CITY of BRISBANE

City Council Meeting Agenda

Thursday, May 1, 2025 at 6:30 PM ● Hybrid Meeting 50 Park Place, Brisbane, CA

The public may observe/participate in City Council meetings using remote public comment options or attending in person. City Council members shall attend in person unless remote participation is permitted by law. The City Council may take action on any item listed in the agenda.

TO ADDRESS THE COUNCIL

IN PERSON

Location: Community Meeting Room 50 Park Place, Brisbane, CA 94005

Masking is not required but according to the California Department of Public Health guidelines, people at higher risk for severe illness should consider masking. To help maintain public health and safety, we respectively request that people not attend in-person if they are experiencing symptoms associated with COVID-19 or are otherwise ill and likely contagious (e.g., respiratory illnesses).

To address the City Council on any item – whether on the posted agenda or not – please fill out a Request to Speak Form located in the Community Meeting Room Lobby and submit it to the City Clerk. Speakers are not required to submit their name or address.

REMOTE PARTICIPATION

Members of the public may participate in the City Council meeting by logging into the Zoom Webinar listed below. City Council meetings may also be viewed live and/or on-demand via the City's YouTube Channel, youtube.com/brisbaneca, or on Comcast Ch. 27. Archived videos may be replayed on the City's website, brisbaneca.org/meetings. Please be advised that if there are technological difficulties, the meeting will nevertheless continue if remote participation is available.

The agenda materials may be viewed online at brisbaneca.org at least 72 hours prior to a Regular Meeting, and at least 24 hours prior to a Special Meeting.

Remote Public Comments:

Remote meeting participants may address the City Council via Zoom Webinar. Aside from commenting personally while in the Zoom Webinar, you can also use the call in number. The public comments received will be noted for the record during Oral Communications 1 and 2 or during an agenda item. We encourage you to email comments on or not on agenda items in advance of the meeting to ipadilla@brisbaneca.org. That email address, however, will not be monitored during the meeting and emails received during the meeting will not be responded to or brought to the attention of the City Council during the meeting.

Join Zoom Webinar: zoom.us (please use the latest version: zoom.us/download)

brisbaneca.org/cc-zoom

Webinar ID: 991 9362 8666

Call In Number: 1 (669) 900-9128

Note: Callers dial *9 to "raise hand" and dial *6 to mute/unmute.

SPECIAL ASSISTANCE

If you need special assistance to participate in this meeting, please contact the City Clerk at (415) 508-2113. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

WRITINGS THAT ARE RECEIVED AFTER THE AGENDA HAS BEEN POSTED

Any writings that are received after the agenda has been posted but before 4pm of the day of the meeting will be available for public inspection at the front lobby in City Hall and on the internet (brisbaneca.org/meetings). Any writings that are received after 4pm of the day of the meeting will be distributed to the Council and made available for public inspection at the front lobby and on the internet the day after the meeting (brisbaneca.org/meetings).

6:30 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE

ROLL CALL

A. Consider any request of a City Councilmember to attend the meeting remotely under the "Emergency Circumstances" of AB 2449

ADOPTION OF AGENDA

AWARDS AND PRESENTATIONS

B. May is Mental Health Month Proclamation

C. Wildfire Preparedness Month

D. Youth Advisory Committee Presentation

ORAL COMMUNICATIONS NO. 1

CONSENT CALENDAR

E. Approve Minutes of City Council Meeting of April 3, 2025

F. Approve Minutes of City Council Meeting of April 17, 2025

G. Approve Minutes of City Council Special Meeting of April 17, 2025

H. Approve Investment Report as of March 2025

I. Introduce an Ordinance Designating the Fire Hazard Severity Zone in the City

J. Adopt an Ordinance Concerning Dollar Thresholds Under the California Uniform Public Construction Cost Accounting Act and the City's Federal Procurement Policy

(There is no fiscal impact from adopting this Ordinance. Adoption of the Ordinance will allow the City to use less staff time to obtain products and equipment under a certain dollar threshold and bring the City's procurement policies when federal funds are used in line with federal guidelines.)

NEW BUSINESS

K. Receive Update from Silverspot Cooperative Nursery School and Discuss Lease

STAFF REPORTS

L. City Manager's Report- City Updates and Upcoming Activities

MAYOR/COUNCIL MATTERS

M. Consider Letter of Support for Regional Transportation Funding Bill

N. Countywide Assignments and Subcommittee Reports
   i. Report Out on Subcommittee Meetings
   ii. Upcoming Subcommittee Meetings

O. Written Communications

ORAL COMMUNICATIONS NO. 2

ADJOURNMENT

File Attachments for Item:

E. Approve Minutes of City Council Meeting of April 3, 2025

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL MEETING AGENDA
THURSDAY, APRIL 3, 2025

HYBRID MEETING, 50 PARK PLACE, BRISBANE, CA 94005

6:30 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE

Mayor Lentz called the meeting to order at 6:31 P.M. and led the Pledge of Allegiance.

ROLL CALL

A. Consider any request of a City Councilmember to attend the meeting remotely under the "Emergency Circumstances" of AB 2449

No Councilmembers made a request under Roll Call Item A.

Councilmembers present: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Councilmembers absent: None

Staff Present: City Manager Dennis, City Clerk Padilla, City Attorney McMorrow, Finance Director Yuen Community Development Director Swiecki, Senior Planner Johnson, City Engineer Breault, and Administrative Management Analyst Ibarra

ADOPTION OF AGENDA

Councilmember O'Connell made a motion, seconded by Councilmember Kern, to adopt the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

AWARDS AND PRESENTATIONS

B. San Mateo County Mosquito and Vector Control District Update

Brisbane Representative Michael Goldman and Operations Director Casey Stevenson presented on the latest news from the San Mateo County Mosquito and Vector Control District. The presenters also invited members of the public to their Open House event scheduled for June 21, 2025.

ORAL COMMUNICATIONS NO. 1

No member of the public wished to speak.

CONSENT CALENDAR

C. Approve Minutes of City Council Meeting of March 20, 2025

D. Approve Minutes of City Council Special Meeting of March 22, 2025

E. Approve Investment Report as of February 2025

F. Approve Construction Contract for "Pedestrian Walkway – Alvarado Street to San Benito Road" to Michael Glynn Construction Services, Inc. in the Amount of $376,535.00, and Authorize the Mayor to Sign the Agreement for the City

G. Approve Complete Streets Safety Committee Workplan for 2025

H. Approve Crocker Trail CEQA Study Award of Contract to RRM Design Group

(It is being recommended to award a contract in the amount of $175,800 to RRM Design Group to provide preliminary design and environmental compliance services for the improvement of the Crocker Trail.)

Councilmember Davis made a motion, seconded by Councilmember Kern, to approve Consent Calendar Items C-G. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

After Council questions with staff, Councilmember O'Connell made a motion, seconded by Councilmember Davis, to approve Consent Calendar Items H. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

PUBLIC HEARING

I. Consider Introducing an Ordinance Approving a Zoning Text Amendment 2024-RZ-2, City-wide

(It is being recommended to introduce an Ordinance amending regulations within Title 17 of the Brisbane Municipal Code including the development standards for multifamily and mixed-use zoning districts and the

exceptions to the lot size standards, consistent with California Senate Bill SB 478 (2021) and the 2023-2031 Housing Element; and to amend the reasonable accommodations exceptions consistent with the Housing Element; and finding that this amendment is exempt from environmental review under CEQA Guidelines Sections 15061(b)(3) and Section 15183; City of Brisbane, applicant.)

Senior Planner Johnson reported that this item was continued from the City Council meeting of October 17, 2024. At that meeting, Council raised concerns about the broad proposed ordinance scope and content, especially those provisions related to permitting procedural changes, and continued the item. He added that the current proposed ordinance has been greatly reduced in scope from the October 2024 version. The proposed amendment is limited to those revisions required to comply with the City's Housing Element and bring the City's ordinance into compliance with CA Senate Bill SB 478 (2021), "Housing Opportunity Act" as described in the proposed ordinance. All other proposed revisions from the October 2024 draft ordinance not driven by state law or housing element compliance have been removed from the proposed ordinance.

After Council questions, Mayor Lentz opened the public hearing. No member of the public wished to speak. Councilmember O'Connell made a motion, seconded by Councilmember Davis, to close the public hearing. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

During Council discussion, staff was directed to amend the draft Ordinance accordingly:

- Adjusting floor area ratio for multi-family projects between 3 and 7 units to 1.0, and for projects between 8 and 10 units to 1.25. This means that units can be a little larger in relation to the square footage of the property. This is a requirement of State Senate Bill 478
- Adjusted height limits to 36 feet in the zoning districts that allow multi-family housing, such as, areas at and around Visitacion Avenue
- Exclude the parking exemption for developments of 3 to 10 housing units, that are subject to SB 478."
- Provide a separate approval process for new development versus existing development for requests for reasonable accommodation exceptions.

After Council discussion with staff, Councilmember O'Connell made a motion, seconded by Councilmember Davis, to introduce an Ordinance Approving a Zoning Text Amendment 2024-RZ-2, City-wide as amended. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

STAFF REPORTS

J. City Manager's Report- City Updates and Upcoming Activities

City Manager Dennis reported on the latest City News and upcoming activities.

MAYOR/COUNCIL MATTERS

K. City Council Meeting Schedule

i. Proposed Special Meeting on June 26, 2025

Councilmembers directed staff to schedule a special meeting on June 26, 2025.

L. Countywide Assignments and Subcommittee Reports

i. Report Out on Subcommittee Meetings
ii. Upcoming Subcommittee Meetings

Councilmembers reported out on their county assignments and subcommittee meetings. City Manager Dennis reported out on future subcommittee meetings.

M. Written Communications

Clerk Padilla acknowledged that the following correspondences were received by Councilmembers:

- Kim (03-23-2025) Quarry
- Manning (03-23-2025) Oppose AB306
- Lacsamana (03-25-2025) Big Rigs on Street

ORAL COMMUNICATIONS NO. 2

No members of the public wished to speak.

ADJOURNMENT

The meeting was adjourned at 7:55 P.M.

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Ingrid Padilla
City Clerk

File Attachments for Item:

F. Approve Minutes of City Council Meeting of April 17, 2025

F.

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL MEETING AGENDA
THURSDAY, APRIL 17, 2025

HYBRID MEETING, 50 PARK PLACE, BRISBANE, CA 94005

6:30 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE

Mayor Lentz called the meeting to order at 6:31 P.M. and led the Pledge of Allegiance.

ROLL CALL

A. Consider any request of a City Councilmember to attend the meeting remotely under the "Emergency Circumstances" of AB 2449

No Councilmembers made a request under Roll Call Item A.

Councilmembers present: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Councilmembers absent: None

Staff Present: City Manager Dennis, City Clerk Padilla, City Attorney McMorrow, Finance Director Yuen Community Development Director Swiecki, Principal Planner Ayres, Senior Planner Johnson, Recreation Coordinator Franco and Administrative Management Analyst Ibarra

ADOPTION OF AGENDA

Councilmember O'Connell made a motion, seconded by Councilmember Kern, to adopt the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

AWARDS AND PRESENTATIONS

B. May is Asian American Pacific Islander Heritage Month Proclamation

Mayor Lentz proclaimed May 2025 as Asian American, Native Hawaiian and Pacific Islander Heritage Month in the City of Brisbane. He called upon all community members to learn more about the history of Asian Americans, Native Hawaiians, and Pacific Islanders, and to observe this month supporting local programs and activities.

Christian Bustos, former IDEA Committee Member and Executive Director of Lyrical Opposition, accepted the proclamation. Within the arts community, he's known as Cross Allan, he founded and works with the arts nonprofit, Lyrical Opposition based in Brisbane. He invited the public and Council to Lyrical Opposition's 10-year Anniversary Festival Event on June 28, 2025, at Mission Blue.

ORAL COMMUNICATIONS NO. 1

Kim Follien commented that OSEC Committee Member Salmon social media postings regarding the Draft Environmental Impact Report (Draft EIR) for the proposed Guadalupe Quarry Redevelopment Project is misinforming the public and shows prejudice.

CONSENT CALENDAR

C. Approve Minutes of City Council Meeting of April 3, 2025

D. Approve Minutes of City Council Closed Session Meeting of April 3, 2025

E. Approve Brisbane Village Helping Hands' Spring Social Cosponsorship

F. Approve Lyrical Opposition's Festival and Fundraiser Cosponsorship

G. Receive Solid Waste Collection Adjustment-Scavenger

(Receive Scavenger's Brisbane 2025 rate increase of 2.17% effective July 1, 2025)

H. Receive Solid Waste Collection Adjustment-Recology

(Receive Recology's Brisbane 2025 rate increase of 2.37% effective July 1, 2025)

I. Introduce an Ordinance Concerning Dollar Thresholds Under the California Uniform Public Construction Cost Accounting Act and the City's Federal Procurement Policy

(There is no fiscal impact from introducing/adopting this Ordinance. If adopted, the Ordinance will allow the City to use less staff time to obtain products and equipment under a certain dollar threshold and bring the City's procurement policies when federal funds are used in line with federal guidelines.)

J. Adopt an Ordinance, Waiving Second Reading, Approving a Zoning Text Amendment 2024-RZ-2, City-wide

(It is being recommended to adopt an Ordinance amending regulations within Title 17 of the Brisbane Municipal Code including the development standards for multifamily and mixed-use zoning districts and the exceptions to the lot size standards, consistent with California Senate Bill SB 478 (2021) and the 2023-2031 Housing Element; and to amend the reasonable accommodations exceptions consistent with the Housing Element; and finding that this amendment is exempt from environmental review under CEQA Guidelines Sections 15061(b)(3) and Section 15183; City of Brisbane, applicant.)

Councilmember O'Connell pulled Consent Calendar Item C to amend the minutes of the City Council Meeting of April 3, 2025 regarding the Zoning Text Amendment 2024-RZ-2. Senior Planner Johnson provided the amended text to be inserted into the new draft of the minutes. The new minutes will be included in the next City Council meeting agenda.

