies after each department has attempted to fill from their own lists, then the established merged out of county deployment availability list will be used by B9. Personnel will again be assigned by the deployment list based upon recent deployments.
- g. The department would prefer not to have crews sent if they have just completed a 48 hour tour. Crew rotations must be approved by the Incident for reimbursement and will be coordinated by Strike Team Agencies.

## Appendix A

### **OUTBOUNDING the VACANCY**

1. Open TeleStaff client
2. In the left pane, in the Manage folder, select People
3. Click on the Group column
4. Mouse over the right edge of the Group column and select an item from the Smart Groups:
  - Shared for a fill open to anyone
  - SharedP for an EMTP fill
  - (selection can be cleared by clicking on All Rows in the same drop down box)
5. Highlight all names
6. Right click anywhere on the highlighted names
7. Select Outbound
8. Type the following message in the message pane:
  - Shared OT need
  - DATE:
  - HOURS:
  - LOCATION:
  - CALL BACK TIME: (Immediate Need: 20 minutes or Planned Need: 0830
  - outbound/1200 cutoff; 1700 outbound/2000 cutoff)
  - 650-558-7602
9. Click Submit
10. Adjust settings to:
  - Over next 20 minutes
  - Max attempts 1
  - Do not make any selections in the lower box
  - (This is the maximum amount of time TeleStaff will attempt to send out all of the messages; not how long individuals have to respond)
11. Click OK

### **FILLING the VACANCY**

1. After the stated call back time, pick up the VM messages. Dial 650-558-7277, enter extension 7602 and then enter password \*\*\*\*\*
2. Make a list of the individuals who wish to work the OT shift(s)
3. The individual who called back who is highest on the appropriate Shared OT list is given the OT shift
  - Less than 6 hours uses the Short OT List; no rotation on list
  - 6-14 hours uses the Short OT List; rotate when assigned
  - Greater than 14 hours uses the Long OT List; rotate when assigned
4. Verify agency work rules are followed (i.e. overworked) and place the individual on unavailable status (SA leave for CCFD) for the duration of the OT shift - contact E38 Captain or T51 Captain for MFD or SBFD employees.
5. Rotate the list: line the name out, re-write it at the bottom of the list, add the date and your initials next to the name.
6. Assign and confirm the OT shift. Call the individual to notify them they received the OT shift. This notification must be confirmed by actually speaking to the individual.



**City Council Agenda Item  
Staff Report**

CITY OF SAN BRUNO

**DATE:** February 26, 2013  
**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Harry Burrowes, P.E. – Project Manager, Crestmoor Reconstruction Project  
**SUBJECT:** Adopt Resolution Accepting the Crestmoor (Glenview) Neighborhood Phase I Water System Improvements - Project No. 10002B as Complete and Authorizing Release of the Contract Retention Amount

**BACKGROUND:**

In accordance with the Public Services Department's established procedure, staff is requesting the City Council's acceptance of this project as complete and is seeking authorization to release retention. After the City Council accepts a project, a Notice of Completion (NOC) is filed with the County Recorder. There is a minimum of 30 days waiting period after recordation of NOC for any third party claims before the City will release the contract payment amount that the City's standard construction contract requires to be retained until the project completion is accepted. Before the retention is released, the contractor is also required to provide the City with guarantee and maintenance bonds, record drawings, manuals and warranties as well as a signed "Release of Any and All Claims Form".

The Capital Improvements Program (CIP) Project Completion and Release of Retention Form for this project (Attachment 2) provides the actual project timetable and a comparison of the original project budget with the actual project expenditures.

**DISCUSSION:**

The Phase I Water System Improvements Project consisted primarily of the construction of two new water pressure regulating stations on the north side of Sneath lane at both the upper (west) and lower (east) intersections with Claremont Drive. These regulating stations provide a connection between the 14-inch diameter high-pressure water transmission main in Sneath Lane and the water distribution system that serves the Crestmoor neighborhood. Their purpose is to provide system redundancy as well as better and more reliable water pressure and flows to the neighborhood, especially in the event of an emergency. The project also included approximately 1,000 feet of new and replacement waterline within portions of the neighborhood and Sneath Lane. New water services to multiple residences, new fire hydrants, and a new sewer lateral at 970 Glenview Drive were also installed.

West Yost Associates prepared the project plans, specifications, and bid package. The project was advertised and bids were opened on January 10, 2012. Nine bids were received.

7.6

Casey Construction Inc. was deemed to be the lowest responsible bidder. On January 24, 2012 the City Council authorized award of the contract in the amount of \$517,547 and approved a total construction budget of \$645,000.

Project Change Orders

Almost immediately upon commencement of the work under this contract, Casey encountered discrepancies between the location of the existing water facilities as shown on the plans and the conditions in the field. The design engineer relied upon record information and surface reconnaissance to determine the location of the 14-inch waterline within Sneath Lane based upon City GIS data, valve locations, and field meetings with City Water Department staff. Per the contract requirements, Casey attempted to pothole and locate the waterline before construction began. Unfortunately, it became apparent that this waterline followed older alignments of Sneath Lane. Over the past 50+ years, Sneath Lane has been re-aligned and repaved many times. The 14-inch waterline follows the old road alignment – for which the City has very little accurate records.

The locating of the waterline was complicated further by the existence of previously abandoned sections of pipe left in the ground. Numerous times over the years the 14-inch waterline has been repaired and replaced and now consists of sections of differing pipe material including PVC, cast iron asbestos cement, and welded steel. Ultimately, the City and the contractor were able to locate the pipeline. However, the actual location required extensive redesign of the project and resulted in contract change orders summarized below and detailed on Attachment 2. Additionally, during the construction several modifications were made in the field to relocate connection points and add items to facilitate construction and minimize disruption to the homeowners and neighborhood. In these cases, the work that was added is work originally planned be done in future phases of the overall project reconstruction.

A summary of the contract is as follows:

Original Contract	\$ 517,457.00	
Change Orders No. 1-7	\$ 107,325.62	(see Attachment 2 for details)
Total Revised Contract Amount	\$ 624,783.62	
Original Construction Budget	\$ 645,000.00	

The contractor, Casey Construction, has completed all work under this contract. There are no unresolved stop notices or outstanding construction claims and the Notice of Completion is ready to be filed. The construction project has been deemed complete by staff. Staff recommends that the Council accept the construction project as complete and approve the release of the contract retention. The construction contract required a 10% retention, which totals \$62,478.62 withheld by the City.

**FISCAL IMPACT:**

The project expenditure for the construction of Crestmoor (Glenview) Phase I Water System Improvements Project totals \$624,783.62, which is \$20,216.38 below the authorized

construction budget. The costs of this construction work are being covered through the Trust Fund established by the City and funded by PG&E for work to rebuild the Crestmoor Neighborhood.

**ALTERNATIVES**

1. Do not accept the project as complete and do not release retention.

**RECOMMENDATION**

Adopt resolution accepting the Crestmoor (Glenview) Phase I Water System Improvements Project as complete and authorizing release of the contract retention amount.

**DISTRIBUTION**

None

**ATTACHMENTS**

1. Resolution
2. Project Acceptance and Release of Retention Information Form

**DATE PREPARED**

February 21, 2013

**REVIEWED BY**

\_\_\_\_\_ CM

RESOLUTION NO. 2013 - \_\_\_\_

**RESOLUTION ACCEPTING THE CRESTMOORM (GLENVIEW) NEIGHBORHOOD  
PHASE I WATER SYSTEM IMPROVEMENTS PROJECT NO. 10002-B AS COMPLETE  
AND AUTHORIZING RELEASE OF THE CONTRACT RETENTION AMOUNT**

**WHEREAS**, the City Council previous authorized the replacement and reconstruction of certain infrastructure within the Crestmoor (Glenview) Neighborhood that was damaged as a result of the September 2010 PG&E gas pipeline explosion and fire; and

**WHEREAS**, the Phase I Water System Improvement Project is a vital component of the reconstruction of infrastructure within the Crestmoor Neighborhood; and

**WHEREAS**, the City Council authorized a budget of \$645,000 for the Phase I Sanitary Sewer Replacement Project; and

**WHEREAS**, the City awarded a contract to Casey Construction, Inc. in the amount of \$517,547 and issued subsequent Contract Change Orders in the amount of \$107,326.62 increasing the total contract amount to \$624,783.62 to complete the work necessary, and

**WHEREAS**, all work as a part of this contract has been completed to the City's satisfaction; and

**WHEREAS**, the costs of this contract and construction work are being covered through the Trust Fund established by the City and funded by PG&E for work to rebuild the Crestmoor Neighborhood; and

**WHEREAS**, the construction contract requires retention in the amount of \$62,478.36 withheld from the total amount until the project is complete.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council hereby accepts the Crestmoor (Glenview) Neighborhood Phase I Water System Improvements Project as complete and authorizes the release of the contract retention amount.

Dated: February 26, 2013

ATTEST:

\_\_\_\_\_  
Carol Bonner, City Clerk

-o0o-

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 25th day of September 2012 by the following vote:

AYES: Councilmembers: \_\_\_\_\_

NOES:Councilmembers \_\_\_\_\_

ABSENT: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_



**PUBLIC SERVICES DEPARTMENT**

**Capital Improvement Program**

**Project Acceptance and Release of Retention Form**

**As of Date:** February 21, 2013

**Project Information:**

Project Name:	<b>Crestmoor Reconstruction Phase I Water System Improvements</b>	Project No.:	10002 - B
Project Manager:	Harry Burrowes		
Design Consultant:	West Yost Associates	Contractor:	Casey Construction, Inc.
Design Contract Award Date:	N/A		
Const. Contract Award Date:	1/24/12		
Start of Construction:	4/2/12		
Substantial Completion:	9/15/12		
Final Completion:	10/11/12		
Notice of Completion:	Tentative 2/26/13		

**Project Description:**

The work includes, furnishing, installing and testing approximately 1,000 lf of 6" and 8" ductile iron water pipelines complete with new valves, fire hydrant assemblies, air relief valves, service connections, cathodic protection, and connections to existing distribution system. The work also includes furnishing, installing, and testing package type pressure reducing valve stations, site improvements, site restoration, and removal and abandonment of existing piping.

**Crestmoor Reconstruction Project  
Phase I Water System Improvements (10002-B)  
Project Acceptance and Release of Retention Form**

**Project Cost:**

	<b>Budget</b>	<b>Actual</b>
<b>Total Design (West Yost)</b>	<b>\$ 79,000.00</b>	<b>\$ 79,000.00</b>
Construction Contract	\$ 517,547.00	\$ 517,547.00
Construction Contingency	\$ 127,453.00	
Change Order No. 1 - Additional potholing to determine unmarked utilities - Relocate 8" waterline due to unmarked AT&T line - Waterline relocation Claremont Drive (East)		\$ 15,935.12
Change Order No. 2 - Additional work for tie-in at PRV station (west) including traffic control & overtime work		\$ 10,041.15
Change Order No. 3 - Install 36 lineal feet new 4" waterline to north side of Sneath Lane - Install 110 lineal feet of new 8" waterline Earl Ave		\$ 14,567.87
Change Order No. 4 - Install sewer lateral at 970 Glenview - Extra work related to 14" waterline in Sneath Lane. Replace existing 14" asbestos cement pipe		\$ 17,847.21
Change Order No. 5 - Revise point of connection at Claremont (East) pressure reducing station - Relocate electrical point of connection and install new trenches for communication/power line		\$ 13,404.08
Change Order No. 6 - Install new retaining wall at pressure reducing station (West)		\$ 20,963.19
Change Order No. 7 - Install new sidewalk and ADA ramps at Sneath Lane and Claremont Drive (West) - Additional asphalt paving at various locations.		\$ 14,568.00
<b>Total Construction</b>	<b>\$ 645,000.00</b>	<b>\$ 624,783.62</b>
Amount Paid to Contractor to date		\$ 562,305.26
<b>Retention to be Released to the Contractor</b>		<b>\$ 62,478.36</b>



**City Council Agenda Item  
Staff Report**

CITY OF SAN BRUNO

**DATE:** February 26, 2013

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Connie Jackson, City Manager

**SUBJECT:** Select a Development Team and Authorize the City Manager to Enter Into an Exclusive Negotiating Rights Agreement and Commence Negotiations of a Disposition and Development Agreement for the Crossings Hotel

**BACKGROUND**

With the decommissioning of the U.S. Navy Site and formation of the San Bruno Redevelopment Agency in the late 1990's, the City envisioned the presence of a hotel on the property located at the southwest corner of Interstate 380 and the El Camino Real. Various initiatives have been undertaken to transform this vision into a reality. In 1999, the City commissioned the Keyser Marsten Hotel Market Study and included the area, now known as the Crossings, into the Redevelopment Plan and Project Area.

The City Council's 2002 approval and 2005 amendment of the U.S. Navy Site Specific Plan and supporting Environmental Impact Report (EIR) further facilitated the achievement of its vision for a hotel. The Plan envisioned a seven-story "flagship" hotel with up to 500 rooms plus restaurant and meeting space. This flagship hotel was described in the Specific Plan as, "a full-service hotel offering guest rooms for overnight stay, meeting facilities, food services, provided by a major operator 'flag' and a variety of personal services offered to hotel guests. As such, it is envisioned that a full-service restaurant (approximately 5,000 square feet) will be developed within or adjacent to the hotel along with meeting rooms, banquet and special event facilities." Initial approval of this Specific Plan was supported by the 2001 Measure "E" citywide ballot initiative that increased the height limits for the area, garnering 72 percent of the popular vote.

In August 2007, and as part of the Martin Regis development of the Crossings Site, the City commissioned a market feasibility study to assess the viability of a full-service hotel at the Crossings. This study, performed by PKF Consulting, advised that a full service hotel would not be economically viable in the near or long-term. As a result, the City began to pursue development of a select-service hotel. By doing so, the City was still able to advance its broader objectives of a hotel with at least 120 hotel rooms and a 3,000 square foot meeting space able to accommodate at least 200 persons in banquet-style seating. In support of the City Council and community's steadfast commitment to a hotel at the Crossings Site, and to complement the future select-service hotel, a new retail parcel was created leading to the development of the retail center and fine dining restaurant (Jack's Restaurant and Bar).

10.a

In its most recent action to bring a select-service hotel to the Crossings, in July 2012, the City purchased the 1.5-acre hotel site from Martin Regis for the total consideration of \$1,400,000. As a former U.S. Naval Facility, and prior to its July 2012 conveyance to the City of San Bruno, Martin Regis performed environmental remediation on the site and received a "No Further Action" letter from the County of San Mateo.

The Crossings hotel site represents the last remaining vacant parcel within the 20-acre master planned Crossings development. Today, the Crossings includes 1,063 multifamily units in five buildings and a 15,000 square foot fully occupied commercial center, all built within the past ten years.

## **DISCUSSION**

On October 8, 2012, the City issued a Request for Qualifications/Proposals (RFQ/P) inviting written proposals from qualified developers to design, finance and build a high quality, select-service hotel at the Crossing. Proposals were due to the City on November 19, 2012. The City requested proposals provide the following information:

1. Team Qualifications and Experience;
2. Financial Capacity and Acumen;
3. Project Concept and Financing Proposal; and,
4. Special Requirements Prior to Execution of an Exclusive Negotiating Rights Agreement and/or Disposition and Development Agreement.

The City received five proposals from the following development teams: ABA Development, Destination Properties-BMH Group, OTO Development, R. D. Olson Development and Win Time Development. Upon a comprehensive review of the development proposals, the City determined, in order to ensure an equitable comparison of the proposals, additional information was required from each of the five developers.

On January 9, 2013, the City issued a supplemental request for information. This additional information was due to the City on January 24, 2013 and requested responses to the following:

1. Explain the design of the hotel conference area and how it could be used as single use space, break-out/partitioned space, and capacity based on varying set up configurations. Briefly, what would be your marketing strategy for this conference space?
2. Provide a project pro forma that includes an overview of development and operating costs and revenues and assumptions used (several submittals already included this information). Even if no subsidy is anticipated, the City is still interested in your development assumptions and operational forecasts.
3. Explain the methodology used in calculating the proposed number of parking spaces. What is the estimated cost to construct the parking structure, subterranean or aboveground, and how does it affect the overall development cost and project economics?
4. Provide a project schedule, including timeline for development and timing/mechanism of City subsidy (if requested).

5. Describe your prior experience with public/private partnerships, especially where the public agency owned land or had financial participation in the project.
6. Discuss the potential impact on this project from any contingent liabilities, if any, associated with other projects in your portfolio (either under development and/or ownership), e.g., what will be the impact to this project if other project(s) you are currently developing or operating lose equity capital, financing and/or face other issues that affect the your financial capacity?

The above questions were asked of each of the five development teams and, as necessary, specific questions of each development team were posed. Each of the five development teams submitted the requested additional information per the required schedule.

#### Overview of the Development Proposals and Development Teams

Attachment No. 1 to this staff report provides a summary of the significant business terms contained in each development proposal as well as brief overview of the qualifications of each development team. In summary, Marriott's Springhill Suites and Hyatt Place were the preferred hotel brand, ranging in size between 77,000 to 84,500 square feet with 121 to 149 guest rooms. The hotel proposals ranged between five and six stories in height with an average daily room rate, at year three after its opening, ranging between \$145 and \$193 per evening.

Only one development team requested an up-front cash infusion. The other proposals requested phased-in assistance from the City, either through the conveyance of the land, waiver of development and permit fees or a rebate of transient occupancy tax. All but one proposal requested the rebate of transient occupancy tax for three to 20 years and three of the five proposals requested a waiver of project permits and fees. The total initial subsidy requested ranged between \$1,255,000 and \$17,001,000. It is important to note the subsidy requests were generated by the developers with only limited due diligence and pro forma modeling.

The depth and breath of hotel development and operations experience of the five proposers ranged widely:

***ABA Development:*** Founded in 2005 by two principals, Scott Brown and Larry Rubenstein, ABA Development is a partnership between ABA Development and its equity partner with the objective of building 20-30 mid to upper scale hotels. They have completed Hyatt Place hotel projects in Roseville and Vista.

***Destination Properties – BMH Group:*** The BMH Group is an affiliation of Michael Bullis (operations), Joe Marchetti (construction, acquisitions and development) and Nick Hayhurst (finance, acquisitions and development). Individually, the partners have completed numerous hotel renovation and restoration projects including the Disneyland Hotel in Anaheim, the Biltmore Hotel in Los angeles, the Pan Pacific Hotel in San Francisco and operated and refurbished the Los Angeles Hilton and Towers and Waterfront Hilton Beach Resort in Huntington Beach. Additionally, this team recently completed a Holiday Inn Express in Grass Valley.

**OTO Development:** OTO Development is a hospitality ownership, development and management company with a national hotel presence. Most of the leadership, development and operations teams have been working together for over 15 years and have developed 525 hotels in 42 states, including 73 in California. Headquartered in South Carolina, OTO Development has teams located in major markets across the United States, including Washington D.C., Los Angeles, San Diego and the San Francisco Bay Area. OTO Development has been honored by Hilton Worldwide, Marriott International and Global Hyatt with numerous awards and recognitions, classifying it as one of their elite franchise partners for both development and operations. They are currently under development in Manhattan/Madison Square Garden, Washington D.C., El Segundo, Palo Alto and Bellevue and in the entitlement process on additional developments in Washington D. C., Manhattan/Times Square, San Diego, Santa Monica, Napa and Miami Beach.

**R.D. Olson Development:** R.D. Olson is a hotel developer and owner with experience in all stages of the development process. They have worked with the Cities of Tustin and Irvine, the Irvine Company and Sares Regis Group, and have completed Marriott and Holiday Inn hotels in San Juan Capistrano, Oceanside, Aliso Viejo, Burbank, Irvine and Anaheim and currently have projects under development in Irvine, Pasadena, Tustin, Maui, Goleta and Sonoma. Recently, R.D. Olson Development has four newly opened hotels in the past 12 months and two hotels totaling 300 rooms and 16,000 square feet of retail space is currently under construction.

**Win Time Hotels:** Formed approximately 34 years ago, Win Time Hotels Group developed and operates its seven hotels in California. Win Time Hotels is both an approved developer and operator of Marriott brand hotel properties.

#### Review of the Developer Proposal and Selection of the Development Team

Each development proposals was reviewed by City staff, its economic consultant, Economic and Planning Systems and hotel industry advisors, PKF Consulting. This initial evaluation assessed the following:

- **Team Qualifications and Experience:** Responsiveness to the City's Request for Qualifications/Proposals, Development Team experience;
- **Financial Capacity and Acumen:** Risk to the City that the Development Team possessed the experience, depth and financial ability to successfully complete the project; and,
- **Project Concept and Financing Proposal:** Hotel brand, hotel type, number of guest rooms, number of stories, gross building area, parking and meeting space, project design including amenities and compliance with the U.S. Navy Site Specific Plan, total development cost, cost per room, occupancy and average daily rate at year three of operation and amount and nature of City assistance.

As a result of this rigorous review of the proposals, two developers clearly demonstrated the greatest ability to finance and deliver the Crossings hotel, OTO Development and R. D. Olson Development. In the next phase of the selection process, these two finalists were invited to attend an interview, conducted on February 15, 2013, with the City Council Development

Subcommittee (Mayor Ruane and Councilmember Ibarra), City staff, economic consultant and hotel industry advisor.

During the individual one-hour interviews, the following questions were posed to both development teams:

- What factors led to the selection of the Marriott Springhill Suites brand and what considerations were made in determining the number of rooms, room rate, square footage and amenities?
- How will you ensure potential or existing exposure and liability from other projects will not adversely impact your firm's ability to deliver the San Bruno hotel?
- How will you address the need for shared parking with the adjacent restaurant?
- How will the exterior design of the hotel be enhanced to ensure an aesthetic that distinguishes the property from other adjacent properties and hotels?
- What conditions might impact your proposed City subsidy and how would this subsidy flow from the City to your firm?
- What expectations does your firm have regarding the terms and conditions of the Agreement to Negotiate Exclusively (draft Agreement to be emailed early next week)?
- How will the meeting/banquet space be configured, marketed and operated?

Selection of a preferred development team was challenging. Both teams demonstrated a clear and compelling ability to develop, deliver and operate the Crossings hotel. However, given OTO Development's expansive hotel development and operations track records, as well as their significant financial capacity, the selection team unanimously decided to recommend to the City Council selection of OTO Development.

#### Exclusive Negotiating Rights Agreement and Disposition and Development Agreement

Upon selection by the City Council of its preferred hotel developer, staff will commence the process of negotiating the terms and conditions of the Exclusive Negotiating Rights Agreement (ENRA). It is anticipated this process will take a few weeks after which, staff and the developer will commence negotiation of the Disposition and Development Agreement (DDA). The DDA will express the terms and conditions of City financial assistance, the process for securing project entitlements and the development conditions for the hotel project. It is anticipated this DDA would be presented to the City Council for its consideration and action later this summer.

Ultimately, it is staff's goal to minimize the level of public financial participation in the project and to attain the most distinctive, highest-quality hotel project possible. Based on the OTO Development proposal, the City's participation in the project may include land, fee waivers, and/or assistance with other financing vehicles such as the rebate of transient occupancy tax.

## **FISCAL IMPACT**

It is anticipated the selected hotel developer will fund the costs associated with the negotiation and execution of the ENRA and DDA. City financial assistance may be required for the realization of the hotel project. The amount of this assistance will become clearer and will be presented to the City Council for its consideration upon the conclusion of the negotiation of the Disposition and Development Agreement.

## **ALTERNATIVES**

1. Select a developer other than OTO Development as the hotel developer and proceed with the negotiation of the Exclusive Negotiating Rights Agreement and Disposition and Development Agreement;
2. Defer selection of a developer.

## **RECOMMENDATION**

Staff recommends the City Council select a development team and authorize the City Manager to enter into an Exclusive Negotiating Rights Agreement OTO Development and commence negotiations of a Disposition and Development Agreement for the Crossings hotel.

## **ATTACHMENTS:**

1. Request for Qualifications/Proposals-The Development of a Hotel Project a the Crossings Site in the City of San Bruno
2. Summary of Developer Responses – Crossings Hotel Project (February 6, 2013)
3. OTO Development Proposal – December 14, 2012
4. OTO Development Supplemental Response – January 24, 2013
5. Draft Exclusive Negotiating Rights Agreement

## **DATE PREPARED**

February 19, 2013

# REQUEST FOR QUALIFICATIONS/PROPOSALS



October 2012

The Development of a Hotel Project at the  
Crossing Site in the City of San Bruno  
*San Francisco International Airport Market Area*

## Contact

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Mark Sullivan

Interim Community Development, City of San Bruno

567 El Camino Real

Tel: (650) 616-7053

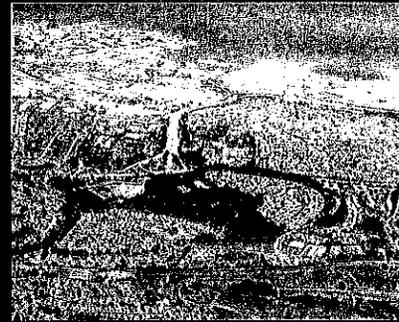
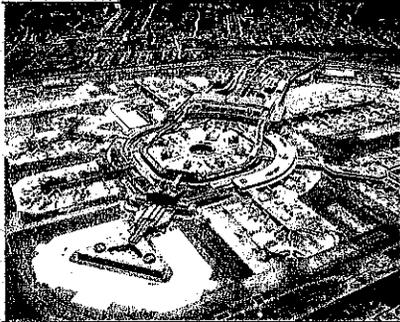
Fax: (650) 873-6749

[msullivan@sanbruno.ca.gov](mailto:msullivan@sanbruno.ca.gov)



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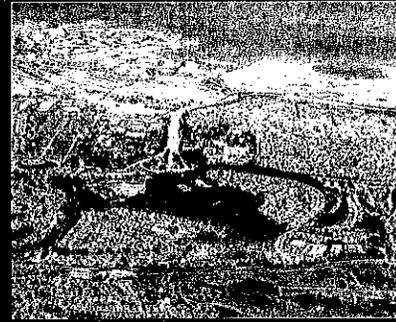
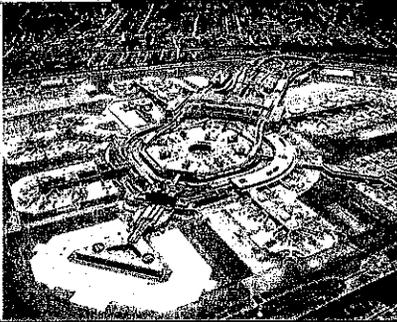


## Introduction

The City of San Bruno invites written proposals from qualified developers to design, finance, and build a high-quality, select-service hotel at the Crossing site in San Bruno. This 1.5-acre site is ideally located five minutes from the San Francisco International Airport with visibility from Interstate 380 ("I-380"). It is within walking distance of two commuter-rail transit stations (BART and CalTrain), a one million-square-foot regional mall (The Shops at Tanforan), and a highly successful office park (Bayhill).

Through this Request for Qualifications/Proposals ("RFQ/P"), the City seeks to engage a highly-qualified, financially-capable Development Team able to perform all services necessary to successfully complete the Crossing Hotel Project ("Project"). The City is most interested in proposals that include methods of structuring financing to minimize public participation and risk.

Following a review of proposals submitted by interested developers, the City will interview those parties it determines to be the best suited to successfully develop the project, and will make a final selection and recommendation for approval to the City Council. The City intends to enter into an Exclusive Negotiating Agreement ("ENA") with the approved developer team and ultimately execute a Development Agreement ("DA") for the Crossing Hotel project.



## Background and Context

### The City

The City of San Bruno is situated within northern San Mateo County between South San Francisco and Millbrae, near the San Francisco International Airport and about 12 miles (19 kilometers) south of downtown San Francisco. Regional access to the community is provided via U.S. Highway 101, which runs north-south through the eastern portion of the City; State Highway 82/El Camino Real, which runs north-south through the central portion of the City (and Project Site); and Interstate Highway 280, which runs along the western border of the City.

Occupying roughly 5.5 square miles of land area, the City has a population of approximately 42,450. San Bruno greatly benefits from its central position and participation in a relatively affluent, highly-diverse, and heavily-populated region anchored by San Francisco to the north and Silicon Valley to the south. This broader market has experienced tremendous growth over the last 20 years, emerging as one of the most dynamic economies in the United States. Approximately 862,600 residents and 309,060 jobs exist within a ten-mile radius of the City. The unemployment rates in San Mateo and San Francisco counties are 7.0 and 7.5 percent, respectively, below the national average.

San Bruno itself has a relatively balanced economy with over 12,130 jobs across multiple sectors. The City's residential property values are strong, with a median value of \$648,000. Home-ownership rates are relatively consistent with the Western United States average, with 61 percent of households owning their home and 39 percent renting. San Bruno also boasts a highly-successful commercial district which attracts large numbers of shoppers from outside the City and generated about \$560 million in taxable retail sales in 2010.

