



**STAFF REPORT**

**City Council**

**Meeting Date:** 1/13/2026

**Staff Report Number:** 26-005-CC

**Regular Business:**

**Consideration of fee waiver for annexation of West Menlo Triangle**

**Recommendation**

Staff recommends the City Council consider a fee waiver for processing the annexation of an unincorporated area known as the West Menlo Triangle.

**Policy Issues**

The City's General Plan Policy LU-1.3 Land Annexation states "Work with interested neighborhood groups to establish steps and conditions under which unincorporated lands within the City's sphere of influence may be annexed".

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regulates annexation of unincorporated parcels into cities. Property owners or a city must apply/request annexation through the San Mateo County Local Agency Formation Commission (LAFCO).

**Background**

The West Menlo Triangle is an unincorporated area of approximately 14 acres of residential property in the University Heights neighborhood roughly bordered by Santa Cruz Avenue, Alameda de las Pulgas, and Sharon Road (unincorporated properties on both sides of Santa Cruz Avenue and Sharon Road are included). The area includes approximately 60 single family residences. The proposed annexation area is within the City's sphere of influence established by the San Mateo Local Agency Formation Commission (LAFCO).

There has been interest by San Mateo County residents to have their neighborhood annexed into the City of Menlo Park and an annexation application was submitted to the City. The City Council has considered the topic a number of times since 2017.

- On Oct. 10, 2017, the City Council held a study session regarding the annexation request (Attachment A).
- On Feb. 13, 2018, the City Council appointed a subcommittee to assist with the annexation project (Attachment B).
- On Nov. 5, 2019, the City Council received an informational item on an update on the annexation application and potential creation of an annexation policy/procedure (Attachment C).
- On Sept. 10, 2024, City Councilmember Doerr requested a future agenda item related to an update on the annexation and possible next steps (Attachment D).

- On Oct. 7, 2025, City Councilmember Wise requested a future agenda item related to granting a fee waiver for the West Menlo Triangle annexation (Attachment E). The City Council voted to prepare a formal staff report with a determined level of staff resources and timing for City Council consideration, passed 3-1-1 (Nash dissenting and Taylor absent).

## **Analysis**

The City would assume the lead role in an extensive process to annex the West Menlo Triangle that would include coordination with two agencies and multiple reviews/steps such as:

- General Plan amendment to designate land uses and rezoning process (R1U zoning) (required before application to LAFCO)
- Compliance with the California Environmental Quality Act (CEQA)
- Planning Commission public hearing (rezoning ordinance)
- City Council public hearing to introduce ordinance (first reading)
- City Council meeting to adopt ordinance (second reading)
- Negotiations with the County of San Mateo regarding property tax revenue allocation
- San Mateo County Board of Supervisors adoption of resolution
- Coordination with LAFCO including application submission, public hearing, and protest process

An estimate of costs for staff time to accommodate the above process is \$60,000. The City will also likely need to contract with a planning firm for additional capacity. Estimates are based on an assumption that the annexation will qualify for an exemption from CEQA.

## **Impact on City Resources**

The total fee waiver is conservatively estimated at approximately \$60,000.

The annexation application will be processed primarily by planning staff in the community development department and engineering staff in the public works department. It is important to note planning staff are pursuing priority projects this year, including an update to the accessory dwelling unit (ADU) ordinance, update to the City's SB 9 (Senate Bill 9) ordinance to address recent changes in State law, potential development on downtown parking lots, and anticipated submittals and review of Parkline Phase 2 and a masterplan for the USGS site. Engineering staff are also responsible for implementing a wide variety of critical capital projects. The annexation application will be an additional workflow, and staff will review and process the application over time as capacity allows.

After annexation, the City would gain some portion of the property taxes assessed on properties within the annexation area. The City would also incur additional costs beyond the annexation cost estimates presented in this report. More investigation is needed to better determine the longer-term fiscal impact. At a minimum, the City would need to:

- Assume an existing lighting district and potentially other administrative functions to be determined in negotiations with the County of San Mateo
- Determine and plan for infrastructure costs and maintenance for public right of ways in the West Menlo Triangle over the long term
- Align new demand for services from this residential area with City capacity primarily in the public works

and community development departments

Staff will plan for multiple updates to the City Council regarding the annexation application processing and any resulting next steps.

## **Environmental Review**

This action is not a project within the meaning of the CEQA Guidelines §§15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

## **Public Notice**

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

## **Attachments**

- A. Hyperlink – Oct. 10, 2017 Staff Report #17-245-CC:  
[www.menlopark.gov/files/sharedassets/public/v1/agendas-and-minutes/city-council/2017-meetings/agendas/20171010-agenda-cc-packet.pdf#page=5](http://www.menlopark.gov/files/sharedassets/public/v1/agendas-and-minutes/city-council/2017-meetings/agendas/20171010-agenda-cc-packet.pdf#page=5)
- B. Hyperlink – Feb. 13, 2018 Staff Report #18-044-CC:  
[www.menlopark.gov/files/sharedassets/public/v1/agendas-and-minutes/city-council/2018-meetings/agendas/20180213-agenda-cc-packet-compressed.pdf#page=401](http://www.menlopark.gov/files/sharedassets/public/v1/agendas-and-minutes/city-council/2018-meetings/agendas/20180213-agenda-cc-packet-compressed.pdf#page=401)
- C. Hyperlink – Nov. 5, 2019 Staff Report #19-230-CC:  
[www.menlopark.gov/files/sharedassets/public/v2/agendas-and-minutes/city-council/2019-meetings/agendas/20191105-agenda-packet-compressed.pdf](http://www.menlopark.gov/files/sharedassets/public/v2/agendas-and-minutes/city-council/2019-meetings/agendas/20191105-agenda-packet-compressed.pdf)
- D. Hyperlink – Sept. 10, 2024 Staff Report #24-155-CC:  
[www.menlopark.gov/files/sharedassets/public/v1/agendas-and-minutes/city-council/2024-meetings/agendas/20240910/k2-20240910-cc-triangle-annexation.pdf](http://www.menlopark.gov/files/sharedassets/public/v1/agendas-and-minutes/city-council/2024-meetings/agendas/20240910/k2-20240910-cc-triangle-annexation.pdf)
- E. Hyperlink – Oct. 7, 2025 Staff Report #25-151-CC:  
[www.menlopark.gov/files/sharedassets/public/v1/agendas-and-minutes/city-council/2025-meetings/20251007/k1-city-councilmember-wise-agenda-item-request.pdf](http://www.menlopark.gov/files/sharedassets/public/v1/agendas-and-minutes/city-council/2025-meetings/20251007/k1-city-councilmember-wise-agenda-item-request.pdf)

Report prepared by:

Stephen Stolte, Assistant City Manager