Councilmember O'Connell made a motion, seconded by Councilmember Mackin, to approve Consent Calendar D-I. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

Councilmember O'Connell asked clarifying questions about Consent Calendar Item J. After questions, Councilmember O'Connell made a motion, seconded by Councilmember Mackin, to approve Consent Calendar J. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

PUBLIC HEARING

K. Zoning Text Amendment 2025-RZ-01-- Consider Introduction of Ordinance to Update the City's Density Bonus and Inclusionary Housing Ordinance

(Staff is recommending to introduce an ordinance to amend the zoning ordinance's inclusionary housing and density bonus regulations, currently located in BMC Ch. 17.31, to comply with current State law and implement the Housing Element. This item is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3) because it involves adoption of policies and programs that would not cause a significant effect on the environment.)

Principal Planner Ayres reported that the purpose of this item is to amend the zoning ordinance's inclusionary housing and density bonus regulations to comply with current State law and implement the Housing Element. She added that the City Council housing subcommittee met to review the draft 2025 ordinance on March 13, 2025. The subcommittee's recommendations proposed substantive revisions to the density bonus and inclusionary housing ordinance, such as the following:

- Eliminate incentive for for-sale inclusionary housing developments to meet inclusionary requirements by providing affordable accessory dwelling units (Section 17.31.040.D of the draft ordinance). The draft ordinance has been modified to eliminate this incentive for the Council's consideration.

- Inclusionary In-Lieu Fee: Setting the Fee Amounts Implementation of the draft ordinance would require the City to adopt in-lieu fees for inclusionary housing, as well as new fees for administration of the ordinance's requirements. In-lieu fees would be maintained in the City's low and moderate income housing fund.

After Council questions with staff and Tim Davis of HEART, Mayor Lentz opened the public hearing. No member of the public wished to speak. Councilmember Davis made a motion, seconded by Councilmember Kern, to close the public hearing. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

During council discussion, Council directed staff to make the following amendments to the draft ordinance:

- Implementation guidelines in sections 17.29.060 and 17.31.090 of the draft ordinance must explicitly address income qualification for applicants
- Discretionary approval must be required for the additional incentive/concession for large family units described in section 17.29.030.D of the draft ordinance.

Councilmembers also wanted to consider local preferences. "Local preferences" are requirements that affordable units provided to comply with City regulations or 100% affordable housing developments have "preferences" to serve or market the affordable housing units to certain target populations. Staff will prepare some background information on the legal requirements for studying and establishing such preferences in compliance with State and Federal fair housing laws.

Councilmember O'Connell made a motion, seconded by Councilmember Davis, to introduce the ordinance Update the City's Density Bonus and Inclusionary Housing Ordinance Zoning Text Amendment 2025 RZ-01. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

NEW BUSINESS

L. Approve 2025 Council Priorities

(Staff is recommending to approve the 2025 Council Priorities. There is no fiscal impact associated

with adopting FY 2025-26 priorities; the FY 2025-26 Budget will reflect any projects associated with the three priorities.)

City Manager Dennis reported that on March 22, 2025, the City Council met in a special meeting/workshop to discuss their ideas for priorities in the coming fiscal year. This meeting was the first in many years to discuss shared priorities. From that discussion, three priorities were agreed to:

- Fiscal Health of the City
- Increase maintenance for existing City facilities and infrastructure and determine long-term use opportunities for City facilities
- Tap into the Brisbane volunteer spirit by expanding volunteer opportunities

After council questions and no public comment, Councilmembers discussed not needing to include any items in the Fiscal Year 2025/2026 budget at this time.

Councilmember O'Connell made a motion, seconded by Councilmember Mackin, to approve the 2025 Council Priorities. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell and Mayor Lentz
Noes: None
Absent: None
Abstain: None

STAFF REPORTS

M. City Manager's Report- City Updates and Upcoming Activities

City Manager Dennis provided the latest city updates and upcoming City events and activities.

MAYOR/COUNCIL MATTERS

N. Countywide Assignments and Subcommittee Reports

- **i. Report Out on Subcommittee Meetings**
- **ii. Upcoming Subcommittee Meetings**

Councilmembers reported on subcommittee meetings and upcoming subcommittee meetings.
As a follow-up to the Sierra Point Parkway Parks and Open Space Committee Meeting, Councilmembers directed staff not to spend any more funds using CMG services but staff can gather more information on Sierra Point Parkway Parks & Open Space matters.

O. Written Communications

City Clerk Padilla reported that written communication was received from the following members of the public:
Kerekes (03-28-2025) Parking Regulations
rence (03-14-2025) San Mateo Law Library

Straw (03-28-2025) Pickle Ball
Hebert (04-09-2025) Silverspot
Lee (04-09-2025) Silverspot
Viray (04-09-2025) Silverspot
Campbell (04-10-2025) Silverspot
Sitrin (04-10-2025) Silverspot
Mitchell (04-10-2025) Silverspot
Bousquet (04-10-2025) Silverspot
Paepcke (04-10-2025) Silverspot
Rosas (04-10-2025) Silverspot
Roeser (04-10-2025) Silverspot
Galvan (04-17-2025) Quarry
Cunningham (04-17-2025) Item N Subcommittee Reports

ORAL COMMUNICATIONS NO. 2

A member of the public commented that there are new and modern innovations from Dutch hydrologists and boaters that we can learn from to improve the infrastructure and seawall in the Brisbane Marina.

ADJOURNMENT

The meeting was adjourned by Mayor Lentz at 9:11 P.M. and will be immediately followed by a special meeting in the Large Conference Room.

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Ingrid Padilla
City Clerk

File Attachments for Item:

G. Approve Minutes of City Council Special Meeting of April 17, 2025

BRISBANE CITY COUNCIL

ACTION MINUTES

CITY COUNCIL SPECIAL MEETING AGENDA
THURSDAY, APRIL 17, 2025

HYBRID MEETING, 50 PARK PLACE LARGE CONFERENCE ROOM,
BRISBANE, CA 94005

8:00 P.M. CALL TO ORDER – (To Be Held in the Large Conference Room Immediately following the Adjournment of the Brisbane City Council Meeting at 6:30 P.M.)

Mayor Lentz called the meeting to order at 9:19 P.M.

ROLL CALL

A. Consider any request of a City Councilmember to attend the meeting remotely under the "Emergency Circumstances" of AB 2449

No request had been made under Roll Call Item A.

Councilmembers Present: Councilmembers Davis, Kern, Mackin, O'Connell, and Mayor Lentz
Councilmembers Absent: None

ADOPTION OF AGENDA

Councilmember Davis made a motion, seconded by Councilmember O'Connell, to adopt the agenda as it stands. The motion was carried unanimously by all present.

Ayes: Councilmembers Davis, Kern, Mackin, O'Connell, and Mayor Lentz
Noes: None
Absent: None
Abstain: None

PUBLIC COMMENT

No members of the public were present in person or in Zoom.

WORKSHOP

B. Volunteer of the Year

(Staff is recommending that the City Council hold a workshop to discuss potential modifications or improvements to the current Volunteer of the Year selection process.)

City Manager Dennis reported that on March 20, 2025, the City Council discussed the current Volunteer of the Year selection process. The Council agreed that the current process should be modified to provide the full Council for an opportunity to participate in the process. The Council requested that a workshop be held to discuss the details of a future selection process.

After Council questions and no public comment. Council discussed the how they would like to change the Volunteer of the Year selection process.
Staff was directed by Councilmembers to make the following changes:

- The award will be renamed to reflect the lifetime achievement aspects of the role
- Council will select the "Lifetime Achievement" Awardee
- Staff will provide broad outreach and call for nominations to broaden the nomination pool which can include Committee Members and Commissioners
- An annual Committee/Commission and City Volunteer celebration will be held to acknowledge all the City volunteers in the Fall and will be requested to be possibly held at the Yacht Club.

ADJOURNMENT

Mayor Lentz adjourned the meeting at 9:57 P.M.

____
Ingrid Padilla
City Clerk

File Attachments for Item:

H. Approve Investment Report as of March 2025

H.

CITY OF BRISBANE
CASH BALANCES & INVESTMENTS
SOURCE OF FUNDING
March 31, 2025

NAME OF DEPOSITORY	INVESTMENT TYPE	DATE OF INVESTMENT	FACE VALUE OF INVESTMENT	CARRY VALUE OF INVESTMENT	MARKET VALUE OF INVESTMENT	COUPON INTEREST RATE %	MATURITY DATE	RATING/ COLLATERAL
WELLS FARGO	Checking A/C		$ 4,685,258	$ 4,685,258	$ 4,685,258	0.000		110% collateral
STATE FUND (LAIF)	Deposit on call	continuous	$ 6,617,684	$ 6,617,684	$ 6,617,684	4.340	on call	no rating
Other Investments								
	FHLB	3/24/2022				2.000	03/24/2025	
	FHLB	4/22/2022	$ 1,000,000	$ 1,000,000	$ 999,050	2.750	04/22/2025	
	FHLB	7/28/2022	$ 1,000,000	$ 1,000,000	$ 998,760	4.050	07/28/2025	
	FHLB	12/31/2021	$ 1,000,000	$ 1,000,000	$ 985,170	1.300	09/30/2025	
	FHLB	10/27/2022	$ 1,000,000	$ 1,000,000	$ 1,002,810	4.750	10/27/2025	
	FFCB	9/12/2022	$ 1,000,000	$ 1,000,000	$ 999,060	4.125	12/12/2025	
	FFCB	12/1/2023	$ 1,000,000	$ 1,000,000	$ 1,004,660	5.060	12/01/2026	
	FHLB	3/25/2022	$ 1,000,000	$ 1,000,000	$ 972,730	2.600	03/25/2027	
	FHLB	5/26/2022	$ 1,000,000	$ 1,000,000	$ 998,820	4.000	05/26/2027	
	FHLB	5/26/2022	$ 1,000,000	$ 1,000,000	$ 990,270	3.750	05/26/2027	
	FHLB	11/19/2024	$ 1,000,000	$ 1,000,000	$ 1,000,470	4.650	11/19/2027	
	FHLB	12/20/2024	$ 1,000,000	$ 1,000,000	$ 999,360	4.800	12/20/2027	
	FNMA	**3/24/2025**	$ 1,000,000	$ 1,000,000	$ 1,000,230	4.625	03/24/2028	
	FHLM	6/25/2024	$ 1,000,000	$ 1,000,000	$ 1,000,750	5.500	06/25/2029	
	FHLB	7/29/2024	$ 1,000,000	$ 1,000,000	$ 1,000,200	5.150	07/25/2029	
	FHLB	10/30/2024	$ 1,000,000	$ 1,000,000	$ 999,020	5.020	10/30/2029	
	FHLM	11/19/2024	$ 1,000,000	$ 1,000,000	$ 1,002,580	5.000	11/19/2029	
	FHLM	**3/27/2025**	$ 1,000,000	$ 1,000,000	$ 996,730	5.000	03/27/2030	
BNY Mellon	Treasury Obligations	continuous	$ 6,165,093	$ 6,165,093	$ 6,165,093	4.240	on call	110% collateral
Sub-total			$ 23,165,093	$ 23,165,093	$ 23,115,763			
U.S. Bank	2014 BGPGA Bond (330)	Improvements	Fed Treas Obl	$ -	*10031*			
		Reserve Fund	Fed Treas Obl	$ 1	*10032*			
		Revenue Fund	Fed Treas Obl	$ -	*10034*			
		Expense Fund	Fed Treas Obl	$ -	*10035*			
		Principal	Fed Treas Obl	$ 265,000	*10036*			
		Interest Fund	Fed Treas Obl	$ 57,090	*10037*			
U.S. Bank	2015 Utility Capital (545)	Improvements	Fed Treas Obl	$ -	*10031*			
		Reserve	Fed Treas Obl	$ 75	*10032*			
		Expense Fund	Fed Treas Obl	$ -	*10035*			
BNY Mellon	2023 BGVMIDFA Bond (328)	Improvements	Fed Treas Obl	$ 33	*10031*			
		Reserve / Project	Fed Treas Obl	$ 1,822,442	*10032*			
		Expense Fund	Fed Treas Obl	$ -	*10035*			
		Principal	Fed Treas Obl	$ -	*10036*			
		Interest Fund	Fed Treas Obl	$ -	*10037*			
PARS	OPEB Trust	Trust Cash	Investments	$ 4,314,910	*13050*			
PARS	Retirement Trust	Trust Cash	Investments	$ 1,677,956	*13050*			
Sub-total	Cash with Fiscal Agents			**$ 8,137,507**				
	Total other investments		$ 31,302,600	**$ 31,302,600**	$ 23,115,763			
TOTAL INVESTMENTS & CASH BALANCES			$ 42,605,542	$ 42,605,542	$ 34,418,705			

Outstanding Loans to Department Heads / Former Employees

	Date of loan	Amount	Amount Remaining	Interest Rate
Stuart Schillinger	**4/1/2002**	**318,750**	**$ 318,750**	**Variable, LAIF + 1%**

FFCB - Federal Farm Credit Bank
FHLB - Federal Home Loan Bank
FHLM - Federal Home Loan Mortage Corporation
FNMA -Federal National Mortgage Association

Two year Treasury	4.03%	
Weighted Interest	3.71%	
Weighted maturity	1.39	Years

TREASURER'S CERTIFICATE

These are all the securities in which the city funds, including all trust funds and oversight agencies funds, are invested and that (excluding approved deferred compensation plans) all these investments are in securities as permitted by adopted city policy.

It is also certified that enough liquid resources (including maturities and anticipated revenues) are available to meet the next six months' cash flow.