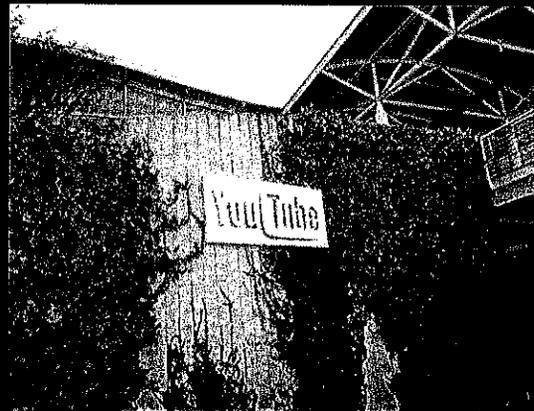
### Site Characteristics

The subject property is located at the Northwest Corner of El Camino Real and Interstate 380, as shown in **Figure 1**. Although there is an I-380 on- and off-ramp at El Camino Real,

auto access to the site is available primarily from Commodore Drive. The site is approximately 1.5 acres (65,340 square feet) and is currently vacant (i.e., no structures) with relatively level topography. The City purchased the property from Martin Regis in July 2012 and holds full title. As a former U.S. Naval Facility, Martin Regis performed environmental remediation on the site and received a "No Further Action" letter from the County of San Mateo (see Available Project Information section for further detail).

As noted, the site is conveniently located near the amenities, services, and destinations frequently utilized by business and leisure travelers. These include, but are not limited to:

- **Transportation:** The site offers quick access to both of the San Francisco Peninsula's major commuter corridors (Interstate 280 and U.S. Highway 101), which connect San Francisco and San Jose. It is also within walking distance of two commuter-rail transit stations (BART and CalTrain). The San Francisco International Airport is approximately three (3) miles to the east, or a five minute drive.
- **Retail:** The site is immediately across the street from the Shops at Tanforan. Redeveloped in 2005, the Shops at Tanforan is a regional mall with approximately one million square feet of gross leasable area anchored by Barnes & Noble, Target, a 15-screen cinema (Century at Tanforan), and over 100 other retailers. In addition, the site is immediately adjacent to a newly-developed small commercial center anchored by Jack's Restaurant and Bar (approximately 12,000 sq ft).
- **Office:** The site also benefits from its proximity to the Bayhill Office Park, a 73-acre development with 1.5 million square feet of office space. Located just south of the Crossing site on the other side of I-380, the majority of the park contains Class A office buildings offering a variety of amenities to tenants. Tenants include Youtube, Walmart.com, Stella & Dot, and a variety of other software and Internet firms. The Crossing Hotel would likely cater to business travelers associated with Bayhill who would be able to easily walk to this destination.

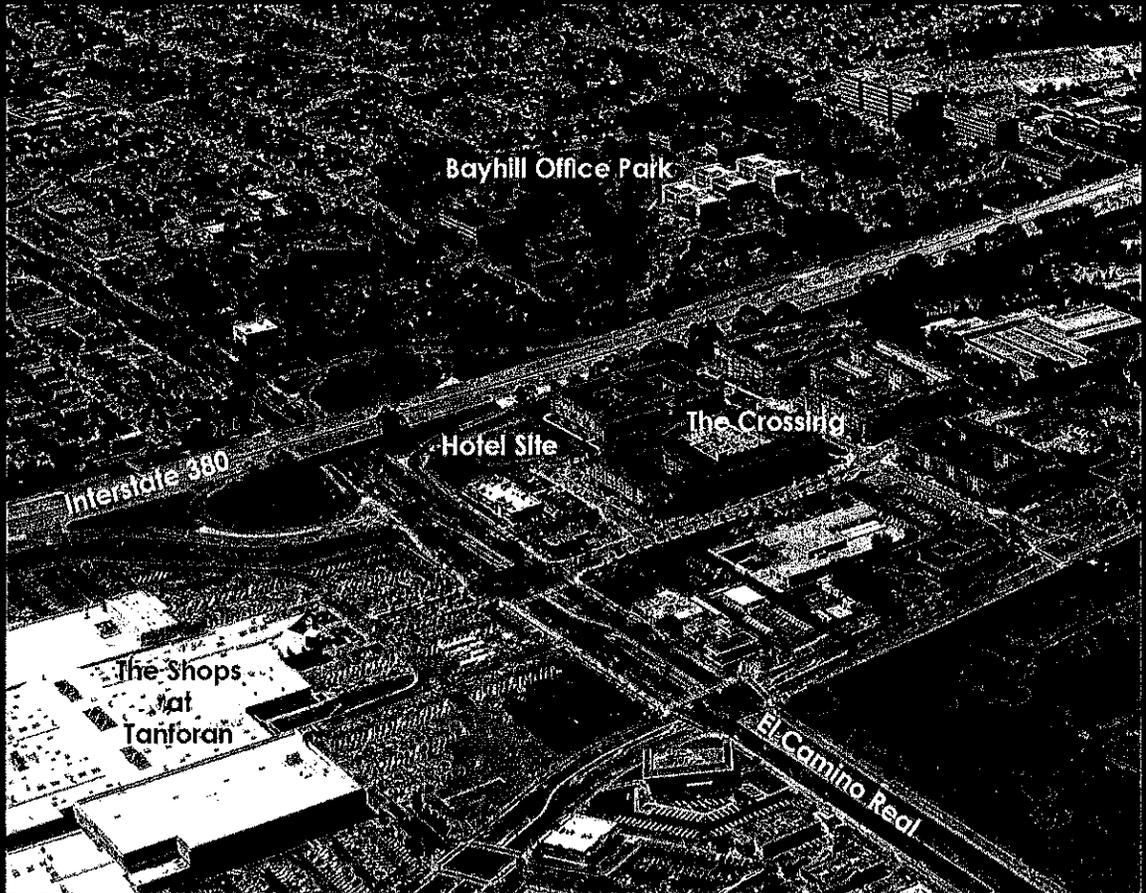


## Planning Background

The proposed hotel site represents the last remaining vacant parcel within a 20-acre master planned development, referred to as the Crossing San Bruno (see **Figure 2**). The Crossing San Bruno was the primary project area for the San Bruno Navy Site Specific Plan adopted by the City in 2002 and amended in 2005 (see the Available Project Information section). Approval of the Specific Plan was supported by a citywide ballot measure that increased height limits for the area, garnering 72 percent of the popular vote. The

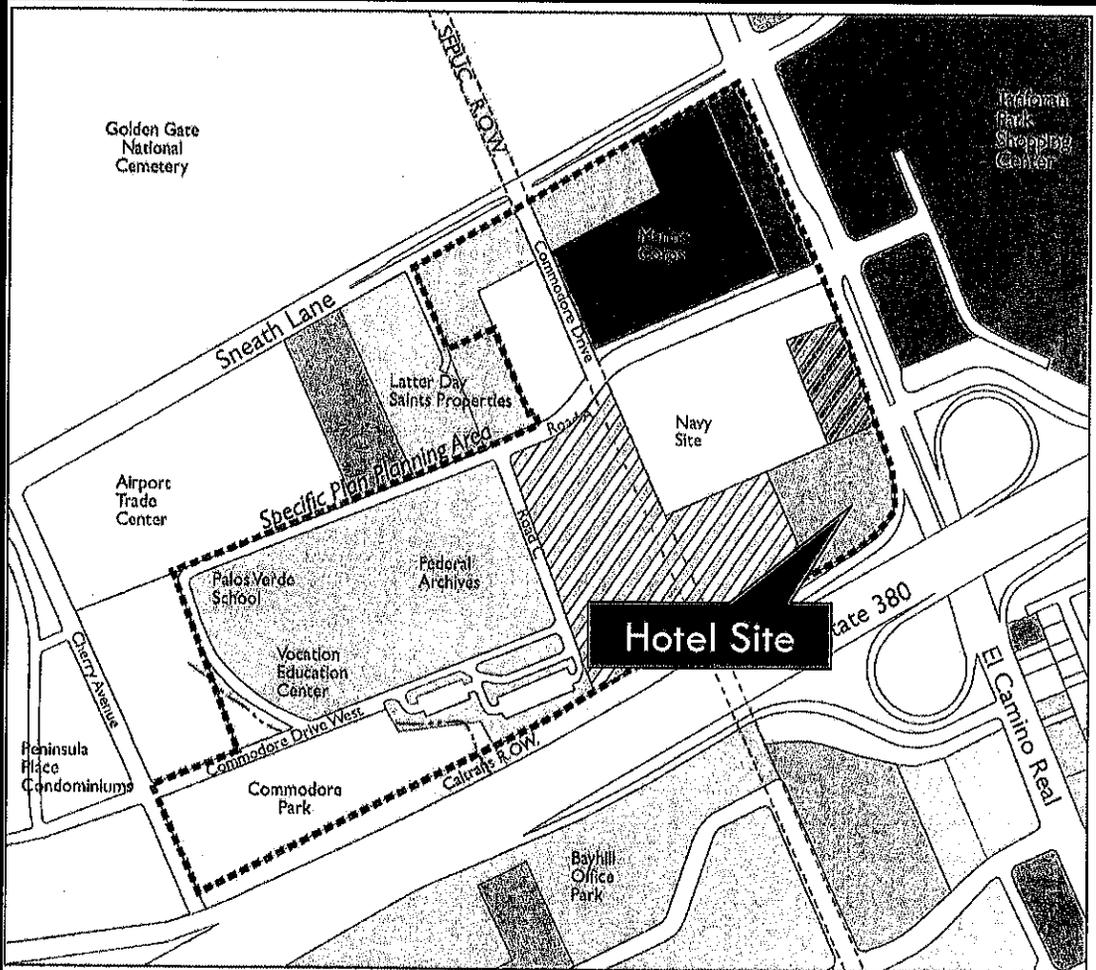
developed portions of the Crossing San Bruno include 1,063 multifamily units in five buildings and a 15,000 square foot fully-occupied commercial center, all built within the past ten years.<sup>1</sup>

**Figure 1: Crossing Hotel Site and Surrounding Neighborhood**



<sup>1</sup> Although the subject property is located within the former San Bruno Redevelopment Project Area, the State dissolved all Redevelopment Agencies as of February 1, 2012.

Figure 2: Navy Site Specific Plan Map



DYER & BIANCHI  
 Urban and Regional Planners

- |   |   |
|---|---|
|  Residential                                 |  Visitor Services    |
|  Neighborhood Retail                         |  Services            |
|  Regional Retail                             |  Industrial          |
|  Regional Office                             |  Parks/Open Space    |
|  Office/Residential Flex                     |  Public/Quasi-Public |
|  ECR Commercial Overlay                      |   |
|  Marines Reserve Facility (Future Mixed Use) |   |

Figure II.4  
 U.S. Navy Site and Its Environs  
 Specific Plan Area:  
 Proposed Land Use Diagram

The approved US Navy Specific Plan and supporting Environmental Impact Report (EIR) allow for a hotel with up to 500 rooms, plus restaurant and meeting space, and up to seven (7) stories (73'-0" maximum height), including ground floor lobby and service area. The Plan requires one parking space per room plus a 15 percent reduction for shared parking, and envisions a parking structure integrated into the main building. The Specific Plan also specifies that new buildings be brought to the sidewalk edge, but allows for setbacks of up to 20 feet to accommodate small plazas, entryways, and outdoor eating.<sup>2</sup> Finally, the Specific Plan calls for a "flagship" hotel, as described below:

*"A "Flagship" hotel is a full-service hotel offering guest rooms for overnight stay, meeting facilities, food services, provided by a major operator "flag" and a variety of personal services offered to hotel guests. As such, it is envisioned that a full-service restaurant (approximately 5,000 square feet) will be developed within or adjacent to the hotel along with meeting rooms, banquet and special event facilities."<sup>3</sup>*

Although the Specific Plan allows for a 500-room hotel with a full-service restaurant and other on-site amenities (e.g., fitness center), the City recognizes that, due to build-out, the reduced size of the designated hotel property may limit the ability to create a project of this scale. Further detail is listed in the Development Opportunity section of this report.

### **Hotel Market Overview**

The following section provides an overview of the San Francisco International Airport ("SFO") hotel market, based on data reported by individual properties within the market and compiled by PKF Hospitality Research. This data is intended to provide bidders with summary information pertaining to the SFO market, and should not be relied upon for the basis of their proposals. Proposers and bidders should make their own analyses of market conditions prior to submitting an RFP.

The City of San Bruno is part of the larger SFO market, which also includes the cities of Burlingame, Millbrae, Brisbane, Oyster Point, and South San Francisco. The market currently features 62 hotels totaling 8,812 rooms, ranging in chain scale from economy to upper-upscale. The tables on the following page list the major properties in the region, segmented into full-service and select-service categories.

<sup>2</sup> Along El Camino Real a minimum ten (10) foot wide landscaping area is required.

<sup>3</sup> See page 45 of the San Bruno Navy Site Specific Plan

<b>San Francisco Airport Competitive Market</b>			
<b>Full-Service Hotels</b>			
<b>Property</b>	<b>Location</b>	<b>Rooms</b>	<b>Year</b>
Embassy Suites SFO – Waterfront	Burlingame	340	1986
DoubleTree by Hilton Hotel SFO	Burlingame	390	1986
Hyatt Regency SFO	Burlingame	793	1988
SFO Marriott Waterfront	Burlingame	686	1985
Hilton SFO Bayfront	Burlingame	404	1983
Crowne Plaza SFO	Burlingame	309	1986
The Westin SFO	Millbrae	393	1987
Embassy Suites SFO – South San Francisco	South San Francisco	312	1988
<b>Total</b>	<b>-</b>	<b>3,627</b>	<b>-</b>

<b>San Francisco Airport Competitive Market</b>			
<b>Select-Service Hotels</b>			
<b>Property</b>	<b>Location</b>	<b>Rooms</b>	<b>Year</b>
Four Points by Sheraton Hotel & Suites SFO	South San Francisco	100	2001
Hampton Inn SFO	South San Francisco	100	1999
Hilton Garden Inn SFO North	South San Francisco	169	1999
Courtyard SFO/Oyster Point Waterfront	South San Francisco	198	2000
Residence Inn South San Francisco	South San Francisco	152	2001
Larkspur Landing South San Francisco	South San Francisco	111	1999
Radisson Hotel SFO Bay Front	Brisbane	210	2000
Homewood Suites by Hilton SFO North	Brisbane	177	2002
Staybridge Suites SFO	San Bruno	92	1990
Courtyard SFO	San Bruno	147	1986
Hampton Inn & Suites SF – Burlingame	Burlingame	77	2003
Aloft Millbrae	Millbrae	253	2012
<b>Total</b>	<b>-</b>	<b>1,786</b>	<b>-</b>

Most major hotel chains are represented in the local market, including Marriott, Hilton, Hyatt, and InterContinental. The newest addition to the market is the 253-room Aloft Millbrae, which opened in September 2012.

As can be seen, major hotels in San Bruno include the 92-room Staybridge Suites SFO and the 147-room Courtyard SFO. The city also features a number of smaller, independent hotels and motels, for a total of 659 rooms. It is worth noting that, in 2011, the Staybridge Suites achieved an occupancy in the low 90s and the Courtyard achieved an occupancy in the high 70s with one of the highest average daily rates in the airport market. The success of these properties suggests a high demand for quality hotel rooms in the City of San Bruno.

While the San Francisco Airport market, like nearly all markets across the United States, was affected by the national recession of 2009, occupancy and average daily rate

("ADR") have rebounded strongly since, to achieve levels significantly higher than those experienced prior to the onset of the economic downturn. Both the full-service and the select-service market segments posted revenue per available room ("RevPAR") gains of over 20 percent in 2011, led primarily by increases in ADR. In the second quarter of 2012, RevPAR grew by nearly 20.0 percent for full-service hotels and 24.0 percent for select-service properties, compared to just 9.0 percent for all hotels in the greater San Francisco region. In fact, the airport market led all San Francisco submarkets in terms of RevPAR growth for the last four quarters, due in part to large increases in passenger traffic at the San Francisco International Airport. The following tables detail the airport market's occupancy and ADR performance for the years 2006 to 2011, plus the year-to-date period ended August 2012.

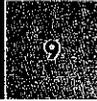
Historical Performance of the Competitive Market								
Full-Service Hotels								
Year	Annual Supply	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2007	1,323,855	982,203	-	74.2%	\$119.50	-	\$88.66	-
2008	1,323,855	1,009,973	2.8%	76.3%	\$124.60	4.3%	\$95.06	7.2%
2009	1,323,855	952,139	-5.7%	71.9%	\$109.63	-12.0%	\$78.85	-17.1%
2010	1,323,855	1,026,203	7.8%	77.5%	\$108.19	-1.3%	\$83.86	6.4%
2011	1,323,855	1,103,747	7.6%	83.4%	\$120.85	11.7%	\$100.76	20.1%
<b>CAGR</b>	<b>0.0%</b>	<b>3.0%</b>	<b>-</b>	<b>-</b>	<b>0.3%</b>	<b>-</b>	<b>3.2%</b>	<b>-</b>
YTD Aug '11	882,570	720,159	-	81.6%	\$116.56	-	\$95.11	-
YTD Aug '12	882,570	734,257	2.0%	83.2%	\$136.72	17.3%	\$113.75	19.6%

Source: PKF Consulting USA

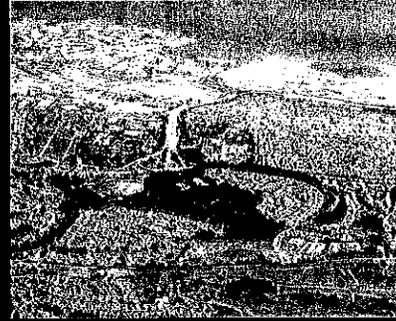
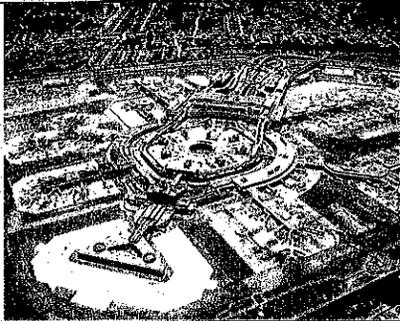
Historical Performance of the Competitive Market								
Select-Service Hotels								
Year	Annual Supply	Occupied Rooms	Percent Change	Market Occupancy	ADR	Percent Change	RevPAR	Percent Change
2007	607,725	432,280	-	71.1%	\$117.87	-	\$83.84	-
2008	607,725	432,976	0.2%	71.2%	\$124.55	5.7%	\$88.74	5.8%
2009	607,725	398,852	-7.9%	65.6%	\$107.45	-13.7%	\$70.52	-20.5%
2010	607,725	455,931	14.3%	75.0%	\$107.06	-0.4%	\$80.32	13.9%
2011	607,725	491,688	7.8%	80.9%	\$119.56	11.7%	\$96.73	20.4%
<b>CAGR</b>	<b>0.0%</b>	<b>3.3%</b>	<b>-</b>	<b>-</b>	<b>0.4%</b>	<b>-</b>	<b>3.6%</b>	<b>-</b>
YTD Aug '11	405,150	327,052	-	80.7%	\$115.17	-	\$92.97	-
YTD Aug '12	405,150	342,773	4.8%	84.6%	\$136.23	18.3%	\$115.26	24.0%

Source: PKF Consulting USA

It should be noted that both full-service and select-service hotels achieved similar occupancy and ADR levels throughout the five-year historical period. In 2011, for instance, occupancies were 83.4 percent for full-service hotels and 80.9 percent for select-service properties, and ADR was \$120.85 for full-service properties compared to \$119.56 for select-service hotels. These statistics reflect the larger size and older age of full-service



properties, all of which were built between 1983 and 1988, but also imply that travelers do not perceive significant advantages in staying at full-service properties.



## Development Opportunity

With this RFQ/P, the City hopes to select a qualified Development Team to design, finance, and build a high-quality hotel at the Southwest corner of the Crossing within the Navy Site Specific Plan. The 1.5 acre hotel site represents a tremendous opportunity to develop a high-quality hotel, due to its prime location in a highly-successful commercial area. The project would be the premier hotel in San Bruno, a sub-market that is currently underserved for business class accommodations. Recent market data suggest that the regional hotel market is gaining momentum, driven by strong economic recovery in the San Francisco MSA. Within this context, the Crossing Site is ideally located with excellent street and highway visibility, multi-modal transportation access, and immediate adjacency to visitor serving amenities and demand generators.

The City's goal for the Crossing Hotel is driven by a number of inter-related policy objectives for the Crossing Project, which include (1) contributing to the City's long-term economic development, including job opportunities for City residents; (2) enhancing the City's hospitality and visitor serving offerings; (3) creating a positive impact on the City's General Fund through increased tax revenues (transient occupancy, property, and sales tax); and (4) supporting the continued development of a vibrant mixed-use district along the El Camino Real corridor.

Although the Specific Plan allows for a 500-room full-service hotel, the City recognizes that market conditions as well as the size of the site may limit the ability to create a project of this scale. However, the City is intent on securing a high-quality, select-service hotel that will advance its broader objectives. Accordingly, the City seeks a project with at least 120 rooms and conference space of sufficient size to accommodate a minimum of 200 persons in banquet-style seating (e.g. +/- 3,000 square feet).

With the exception of accommodations and meeting space, the City is willing to consider and facilitate, as needed, other options for realizing the visitor serving uses outlined in the Specific Plan. For example, although on-site food service is considered an important part of the concept, the Developer may seek catering or other arrangements with an outside provider (e.g., Jack's Restaurant next door) in-lieu of a full-service restaurant. Likewise, fitness- and spa- related amenities could be offered off site, potentially as part of an

agreement reached with other uses at the Crossing (e.g., the Archstone Fitness Center). Finally, there may be opportunities for shared parking arrangements with nearby property owners, including the Shops at Tanforan and/or other locations within the Crossing.

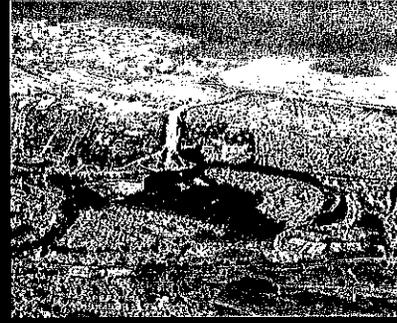
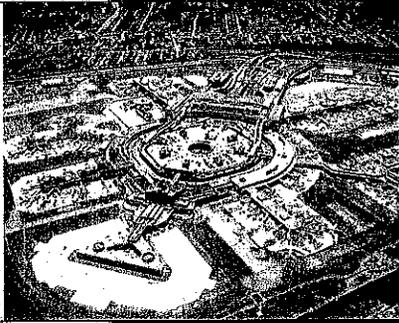
The City expects that the selected Development Team will have primary responsibility for securing funding for predevelopment, site preparation, necessary infrastructure, vertical construction, and all other expenses and activities necessary to make the project successful while complying with applicable regulations.<sup>4</sup> While the City of San Bruno may be willing and able to offer financial incentives and assistance as necessary and appropriate, like most cities in California it faces significant budget constraints and has limited financial resources, especially with the demise of Redevelopment.

Ultimately, it is the City's goal to minimize the level of public financial participation in the Project and to attain the most distinctive, highest-quality Project possible. Consequently, proposers are urged to consider creative development and financing structures that will accomplish these goals. The City's participation in the Project could include land, fee waivers, public infrastructure improvements, and/or assistance with other financing vehicles. Any request for such assistance will be considered in terms of demonstrated need as well as the value such participation would bring to the City with respect to the goals outlined above.<sup>5</sup>

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<sup>4</sup> It is expected that the Project will be subject to local prevailing wage requirements, especially if public assistance is requested.

<sup>5</sup> Under Article XVI, section 6 of the California constitution a public entity cannot provide a "gift of public funds" unless there is a clear public benefit or purpose. Consequently, the City will need to clearly articulate, preferably as part of a formal Council finding, the basis for any subsidy and its relationship to the public benefits expected from the Crossing project.



## Submittal Requirements

This section summarizes the basic requirements for all submittals and provides an overall schedule for the preparation, review and selection process.

### Contact, Delivery and Schedule

All responses to this RFQ/P must be submitted on or before 4:45 on December 14, 2012 to the following address and contact:

**Mark Sullivan**  
Interim Community Development Director  
City of San Bruno  
567 El Camino Real  
Tel: (650) 616-7053  
Fax: (650) 873-6749  
Email: [msullivan@sanbruno.ca.gov](mailto:msullivan@sanbruno.ca.gov)

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

As soon as it is known, but no later than 5:00 PM on Monday, November 26, 2012, 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 bidder's company name, address, primary contact, and primary contact's email address and telephone number. This notice of intent shall be emailed to Mark Sullivan at the email address listed on the previous page.

To maintain an open process, we request that all questions be directed via e-mail on or before November 30th to the contact person above. The City will group and respond to all questions (without attribution) to be made available as an addendum to this RFQ/P and published on the web site referenced below. No information other than that flowing

through these channels will be provided once the RFQ/P has been released. In addition, interested parties may participate in the Bidders Conference, as described further herein.

The following website provides a number of documents in addition to a copy of this RFQ/P. 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://planbruno.org/grow-with-us/commercial-opportunities/>

The overall schedule for the RFQ/P process is summarized below:

Action/Event	Schedule/Deadline
City release of RFQ/P	October 31, 2012
Deadline for Notice of Intent to Submit Proposal	November 26, 2012 (5:00 PM)
Bidders Conference (see below details)	November 28, 2012 (1:00 PM @ San Bruno Civic Center)
Deadline for submission of questions related to the RFQ/P	November 30, 2012
Deadline for submissions to RFQ/P	December 14, 2012 (4:45 PM)
Interviews with selected team(s)*	Week of January 7, 2013
City Council Consideration*	January 22, 2013
ENA Period*	February 1 – April 1, 2013

\*Denotes dates are tentative and subject to change.

As noted, the City will be hosting a Bidders Conference at the San Bruno Civic Center to answer any questions related to this RFQ/P on November 28, 2012. Interested parties can attend in person or participate via web, as described below:

**Participate in Person:**

City of San Bruno  
 567 El Camino Real, Conference Room 115  
 San Bruno CA 94066

**Participate via Tele-Conference:**

Instructions for GoToMeeting will be sent to all potential bidders

**Content and Organization of Submittals**

Respondents to this RFQ/P are requested to supply all 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 qualifications of the Development Teams. The use of standard or stock company marketing materials is discouraged except with respect to resumes or limited general information concerning the company or firm. The Submittals must follow the order and reference each of the numbered categories listed and described below:

### *1. Cover Letter*

Provide a cover letter introducing the Development Team and identifying the basic submittal contents and the primary contacts or representatives. The cover letter must be executed by an officer or other authorized representative of the Development Team.

The cover letter shall identify and explain any significant conditions, limitations, special requirements, reservations or conditions that the Development Team will require before signing an ENA or DA. If none, please state "none." For example, if certain agreements or assurances must first be in place before work can commence or third party approvals are required to receive necessary funding, identify these. In addition, identify any current or recent commitments or contracts that might be perceived as a conflict with the subject Project. Developers with clearly stated requirements that are reasonable and limited in number will receive preference.

The cover letter shall also contain statements confirming that the undersigned represents and warrants the following:

- a. *It has read the RFQ/P and agrees to abide by the contents and terms of the RFP/Q;*
- b. *All factual statements contained in its Submittal are true and correct; and,*
- c. *Developer Team will not add, remove or substitute any Equity Member or key individuals without the written consent of the City.*

### *2. Overview of Developer Team*

This section should provide an overview of the Development Team, including a summary of legal status, organizational structure, and roles and responsibilities of key Team members and individuals. Specifically, the following items should be covered:

- a. **Team Contact Information, Organization, and Capacity:** *Identify the Developer Team and describe its organizational status including company name(s), legal status, address, the anticipated equity ownership structure, and any contractual or other joint-ownership arrangements which bind the Development Team. Identify any ownership or organizational changes anticipated during the development and operation of the Project (e.g. when construction is complete). Also summarize/confirm the Team's capacity (especially human capital) to take on a project of this depth, complexity, and lengthy time duration, identifying any current commitments to other projects.*
- b. **Team Roles and Responsibilities:** *Identify the role of each member of the Development Team in the implementation of the development. Where more than one developer is*

being proposed (a team proposal), be very specific as to the qualifications of each partner/member and what he/she will be contributing financially and organizationally. The Proposer should also clearly identify each individual or entity that will own or hold an equity ownership interest in the Developer entity or the Project. Include organizational chart(s) showing the internal organization of the Development Team including the respective relationships between team members and the reporting relationships of team members. Multiple charts may be provided, especially if changes are anticipated after the development and construction of the Project. Please also explain carefully how decisions will be made amongst the members, how disagreements will be resolved, and who will be the lead owner and decision maker.

- c. **Key Individuals:** In addition to information about the Development Teams, the City is soliciting detailed information concerning each individual or entity which will own any equity interest in the project ("Equity Member(s)"), as well as certain individuals that are critical to the success of the Project ("Key Individuals"). By identifying Key Individuals in the Submittals, the proposer is warranting to the City that such individual will be available for, and will be assigned to work on, the Project. Identify and distinguish principals from both equity and non-equity team members that will be responsible for providing oversight, supervision or management service to the Project, and reference their resume/CV (to be provided in an Appendix).

### 3. Qualifications and Experience

This section should document the qualifications and experience of the Development Team. Specifically, it should provide information that demonstrates the qualifications and professional expertise of the Development Team and its individual members. It should also include an overview of your specific familiarity and knowledge of San Francisco market and its real estate parameters, especially those related to hospitality and the local community.

