



AGENDA
Town of Atherton
CITY COUNCIL
JANUARY 11, 2010

9:00 a.m.

TOWN COUNCIL CHAMBERS

94 Ashfield Road
Atherton, California

Strategic Planning Workshop

PLEASE NOTE:

Times listed on the Agenda are an approximation and not a time certain. The Council may take up items out of order. Please arrive well in advance of the time listed for any item in which you are interested.

- 9:00 A.M. 1. **ROLL CALL** Lewis, Carlson, Marsala, Dobbie, McKeithen
- 9:02 A.M. 2. **PUBLIC COMMENTS** *(This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the Agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the Council from acting on items not listed on the Agenda except by special action of the City Council under specified circumstances. Speakers' time is limited to three minutes.)*
3. **REFUND OF ROAD IMPACT FEES**
Consideration of extending the refund of previously paid road impact fees beyond those authorized by City Council in December 2009
4. **COUNCIL COMMUNICATIONS AND PUBLIC INFORMATION POLICIES**
5. **TOWN FINANCES AND REVENUES**
6. **THE FUTURE OF HOLBROOK-PALMER PARK**
7. **DISCUSS NEW TOWN CENTER OPTIONS**
- 2:45 P.M. 8. **PUBLIC COMMENTS**
- 3:00 P.M. 9. **ADJOURN**

PLEASE NOTE THE FOLLOWING INFORMATION:

If you challenge a Town zoning, planning, or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this agenda, or in written correspondence delivered to the City Council at, or prior to, the

public hearing. Judicial review of any Town administrative decision may be had only if a petition is filed with the court not later than the 90th day following the date upon which the decision becomes final. Judicial review of environmental determinations may be subject to a shorter time period.

Copies of all staff reports and documents subject to disclosure that relate to each item of business referred to on the agenda are available for public inspection by 5:00 p.m. the Friday before each regularly scheduled City Council meeting at the Atherton Library, 2 Dinklespiel, Station Lane, and the Town Administrative Offices, 91 Ashfield Road, Atherton, CA 94027. Additionally, agendas and staff reports may be accessed on the town website at: www.ci.atherton.ca.us

In compliance with SB 343, materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the Town Administrative Offices, 91 Ashfield Road, during normal business hours.

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the City Clerk's Office at (650) 752-0500. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (29 CRF 35.104 ADA Title II)



TOWN OF ATHERTON

CITY COUNCIL

RULES OF PROCEDURE

AS AMENDED:

June 17, 2009

April 15, 2009

March 26, 2009

June 18, 2008

October 19, 2005

April 16, 2003

First Adopted

June 19, 2002

RULES OF PROCEDURE

1. Authority

As provided by California Government Code Section 36813, the City Council establishes these Rules of Procedure for the conduct of meetings. The following Rules shall be in effect upon their adoption by the City Council and until such time as they are amended or new rules adopted in the manner provided by these Rules.

2. General Rules

2.1 Public Meetings All meetings (except closed sessions as provided by State law) of the Council shall be open to the public.

2.2 Meeting Dates/Times Regular meetings will be held on the third Wednesday of each month. Adjourned regular or special meetings may be called by the Mayor or a majority of the Council. All regular meetings will convene at 7:00 p.m. unless noticed at a different time by publishing a notice and/or posting a notice as required by Section 5.3.

2.3 Quorum Three members of the Council shall constitute a quorum necessary to transact business. In the event a quorum is not in attendance, those attending will be named in the minutes, and they shall adjourn the meeting to a later set time. If no one is present, the Clerk shall adjourn the meeting to a later date and post notice of that fact pursuant to Government Code Section 36811.

2.4 Compelling Attendance Members must notify the Presiding Officer for the issuance of an "excused absence" when they are unable to attend, which shall be granted. The member may notify the City Manager or City Clerk if the Presiding Officer is not available and the City Manager or City Clerk will notify the Presiding Officer of the request; or it will be noted in the minutes as an unexcused absence. In the event of perpetual absence by members, the Council may adjourn from day to day to compel attendance under the penalties prescribed by law. The seat of a member with two or more consecutive unexcused absences from regular council meetings shall be vacated pursuant to Government Code Section 36513(b).

2.5 Minutes of Proceedings An account of all public proceedings of the City Council shall be recorded by the City Clerk and entered into official minute books of the Council. These minutes shall be available to the public following approval by the Council.

2.6 Right of Floor Any member desiring to speak shall first be recognized by the Mayor and shall, with the exception of Public Comments, confine any remarks to the subject under consideration.

2.7 Rules of Order Except in cases of conflict with these Rules, Robert's Rules of Order shall be used as a non-binding guide to govern the proceedings of this Council.

2.8 City Manager The City Manager shall attend all meetings of the Council unless excused, and in the City Manager's absence, a designee shall substitute. The City Manager may make recommendations and shall have the right to take part in all discussions of the Council, but shall have no vote.

2.9 City Attorney The City Attorney shall attend all meetings of the Council unless excused, and in the City Attorney's absence, a designee shall substitute. The City Attorney, upon request of the City Council or authorized representatives, shall give opinions, either written or oral, on questions of law and shall act as the Council's parliamentarian.

2.10 City Clerk The City Clerk shall attend all meetings of the Council unless excused, and in the City Clerk's absence, the Deputy City Clerk shall substitute. The City Clerk shall record, prepare and maintain the official record of the Council and perform other related duties as prescribed by the Council and/or City Manager.

2.11 Department Heads/Employees Department Heads/Employees, as described by the City Manager or requested by the Council, shall attend Council meetings.

3. Types of Meetings

3.1. Regular Meetings Unless otherwise designated by the Council, the Council shall meet in the City Council Chambers for all regular meetings. The regular meetings shall begin at 7:00 p.m. on the third Wednesday of each month, unless otherwise specified by posted notice. If the meeting date should fall on a legal holiday, the Council shall meet at a time and date so designated by the Council.