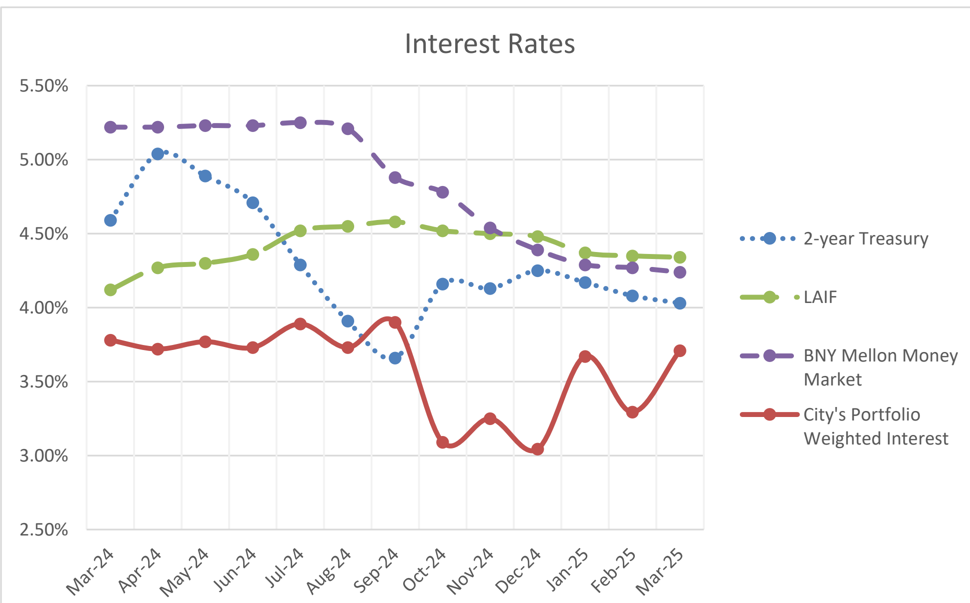
Carolina Yuen

CITY TREASURER

H.

CITY OF BRISBANE
CASH BALANCES & INVESTMENTS
Comparative Review
March 31, 2025

NAME OF DEPOSITORY	INVESTMENT TYPE	FACE VALUE OF INVESTMENT	MARKET VALUE OF INVESTMENT	Previous Month: FACE VALUE OF INVESTMENT	Previous Month: Change in Face Value		Previous Year: FACE VALUE OF INVESTMENT	Previous Year: Change in Face Value	
WELLS FARGO	Checking A/C	$ 4,685,258	$ 4,685,258	$ 7,122,423	$ (2,437,164)	(34.2%)	$ 2,126,144	$ 2,559,114	120.4%
STATE FUND (LAIF)	Deposit on call	$ 6,617,684	$ 6,617,684	$ 2,617,684	$ 4,000,000	152.8%	$ 1,566,808	$ 5,050,876	322.4%
Other Investments									
Sub-total	BNY Mellon	$ 23,165,093	$23,115,763	$ 25,112,907	$ (1,947,814)	(7.8%)	$ 25,135,958	$ (1,970,866)	(7.8%)
Sub-total	Cash with Fiscal Agents	$ 8,137,507		$ 8,035,130	$ 102,377	1.3%	$ 11,695,018	$ (3,557,511)	(30.4%)
	Total other investments	$ 31,302,600		$ 33,148,037	$ (1,845,437)		$ 36,830,976	$ (5,528,376)	
TOTAL INVESTMENTS & CASH BALANCES		**$ 42,605,542**	**$34,418,705**	**$ 42,888,143**	**$ (282,602)**	(0.7%)	**$ 40,523,928**	**$ 2,081,614**	5.1%



March 2025 Review

The City moved $2M from Wells Fargo Bank and $2M from BNY Mellon Bank Money Market to LAIF during the month to take advantage of the higher interest rate.

As reflected on Page 1, the BNY Mellon subtotal includes $17M in federal agency bonds and $6M in a money market account. A $1M agency bond with a 2% rate matured in March, and two separate $1M bonds were purchased earning 5% each to realign the maturity ladder over five years. The shift of $4M in balances to LAIF and the purchase of two agency bonds at a higher interest than the maturing bond resulted in an overall increase in the portfolio weighted interest compared to the prior month.

The City's Cash with Fiscal Agents March 2025 $8.1M balance is primarily comprised of $6M of the PARS trust accounts and $1.8M of the 2023 Bond proceeds held in trust, as reflected on Page 1. It also includes the increase in the 2014 Bond trust account of $322K for pending April debt service payments. The March 2024 balance of the 2023 bond proceeds was $5.6M. Reimbursements to the City for Annex improvements began in the summer of 2024, resulting in a significant reduction in the bonds trust balance year-over-year.

File Attachments for Item:

I. Introduce an Ordinance Designating the Fire Hazard Severity Zone in the City

CITY COUNCIL AGENDA REPORT

Meeting Date: Thursday, May 1, 2025

From: Fire Marshal Battalion Chief Craig Wittner

Subject: Fire Hazard Severity Zone Map

Community Goal/Result
Safe Community – Enhance safety within the community of residents, businesses, and visitors.

Purpose

To comply with California Government Code 51179.

Recommendation

Staff recommend the City Council introduce an ordinance establishing the 2025 Local Responsibility Area Fire Hazard Severity Zone Map for the City of Brisbane and designating all areas within the City of Brisbane as Moderate.

Background

On February 24, 2025, CAL FIRE released the 2025 Local Responsibility Area (LRA) Fire Hazard Severity Maps. State law requires CAL FIRE, in coordination with the Office of the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones, utilizing a consistent statewide model based on the severity of fire hazard that is expected to prevail in those areas. Fire Hazard Severity Zone maps evaluate “hazard,” not “risk” and are based on the physical conditions that create a likelihood and expected fire behavior over a 30 to 50-year period. The State Department of Forestry and Fire Protection has designated all areas within the City of Brisbane as Moderate and the map attached to the Ordinance reflects that designation.

The North County Fire Authority has made this information, including the map, available to the public for review and comment. The Authority has received no comments on the map.

Notwithstanding that properties in Brisbane will be designated as moderate, insurance companies use their own sophisticated risk models to make decisions about what premiums are to be imposed for fire insurance purposes..

Fiscal Impact

None

Environmental Review

No further environmental review is required under the California Environmental Quality Act (CEQA) to introduce and adopt this Ordinance because the Ordinance is not a project under CEQA Guidelines, Section 15378, and there is no significant environmental effect related to its adoption (CEQA Guidelines, Section 15061 (b)(3).

Attachments

1. Ordinance
2. Local Responsibility Area (LRA) Moderate Fire Hazard Severity Zone Map

Craig Wittner

____

Craig Wittner, Fire Marshal

Jeremy Dennis

____

Jeremy Dennis, City Manager

Attachment 1

CITY OF BRISBANE ORDINANCE NO. _________

AN UNCODIFIED ORDINANCE OF THE CITY OF BRISBANE DESIGNATING THE FIRE HAZARD SEVERITY ZONE FOR THE CITY OF BRISBANE AS MODERATE AND ADOPTING A MAP ENTITLED "CITY OF BRISBANE FIRE HAZARD SEVERITY ZONE"

WHEREAS, the State Fire Marshal has identified areas in the State as moderate, high, or very high fire hazard severity zones based on consistent statewide criteria based on the severity of the fire hazard that is expected to prevail in those areas; and

WHEREAS, the California Department of Forestry and Fire Protection has recommended that all areas within the City of Brisbane be designated as a moderate fire hazard severity zone; and

WHEREAS, the City is to adopt by ordinance a map designating the areas within its jurisdiction as moderate, high, or very high fire hazard severity zones; and

WHEREAS, information concerning this matter and the proposed map has been available to the public for review and comment; and

WHEREAS, this Ordinance is exempt from review under the California Environmental Quality Act ("CEQA") under CEQA Guidelines Sections 15378 (not a project) and 15061(b)(3) (no significant environmental impact).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BRISBANE does ordain as follows:

<u>Section 1</u>. The City Council hereby designates the Fire Hazard Severity Zone for the City of Brisbane as Moderate and adopts the attached map entitled "City of Brisbane Fire Hazard Severity Zone".

<u>Section 2.</u> The official map referenced in Section 1 of this Ordinance is also located electronically on the following website: www.northcountyfire.gov.

<u>Section 3</u>. This ordinance shall be in full force and effect 30 days after its passage and adoption.

The above Ordinance was regularly introduced and after waiting the time required by law was thereafter passed and adopted at a regular meeting of the City Council of the City of Brisbane on May 15, 2025, by the following vote:

AYES:
NOES;
ABSENT;
ABSTAIN:

Mayor of the City of Brisbane

Attest:

Ingrid Padilla, City Clerk

Approved as to form:

Thomas R. McMorrow, City Attorney

I.

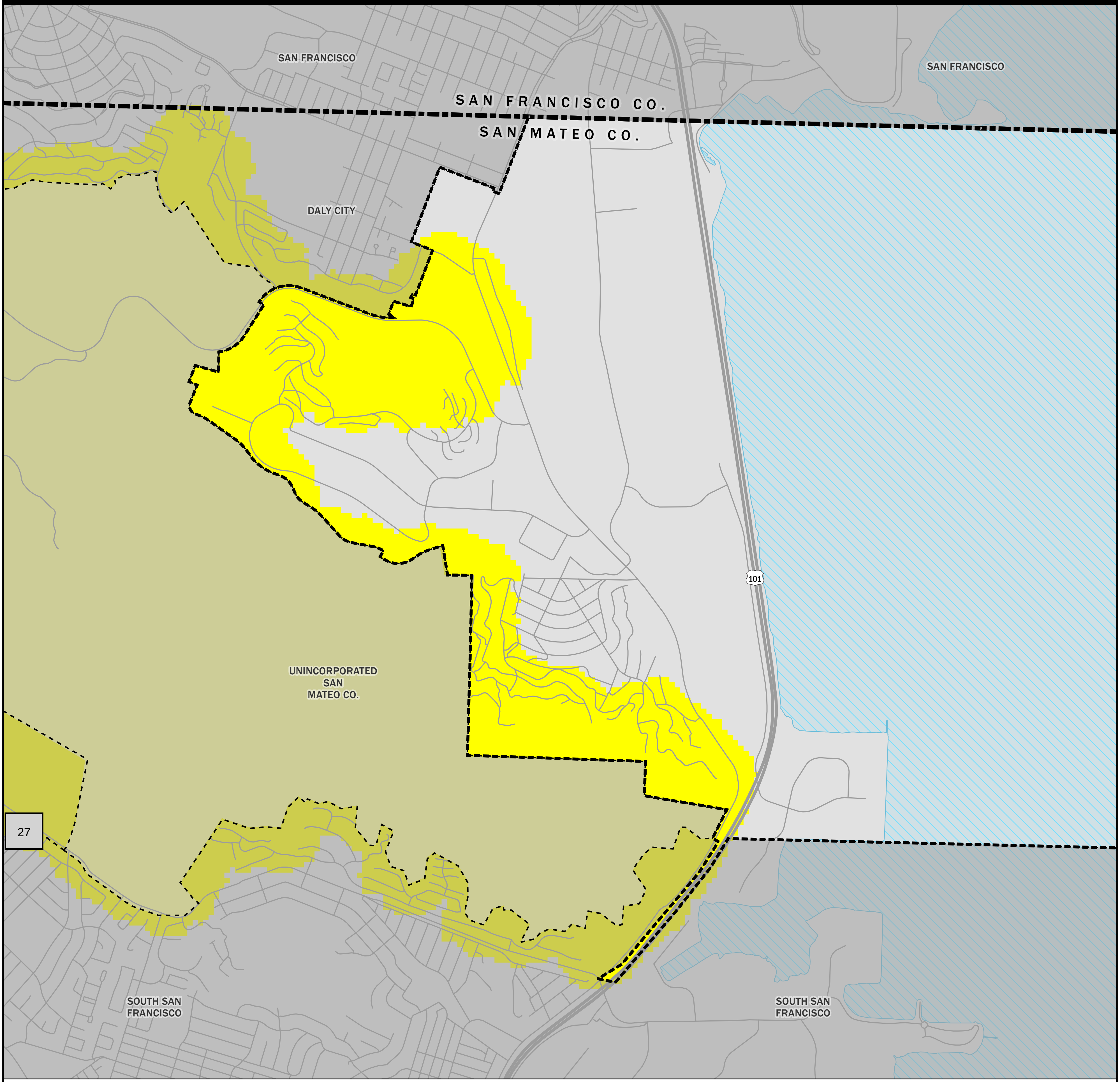
CITY OF BRISBANE – SAN MATEO COUNTY

Attachment 2

Local Responsibility Area Fire Hazard Severity Zones

As Identified by the State Fire Marshal

February 24, 2025



Fire Hazard Severity Zones (FHSZ) in Local Responsibility Area (LRA), as Identified by the State Fire Marshal

Moderate

Fire Hazard Severity Zones in State Responsibility Area (SRA), Effective April 1, 2024

Moderate

Mi 0 0.5 1

Km 0 0.5 1 1.5

Projection: NAD 83 California Teale Albers
Scale: 1:24,000 at 11" x 17"

Incorporated City

Waterbody

Unzoned LRA

Government Code section 51178 requires the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Moderate, high, and very high fire hazard severity zones shall be based on fuel loading, slope, fire weather, and other relevant factors including areas where winds have been identified by the Office of the State Fire Marshal as a major cause of wildfire spread.

Gavin Newsom, Governor, State of California
Wade Crowfoot, Secretary for Natural Resources, CA Natural Resources Agency
Joe Tyler, Director/Fire Chief, CA Department of Forestry and Fire Protection
Daniel Berlant, State Fire Marshal, CA Department of Forestry and Fire Protection

Data Sources:
CAL FIRE Fire Hazard Severity Zones (FHSZSRA23_3, FHSZLRA_25_1)
CAL FIRE State Responsibility Areas (SRA25_1)
City and County boundaries as of 10/22/24 (CA Board of Equalization)

File Attachments for Item:

J. Adopt an Ordinance Concerning Dollar Thresholds Under the California Uniform Public Construction Cost Accounting Act and the City's Federal Procurement Policy

(There is no fiscal impact from adopting this Ordinance. Adoption of the Ordinance will allow the City to use less staff time to obtain products and equipment under a certain dollar threshold and bring the City's procurement policies when federal funds are used in line with federal guidelines.)