In addition, the Proposer should provide the relevant development experience of the Development Team with respect to similar hotel projects where the developer held a financial interest throughout the duration of the project. A focus on the background of the individuals assigned to this effort is suggested (include references to resumes/CV added as an Appendix). Please provide a minimum of three (3) relevant, recent projects with construction value in excess of \$20 million. For each project identified, provide the following information:

- a. *Project Name, Location, and Date completed.*
- b. *Project Description: Describe the project in terms of its size, market orientation, ownership structure, and current status. Provide appropriate graphics as available (interior and exterior), but no more than four per project.*

- c. *Development Cost and Financing:* Provide an estimate of the total project development cost and the financing mechanisms/resources utilized, including role of public entities, if any.
- d. *Development Schedule and Performance:* Planned and actual development timeline (from developer selection/site control to completion of construction, indicating any phasing if relevant) with an explanation of material variances, as well as a summary of its economic or market performance (if applicable).
- e. *Role or Scope of Work of the Respective Members of the Development Team:* Indicate the role of the Team members assigned to this effort for the referenced projects. Please exclude discussion of projects in which the Development Team members did not play a major or material role.
- f. *Project Reference:* At least one reference is required for each project listed. Include the reference's name, title, address, email, and telephone number.

#### *4. Financial Capacity*

Provide financial information necessary to demonstrate that the Development Team will have the necessary financial standing, capacity, experience, and resources to undertake, finance, and deliver the Project. Note that all materials submitted under this Section may be separately sealed and marked as "Confidential and Proprietary Commercial Information" at the Proposers discretion. The Developer and each Equity Member must submit:

- a. Copies of audited financial statements, annual reports and auditor's opinion letter, or other similar information, for each of the last two years for which such information is available.
- b. A narrative describing any material events that may affect the entities' financial standing since the last audited or interim financial statements.
- c. A narrative describing any material off-balance sheet financing arrangements in place that cumulatively exceed \$20 million in the aggregate.
- d. Credit rating, if available.
- e. *Current Real Estate Portfolio:* Composition of current real estate portfolio including product types owned, amount of square footage, ownership structure of the assets, etc.
- f. *Project Pipeline:* Provide a description of all material projects (including the estimated cost) that any Equity Member has committed, or is contractually obligated, to deliver within the next five years including status, development schedule and financial commitment required (e.g. financing methods, sources, and amounts).
- g. *Litigations or Adverse Actions:* Indicate whether any funding sources or financial institutions have taken any adverse action against the developer or joint venture

partner, such as terminating or restricting the use of funds anytime during the past five years. Also indicate any litigation in which the members of the Development Team are involved or settled litigation over the last five years, if any.

- h. A copy of the annual report on Form 10K must be provided if the team or any other entity for which financial information is submitted as required hereby files reports with the Securities and Exchange Commission.

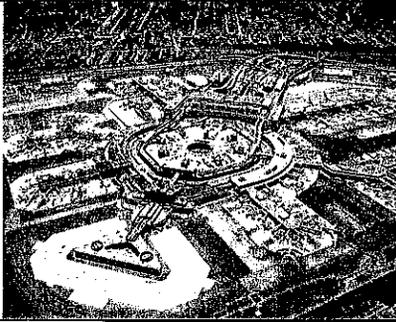
### *5. Project Concept and Financing Proposal*

Although the Specific Plan outlines a certain scale and set of amenities for the Project, this is not intended to limit Proposers' creativity or ability to propose an alternative scale or set of features and amenities deemed to better suit the goals of the City. Consequently, the City is requesting the Proposers to describe their concept and vision for the overall project with as much specificity as possible. This should include, but not necessarily be limited to, project size and configuration (e.g., number of rooms, floors, and total square feet), brand, amenities, parking plan, and visual/architectural renderings. Architectural design quality is a high priority for the City. The Proposer should seek to demonstrate knowledge and a full understanding of the project's exceptional potentials as well as unique challenges. The Development Team may also use this section to describe its specific reasons, motivations, and goals for undertaking the project. The City reserves the right to participate in final approval of the Project scale, features and amenities, and the national lodging brand.

In addition to the foregoing, please describe whether and to what extent your proposed hotel operator/partner would consider entering into a "labor peace or neutrality agreement" with any bona fide labor organization that represents hotel employees in San Mateo County.

Proposers shall also provide a detailed financing plan that includes structure and type of debt and equity and the basic financial terms for property acquisition and Project development. The proposal should detail the basis and form for any requested public participation and the type and level of City's exposure to additional financial risk. If the developer has a minimum IRR hurdle rate requirement for its invested capital, or the need to obtain second or third party approvals to proceed or receive funding, please clearly state these.

While the City of San Bruno will have the ultimate decision on the amount and type, if any, of public participation and financing, it is most interested in proposals that include methods of structuring financing to minimize the level of public participation and risk. Proposals that minimize public financial commitment will be considered more favorably.



## Selection Process and Criteria

This RFQ/P is the first step in considering the selection of a qualified Development Team to develop a hotel at the Crossing. Subsequent to receiving qualifications packages from interested parties, City staff and its advisors will review and screen the list of candidate developers down to selected finalists. 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.

The selected developer will be awarded an exclusive right to negotiate the terms of property disposition and development. Although the exact terms and conditions for ENA will be determined subsequent to selection of a preferred Development Team, this agreement is likely to span about three months and include a number of benchmarks and milestones against which commitment and performance will be judged. Substantial deviations from the terms outlined by the Proposer in response to this RFQ/P will be grounds for disqualification.

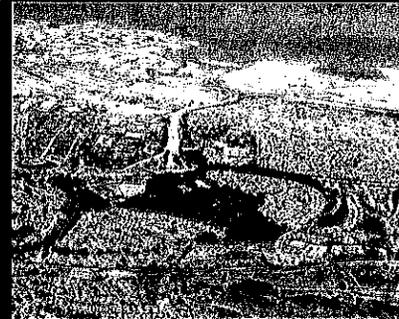
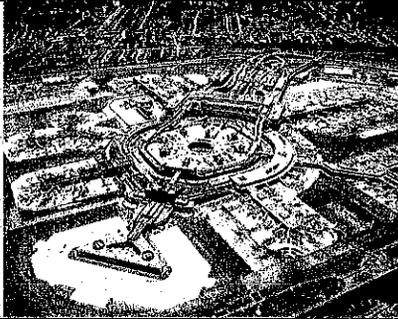
The City does not warrant or promise to select a finalist developer and reserves the right to determine its best course of actions. The City also reserves the right to select a preferred Development Team based on the response to this RFQ/P, foregoing the interview process, if it is determined at its 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 RFQ/P, the City will evaluate each Submittal based upon the following primary criteria.

- 1. Team Qualifications and Experience.** The City will carefully evaluate the qualifications of the Development Team, and the specific personnel assigned to this project, in terms of their experience developing comparable hotel projects.

Specifically, the City is looking for demonstrated success with hotel projects having high-quality design features and components, attention to detail, excellence in land planning, and innovative, memorable features, consistent with the City's goals for the Crossing site. Particular consideration will be given to previous experience where the developer has held a controlling interest throughout the duration of the project and has worked in partnership with public sector entities.

- 2. Financial Capacity and Acumen.** The City will evaluate the developer's demonstration of a credible ability to provide adequate funds to acquire and develop a large-scale real estate project of this nature. The financial and organizational capacity of the proposed development entity that will be signing the ENA/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. Project Concept and Financing Proposal.** It is the City's goal to both attain the most distinctive, highest-quality, and most marketable Project possible *and* to minimize the level of public financial participation and risk. Submittals that describe in sufficient detail a project and financing plan that achieves these primary goals will be evaluated most favorably. Of course, the City will be looking for a development and financing concept that is both realistic and effective, given site characteristic and market trends. Substantial deviations from the project concept and financial proposal presented in response to this RFP/Q will be a basis for disqualification during the ENA.
- 4. Special Requirements before ENA/DA Signing.** The City will consider the implications of any significant conditions, limitations, special requirements, reservations or conditions precedent that the Development Team will require before signing an ENA and/or DA. Developers shall clearly and candidly state special requirements in the proposal. Special requirements that are reasonable and limited in number will get preference.



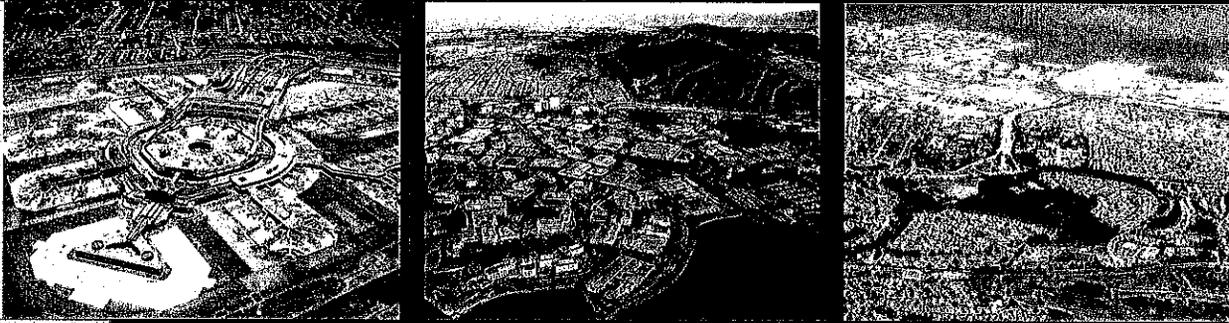
## Available Project Information

As previously stated, the following website provides a number of documents in addition to a copy of this RFQ/P. 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://planbruno.org/grow-with-us/commercial-opportunities/>

Documents available at this web site include:

- *July 2012 Site Appraisal prepared by Appraisal Research Corporation;*
- *July 2012 Environmental, Civil, and Geotechnical Analysis prepared by John Carver Consulting;*
- *Specific Plan; and,*
- *Navy Site Specific Plan EIR.*



## General Conditions

Any material clarifications or modifications to the RFQ/P 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 RFQ/P, 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, board members, or consultants shall not be considered binding.

Developers' responsiveness to all items in this RFQ/P 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 of the Crossing hotel site, including seeking and evaluating independent information on any Development Team.*
- *Incorporate this RFQ/P and the selected team's response to this RFQ/P as a part of any formal agreement between the City and the developer.*
- *Modify the development opportunity available to potential Development Teams.*



All expenses related to any developer's response to this RFQ/P, or other expenses incurred during the period of time the selection process is underway, are the sole obligation and responsibility of that Development Team. 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 Development Team 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 Crossing hotel site for purposes of influencing consideration of a response to this RFQ/P.

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 RFQ/P, 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.

**Summary of Developer Responses - Crossings Hotel Project**  
February 6, 2013 (REVISED)

Developer	A-B-A Development	Destination Properties	OTO Development	R.D. Olson Development	Win Time
<b>Project Overview</b>					
Hotel Brand	Hyatt Place	Not Specified	Springhill Suites	Springhill Suites	Springhill Suites
Hotel Type	Select Service	Full Service	Select Service	Select Service	Select Service
Number of Guest Rooms	121	167	131(6)	149	141
Number of Stories	5	Unknown	5	5	6
Gross Building Area - Square Feet	80,000	Unknown	77,000	84,500	Unknown
Parking	121 Spaces	Unknown	118 Spaces	128 Spaces	151 Spaces
Meeting Space - Square Feet	3,000	7,000(3)	3,000	3,000	2,445
<b>Financial Overview</b>					
Total Development Cost	\$17,560,000(1)	\$41,000,000	\$30,123,872	\$30,509,794	\$22,000,000(1)
Cost Per Room	\$145,124	\$245,509	\$229,953	\$204,757	\$156,028
Occupancy at Year 3	78%	76%	79%	79%	77%
Average Daily Rate (ADR) at Year 3	\$145	\$175	\$193(7)	\$179	\$145
<b>Qualifications and Risk</b>					
Responsive to City's RFQ/P	Yes	Yes and No(4)	Yes	Yes	Yes and No(4)
Team Evaluation	Qualified(2)	Qualified	Highly Qualified	Highly Qualified	Qualified
Experience and Capacity	Qualified	Qualified	Highly Qualified	Highly Qualified	Qualified
Relevant Recent Projects	Qualified/Highly Qualified	Not Qualified	Highly Qualified	Highly Qualified	Qualified/Highly Qualified
Design Evaluation	Highly Qualified	Not Qualified(3 and 5)	Highly Qualified	Highly Qualified	Highly Qualified
Program and Amenities	Medium to High	High	Low	Low to Medium	High
Compliance with Specific Plan					
Risk to City-Hotel Completion/Subsidy (10)					
<b>Economic Assistance - City Subsidy (11)</b>					
Land	Contributed by the City	Contributed by the City	Contributed by the City	Discounted/Contributed	None
Permits and Fees	Waived	Waived	Waived	None	None
Transit Occupancy Tax	\$1.39 Million-3 Years	\$14.301 Million-20 Years	50%-5 Years	None	None
Up-Front Cash Infection	\$3.86 Million	None	None	None	50% -Up to 5 Years
Total City Assistance/Subsidy Request	\$7,950,000	\$17,001,000	\$3,955,000	\$1,450,000(9)	Up to \$1,255,000
<b>General Observations</b>					
(1) Estimate unrealistic-potential impact on subsidy	Project pro forma weak, audited financial statement shows limited financial resources (\$1m cash-on-hand), equity from non-managing partner - Baupost Group, \$20 billion private investment fund.	Project pro forma weak, limited financial resources, investors to provide personal guarantee for bank financing, equity partner financial information in Chinese-Ventana Group, hedge fund with private equity from Chinese investors.	\$1.1 billion portfolio, 35 open hotels - 4 in construction and 6 under contract/entitlement process, project financing through Wells Fargo, \$52 million in equity per audited financial statements.	Equity from high net worth private investors, reserve right to modify team, arranged financing for 6 hotels since October 2011 (\$20-55 million), contingent liability, personal guarantee of owner for financing.	Currently developed and owns 7 hotels in California, no equity information provided, equity partners to be identified at a later date.

(1) Estimate unrealistic-potential impact on subsidy

(2) Potentially limited capacity due to size

(3) Unrealistic based on physical and market constraints

(4) Financial information non-responsive

(5) Elevations associated with a previous submittal

(6) Fewest guest rooms of Springhill Suites proposals

(7) Highest ADR-potential impact on city subsidy

(8) Contingent liability risk from other projects

(9) Subsidy inconsistent with project economics

(10) Based on depth/quality of equity sources, financial capacity, debt sources, experience and qualifications

(11) Hotel consultant (PKF) estimates economics drive a total subsidy of approximately \$3 million



December 14, 2012

Mark Sullivan  
Interim Community Development Director  
City of San Bruno  
567 El Camino Real  
San Bruno, CA 94066

Mark,

We are pleased to present our response to the Request for Proposal/Request for Qualifications for the hotel at the Crossings site in San Bruno, CA at the intersection of El Camino Real and highway 380. As a way of introduction, here is a little history on OTO Development.

OTO Development formed as a U.S. hospitality development company in May of 2004. Since that time, our real estate and construction team has quickly established a distinguished position among the nation's most active developers of premier select-service hotel brands within the nation's top markets. As a growing hotel development company, OTO has been honored by Hilton Worldwide, Marriott International, and Global Hyatt with numerous awards and recognitions, classifying us among their elite franchise partners.

As of the fourth quarter of 2012, OTO Development has a \$1.1 billion portfolio that includes 35 open hotels, four hotels under construction, and six sites under contract and in the entitlement process. In addition to the sites controlled by OTO, we are pursuing a \$370 million pipeline of new projects in premier markets across the United States.

Our proposal addresses the parameters outlined in your RFQ/RFP and discusses how we would anticipate moving forward on this hotel development if we are able to agree on mutually acceptable terms. Our development team for this location will include: Mike Gallen, West Coast Director of Development, Steve Pieters, West Coast and Bay Area Real Estate Manager and Matt O'Shea, West Coast Development Manager. As a team, we have secured, entitled, developed and built dozens of hotels across the west coast. The three of us have worked with OTO Development since its inception in 2004 and in hotel development overall since the late 1990's. Most recently, we have secured entitlements and will close and start construction in early 2013 for hotels in Palo Alto, CA on El Camino Real and in Bellevue, WA, just east of downtown Bellevue with visibility to highway 405.

#### Special Requirements

In order to come to terms with the City of San Bruno to develop, finance and build a hotel at The Crossings in San Bruno, we will need to agree on both the financial terms for the deal as well as better understand what the final entitlement process will entail and any other proposed conditions of approval that may be imposed on the project, including any appealable or subjective portion of the entitlement process that could significantly delay or cause a financial impact to the project.

OTO has read and understands the terms of the RFQ/RFP. To the best of our knowledge, the facts and representations made in our proposal are true. We anticipate that the key members of our team will remain involved with the development of The Crossings at San Bruno through both the approval and construction process.

We look forward to discussing this opportunity with you further to determine if we can come to terms on this promising development opportunity. Please call with any questions or need for further clarification.

Best Regards,

Steve Pieters  
Real Estate Manager  
OTO Development  
408-202-8478  
[spieters@otodevelopment.com](mailto:spieters@otodevelopment.com)

**City of San Bruno, CA  
Hotel at The Crossings  
RFQ/RFP Proposal**

Overview of Development Team

OTO is an experienced hospitality ownership, development and management company with a national hotel presence. Most of the leadership, development and operations teams have been working together for over 15 years and have developed 525 hotels in 42 states, including 73 in California.

Headquartered in South Carolina, OTO has development teams located remotely in major markets across the US, including Washington, DC, Los Angeles, San Diego and the San Francisco Bay Area. As a leading national developer, OTO has been honored by Hilton Worldwide, Marriott International, and Global Hyatt with numerous awards and recognitions that classify us among their elite franchise partners for development and operations.

We have proven experience in delivering high-end lodging projects in complex mixed-use developments and in receiving entitlements in high-barrier communities. We are currently under construction on hotels in Manhattan (Madison Square Garden), Washington, DC- two blocks from the White House, and recently opened a new hotel in El Segundo, CA, near LAX and will begin construction on sites in Palo Alto, CA and Bellevue, WA in the first half of 2013. In addition, we are entitling projects in other challenging markets: downtown Washington, DC, Manhattan/ Times Square, San Diego, Santa Monica, Napa and Miami Beach.

a. Team Contact Information, Organization and Capacity

- OTO is a Delaware limited liability corporation

OTO Development's headquarters is in Spartanburg, SC. OTO's address and our primary project contacts are as follows:

OTO Development  
100 Dunbar Street, #420  
Spartanburg, SC 29306  
864/596-8930

Steve Pieters  
Real Estate Manager  
408-202-8478  
[spieters@otodevelopment.com](mailto:spieters@otodevelopment.com)

Mike Gallen  
Director of Development  
310/379-2785  
[MGallen@otodevelopment.com](mailto:MGallen@otodevelopment.com)

Matt O'Shea  
Development Manager  
818-710-9221  
[MOshea@otodevelopment.com](mailto:MOshea@otodevelopment.com)

The hotel will be developed and managed by OTO Development and owned by Palmetto Hospitality, our primary equity partner. Currently, our equity partners contribute up to 35% of

the total required development cost of each hotel, matched with 65% of the development cost which comes from our debt partners. Our main equity partner is George Dean Johnson, Jr. and affiliates. Our primary banking partners include: Bank of America, Wells Fargo, PNC and M&T.

Our team is well qualified to handle a project of this status and has the development expertise, experience and financial resources to make this project a reality. We have a clear understanding of the process required to navigate a complex development project, including experience in:

- Timeline and Budget Management
- Complex CC&Rs, REAs, and Parcel Mapping
- Planning/ Mixed-Use Development Integration
- EIR/ MND Processing – Traffic, Environmental, Etc...
- Architectural/ Interior Design and Integration
- Community Outreach and Presentations
- City Staff Coordination and Management
- Political Outreach and Consultation
- Cal-Green and LEED Certification
- Structured Parking/ Podium/ 5-Story Wood Frame Experience
- Architectural Design and Construction Administration
- Opening On Time, achieving the Desired Results

**b. Team Roles and Responsibilities**

The OTO Development team is headed by Corry Oakes, our CEO and President and Todd Turner our Vice President of Real Estate. Mike Gallen is our West Coast Director of Development and Construction and is actively involved in overseeing all west coast hotel projects. Steve Pieters will be the real estate manager responsible for underwriting this project for market feasibility and financial viability and work closely with Mike Gallen and Matt O'Shea (one of our west coast development manager) to process the entitlements. Mike and Matt will oversee the project's development from construction through opening of the hotel.

As stated above, the main equity partner for this development will be George Dean Johnson, Jr. and affiliates. For further information on OTO's investors and finances, you may contact our CFO, Charlie King, at 864/596-8930. He will be glad to answer additional questions.

Regarding the structure of the development part of our organization, Corry Oakes (CEO/President of OTO) is the key decision maker for our company and the head of OTO.

Corry Oakes  
President/CEO

Todd Turner  
VP Real Estate  
(Reports to Corry O.)

Mike Gallen  
Director of Development  
(Reports to Corry O.)

Steve Pieters  
Real Estate Manager  
(Reports to Todd T.)

Matt O'Shea  
Real Estate Manager  
(Reports to Mike G.)

Key decisions will be made on this project on a collaborative basis. Mike Gallen and Matt O'Shea will take the lead on decisions having to do with construction and development, while Todd Turner and Steve Pieters will take the lead on decisions having to do with market feasibility, contract negotiation and entitlements. In the event of a conflict in decision making, all final decisions will be made by Corry Oakes who will be the lead owner and decision maker.

c. Key Individuals

The key individuals on this project are the same individuals as identified above. They include: Corry Oakes, Todd Turner, Mike Gallen, Steve Pieters and Matt O'Shea. Mike, Steve and Matt will be the key day to day individuals who will be available for, and will be assigned to work on, the Project. They will be the three key individuals who will provide oversight, supervision and management service to the Project.

Qualifications and Experience

The following is a list of current and future OTO Developments:

**Hilton Garden Inn, Palo Alto, CA**

- 174-room Hilton Garden Inn on El Camino Real in Palo Alto
- 2 miles from Stanford University and 1 mile from Page Mill Road
- \$48 MM project, entitled in May, 2012
- Expected to begin construction in March, 2013 and open in 3<sup>rd</sup> Quarter of 2014
- Financing will be provided through our equity partners and a loan from Wells Fargo bank.
- Mike Gallen, Matt O'Shea and Steve Pieters all played key roles in contracting for this location and worked closely with the City of Palo Alto and the community in designing and entitling the hotel. Matt O'Shea will manage the construction of the hotel through opening.
- Reference: Ruth Schnell, Owner representative, 707-888-3987.



### **Hilton Garden Inn DC/US Capitol**

- 204 room hotel, developed and opened in 2011
- \$55MM project as part of larger \$1bn mixed-use development called "Constitution Square"
- Development includes apartments, high-end grocer, ground floor restaurants, and 900,000 SF of office space (largely occupied by DOJ)
- Obtained a \$30mm loan from national Wells Fargo, during last recession.
- See attached letter of recommendation from the master developer, Stonebridge



## Letter of Recommendation from Stonebridge

STONEBRIDGE CARRAS  
REAL ESTATE INVESTMENT

May 25, 2012

Re: OTO Development

To Whom It May Concern:

We are pleased to recommend OTO Development as an outstanding hotel partner in a mixed-use development based upon our very successful experience with OTO in our Constitution Square development located in Washington, DC. Constitution Square is one of the largest mixed-use projects to open in the United States over the past several years. It encompasses a seven acre site located adjacent to the NoMa Metrorail station (one station north of Union Station/Capitol Hill) that will eventually contain more than 2.5 million square feet of space with office, apartments, retail, and hotel uses. The first phase was completed in 2010/2011 included more than 900,000 square feet of space in two office buildings, 440 apartment units, an upscale grocer, and several restaurants and service retailers as well as an OTO owned and operated Hilton Garden Inn Hotel. We are currently developing the second phase with 203 additional residential units and a 345,000 square foot office building.

We first met OTO in 2006 as we were preparing our plans with the goal of commencing construction of an initial phase of more than 1,000,000 square feet in late 2007. We were faced with the challenge of too many residential units being in the first phase and were convinced by the OTO team that our project needed to be redesigned slightly to incorporate a hotel. This was an excellent idea as it allowed us to right size the first phase of residential to 440 units and add a great amenity for the adjacent uses and the neighborhood. We repositioned one of the intended residential wings as the space that would accommodate the hotel. The OTO team was instrumental in the redesign and worked directly with our development, design and construction teams to assure that the multiple components of the larger project would precisely fit together. Given the interdependency of the uses, scale and complexity of the project, it was clear that we would be the master developer of the hotel and be responsible for delivering its core and shell to OTO per their specifications and design. This plan worked exactly according to budget and schedule with our delivery of the core and shell in the summer of 2010 and OTO completing their build out by spring of 2011.

Beyond the real estate expertise that OTO contributed to our project, a key distinguishing and critical factor, was OTO's ability to secure a construction loan for a hotel amidst the worst financing crisis in our careers. We were bringing this massive project to market during a very uncertain time, but we are delighted with the end result.

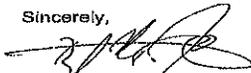
STONEBRIDGECARRAS, LLC  
7200 Wisconsin Avenue • Suite 200 • Bethesda, Maryland 20814  
Telephone: 301.913.9610 • Fax: 301.913.9615

OTO Development  
May 25, 2012  
Page 2

A key factor in our success was having OTO being a part of our development's first phase.

Constitution Square is truly a mixed-use project in all senses of the word with almost every asset class of real estate tied together. We are very pleased with our experience with OTO as a development partner and operator of the Hilton Garden Inn at Constitution Square. We would strongly recommend them to be a key partner in the development and operation of a hotel in a mixed use project. Please feel free to call me should you have any questions.

Sincerely,



Douglas M. Firstenberg

### **Fairfield Inn & Suites Madison Square Garden**

- 22 story, 239-room hotel located in the heart of Manhattan
- \$70MM project is one block from Madison Square Garden
- Purchased project from developer unable to begin project due to high basis and inability to obtain financing
- OTO procured loan from PNC bank at 65% of project costs
- Began construction July 2011
- Projected opening Spring 2013
- View Site on OxBlueWebCam: <http://oxblue.com/open/OTODashboard>
- Reference: PNC Bank



### **Bellevue, WA, Hampton Inn and Suites**

- 128-room hotel located at 4<sup>th</sup> street and 116<sup>th</sup>, just east of downtown.
- \$25MM project to start construction 2<sup>nd</sup> Quarter 2013 and open in the 2<sup>nd</sup> quarter of 2014.
- Hotel will be the first select-service Hilton brand in downtown Bellevue.
- Financing will be provided by our equity partners and one of our banks – anticipated to be either PNC bank or M&T bank.
- Mike Gallen, Matt O'Shea and Steve Pieters all played key roles in contracting for this location and worked closely with the City of Palo Alto and the community in designing and entitling the hotel. Matt O'Shea will manage the construction of the hotel through opening.
- Reference: Steve Kramer, KG Investments, 425-688-3901



**Hilton Garden Inn – 'M' Street – Washington DC**

- 10-story, 239-room hotel located in the heart of Washington DC
- \$75MM Joint Venture Project with Starwood Capital
- Financing provided by a combination of equity from our financial partners and a loan from M&T bank.
- Began construction October 2012
- Projected opening March 2014



## Letter of Recommendation from Starwood Asset Management



May 25, 2012

To Whom It May Concern,

Todd Turner of OTO Development informed me that his company is interested in developing an upscale hotel in your mixed-use center in the Bay Area, and that he would appreciate a letter of recommendation from me and our company. I am very happy to offer my support to the team at OTO. We have been working with them since 2010 on a hotel project in the West End of downtown Washington, DC. It is a site that we originally acquired in 2007 for the development of a high end luxury hotel. Although a challenge to get our entitlements due to the anti-development sentiment of the well organized citizens groups, we did eventually get the project positioned to pull permit. However, we did not proceed with that project due to the economic challenges of the investment within that market coupled with the overall economy. So, in 2010, we sought a development partner who could assist us in selecting the appropriate brand for the site and who would direct the entitlement, design, construction, and operations of the hotel. There were several qualified companies who were interested in being our partner, but we selected OTO based upon the strength of their team, their track record of success, and their recent delivery of a beautiful hotel in a very complicated urban mixed-use project in DC.

In short, we are very happy that we selected OTO as our partner. After navigating a very contentious and multi-level approval process, which involved multiple meetings with the same well organized citizens groups referenced above, we recently received our entitlements for the project. It will be a 10-story, 238-room Hilton Garden Inn that will have a 5,000 square foot leased restaurant space on the lobby floor. The hotel will have one level of underground parking. OTO was successful in managing our design and approvals because they understand the importance of selecting the proper consultants and architects to satisfy the many obligations and opinions of the various approval bodies. We expect to break ground this summer and we eagerly await the opening of this beautiful hotel.

We value our relationship with OTO and I would be glad to speak with anyone from your company should you require more detail.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Geinter".