3.2 Adjourned Meetings Any meeting of the City Council may be adjourned to a later date, place, and time provided no adjournment is for a longer period than the next regularly scheduled meeting.

3.3 Special Meetings Special meetings may be called by the Mayor or by a majority of the Councilmembers. The call for a special meeting must specify the day, hour, and place and shall specify the subject(s) to be considered. Twenty-four hours notice must be given prior to the meetings. Only matters

specified in the notice may be discussed at special meetings. Notice shall be posted as required by law.

3.4 Closed Session Meetings Closed sessions, formerly referred to as Executive Sessions, may be held in accordance with the provisions of the Brown Act (Government Code Section 54954.5).

3.5 Study Session Meetings The Council may meet informally in Study Sessions called by the Mayor or the majority of Councilmembers. Study Sessions are open to the public and are meetings for purposes of the Brown Act. Council may not take any formal action at study session meetings. Meeting notice requirements are contained in Section 2.2.

3.6 Media Attendance All meetings (except Closed Sessions) of the City Council and Commissions shall be open to the media, and may be recorded by tape, radio, television, and photography, provided such recordings do not interfere with orderly conduct of the meetings.

4. Mayor - Duties

4.1 Mayor The Mayor is elected by members of the Council for a one-year period. No member shall serve as Mayor for consecutive terms. The City Council shall meet at least annually to choose one of its members as Mayor.

4.2 Vice Mayor The Vice Mayor shall be selected annually by a Council majority vote. No member shall serve as Vice-Mayor for consecutive terms.

4.3 Presiding Officer The Mayor, if present, shall preside. In the Mayor's absence, the Vice Mayor shall preside. In the absence of both, the Councilmembers present shall elect a temporary Presiding Officer.

4.4 Call to Order The Mayor or Vice Mayor shall call the meeting to order at the hour appointed. In the absence of both, the meeting shall be called to order by the City Clerk and those Councilmembers present shall proceed to elect a temporary Presiding Officer.

4.5 Preservation of Order The Presiding Officer shall preserve strict order and decorum, shall prevent verbal attacks on Councilmembers, staff, and/or citizens, and confine debate to the item under discussion.

4.6 Point of Order The Presiding Officer shall determine all points of order, subject to the right of any member to appeal to the entire Council. If an appeal is taken, the question shall be, "Shall the decision of the Presiding Officer be sustained?"

4.7 Motion to be Stated The Presiding Officer shall state all motions submitted for a vote and announce the result. A roll call vote shall be taken upon ordinance, resolution, and at the request of any member.

4.8 Mayor Proclamations Mayor Proclamations will be issued at the discretion of the Mayor for various purposes including:

- A. Recognizing individuals and organizations whose contributions and achievements have community-wide significance;
- B. Calling public attention to a significant community event, service or program;
- C. Highlighting a special period of observance, celebration, or recognition for community, regional, state, or national occasions.

Mayor Proclamations do not need formal Council action or approval and individual Councilmembers can request through the Mayor that proclamations be issued. All public requests for proclamations should be directed to the City Manager or Mayor for review.

It will be at the discretion of the Mayor to determine whether it is appropriate to present the proclamation at a Council meeting.

Proclamations will be issued to recognize legitimate and significant community achievements, contributions, and occasions. These forms of recognition are not intended for partisan, commercial or narrow individual purposes which are inconsistent with the overall policies of the City Council.

5. Order/Preparation of Agenda

5.1 Order of Business

1. Call to Order, Pledge of Allegiance, Roll Call
2. Presentations
3. Public Comments
4. Staff Reports
5. Community Organization Roundtable Report
6. Consent Agenda
7. Regular Agenda/Public Hearings
8. Council Reports
9. Future Agenda Items (as Added March 26, 2009)
10. Public comments
11. Adjournment

5.2 Agenda Preparation The agenda shall be prepared in accordance with the preparation procedure as directed by the City Manager. The agenda shall be delivered to the Mayor, Councilmembers, and Library after 5:00 p.m. on the Friday preceding the Wednesday meeting. Council materials are available for public review at the Library the Saturday, and at the City Administrative Office beginning on the Monday, before the regular Wednesday Council meeting.

If two or more Council Members prepare a colleagues' memo, the City Manager shall place the item on the Council's agenda under the Future Agenda Items Section. A colleague's memo is a written request, no more than two pages in length, presenting an item to be added to the following Agenda. The item can be added to the next Agenda by a majority vote of the Council. (As amended at the Regular City Council Meeting on June 17, 2009)

When a Town Committee or Commission passes a motion at its meeting requesting Council consideration of an item that is within that Committee or Commission's powers and duties, the City Manager shall place the item on a Council agenda no later than two regular meetings following the date of the request. (As amended at the Special City Council meeting on March 26, 2009)

5.3 Agenda Posting The City Clerk shall post an agenda at least 72 hours before a regular meeting at the following locations: (a) Atherton Town Offices, 91 Ashfield Road (lobby); (b) Atherton Branch Library, 2 Dinkelspiel Lane; (c) Atherton Train Station Bulletin Board; (d) Rosewood @ Green Oaks Bulletin Board; (e) Atherton @ Selby Lane Bulletin Board, (f) Town Council Chambers, 94 Ashfield Road. The agenda shall specify the time, date, and location of the meeting and contain a brief description and proposed action of each item of business to be transacted or discussed at the meeting.

5.4 Minutes Unless requested by Council, minutes may be approved without reading if the City Clerk previously furnished a copy to each member and the Library.

5.5 Public Comments (See also Citizens' Rights, Section 6) During Public Comments, any person may address the Council, provided that the item (1) is of interest to the public and is within the subject matter jurisdiction of the Council and (2) is not otherwise on the agenda.