CITY COUNCIL MEMO

Meeting Date: May 1, 2025

From: Ingrid Padilla, City Clerk

Subject: Adopt an Ordinance Concerning Dollar Thresholds Under the California Uniform Public Construction Cost Accounting Act and the City's Federal Procurement Policy

It is being recommended to adopt an Ordinance Concerning Dollar Thresholds Under the California Uniform Public Construction Cost Accounting Act and the City's Federal Procurement Policy

The Ordinance listed above was introduced at the City Council Meeting of April 17, 2025. It is on this agenda for consideration of adoption.

Attachment:

1. Staff Report from the City Council Meeting of April 17, 2025

CITY COUNCIL AGENDA REPORT

Meeting Date: April 17, 2025

From: Directors of Finance and Public Works

Subject: Amendment to Municipal Code Sections 3.12.090 and 3.12.130

This Ordinance is exempt from CEQA because it is not a project (CCR Title 14 §15378 (b) (4)).

Recommendation

Introduce the attached Ordinance Concerning Dollar Thresholds Under the California Uniform Public Construction Cost Accounting Act and the City's Federal Procurement Policy.

Purpose

The proposed Ordinance (a) revises higher bidding thresholds for those public works projects that may use the California Uniform Public Construction Cost Accounting Act and (b) revises the City's Federal Procurement Polices to reflect revisions to the federal Uniform Guidelines concerning procurements using federal funds.

If the ordinance is introduced as recommended, it will be brought back to a later regularly scheduled council meeting for final adoption.

Background

The California Uniform Public Construction Cost Accounting Act (CUPCCAA) allows a city to lift the relatively low bidding threshold for public works projects. Under the general rules, public works projects (broadly defined) valued at over $5,000 must be competitively bid. These thresholds may be onerous as public bidding requires substantial staff time to administer. The CUPCCAA allows higher bidding thresholds. To use the CUPCCAA procedures a city must confirm that it has opted into the CUPCCAA by adopting an ordinance and providing a copy of the ordinance to the State Controller. The City has opted into the CUPCCAA by adopting an ordinance, codified in Section 3.12.090 of the Municipal Code.

Effective January 1, 2025, the thresholds were increased. In order that the city continue to have the flexibility to use the CUPCCAA provisions where appropriate, staff recommends the ordinance be amended to reflect these higher thresholds.

<u>Federal Procurement Policy</u>

From time to time, the City receives federal funding through awards or grants. Where federal funding is involved, the City must follow federal procurement policies. The City has adopted such policies not only in the Municipal Code (codified in Section 3.12.130) but also in its Procurement Policy. In October 2024, the federal Office of Management and Budget announced a number of changes to the Uniform Procurement Guidelines which provide the framework for the City's Federal Procurement Policy. In order that the City federal procurement policies reflect these changes, staff recommends the ordinance concerning these policies also be revised. If the ordinance is adopted, the Procurement Policy will also be revised consistently with the ordinance.

Discussion

California Uniform Public Construction Cost Accounting Act

Current Threshold	January 1, 2025 Threshold to be changed by Proposed Ordinance	Project Requirements
$5,001 - $60,000	$5,001 - $75,000	Can be performed by city employees, or contracted by force account, negotiated contract or purchase order
$60,000 - $200,000	$75,001 - $220,000	Contracted by specified informal procedures
$201,000 and higher	$221,000 and higher	Contracted per Public Contract Code formal bidding

These threshold amounts may be revised by statute from time to time. The attached ordinance provides for automatic adjustments of the bidding thresholds as the statute changes without having to amend the ordinance further. Rather, those thresholds will be reflected in the Procurement Policy.

Federal Procurement Policy

Although it may appear that the revisions to the Federal Procurement Policy are significant, they are not. Most of the changes in the attached ordinance simply reflect changes in the way that the existing policies are reflected in the Code of Federal Regulations (C.F.R.). There are, however, some changes to the procurement methods.

Currently, the city must use one of four procurement methods when purchasing supplies or equipment with federal funds: "Micro-purchases" (i.e, less than $3,000); small purchase procedures (less than $150,000); sealed bids/competitive proposals (greater than $150,000); and noncompetitive proposals, (e.g., sole source or emergency situations).

The revised federal regulations, now reflected in the attached ordinance, provide that the city must use one of three procurement methods when purchasing supplies or equipment with federal funds: Informal procurement methods for small purchases (micro-purchases now increased up to $50,000 and "simplified acquisitions" up to $250,000); formal procurement methods (essentially the same as the sealed bids/competitive proposals in the current ordinance but for amounts in excess of $250,000); and noncompetitive procurement, the same as in the existing ordinance.

Subsection E of Section 3.12.120 is also being amended to provide the city must inform its employees in writing about whistleblower rights and protections (which the City already does) and that the city has internal controls, including cybersecurity, to safeguard its information. Again, the City has these controls in place.

Other changes to the federal guidelines, such as capitalization thresholds that are not included in the ordinance, will be included in the City's Procurement Policy.

Fiscal Impact

There is no fiscal impact from adopting this Ordinance. Adoption of the Ordinance will allow the City to use less staff time to obtain products and equipment under a certain dollar threshold and bring the City's procurement policies when federal funds are used in line with federal guidelines.

Environmental Review

Adoption of this ordinance does not require further environmental review under the California Environmental Quality Act because it is a governmental fiscal activity which does not involve any commitment to any specific project which may result in a potentially sign physical impact on the environment and hence it is not a "project". CEQA Guidelines, Section 15378 (b) (4).

Attachments

1. Proposed Ordinance

Carolina Yuen

Carolina Yuen, Finance Director

R.L. Breault

Randy Breault, Public Works Director

Jeremy Dennis

Jeremy Dennis, City Manager

ORDINANCE NO. ___

AN ORDINANCE OF THE CITY OF BRISBANE
TO AMEND SECTIONS 3.12.090 AND 3.12.130 OF THE BRISBANE MUNICPAL CODE
CONCERNING DOLLAR THRESHOLDS UNDER THE CALIFORNIA UNIFORM PUBLIC
CONSTRUCTION COST ACCOUNTING ACT AND THE CITY'S FEDERAL PROCUREMENT POLICY

THE CITY COUNCIL OF THE CITY OF BRISBANE HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Section 3.12.090 of the Brisbane Municipal Code is amended to read as follows:

"3.12.090 California Uniform Public Construction Cost Accounting Act

The California Uniform Public Construction Cost Accounting Act (CUPCCAA) [Public Contract Code, Section 22000 et seq.] provides cost accounting standards and an alternative method for the bidding of public works projects by public entities. By adoption of this section of the chapter, the city has elected to become subject to the CUPCCAA procedures.

(Subsections A and B, no change.)

C. Contracting Procedures Based on Dollar Amounts

1. CUPCCAA projects that do not exceed five thousand dollars ($5,000) are not subject to competitive bidding requirements.

2. CUPCCAA projects of seventy five thousand dollars ($75,000) or less may be performed by the employees of the city, by force account, by negotiated contract, or by purchase order.

3. CUPCCAA projects more than seventy five thousand dollars ($75,000) up to two hundred twenty thousand dollars ($220,000) may be let by informal procedures as set forth in subsection E of this section and in Sections 22020 through 22045 of the Public Contract C ode.

4. CUPCCAA projects of more than two hundred twenty thousand dollars ($220,000) shall, except as otherwise provided in Section 22034 of the Public Contract Code, be let by a formal bidding procedure.

(Subsections D and E, no change.)

F. The bidding thresholds set forth in subsection C shall be automatically adjusted as those amounts are changed by statute. Such adjusted amounts shall be in the City's Purchasing Policy."

Section 2. Section 3.12.130 of the Brisbane Municipal is amended to read as follows:

"<u>Section 3.12.030 Federal Procurement Policy</u>

(Subsections A and B, no change.)

C. General Standards. The following additional standards are required when the city procures supplies or equipment with federal funds in the form of a grant or award.

(Paragraphs 1 through 4, no change).

5. Time and Materials contracts.

a. The city may use time a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the city is the sum of (i) the actual cost of materials and (ii) direct labor hours charged at a fixed hourly rates that reflect wages, general and administrative expenses, and profit.

b. Because this formula generates an open ended contract price, a time and materials type contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must contain a ceiling price that the contractor exceeds at its own risk. Further, the city must assert a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(2 C.F. R. Section 200.318 (j) (1) and (2))

(Paragraph 6, no change.)

7. Whistleblower rights and protections. Under the law, legal protections are provided to "whistleblowers". The city will inform its employees in writing about these whistleblower rights and protections.

8. Internal controls. The city shall adopt internal controls, including cybersecurity and other measures, to safeguard information.

D. Procurement Methods. The city must use one of three procurement methods identified below when purchasing supplies or equipment with federal funds.

1. <u>Informal procurement methods for small purchases</u>. These procurement methods expedite the completion of transactions, minimize administrative burdens, and reduce costs. Informal procurement methods may be used when the value of the procurement transaction under the Federal award does not exceed the simplified acquisition threshold as defined in 2 C.F.R. Section 200.1. Informal procurement methods include micro-purchases and simplified acquisitions.

a. Micro-purchases. Procurement by micro-purchase is acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold defined in 2 C.F.R. 200.1. To the extent practicable, the city must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the city determines the price quote is reasonable based on research, experience, purchase history, or other information and maintains documents to support its conclusions. The city is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures and the city is self certifying its micro-purchasing threshold as $50,000 in compliance with 2 C.F.R. Section 200.320 (a)(1)(iv).

(2. C.F. R. 200.320 (a)(1)

b. Simplified acquisition. Procurement by simplified acquisition is acquisition of supplies or services, the aggregate dollar amount is higher than the micro-purchase threshold ($50,000) but does not exceed the simplified acquisition threshold ($250,000). If simplified acquisition procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. (2 C.F.R. 200.320 (a)(2)).

2. <u>Formal procurement methods.</u> Formal procurement methods are required when the value of the procurement under a Federal award exceeds the simplified acquisition threshold $250,000). Formal procurement methods are competitive and require public notice. The following formal methods of procurement are sealed bids and proposals.

a. Sealed bids are publicly solicited bids through an invitation and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid conforms with all the material terms and conditions of the invitation and is the lowest in price. This method is preferred for procuring construction contracts.

(i) For sealed bids to be feasible, the following conditions should be present: (A) a complete, adequate, and realistic specification or purchase description in available, (B) two or more responsible bidders have been identified as willing and able to compete effectively for the business, and (C) the procurement lends itself to the firm fixed price contract and the selection of the successful bidder may be made principally on price.

(ii) If sealed bids are used, the following requirements apply: (A) bids must be solicited from an adequate number of bidders, as such is determined by the city, with sufficient response time prior to the date set for opening the bids; (B) bids must be publicly advertised; (C) the invitation for bids must define the items or services with specific information, including any required specifications, for the bidder to properly respond; (D) all bids will be publicly opened at the time and place prescribed in the invitation for bids; (E) A firm fixed price contract is awarded in writing to the lowest responsive bid and responsible bidder; and (F) the city must document and provide a justification for all bid rejects.

(2 C.F.R. 200.320 (a))

b. Proposals is a procurement method used when conditions are not appropriate for using sealed bids and such method may result in either a fixed price or cost reimbursement contract. Proposals are awarded in accordance with the following requirements.

(i) Requests for proposals require public notice and all evaluation factors and their relative importance must be identified. Proposals must be solicited from multiple qualified persons or entities. To the maximum extent practicable, any proposal submitted in response must be considered.

(ii) The city must have written procedures for conducting technical evaluations and making selections.

(iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the city considering price and other factors; and

(iv) The city may use competitive proposal procedures for qualification based procurements of architect/engineering professional services whereby the offeror's qualifications are evaluated, and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method where the price is not used as a selection method may only be used to procure architectural/engineering professional services and not for other services provided by such firms that are a potential source to perform the proposed effort.

(2 C.F.R. 200.320 (b))

3. <u>Noncompetition procurement.</u> The noncompetition method may only be used if one of the following circumstances applies:

a. The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold ($50,000);

b. The procurement transaction may only be fulfilled by a single source;

c. The public exigency or emergency for the requirement does not permit a delay resulting from providing public notice of a competitive solicitation; or

d. d. The city has in writing requested to use a noncompetition method and the Federal agency provides a written approval.

(2 C.F.R 200.320 (c))

E. Additional Requirements to Sealed Bids and Competitive Proposals

1. All procurement transactions under the Federal award must be conducted in a manner that provides full and open competition and is consistent with standards of 2 C.F.R. Section 200.319 and 2 C.F.R. Section 200.320. (2 C.F.R. Section 200.319 (a)).

2. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements

of work, or invitations for bids must be excluded from competing on those procurements. (2 C.F.R. Section 200.319 (b))

3. Examples of situations that may restrict competition include but are not limited to:

   a. Placing unreasonable requirements on firms for them to qualify to do business;

   b. Requiring unnecessary experience and excessive bonding;

   c. Noncompetitive pricing practices between firms or between affiliated companies;

   d. Noncompetitive contracts to consultants that are on retainer contracts;

   e. Organizational conflicts of interest;

   f. Specifying a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and

   g. Any arbitrary action in the procurement process.

(2 C.F.R. Section 200.319 (c))

4. The city must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

   a. Are made in accordance with 2 C.F.R. Section 200.319 (b).

   b. Incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured. The description may include a statement of the qualitative nature of the property, equipment, or service to be procured. When necessary, the description must provide minimum associated characteristics and standards to which the property, equipment, or service must conform. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to clearly and accurately describe the technical requirements, a "brand name" or equivalent description of features may be used to provide procurement requirements. The specific features of the named brand must be clearly stated; and

   c. Identify any additional requirements which the offerors must fulfill and all other factors that will be used in evaluating bids or proposals.

   (2 C.F. R. Section 200.319 (d))

5. The city must ensure that all prequalified lists of persons, firms, or products used in procurement transactions are current and include enough qualified sources to ensure maximum open competition. When establishing or amending prequalified lists, the city must consider objective factors that evaluate price and cost to maximize competition.