Robert Geinter  
Sr. Vice President  
Starwood Capital Group Global, LLC

400 Galleria Parkway  
Suite 1450  
Atlanta, GA 30339

Telephone 770.563.1100  
Facsimile 770.541.7341  
www.starwoodcapital.com

## Financial Capacity

- a. Copies of audited Financial Statements – See Attached information from fund V
- b. Material Events Narrative – None
- c. Off-Balance Sheet Financing Arrangements – None
- d. Credit Rating – Unavailable
- e. Current Real Estate Portfolio

Hotel Name	City	State	Status
<u>Residence Inn</u>	Hoover	AL	Open
<u>Springhill Suites</u>	Birmingham	AL	Open
<u>Springhill Suites</u>	Corona	CA	Open
<u>Homewood Suites</u>	Fresno	CA	Open
<u>Springhill Suites</u>	Fresno	CA	Open
<u>Springhill Suites</u>	Irvine	CA	Open
<u>Hampton Inn &amp; Suites</u>	Moreno Valley	CA	Open
<u>Residence Inn</u>	San Marcos	CA	Open
<u>Hampton Inn &amp; Suites</u>	Thousand Oaks	CA	Open
<u>Hampton Inn &amp; Suites</u>	West Sacramento	CA	Open
<u>Hilton Garden Inn</u>	Palo Alto	CA	In Development
<u>Hampton Inn &amp; Suites</u>	Santa Monica	CA	In Development
<u>Courtyard</u>	Santa Monica	CA	In Development
<u>Hyatt Place</u>	El Segundo	CA	In Development
<u>Residence Inn</u>	Camarillo	CA	Open
<u>Hampton Inn &amp; Suites</u>	Napa	CA	In Development
<u>Hampton Inn &amp; Suites</u>	Manchester	CT	Open
<u>Hilton Garden Inn</u>	Washington	DC	Open

Hotel Name	City	State	Status
<u>Hampton Inn</u>	Washington	DC	In Development
<u>Hilton Garden Inn</u>	Washington	DC	In Development
<u>Fairfield Inn &amp; Suites</u>	Fort Pierce	FL	Open
<u>Hyatt Place</u>	Dania Beach	FL	Open
<u>Hyatt House</u>	Dania Beach	FL	Open
<u>Hampton Inn &amp; Suites</u>	Tamarac	FL	Open
<u>Residence Inn</u>	Gainesville	FL	Open
<u>Residence Inn</u>	Port St. Lucie	FL	Open
<u>Springhill Suites</u>	Tallahassee	FL	Open
<u>Hampton Inn &amp; Suites</u>	Tampa	FL	Open
<u>Homewood Suites</u>	West Palm Beach	FL	Open
<u>Springhill Suites</u>	West Palm Beach	FL	Open
<u>Hampton Inn &amp; Suites</u>	Oxon Hill	MD	Open
<u>Springhill Suites</u>	Baltimore	MD	Open
<u>Springhill Suites</u>	Columbia	MD	Open
<u>Hampton Inn &amp; Suites</u>	Columbia	MD	In Development
<u>Hampton Inn &amp; Suites</u>	Mahwah	NJ	Open
<u>Hyatt Place</u>	Garden City	NY	Open
<u>Fairfield Inn &amp; Suites</u>	Manhattan	NY	In Development
<u>Hampton Inn</u>	Manhattan	NY	In Development
<u>Springhill Suites</u>	Erie	PA	Open
<u>Hyatt Place</u>	Chesapeake	VA	Open

Hotel Name	City	State	Status
<u>Hampton Inn &amp; Suites</u>	Alexandria	VA	Open
<u>Springhill Suites</u>	Fairfax	VA	Open
<u>Hyatt Place</u>	Herndon	VA	Open
<u>Sheraton</u>	Herndon	VA	Open
<u>Springhill Suites</u>	Ashburn	VA	Open
<u>Hampton Inn &amp; Suites</u>	Bellevue	WA	In Development

For further information on our existing hotels, you can visit [www.otodevelopment.com](http://www.otodevelopment.com)

f. Project Pipeline

Status	Market	Brand	Const. Start	Open
Being	New York City	Fairfield Inn & Suites	Aug-11	Mar-13
	El Segundo	Hyatt Place	Nov-11	Feb-13
	Washington	Hampton Inn & Suites	Mar-12	Jan-13
	Washington, DC	Hilton Garden Inn	Aug-12	Mar-14
Under Contract (Performing Due Diligence)	Palo Alto	Hilton Garden Inn	Mar-13	Sep-14
	Bellevue	Hampton Inn & Suites	Jun-13	Jun-14
	Santa Monica	Courtyard	Jun-14	Feb-16
	Santa Monica	Hampton Inn	Jun-14	Feb-16

g. Litigation or Adverse Action – None

h. Annual Report/10 K – Not Available

## Proposed Hotel Concept and Financing Proposal



For inspiration-seeking, upper scale travelers who want more than a traditional hotel experience. SpringHill Suites by Marriott® provides a welcoming, upbeat, smart and stylish environment that adds enjoyment to travel. A breath of fresh air. Springhill Suites maintains the highest guest satisfaction scores in the Marriott Portfolio.

The Springhill Suites brand offering appeals directly to the Bay Area hi-tech professional:

- Upscale and contemporary design inside and out
- All rooms are spacious suites with a microwave and fridge in every room to accommodate longer stays more comfortably
- Fully-equipped business center
- High-speed internet with increased capacity to handle greater demand
- High-quality exercise facility
- Swimming pool and Jacuzzi
- Complimentary hot buffet breakfast
- Flat screen HD TV
- On-site meeting space
- Luxury bedding
- Beer, Wine and food pantry available 24 hrs.
- Marriott Rewards Points

OTO Development is proposing to develop an approximately 131 room Springhill Suites by Marriott. The hotel will be five-stories in height, contain approximately 77,000 square feet of floor area and will be approximately 70 feet tall, with 121 parking spots. Two natural gas shuttles will be available to transport hotel patrons to local businesses and to pick up and drop them off at the San Francisco International airport. The hotel will feature 3,000 square feet of meeting space which can accommodate approximately 200 +/- people for meetings, depending upon the configuration.

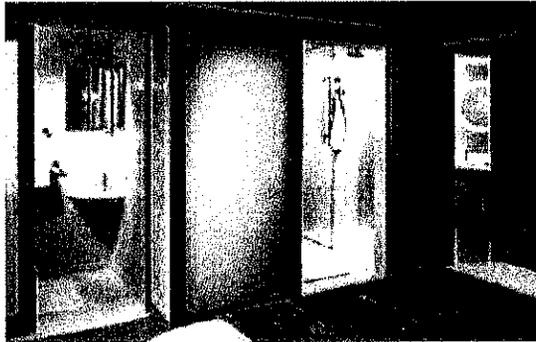
With approximately 30 million Marriott rewards members, the Springhill Suites has a commanding membership network to draw visitors. It is a proven lifestyle brand/ all-suite hotel with a sectional sofa sleeper, desk divider and dry-bar with mini-fridge and microwave in each Guest Suite. Springhill features stylish spaces, refreshing designs and all of the modern conveniences required by today's business travelers. The hotel will

also provide a free breakfast buffet and all-day coffee and tea service. A market express will be open 24 hrs. to provide convenience items and food for sale, including beer and wine. Catering for events and meetings will either be done in-house or contracted out with local restaurants.

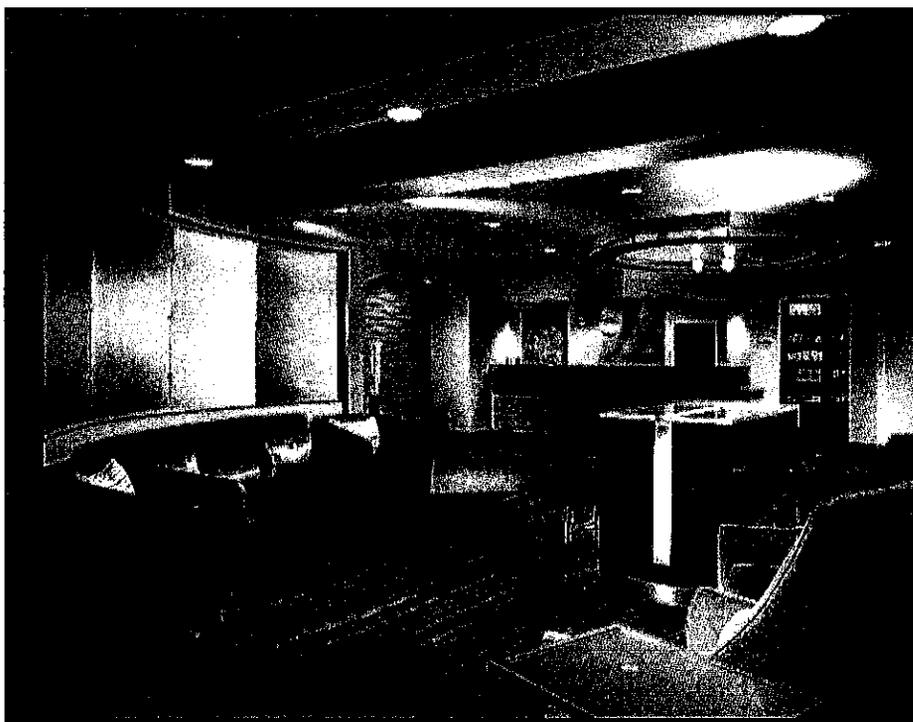
The hotel site in San Bruno at The Crossings is an exciting opportunity to develop a business class/life-style hotel in a major Bay Area market. This hotel will provide convenient access to both highway 101 and 280, via the 380 freeway. The hotel will serve as both a local amenity to the citizens of San Bruno as well as to those in the business community in Bay Hill Business park, the bio-tech industry and the San Francisco airport. In addition, the hotel will serve overflow demand coming from the city of San Francisco.

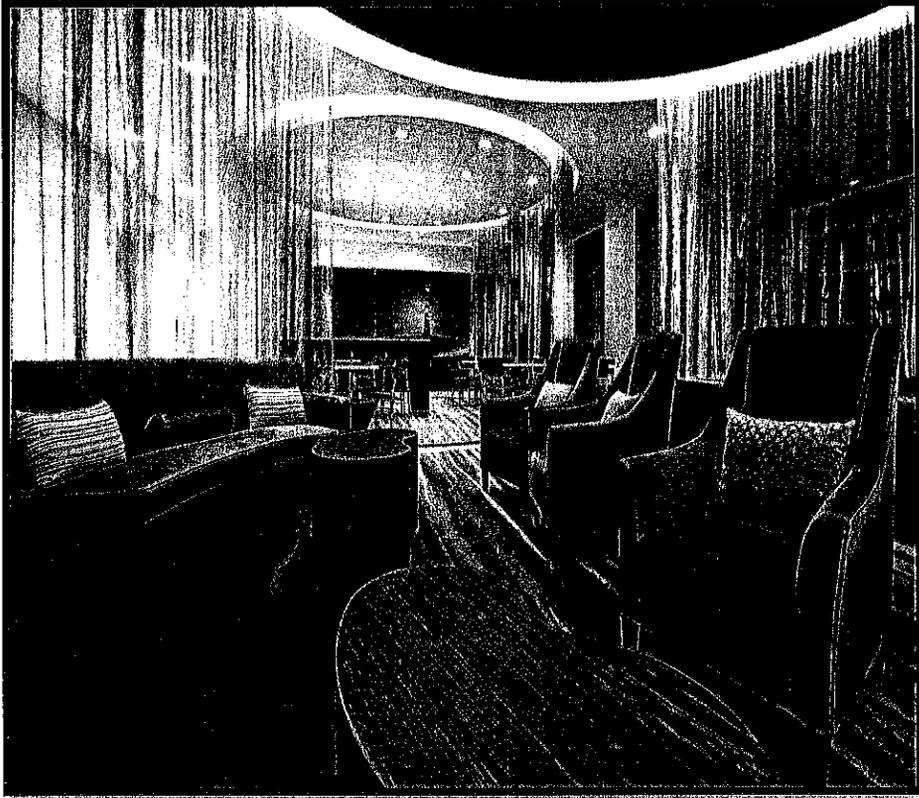
A preliminary Springhill Suites Site Plan has been attached to this proposal.

# SpringHill Suites Interior Concepts



## Sample Interior Photos





## Financing and Deal Structure

- Property to be acquired by Palmetto Hospitality or its affiliate from the City of San Bruno at no cost.
- The City of San Bruno will refund to OTO, 50% of all TOT costs for the first five full years of operation of the hotel. This rebate would provide time for our hotel occupancy to stabilize and to recoup the high expenses of developing an upscale, limited service hotel with a requirement for prevailing wage and with dense, underground parking.
- The City of San Bruno will waive all city development and impact fees for the development of this hotel, including building permit fees.
- OTO will fund all pre-development expenses from a combination of debt and equity, to include pre-development, site preparation, site infrastructure, vertical construction, FF&E and other expenses as required to develop, construct and operate the hotel. Funding for this development will come from OTO's equity partners and also from one of our debt partners, Wells Fargo, Bank of America, PNC or M&T bank.
- The Estimated budget to develop and construct this hotel is approximately \$30M. Of this amount, over \$5M is additional expense that is contemplated to be incurred through paying prevailing wage for the construction of the hotel.

### Special Requirements:

As we stated in our cover letter, we would like to keep costs down (limited to \$100,000) until the entitlements are final and have survived all applicable statutes of limitation. That said, there are no special requirements, significant conditions, limitations or conditions precedent that would prevent our signing an ENA. The same applies to a DA except for the fact that the DA could not contain any obligations that would be binding on us if we determined that an event (like third party litigation) rendered the project economically infeasible.

Assuming we are selected for an interview in January, we look forward to strategizing with the City team about both entitlement strategy and the structure of the transaction. We would like the City of San Bruno to be our public partner on this project. To that end, although we would be responsible for all design and predevelopment activities, we would like to explore with you further, the possibility of the City taking the lead on any remaining entitlements that need to be obtained for the Project.

### Labor Peace and Neutrality

If the City contributes the land to the Project and/or agrees to a TOT rebate and reduced development and impact fees, we acknowledge that the Project will be subject to prevailing wage for the construction of the hotel.

It is our understanding that because this response contains confidential business information, it will not be included in any responses to a Public Records Act request.



January 24, 2013

Mark Sullivan  
Interim Community Development Director  
City of San Bruno  
567 El Camino Real  
San Bruno, CA 94066

Re: Request for Additional Information, Hotel RFP/RFQ, City of San Bruno

Mark,

Here are our responses to your request for additional information.

1. *Explain the design of the hotel conference area and how it could be used as single use space, break-out/partitioned space, and capacity based on varying set up configurations. Briefly, what would be your marketing strategy for this conference space?*

The hotel will contain approximately 3,000 square feet of meeting space. The space will accommodate approximately 250 people sitting at round tables or approximately 400 people in theater-style seating. It will have the ability to be sub-divided into four spaces to accommodate smaller groups and board room type meetings – which is anticipated to be the highest demand group. We will market the conference facility in a number of different ways; our sales team will market the facilities directly to local companies, such as YouTube and Walmart.com for use in off-site meetings, training and other events. The space will also be highlighted on the Marriott reservation web site and be available for groups to submit an RFP, which will then be responded to by our sales team. This will likely be the most frequent way that guests will find out about and inquire into using the facility. In addition, our sales team will reach out to the community in order to build relationships with the Chamber of Commerce, the City of San Bruno, bridal shows, churches, wedding halls, civic organizations, and meeting planners to promote the meeting and conference facility.

2. *Provide a project pro forma that includes an overview of development and operating costs and revenues and assumptions used (several submittals already included this information). Even if no subsidy is anticipated, the City is still interested in your development assumptions and operational forecasts.*

CITY OF SAN BRUNO  
COMMUNITY DEVELOPMENT DEPARTMENT

JAN 23 2013

RECEIVED

## Top-Line Assumptions

### Competitive Set Performance Projections

	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
ADR	135.00	145.00	154.00	158.60	163.30	168.20	173.20	178.40
ADR Growth	10.7%	7.4%	6.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Occupancy	84.0%	82.0%	80.0%	79.0%	79.0%	79.0%	79.0%	79.0%
Occ. Growth	0.0%	-2.4%	-2.4%	-1.3%	0.0%	0.0%	0.0%	0.0%
Revpar	113.40	118.90	123.20	125.29	129.01	132.88	136.83	140.94
Revpar Growth	10.7%	4.9%	3.6%	1.7%	3.0%	3.0%	3.0%	3.0%

### Comp. Set

Staybridge Suites San Francisco Airport	San Bruno, CA
Courtyard San Francisco Airport	San Bruno, CA
Residence Inn San Francisco Airport Oyster Point Waterfront	South San Francisco, CA
Holiday Inn Express San Francisco Airport North	San Francisco, CA
Four Points Htl & Stes San Francisco Arprt	South San Francisco, CA
Hilton Garden Inn San Francisco Airport North	South San Francisco, CA
Hampton Inn San Francisco Airport	South San Francisco, CA
Courtyard San Francisco Airport Oyster Point Waterfront	South San Francisco, CA

### Springhill Suites – Performance Projections

	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
ADR	155.00	166.50	176.80	182.10	187.60	193.30	199.10	205.00
ADR Growth	10.7%	7.4%	6.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Occupancy	84.0%	82.0%	80.0%	79.0%	79.0%	79.0%	79.0%	79.0%
Occ. Growth	0.0%	-2.4%	-2.4%	-1.3%	0.0%	0.0%	0.0%	0.0%
Revpar	130.20	136.53	141.44	143.86	148.20	152.71	157.29	161.95
Revpar Growth	10.7%	4.9%	3.6%	1.7%	3.0%	3.0%	3.0%	3.0%
Index	114.8	114.8	114.8	114.8	114.9	114.9	115.0	114.9

Our methodology for determining top-line operating assumptions starts with determining how the hotel would perform if it were open today and then projects performance forward based upon market research and future supply and demand estimates. We anticipate that this hotel will perform at a Revpar index of 115% of the other hotels in the sample and will open in 2016, stabilizing in 2017. Top line sales estimates consider STR reports and local research on how other similar hotels are currently operating and are anticipated to operate in the future. Because most markets do not operate at occupancy of over 80% for an extended period of time, we are assuming a run rate of 79% occupancy in order to be more realistic in our assumptions for long-term run-rate occupancies. We are also assuming a 3% growth of Average Daily Rate from 2015 forward which is consistent with long-term national trends.

### Cost Assumptions

General Construction Costs (Building)	16,500,000
FF&E - Prototype Estimate	2,731,622
Sitework	5,810,000
Pre-Site & Development	1,837,500
Soft Costs	3,244,750
Total Project Cost Cost	30,123,872

Our assumptions on costs are based on our recent hotel construction and bidding experiences in El Segundo and Palo Alto, CA with similar types of hotels. Our overall estimated budget for this project is just over \$30 million or \$230,000/room, which does not include any cost for the land.

We recently awarded a construction contract for a similar hotel project in Palo Alto. Using that construction budget and applying the cost increases associated with the prevailing wage requirement for this job, we anticipate that building costs will approach \$16.5 million. The total increased costs that result from the prevailing wage requirement for both the building and the parking is expected to exceed \$5 million.

- 3. Explain the methodology used in calculating the proposed number of parking spaces. What is the estimated cost to construct the parking structure, subterranean or above-ground, and how does it affect the overall development cost and project economics?*

Our studies of parking demands at other area hotels indicate that our proposed hotel will be adequately served with a parking stalls: guest rooms ratio of .9:1. A significant percentage of our demand will come from travelers flying in and out of SFO who will not have a vehicle, but who will rely upon our two airport shuttles for transportation to and from the airport. In addition, the majority of our employees work at our hotel during the day, reducing the need for employee parking in the evening when guest arrive for their nightly stay. We will need to work with the City of San Bruno to identify off-site parking for conferences and special events. Our plan will be to contract with a valet service and charge a nominal fee to the party organizer or each guest in order to park their car.

The size limitations of this site necessitate that we accommodate guest parking in a two-level underground structure. As you know, excavating and constructing underground parking is extremely expensive ordinarily, but with the additional impact of prevailing wage, we estimate that our development cost will exceed \$5 million just for this aspect of our project. None of our competitors in the market have the development cost burden of underground parking and it will be very difficult to deliver a compelling investment case without somehow mitigating these additional costs.

- 4. Provide a project schedule, including timeline for development and timing/mechanism of City subsidy (if requested).*

See attached timeline. Please note that this timeline is subject to City review and input. It is based upon our experience in other cities, such as Palo Alto, to build a hotel of similar scope and size. If there are opportunities to improve on this timeline and expedite the overall process, we will be glad to review this with you and modify our projections.

We are not asking for the City of San Bruno to come out of pocket for a subsidy. The three areas we are requesting subsidies include: purchasing the property at no cost, waiving of all development fees

and a 50% TOT rebate for the first five years of operation, which would begin upon opening of the hotel.

5. *Describe your prior experience with public/private partnerships, especially where the public agency owned land or had financial participation in the project.*

We have worked cooperatively with Cities throughout the Bay Area and across the country in developing and building hotels. Typically, we do not receive public assistance in the construction of our properties as it often triggers the requirement for prevailing wage. In the case of this opportunity, we are only able to underwrite this hotel development due to the anticipated financial assistance of the City of San Bruno. Our request for that assistance involves waiving development fees, including all assessments, planning, public works, fire and building fees. It also includes acquiring the land for no cost and a 50% TOT rebate for the first five years of the hotel operation.

6. *Discuss the potential impact on this project from any contingent liabilities, if any, associated with other projects in your portfolio (either under development and/or ownership), e.g., what will be the impact to this project if other project(s) you are currently developing or operating lose equity capital, financing and/or face other issues that affect the your financial capacity?*

These projects are created and funded as single purpose entities. We do not anticipate any impact on this project from other projects we are working on.

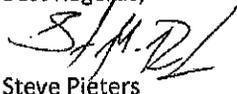
*The City also requests the following specific information from OTO Development:*

1. *Provide design renderings and elevations.*

Renderings and elevations will be provided with this package. A preliminary elevation and massing study for what the hotel might look like will be coming directly to the City from our Architect, before 4 pm on Thursday, the 24<sup>th</sup>. Our goal in designing this hotel is to work collaboratively with the city and other local constituents to create a customized Springhill Suites design for the San Bruno community. Please keep in mind that the renderings we are providing are still in draft form. We can take the design of the hotel in a number of different directions, based upon feedback from City staff, planning commissioners and City Council members. We feel confident that we can create a design with which you will all be pleased. Also included in this package is a rendering of a Springhill Suites hotel that we are planning on building in San Diego.

Mark, please let me know if you have any additional questions for us. We look forward to speaking with you further and continuing this process towards designing, building and operating a successful hotel in San Bruno.

Best Regards,



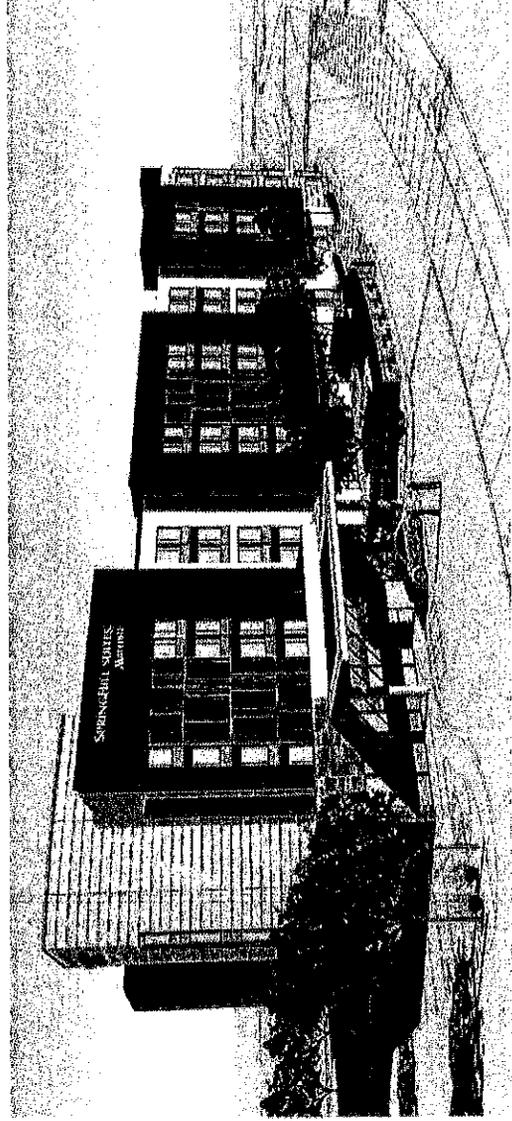
Steve Pieters

OTO Development

**Closing Timeline - San Bruno, CA - El Camino Real and 380  
OTO Development: Springhill Suites**

1/24/2013

TASK DESCRIPTION:	NUMBER OF DAYS IN TASK	PROJECTED DATES	COMMENTS AND CLARIFICATIONS
Sign Development Agreement		3/31/2013	
Due Diligence Period and Securing Springhill Suites Brand	90	6/30/2013	
Begin processing entitlements, including Env. Review, Arch. Review and Planning Review		7/31/2013	
Receive formal approval of entitlements, CEQA and Mitigated Negative Declaration		1/31/2014	
Receive final approval from The City of San Bruno Architectural Review Board and Expiration of Appeals		2/28/2014	
Submit Construction Plans to Plan Check (1st Round)		5/28/2014	
Receive CUP approval for ability to sell alcoholic beverages		6/28/2014	
Receive 1st Round Plan Check Corrections	30	6/30/2014	
Resubmit to Plan Check (2nd Round)	30	7/30/2014	
Plans Out to Bid	1	8/1/2014	
Receive 2nd Round Plan Check Comments	30	8/29/2014	
Receive Bids - Commence Qualification Process	30	8/31/2014	
Award Contract and Obtain Required GC Documents (Contract, Bond, Insurance, etc...)	10	9/10/2014	
Resubmit to Plan Check (3rd Round)	21	9/21/2014	
"Closing Date" Scheduled for 11/18/2014		11/18/2014	
Receive 3rd Round Plan Check Comments	30	10/21/2014	
Receive Technical Approval of Building & Grading Permits	10	11/25/2014	
GC can mobilize and begin fencing off the property.	1	12/1/2014	
Clearing, Grading and Building Permits Ready to Pull	14	12/1/2014	
GC to commence with shoring, mass excavation and dewatering	1	12/2/2014	
Building Permits Ready to Pull - Grading Complete	7	12/8/2014	
GC complete with shoring, mass excavation and dewatering	60	2/6/2015	
GC complete with UG parking structure & commences with building framing	45	3/23/2015	
Commence Delivery & Installation of FF&E	480	4/1/2016	
Complete Installation of FF&E	45	5/16/2016	
Obtain "TOD" or "C of C" - "Substantial Completion"	7	5/23/2016	
Turn Over to Operations	1	5/24/2016	
Estimated Opening Date (18 Month Construction Schedule)	551	6/11/2016	



SPRINGHILL SUITES  
SAN DIEGO, CALIFORNIA

JWDA

2022/08/22  
SCHEME E - COLOR VARIATION

# PROJECT SUMMARY

SPRINGHILL SUITES  
5 STORY

181 ROOMS

SITE AREA = 66,124 SQ. FT. (1.52 ACRES) APPROX.

BUILDING AREA (APPROX.)

1ST FLOOR	=	16,274 S.F.
2ND FLOOR	=	15,169 S.F.
3RD FLOOR	=	15,169 S.F.
4TH FLOOR	=	15,169 S.F.
5TH FLOOR	=	15,169 S.F.
SUBTOTAL	=	76,950 S.F.

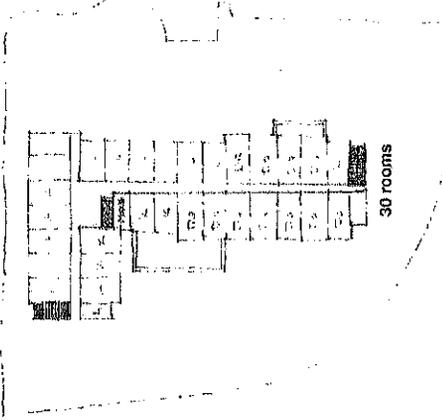
PARKING SUMMARY

HOTEL PARKING = 1 SPACE PER ROOM + 1 ADDITIONAL SPACE  
= 132 PARKING SPACES  
MEETING ROOM =

TOTAL PARKING REQUIRED = SPACES  
TOTAL PARKING PROVIDED = SPACES

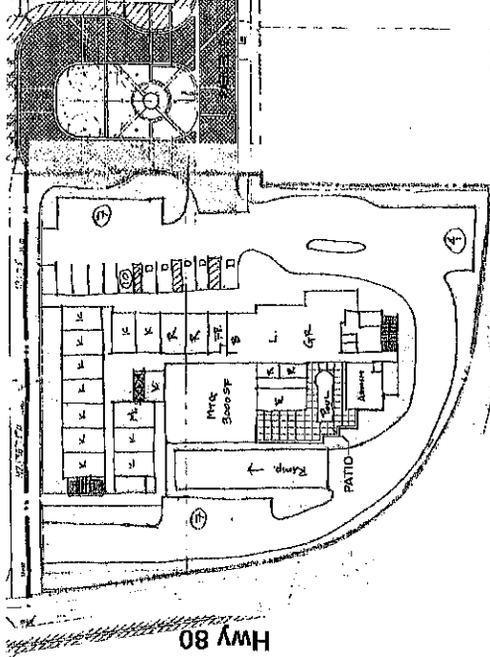
# ROOM SUMMARY

FLOOR	KING	DOUBLE	QUEEN	TOTAL
1ST	11	0	0	11
2ND	19	11	11	30
3RD	19	11	11	30
4TH	19	11	11	30
5TH	19	11	11	30
TOTAL	87	44	44	131



## 2ND FLOOR - 5TH FLOOR

SCALE: 1" = 40'

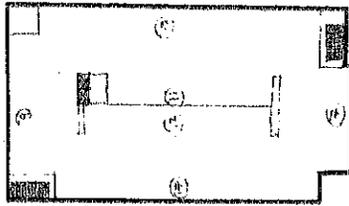


El Camino Real

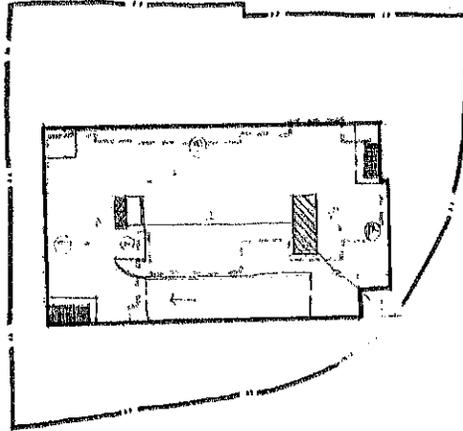
11 rooms  
28 Parking Spaces

## PRELIMINARY SITE PLAN

SCALE: 1" = 40'



2nd Level  
74 parking spaces



1st. Level  
46 parking spaces

## UNDERGROUND PARKING

SCALE: 1" = 40'

PROJECT INFO.