5.6 Consent Agenda Items listed under the Consent Agenda are those items staff believes will not require Council discussion and are routine in content. Also listed under the Consent Agenda are resolutions confirming action from a previous meeting which are brought back for approval of form rather than approval of action. Items may be removed by any Councilmember for separate discussion for clarification and/or upon request by any member of the public who wishes to speak on that item.

5.7 Regular Agenda/Public Hearings Items requiring a public hearing will be noticed as required by law.

5.8 Actions Limited to Posted Agenda The City Council shall not take action on any item not appearing on the posted agenda except under the conditions permitted by Government Code Section 54954.2 (Brown Act).

6. Citizens' Rights

6.1 Addressing the Council

(1) Any person may address the Council on the following portions of the agenda:

- (a) Public Comments, as provided in Section 5.5.
- (b) Public hearings, as provided in Sections 8.1 and following.
- (c) When invited by the Mayor, all other portions of the agenda prior to the vote, if any, being taken.

(2) The following shall apply:

- (a) Each person addressing the Council shall step to the podium and give their name and address (optional) for the record.
- (b) A time limit may be imposed by the Council on each speaker depending on the subject matter. (Exception: See "Public Hearing Procedures" under Section 8.1 and following.)
- (c) All remarks shall be directed to the Mayor and Council as a body and not to any particular member.
- (d) No person, other than members of the Council and the person having the floor, shall be permitted to enter into the discussion.
- (e) No question shall be asked of Councilmembers except through the Mayor.

6.2 Personal and Slanderous Remarks Any person making personal, impertinent, or slanderous remarks, or who becomes boisterous may be requested by the Mayor to leave the meeting. The Mayor shall discourage demonstrations before the Council, such as applauding or "booing". Upon instructions by the Mayor, a Sergeant-at-Arms may be called for the purpose of removing any person who, in the Mayor's judgment, has violated the rules of conduct and has disrupted the meeting. The Mayor appoints a person to fulfill the responsibilities of the Sergeant-at-Arms at the beginning of each meeting if he/she deems it to be necessary.

6.3 Reading of Protests Interested persons, or their representatives, may address the Council for the reading of protests, petitions or communications relating to the matter under consideration if a majority of the Council agree that the person should be heard.

6.4 Written Communications Any citizen may submit written comments to the Council through the City Clerk or City Manager's office and request that Council receive copies in the agenda packet provided such written comments are received four business days before the scheduled Council meeting. Written comments can be filed with the City Clerk or City Manager's office up to the time of the meeting and distributed to the Council at the meeting.

6.5 Printed Materials Printed materials contained in the agenda packet will be available upon request after the meeting is adjourned. There may be a copy charge, based on the Town's current copy fee, if printing is necessary. If the action taken requires retyping, the document will be available in Town Hall the next business day, as soon as the retyping is complete.

7. Ordinances, Resolutions and Contracts

7.1 Document Preparation All ordinances and resolutions shall be approved by the City Attorney. No ordinance shall be prepared for presentation to the Council unless ordered by a majority vote of the Council or prepared by the City Attorney on the City Attorney's own initiative.

7.2 Document Approval All ordinances, resolutions, and contracts shall, before being placed on the agenda, be approved as to form and legality by the City Attorney. Additionally, all these documents shall be reviewed by the City Manager.

7.3 Ordinance Introduction/Adoption Except as to urgency ordinances, unless a member requests a full reading, a proposed ordinance will be introduced by the reading of the title only. Ordinances introduced by first reading shall not be adopted within five days of the introduction or at other than regular Council meetings. If the ordinance carries an emergency clause, introduction and adoption may occur at the same meeting.

7.4 Majority Vote Required An affirmative vote of at least a majority of a quorum of the Council shall be necessary to adopt an ordinance. Urgency (emergency) ordinances must be adopted by the affirmative vote of at least four members of the Council. Resolutions, motions, and any other matters may be adopted by the majority present.

7.5 Ordinance Preservation Following adoption of an ordinance, the City Clerk will assign a number to the ordinance, and post according to law. The ordinance shall be filed and preserved in the City Clerk's office.

8. Procedures Regarding Public Hearings

8.1 Introduction Mayor announces subject of the public hearing.

8.2 Staff and Written Material Presentation

1. Staff summary report and other written material included in the agenda packet is received and filed. Written comments not in the agenda packet (e.g. protests, etc.) are noted for the record.
2. Written material not in the agenda packet, if any, is received and filed.
3. Staff report, if any, is presented by staff member.
4. Staff responds to Councilmember questions.
5. Mayor declares the public hearing open.

8.3 Public Comment

1. Purpose is to provide opportunity to concerned members in the audience who wish to testify in support or opposition to the matter being heard.
2. Mayor instructs members of the audience: (a) speak from the podium; (b) to give their name and address (optional) before speaking; (c) a time limit for each speaker may be designated; and (d) that repetition should be avoided.
3. The applicant/representative will normally speak first.
4. Questions by speakers will be noted prior to Council deliberation.
5. Mayor declares the public hearing closed.

8.4 Council Deliberations

1. After the Mayor has determined that no other member of the audience wishes to speak, the matter is returned to the City Council for deliberation.
2. The Council may ask questions of speakers for clarification.
3. The Council makes a motion and debates.

8.5 Council Action

1. Council at this time may re-open and continue the public hearing.
 - (a) This should be done if any additional information is requested (e.g. a staff report).
 - (b) Continuing a public hearing to a specific date does not require additional notice.
2. Council may:

- (a) Vote on the item;
- (b) Offer amendments or substitute motions and re-open the hearing allowing additional public comment;
- (c) Continue the matter to a later date for a decision. (Note: no additional reports or testimony may be received after the hearing has been closed).