The city must not preclude potential bidders from qualifying during the solicitation period. (2 C.F. R. Section 319.200 (e))

6. To the extent consistent with established and legal requirements applicable to the city, subsection E of this Section does not prohibit the city from developing procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers or types of U.S. jobs, minimum compensation benefits, on the job training for employees making work products or providing services on a contract, and other worker protections. This subsection E also does not prohibit the city from making inquiries of bidders about these subjects and assessing the responses. Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award. (2 C.F.R. 200.319 (f))

7. Noncompetitive procurements may only be awarded in accordance with 2 C.F.R. 200.320 (b). (2 C.F.R. 200.319 (g))."

SECTION 3: This Ordinance shall be in full force and effect 30 days after its passage and adoption.

* * * *

The above and foregoing Ordinance was regularly introduced and after the waiting time required by law, was thereafter passed and adopted at a regular meeting of the City Council of the City of Brisbane held on the ________ day of ____________________, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Cliff Lentz, Mayor

ATTEST:

____
Ingrid Padilla, City Clerk

APPROVED AS TO FORM:

____
Thomas R. McMorrow, City Attorney

File Attachments for Item:

K. Receive Update from Silverspot Cooperative Nursery School and Discuss Lease

K.

CITY COUNCIL AGENDA REPORT

Meeting Date: May 1, 2025

From: Jeremy Dennis, City Manager

Subject: Silverspot Cooperative Nursery School

Recommendation

Staff recommend that the City Council:

1. Receive an update from Silverspot Cooperative Nursery School (Silverspot), and;
2. Discuss a new lease between the City and Silverspot

Background

Silverspot Cooperative Nursery School is a Non-profit 501(c)(3) organization established in 2002. Silverspot Cooperative Nursery School is a parent-run, non-profit co-operative nursery school, working to create a community of encouragement and learning for families. The goal at Silverspot is to provide a safe and secure environment in which children learn through play to develop their social and language skills. The school is an active member of California Council of Parent Participation Nursery Schools and enrolls children between the ages of 2 years and 5 years 11 months.

The City has leased property at 4 Solano Street to Silverspot since 2003:

1. March 10, 2003 – May 21, 2005 (Original Lease)
2. June 1, 2005 – May 31, 2007
3. June 1, 2007 – May 31, 2012
4. June 1, 2012 – May 31, 2017
5. June 1, 2017 – May 31- 2019 (Tenant has been on month-to-month since July 1, 2019)

Hundreds of children, the majority of whom were/are Brisbane residents, have benefited from the early education opportunities provided by Silverspot.

Last year, Silverspot met with then-Councilmembers Lentz and Mackin to discuss a one-time city contribution of $35,000 to Silverspot to support the school during a low period of enrollment and other challenges.

As the lease expired in 2019, City staff and Silverspot representatives have been meeting recently to develop a new lease (Attachment 1).

Discussion

Staff request that the Council:

1. Receive an update from SIlverspot on their current status and future plans; and
2. Discuss the draft lease

Lease Discussion

Typically, staff would attach a red-lined version of the lease, but many small editing and other non-substantive changes were addressed that makes tracking the changes challenging. Below are the highlights of the suggested changes to the draft lease:

Article 2: Silverspot is requesting a lease extension for 5 years.

Article 3: The monthly base rent of $310 has remained unchanged since the original lease and is waived if Silverspot designates an equivalent amount towards community benefit. Historically, they have done so by offering tuition assistance to families in need.

Article 4: The minimum age served in the program has been lowered from 2 years 6 months to 2 years.

The original lease established the minimum enrollment expectation of 20 children. Silverspot requested a reduction to 15 children given the ebbs & flows of enrollment in recent years but doing so requires Council consideration so this draft lease has left the minimum enrollment number at 20.

Article 8: Added 8.03: Landlord shall perform maintenance of the landscape in the playground area at least twice per month. Landlord shall perform maintenance of the landscape in the front yard of the Property at least twice per month. *(This reflects current practice)*

Fiscal Impact

Per the draft lease, the City will receive $310/month.

Attachment

1. **2025 Draft Lease Agreement**

Jeremy Dennis

Jeremy Dennis, City Manager

LEASE AGREEMENT

THIS LEASE AGREEMENT, ("Lease") effective as of DATE, between THE CITY OF BRISBANE, a municipal corporation ("Landlord") and SILVERSPOT NURSERY SCHOOL, a California nonprofit corporation ("Tenant"). Landlord and Tenant are sometimes referred to in this Lease jointly as the "Parties" and individually as a "Party.

RECITALS

A. Landlord is the owner of the real property and improvements thereon located at 4 Solano Street, in the City of Brisbane, County of San Mateo, State of California, as more particularly shown in the drawing attached hereto as Exhibit "A" and incorporated herein by reference ("the Property").

B. Landlord and Tenant have been in a landlord and tenant relationship as to the Property since March 2003; since June 1, 2019, the tenancy has been on a month to month basis.

C. Tenant has requested Landlord to enter into this Lease and Landlord is willing to enter into this Lease on the terms and conditions set forth herein.

NOW, THEREFORE, for the consideration set forth herein, Landlord and Tenant agree as follows:

ARTICLE 1
PROPERTY AND COMMON AREAS

1.01 Landlord, for and in consideration of the rents, covenants and agreements on the part of the Tenant to be paid, kept and performed, does hereby lease the Property to Tenant and Tenant does hereby rent the Property from Landlord, on the terms of conditions set forth in this Agreement.

1.02 Tenant shall have the non-exclusive right to use the playground area adjacent to the Property, it being understood that such playground area shall at all times remain open and available for use by the general public. Tenant shall also have the non-exclusive right to use the public parking spaces on Solano Street for all of Tenant's off-street parking requirements, subject to any rules and regulations concerning such use as may be adopted by Landlord from time to time, and Tenant shall not be required to provide any parking facilities on the Property. The execution of this Lease by Landlord shall constitute a waiver of any and all off-street parking requirements that might otherwise be applicable to Tenant's use and occupancy of the Property.

ARTICLE 2
TERM

2.01 The term of this Lease shall be a period of five years, commencing on DATE (the "Commencement Date") and ending on DATE, unless sooner terminated as provided herein.

2.02 Tenant may request to renew the Lease for an additional term of five years, i.e., from August 1, 2030 until July 31, 2035, (the “Renewal Term”) by giving written notice to Landlord of Tenant’s no earlier than DATE and request no later than DATE.

2.03 At the written request of Tenant for an extension of the Lease term, which shall be submitted as provided in Section 2.02, City shall conduct a performance review of Tenant's operations on the Property to determine whether such operations have been conducted to the reasonable satisfaction of the City. The factors to be considered for such review shall include, but are not limited to, number of children served, number of Brisbane residents and persons employed in Brisbane utilizing Tenant’s childcare services, hours of operation, compliance by Tenant with the terms and conditions of this Lease, and the nature of complaints, if any, received by Landlord concerning the childcare or other services provided by Tenant at the Property. If the City determines that Tenant's operations have been conducted in a satisfactory manner, the term of this Lease shall be further extended for an additional five years. Thereafter, the Lease shall be renewed for additional one-year terms upon approval of each extension by the City, and a performance review may be conducted if recommended by the City Manager or requested by the City Council.

2.04 Notwithstanding any other provision of this Lease, Tenant may terminate this Lease at any time during the Lease term by giving sixty (60) days prior written notice to Landlord.

ARTICLE 3
RENT/WAIVER OF RENT

3.01 The monthly rent shall be $310; provided, however, Landlord shall waive the payment of monthly rent (“Monthly Waiver”) if Tenant expends an equivalent amount of the monthly rent in a manner that, in Landlord’s sole discretion, provides a direct benefit to the Brisbane community, such as provided in Section 3.02.

3.02 Landlord approves Tenant's proposed use of the Monthly Waiver toward a Tuition Assistance Program operated by Tenant that will reduce the tuition charged by Tenant to households that require financial assistance to participate in Tenant's childcare program. If the entire Monthly Waiver is not needed for financial assistance as set forth in the previous sentence, Tenant may, with Landlord’s approval, apply any remaining Monthly Waiver toward other uses that will directly benefit the Brisbane community. Tenant shall provide a written annual report to Landlord not later than September 1 describing in reasonable detail the manner in which the Monthly Waiver has been used during the preceding 12 months (but without disclosing the identity of any household receiving financial assistance).

ARTICLE 4
USE AND OPERATION OF THE PROPERTY

4.01 The Property shall be used and occupied by Tenant solely for operation of a cooperative preschool and childcare facility and activities directly related to such use, such as membership and board meetings, consultations with parents, membership community events, and fundraising events. The Property shall not be used for any other or additional purpose without the prior written consent of Landlord. Tenant shall obtain all state and local permits and licenses that may be required for the conduct of such use and shall keep the same in full force and effect at all times during the term of this Lease. A copy of each permit and license and each extension or renewal thereof shall be provided to Landlord.

4.02 Tenant's use of the Property shall be in accordance with the following requirements:

(a) Tenant's services shall be available on a year-round basis on Mondays through Fridays (excluding holidays and school closures), between the hours of 8:00 am and 5:00 pm. Tenant's services will not be available for periods of time during the Holiday season generally consistent with periods of time when the Brisbane Elementary School is closed. Tenant shall provide to the Landlord in August an annual schedule showing such closure periods.

(b) The preschool and childcare programs shall be designed for children between the ages of 2 years, and 5 years, 11 months.

(c) Except as Landlord, in its sole discretion, agrees, Tenant shall regularly provide services to not less than 20 children. Should the number of children fall below 20, Tenant shall not be considered in default of this requirement if the number is increased to at least 20 children within 120 days. Tenant shall regularly provide services to not more than the maximum number of children allowed under Tenant's childcare license issued by the State of California.

(d) In the determination as to which households receive services from Tenant, and to the extent it is permissible under the law, preference shall be given to people living or working in Brisbane. The order of priority shall be as follows: first, households whose children have received services from Tenant in past years; second to Brisbane households whose children have not received service from Tenant or who have not received services in past years; third, to persons employed full time or employed at least 20 hours/week in Brisbane; and fourth, all others. Preferences shall apply only when there are openings and when they become available and do not require termination of services to any household or person currently receiving services from Tenant.

(e) Tenant shall in August provide to Landlord a written annual report showing in the preceding 12 months the number of children enrolled in the program, the ages of the children, place of residence of the children, place of employment of parent(s) of children who are not residents of Brisbane, a general description of the activities conducted, and a summary of Tenant's financial condition.

4.03 Tenant shall not use the Property or permit anything to be done in or about the Property within Tenant's reasonable control which is prohibited by or will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be in force, or which is prohibited by the standard form of fire insurance policy, or will in any way increase the existing rate of any fire or other insurance covering the Property, or cause any change or cancellation of such insurance. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant. Tenant shall not use or allow the Property to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Property or commit or suffer to be committed any waste in, on or about the Property.

ARTICLE 5
CONDITION OF THE PROPERTY, ALTERATIONS AND IMPROVEMENTS BY TENANT

5.01 The Property is being rented to Tenant in "AS IS" condition and Landlord shall have no obligation to make any alterations or improvements to the Property for the benefit of Tenant. Tenant acknowledges that Tenant has exclusively occupied the Property since 2003 and Tenant is satisfied with and accepts the present condition of the Property.

5.02 Tenant shall not, without the prior written consent of Landlord (which shall not be unreasonably withheld or delayed), make any alterations, additions or improvements in, on or about the Property, or construct, install or paint any sign on the roof or exterior walls of the Property. As a condition to giving such consent, Landlord may require Tenant to provide Landlord a surety bond or other security satisfactory to Landlord to insure Landlord against mechanics' and materialmen's liens and to insure completion of the work. If any work to be performed by Tenant requires the issuance of a building permit or other form of governmental approval, Tenant shall obtain all such permits and approvals at Tenant's own expense before commencement of the work.

5.03 All alterations and improvements, whether temporary or permanent in character, made by Tenant in, on or about the Property, except removable trade fixtures installed at the expense of Tenant, shall, in the absence of a written request by Landlord for their removal, become the property of Landlord and shall remain upon and be surrendered with the Property at the termination of this Lease by lapse of time or otherwise without compensation to Tenant. To the extent Landlord is able to make a determination at the time the installation work is being done, Landlord shall advise Tenant of any alterations or improvements which Landlord desires be removed from the Property at the termination of this Lease; in all other cases, such determination shall be made by Landlord at the time of termination.

ARTICLE 6
UTILITIES AND SERVICES

6.01 Tenant shall pay, in addition to rent, the cost of the following utility and other services furnished to the Property, electricity, gas, water, sewer, telephone, internet, refuse collection and janitorial service. Whenever possible, Tenant shall establish a separate account with the utility or service provided so that all charges for service are billed directly to Tenant. However, in the event any of such charges are billed to Landlord, Landlord shall submit a statement showing the amount thereof payable by Tenant and Tenant shall pay such amount to Landlord within thirty (30) days after receipt of the statement.

6.02 Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the rent provided herein be abated by reason of Landlord's failure to furnish or delay in furnishing any utilities or services when such failure or delay is caused by accident, breakage, repairs, strikes, lockouts or other labor dispute, or by limitation, curtailment, rationing or restrictions on use of electricity, gas, water or other utility, or any other cause, similar or dissimilar, beyond the reasonable control of Landlord.

ARTICLE 7
INDEMNITY AND INSURANCE

7.01 Tenant hereby waives any and all claims against Landlord for damage to any property or injury to or death of any person in, upon or about the Property, arising at any time and from any cause except to the extent caused by the negligence or willful misconduct of Landlord. Tenant further expressly indemnifies, defends, and holds Landlord harmless from and against any and all claims, demands, causes of action, liabilities, costs or expenses, including reasonable attorney's fees, occasioned by or in any way connected with the condition, use or misuse of the Property, or occasioned by any act or omission of Tenant and Tenant's agents, servants, employees, invitees, subtenants, or other persons who may come upon the Property, for damage to any property or injury to or death of any person except to the extent caused by the negligence or willful misconduct of Landlord. The indemnity obligations of Tenant set forth herein shall survive and continue beyond the term of this Lease.