1600 Frank H. Ogawa Plaza, Suite 375  
Oakland, CA 94612  
Tel. 510.463.8300 Fax. 510.463.8395

JOB NO.

OT040

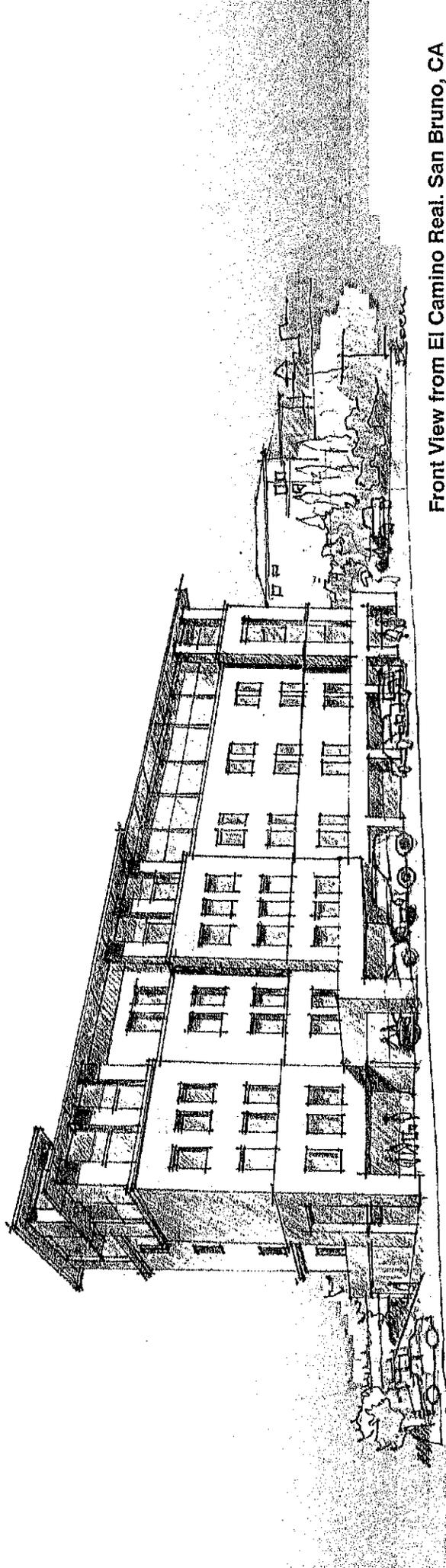
DATE

01/23/13

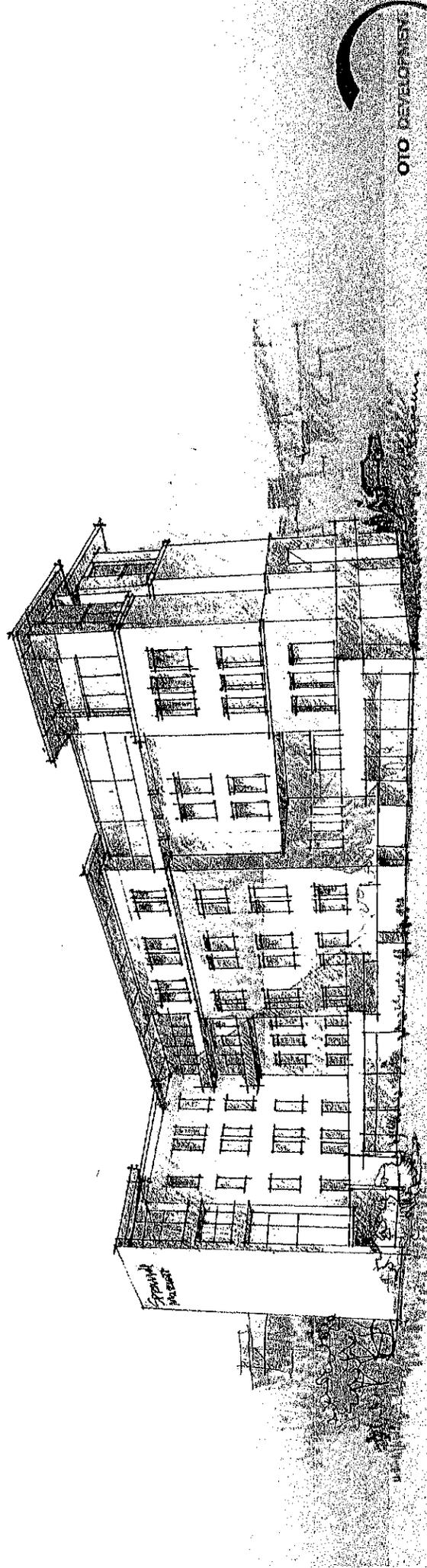
SPRINGHILL SUITES  
SAN BRUNO, CA

DRAWING NO.

X-08



Front View from El Camino Real. San Bruno, CA



Rear View from Hwy 380

OTO DEVELOPMENT

JOB NO. **OTO40**  
 DRAWING NO. **X-09**  
 DATE: **01/23/13**

**SPRINGHILL SUITES**  
**SAN BRUNO, CA**

PROJECT INFO:

1600 Frank H. Ogawa Plaza, Suite 375  
 Oakland, CA 94612  
 Tel. 510.463.8300 Fax. 510.463.8395



**AGREEMENT TO NEGOTIATE EXCLUSIVELY**

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (“**Agreement**”) dated for reference purposes as of \_\_\_\_\_, 2013, is entered into by and between the City of San Bruno, a municipal corporation (“**City**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Developer**”).

**RECITALS :**

A. City owns that certain real property located at the northwest corner of El Camino Real and Interstate 380, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (“**Property**”).

B. The Property is located within a 20-acre master planned development, referred to as the Crossing San Bruno, located within the San Bruno Navy Site Specific Plan adopted by City in 2002 and amended in 2005 (“**Specific Plan**”).

C. On \_\_\_\_\_, 2012, the City Council approved the Request for Proposals (“**RFP**”) for development of the Property. \_\_\_\_\_ developers responded to the RFP: \_\_\_\_\_, \_\_\_\_\_, and Developer.

D. City has considered the proposals for development of the Property submitted by Developer and the other applicants, and based on those proposals, City has selected Developer as the developer with whom City now desires to exclusively negotiate regarding development of the Property as a flagship “select-service” hotel.

E. City and Developer desire to enter into this Agreement in order to set forth the terms under which City and Developer will exclusively negotiate the terms and conditions of a potential Disposition and Development Agreement (“**DDA**”) providing for City’s sale of the Property to Developer for development of a select-service hotel thereon.

**A G R E E M E N T S :**

CITY AND DEVELOPER HEREBY AGREE AS FOLLOWS:

**1. NEGOTIATIONS**

1.1 Good Faith Negotiations. City and Developer, acknowledging that time is of the essence, agree for the Negotiation Period set forth below to negotiate diligently and in good faith to prepare a DDA to be considered for execution between City and Developer with respect to the conveyance and development of the Property. City agrees, for the period set forth below, not to negotiate with any other person or entity regarding development of the Property or any portion thereof. The DDA resulting from the negotiations hereunder shall become effective only after, and if, the DDA has been considered and approved by City Council at a public hearing called for such purpose. If the DDA is executed by City and Developer, the DDA shall thereafter govern the rights and obligations of the parties with respect to the development of the Property.

1.2 Duration of this Agreement. This Agreement shall be effective upon execution by the parties and shall remain in effect until \_\_\_\_\_, 2013 (“**Negotiation Period**”). Upon expiration of the Negotiation Period, this Agreement shall automatically terminate, unless the Negotiation Period has been mutually extended by City and Developer as provided below. The City Manager may approve an extension of the Negotiation Period for up to an additional \_\_\_\_\_ ( ) days, if she determines in her sole discretion that Developer has made substantial progress towards meeting the performance milestones identified in the Schedule of Performance attached hereto as Exhibit B (“**Schedule of Performance**”). Any further extension of the Negotiation Period shall require the approval of the City Council, which may be granted or denied in its sole discretion.

1.3 Deposit. Concurrently with the execution of this Agreement by City, Developer shall submit to City a good faith cash deposit in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) (“**Deposit**”). The Deposit shall be in the form of cash to ensure that Developer will proceed diligently and in good faith to negotiate and perform all of Developer’s obligations under this Agreement. City shall deposit it in an interest-bearing account and such interest, when received by City, shall become part of the Deposit.

City is authorized to use the Deposit to pay its actual and reasonable out-of-pocket costs and expenses incurred in carrying out its obligations under this Agreement, including all costs or fees paid to third parties for the purposes of (i) obtaining appraisals, surveys and updated preliminary title reports, and (ii) retaining economic/financial and hotel consultant(s) to assist in evaluating hotel project pro formas and proposed DDA financial terms (collectively, “City Expenses”). In the event that City determines that, in order to carry out its obligations under this Agreement, the actual City Expenses will exceed the Deposit by more than ten percent (10%), and if Developer fails to replenish the Deposit upon demand, this Agreement may be terminated by City. If City terminates this Agreement as provided in this paragraph, City shall return the unexpended portion of the Deposit to Developer and, following such termination, neither party shall have any further rights against or liability to the other under this Agreement.

1.4 Termination. If Developer has not continued to negotiate diligently and in good faith, City shall give written notice thereof to Developer who shall then have ten (10) business days to commence negotiating in good faith. Following the failure of Developer to thereafter commence negotiating in good faith within such ten (10) business-day period, this Agreement may be terminated by City. If this Agreement is terminated by City as provided above, Developer acknowledges and agrees that City will suffer damages, including lost opportunities to pursue other development alternatives for the Property and delayed receipt of property and transient occupancy tax revenues from the Property, and that it is impracticable and infeasible to fix the actual amount of such damages. Therefore, the parties agree that if this Agreement is terminated as provided above, City shall retain the unexpended portion of the Deposit, plus any interest thereon as fixed and liquidated damages and not as a penalty, and, except as provided in Section 5.8 below, following such termination neither party shall have any further rights against or liability to the other under this Agreement.

If City has not continued to negotiate diligently and in good faith, Developer shall give written notice thereof to City which shall then have ten (10) business days to commence negotiating in good faith. Following the failure of City to thereafter commence negotiating in good faith within such ten (10) business-day period, this Agreement may be terminated by Developer. In the event of such termination by Developer, City shall return to Developer the unexpended portion of the Deposit, if any, and any interest earned thereon, and, except as

provided in Section 5.8 below, neither party shall have any further rights against or liability to the other under this Agreement.

If, notwithstanding City's and Developer's mutual diligent, good faith negotiations, the parties have not entered into the DDA on or before expiration of the Negotiation Period or any extension thereof, City shall return to Developer the unexpended portion of the Deposit, if any, and any interest earned thereon, and, except as provided in Section 5.8 below, neither party shall have any further rights against or liability to the other under this Agreement.

## **2. DEVELOPMENT CONCEPT**

The negotiations hereunder shall be based on a development concept which shall include the development on the Property of a high-quality "select-service" hotel with at least XXX rooms and conference space to accommodate: (i) theatre-style seating for conferences/meetings to accommodate approximately 300 people; (ii) banquet-style seating for sit-down events to accommodate approximately 200 people; and (iii) ballroom-style arrangements for wedding events to accommodate approximately 100-150 people.

## **3. DEVELOPER'S RESPONSIBILITIES**

3.1 Developer to Reimburse All City Expenses. Developer shall be obligated to fully pay or reimburse City for all City Expenses, as provided in Section 1.3 above. In addition, Developer shall pay all fees and expenses associated with City's entitlement process for the proposed Project, including, but not limited to, retaining environmental consultants to prepare traffic studies and other necessary CEQA documentation and reports.

3.2 Full Disclosure. Developer is required to make full disclosure to City of its principals; officers; controlling stockholders, partners or members and/or those with managerial authority; joint venturers; negotiators; development managers; consultants and directly-involved managerial employees (collectively, "**Developer Parties**"); and all other material information concerning Developer. Any change in the identity of the Developer Parties shall be subject to the approval of City, which shall not be unreasonably withheld. Developer shall make and

maintain full disclosure to City of its methods of financing to be used in the acquisition and development of the Property.

3.3 Schedule of Performance; Progress Reports. Developer shall commence and complete performance of the work described in the Schedule of Performance within the times set forth therein. Developer shall keep City advised as to the status of all work to be undertaken by or on behalf of Developer as described in the Schedule of Performance. Within ten (10) days following City's request, which may be made from time to time during the Negotiation Period, Developer shall submit to City a written progress report advising City on the status of all work being undertaken by or on behalf of Developer.

#### **4. CITY'S RESPONSIBILITIES**

4.1 City Assistance and Cooperation. City shall cooperate with Developer by providing information regarding the development potential of the Property.

4.2 Environmental Documents. City shall prepare all environmental documents, if any, required for the proposed development under the California Environmental Quality Act. Developer shall cooperate with City in preparing environmental documents by supplying necessary technical data and other related information and/or development plans concerning the proposed development on the Property. All costs, fees and charges associated with the preparation of environmental documents under the California Environmental Quality Act shall be borne by Developer and paid by City out of the Deposit as provided in Section 1.3, above.

#### **5. GENERAL PROVISIONS**

5.1 No Brokerage Fees. City shall not be liable for any real estate commission or brokerage fees which may arise from the purchase and sale or other acquisition of the Property or any portion thereof or interest therein. Developer represents and warrants to City that it has not engaged any broker, agent or finder in connection with the acquisition or development of the Property, and Developer agrees to indemnify, defend and hold City harmless from any claim by any broker, agent or finder retained by, or alleged to have been retained by, Developer.

5.2 Notices. Any approval, disapproval, demand or other notice which either party may desire to give to the other party under this Agreement must be in writing and may be given by any commercially acceptable means, including first class mail, personal delivery, or overnight courier, to the party to whom the notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by notice.

To City: City of San Bruno  
567 El Camino Real  
San Bruno, California 94066  
Attention: City Manager  
City of San Bruno

With a copy to: 567 El Camino Real  
San Bruno, California 94066  
Attention: City Attorney

To Developer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Any notice shall be deemed received on the date of delivery if delivered by personal service, three (3) business days after mailing if sent by first class mail, and on the date of delivery or refused delivery as shown by the records of the overnight courier if sent via overnight courier.

5.3 Limitations of this Agreement. By its execution of this Agreement, City is not committing itself to or agreeing to undertake: (1) disposition of the Property to Developer; or (2) any other acts or activities requiring the subsequent independent exercise of discretion by City or any agency or department thereof. This Agreement does not constitute a disposition of property by City. Execution of this Agreement by City is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by City as to any DDA and all proceedings and decisions in connection therewith.

5.4 Integration. This Agreement contains the entire understanding between the parties relating to the matters set forth herein. All prior or contemporaneous agreements,

understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect.

5.5 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

5.6 Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

5.7 No Assignment. 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 Agreement with Developer. Accordingly, Developer may not assign its right to negotiate exclusively with City to any other person or entity, and any purported voluntary or involuntary assignment of Developer's exclusive negotiation rights shall be null and void.

5.8 Indemnity. Developer shall indemnify, defend (with counsel reasonably acceptable to City), protect and hold City, and its officers, employees, agents and representatives, harmless from, all third-party claims, demands, damages, defense costs or liability of any kind or nature arising directly or indirectly from the implementation of this Agreement, including any Developer Property investigation and/or acquisition activities, including damages to property or injuries to persons, accidental death, and reasonable attorneys' fees and costs, whether such activities or performance thereof be by Developer or by anyone directly or indirectly employed or contracted with by Developer and whether such damage shall accrue or be discovered before or after expiration or termination of this Agreement. Developer's indemnity obligations under this Section 5.8 shall not extend to claims, demands, damages, defense costs or liability for property damage, bodily injury or death to the extent occasioned by the sole negligence or willful misconduct of City or its officers, employees, agents or representatives.

5.9 Cooperation in Defending Third Party Actions. City and Developer shall cooperate in the event of any legal action instituted by any third party, including any current or prior owner of the Property or any portion thereof, challenging the validity or implementation of this Agreement, or seeking any relief that would permit such third party to redevelop the Property or any portion thereof. Should Developer determine 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 attorneys' fees, administrative, legal and court costs, provided that City shall either: (1) elect to joint representation by Developer's counsel; or (2) 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 any fees or costs in excess of \$5,000. If Developer elects not to contest such litigation challenges, City shall have no obligation to contest such challenges.

5.10 Counterparts. This Agreement may be signed in multiple counterparts which, when signed by both parties, shall constitute a binding agreement.

5.11 Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or any of its terms.

5.12 Authority. If Developer is a corporation, limited liability company, partnership, trust, association or other entity, Developer and each person executing this Agreement on behalf of Developer does hereby covenant and warrant that (i) Developer is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (ii) Developer has and is duly qualified to do business in California, (iii) Developer has full corporate, partnership, trust, association or other power and authority to enter into this Agreement and to perform all of Developer's obligations hereunder, and (iv) each

person (and all of the persons if more than one signs) signing this Agreement on behalf of Developer is duly and validly authorized to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set opposite their signatures. The effective date of this Agreement shall be the date this Agreement is signed by City.

\_\_\_\_\_, 2013

CITY OF SAN BRUNO, a California municipal corporation

By: \_\_\_\_\_  
Constance Jackson, City Manager

Attest:

\_\_\_\_\_  
Carol Bonner, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Marc L. Zafferano, City Attorney

\_\_\_\_\_, 2013

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A

**LEGAL DESCRIPTION OF THE PROPERTY**

[To Be Inserted.]

Exhibit A

**EXHIBIT B**

**SCHEDULE OF PERFORMANCE**

1.	Within _____ ( ) days of execution of the Agreement	Developer submits preliminary franchise commitment for operation of a XXX-room select-service hotel.
		Developer submits Preliminary Application to City planning.
2.	Within _____ ( ) days of execution of the Agreement.	City staff review Developer's Preliminary Application.
3.	Within _____ ( ) days of execution of the Agreement.	Developer secures franchise commitment.
		Developer submits revised financial proforma reflecting revised estimates of operating revenues and expenses, as well as current construction costs and a financial analysis describing the sources of debt and equity for the project and setting forth the Developer's projected return on its equity investment.
		City secures traffic study for the project.
4.	Within _____ ( ) days of execution of the Agreement.	Developer submits Formal Application to City planning staff
		Developer submits executed Franchise Agreement.
5.	Within _____ ( ) dates of execution of this Agreement.	Developer and City reach agreement on principal business terms of a proposed DDA as evidenced by execution of a non-binding term sheet.
6.	Prior to expiration of Negotiation Period	Developer and City Council have each approved a DDA providing for sale of the Property by City to Developer and Developer's development of a select-service hotel thereon, all on terms acceptable to Developer and the City each in its sole, absolute discretion.



## City Council Agenda Item Staff Report

CITY OF SAN BRUNO

**DATE:** February 26, 2013

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Marc Zafferano, City Attorney  
Neil Telford, Police Chief

**SUBJECT:** Provide Discussion and Direction to Adopt Resolution Supporting Federal and State Gun Violence Legislation, and to Identify Specific Local Measures to Reduce the Risk of Gun Violence

### BACKGROUND:

The tragic events at the Sandy Hook Elementary School in Newtown have prompted federal, state, and local leaders to support numerous measures across the country to reduce the risk of gun violence.

At the federal level, these measures include renewing efforts to ban assault weapons and supporting the President's Plan to Protect Our Children and Our Communities by Reducing Gun Violence. The U.S. Conference of Mayors recently issued their own detailed plan to support the President's recommendations.

At the state level, while California already has some of the most stringent gun laws in the nation, there are at least six Assembly bills and five Senate bills pending that would further strengthen these laws.

At the local level, California cities are somewhat limited by Government Code section 53071, which expresses the intent of the Legislature to "occupy the whole field of regulation of the registration or licensing of commercially manufactured firearms as encompassed by the provisions of the Penal Code, and such provisions shall be exclusive of all local regulations relating to registration or licensing of commercially manufactured firearms...". In addition, Penal Code section 12026 prohibits local governments from requiring citizens to obtain local licenses to purchase, own, possess, keep, or carry specified firearms anywhere within the citizen's place of residence, place of business, or on private property owned or possessed by such persons.

Cities have therefore adopted, and courts have upheld, ordinances that do not overlap with these areas pre-empted by the state. Cities are free to implement voluntary gun buy-back programs, instituting anonymous tip lines to report possession of illegal weapons, and further supporting partnerships with schools to emphasize emergency preparedness and early identification of youth at risk of committing a violent act. Cities can also exercise their land use powers to insure that gun shops do not proliferate throughout the community, that they are allowed only in certain zoning districts, and that they otherwise comply with regulations designed to protect public health and safety.

10.6.

## DISCUSSION:

### Federal Efforts to Address Gun Violence

President Obama's Plan, supported by the U.S. Conference of Mayors and reprinted in Attachment 1, contains the following main elements:

- Require criminal background checks for all gun sales
- Ensure that information about dangerous individuals is available to the background check system
- Reinstate and strengthen the assault weapons ban
- Restore the 10-round limit on ammunition magazines
- Prohibit possession and transfer of armor-piercing bullets
- Enact a series of steps to prevent and prosecute gun crimes
- End the freeze on gun violence research
- Preserve the rights of doctors to report patients who threaten violence
- Use the COPS program to fund additional school resource officers and school counselors
- Augment mental health services, especially for young adults

Some of these initiatives will be implemented by executive order, while others, such as reinstating the assault weapon ban as proposed by Senator Feinstein, would require action by Congress. If the City Council wishes to support the President's Plan, staff can draft a Resolution for a subsequent City Council Meeting.

### State Efforts to Address Gun Violence

California law currently contains an extensive regulatory system for the purchase and sale of firearms. All such sales must be completed through a federally licensed dealer, which must report the sales to the Department of Justice. There is a 10-day waiting period for any individual wanting to purchase a gun. Sales of assault weapons are banned, as is possession of high-capacity magazines (over 10 rounds). New residents must register handguns purchased outside of California within 60 days.

State law currently authorizes cities to file petitions in court to keep weapons out of the hands of individuals who have been involuntary detained in a mental health facility. The City Attorney's office petitions the court for removal of the firearm in all cases where these incidents occur. The law also permits law enforcement officers to seize firearms at the scene of domestic violence. Individuals convicted of a domestic violence offense, or those subject to a court-issued restraining order, are prohibited from possessing firearms.

In 2013, the following bills were introduced in the Legislature:

#### *Assembly:*

- AB 48 (Skinner): Would prohibit devices designed to convert ammunition-feeding devices to large-capacity magazines
- AB 170 (Bradford): Would limit firearms sales to natural persons instead of all "individuals" such as corporations and LLCs
- AB 174, 180, 187 (Bonta): Would end the exemptions for previously-purchased assault

weapons; would tax ammunition sold in retail stores and gun shows to fund crime prevention in high-crime areas of the state

- AB 202 (Donnelley): Would establish a School Marshal Program to provide additional security for schools
- Assembly Joint Resolution 5 (Gomez): Would support Senator Feinstein's proposed assault weapons ban

*Senate:*

- SB 47 (Yee): Would expand definition of assault weapon under state law
- SB 49 (Lieu, Steinberg): Would strengthen requirement for schools to adopt and implement safety plans and provide stricter penalties for non-compliance
- SB 53 (DeLeon): Would expand reporting requirements to include ammunition in addition to firearms
- SB 127 (Gomez): Would remove authority of courts to issue firearms to persons previously adjudicated to be mentally disordered
- SB 140 (Leno, Steinberg): Would provide additional funding to address backlog in Armed Prohibited Persons Systems that cross-references handgun and assault weapons owners Across the state against criminal history records
- Senate Joint Resolution 1 (various): Would urge President Obama to take steps to implement universal background checks

Staff will continue to monitor these bills and report on any significant developments. If the City Council wishes to support some or all of these bills, staff can draft a Resolution for a subsequent City Council meeting.

Local Efforts to Address Gun Violence

The City of San Francisco, through Mayor Lee's office, recently sent a letter (Attachment 2) to the San Bruno City Council and other cities in the nine Bay Area counties requesting support for two pieces of legislation introduced to the San Francisco Board of Supervisors: 1) a ban on the sale and possession of hollow-point ammunition; and 2) a requirement that licensed gun dealers report individual purchases of 500 rounds of ammunition or more to the police department. The City of San Bruno could consider adopting a similar ordinance.

The City of Campbell's municipal code (Section 8.12, Attachment 3) requires individuals to report lost or stolen weapons to the police department within 48 hours. The City of Palo Alto's municipal code (Section 4.57, Attachment 4) contains a comprehensive ordinance requiring a police permit to operate any establishment that buys or sells firearms. The City of Lafayette has a similar ordinance that was upheld by the courts (Attachment 5). The City of San Bruno could consider adopting similar ordinances.

The County of San Mateo and several cities, including East Palo Alto, Menlo Park, and Palo Alto have instituted gun buy-back programs. These programs have been effective to the extent that they prevent those guns from becoming available to those who might use them to engage in violent acts. Congresswoman Speier is in the process of expanding such programs throughout San Mateo County. Alternatively, the City could institute its own program more quickly, but funds would have to be budgeted for that purpose.

Many guns used in crimes have been obtained illegally. To address this problem, some cities have implemented an anonymous tip line where citizens can report possession of illegal weapons. Such a system could be useful in conjunction with ongoing criminal investigations.

The police department has a close relationship with local schools. The department is in the process of reviewing emergency preparedness plans, working to insure that drills occur regularly, and collaborating with the existing School Safety Advocates program that seeks to identify youth at risk of committing a violent act.

The City of San Bruno currently allows "gun shops" as a permitted use only in the C-B-D Central Business District (Section 12.96.120(B)(20)), located along San Mateo Avenue. At this time, there are two establishments that are federally licensed to buy or sell guns and ammunition: Golden Gate Guns, at 360 El Camino Real, and Big-5, at 855 El Camino Real. Tabor's, which was located at 471 El Camino Real, has closed. The City could exercise its land use powers, which derive from the state constitution, to consider adopting one or more of the following zoning measures, following review and recommendation by the Planning Commission:

- Prohibit any new establishments that would buy or sell guns or ammunition
- Impose a temporary moratorium on any such new establishments while the City is studying the issue
- Limit any such new establishments to a different zoning district
- Require a conditional use permit for the operation of any such new establishments
- Establish proximity limits for any such new establishments within whatever zoning districts they are permitted or conditionally allowed

**FISCAL IMPACT:**

Once the City Council identifies which programs and initiatives it wishes to implement, staff will return with an analysis of their fiscal impact.

**ALTERNATIVES:**

1. Request further information and/or analysis before providing direction to staff.
2. Direct staff to discontinue analysis of this item.

**RECOMMENDATION:**

Provide Discussion and Direction to Adopt Resolution Supporting Federal and State Gun Violence Legislation, and to Identify Specific Local Measures to Reduce the Risk of Gun Violence

**DISTRIBUTION:**

None.

**ATTACHMENTS:**

1. President's Plan to Protect Our Children and Our Communities by Reducing Gun Violence
2. Letter from City of San Francisco
3. City of Campbell Municipal Code section 8.12
4. City of Palo Alto Municipal Code section 4.57
5. City of Lafayette Municipal Code sections 8-6 and 6-533

**DATE PREPARED:**

February 14, 2013

**REVIEWED BY:**

\_\_\_\_\_ CM

THE WHITE HOUSE  
Office of the Press Secretary

EMBARGOED UNTIL THE START OF THE PRESIDENT'S REMARKS  
January 16, 2013

**Now Is the Time: The President's Plan to Protect our Children and our Communities  
by Reducing Gun Violence**

Our nation has suffered too much at the hands of dangerous people who use guns to commit horrific acts of violence. As President Obama said following the Sandy Hook Elementary School tragedy, "We won't be able to stop every violent act, but if there is even one thing that we can do to prevent any of these events, we have a deep obligation, all of us, to try."