9. City Council Committees

9.1 Establishment – Appointment of Council Members Thereto. At the regular meeting in January, the Mayor shall appoint Council members to serve on various committees for a one year term. Committees shall be created and members appointed thereto in accordance with rules and regulations set out by the City Council by Resolution No.09-09 and as amended.

9.2 Appointment of Voting Members to City Council Committees. Appointment of voting members to City Council Committees shall proceed as provided by the terms and provisions of separate resolution and as amended. Committees shall be created and members appointed thereto in accordance with rules and regulations set out by the City Council by Resolution No.09-09 and as amended.

9.3 City Council Review of Town Committee Decisions. City Council Members on Town committees may bring any decision of the committee to the full City Council for final determination. Pending such action by the full City Council, any such decision shall be suspended.

9.4 Committees of City Council.

a. Standing Committees: Any standing committee of the Council shall be subject to the same rules of procedure as the City Council. Each standing committee is comprised of two Council Members appointed by the Mayor, and is staffed by the appropriate staff members. The standing committees are:

1. Atherton Channel Drainage District Committee. Consisting of three members including two Council Members, and one resident of the Town. The committee meets on an as needed basis in the City Council Chambers.

2. Audit Committee. Consisting of seven members, including two Council Members of the Finance Committee, and five residents of the Town. The committee meets quarterly in the Conference Room of the Town Administrative Offices.

3. Budget and Finance Committee. Consisting of two Council Members. The Members also serve on the Audit Committee. The committee meets on an as needed basis in the Conference Room of the Town Administrative Offices.

4. Buildings and Facilities Committee. Consisting of two Council Members. The committee meets on an as needed basis in the Conference Room of the Town Administrative Offices.

5. Transportation Committee. Consisting of five members including two Council Members and three residents of the Town. The committee meets quarterly on the second Tuesday of the month at 6:00 p.m. in the City Council Chambers.

6. Screening Committee. Consisting of two Council Members. The committee meets on an as needed basis in the Conference Room of the Town Administrative Offices.

7. Waste Reduction and Recycling Committee. Consisting of five members including two Council Members and three residents of the Town. The committee also includes the City Manager, Town Arborist, a SBWMA representative, and a representative of the franchise waste hauler. The committee meets quarterly on the first Wednesday of the month at 10:00 a.m. in the Conference Room of the Town Administrative Offices.

b. Ad Hoc Committees. Any ad hoc committee of the Council shall be subject to the same rules of procedure as the City Council. Each ad hoc committee is comprised of two Council Members appointed by the Mayor, and is staffed by the appropriate staff members. The ad hoc committees are:

1. Cal Train Corridor Committee. Consisting of thirteen members including two Council Members and up to eleven residents of the Town. The committee meets on the first Tuesday of each month at 7:00 p.m. in the City Council Chambers.

9.5 City Council Review of City Council Committee Decisions. City Council Members on City Council-appointed committees may bring any decision of the committee to the full City Council for final determination. Pending such action by the full City Council, any such decision shall be suspended.

10. Suspension and Amendment of These Rules

10.1 Suspension Any provision of these rules not already governed by the Atherton Municipal Code may be temporarily suspended by a majority vote by the Council.

10.2 Amendment These rules may be amended by additions or deletions or new rules adopted by a majority vote of the Council provided the proposed amendment or new rules are introduced into the record at a prior Council meeting.

11. Miscellaneous Rules

11.1 Roll Call Votes Upon demand by any Councilmember, made before the "Nays" are called for, a roll call vote shall be taken on the motion before the Council. The Mayor's name shall be called last with other members' names called at random by the City Clerk. Members shall not give explanations for their vote during roll call.

11.2 Silence During a collective vote ("Ayes", "Nays" or "Abstain"), silence by any member denotes an affirmative vote.

11.3 Continuance of an Item

1. **Continuance by a Councilmember:** Any Councilmember may, with the consent of the Council, continue an item (not subject to a deadline) to the next agreed upon meeting. If the Councilmember will not be in attendance at the meeting, the Councilmember's request to continue an item should be personally conveyed to the Mayor or City Manager prior to the meeting.
2. **Continuances Requested by Someone Not a Councilmember:** Anyone may request a continuance of an item by the Council. A request for a continuance may be granted by vote of the Council only if it finds that (1) the need for the continuance was beyond the control of the person requesting it, and (2) the need for the continuance arose after (a) the date of the notice of public hearing was published if the item is subject to a public hearing, or (b) the time the Council agenda was posted for items not subject to a public hearing.

11.4 Personal Privilege The right of a Councilmember to address the Council on a question of personal privilege shall be limited to cases in which the integrity, character, or motives of the Councilmember is in question, or where the welfare of the Council is concerned. The Councilmember may not interrupt the speaker, however, until recognized by the Mayor

11.5 Protests Any member shall have the right to enter into public record reasons for dissent or protest against any action carried by the majority.

11.6 Motion to Reconsider A motion to reconsider any action taken by the Council may be made in accordance with the following:

1. The motion must be made by a member of the prevailing side, although it may be seconded by any Councilmember.
2. The motion must be made prior to the adjournment of the meeting at which the original action was taken.
3. The motion is debatable and has precedence over a pending motion.

11.7 Representations of Town and/or City Council policy

Council members shall not represent themselves as speaking on behalf of the Town and/or the City Council without prior approval of the City Council. The statements of previously approved City Council policy may be made without additional City Council approval.

12. Rules of Debate

12.1 Mayor as Presiding Officer The Mayor may move, second, and debate from the Chair, and shall not be deprived of any rights and privileges of a Councilmember.

12.2 Appeals Any ruling of the Mayor may be appealed at the request of a Councilmember. The Mayor shall call for a roll call vote to determine if the ruling is upheld.