7.02 Tenant hereby agrees to maintain in full force and effect at all times during the term of this Lease, at Tenant's expense, a policy or policies of comprehensive general liability insurance, insuring against all liability of Tenant and Landlord for bodily injury and property damage arising out of or in connection with Tenant's use and occupancy of the Property and also insuring performance by Tenant of the indemnity provisions set forth in Section 7.01. The amount of such insurance shall be at least $2,000,000.00, combined single limit. However, the amount of such general liability insurance shall not limit Tenant's liability nor relieve Tenant of any obligations under this Lease. The general liability insurance policy shall name Landlord as an insured party thereunder and shall be endorsed to provide that: (i) the insurance provided thereunder shall be primary with respect to Landlord; and (ii) no cancellation or reduction in coverage will be made without twenty (20) days prior written notice to Landlord. A copy of the policy or a certificate of insurance shall be furnished to Landlord. In addition to the foregoing, Tenant shall be responsible for maintaining its own insurance covering the personal property, trade fixtures and removable leasehold improvements owned by Tenant and located upon the Property. Tenant shall also maintain workers compensation insurance coverage as required by law.

7.03 Landlord and Tenant each hereby waive any and all rights of recovery against the other, or against the agents, employees or representatives of the other, on account of loss or damage to the property of the waiving party to the extent that such loss or damage is insured against under any insurance policies which either Landlord or Tenant may have in force at the time of such loss or damage. Tenant shall, upon obtaining the insurance required hereunder, give notice to the insurance carrier that the foregoing mutual waiver of subrogation is contained in this Lease and Tenant shall cause each insurance policy obtained by Tenant to provide that the insurance company waives all right of recovery by way of subrogation against either Landlord or Tenant in connection with any damage covered by such policy.

ARTICLE 8
REPAIRS AND MAINTENANCE

8.01 Tenant shall, at all times during the term hereof and at Tenant's own expense, keep and maintain the Property and every part thereof in good condition and repair, including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning, electrical, and lighting fixtures and equipment within the Property, the interior surfaces of walls, ceilings, and floor coverings, the windows, doors, and glass located within the Property, and the exterior landscaping located within the Property. Tenant hereby waives all rights to make repairs at the expense of Landlord or in lieu thereof to vacate the Property as provided by California Civil Code Section 1942 or any other law, statute or ordinance now or hereafter in effect.

8.02 The maintenance obligations of Tenant, as set forth in Section 8.01, shall not include the exterior walls and roof of the Property, any structural repairs, and any necessary replacement of mechanical or electrical systems, and the same shall be performed by Landlord, at Landlord's own expense, but without liability for failure to do so unless first notified by Tenant in writing of the necessity for such maintenance, repair or replacement. It is also understood that the playground area adjacent to the Property is not being leased to Tenant and Tenant has no responsibility for maintenance of such area. However, Tenant shall not allow any dangerous condition to be created in the playground area as a result of Tenant's own use.

ARTICLE 9
DAMAGE OR DESTRUCTION

9.01 If the Property is damaged, by fire or other casualty to the extent of less than fifty percent (50%) of the floor area of the structure, Landlord shall forthwith repair the same, provided such repairs can, in Landlord's opinion, be completed within ninety (90) days. In such event, this Lease shall remain in full force and effect except that if there is damage to the Property and such damage was not the result of negligence or willful misconduct of Tenant or Tenant's employees or invitees, the rent payable by Tenant shall be abated while the repairs are being made by the extent to which the Property is unusable by Tenant in the normal conduct of Tenant's business. If the repairs cannot, in Landlord's opinion, be completed within ninety (90) days, Landlord shall give written notice of such fact to Tenant within thirty (30) days after the date on which the damage occurred and either Landlord or Tenant may, within thirty (30) days after the giving of such notice, terminate this Lease.

9.02 Notwithstanding the provisions of Section 9.01 above, Landlord shall have the option of terminating this Lease in any of the following circumstances:

(a) Where the damage or destruction arises from a casualty or cause not covered by insurance then in force maintained by Landlord, or if, for any reason, the proceeds from such insurance are not available or are inadequate to cover the entire cost of the repair.

(b) Where the repairs cannot be made by reason of any statute, ordinance, rule or regulation of any governmental authority.

9.03 If Landlord is obligated or elects to repair any damage pursuant to this Article, Landlord shall not be required to repair or replace any improvements installed in the Property by Tenant and Tenant shall, at Tenant's own expense, repair and restore Tenant's own improvements.

9.04 In the event of damage or destruction of the Property to the extent of fifty percent (50%) or more of the floor area of the structure, either party may elect to terminate this Lease.

ARTICLE 10
ASSIGNMENT AND SUBLETTING

10.01 Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, pledge, hypothecate or encumber all or any part of Tenant's interest in this Lease or in the Property or any part thereof, and any attempt to do so shall be wholly void and shall constitute a breach of this Lease.

10.02 Tenant shall not sublet the Property or any portion thereof without Landlord's prior written consent, which Landlord shall be entitled to withhold in Landlord's absolute and sole discretion. Any request by Tenant for Landlord's approval of a proposed subletting shall be in writing and shall include the following information:

(a) The name and legal composition of the proposed subtenant;

(b) The terms and provisions of the proposed sublease, including, but not limited to, the amount of rent or other compensation, if any, to be paid by the subtenant; and

(c) Such financial information as Landlord may reasonably request concerning the proposed subtenant.

10.03 No consent by Landlord to any subletting by Tenant shall relieve Tenant of any obligation to be performed by Tenant under this Lease, whether occurring before or after such consent or subletting, including the obligation to indemnify Landlord in accordance with Section 7.01 of this Lease. The consent by Landlord to any subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provisions of this Lease or to be a consent to any subletting. Consent to one subletting shall not be deemed to constitute consent to any subsequent subletting.

ARTICLE 11
TRANSFER OF LANDLORD'S INTEREST

Landlord shall have the right at any time to sell, transfer, assign, pledge, hypothecate or otherwise dispose of Landlord's interest in the Property and in this Lease. In the event of any such sale, transfer, assignment, pledge, hypothecation or other disposition, all obligations of Landlord hereunder shall devolve upon the transferee and Landlord shall be released and discharged from all further obligation or liability hereunder; provided, that Landlord shall be responsible for any funds in the hands of Landlord in which Tenant has an interest until such funds have been delivered to the transferee. Tenant agrees to attorn to the transferee provided all of Landlord's obligations hereunder are assumed by the transferee in writing for the benefit of Tenant.

ARTICLE 12
MECHANICS' LIENS

Tenant shall keep the Property free and clear of all mechanics' liens resulting from any construction work done by or for Tenant. Tenant shall have the right to contest the correctness or validity of any such lien if, immediately on demand by Landlord, Tenant procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one-half (1-1 / 2) times the amount of the claim of lien or other security satisfactory to Landlord. If used, the bond shall meet the requirements of Section 3143 of the California Civil Code and shall provide for the payment of any sum that the claimant may recover on the claim, together with costs of suit. Should Tenant fail to discharge any such lien or cause the same to be released within sixty (60) days from the date the lien is filed, Landlord may, without inquiring into the validity thereof, cause the same to be discharged and all amounts so expended by Landlord, together with reasonable attorney's fees and expenses, shall be paid by Tenant to Landlord as additional rent hereunder, together with interest thereon at the rate of ten percent (10%) per annum. Tenant shall give ten (10) days prior written notice to Landlord of the date on which any construction work will be commenced so as to afford Landlord the opportunity to post a notice of nonresponsibility.

ARTICLE 13
ENTRY BY LANDLORD

13.01 Landlord and Landlord's authorized representatives shall have the right to enter the Property at reasonable hours and, except for emergencies, upon 24 hour prior notice to Tenant, for any of the following purposes:

(a) To examine and inspect the Property;

(b) To supply any service to be provided by Landlord to Tenant hereunder;

(c) To perform any necessary maintenance or repairs that Landlord is required or permitted to perform hereunder;

(d) To serve, post or keep posted any notices required or allowed under the provisions of this Lease;

(e) To post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last ninety (90) days of the Lease term, or during any period while Tenant is in default;

(f) To show the Property to prospective tenants, buyers, lenders or other persons at any time during the Lease term;

(g) To do any other act or thing necessary for the safety or preservation of the Property, or to comply with the directives of any governmental authority having jurisdiction over the Property.

13.02 Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Property or any other loss occasioned by Landlord's entry pursuant to Section 13.01. Landlord shall at all times have and retain a key with which to unlock all of the doors in, on or about the Property and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency in order to obtain entry to the Property, and any entry to the Property obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into or a detainer of the Property, or an eviction, actual or constructive, of Tenant from the Property, or any portion thereof.

ARTICLE 14
DEFAULT BY TENANT OR LANDLORD

14.01 The occurrence of any one or more of the following events ("Events of Default") shall constitute a material default and breach of this Lease by Tenant:

(a) Any failure by Tenant to pay any rental or any other sum required to be paid by Tenant hereunder, except as provided in Section 3.01, and when the same becomes due and payable and after being given a 3-Day Notice to do so.

(b) Any failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of such default is such that it cannot reasonably be cured within such thirty (30) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion.

(c) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within ninety (90) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Property or of Tenant's interest in this Lease, where such seizure is not discharged within forty-five (45) days.

(d) Tenants' failure to provide services regularly to less than 20 children.

14.02 Any notice given under this Article shall specify the Event of Default and the applicable Lease provisions and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time. No such notice shall be deemed a forfeiture, or a termination of this Lease provided Tenant cures the default within the applicable period of time.

14.03 Any failure by Landlord to observe and perform any provision of this Lease to be observed or performed by Landlord, where such failure continues for thirty (30) days after written notice thereof by Tenant to Landlord, shall be deemed a material default and breach of this Lease by Landlord; provided, however, that if the nature of such default is such that it cannot reasonably be cured within such thirty (30) day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion.

ARTICLE 15
LANDLORD'S REMEDIES UPON DEFAULT

Upon the occurrence of an Event of Default, Landlord may terminate Tenant's right to possession of the Property at any time during the continuance of such default in accordance with the provisions of Section 1951.2 of the California Civil Code. No act by Landlord other than giving written notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Property, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant all rent that may accrue to the date on which possession of the Property is returned to Landlord together with any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

ARTICLE 16
LANDLORD'S RIGHT TO CURE DEFAULTS

If Tenant shall fail to pay any sum of money, other than rental, required to be paid by Tenant hereunder, or shall fail to perform any other act on Tenant's part to be performed hereunder, and such failure shall continue for thirty (30) days after notice thereof by Landlord, Landlord may, but shall not be obligated to do so, and without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform any such other act on Tenant's part to be made or performed hereunder. All sums expended by Landlord, including necessary incidental costs, shall be deemed additional rent hereunder and shall be payable to Landlord immediately upon demand, together with interest thereon at the rate of ten percent (10%) per annum from the date of expenditure to the date of reimbursement.

ARTICLE 17
COSTS OF SUIT

17.01 In the event legal action between Landlord and Tenant shall become necessary in order to enforce or interpret this Lease, or any provision contained herein, the prevailing party shall be entitled to recover all costs and expenses as may be incurred in connection therewith, including reasonable attorney's fees.

17.02 Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or by any third party against Tenant, or by or against any person holding under or using the Property by license of Tenant, or for the foreclosure of any lien for labor or materials furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save, defend, and hold Landlord harmless from any judgment rendered against Landlord or the Property or any part thereof, and all costs and expenses, including reasonable attorney's fees, incurred by Landlord in connection with such litigation.

ARTICLE 18
ESTOPPEL CERTIFICATE

Each party, within ten (10) business days after notice from the other, shall execute and deliver to the other, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified stating the modifications. The certificate also shall state the amount of monthly rent, the dates to which the rent has been paid in advance, the amount of any security deposit or prepaid rent, and shall further certify that there is no uncured default by the other party under the Lease, or specify such default, if any is claimed. Failure to deliver the certificate within the ten (10) days, shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate, and any successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate, that there are no uncured defaults by the party requesting the certificate and that monthly rent has not been paid in advance except as stated by the party requesting the certificate.

ARTICLE 19
HOLDING OVER

If Tenant remains in possession of all or any part of the Property after the expiration of the Lease any renewal term hereof without such term being further extended pursuant to Article 2, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term of this Lease. In such case, to apply tenancy shall be subject to every term, covenant and agreement contained herein.

ARTICLE 20
SURRENDER

20.01 Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Property in the same condition as received, ordinary wear and tear and damage by fire, earthquake, act of God or the elements alone excepted. Tenant shall remove all of Tenant's personal property and trade fixtures and shall repair, at Tenant's expense, any damage to the Property caused by such removal, including, without limitation, repair of floors and patching and repainting of walls where required, all to Landlord's reasonable satisfaction. Any personal property or trade fixtures not removed at the expiration or earlier termination of this Lease shall be deemed abandoned by Tenant. If Landlord so elects, Tenant shall also remove any alterations or improvements installed by or for Tenant which would otherwise remain as part of the Property and Tenant shall restore the Property to their condition prior to such installation.

20.02 Should Tenant fail to remove any personal property or trade fixtures or fail to remove any alterations or improvements as requested by Landlord, Tenant shall be liable to Landlord for any and all removal costs, transportation and storage expenses, and the cost of restoring the Property as required herein. Tenant shall indemnify Landlord against any loss, damage or liability resulting from delay by Tenant in so surrendering the Property, including, without limitation, any claims made by any succeeding tenants founded on such delay.

ARTICLE 21
WAIVER

No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Acceptance by Landlord of any performance by Tenant after the time the same shall have become due shall not constitute a waiver by Landlord of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by Landlord in writing. The receipt and acceptance by Landlord of delinquent rent shall constitute only a waiver of timely payment for the particular rent payment involved.