Most gun owners are responsible and law-abiding, and they use their guns safely. The President strongly believes that the Second Amendment guarantees an individual right to bear arms. But to better protect our children and our communities from tragic mass shootings like those in Newtown, Aurora, Oak Creek, and Tucson, there are four common-sense steps we can take right now.

The President's plan includes: (1) closing background check loopholes to keep guns out of dangerous hands; (2) banning military-style assault weapons and high-capacity magazines, and taking other common-sense steps to reduce gun violence; (3) making schools safer; and (4) increasing access to mental health services. Highlights of this comprehensive plan include:

- ✓ Require criminal background checks for all gun sales.
- ✓ Take four executive actions to ensure information on dangerous individuals is available to the background check system.
- ✓ Reinstate and strengthen the assault weapons ban.
- ✓ Restore the 10-round limit on ammunition magazines.
- ✓ Protect police by finishing the job of getting rid of armor-piercing bullets.
- ✓ Give law enforcement additional tools to prevent and prosecute gun crime.
- ✓ End the freeze on gun violence research.
- ✓ Make our schools safer with more school resource officers and school counselors, safer climates, and better emergency response plans.
- ✓ Help ensure that young people get the mental health treatment they need.
- ✓ Ensure health insurance plans cover mental health benefits.

While no law or set of laws will end gun violence, it is clear that the American people want action. If even one child's life can be saved, then we need to act. Now is the time to do the right thing for our children, our communities, and the country we love.

## TAKING EXECUTIVE ACTION TO DO EVERYTHING WE CAN TODAY

The President is determined to do all he can within existing authorities, and today, he will announce 23 new executive actions to make progress right away. These actions will: help make sure information about potentially dangerous people who are barred from having guns is available to the national background check system; lift the ban on research into the causes of gun violence; make sure doctors know they can report credible threats of violence by their patients; put more resource officers and counselors in schools; and ensure millions of Americans get quality mental health coverage.

## CALLING ON CONGRESS TO TAKE COMMON-SENSE STEPS

Congress must also do its part. To prevent mass shootings and other gun violence, Congress should take critical steps through new legislation, including: requiring background checks for all gun sales; reinstating the prohibition on high-capacity magazines; renewing and strengthening the ban on assault weapons; and creating serious penalties for gun traffickers who help put guns into the hands of criminals.

### 1. CLOSING BACKGROUND CHECK LOOPHOLES TO KEEP GUNS OUT OF DANGEROUS HANDS

Most gun owners buy their guns legally and use them safely, whether for self-defense, hunting or sport shooting. Yet too often, irresponsible and dangerous individuals have been able to easily get their hands on firearms. We must strengthen our efforts to keep guns from falling into the wrong hands.

- **REQUIRE BACKGROUND CHECKS ON ALL GUN SALES:** Felons, fugitives, and others who are legally prohibited from having a gun should not be able to use loopholes to get one. Right now, federally licensed firearms dealers are required to run background checks on those buying guns, but studies estimate that nearly 40 percent of all gun sales are made by private sellers who are exempt from this requirement. As the President said following the Newtown tragedy, keeping guns out of the wrong hands starts with legislation to require background checks for all gun sales, with limited, common-sense exceptions for cases like certain transfers among family members and temporary transfers for hunting and sporting purposes. In addition, the Administration will provide licensed dealers with guidance on how they can run background checks on private sales today.
- **FOUR EXECUTIVE ACTIONS TO STRENGTHEN THE BACKGROUND CHECK SYSTEM:** The background check system is highly efficient and effective; during its 14 years in existence, the system has helped keep more than 1.5 million guns out of the wrong hands. The system is able to make 92 percent of background check determinations on the spot. But we must do a better job ensuring the background check system has access to complete information about

potentially dangerous individuals. Today the Administration is taking four actions to strengthen the system:

- Addressing unnecessary legal barriers in health laws that prevent some states from making information available about those prohibited from having guns.
- Improving incentives for states to share information with the system.
- Ensuring federal agencies share relevant information with the system.
- Directing the Attorney General to work with other agencies to review our laws to make sure they are effective at identifying the dangerous or untrustworthy individuals that should not have access to guns.

## 2. BANNING MILITARY-STYLE ASSAULT WEAPONS AND HIGH-CAPACITY MAGAZINES, AND TAKING OTHER COMMON-SENSE STEPS TO REDUCE GUN VIOLENCE

We need to do more to prevent easy access to instruments of mass violence. We also need to provide law enforcement with additional tools to prevent gun violence, end the freeze on gun violence research, make sure health care providers know they can report credible threats of violence and talk to their patients about gun safety, and promote responsible gun ownership.

- **GET MILITARY-STYLE ASSAULT WEAPONS AND HIGH-CAPACITY MAGAZINES OFF THE STREETS:** Several recent mass shootings involved high-capacity ammunition magazines that were prohibited from 1994 to 2004. Many of the mass shooters used the type of semiautomatic rifles that were the target of the assault weapons ban. It is time for Congress to renew the 10-round limit on magazines, and reinstate and strengthen the assault weapons ban.
- **PROTECT POLICE BY GETTING RID OF ARMOR-PIERCING BULLETS:** The President also is calling for legislation to finish the job of getting armor-piercing bullets off the streets by prohibiting the possession and transfer of this dangerous ammunition, in addition to its manufacture and import.
- **GIVE LAW ENFORCEMENT ADDITIONAL TOOLS TO PREVENT AND PROSECUTE GUN CRIME:** We owe law enforcement the tools they need to keep us safe. The President will:
  - Call for Congress to pass the Administration's \$4 billion proposal to help communities keep 15,000 cops on the street.
  - Call for Congress to pass new gun trafficking laws, which will impose serious penalties on those who help get guns into the hands of criminals.
  - Take executive action to enhance gun tracing data by requiring federal law enforcement to trace all recovered guns.
  - Propose regulations that will enable law enforcement to run complete background checks before returning seized firearms
  - Nominate, and call for Congress to confirm, a director for the ATF.
  - Call for Congress to remove restrictions that require ATF to authorize importation of dangerous weapons simply because of their age.
  - Maximize enforcement efforts to prevent gun violence and prosecute gun crime.
  - Direct the Department of Justice to analyze information on lost and stolen guns and make it widely available to law enforcement.
  - Provide effective training for state and local law enforcement, first responders, and school officials on how to handle active shooter situations.

- **END THE FREEZE ON GUN VIOLENCE RESEARCH, INVESTIGATE THE CAUSES AND PREVENTION OF VIOLENCE, AND EXPLORE THE IMPACT OF VIOLENT MEDIA IMAGES AND VIDEO GAMES:** For years, Congress has subjected the Centers for Disease Control (CDC) to restrictions ensuring it does not “advocate or promote gun control,” and some members of Congress have claimed this restriction prohibits the CDC from conducting any research on the causes of gun violence. However, public health research on gun violence is not advocacy. The President is directing the CDC and other research agencies to conduct research into the causes and prevention of gun violence, and the CDC is announcing that they will begin this research. The Administration is calling on Congress to provide \$10 million for the CDC to conduct further research, including investigating the relationship between video games, media images, and violence.
- **PRESERVE THE RIGHTS OF DOCTORS TO PROTECT THEIR PATIENTS AND COMMUNITIES FROM GUN VIOLENCE:** Doctors and other mental health professionals play an important role in protecting the safety of their patients and the broader community. The Administration is clarifying that no federal law in any way prohibits doctors or other health care providers from reporting their patients’ threats of violence to the authorities, and issuing guidance making clear that the Affordable Care Act does not prevent doctors from talking to patients about gun safety.
- **ENCOURAGE GUN OWNERS TO LIVE UP TO THEIR RESPONSIBILITY TO STORE GUNS SAFELY:** The President believes that the Second Amendment guarantees an individual right to bear arms, and he respects our nation’s rich hunting and sport shooting traditions. But this right comes with a responsibility to safely store guns to prevent them from accidentally or intentionally being used to harm others. To that end, the President will launch a national responsible gun ownership campaign. The Administration will also encourage the development of new technology that will make it easier for gun owners to safely use and store their guns, and the Consumer Product Safety Commission will assess the need for new safety standards for gun locks and gun safes to make sure they actually work to keep guns safe.

### 3. MAKING SCHOOLS SAFER

We need to enhance the physical security of our schools and our ability to respond to emergencies like mass shootings, and also create safer and more nurturing school climates. Each school is different and should have the flexibility to address its most pressing needs. Some schools will want trained and armed police; others may prefer increased counseling services. Either way, each district should be able to choose what is best to protect its own students. The Administration is proposing to:

- **GIVE LOCAL COMMUNITIES THE OPPORTUNITY TO HIRE UP TO 1,000 SCHOOL RESOURCE OFFICERS AND SCHOOL COUNSELORS:** School resource officers, school psychologists, social workers, and school counselors all have a role to play in keeping our students safe. We can help schools fill these roles by using this year's COPS program to provide incentives for more police departments to hire school resource officers. And today, the President is proposing a new, comprehensive school safety initiative to help local school districts hire up to 1,000 school resource officers and school-based mental health professionals, as well as make other investments in school safety. The Department of Justice will also develop a model for using school resource officers, including best practices for working with students.
- **ENSURE EVERY SCHOOL HAS A COMPREHENSIVE EMERGENCY MANAGEMENT PLAN:** Many schools have plans for responding to emergencies like mass shootings, but too often, their plans are incomplete and their students and staff are not trained to follow them. The Administration will help schools, houses of worship, and institutions of higher education develop these plans, call on Congress to provide the resources for schools to implement them, and require those receiving safety funding from the Department of Education to have high-quality plans in place for all of their schools.
- **CREATE SAFER SCHOOL CLIMATES:** Making our schools safer is not just about cops and security cameras; we also need to improve the climate of our schools to reduce violence and bullying (which sometimes precedes a mass casualty event). The Administration is proposing to help 8,000 schools put in place proven strategies to reduce bullying, drug abuse, violence, and other problem behaviors, and to gather and share best practices on school discipline.

#### 4. IMPROVING MENTAL HEALTH SERVICES

Though the vast majority of Americans with a mental illness are not violent, we need to do more to identify mental health issues early and help individuals get the treatment they need before dangerous situations develop. As President Obama has said, "We are going to need to work on making access to mental health care as easy as access to a gun."

- **MAKE SURE STUDENTS AND YOUNG ADULTS GET TREATMENT FOR MENTAL HEALTH ISSUES:** Three quarters of mental illnesses appear by the age of 24, yet less than half of children with diagnosable mental health problems receive treatment. To increase access to mental health services for young people, we should:
  - Provide "Mental Health First Aid" training to help teachers and staff recognize signs of mental illness in young people and refer them to treatment.

- Support young adults ages 16 to 25, who have the highest rates of mental illness but are the least likely to seek help, by giving incentives to help states develop innovative approaches.
  - Help break the cycle of violence in schools facing pervasive violence with a new, targeted initiative to provide their students with needed services like counseling.
  - Train 5,000 more social workers, counselors, and psychologists, with a focus on those serving students and young adults.
- **ENSURE COVERAGE OF MENTAL HEALTH TREATMENT:** The Affordable Care Act is the largest step to increase access to mental health services in a generation, providing health coverage for 30 million Americans, including 6 to 10 million people with mental illness. The Administration will take executive actions to ensure that millions of newly covered Americans, and millions more who already have health insurance, get quality mental health coverage by:
    - Finalizing regulations to require insurance plans to cover mental health benefits like medical and surgical benefits.
    - Ensuring Medicaid is meeting its obligation to cover mental health equally.

#### CALLING ON ALL AMERICANS TO DO MORE

None of these problems can be solved by laws alone. All Americans must do their part. Gun owners have a responsibility to make sure their guns are safely stored. If a gun is lost or stolen, it is important to report it to local authorities. Parents, teachers, and school counselors need to stay involved in young people's lives, and if they need help, show them how to get it. A trained professional who concludes that a patient poses a serious threat to himself or others has a duty to report it. The entertainment and video game industries have a responsibility to give parents tools and choices about the movies and programs their children watch and the games their children play. As President Obama said, "This job of keeping our children safe and teaching them well is something we can only do together, with the help of friends and neighbors, the help of a community and the help of a nation." The President, the Vice President, and other Administration leaders will continue to work with Americans from all walks of life to look for more ways to help.

THE WHITE HOUSE  
Office of the Press Secretary

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EMBARGOED UNTIL THE START OF THE PRESIDENT'S REMARKS  
January 16, 2013

**Now Is the Time: The President's Plan to Protect our Children and our Communities  
by Reducing Gun Violence**

Our nation has suffered too much at the hands of dangerous people who use guns to commit horrific acts of violence. As President Obama said following the Sandy Hook Elementary School tragedy, "We won't be able to stop every violent act, but if there is even one thing that we can do to prevent any of these events, we have a deep obligation, all of us, to try."

Most gun owners are responsible and law-abiding, and they use their guns safely. The President strongly believes that the Second Amendment guarantees an individual right to bear arms. But to better protect our children and our communities from tragic mass shootings like those in Newtown, Aurora, Oak Creek, and Tucson, there are four common-sense steps we can take right now.

The President's plan includes:

1. Closing background check loopholes to keep guns out of dangerous hands;
2. Banning military-style assault weapons and high-capacity magazines, and taking other common-sense steps to reduce gun violence;
3. Making schools safer; and
4. Increasing access to mental health services.

While no law or set of laws will end gun violence, it is clear that the American people want action. If even one child's life can be saved, then we need to act. Now is the time to do the right thing for our children, our communities, and the country we love.

**1. CLOSING BACKGROUND CHECK LOOPHOLES  
TO KEEP GUNS OUT OF DANGEROUS HANDS**

Most gun owners buy their guns legally and use them safely, whether for self-defense, hunting or sport shooting. Yet too often, irresponsible and dangerous individuals have been able to easily get their hands on firearms. We must strengthen our efforts to keep guns from falling into the wrong hands.

**REQUIRE BACKGROUND CHECKS FOR ALL GUN SALES:** The single most important thing we can do to prevent gun violence and mass shootings, like the one in Newtown, is to make sure those who would commit acts of violence cannot get access to guns. A critical tool in achieving that goal is the National Instant Criminal

Background Check System, which was created by the Brady Act to ensure that guns are not sold to those prohibited from buying them, including felons and those convicted of domestic violence. Over the last 14 years it has helped keep more than 1.5 million guns out of the wrong hands. It is able to make 92 percent of background check determinations on the spot. However, too many guns are still sold without a background check and too many individuals prohibited from having a gun slip through the cracks. We need to strengthen the system by requiring every gun buyer to go through a background check and ensuring that the background check system has complete information on people prohibited from having guns. We should:

- **Require criminal background checks for all gun sales:** Right now, federally licensed firearms dealers are required to run background checks on those buying guns, but studies estimate that nearly 40 percent of all gun sales are made by private sellers who are exempt from this requirement. A national survey of inmates found that only 12 percent of those who used a gun in a crime acquired it from a retail store or pawn shop, where a background check should have been run. Congress should pass legislation that goes beyond just closing the "gun show loophole" to require background checks for all firearm sales, with limited, common-sense exceptions for cases like certain transfers between family members and temporary transfers for hunting and sporting purposes.
- **Call on licensed dealers and private sellers to do their part through executive action:** Private sellers can already choose to sell their guns through licensed dealers so the dealer can run a background check on the buyer, and the Administration is calling on them to do so. The Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) will send an open letter to licensed dealers giving them guidance on how best to facilitate these checks.

**STRENGTHEN THE BACKGROUND CHECK SYSTEM:** The background check system is the most efficient and effective way to keep guns out of the hands of dangerous individuals, but we need to make sure it has access to complete information about these individuals. For example, although the number of mental health records available to the system has increased by 800 percent since 2004, a recent report by the Government Accountability Office found that there are still 17 states that have made fewer than 10 mental health records available. We need to make sure reliable data on prohibited purchasers is available to the background check system. The Administration is announcing four new executive actions to enhance the system's ability to identify dangerous people and stop them from getting guns:

- **Address unnecessary legal barriers that prevent states from reporting information about those prohibited from having guns:** Some states have cited concerns about restrictions under the Health Insurance Portability and Accountability Act as a reason not to share relevant information on people prohibited from gun ownership for mental health reasons. The Administration

will begin the regulatory process to remove any needless barriers, starting by gathering information about the scope and extent of the problem.

- **Improve incentives for states to share information with the background check system:** States are a critical source for several key categories of relevant records and data, including criminal history records and records of persons prohibited from having guns for mental health reasons. The Department of Justice will invest \$20 million in FY2013 to give states stronger incentives to make this data available. The Administration is also proposing \$50 million for this purpose in FY2014, and will look for additional ways to ensure that states are doing their part to provide relevant information.
- **Hold federal agencies accountable for sharing reliable information with the background check system:** Some federal agencies also have relevant records. The President is issuing a Presidential Memorandum holding agencies to requirements that they identify these records, make them available to the background check system, and regularly report that those records are complete and up-to-date.
- **Make sure dangerous people are prohibited from having guns:** The background check system is designed to keep guns out of the hands of those forbidden by law to have them. But we need to make sure our laws are effective at identifying the dangerous or untrustworthy individuals that should not have access to guns. The President will direct the Attorney General, in consultation with other relevant agencies, to review the laws governing who is prohibited from having guns and make legislative and executive recommendations to ensure dangerous people aren't slipping through the cracks.

## 2. BANNING MILITARY-STYLE ASSAULT WEAPONS AND HIGH-CAPACITY MAGAZINES, AND TAKING OTHER COMMON-SENSE STEPS TO REDUCE GUN VIOLENCE

We need to do more to prevent easy access to instruments of mass violence. We also need to provide law enforcement with additional tools to prevent gun violence, end the freeze on gun violence research, make sure health care providers know they can report credible threats of violence and talk to their patients about gun safety, and promote responsible gun ownership.

**GET MILITARY-STYLE ASSAULT WEAPONS AND HIGH-CAPACITY MAGAZINES OFF THE STREETS:** A 2010 survey by the Police Executive Research Forum found that more than one-third of police departments reported an increase in criminals' use of assault weapons and high-capacity magazines since the prohibition on

high-capacity magazines and assault weapons expired in 2004. To protect law enforcement and enhance public safety, we must redouble our efforts to:

- **Reinstate and strengthen the ban on assault weapons:** The shooters in Aurora and Newtown used the type of semiautomatic rifles that were the target of the assault weapons ban that was in place from 1994 to 2004. That ban was an important step, but manufacturers were able to circumvent the prohibition with cosmetic modifications to their weapons. Congress must reinstate and strengthen the prohibition on assault weapons.
- **Limit ammunition magazines to 10 rounds:** The case for prohibiting high-capacity magazines has been proven over and over; the shooters at Virginia Tech, Tucson, Aurora, Oak Creek, and Newtown all used magazines holding more than 10 rounds, which would have been prohibited under the 1994 law. These magazines enable any semiautomatic weapon to be used as an instrument of mass violence, yet they are once again legal and now come standard with many handguns and rifles. Congress needs to reinstate the prohibition on magazines holding more than 10 rounds.
- **Finish the job of getting armor-piercing bullets off the streets:** It is already illegal to manufacture and import armor-piercing ammunition except for military or law enforcement use. But it is generally still not illegal to possess or transfer this dangerous ammunition. Congress should finish the job of protecting law enforcement and the public by banning the possession of armor-piercing ammunition by, and its transfer to, anyone other than the military and law enforcement.

**GIVE LAW ENFORCEMENT ADDITIONAL TOOLS TO PREVENT AND PROSECUTE GUN CRIME:** In order to prevent and respond to gun violence, we must give law enforcement every tool they need to keep us safe. That includes passing stronger laws to stop those who would put guns into the hands of criminals, keeping 15,000 cops on the street, and eliminating restrictions that keep federal law enforcement from doing its job.

- **Create serious punishments for gun trafficking:** Today, criminals can easily buy guns from unlicensed dealers, or acquire them with the help of so-called "straw purchasers" who pass the required background check to buy guns from licensed dealers. But there is no explicit law against straw purchasing, so straw purchasers and others who traffic guns can often only be prosecuted for paperwork violations. We cannot allow those who help put guns into the hands of criminals to get away with just a slap on the wrist. Congress should close these loopholes with new gun trafficking laws that impose serious penalties for these crimes.

## EMBARGOED

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- **Help communities across the country keep 15,000 cops on the street:** One of the most important steps we can take to reduce gun violence is to keep police officers at their posts in our neighborhoods and communities. The President is calling on Congress to act on the Administration's \$4 billion proposal to help keep 15,000 cops on the street in cities and towns across the country.
- **Take executive action to enhance tracing data:** When law enforcement recovers a gun during a criminal investigation, they can trace that gun's path from its manufacturer, to the dealer who sold it, to its first purchaser. This gun tracing process helps law enforcement solve violent crimes by generating leads in specific cases and can reveal gun trafficking patterns when large amounts of tracing data is combined. However, not all federal law enforcement agencies are uniformly required to trace all guns they recover and keep in custody. The President will issue a Presidential Memorandum requiring them to trace all such firearms.
- **Take executive action to help law enforcement avoid returning guns to the wrong hands:** Law enforcement should never be put in the position of unknowingly returning a gun to an individual who is prohibited from having it. Currently, when law enforcement must return firearms seized as part of an investigation, they do not have the ability to conduct a full background check on the owner. The Administration will propose regulations to ensure that law enforcement has access to the database needed for complete background checks.
- **Finally give the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) a confirmed director:** The ATF has not had a confirmed director for six years. There is no excuse for leaving the key agency enforcing gun laws in America without a leader. It is time for Congress to confirm an ATF director.
- **Eliminate restrictions that force the ATF to authorize importation of dangerous weapons simply because of their age:** ATF is required to authorize the importation of certain "curio or relic" firearms, and outdated regulations include all firearms manufactured more than 50 years ago in the definition of "curio or relic." But today, firearms manufactured more than 50 years ago include large numbers of semiautomatic military-surplus rifles, some of which are easily convertible into machine guns or otherwise appealing for use in crime. Congress should get rid of restrictions that prevent ATF from changing this definition, enabling ATF to ensure that firearms imported as curios or relics are actually of interest as collectibles, rather than letting these rules be used as a way to acquire fully functional and powerful military weapons.
- **Maximize enforcement efforts to prevent gun violence and prosecute gun crime:** The Attorney General will work with all United States Attorneys to continue to ensure that every appropriate resource is focused on preventing gun

violence. To this end, the Attorney General will ask all U.S. Attorneys to consider whether supplemental efforts would be appropriate in their districts, in areas such as prosecutions of people who have been convicted of a felony and illegally seek to obtain a firearm, or people who attempt to evade the background check system by providing false information.

- **Analyze information on lost and stolen guns and make it widely available to law enforcement:** The Department of Justice will publish an annual report on lost and stolen guns to ensure that data collected by ATF is available. This report will include state-by-state statistics about guns reported as missing. Making this data available will provide valuable information to law enforcement about how to target its resources, and give states and cities the information they need to pass laws and take other effective steps to make sure that lost and stolen guns are reported. The Department will also identify best practices that are working today and encourage states and cities to follow those models.
- **Provide effective training for active shooter situations for 14,000 law enforcement officers, first responders, and school officials:** One of the best ways to minimize the loss of life in a mass shooting is to make sure law enforcement, first responders, school officials, and others are prepared to respond to an active shooter. The Administration will immediately expand access to federal training, and federal agencies will ensure that protocols for responding to active shooter situations are consistent. And Congress should provide an additional \$14 million to help train 14,000 more police officers and other public and private personnel to respond to active shooter situations.

**END THE FREEZE ON GUN VIOLENCE RESEARCH:** There are approximately 30,000 firearm-related homicides and suicides a year, a number large enough to make clear this is a public health crisis. But for years, the Centers for Disease Control (CDC) and other scientific agencies have been barred by Congress from using funds to "advocate or promote gun control," and some members of Congress have claimed this prohibition also bans the CDC from conducting any research on the causes of gun violence. However, research on gun violence is not advocacy; it is critical public health research that gives all Americans information they need.

- **Conduct research on the causes and prevention of gun violence, including links between video games, media images, and violence:** The President is issuing a Presidential Memorandum directing the Centers for Disease Control and scientific agencies to conduct research into the causes and prevention of gun violence. It is based on legal analysis that concludes such research is not prohibited by any appropriations language. The CDC will start immediately by assessing existing strategies for preventing gun violence and identifying the most pressing research questions, with the greatest potential public health impact. And the Administration is calling on Congress to provide \$10 million for the

CDC to conduct further research, including investigating the relationship between video games, media images, and violence.

- **Better understand how and when firearms are used in violent death:** To research gun violence prevention, we also need better data. When firearms are used in homicides or suicides, the National Violent Death Reporting System collects anonymous data, including the type of firearm used, whether the firearm was stored loaded or locked, and details on youth gun access. Congress should invest an additional \$20 million to expand this system from the 18 states currently participating to all 50 states, helping Americans better understand how and when firearms are used in a violent death and informing future research and prevention strategies.

**PRESERVE THE RIGHTS OF HEALTH CARE PROVIDERS TO PROTECT THEIR PATIENTS AND COMMUNITIES FROM GUN VIOLENCE:** We should never ask doctors and other health care providers to turn a blind eye to the risks posed by guns in the wrong hands.

- **Clarify that no federal law prevents health care providers from warning law enforcement authorities about threats of violence:** Doctors and other mental health professionals play an important role in protecting the safety of their patients and the broader community by reporting direct and credible threats of violence to the authorities. But there is public confusion about whether federal law prohibits such reports about threats of violence. The Department of Health and Human Services is issuing a letter to health care providers clarifying that no federal law prohibits these reports in any way.
- **Protect the rights of health care providers to talk to their patients about gun safety:** Doctors and other health care providers also need to be able to ask about firearms in their patients' homes and safe storage of those firearms, especially if their patients show signs of certain mental illnesses or if they have a young child or mentally ill family member at home. Some have incorrectly claimed that language in the Affordable Care Act prohibits doctors from asking their patients about guns and gun safety. Medical groups also continue to fight against state laws attempting to ban doctors from asking these questions. The Administration will issue guidance clarifying that the Affordable Care Act does not prohibit or otherwise regulate communication between doctors and patients, including about firearms.

**ENCOURAGE GUN OWNERS TO LIVE UP TO THEIR RESPONSIBILITY TO STORE GUNS SAFELY:** The President believes that the Second Amendment guarantees an individual right to bear arms, and he respects our nation's rich hunting and sport shooting traditions and the millions of responsible Americans who participate in them every year. But this right comes with a responsibility to safely store guns to prevent them from accidentally or intentionally being used to harm others. The

Administration is encouraging gun owners to take responsibility for keeping their guns safe and encouraging the development of technology that will make it easier for gun owners to meet this responsibility, and the Consumer Product Safety Commission is assessing the need for new standards for gun locks.

- **Launch a national responsible gun ownership campaign:** The Administration will encourage gun owners to take responsibility for keeping their guns safe with a national campaign. The campaign will promote common-sense gun safety measures like the use of gun safes and trigger locks, separate storage of guns and ammunition, and the reporting of lost and stolen weapons to law enforcement.
- **Review and enhance as warranted safety standards for gun locks and gun safes:** We also need to make sure that gun locks and gun safes work as intended. Several gun locks have been subject to recall due to their failure to function properly; that is not acceptable. The Chair of the Consumer Product Safety Commission (CPSC) intends to review the effectiveness of gun locks and gun safes, including existing voluntary industry standards, and take any steps that may be warranted to improve the standards as well as to protect the public from unreasonable risks of injury or death that arise when those products within the CPSC's jurisdiction fail.
- **Encourage the development of innovative gun safety technology:** Despite rapid advances in technologies in recent years, there are few readily available firearms that utilize these new technologies to help guard against unauthorized access and use. The President is directing the Attorney General to work with technology experts to review existing and emerging gun safety technologies, and to issue a report on the availability and use of those technologies. In addition, the Administration will issue a challenge to the private sector to develop innovative and cost-effective gun safety technology and provide prizes for those technologies that are proven to be reliable and effective.

### 3. MAKING SCHOOLS SAFER

We need to make our schools safer, not only by enhancing their physical security and making sure they are prepared to respond to emergencies like a mass shooting, but also by creating safer and more nurturing school climates that help prevent school violence. Each school is different and should have the flexibility to address its most pressing needs. Some schools will want trained and armed police; others may prefer increased counseling services. Either way, each district should be able to choose what is best to protect its own students.

**PUT UP TO 1,000 MORE SCHOOL RESOURCE OFFICERS AND COUNSELORS IN SCHOOLS AND HELP SCHOOLS INVEST IN SAFETY:** Putting school resource

officers and mental health professionals in schools can help prevent school crime and student-on-student violence. School resource officers are specially trained police officers that work in schools. When equipped with proper training and supported by evidence-based school discipline policies, they can deter crime with their presence and advance community policing objectives. Their roles as teachers and counselors enable them to develop trusting relationships with students that can result in threats being detected and crises averted before they occur. School psychologists, social workers, and counselors can help create a safe and nurturing school climate by providing mental health services to students who need help. Not every school will want police officers or additional school counselors, but we should do what we can to help schools get the staff they determine they need to stay safe.