12.3 Precedence of Motions When a motion is before the Council, no motion shall be addressed except for the following:

- Motion to Amend
 - Motion to Postpone
 - Motion to Table
1. A Motion to Amend may be debated on the subject of the amendment. An amendment which modifies the motion before the Council is proper. If the intent of the Motion before the Council is changed by the amendment, a substitute Motion should be made. Amendments are voted on first. Upon the completion of these votes, the original motion as amended is voted upon. A motion may be amended more than once. Each amendment to a motion is voted on separately. There shall be only one motion to amend on the floor at any one time.
 2. A Motion to Postpone. Adoption of a Motion to Postpone ends

discussion of the matter which is postponed. A Motion to Postpone an item to a definite time is debatable. The motion also may be amended. Debate and the subject of the amendment must relate to the propriety of postponement and/or the time set for the postponement.

3. A Motion to Table results in temporarily passing by the item which is the subject of the motion. An item which has been tabled may be returned to the agenda at any time before the adjournment of the next regular meeting. If the item has not been taken from the table by that time, the item is deemed rejected.

APPROVED AS TO FORM:

/s/ Wynne Furth

Wynne Furth, City Attorney



Town of Atherton

CITY ATTORNEY REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: WYNNE S. FURTH, CITY ATTORNEY

**DATE: FOR THE STRATEGIC PLANNING WORKSHOP OF
JANUARY 11, 2010**

**SUBJECT: OLIVE HOLBROOK PALMER'S GIFT OF ELMWOOD TO THE TOWN
OF ATHERTON**

BACKGROUND Holbrook-Palmer Recreation Park was acquired by the Town of Atherton through a devise under the Will of Olive Holbrook Palmer. At the time of her death in March of 1958, Mrs. Palmer was officially a resident of the City and County of San Francisco. She was also the owner of an estate at 250 Watkins Avenue, which was her family's summer residence. According to the Decree of Preliminary Distribution obtained by her husband on February 16, 1959, Elmwood:

consist[s] of approximately 22 acres on which was located the home of the decedent and her husband, SILAS H. PALMER, also a barn, hot house and other buildings and an orchard and garden

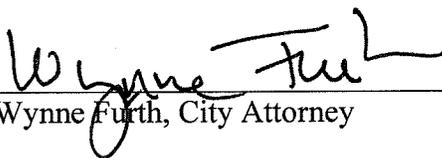
In her Will, Mrs. Palmer left Elmwood to the Town of Atherton; she also granted her husband a life estate in the property, allowing him to occupy it until his death. The house and virtually all its contents burned in December 2, 1958. Under the decree of preliminary distribution, the \$40,000 proceeds of the fire insurance policies were distributed to Mr. Palmer, with the right to build, and occupy, a new home at Elmwood. At the same time, title to Elmwood was distributed to the Town of Atherton, subject to Mr. Palmer's rights as a life tenant. Mr. Palmer did rebuild a simpler, contemporary home and continued to use it until his death in 1962. According to *Under the Oaks – Two Hundred Years in Atherton* (Scottwall Associates:2009), Mr. Palmer had the home designed with its future use as a park building in mind. The building, known as the Main House, is now used for public and private events as part of the Park program.

DISCUSSION The Town of Atherton owns Elmwood subject to the terms of Mrs. Palmer's Will. They are as follows:

1. the property is to be used as a public recreation park known as Holbrook-Palmer Recreation Park.
2. within six months after the termination of Mr. Palmer's life tenancy, the Town of Atherton, by resolution or ordinance, had to accept ownership on the terms and conditions specified in the Will. [If the Town failed to do so, Elmwood would become the property of Stanford University.]
3. the Town of Atherton "*shall, at its own cost and expense, keep, maintain, and operate said property in proper order and condition and in a manner suitable for a high class public recreation park.*"
4. the property "*shall not be used, occupied, or operated for commercial or housing purposes, excepting only such (if any) as may be strictly incidental and appropriate to its use as a public recreation park, but the construction and/or use of a building thereon for public museum or auditorium purposes, which is consistent with the use of said property as a public recreational park, shall not be deemed forbidden thereby.*"

The Will provides that if the Town violates any of the conditions, and the violation persists more than thirty (30) days after written notice of the violation is received, and the persistence of the violation is proved in court, then the property is transferred to the Board of Trustees of Stanford University "*to be used or disposed of by said Board as it shall deem fit, freed from all restrictions and limitations.*"

Following Mr. Palmer's death and the termination of the life tenancy, the City Council did adopt a resolution agreeing to the gift conditions, thereby retaining its legal title to the site. The property has been substantially transformed since that date, with much of the funding for improvements raised from private donations. A childcare program occupies two mobile buildings on the site; the City Manager, who monitors park activity in the evening and on weekends, occupies a home on the periphery of the park.



Wynne Furth, City Attorney



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Vice President

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VIA ELECTRONIC MAIL

January 8, 2010

Ms. Lisa A. LaManna
First Vice President
CB Richard Ellis
1300 SW Fifth Avenue, Suite 200
Portland, OR 97201

Re: Proposal for a Public-Private Partnership
The Town of Atherton Public Services Facility

Dear Lisa:

We appreciate the opportunity to present Class Green Capital's proposal, included with this cover letter, for initiating a public-private partnership with the Town of Atherton. Class Green brings to this transaction a unique set of capabilities, combining sale-leaseback transaction expertise with knowledge and experience in the fields of sustainable real estate and municipal finance, in a way that can meet all of the objectives of the Town of Atherton. We particularly pride ourselves on being able to tailor transactions to the specific needs and priorities of the municipalities with which we work and, accordingly, are open to variations on the included proposal that might better address the priorities of the Town of Atherton.