ARTICLE 22
NOTICES

22.01 All notices or demands required or permitted to be given hereunder shall be in writing and shall be either personally served or mailed by certified mail, return receipt requested, to the other party at the following addresses:

To Landlord:	City of Brisbane Attn: City Manager 50 Park Place Brisbane, California 94005
To Tenant:	Silverspot Nursery School Attn: Board of Directors

4 Solano Street
Brisbane, California, 94005

22.02 Either party may change the foregoing address by giving notice to the other in the manner provided herein. Any notice sent by mail shall be deemed received on the third business day following deposit of the notice in the United States Mail, with proper postage prepaid thereon.

ARTICLE 23
MISCELLANEOUS PROVISIONS

23.01 **Captions.** The captions used in this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any provision contained herein.

23.02 **Entire Agreement.** This Lease constitutes the entire agreement between the parties and supersedes and cancels any prior agreements or understandings, whether written or oral. This Lease may only be modified by a written amendment hereto executed by both parties.

23.03 **Severability.** If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

23.04 **Time.** Time is hereby declared to be of the essence of this Lease and each and every provision hereof.

23.05 **Corporate Authority.** Each of the persons executing this Lease on behalf of Tenant does hereby represent and warrant that Tenant currently is in· good standing as a California nonprofit corporation; that the corporation has full right and authority to enter into this Lease; and that each person executing this Lease on behalf of the corporation is duly authorized and empowered to do so.

23.06 **Calendar Days.** Unless otherwise expressly stated, all references herein to any acts or obligations to be performed within a certain number of days shall mean calendar days.

23.07 **Choice of Law.** This Lease shall be governed by and interpreted in accordance with the laws of the State of California.

23.08 **Successors and Assigns.** Subject to the restrictions against assignment and subletting by Tenant, this Lease shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD: City of Brisbane, a municipal corporation

By: ___________________________________
Jeremy Dennis, City Manager

ATTEST:

____
Ingrid Padilla, City Clerk

Approved as to form _______________________________________
Michael Roush, Legal Counsel

TENANT: Silverspot Nursery School, a California Nonprofit Corporation

By: ____
Tom Faust, Board President

By: __________________________________
Diana Ji, Director

File Attachments for Item:

M. Consider Letter of Support for a Regional Transportation Funding Bill

CITY COUNCIL AGENDA REPORT

Meeting Date: Thursday, May 1, 2025

From: Jeremy Dennis, City Manager

Subject: Support for SB 63- Regional Transportation Funding

Recommendation

Staff recommend Council indicated their interest in signing a support letter for SB 63

Background

Senators Scott Wiener (D-San Francisco) and Jesse Arreguín (D-Berkeley) have introduced Senate Bill 63, the Connect Bay Area Act. The funding measure authorized by SB 63 will appear as a sales tax in San Francisco, Contra Costa, and Alameda Counties, with an opportunity for San Mateo and Santa Clara Counties to opt in by July 31, 2025. The default rate is set at ½-cent, with the exception that San Francisco may have up to 1 cent to provide additional support for MUNI. The exact rates must be negotiated and finalized by July 31, 2025, by which time the transit agencies and local governments must also submit a spending plan to allocate revenue generated by the measure.

SB 63 will also require transportation agencies to make changes to improve financial efficiency and coordination with other systems to receive funding. BART, MUNI, Caltrain, and AC Transit will be required to comply with the Municipal Transportation Commission's (MTC) Regional Network Management policies and programs, and MTC will be required to conduct an independent third-party financial efficiency review to identify cost-saving measures for those operators. After the assessment, they will be required to submit implementation plans to MTC detailing cost-efficiency measures they plan to implement.

Discussion:

The City/County Association of Governments (C/CAG) issued a letter to State Senators Cortese and McNerney indicating parameters San Mateo County would need to see addressed before issuing any support for a regional transit tax measure (SB 63 Wiener and Arreguin - Regional Transportation Funding). The tax revenues from this measure could support BART and Caltrain operations in San Mateo County.

The Board of Directors from Commute.org will consider at a future meeting of the San Francisco Bay Area Planning and Urban Research Association's (SPUR) request to sign on to a letter supporting state Senator Arreguin's request for $2 billion in the state budget to support transit.

Staff recommend the Council discuss whether they would like to issue their own support letter.

Attachments

1. C/CAG Letter
2. SPUR Letter of Support

Jeremy Dennis

Jeremy Dennis, City Manager

Attachment 1

April 21, 2025

The Honorable Dave Cortese
Chair, Senate Transportation Committee
State Capitol, Room 405
Sacramento, CA 95814

The Honorable Jerry McNerney
Senate Revenue and Taxation Committee
State Capitol, Room 410
Sacramento, CA 95814

RE: SB 63 (Wiener and Arreguin) Regional Transportation Funding

Dear Chairs Cortese and McNerney:

San Mateo County is committed to maintaining a strong regional public transit network in the Bay Area. We thank the authors for their thoughtful and inclusive approach to developing SB 63. Leaders of the San Mateo County Transit District (SamTrans), the San Mateo County Transportation Authority (SMCTA), and the City/County Association of Governments of San Mateo County (C/CAG) are in regular discussions together with County leaders. Our joint goal is to determine the best approach for San Mateo County to provide additional operating assistance for Caltrain and BART, while protecting the renewal of a current County transportation sales tax (Measure A) in 2028.

We appreciate the proactive engagement of the bill authors who provided a path for San Mateo County to “opt in” to the Regional Measure. However, before San Mateo County can seriously consider opting into the Regional Measure, several provisions within SB 63 warrant further discussion. We look forward to collaborating with the bill authors and the legislature to develop specific amendment language related to the following ideas:

- **The Transportation Authorities of the included counties should govern the Transportation Revenue Measure District (TRMD)**. Existing local sales tax authorities in each county covered by SB 63 already distribute transportation sales taxes. The most efficient and fiscally-responsible pathway for administering a new sales tax is to leverage existing agencies, not create a new one. The existing transportation authorities could function jointly as one new district, or individually but in coordination. Voters are more likely to trust their local elected officials to administer new taxes, which will help build support for the measure.

- **Timing Limitations:** The TRMD must be permitted to go to the ballot only once, in 2026, and the TRMD must sunset when the tax expires.

SAN MATEO COUNTY TRANSIT DISTRICT
1250 San Carlos Avenue
San Carlos, CA 94070 (650) 508-6200

- **Percentage funding:** SB 63 or its authorized tax measure should designate a percentage share of revenues to fund each operator, not specific dollar amounts. The percentages should reflect agreed-upon levels of support based on current projected tax revenue.

- **Remove MTC's Transit Transformation category from the regional measure.** SB 63 must authorize an emergency self-help tax measure to save critical rail and bus service for passengers, not to fund enhancements. Allocating 10% of tax revenues for MTC's Transit Transformation efforts would divert tens of millions of dollars away from basic needs of the region's transit systems. MTC's Transit Transformation is a worthwhile program that should be funded by state funds or a different mechanism (such as with funds from all nine bay area counties – not just those participating in the SB 63 tax), but it does not address the region's transit funding emergency.

- **Return to source requirement:** SB 63 should specify that excess funds – beyond the agreed-upon contributions towards specific agencies' operating deficits – must be returned to the counties where they are generated. Additionally, if an operator receiving regional support under SB 63 no longer faces an unmanageable fiscal crisis, tax dollars should be redirected to the contributing counties.

Accountability is a top priority for San Mateo County leaders and likely voters:

- Funds should be withheld from transit operators that fail to comply with reporting, cost savings, and financial stability measures.

- The county transportation authorities should work together, in consultation with operators, to develop accountability metrics, key milestones and benchmarks, enforcement, and reporting requirements to the state legislature.

- Operators must specify exactly how they will spend new SB 63 tax dollars within each county and publish their plans for financial recovery and long-term sustainability, including cost savings, ridership growth and non-tax revenue generation.

- Each participating county should be treated equitably relative to all elements of the funded regional transit systems' station maintenance, service enhancements or cuts.

- The State of California convened a Transit Transformation Taskforce. The Taskforce's findings and recommendations should be considered in developing and finalizing accountability measures.

We look forward to discussing amendments to SB 63 with you. If you have any questions please contact Jessica Epstein, SamTrans and SMCTA Government and Community Affairs Director, at epsteinj@samtrans.com and Sean Charpentier, C/CAG Executive Director, at scharpentier@smcgov.org.

Sincerely,

Jeff Gee
Chair, San Mateo County Transit District Board of Directors

Carlos Romero
Chair, San Mateo County Transportation Authority Board of Directors

Adam Rak
Chair, City/County Association of Governments San Mateo County

Cc: San Mateo County Transit District Board of Directors
San Mateo County Transportation Authority Board of Directors
City/County Association of Governments San Mateo County Board of Directors
Peninsula Corridor Joint Powers Board (PCJPB) Board of Directors
Santa Clara Valley Transportation Authority and San Francisco Board of Supervisors (as member agencies of the PCJPB)
Senator Scott Wiener
Senator Jesse Arreguín
Assemblymember Catherine Stefani
David Canepa, Commissioner, Metropolitan Transportation Commission
Gina Papan, Commissioner, Metropolitan Transportation Commission
Legislative Delegations of the San Mateo County Transit District, San Mateo County Transportation Authority, City/County Association of Governments and Peninsula Corridor Joint Powers Board

M.

Attachment 2

California Transit Association
SPUR
Bay Area Council
Bay Area Host Committee
Move California
YIMBY Action
AARP California
Seamless Bay Area
Silicon Valley Bicycle Coalition
San Francisco Bicycle Coalition
San Francisco Building and Construction Trades Council
IBEW Local 6
SEIU Local 1021 Stronger Together
SEIU California Stronger Together
San Francisco Taxi Workers Alliance SFTWA AFL-CIO
California Teamsters Public Affairs Council
California ATU Conference Board
Transport Workers Local 320 Bikeshare
UNITE HERE!
San Francisco Transit Riders
Kid Safe SF
East Bay Transit Riders Union
NRDC
Active SGV
SF Climate Emergency Coalition
California State Legislative Board SMART Transportation Division
Streets For All
San Francisco Chamber of Commerce
San Francisco League of Conservation Voters
Bike East Bay
350 Bay Area Action
nextgen california
Public Advocates Making Rights Real
Urban Habitat
Sunrise Bay Area
Senior & Disability Action
Circulate San Diego
California Walks Stepping Up for Health, Equity, & Sustainability
SAMCEDA San Mateo County Economic Development Association
Vision Zero Network
TransForm
Move LA
CCAEJ
The Greenlining Institute
Greenbelt Alliance
Walk San Francisco
Richmond Family SF
Transbay Coalition
Golden Gate Bridge Highway & Transportation District
BART
SolTrans
MTS
Livermore Amador Valley Transit Authority
samTrans
Metropolitan Transportation Commission
AC Transit
SFMTA
County Connection
WestCAT
Caltrain
MST Monterey-Salinas Transit
San Francisco Bay Ferry
Tri Delta Transit
San Joaquin Regional Rail Commission
ENDC Eastern Neighborhoods Democratic Club
South Beach • Rincon • Mission Bay SB|R|MB NA Neighborhood Association
Santa Cruz Metro
Citizens' Climate Lobby San Francisco
CalBike California Bicycle Coalition
Genesis A Gamaliel Affiliate
ClimatePlan
Sustainable Claremont

The Honorable Mike McGuire
President pro Tem
1021 O Street, Ste 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker
California State Assembly
1021 O Street, Ste 8330

Senator Scott Wiener
California State Senate
1021 O Street, Ste 8620
Sacramento, CA 95814

Senator Laura Richardson
California State Senate
1021 O Street, Ste #7340
Sacramento, CA 95814

Assemblymember Jesse Gabriel
California State Assembly
P.O. Box 942849
Sacramento, CA 94249

Assemblymember Steve Bennett
California State Assembly
P.O. Box 942849
Sacramento, CA 94249

March 5, 2025

Re: Request for $2 billion in new funding to save and improve public transit

Dear Pro Tem McGuire, Speaker Rivas, Senator Wiener, Assemblymember Gabriel, Senator Richardson, and Assemblymember Bennett:

The undersigned organizations care deeply about public transit across California. **The undersigned organizations are deeply grateful for preserving $4 billion for TIRCP and providing an additional $1.1 billion in flexible funding for public transit in 2023.** This relief funding allowed transit agencies to avert severe service cuts and to continue providing high-quality service that is critical for access, mobility, and economic recovery. It also provided the funding needed to help operators offer safer, cleaner, and more reliable service that better meets the needs of customers.

Unfortunately, while many agencies work toward new local funding solutions, they still continue to face significant fiscal pressures. These pressures come from the lingering effects of the pandemic on remote work, ongoing impacts of the pandemic on local and regional economies, safety concerns of transit riders and operators, capital costs associated with maintenance, modernization, replacement, and expansion, as well as rising operating and capital costs.

Therefore, the undersigned organizations respectfully urge the state to provide $2 billion in new funding over two years for public transit beginning in fiscal year 2025 -2026 until other solutions are secured. Because recovery has been uneven and no two agencies are

alike, it is critical that both operating needs and capital projects are eligible uses of the funding.

Why are transit operators facing budget shortfalls?

Unfortunately, California's largest and most productive transit systems continue to face a severe and imminent operating deficit, but almost all agencies have significant operating needs.

Many transit agencies in the state continue to face fiscal challenges due to a combination of the lingering effects of the pandemic on remote work, ongoing impacts of the pandemic on local and regional economies, capital costs associated with maintenance, modernization, replacement, and expansion, as well as inflationary pressures. These continued financial challenges are not the result of mismanagement or inefficiency, but rather due to factors largely beyond their control.

The effects of the pandemic have been dramatic and ongoing, and they have impacted agencies unevenly because each agency has a different mix of revenue sources. Those that were largely self-supporting pre-pandemic through fares, parking fees, and local taxes - such as BART and Muni - continue to suffer the most and have the large, acute operating shortfalls starting in FY2026.

The largest and most productive operators in the state have the most acute operating shortfalls. Muni, BART, AC Transit, and Caltrain- account for more than 80% of the Bay Area's transit ridership and nearly a third of all ridership in the state. Given that they account for so much of California's transit ridership, their vulnerability jeopardizes the state's ability to reduce climate pollution and improve equity and affordability.