- **Take executive action to provide incentives for schools to hire school resource officers:** COPS Hiring Grants, which help police departments hire officers, can already be used by departments to fund school resource officers. This year, the Department of Justice will provide an incentive for police departments to hire these officers by providing a preference for grant applications that support school resource officers.
- **Put up to 1,000 new school resource officers and school counselors on the job:** The Administration is proposing a new Comprehensive School Safety program, which will help school districts hire staff and make other critical investments in school safety. The program will give \$150 million to school districts and law enforcement agencies to hire school resource officers, school psychologists, social workers, and counselors. The Department of Justice will also develop a model for using school resource officers, including best practices on age-appropriate methods for working with students.
- **Invest in other strategies to make our schools safer:** School districts could also use these Comprehensive School Safety Grants to purchase school safety equipment; develop and update public safety plans; conduct threat assessments; and train "crisis intervention teams" of law enforcement officers to work with the mental health community to respond to and assist students in crisis. And the General Services Administration will use its purchasing power to help schools buy safety equipment affordably.

**ENSURE EVERY SCHOOL HAS A COMPREHENSIVE EMERGENCY MANAGEMENT PLAN:** In the unthinkable event of another school shooting, it is essential that schools have in place effective and reliable plans to respond. A 2010 survey found that while 84 percent of public schools had a written response plan in the event of a shooting, only 52 percent had drilled their students on the plan in the past year. We must ensure that every school has a high-quality plan in place and that students and staff are prepared to follow it.

- **Give schools and other institutions a model for how to develop and implement reliable plans:** The Departments of Education, Justice, Health and Human Services, and Homeland Security will release – by May 2013 – a set of model, high-quality emergency management plans for schools, houses of worship, and institutions of higher education, along with best practices for developing these plans and training students and staff to follow them. In addition, the Department of Homeland Security, in coordination with the Department of Justice, will assist interested schools, houses of worship, and institutions of higher education in completing their own security assessments.
- **Help schools develop and implement emergency plans:** Congress should provide \$30 million of one-time grants to states to help their school districts develop and implement emergency management plans. But schools also need to take responsibility for getting effective plans in place. Going forward, Congress should require states and school districts that receive school safety funding from the Department of Education to have comprehensive, up-to-date emergency plans in place for all of their schools.

**CREATE A SAFER CLIMATE AT SCHOOLS ACROSS THE COUNTRY:** A report issued by the U.S. Secret Service and the Department of Education after the Columbine shooting found that one of the best things schools can do to reduce violence and bullying is to improve a school's climate and increase trust and communication between students and staff. Fortunately, we already have evidence-based strategies which have been found to reduce bullying and other problem behaviors like drug abuse or poor attendance, while making students feel safer at school and improving academic performance.

- **Help 8,000 schools create safer and more nurturing school climates:** With technical assistance from the Department of Education, 18,000 schools have already put in place evidence-based strategies to improve school climate. These strategies involve certain steps for the whole school (like consistent rules and rewards for good behavior), with more intensive steps for groups of students exhibiting at-risk behavior, and individual services for students who continue to exhibit troubling behavior. The Administration is proposing a new, \$50 million initiative to help 8,000 more schools train their teachers and other school staff to implement these strategies. The Administration will also develop a school climate survey, providing reliable data to help schools implement policies to improve climate.
- **Share best practices on school discipline:** Students who are suspended or expelled are far more likely to repeat a grade, not graduate, or become involved in the juvenile justice system. As a result, effective school discipline policies are critical to addressing school and community crime and violence issues. The Department of Education will collect and disseminate best practices on school

discipline policies and help school districts develop and equitably implement their policies.

#### 4. IMPROVING MENTAL HEALTH SERVICES

As President Obama said, "We are going to need to work on making access to mental health care as easy as access to a gun." Today, less half of children and adults with diagnosable mental health problems receive the treatment they need. While the vast majority of Americans with a mental illness are not violent, several recent mass shootings have highlighted how some cases of mental illness can develop into crisis situations if individuals do not receive proper treatment. We need to do more than just keep guns out of the hands of people with serious mental illness; we need to identify mental health issues early and help individuals get the treatment they need before these dangerous situations develop.

**MAKE SURE STUDENTS AND YOUNG ADULTS GET TREATMENT FOR MENTAL HEALTH ISSUES:** Three-quarters of mental illnesses appear by the age of 24, yet less than half of children with diagnosable mental health problems receive treatment. And several recent mass shootings, including those at Newtown, Tucson, Aurora, and Virginia Tech, were perpetrated by students or other young people.

- **Reach 750,000 young people through programs to identify mental illness early and refer them to treatment:** We need to train teachers and other adults who regularly interact with students to recognize young people who need help and ensure they are referred to mental health services. The Administration is calling for a new initiative, Project AWARE (Advancing Wellness and Resilience in Education), to provide this training and set up systems to provide these referrals. This initiative, which would reach 750,000 young people, has two parts:
  - **Provide "Mental Health First Aid" training for teachers:** Project AWARE includes \$15 million for training for teachers and other adults who interact with youth to detect and respond to mental illness in children and young adults, including how to encourage adolescents and families experiencing these problems to seek treatment.
  - **Make sure students with signs of mental illness get referred to treatment:** Project AWARE also includes \$40 million to help school districts work with law enforcement, mental health agencies, and other local organizations to assure students with mental health issues or other behavioral issues are referred to the services they need. This initiative builds on strategies that, for over a decade, have proven to decrease violence in schools and increase the number of students receiving mental health services.

- **Support individuals ages 16 to 25 at high risk for mental illness:** Efforts to prevent school shootings and other gun violence can't end when a student leaves high school. Individuals ages 16 to 25 are at high risk for mental illness, substance abuse, and suicide, but they are among the least likely to seek help. Even those who received services as a child may fall through the cracks when they turn 18. The Administration is proposing \$25 million for innovative state-based strategies supporting young people ages 16 to 25 with mental health or substance abuse issues.
- **Helping schools address pervasive violence:** Twenty-two percent of 14 to 17 year olds have witnessed a shooting in their lifetime. Research shows that exposure to community violence can impact children's mental health and development and can substantially increase the likelihood that these children will later commit violent acts themselves. To help schools break the cycle of violence, Congress should provide \$25 million to offer students mental health services for trauma or anxiety, conflict resolution programs, and other school-based violence prevention strategies.
- **Train more than 5,000 additional mental health professionals to serve students and young adults:** Experts often cite the shortage of mental health service providers as one reason it can be hard to access treatment. To help fill this gap, the Administration is proposing \$50 million to train social workers, counselors, psychologists, and other mental health professionals. This would provide stipends and tuition reimbursement to train more than 5,000 mental health professionals serving young people in our schools and communities.
- **Launch a national conversation to increase understanding about mental health:** The sense of shame and secrecy associated with mental illness prevents too many people from seeking help. The President is directing Secretaries Sebelius and Duncan to launch a national dialogue about mental illness with young people who have experienced mental illness, members of the faith community, foundations, and school and business leaders.

**ENSURE COVERAGE OF MENTAL HEALTH TREATMENT:** While most mental illnesses are treatable, those with mental illness often can't get needed treatment if they don't have health insurance that covers mental health services. The Affordable Care Act will provide one of the largest expansions of mental health coverage in a generation by extending health coverage to 30 million Americans, including an estimated 6 to 10 million people with mental illness. The Affordable Care Act will also make sure that Americans can get the mental health treatment they need by ensuring that insurance plans cover mental health benefits at parity with other benefits.

- **Finalize requirements for private health insurance plans to cover mental health services:** The Administration will issue final regulations governing how

existing group health plans that offer mental health services must cover them at parity under the Mental Health Parity and Addiction Equity Act of 2008. In addition, the Affordable Care Act requires all new small group and individual plans to cover ten essential health benefit categories, including mental health and substance abuse services. The Administration intends to issue next month the final rule defining these essential health benefits and implementing requirements for these plans to cover mental health benefits at parity with medical and surgical benefits.

- **Make sure millions of Americans covered by Medicaid get quality mental health coverage:** Medicaid is already the biggest funder of mental health services, and the Affordable Care Act will extend Medicaid coverage to as many as 17 million hardworking Americans. There is some evidence that Medicaid plans are not always meeting mental health parity requirements today, an issue that will only become more important as Medicaid is expanded. The Administration is issuing a letter to state health officials making clear that these plans must comply with mental health parity requirements.

THE WHITE HOUSE  
Office of the Press Secretary

EMBARGOED UNTIL THE START OF THE PRESIDENT'S REMARKS  
January 16, 2013

**Gun Violence Reduction Executive Actions**

Today, the President is announcing that he and the Administration will:

1. Issue a Presidential Memorandum to require federal agencies to make relevant data available to the federal background check system.
2. Address unnecessary legal barriers, particularly relating to the Health Insurance Portability and Accountability Act, that may prevent states from making information available to the background check system.
3. Improve incentives for states to share information with the background check system.
4. Direct the Attorney General to review categories of individuals prohibited from having a gun to make sure dangerous people are not slipping through the cracks.
5. Propose rulemaking to give law enforcement the ability to run a full background check on an individual before returning a seized gun.
6. Publish a letter from ATF to federally licensed gun dealers providing guidance on how to run background checks for private sellers.
7. Launch a national safe and responsible gun ownership campaign.
8. Review safety standards for gun locks and gun safes (Consumer Product Safety Commission).
9. Issue a Presidential Memorandum to require federal law enforcement to trace guns recovered in criminal investigations.
10. Release a DOJ report analyzing information on lost and stolen guns and make it widely available to law enforcement.
11. Nominate an ATF director.
12. Provide law enforcement, first responders, and school officials with proper training for active shooter situations.
13. Maximize enforcement efforts to prevent gun violence and prosecute gun crime.
14. Issue a Presidential Memorandum directing the Centers for Disease Control to research the causes and prevention of gun violence.
15. Direct the Attorney General to issue a report on the availability and most effective use of new gun safety technologies and challenge the private sector to develop innovative technologies.
16. Clarify that the Affordable Care Act does not prohibit doctors asking their patients about guns in their homes.
17. Release a letter to health care providers clarifying that no federal law prohibits them from reporting threats of violence to law enforcement authorities.
18. Provide incentives for schools to hire school resource officers.

EMBARGOED

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19. Develop model emergency response plans for schools, houses of worship and institutions of higher education.
20. Release a letter to state health officials clarifying the scope of mental health services that Medicaid plans must cover.
21. Finalize regulations clarifying essential health benefits and parity requirements within ACA exchanges.
22. Commit to finalizing mental health parity regulations.
23. Launch a national dialogue led by Secretaries Sebelius and Duncan on mental health.

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

February 5, 2013

Mayor Jim Ruane and the Honorable Members of the City Council of San Bruno  
567 El Camino Real  
San Bruno, CA 0

**Re: Model Gun Control Legislation**

Dear Mayor Jim Ruane and the Honorable Members of the City Council of San Bruno:

I am writing to encourage action amongst the elected leaders of our nine Bay Area counties to protect our residents and put a stop to preventable deaths caused by gun violence. The Newtown tragedy has reinvigorated the national gun control debate and inspired many to ensure that we are doing all that we can to keep citizens safe. I have personally committed myself and my administration to pursuing any and all avenues to keep guns and the most deadly forms of ammunition out of ill-intentioned hands.

Which brings me to the purpose of this letter – San Francisco Supervisor Malia Cohen and I have introduced two pieces legislation to our county Board of Supervisors. The first would prohibit the sale and possession of hollow-point ammunition – military-grade bullets that are designed to inflict maximum harm upon impact. The second piece of legislation would notify San Francisco Police Department when an individual purchases 500 rounds of ammunition or more. I believe that these two pieces of legislation will make a measurable impact.

But if we are truly going to succeed in improving the safety of our residents, we must succeed not as individual cities, but as a region. For that reason, I've submitted for your review the two aforementioned pieces of legislation for consideration for introduction in your jurisdiction. In addition to this legislation, I would like to encourage you to make a public pledge of your support for greater public safety by signing on to the Sandy Hook Promise ([www.sandyhookpromise.org](http://www.sandyhookpromise.org)). If you have any questions, or would like to share any of the work you've done in your jurisdictions, please do get in touch with Jason Elliott in my office, [jason.elliott@sfgov.org](mailto:jason.elliott@sfgov.org). Thank you for your partnership.

Sincerely,

A handwritten signature in cursive script that reads "Edwin M. Lee".

Edwin M. Lee  
Mayor

1 [Police Code - Possession or Sale of Law Enforcement or Military Ammunition]

2  
3 **Ordinance amending the San Francisco Police Code by adding Section 618 to prohibit**  
4 **the possession or sale of certain ammunition, including Black Talon ammunition and**  
5 **ammunition intended exclusively for law enforcement and military purposes.**

6 NOTE: Additions are single-underline italics Times New Roman;  
7 deletions are ~~strike-through italics Times New Roman~~.  
8 Board amendment additions are double-underlined;  
9 Board amendment deletions are ~~strikethrough-normal~~.

10 Be it ordained by the People of the City and County of San Francisco:

11 Section 1. The San Francisco Police Code is hereby amended by adding Section 618,  
12 to read as follows:

13 **SEC. 618. PROHIBITED AMMUNITION.**

14 (a) Definition. For purposes of this Section, "Prohibited Ammunition" shall mean:

15 (1) Ammunition sold under the brand name "Winchester Black Talon," or that has  
16 physical properties resulting in ballistics performance identical to ammunition presently or formerly  
17 sold under the brand name Winchester Black Talon; or,

18 (2) Ammunition designated by its manufacturer for purchase by law enforcement or  
19 military agencies only, unless other ammunition is available to the general public that has physical  
20 properties resulting in ballistics performance identical to such ammunition.

21 (b) Possession Prohibited; Exceptions. No person, firm, corporation or other entity may  
22 possess Prohibited Ammunition within the City and County of San Francisco, except that this  
23 subsection shall not apply to the otherwise-lawful possession of Prohibited Ammunition by the  
24 following:

1 (1) Peace officers in possession of Prohibited Ammunition issued to them by their  
2 employing agency;

3 (2) Federal law enforcement officers or other federal employees in possession of  
4 Prohibited Ammunition issued to them by their employing agency;

5 (3) Members of the armed forces of the United States in possession of Prohibited  
6 Ammunition issued to them by the military agency to which they belong;

7 (4) Patrol special police officers, animal control officers or zookeepers, harbor police  
8 officers, sheriff's security officers, or police security officers in possession of Prohibited Ammunition  
9 issued to them by their employing agencies; or,

10 (5) Businesses licensed as firearms dealers under this Article in possession of  
11 Prohibited Ammunition for sale to law enforcement and military agencies. Agencies employing  
12 persons listed in subsection (b)(4) are considered law enforcement agencies for purposes of this  
13 Section.

14 (c) Sale or Transfer. No business licensed as a firearm dealer under this Article may sell,  
15 lease or otherwise transfer Prohibited Ammunition except to law enforcement and military agencies.

16 (d) Police Database. The San Francisco Police Department shall prepare or cause to be  
17 prepared a public database of brands and product lines of ammunition meeting the definition of  
18 "Prohibited Ammunition" in subsection (a). Failure of the Police Department to create or maintain  
19 such a database, or the omission from the database of a particular brand or product line of ammunition  
20 otherwise qualifying as "Prohibited Ammunition" under subsection (a), shall not be a defense to or  
21 otherwise excuse a violation of this Section.

22 (e) Penalty. Violation of any of the provisions of this Section is a misdemeanor and upon  
23 conviction the violator may be punished by a fine not to exceed \$1,000.00 or by imprisonment in the  
24 county jail not to exceed six months, or by both.

1           (f) Severability. If any provision, clause or word of this Section 618 or the application thereof  
2 to any person or circumstance is held invalid, such invalidity shall not affect any other provision,  
3 clause, word or application of this Section which can be given effect without the invalid provision,  
4 clause or word, and to this end the provisions of this Section are declared to be severable.

5  
6           Section 2. Effective Date. This ordinance shall become effective 30 days from the  
7 date of passage.

8  
9           Section 3. This section is uncodified. In enacting this Ordinance, the Board intends to  
10 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,  
11 punctuation, charts, diagrams, or any other constituent part of the Police Code that are  
12 explicitly shown in this legislation as additions, deletions, Board amendment additions, and  
13 Board amendment deletions in accordance with the "Note" that appears under the official title  
14 of the legislation.

15  
16  
17 APPROVED AS TO FORM:  
18 DENNIS J. HERRERA, City Attorney

19  
20 By: \_\_\_\_\_  
21           THOMAS J. OWEN  
22           Deputy City Attorney

23  
24 originated at : n:\govern\as2013\1300252\00817412.doc  
25 revised on: 2/22/2013 - n:\govern\as2013\1300252\00817412.doc

## LEGISLATIVE DIGEST

[Police Code - Possession or Sale of Law Enforcement or Military Ammunition]

**Ordinance amending the San Francisco Police Code by adding Section 618 to prohibit the possession or sale of certain ammunition, including Black Talon ammunition and ammunition intended exclusively for law enforcement and military purposes.**

### Existing Law

Article 9 of the Police Code prohibits the sale (but not the possession) of "enhanced-lethality ammunition" within the City. "Enhanced-lethality ammunition" is defined in Police Code Section 613.10(g) as firearms ammunition that:

- Serves no sporting purpose;
- Is designed to expand upon impact and utilize the jacket, shot or materials embedded within the jacket or shot to project or disperse barbs or other objects that are intended to increase the damage to a human body or other target; or
- Is designed to fragment upon impact.

This prohibition does not apply to the sale of conventional hollow-point ammunition with a solid lead core when the purchase is made for official law enforcement purposes and by someone authorized to make such a purchase by the Chief of Police or the Sheriff.

### Amendments to Current Law

The proposal is an ordinance that would add a new Section 618 to Article 9 of the Police Code to regulate "Prohibited Ammunition." The ordinance defines "Prohibited Ammunition" as:

- Ammunition sold under the brand name "Winchester Black Talon," or any other ammunition having the same ballistic characteristics; and
- Ammunition designated by its manufacturer for sale to law enforcement or military agencies only, unless other ammunition having the same ballistic characteristics is sold to the general public.

The ordinance would bar any person or business from possessing Prohibited Ammunition within the City. This prohibition would not apply to peace officers, federal law enforcement officers, members of the armed forces, and certain other categories of official security

Mayor Lee, Supervisor Cohen  
**BOARD OF SUPERVISORS**

FILE NO.

personnel who otherwise lawfully possessed Prohibited Ammunition issued by their employing agency.

The ordinance would prohibit any business licensed as a firearm dealer under Police Code Article 9 from selling, leasing or otherwise transferring Prohibited Ammunition except to law enforcement or military agencies.

Violation of the ordinance would be a misdemeanor, punishable by a fine of up to \$1,000.00 or by imprisonment in the county jail for up to six months, or by both.

The Ordinance would also require the Police Department to create a public database of brands and product lines of ammunition meeting the definition of "Prohibited Ammunition." But the fact that the database had not been prepared, or that a particular brand or product line of ammunition otherwise qualifying as "Prohibited Ammunition" was not included in the database, would not be a defense to or otherwise excuse a violation of the ordinance.

#### Background Information

"Winchester Black Talon" ammunition is listed as a type of "enhanced-lethality ammunition" in Police Code Section 613.10(g), as part of the category of ammunition "designed to expand upon impact and utilize the jacket, shot or materials embedded within the jacket or shot to project or disperse barbs or other objects that are intended to increase the damage to a human body or other target." Therefore, the sale of Black Talon ammunition or of other ammunition having the same ballistic characteristics is already prohibited under the Police Code, but possession currently is not.

1 [Police Code - Reporting Ammunition Sales of 500 or More Rounds]

2  
3 **Ordinance amending the San Francisco Police Code by amending Section 615 to**  
4 **require firearms dealers to report to the Chief of Police the sale of 500 or more rounds**  
5 **of ammunition in a single transaction.**

6 NOTE: Additions are single-underline italics Times New Roman;  
7 deletions are ~~strike-through italics Times New Roman~~.  
8 Board amendment additions are double-underlined;  
9 Board amendment deletions are ~~strikethrough-normal~~.

9 Be it ordained by the People of the City and County of San Francisco:

10 Section 1. The San Francisco Police Code is hereby amended by amending  
11 Section 615, to read as follows:

12 **SEC. 615. RECORDS OF AMMUNITION SALES.**

13 (a) **Definitions.**

14 (1) "Firearm ammunition," as used in this Section, shall include any ammunition  
15 for use in any pistol or revolver, or semiautomatic rifle or assault weapon, but shall not include  
16 ammunition for shotguns that contains shot that is No. 4 or smaller.

17 (2) "Semiautomatic rifle," as used in this Section, shall mean any repeating rifle  
18 which utilizes a portion of the energy of a firing cartridge to extract the fired cartridge case and  
19 chamber the next round, and which requires a separate pull of the trigger to fire each  
20 cartridge.

21 (3) "Assault weapon," as used in this Section, shall mean any of the weapons  
22 designated in California Penal Code Section 12276 or 12276.1.

23 (4) "Vendor," as used in this Section, shall mean any person located in the City  
24 and County of San Francisco who is engaged in the sale of firearm ammunition, including any  
25 retail firearms dealer.

1                   (5) "Remote Vendor," as used in this Section, shall mean any person engaged in the sale  
2 of firearm ammunition, including any retail firearms dealer, who is located outside the City and County  
3 of San Francisco but delivers or causes to be delivered firearm ammunition to an address within the  
4 City and County of San Francisco.

5           (b) No Vendor ~~vendor~~ shall sell or otherwise transfer ownership of any firearm  
6 ammunition without at the time of purchase recording the following information on a form to be  
7 prescribed by the Chief of Police: (1) the name of the Vendor ~~vendor~~ (including the name of the  
8 specific individual) transferring ownership to the transferee; (2) the place where the transfer  
9 occurred; (3) the date and time of the transfer; (4) the name, address and date of birth of the  
10 transferee; (5) the transferee's driver's license number, or other identification number, and the  
11 state in which it was issued; (6) the brand, type and amount of ammunition transferred; and  
12 (7) the transferee's signature.

13           (c)    (1) The records required by this Section shall be maintained on the premises of  
14 the Vendor ~~vendor~~ for a period of not less than two years from the date of the recorded  
15 transfer. Said records shall be subject to inspection at any time during normal business  
16 hours.

17                   (2) Any Vendor or Remote Vendor who sells or otherwise transfers ownership of five  
18 hundred (500) or more rounds of any firearm ammunition to a transferee in a single transaction, where  
19 the transaction occurs within the City and County of San Francisco or the firearm ammunition is  
20 ordered for delivery to an address within the City and County of San Francisco, shall be subject to the  
21 reporting requirement of this subsection (c)(2). Within 24 hours of the commencement of the  
22 transaction, regardless of when the firearm ammunition is delivered, the Vendor or Remote Vendor  
23 shall report the transaction to the Chief of Police by electronic mail at \_\_\_\_\_ or by such  
24 other means specified by the Chief of Police. The report shall contain the same information required  
25 under subsection (b). In determining the number of rounds sold or otherwise transferred for purposes

1 of complying with this subsection (c)(2), the Vendor or Remote Vendor shall include any combination  
2 of types, brands or calibers sold or transferred to the transferee.

3 (d) No Vendor person shall knowingly make a false entry in, or fail to make a required  
4 entry in, or fail to maintain in the required manner records prepared in accordance with  
5 subsections (b) and (c)(1) herewith. No Vendor person shall refuse to permit a police department  
6 employee to examine any record prepared in accordance with this Section during any  
7 inspection conducted pursuant to this Section. No Vendor or Remote Vendor shall fail to submit  
8 the report required under subsection (c)(2), or knowingly include false information in such report.

9 (e) **Penalties.**

10 (1) **First Conviction.** Any person violating any provision of this Section shall  
11 be guilty of an infraction. Upon conviction of the infraction, the violator shall be punished by a  
12 fine of not less than \$50 nor more than \$100.

13 (2) **Subsequent Convictions.** In any accusatory pleading charging a violation  
14 of this Section, if the defendant has been previously convicted of a violation of this Section,  
15 each such previous violation and conviction shall be charged in the accusatory pleading. Any  
16 person violating any provision of this Section a second time within a 90-day period shall be  
17 guilty of a misdemeanor and shall be punished by a fine of not less than \$300 and not more  
18 than \$400 for each provision violated, or by imprisonment in the County Jail for a period of not  
19 more than six months, or by both such fine and imprisonment. Any person violating any  
20 provision of this Section, a third time, and each subsequent time, within a 30-day period shall  
21 be guilty of a misdemeanor and shall be punished by a fine of not less than \$400 and not  
22 more than \$500 for each provision violated, or by imprisonment in the County Jail for a period  
23 of not more than six months, or by both such fine and imprisonment.

24 (f) **Severability.** If any subsection, sentence, clause, phrase, or word of this Section  
25 be for any reason declared unconstitutional or invalid or ineffective by any court of competent

1 jurisdiction, such decision shall not affect the validity or the effectiveness of the remaining  
2 portions of this Section or any part thereof. The Board of Supervisors hereby declares that it  
3 would have adopted this Section notwithstanding the unconstitutionality, invalidity, or  
4 ineffectiveness of any one or more of its subsections, sentences, clauses, phrases, or words.

5  
6 Section 2. Effective Date. This ordinance shall become effective 30 days from the  
7 date of passage.

8  
9 Section 3. This section is uncodified. In enacting this Ordinance, the Board intends to  
10 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,  
11 punctuation, charts, diagrams, or any other constituent part of the Police Code that are  
12 explicitly shown in this legislation as additions, deletions, Board amendment additions, and  
13 Board amendment deletions in accordance with the "Note" that appears under the official title  
14 of the legislation.

15  
16 APPROVED AS TO FORM:  
17 DENNIS J. HERRERA, City Attorney

18 By: \_\_\_\_\_  
19 THOMAS J. OWEN  
20 Deputy City Attorney

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24 originated at : n:\govern\as2013\1300252\00818123.doc  
25 revised on: 2/22/2013 – n:\govern\as2013\1300252\00818123.doc

FILE NO.

## LEGISLATIVE DIGEST

[Police Code - Reporting Ammunition Sales of 500 or More Rounds]

**Ordinance amending the San Francisco Police Code by amending Section 615 to require firearms dealers to report to the Chief of Police the sale of 500 or more rounds of ammunition in a single transaction.**

### Existing Law

Police Code Section 615(b) requires any person selling firearms ammunition within the City to maintain records of such sales. The records must include: (1) the name of the specific individual making the sale; (2) the place where the transaction occurred; (3) the date and time of the transaction; (4) the name, address and date of birth of the buyer; (5) the buyer's driver's license number; (6) the brand, type and amount of ammunition sold; and (7) the buyer's signature.

The seller must keep these records on the premises for at least two years, and make them available for inspection by the Police Department during normal business hours. Section 615 does not require the seller to report the sale to anyone.

### Amendments to Current Law

The proposal is an ordinance that would amend Police Code Section 615 to add a new requirement for persons selling firearm ammunition. The ordinance would require any person selling five hundred (500) or more rounds of any firearm ammunition to someone in a single transaction to report the sale to the Chief of Police within 24 hours. The report would have to include the same information required under Police Code Section 615(b). In determining the number of rounds sold, the seller would have to include any combination of types, brands or calibers of ammunition sold as part of the transaction.

This requirement would apply to persons selling ammunition within the City or selling ammunition for delivery to a San Francisco address.

Campbell, California, Code of Ordinances >> Title 8 - PUBLIC PEACE, SAFETY AND MORALS >> Chapter 8.12 - FIREARMS >>

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## Chapter 8.12 - FIREARMS

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### Sections:

8.12.010 - Discharge of firearms in public.

8.12.020 - Permit required.

8.12.030 - Conditions of issuance of permit.

8.12.040 - Unlawful discharge of firearms.

8.12.045 - Reporting of loss or theft of firearm.

8.12.046 - Exceptions.

8.12.047 - False reports.

8.12.048 - Severability.

8.12.050 - Impounding firearms.

8.12.060 - Penalty.

### **8.12.010 - Discharge of firearms in public.**

No person shall shoot or discharge any gun, pistol or other firearms or any air gun or pistol or spring gun or pistol in the city, not in necessary self-defense or in the performance of official duty without first having obtained a written permit from the chief of police or other officer designated by him.

*(Prior code § 4209).*

### **8.12.020 - Permit required.**

The chief of police shall issue a permit to shoot or discharge any such gun, pistol, or firearm only when he finds that the proposed use thereof will not endanger life or property.

*(Prior code § 4210).*

### **8.12.030 - Conditions of issuance of permit.**

The chief of police may issue such written permit subject to such reasonable conditions as he finds will reduce or eliminate hazard to life or property.

*(Prior code § 4211).*

### **8.12.040 - Unlawful discharge of firearms.**

It is unlawful for any person to shoot or discharge any such gun, pistol or firearm contrary to the provisions of this chapter or contrary to the conditions of such written permit.

*(Prior code § 4212).*

### **8.12.045 - Reporting of loss or theft of firearm.**

It is unlawful for any person to fail to report to the Police Department the theft or loss of a firearm he or she owns or possesses within forty-eight hours of the time he or she knew or reasonably should have known that the

firearm has been stolen or lost, if the person resides in the City of Campbell or the loss or theft occurs in the City of Campbell.