Class Green Capital Partners

Class Green's investment focus is the acquisition of existing commercial real estate where value can be added by improving the energy and environmental performance of the asset. Formed in 2008, Class Green combines leading real estate lease and financial structuring expertise with sustainable real estate design and implementation experience, and a deep perspective on municipal finance and management. Class Green is led by John Hirschfeld, a veteran of the single-tenant net lease market who, over a 30-year career, has played a key role in the execution of over \$10 billion of real estate transactions. He co-founded Class Green with GO Ventures, a sustainability focused investment firm created by the principals of GreenOrder (www.greenorder.com), a strategy firm that has worked extensively with large real estate investment firms and leading corporations on their green initiatives. Most recently, in December 2009, Class Green was joined by Dannel Malloy, who served as the mayor of Stamford, CT for fourteen years and is a national leader in the fiscal and environmental stewardship of cities. The Class Green team also includes members who have backgrounds in architectural engineering and construction management, with a focus on sustainable design. The combined capabilities of our team uniquely allow us to develop the value in making properties green and addressing the tenants' lease needs while executing efficient financial transactions. The management team's biographies have been included under this cover and additional information is available at www.classgreencapital.com.

Proposal

The proposal included here provides for the development of a new, 25,000 square foot, Public Services Facility, to be leased by the Town of Atherton after a two-year construction period (though the lease would be signed at closing). The proposal assumes, based on our current information, that Class Green's total cost for the project under the two lease structures proposed below will be approximately \$19,250,000 and \$18,500,000, respectively, including the project development costs, the land acquisition costs, and the loan carrying costs during construction. However, this assumption can be readily refined as more information becomes available. Once completed, the facility would be leased by the Town of Atherton, according to one of the following proposed structures.

Long-Term Lease with Dollar Purchase Option – Under this structure, the Town would lease the property for 25 years and, at the end of the lease term, have the option to purchase the property for \$1.

Long-Term Lease With Short-Term Purchase Option – Under this structure as well, the Town would lease the property for 25 years after completion. However, the Town would have the option to purchase the property for a fixed amount after the third year following completion. (In the current proposal, at an 11% premium over Class Green's total project cost, the purchase option represents an annual appreciation rate from closing of only 2.1%.) If the Town does not exercise its option, the rent would be reset (enabling Class Green to refinance the properties), (a) for one or more short periods, with further repurchase options after each such period, or (b) at a fixed rate for the remainder of the 25-year lease term. It is worthy of note that the Town would be able to issue tax-exempt bonds at the optimal time to finance the purchase of the property.

The two structures proposed here are based upon our current understanding of the needs of the Town. However, alternative structures can be developed based upon further discussions. For example, a structure with a long-term lease similar to the first proposal above, but without a dollar purchase option could potentially decrease the required lease payments by reducing the underlying loan amortization. In addition, a long-term land lease in lieu of the sale of the land to Class Green could be considered if it fit with the Town's other priorities.

Development

To execute the development portion of this proposal, Class Green would choose a local development partner, from among its many existing relationships. In addition, Class Green would apply its deep experience and expertise in sustainable development to ensure that the property met the Town's sustainability objectives. This could include building upon the Town's current plan for a LEED certified project with additional strategies to further reduce the property's energy and operating costs and improve the indoor environmental quality and employee productivity.

Through our expertise in real estate sale-leaseback transactions and our experience in the design and implementation of green real estate solutions as well as municipal finance, we feel that Class Green Capital is uniquely positioned to add value to this transaction.

We appreciate your consideration of Class Green, and look forward to speaking with you about this exciting opportunity.

Best Regards,

Michael Eskra

Michael Eskra
Vice President
Class Green Capital Partners, LLC

Management Biographies



John D. Hirschfeld
Chief Executive Officer

Over the course of his 30-year career, John has played a key role in the execution of over \$10 billion of real estate transactions. His career has spanned the practice of law, acquisitions, syndications, and investment and commercial banking. Prior to joining Class Green Capital, John was the Executive Vice President and Head of Acquisitions at U.S. Realty Advisors, LLC, one of the leading buyers of single-tenant, net leased properties in the United States. Before joining U.S. Realty Advisors in 2002, John was Managing Director at Eastdil Realty Company (now Eastdil Secured), in charge of its national Corporate Real Estate Investment Banking business. Prior to joining Eastdil in 2000, John was Managing Director in charge of Citibank's Global Real Estate Equity and Structured Finance group, where among other things he oversaw the disposition of \$5 billion of Citibank's foreclosed real estate assets in the mid 1990's. From 1984 to 1989, John was a First Vice President at Integrated Resources, where he led teams in the acquisition and syndication of public and private multifamily debt and equity investments. From 1979 to 1984 John practiced real estate, corporate and securities law at the New York firm of Robinson, Silverman (now Bryan Cave).

John is a member of the Bar of New York, the U.S. Green Building Council, and the Urban Land Institute's Corporate Real Estate Council, and is a frequent speaker at real estate and green building conferences. John is an honors graduate of Harvard College (AB, 1976) and Fordham Law School (JD, 1979).



Neil Black
Managing Director

An experienced entrepreneur and Managing Principal at GreenOrder, a leading sustainability strategy firm, as well as a former technology and media executive, Neil plays a key role in Class Green Capital's day-to-day operations.

Neil was involved in GreenOrder since its founding, first as an advisor and later as Managing Principal focused on corporate development and ventures. Prior to GreenOrder, Neil's background included developing, running and selling two technology firms; the first specialized in Internet hosting and the second on the convergence of print and web publishing. Neil additionally has advised early stage technology companies. Prior to his years in technology, Neil was President of The Nation magazine, the country's oldest weekly.

Neil has a BA from Yale University in American Studies and an MBA from Harvard Business School.



Dannel P. Malloy
Senior Director

Dan Malloy recently completed his fourth term as the longest serving mayor in Stamford, Connecticut's history. He brings to Class Green Capital tremendous expertise in municipal government, economic and environmental policy, and real estate law.