While some agencies have acute operating shortfalls, almost all agencies have significant needs for operating funding. Additional expenses to improve the cleanliness and safety, such as enhanced cleanings, fare inspectors, and crisis intervention specialists come from agencies' operating budgets. Other agencies also have operating needs that predated the pandemic. For example, Inland California has grown faster than any other part of the state and these communities need additional transit service to meet their needs. Additionally, agencies that are expanding their systems require both new capital funding *and* new operating funding because it will cost more to operate and maintain the larger systems. For all these reasons, many transit operators across the state have significant operating needs.

Transit agencies also need funding for capital investments.

Most transit agencies also have significant capital needs. Transit agencies must comply with the CARB ICT rule, which requires transit operators to replace their buses with zero-emission buses that are significantly more expensive than existing fleets, requiring significant capital funding. Additionally, the Olympics, Paralympics, and World Cup will draw attention to California and are all reasons to accelerate capital investments. Importantly, transit expansions require both new capital funding and new operating funding because it will cost more to operate and maintain larger systems.

The state also has 4 projects in the FTA Capital Investment Grant pipeline, and two - the extension of BART to San José and Santa Clara and the Portal - are expecting full funding grant agreements. In light of the new federal administration, these projects and agreements face an uncertain future. Many of these projects are already very expensive, are already supported through local taxes, and face inflationary pressures. A four year construction delay will increase the costs of these projects significantly.

Soon, our state will be on the world stage as host to the World Cup, the Olympic and Paralympic Games, and the Super Bowl. Hundreds of thousands of spectators will need to use public transit to get to events. Providing a safe, clean and comfortable experience for spectators requires substantial investment. Further, completing new rail and bus lines and making first- and last-mile connections are needed to help spectators move safely and comfortably. Yet there is significant uncertainty about whether the federal government will approve outstanding funding requests to prepare for these events. Further, when Los Angeles and Paris were awarded the honor of hosting the 2024 and 2028 summer olympics, both cities committed to hosting games that helped support climate goals and left lasting benefits to the cities and their residents. Both cities committed to achieving this through transportation. Paris used the opportunity to expand their bicycle network –now one of the best in the world. Los Angeles committed to a Car-Free Olympics, but we remain far from achieving that commitment. This is the time to accelerate our investments for the benefit of both visitors and residents.

Transit operators need more financial support now while they simultaneously work towards self-help options.

Many operators and counties are considering new revenue streams in light of financial challenges. However, these could take multiple election cycles; by then, it will be too late. Many operators hit a fiscal cliff in FY26-FY27 and will have to take drastic actions. Multi-year funding from the state can prevent these drastic actions.

For example, San Diego MTS expects a budget deficit of roughly $100 million per year starting in 2027, and is exploring fare increases, service cuts, and a ballot measure to fill the gap–though recent ballot measures have not passed. Counties in the Bay Area are progressing towards a new multi-county tax measure for transportation, it could take multiple election cycles for voters to pass such a measure. If that happens, BART, Caltrain, AC Transit, and other smaller operators will also be facing a fiscal cliff before 2028. And even if the measure were to pass in 2026, Muni would still have a significant funding shortfall. A multicounty measure as currently discussed by MTC would significantly help BART, Caltrain, and AC Transit but would not solve Muni's operating shortfall.

Simply put, additional funding is again needed as a bridge until additional sources are secured.

What will happen without intervention?

Without intervention, transit agencies will have no choice but to cut service, defer maintenance, and halt capital investments and construction.

<u>Transit agencies will be forced to cut service will make it impossible to recover and grow ridership,</u> which is counterproductive to the state's goal of increasing ridership, as frequency is foundational for ridership. This is especially true for rail agencies, which cannot cut their way to a balanced budget due to high fixed costs.

<u>Transit agencies are also deferring maintenance and delaying capital investments to save money.</u> To close budget deficits, some transit agencies have started to defer vehicle maintenance, which is simply borrowing against the future. This is ultimately more costly in the end because maintenance is more cost-effective than repair and replacement. Infrastructure that falls into disrepair can lead to safety and reliability problems, which can dissuade people from riding.

To close a $35 million deficit in FY2026, BART is deferring capital investments. Among other approaches such as significant reductions in service or delaying the move to zero emissions technologies, San Diego MTS is considering shifting $160 million of federal and state money now devoted to capital projects and maintenance to operations. MTC shifted $130 million in federal transit funds from its transit capital program to operating costs to help sustain transit operations. When maintenance and capital investments are halted, there are fewer opportunities for high-quality unionized workers and capital costs will increase due to delays.

California will not be able to meaningfully improve affordability without public transit.

In addition to the critical role that public transit plays in achieving the state's climate goals, it must also be part of any strategy to make California more affordable. The state's overreliance on cars is fueling the affordability crisis in new ways. Today, car ownership is the second largest expense for Californians, second only to housing.[1] Without predictable and adequate funding for public transit, California will not be able to tackle the affordability crisis in any real way nor realize the dream of a *California for All.*

Put simply, there is no affordable substitute for high-quality public transit. In places that have little or no public transit, people own more cars, drive more, and therefore pay more for mobility, with the median income household paying between $1100-$1600 per month for transportation. In high-cost housing markets, the ability to rely on transit for some or all of their mobility needs is how many people make ends meet. Californians are undoubtedly going to feel it in their wallets when they have to rely on ride-hailing services or purchase a car if transit agencies are forced to cut down service.

California will undermine its housing policies if public transit declines.

In recent years, California has passed countless laws that make it easier to build housing near transit in order to make the state more affordable to middle- and low-income households. These include streamlined approvals for housing in transit-oriented locations, waiving parking minimums in order to reduce the cost of building, extra density bonuses for affordable housing, and more.

Yet major budget shortfalls are causing transit operators to reduce transit frequency and to consider eliminating stops entirely. These landmark housing laws will be significantly weakened or rendered ineffective without high-quality public transit. This, in turn, will undermine California's efforts to produce desperately-needed housing and will reduce good-paying jobs from transit-oriented construction.

For all these reasons, the undersigned organizations respectfully urge the state to provide $2 billion in new funding over two years for public transit beginning in fiscal year 2025 -2026 until other solutions are secured. Because recovery has been uneven and no two agencies are alike, it is critical that both operating needs and capital projects are eligible uses of the funding.

California has ambitious goals that depend on high-quality public transit across the state. To achieve those goals, public transit will need more funding. Thank you for considering our request and for once again recognizing the critical role of public transit in California, now and in the future.

[1] Most households pay more than 15% of their income on transportation, and that number is growing.

Sincerely,

Laura Tolkoff
Transportation Policy Director
SPUR

Jim Wunderman
President and CEO
Bay Area Council

Rodney Fong
President and CEO
San Francisco Chamber of Commerce

Michael Pimentel
Executive Director
California Transit Association

Andrew B. Fremier
Executive Director
Metropolitan Transportation Commission

Carter Lavin
Co-Founder
Transbay Coalition

Mary Lim, J.D.
Executive Director
Genesis

Eli Lipmen
Executive Director
Move LA/California

Rudy Gonzalez
Secretary-Treasurer
SF Building & Construction Trades Council

Matt Lege
Government Relations Advocate
SEIU California

Robert M. Powers
General Manager
San Francisco Bay Area Rapid Transit District

Rosanne Foust
President & CEO
SAMCEDA

Robin Pam
Co-founder
KidSafe SF

John J. Doherty
Business Manager - Financial Secretary
IBEW Local 6

Shane Gusman
Director
California Teamsters Public Affairs Council

Zack Deutsch-Gross
Policy Director
Transform

Shane Gusman
Legislative Advocate
California Conference Board of the Amalgamated Transit Union

Louie Costa
California Safety and Legislative Director
Smart - Transportation Division

Rashidi Barnes
CEO
Tri-Delta Transit

Adina Levin
Executive Director
Seamless Bay Area

Laura Neish
Executive Director
350 Bay Area Action

Leah Shahum
Executive Director
Vision Zero Network

Nancy McPherson
State Director
AARP California

Beth Kranda
Executive Director
Solano County Transit (SolTrans)

Christopher White
Executive Director
San Francisco Bicycle Coalition

Joni Eisen
Steering Committee member
SF Climate Emergency Coalition

Leora Tanjuatco Ross
California Director
YIMBY Action

Evelyn Engel
Secretary-Treasurer
SF Taxi Workers Alliance

Theresa Rutherford
President
SEIU 1021

Carter Rubin
Director of State Transportation Advocacy
NRDC

Sara Marie Johnson
Executive Director
San Francisco Transit Riders

Marc Vukcevich
Director of State Policy
Streets For All

Seamus Murphy
Executive Director
San Francisco Bay Ferry

Jodie Medeiros
Executive Director
Walk San Francisco

Zaileen Janmohamed
President & CEO
Bay Area Host Committee

Hana Creger
Associate Director, Climate Equity
The Greenlining Institute

Matt Jones
Advocacy Director
Silicon Valley Bicycle Coalition

David Alexander
Founder
Richmond Family San Francisco

Lindsey Alami
Chapter Co-Lead
Citizens' Climate Lobby San Francisco

Justin Hu-Nguyen
Co-E.D. of Mobility Justice
Bike East Bay

Jordan Grimes
State & Regional Resilience Manager
Greenbelt Alliance

David Diaz, MPH
Executive Director
Active San Gabriel Valley

Kathleen Kelly
Interim General Manager/CEO
Alameda-Contra Costa Transit District

Rob Thompson
General Manager
Western Contra Costa Transit Authority

Bill Churchill
General Manager
Central Contra Costa Transit Authority

Christy Wegener
Executive Director
Livermore Amador Valley Transit Authority

Sharon Cooney
CEO
San Diego Metropolitan Transit System

Denis Mulligan
General Manager
Golden Gate Bridge, Hwy. and Transp. District

Executive Director
Sustainable Claremont

Kristina Pappas
President
San Francisco League of Conservation Voters

Giovanni Jordan
Officer
East Bay Transit Riders Union

Julie Kirschbaum
Acting Director of Transportation
San Francisco Municipal Transportation Agency

Jamie Pew
Policy Advisor
NextGen California

Laurel Paget-Seekins
Senior Transportation Policy Advocate
Public Advocates

Stan Jones
Secretary–Treasurer
TWU Local 320

Carl Sedoryk
CEO
Monterey-Salinas Transit

Jared Sanchez
Policy Director
CalBike

Stacey Mortensen
Executive Director
San Joaquin Regional Rail Commission

Kevin Shin
Co-Executive Director
California Walks

Shaya French
Director of Transit and Housing Organizing
Senior and Disability Action

Bob Allen
Policy & Advocacy Campaign Director
Urban Habitat

Michelle Bouchard
Executive Director
Caltrain

April Chan
General Manager
SamTrans

Emmett Hopkins
Policy Manager
Climate and Community Institute

Jakob Evans
Policy Strategist
Sierra Club California

Jeanie Ward-Waller
Interim Director
ClimatePlan

Corey Aldridge
Chief Executive Officer
Santa Cruz METRO

CC:
Senator Scott Wiener, Chair of the Senate Budget Committee
Senator Roger Niello, Vice Chair of the Senate Budget Committee
Assemblymember Heath Flora, Vice Chair of the Assembly Budget Committee
Senator Dave Cortese, Chair of the Senate Transportation Committee
Assemblymember Lori Wilson, Chair of the Assembly Transportation Committee
Assemblymember Laurie Davis, Vice Chair of the Assembly Transportation Committee
Senator Catherine Blakespear, Senate Transportation Committee

File Attachments for Item:

N. Countywide Assignments and Subcommittee Reports

i. Report Out on Subcommittee Meetings

ii. Upcoming Subcommittee Meetings

CITY *of* BRISBANE

Council Subcommittee Update

From April 12th, 2025 to April 25th, 2025

1. Report Out on Subcommittees/Committees

A. Sea Level Subcommittee 4/15 3:00pm Lentz, Mackin

The subcommittee met with Len Materman and Summer Bundy from OneShoreline. OneShoreline offers guidance text to cities for their general or specific plans, ordinances, development agreements and provides general county sea level rise recommendations. The group discussed Brisbane's shoreline and sea level rise, what other cities are doing along the Bay, ground water rise versus coastal flooding, and options that the City could consider protecting the Marina. OneShoreline is anticipating a Sea Level Planning Grant from OPC SB1 in mid-May for $750K. The project goal is to create a Subregional Shoreline Adaptation Plan that meets the requirements of Senate Bill 272 and BCDC RASP.

To view Brisbane's existing sea level rise conditions: HTTPS://ourcoastourfuture.org/hazard-map

To view the agenda and One Shoreline's presentation:
https://www.brisbaneca.org/citycouncil/meeting/sea-level-rise-subcommittee-meeting

B. Economic Development Subcommittee 4/24 2:00pm Kern, Lentz

The subcommittee met with Mitch Bull, Economic Development Director to discuss the rebranding of Economic Development to Economic Vitality, repositioning to address various other initiatives. The Economic Development Department has been expanding to include more cohesive involvement with other city initiatives such as emergency planning, community development planning and sustainability. Economic Vitality is a concept that goes beyond signing leases and filling buildings but is a collaboration between city staff, community members, and business partners to enhance the economic stability of the city and improve the quality of life. A rebranding of the current Economic Development Department would now become the Economic Vitality Office (EVO). The subcommittee gave feedback and were very interested in this holistic approach.

Next Steps: Receive a presentation from Mitch Bull at the Council Meeting on May 15th.

To view the agenda report:
https://www.brisbaneca.org/citycouncil/meeting/economic-development-subcommittee-meeting-1

2. Upcoming Subcommittees:

Public Art Advisory Committee	4/28	5:15pm	Davis, O'Connell

Review Implementation Guidelines, Art Ordinance, and review Priorities. Standing Meeting.

Brisbane School District/City 2x2 Subcommittee	5/13	4pm	Davis, Lentz

Introduction of School Board Members and consider ways to collaborate.

3. Proposed Subcommittees:

Does any councilmember wish to propose any items for a subcommittee to discuss?