Pursuant to Penal Code § 11108, the Police Department shall submit a description of each firearm which has been reported lost or stolen directly into the California Department of Justice automated property system for firearms.

*(Ord. No. 2150, § 2(Exh. B), 9-20-2011)*

#### **8.12.046 - Exceptions.**

Section 8.12.045 shall not apply to the following persons:

- (1) Law enforcement officials while engaged in their official duties;
- (2) Members of the Armed Forces of the United States or the National Guard while engaged in their official duties;
- (3) Firearms dealers and manufacturers licensed under federal and state law while engaged in the course and scope of their activities as licensees.

*(Ord. No. 2150, § 2(Exh. B), 9-20-2011)*

#### **8.12.047 - False reports.**

No person shall report to any law enforcement officer, pursuant to Section 8.12.045 of this ordinance, that a firearm has been lost or stolen, knowing the report to be false.

*(Ord. No. 2150, § 2(Exh. B), 9-20-2011)*

#### **8.12.048 - Severability.**

If any section, subsection, sentence or clause of this chapter is for any reason declared unconstitutional or invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity or the enforceability of the remaining portions of this chapter or any part thereof. The City Council hereby declares that it would have adopted this chapter notwithstanding the unconstitutionality, invalidity or unenforceability of any one or more of its sections, subsections, sentences or clauses.

*(Ord. No. 2150, § 2(Exh. B), 9-20-2011)*

#### **8.12.050 - Impounding firearms.**

The chief of police or other officer designated by him may, in his discretion, require the impounding of any gun, pistol or other firearms or any air gun or pistol or spring gun used contrary to the provisions of this chapter. They may be released by him to the owners thereof upon such reasonable terms and conditions as he may prescribe, except that he shall exact no fee or money penalty therefor.

*(Prior code § 4213).*

#### **8.12.060 - Penalty.**

It is unlawful for any person, firm or corporation to violate any provision, or fail to comply with any mandatory requirement of this chapter. Any person, firm or corporation committing any unlawful act under this chapter shall be guilty of a misdemeanor pursuant to Section 1.04.010 of this code.

*(Ord. 1693 § 5(C), 1988).*

## Chapter 4.57 FIREARMS DEALERS\*

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## Sections:

- 4.57.010 Definitions.
- 4.57.020 Permit - Required.
- 4.57.030 Application - Form - Fees.
- 4.57.040 Application - Investigation.
- 4.57.050 Application - Denial.
- 4.57.060 Permit - Form.
- 4.57.070 Permit - Duration - Renewal.
- 4.57.080 Permit - Assignment.
- 4.57.090 Permit - Conditions.
- 4.57.095 Business and security regulations.
- 4.57.100 Permit - Grounds for revocation.
- 4.57.110 Permit - Hearing.
- 4.57.120 Permit - Liability insurance.
- 4.57.130 Permit - Authority to inspect.
- 4.57.140 Compliance.
- 4.57.150 Severability.

\* Editor's Note: Prior ordinance history: Ordinance No. 3845.

### 4.57.010 Definitions.

(a) In addition to those words and phrases defined in Section 4.04.010 of this code, the following words and phrases, whenever used in this chapter, shall be construed as defined in this section:

- (1) "Chief of police" means the chief of police or his or her designee.
- (2) "City" means the city of Palo Alto.

(3) "Firearms dealer" means a person engaged in the business of selling, transferring, or leasing, or advertising for, sale, transfer, or lease, or offering or exposing for sale, transfer, or lease, any firearm.

(4) "Department" means the California Department of Justice.

(5) "Engaged in the business" means the conduct of a business by the selling, transferring, or leasing of any firearm; or the preparation for such conduct of business as evidenced by the securing of applicable federal or state licenses; or the holding of one's self out as engaged in the business of selling, transferring, or leasing of any firearm; or the selling, transferring, or leasing of any firearms in quantity, in series or in individual transactions, or in any other manner indicative of trade.

(6) "Person" means natural person, association, partnership, firm, or corporation.

(7) "Firearm" means any revolver, rifle, shotgun or any other device designed to be used as a weapon, from which a projectile is expelled through a barrel by the force of an explosion or any other form of combustion. A "firearm" includes any device defined as a firearm by the California Penal Code as said definition now reads or may hereafter be amended to read.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.020 Permit - Required.**

No person shall engage in the business of selling, transferring or leasing, or advertising for sale, transfer or lease, or offering or exposing for sale, transfer or lease within this city any firearm unless that person has been issued a permit pursuant to the provisions of this chapter.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.030 Application - Form - Fees.**

(a) An applicant for a permit under this chapter shall file with the chief of police a sworn application in writing, on a form to be furnished by the city, and the applicant and officers, employees, and agents thereof shall be photographed and fingerprinted by the chief of police. The applicant shall provide all information requested, including proof of compliance with all applicable federal, state, and local laws when required by the chief of police, or the application will not be deemed complete. The application shall be accompanied by a nonrefundable fee as set forth in the municipal fee schedule.

(b) Any person proposing to engage in business as a firearms dealer within this city shall secure the applicable federal license and shall have thirty calendar days after approval of such federal license to apply for a city permit in compliance with the provision of this chapter and shall not engage in the business as a firearms dealer within the city until the city permit is issued.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.040 Application - Investigation.**

The chief of police shall conduct an appropriate investigation of the applicant to determine for the protection of the public safety whether the permit may be issued. The chief of police may require additional information of an applicant which he or she deems necessary to complete the investigation.

(Ord. 4351 § 2 (part), 1996)

#### 4.57.050 Application - Denial.

(a) The chief of police shall issue a firearms dealer permit to an applicant unless he or she finds any of the following:

- (1) The applicant, or an officer, employee, or agent thereof is under the age of twenty-one years;
- (2) The applicant is not licensed as required by all applicable federal, state, and local laws;
- (3) The applicant, or an officer, employee, or agent thereof has had a similar type of permit previously revoked or denied for good cause within the immediately preceding year;
- (4) The applicant, or an officer, employee, or agent thereof has knowingly made any false or misleading statement of a material fact or omission of a material fact in the application for a permit;
- (5) The applicant, or an officer, employee, or agent thereof has been convicted of:
  - (A) Any offense so as to disqualify the applicant, or an officer, employee, or agent thereof from owning or possessing a firearm under applicable federal, state, and local laws,
  - (B) Any offense relating to the manufacture, sale, possession, use, or registration of any firearm or dangerous or deadly weapon,
  - (C) Any offense involving the use of force or violence upon the person of another,
  - (D) Any offense involving theft, fraud, dishonesty, or deceit,
  - (E) Any offense involving the manufacture, sale, possession, or use of any controlled substance as defined by the California Health and Safety Code as said definition now reads or may hereafter be amended to read;
- (6) The applicant, or an officer, employee, or agent thereof is an unlawful user of any controlled substance as defined by the California Health and Safety Code as said definition now reads or may hereafter be amended to read, or is an excessive user of alcohol, to the extent that such use would impair his or her fitness to be a firearms dealer;
- (7) The applicant, or an officer, employee, or agent thereof has been adjudicated as a mental defective, or has been committed to a mental institution, or suffers from any psychological disturbance which would impair his or her fitness to be a firearms dealer;
- (8) The operation of the business as proposed will not comply with all applicable federal, state, and local laws;
- (9) The business as proposed will be operated in the following locations:
  - (A) Within a zoning district in which retail service is not a permitted or conditional use,
  - (B) Within a zoning district in which residential use is the principal permitted or maintained use, or within two hundred fifty feet of the exterior limits of any such district,
  - (C) On or within two hundred fifty feet of the exterior limits of any other premises occupied by a public or private day care center or day care home, elementary school, junior high school, or high school,

(D) On or within one thousand two-hundred feet of the exterior limits of any other premises occupied by a dealer in firearms, a cardroom, a massage establishment, and adult entertainment establishment, or a hot tub/sauna establishment. Priority between such existing establishments shall be assigned in accordance with the dates upon which such establishments commenced such lawful operation, priority being given to the establishment having the earliest of such dates. In the event any dispute arises regarding said date, the applicant shall have the obligation to establish the date on which he or she commenced lawful operation.

All distances referred to in this subsection shall be measured between the closest points on the exterior property lines or area boundaries of the parcels or areas involved, except that when a dealer in firearms subject to the provisions of this chapter occupies one unit of a multi-unit structure located on a single parcel, distances shall be measured from the exterior boundaries of the unit occupied. This subsection shall supersede any and all conflicting provisions regulating home occupations set out in Title 18 of this code;

(10) The applicant, or an officer, employee, or agent thereof does not have and/or cannot provide evidence of, a possessory interest in the property at which the proposed business will be conducted;

(11) The operation of the firearm dealer business as proposed in the application for the permit will violate any applicable building, fire, health or zoning requirements set forth in this code;

(12) Any ground for denial specified in Section 4.04.140 of this code.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.060 Permit - Form.**

All permits issued pursuant to this chapter shall be in the form prescribed by the Attorney General of the State of California.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.070 Permit - Duration - Renewal.**

All permits issued pursuant to this chapter shall expire one year after the date of issuance; provided, however, that such permits may be renewed by the chief of police for additional periods of one year upon approval of an application for renewal by the chief of police and payment of the renewal fee. Such renewal application must be received by the chief of police, in completed form, no later than forty-five days prior to the expiration of the current permit.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.080 Permit - Assignment.**

The assignment or attempt to assign any permit issued pursuant to this chapter is unlawful and any such assignment or attempt to assign a permit shall render the permit null and void.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.090 Permit - Conditions.**

(a) Any permits issued pursuant to this chapter shall be subject to all of the following conditions, the breach of

any of which shall be sufficient cause for revocation of the permit by the chief of police:

(1) The business shall be engaged-in only in the building located at the street address designated in the permit, and only by such persons as specified in the permit; the business may also be engaged-in at such other locations or events as are authorized by federal and state law provided that such location or event conforms to the requirements of this code; any changes to the approved location or to the persons authorized to act as officers, employees, or agents of the permittee in engaging in the business during the term of the permit must be approved by the chief of police;

(2) The permit or a copy thereof, certified by the chief of police, shall be displayed on the premises where it can easily be seen;

(3) The permittee shall comply with all federal and state firearms laws.

Any permit issued pursuant to this chapter shall be subject to such additional conditions as the chief of police finds are reasonably related to the purposes of this chapter.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.095 Business and security regulations.**

(a) All firearm dealers and officers, employees or agents of the firearm dealer, shall comply with all provisions of California Penal Code Section 12071 regarding business regulations and building specifications for firearm security.

(b) All sellers of firearms shall protect such firearms from theft during business hours in the following manner:

(1) All firearms shall be displayed in locked cabinets, a secured rack, or a storage area so that access to firearms is controlled by the dealer or an employee, to the exclusion of all others.

(2) The firearm dealer or the dealer's agent or employee shall be present when a prospective buyer or seller is handling any firearm prior to sale and delivery of the firearm.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.100 Permit - Grounds for revocation.**

In addition to any provisions contained in this chapter, the provisions of Section 4.04.140 of this code shall apply to revocation of permits required under this chapter. Any circumstances constituting grounds for denial shall also constitute grounds for revocation.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.110 Permit - Hearing.**

(a) Any person whose application for a permit has been denied, or whose permit has been revoked pursuant to the provision of this chapter, shall have the right to a hearing before the chief of police prior to final denial or prior to revocation.

(b) The chief of police shall give the applicant or permittee written notice of his or her intent to deny the application or to revoke the permit. The notice shall set forth the ground or grounds for the chief of police's intent to deny the application or to revoke the permit, and shall inform the applicant or permittee that he or she has ten days

from the date of receipt of the notice to file a written request for a hearing. The application may be denied or the permit revoked if a written hearing request is not received within the ten-day period.

(c) If the applicant or permittee files a timely hearing request, the chief of police shall set a time and place for the hearing. All parties involved shall have the right to offer testimony, documentary and tangible evidence bearing on the issues, to be represented by counsel, and to confront and cross-examine any witnesses against them. The decision of the chief of police whether to deny the application or revoke the permit is final and nonappealable.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.120 Permit - Liability insurance.**

No permit shall be issued or continued pursuant to this chapter unless there is in full force and effect a policy of insurance in such form as the city attorney and risk manager deem proper, executed by an insurance company approved by the city attorney and risk manager, whereby the applicant or permittee is insured against liability for damage to property and for injury to or death of any person as a result of the sale, transfer, or lease, or advertising for sale, transfer, or lease, or offering or exposing for sale, transfer, or lease any firearm. The minimum liability limits shall not be less than one million dollars for damage to or destruction of property in any one incident, and one million dollars for the death of or injury to any one person; provided, however, that additional amounts may be required by the city attorney and risk manager if deemed necessary. Such policy of insurance shall contain an endorsement providing that the policy will not be cancelled until notice in writing has been given to the city, addressed in care of the chief of police, 275 Forest Avenue, Palo Alto, California, 94301, at least thirty days immediately prior to the time such cancellation becomes effective. Further, such policy of insurance shall name the city, its officers, agents, and employees as additional insureds. Additionally, applicants and permittee shall indemnify, defend, and hold harmless the city, its officers, agents and employees, from claims arising from the negligence of the applicant or permittee.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.130 Permit - Authority to inspect.**

Any and all investigating officials of the city shall have the right to enter the building designated in the permit from time to time during regular business hours to make reasonable inspections to observe and enforce compliance with building, mechanical, fire, electrical, plumbing, or health regulations, or provisions of this chapter. A police investigator may conduct compliance inspections to ensure conformance with all federal, state, and local laws, and the provisions of this chapter. A warrant shall be obtained whenever required by law.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.140 Compliance.**

Any person engaging in the business of selling, transferring, or leasing, or advertising for sale, transfer or lease, or offering or exposing for sale, transfer or lease, any firearm on the effective date of the ordinance codified in this chapter shall have a period of sixty days after such effective date to comply with the provisions of this chapter.

(Ord. 4351 § 2 (part), 1996)

#### **4.57.150 Severability.**

This chapter shall be enforced to the full extent of the authority of the city of Palo Alto. If any section, subsection,

paragraph, sentence or word of this chapter is deemed to be invalid or beyond the authority of the city of Palo Alto, either on its face or as applied, the invalidity of such provision shall not affect the other sections, subsections, paragraphs, sentences, or words of this chapter, and the applications thereof; and to that end, the section, subsections, paragraphs, sentences and words of this chapter shall be deemed severable.

(Ord. 4351 § 2 (part), 1996)

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Lafayette, California, Code of Ordinances >> Title 8 - PUBLIC WELFARE, MORALS AND SAFETY\* >> Chapter 8-6 - FIREARMS >>

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## Chapter 8-6 - FIREARMS

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### Sections:

Article 1. - Use of Firearms

Article 2. - Sale of Firearms and Munitions

Lafayette, California, Code of Ordinances >> Title 8 - PUBLIC WELFARE, MORALS AND SAFETY\* >> Chapter 8-6 - FIREARMS >> Article 1. - Use of Firearms >>

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## Article 1. - Use of Firearms

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8-601 - Definition of firearm.

8-602 - Unlawful to discharge firearm within the city.

8-603 - Exceptions to prohibition of Section 8-602.

8-604 - Reserved.

### 8-601 - Definition of firearm.

In this Article 1, "firearm" means a gun, pistol, rifle, revolver, air rifle or air gun, b-b gun and bow and arrow or crossbow, or any other instrument of any kind, character or description which throws or projects a bullet or missile or substance by means of elastic force, air or explosive substance likely to cause bodily harm.

*(Ord. 439 § 2 (part), 1995: Ord. 433 § 9 (part), 1994: Ord. 23 § 1 (part), 1968)*

### 8-602 - Unlawful to discharge firearm within the city.

No person may fire or discharge a firearm, as defined by Section 8-601, within the city, nor may a parent, guardian or person having the care, custody or control of a minor permit the minor to fire or discharge a firearm within the city.

*(Ord. 439 § 2 (part), 1995: Ord. 433 § 9 (part), 1994: Ord. 23 § 1 (part), 1968)*

### 8-603 - Exceptions to prohibition of Section 8-602.

Section 8-602 does not apply to the use of a firearm by:c

- (a) A peace officer or person in the military service in the discharge of his duties;
- (b) A person using a firearm in the defense of their person or the life of another person or in defense of his livestock or domestic animal or his property, to the extent authorized by law.

*(Ord. 433 § 9 (part), 1994: Ord. 23 § 1 (part), 1968)*

### 8-604 - Reserved.

Lafayette, California, Code of Ordinances >> Title 8 - PUBLIC WELFARE, MORALS AND SAFETY\* >> Chapter 8-6 - FIREARMS >> Article 2. - Sale of Firearms and Munitions >>

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## Article 2. - Sale of Firearms and Munitions

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8-605 - Police permit required.

8-606 - Application.

8-607 - Investigation by chief of police.

8-608 - Conditions of approval.

8-609 - Repealed by Ordinance 490.

8-610 - Liability insurance.

8-611 - Issuance of police permit—Duration.

8-612 - Grounds for permit denial.

8-613 - Grounds for permit revocation.

8-614 - Hearing for permit denial or revocation.

8-615 - Nonassignability.

8-616 - Compliance by existing dealers.

### 8-605 - Police permit required.

- (a) Except as provided in Penal Code § 12070(b), as it may be amended from time to time, it is unlawful for a person to engage in the activity of "firearm sales" as that term is defined under Section 6-421 without a police permit as required by this chapter.
- (b) The requirement for a police permit is in addition to the requirement under Section 6-533 for a land use permit for firearm sales activity. No person may engage in firearm sales activity without both a land use permit from the planning commission or city council on appeal and a police permit.

*(Ord. 433 § 9 (part), 1994)*

### 8-606 - Application.

- (a) An applicant for a permit or renewal of a permit under this chapter shall file with the chief of police an application in writing, signed under penalty of perjury, on a form prescribed by the city. The applicant shall provide all relevant information requested to demonstrate compliance with this chapter including:
  - (1) The name, age and address of the applicant;
  - (2) The address of the proposed location for which the permit is required, together with the business name, if any;
  - (3) Proof of a possessory interest in the property at which the proposed business will be conducted, in the form of ownership, lease, license or other entitlement to operate at such location and the written consent of the owner of record of the real property;
  - (4) A floor plan of the proposed business which illustrates the applicant's compliance with security provisions of Section 8-609
  - (5) Proof of the issuance of a land use permit at the proposed location required under Section 6-533
  - (6) Proof of compliance with all federal and state licensing laws;
  - (7) Information relating to licenses or permits relating to other weapons sought by the applicant from other jurisdictions, including, but not limited to, date of application and whether each application resulted in issuance of a license;
  - (8) Information relating to every revocation of a license or permit relating to firearms, including, but not limited to, date and circumstances of the revocation;
  - (9) Applicant's agreement to indemnify, defend and hold harmless the city, its officers, agents and employees from and against all claims, losses, costs, damages and liabilities of any kind, including attorney fees, arising in any manner out of the applicant's negligence or intentional or wilful misconduct;
  - (10) Certification of satisfaction of insurance requirements under Section 8-610

(11) All convictions of the applicant for any of the offenses listed in Section 8-612(5).

(b) The application shall be accompanied by a nonrefundable fee for administering this chapter established by city council resolution.

*(Ord. 433 § 9 (part), 1994)*

### **8-607 - Investigation by chief of police.**

The police chief shall conduct an appropriate investigation of the applicant to determine for the protection of the public safety whether the permit may be issued. The police chief may require an applicant, or any officer, agent or employee thereof, to provide fingerprints, a recent photograph, a signed authorization for the release of pertinent records, a complete personal history set forth on a questionnaire provided by the police chief, and any other additional information which the police chief considers necessary to complete the investigation.

*(Ord. 433 § 9 (part), 1994)*

### **8-608 - Conditions of approval.**

In addition to other requirements and conditions of this chapter, a police permit is subject to the following conditions, the breach of any of which is sufficient cause for revocation of the permit by the chief of police:

- (1) The business shall be carried on only in the building located at the street address shown on the permit. This requirement, however, does not prohibit the permittee from participating in a gun show or event which is authorized by federal and state law upon compliance with federal and state law;
- (2) The police permit, or a certified copy of it, shall be displayed on the premises and at gun shows where it can be easily seen;
- (3) The applicant shall not permit any person under 18 years of age to enter or remain within the premises without being accompanied by the parent or other adult legally responsible for the minor child where the firearms sales activity is the primary business performed at the site;
- (4) The permittee shall not deliver a firearm to a purchaser earlier than is allowed by applicable state and federal law;
- (5) The permittee shall not deliver a firearm to another purchaser, lessee or other transferee unless the firearm is unloaded and securely wrapped or unloaded in a locked container;
- (6) The permittee shall not deliver a firearm to a purchaser, lessee or other transferee under the age of 18 years, or a firearm capable of being concealed upon the person to another person under the age of 21 years. Clear evidence of the identity and age of the purchaser shall be required before delivery of a firearm to a purchaser, lessee or other transferee. Evidence of identity may include, but is not limited to, a motor vehicle operator's license, a state identification card, an armed forces identification card, an employee identification card containing the bearer's signature and photograph, or similar documentation which provides the permittee or seller reasonable assurance of the identity and age of the purchaser;
- (7) The permittee shall not sell, lease or otherwise transfer a firearm to a person whom the permittee or seller has reason to believe is within any of the classes prohibited by Penal Code sections 12021 or 12021.1, or Welfare and Institutions Code sections 8100 or 8103;
- (8) No firearm or imitation of one or placard advertising its sale or other transfer shall be displayed in any part of the premises where it can readily be seen from the outside;
- (9) The permittee shall properly and promptly process firearms transactions as required by Penal Code section 12082;
- (10) The permittee shall keep a register of sales as required by Penal Code sections 12073 and 12077;
- (11) The permittee shall post conspicuously within the licensed premises all charges and fees required by Penal Code section 12071(b)(11) and the following warning in block letters not less than one inch in height:

"IF YOU LEAVE A LOADED FIREARM WHERE  
A CHILD OBTAINS AND IMPROPERLY USES IT,  
YOU MAY BE FINED OR SENT TO PRISON."

- (12) No firearm capable of being concealed on the person shall be delivered to a purchaser or transferee, unless that person presents to the permittee or seller a current basic firearm safety certificate, unless otherwise exempted by state law;
- (13) The permittee shall offer to provide to the purchaser or transferee of a firearm a copy of the pamphlet described in Penal Code section 12080 and may add the cost of the pamphlet, if any, to the sales price of the firearm;
- (14) The permittee shall report the loss or theft of a firearm that is merchandise of the permittee, a firearm that the permittee takes possession of pursuant to Penal Code section 12082, or a firearm kept at the permittee's place of business within 48 hours of discovery to the police department.

*(Ord. 533 § 1, 2002; Ord. 439 § 3, 1995; Ord. 433 § 9 (part), 1994)*

### **8-609 - Repealed by Ordinance 490.**

### **8-610 - Liability insurance.**

- (a) No police permit shall be issued or reissued unless there is in effect a policy of insurance in a form approved by the city and executed by an insurance company approved by the city, whereby the applicant is insured against liability for damage to property and for injury to or death of any person as a result of the sale, lease or transfer or offering for sale, lease or transfer of a firearm. The minimum liability limits shall not be less than \$1,000,000 for each incident of damage to property or incident of injury or death to a person.
- (b) The policy of insurance shall contain an endorsement providing that the policy shall not be canceled until notice in writing has been given to the city manager at least 30 days prior to the time the cancellation becomes effective.
- (c) Upon expiration of a policy of insurance and if no additional insurance is obtained, the permit is considered canceled without further notice.

*(Ord. 433 § 9 (part), 1994)*

### **8-611 - Issuance of police permit—Duration.**

- (a) The police department may grant a police permit to the applicant if it finds that the applicant complies with all applicable federal, state and local laws including, but not limited to, the state Penal Code, city building code, fire code and zoning and planning codes.
- (b) A police permit expires one year after the date of issuance. A permit may be renewed for additional one-year periods upon the permittee's submission of an application for renewal, accompanied by a nonrefundable renewal fee established by city council resolution. The renewal application and the renewal fee must be received by the police department no later than 45 days before the expiration of the current permit.
- (c) A decision regarding issuance or renewal may be appealed in the manner provided for in Section 8-614

*(Ord. 433 § 9 (part), 1994)*

### **8-612 - Grounds for permit denial.**

The police chief shall deny the issuance or renewal of a police permit when one or more of the following conditions exist:

- (1) The applicant is under 21 years of age;
- (2) The applicant is not licensed as required by federal, state and local law;
- (3) The applicant has had a firearms permit or license previously revoked or denied for good cause within the immediately preceding two years;

- (4) The applicant has made a false or misleading statement of a material fact or omission of a material fact in the application for a police permit. If a permit is denied on this ground, the applicant is prohibited from reapplying for a permit for a period of two years;
- (5) The applicant has been convicted of:
  - (A) An offense which disqualifies the applicant from owning or possessing a firearm under federal, state and local law, including, but not limited to, the offenses listed in Penal Code section 12021,
  - (B) An offense relating to the manufacture, sale, possession, use or registration of a firearm or dangerous or deadly weapon,
  - (C) An offense involving the use of force or violence upon the person of another,
  - (D) An offense involving theft, fraud, dishonesty or deceit,
  - (E) An offense involving the manufacture, sale, possession or use of a controlled substance as defined by the state Health and Safety Code, as it now reads or may hereafter be amended to read;
- (6) The applicant is within a class of persons defined in the Welfare and Institutions Code sections 8100 or 8103;
- (7) The applicant is currently, or has been within the past two years, an unlawful user of a controlled substance as defined by the Health and Safety Code as that definition now reads or may hereafter be amended to read;
- (8) The operation of the business as proposed would not comply with federal, state and local law.

*(Ord. 433 § 9 (part), 1994)*

#### **8-613 - Grounds for permit revocation.**

In addition to the violation of any other provisions contained in this chapter, circumstances constituting grounds for denial of a police permit also constitute grounds for revocation.

*(Ord. 433 § 9 (part), 1994)*

#### **8-614 - Hearing for permit denial or revocation.**

- (a) A person whose application for a permit is denied or revoked by the chief of police has the right to a hearing before the chief of police before final denial or revocation.
- (b) Within ten days of mailing written notice of intent to deny the application or revoke the permit, the applicant may appeal by requesting a hearing before the police chief. The request must be made in writing, setting forth the specific grounds for appeal. If the applicant submits a timely request for an appeal, the chief of police shall set a time and place for the hearing within 30 days.
- (c) The decision of the chief of police shall be in writing within ten days of the hearing. An applicant may appeal the decision of the chief of police to the city council in the manner provided in Section 1-215

*(Ord. 433 § 9 (part), 1994)*

#### **8-615 - Nonassignability.**

A police permit issued under this chapter is not assignable. An attempt to assign a police permit makes the permit void.

*(Ord. 433 § 9 (part), 1994)*

#### **8-616 - Compliance by existing dealers.**

A person engaging in firearm sales activity on the effective date of this chapter or any amendment to it shall, within 60 days after the effective date, comply with this chapter and any amendment to it, except for the requirement for a land use permit under Section 8-605(b).

(Ord. 433 § 9 (part), 1994)

**6-533 - Firearm sales.**

- (a) Purpose. It is the purpose of this section to provide for the appropriate location of firearm sales activity and regulate such activity through the permitting process.
- (b) Permit Requirement. The sale of firearms is permitted on the issuance of a land use permit, and a police permit as provided under Chapter 8-6, Article 2, in the Retail Business District (RB), General Commercial District (C), Special Retail Business District (SRB) and General Commercial District 1 (C-1). Firearm sales are prohibited in all other land use districts.
- (c) Procedure. An applicant for a land use permit for sale of firearms shall apply to the planning commission by application prescribed by the city in the manner provided by Section 6-201 et seq.
- (d) Criteria. In addition to the findings required under Section 6-215, the planning commission shall review an application for a land use permit for the sale of firearms for satisfaction of the following criteria:
  - (1) Locational compatibility of the proposed use with other existing uses in close proximity, in particular elementary, middle or high school, pre-school or day-care center, other firearms sales business, liquor stores and bar, and residentially zoned area;
  - (2) Architectural compatibility of the proposed use with other existing uses in the vicinity, due to the requirements of Chapter 8-6, Article 2 regarding a "secure facility."
- (e) Conditions. An approved land use permit is not valid until the applicant satisfies the following terms and conditions:
  - (1) Possession of a valid police permit as required under Sections 8-605 et seq.;
  - (2) Possession of all licenses and permits required by federal and state law; and
  - (3) Compliance with the requirements of the city's building code, fire code and other technical code and regulation which governs the use, occupancy, maintenance, construction or design of the building or structure. The use permit shall also contain a condition that the applicant must obtain a final inspection from the city building official demonstrating code compliance before the applicant may begin business at the premises at issue.
- (f) Nonconforming Use. An operator of a firearm sales activity in a residential zone who is the holder of a valid seller's permit issued by the State Board of Equalization and a valid certificate of eligibility issued by the California Department of Justice, all of which were issued prior to October 24, 1994, may continue his/her firearms sales activity provided a police permit and business registration are obtained from the city within 60 days of the effective date of the ordinance codified in this section, and provided the operator remain fully licensed by all agencies listed above.

(Ord. 433 §§ 3, 4, 1994)