During his fourteen years in office, Dan developed a national reputation as an urban pioneer in financial management and environmental awareness, while rebuilding a commercial sector that became an economic success story. As mayor, Dan played a key role in attracting global financial services firms to the city center, increasing Stamford's employment generally, and earning the city numerous awards for fiscal stewardship, along with a AAA rating throughout his term in office. Dan's environmental accomplishments included developing plans to take City Hall off of the city's power grid by the end of 2010, as well as building a facility that will turn wastewater into energy without carbon emissions, the first project of its kind in the state.

Prior to his role as mayor, Dan practiced law for 14 years, including as Assistant District Attorney in Brooklyn, NY, during which he tried 23 felony cases and won 22 convictions. Dan currently serves as a trustee at Mitchell College, and is a former trustee of the United States Conference of Mayors, past president of the Connecticut Conference of Municipalities, and former President of Connecticut Chapter of the National Brownfield Association.

Dan graduated from Boston College Law School and Magna Cum Laude from Boston College.

Management Biographies



Jackson Lehr
Director

Jackson has been involved in Class Green Capital Partners since its conception, and is currently an integral member of the team, bringing green real estate investment expertise as well as management consulting and construction management experience.

Prior to Class Green, Jackson helped build the real estate practice area at GreenOrder, a leading boutique management consulting firm, advising major real estate investors and developers on green building and investment strategy, as well as major corporate tenants on their occupied real estate portfolios. While at GreenOrder, he also helped develop business and lead engagements in other industries such as financial services and manufacturing. His previous experience includes engineering, construction management, and real estate development at Bechtel and The Related Companies.

Jackson is a member of ULI's Climate, Land Use and Energy Advisory Group, as well as the Implementation Team for the Green Building Finance Consortium, with a focus on occupant health and productivity. He has presented at major real estate conferences including the Annual ULI Place Making Conference, and has been interviewed by real estate publications such as Commercial Property News.

Jackson graduated from Dartmouth College summa cum laude with BA and BE degrees in engineering and from Harvard Business School with an MBA. He is a LEED Accredited Professional.



Michael Eskra
Vice President

Michael combines experience in real estate development with expertise in real estate investment to ensure the successful execution of Class Green's acquisitions and retrofits.

Previously, Michael worked at the Ackman-Ziff Real Estate group, where he was involved in the underwriting and placement of debt for real estate investment opportunities. Prior to that, Michael worked in the engineering design and development services group at Flack + Kurtz, one of the world's leading providers, focusing on work in sustainable design. During his time there he led teams on several notable green development projects, including The Verdesian in lower Manhattan, the first LEED Platinum residential building, 50 West Street, and several commissions for the U.S. State Department around the world.

Michael holds Bachelor's and Master's degrees in Architectural Engineering from The Pennsylvania State University and an MBA from New York University. He is a LEED Accredited Professional and a licensed Professional Engineer in New York State. In addition, he is a member of the U.S. Green Building Council and the Urban Land Institute.



Michael Eskra
Vice President

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meskra@classgreencapital.com
www.classgreencapital.com

VIA ELECTRONIC MAIL

January 8, 2010

Ms. Lisa A. LaManna
First Vice President
CB Richard Ellis
1300 SW Fifth Ave., Suite 200
Portland, OR 97201

Re: Proposal for a Public-Private Partnership
The Town of Atherton Public Services Facility

Dear Lisa:

The following sets forth the terms and conditions under which Class Green Capital Partners, LLC, on behalf of itself and an institutional investor (collectively, "Purchaser"), is interested in initiating a public-private partnership involving the development of the captioned property (the "Property", or the "Project"), subject to a lease to The Town of Atherton ("Tenant").

The Property A to-be-constructed facility for the Town of Atherton, containing an aggregate of approximately 25,000 net rentable square feet, located at a site currently owned by Tenant (or another site to be determined) in Atherton, California.

Project Cost Purchaser's total cost for the Project ("Project Cost") will be between \$19,250,000 and \$18,500,000 (depending on which Lease Option is chosen below) which is assumed to include a development cost (including third-party developer's fee) of \$15,000,000, land cost of \$1,500,000 and loan carrying costs during construction of between \$2,750,000 and \$2,000,000.

The pricing indicated in this proposal is based upon financing that is contingent on U.S. Treasury rates. In the event that U.S. Treasury rates increase or decrease appreciably between the date of this proposal and when the Purchaser commits to financing, the Initial Lease Rate (and resulting capitalization rate) will be adjusted pursuant to a formula to be agreed upon in the agreement(s) to purchase the Property and enter into the Lease (collectively, the Purchase and Sale Agreement).

The Town of Atherton Lease As a condition to, and simultaneous with, closing the transaction Purchaser will require Tenant to execute a lease for the Property (the “Lease”). The Lease will be a “bondable” net lease, with the lessee responsible for all real estate taxes (if applicable), insurance, utilities, capital expenditures (including roof, structure, and restoration or repurchase after casualty or condemnation) and other sums required to operate, maintain and repair the Property.

The basic terms of the Lease will, at Tenant’s election prior to closing, follow one of two Lease Options described below.

Lease Option 1: 25-Year Lease The Lease term will be for 25 years following completion of the Property. The Lease rate will be according to the following schedule.

Property	Net Rentable Area (SF)	Initial Lease Rate (\$ PSF)	Annual Lease Rate (\$)	Annual Escalations
Public Services Complex	25,000	\$61.00	\$1,525,000	2.20%

The above Initial Lease Rate represents a 7.9% capitalization rate on Project Cost.

At the expiration of the Lease, Tenant will have the option to purchase the Property for \$1.00.

Lease Option 2: 25 Year Lease with 5 Year Purchase Option

The primary Lease term will be for 25 years. At the end of Year 5, Tenant will have the option to purchase the Property at a set price or to reset the Lease rate. If the Purchase Option is not exercised, at the end of the primary Lease term the Tenant will have three, 5-year renewal options at 95% of fair market value.

The Lease rate for Year 1 through Year 5 (the “Initial Lease Period”) will be according to the following schedule.

Term	Net Rentable Area (SF)	Lease Rate (\$ PSF)	Annual Lease Rate (\$)	Annual Escalations
Public Services Complex	25,000	\$47.25	\$1,181,250	None

The above Initial Lease Rate represents a 6.3% capitalization rate on Project Cost.

At the end of the Initial Lease Period (Year 5) Tenant will have the option to purchase the property (the “Purchase Option”) for \$20,500,000 (equal to 111% of Purchaser’s original Project Cost). Tenant will pay all transfer taxes and expenses of the Purchase Option transaction.

If the Tenant does not exercise the Purchase Option, the Annual Lease Rate for the remainder of the primary term of the lease (Year 6 – Year 25) will be reset to an amount contingent upon a refinancing (a “New Loan”) of the Property to be obtained by Purchaser. The New Loan will be in an amount equal to 111% of Project Cost plus the costs and expenses of securing the New Loan (including loan origination and attorney’s fees, recording costs, mortgage taxes and other costs) and will be at the prevailing market interest rate for a term of 20 years (or such shorter term as Tenant may then elect, provided that Tenant’s Purchase Option or obligation to reset the rent would arise again at the end of such shorter term). The new Annual Lease Rate will be a flat rate equal to the annual debt service (principal and interest) payable on the New Loan plus 20 basis points per annum on the principal amount of the New Loan

If Purchaser and Tenant are not able to obtain a New Loan, then Tenant will repurchase the Property as provided in the Purchase Option above.

Tenant	The Town of Atherton
Due Diligence Period	Forty-five (45) days following the later of (a) the execution of a Purchase and Sale Agreement, or (b) Purchaser's receipt of substantially all of the documents necessary to perform Due Diligence.
Earnest Money	An amount equal to 1% of the Purchase Price will be deposited by Purchaser with a title company or escrow agent acceptable to Seller and Purchaser within three (3) business days after the execution of the Purchase and Sale Agreement. If Purchaser terminates the Purchase and Sale Agreement during the Due Diligence Period (which it may do in its sole discretion), the full Earnest Money Deposit, together with all interest earned thereon, will be promptly refunded to Purchaser.
Closing Costs	<p>The seller of the land will pay all transfer taxes, its counsel fees and other costs customarily paid by sellers of real property in California.</p> <p>Purchaser will pay its counsel fees, due diligence fees and other costs customarily paid by purchasers of real property in California.</p>
Exclusivity	Upon the execution of this letter of intent by the parties (but subject to Tenant's required procurement procedures), Tenant will negotiate in good faith exclusively with Purchaser to reach agreement on a Purchase and Sale Agreement.
Closing Date and Process	Upon the execution of this letter of intent, Purchaser expects to begin immediately discussing the Property specifics and related Lease terms with Tenant, and (subject to any procurement procedures Tenant may have) proceeding with the documentation, due diligence and other required elements of the transaction. The anticipated closing date is on or about April 30, 2010.

**Closing
Conditions**

The closing of this transaction is subject to:

1. Purchaser's approval and acceptance, in its sole discretion, of the Property to be acquired, after receipt of a satisfactory appraisal;
2. Purchaser's review and approval, in its sole discretion, of title, survey, the proposed Improvements, the Lease, the Property financial statements, environmental, engineering and site inspections, plans and specifications, local laws and other customary items of due diligence and no adverse change with respect such items between the date of such approval and closing;
3. Purchaser's approval of the financial position of Tenant, and no deterioration thereof between such approval and closing; and
4. Mutual acceptance of transaction documents and satisfaction of customary closing conditions in form and substance to both parties and their respective legal counsel.

No Solicitation

Except as may be required by Tenant's procurement procedures, Tenant agrees not to utilize this letter of intent to solicit other offers or to modify, renegotiate or otherwise improve the terms and conditions of any other offer heretofore or hereafter received by Tenant . Notwithstanding the foregoing, Tenant (and each employee, representative, or other agent of Tenant) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Tenant relating to such tax treatment or structure. Further, each party hereto acknowledges that it has no proprietary rights to any tax matter or tax idea or to any element of the transaction structure contemplated by this letter of intent.

**Brokerage/
Advisory**

Purchaser, Tenant and the seller of the land will represent and warrant that no brokers are entitled to a real estate commission as a result of this transaction other than CB Richard Ellis. Upon a closing of this transaction, Tenant will be responsible for paying to CB Richard Ellis a fee equal to 3% of the Project Cost. Tenant will indemnify Purchaser from any loss, liability, cost and expense, including reasonable attorney's fees, arising from its breach of the foregoing.

This letter of intent summarizes some of the business points relating to the transaction described above, it being understood that other material terms of the proposed transaction are not yet agreed upon and still must be agreed upon to the mutual satisfaction of the parties. Therefore, except for the Exclusivity, No Solicitation, and Brokerage/Advisory provisions hereof, it is understood that (i) no liabilities or obligations are intended to be created by this letter of intent or the consent by the parties hereto; (ii) this letter of intent is not intended to constitute a legally binding agreement to consummate the transaction contemplated hereby or to enter into a legally binding agreement; and (iii) no binding obligation will be created unless and until a written agreement evidencing such obligation is duly executed and delivered.

This letter of intent may be executed and delivered via facsimile or electronically, and in two or more counterparts, each of which shall constitute an original, but when taken together all such counterparts shall constitute but one agreement, and either party may execute this letter of intent by executing any one or more of such counterparts. This letter of intent shall be valid only if executed by both parties within ten (10) business days from the date hereof.

Sincerely,

CLASS GREEN CAPITAL PARTNERS, LLC

By: *Michael Eskra*
Michael Eskra
Vice President

Accepted and Agreed to as of the ____ day of _____, 2009

THE TOWN OF ATHERTON

By: _____