



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting
November 28, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:04 P.M.

Present: Berman, Burt, DuBois, Filseth, Holman, Kniss, Scharff, Schmid
arrived at 5:07 P.M., Wolbach

Absent:

Agenda Changes, Additions and Deletions

Mayor Burt: Our first order is Agenda Changes, Additions and Deletions. I'm not aware of any.

City Manager Comments

Mayor Burt: We will be moving onto City Manager Comments. Mr. Keene.

James Keene, City Manager: Thank you, Mr. Mayor. Council Members, good evening, good afternoon. Let me see here. A few items to report. Related to the Middlefield Road North traffic safety issue, based on community input from a workshop back in October, our Staff has developed two additional concepts for the segment of Middlefield Road between Menlo Park and Forest Avenue. These concepts are now included on the project website, which is at the cityofpaloalto.org/Middlefield. The Council and our community can go to the website and take a look at these. They're listed as Concept 6A and 6B and are being analyzed to determine their likely effectiveness as well as their potential impacts on traffic flow in the vicinity. The operation of the signalized intersection of Middlefield Road and Lytton Avenue is the most challenging aspect of this project. We're currently examining multiple configurations for this congested intersection. Our Staff is hoping to present the results of their detailed analysis to the City Council in January at a Council meeting and will be requesting the Council's direction on a preferred approach for implementation as a pilot or a trail project early in the year. For more information in advance of that agenda item coming to the Council, please visit the project work site. As it relates to our bike boulevards, the City is hosting an open house tomorrow, November 29th, from 6:30 P.M. to 8:30 P.M. at Mitchell Park Community Center to present preliminary

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construction plans for neighborhood traffic safety projects planned to reduce speeds of traffic and improve safety and connectivity for people biking and walking in Palo Alto. The bike boulevard projects typically include special signing and pavement markings as well as traffic calming measures to discourage non-local traffic and to lower speeds. More information is on the homepage of the City's website. The sixth annual Holiday Tree Lighting event will be held this Friday, December 2nd, from 5:00 P.M. to 7:00 P.M. at Lytton Plaza in Downtown. The event will feature performances by Terman Middle School, Key School and the Children's Theatre Choir. Face painting, crafts, cookies, beverages will be available during the event. Everyone is invited to join in this free festivity. A special thank you goes out to the Stanford Federal Credit Union and, of course, our Palo Alto Parks and Recreation Foundation for being major sponsors of this event. Lastly, we got some really nice coverage on National Public Radio (NPR) a week or two ago related to our efforts to preserve the arts in the costly environment of the Bay Area in particular, reporting on our program at Cubberley. I did want to share that our Cubberley Artist Studio program, which represents a thriving community of artists based at the Palo Alto Cubberley Community Center, will host a 16th annual Winter 2016 Artist Open Studios on December 3rd, which would be Saturday, from 11:00 A.M. to 5:00 P.M. Visitors are invited to this free event to tour the studios located in the E, F and U wings at the northern end of the facility and to see new works, get a glimpse into an artist's active workspace. In addition, art work will be on sale directly by individual artists, and light refreshments will be served. That's all I have to report. Thank you.

Mayor Burt: Thank you.

Oral Communications

Mayor Burt: We will now move onto Oral Communications. I have five speaker cards. If anyone else wishes to speak, please bring a card forward at this time. Each speaker will have up to three minutes to speak. Our first speaker is Sarah Almond Pike, to be followed by Helen Young. Welcome.

Sarah Almond Pike: Thank you. Good evening, Mr. Mayor and Council. My name is Sarah Almond Pike. I am a proud Palo Alto resident for the last few years, and I'm also a Board Member on our local United Nations Association chapter. You might know us from our street on Emerson or the film festival in October. I'm here in that capacity, but also as a member of a new coalition being sponsored by the UNA, which is the Cities for CEDAW Coalition. That has grown out of a national Cities for CEDAW campaign. We're sponsoring it here in Palo Alto. What is CEDAW? CEDAW stands for the Convention on the Elimination of all forms of Discrimination Against

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Women. It's a landmark U.N. treaty that defines fundamental human rights and equality for women, which can be implemented around the world. Unfortunately, the U.S. is one of only six U.N. member states that has not ratified CEDAW. Therefore, the Cities for CEDAW campaign has been looking to implement CEDAW as a local Ordinance in cities and towns across the United States. That's building on the model of San Francisco; they were actually the first city in the world to implement CEDAW locally. They did that back in 1998. Other major cities like Los Angeles followed suit, and now more than 20 cities across the U.S. have a local CEDAW Ordinance. From Berkeley here in California to New Orleans to Louisville, Kentucky, it's sort of a growing movement in the U.S. That's why we are eager to have Palo Alto be part of that movement. We would be eager to discuss with you implementing a CEDAW Ordinance here locally. There are only three requirements for an Ordinance. One is a gender analysis, meaning there's analysis that would be done to ensure there is gender equity potentially along with other items like race and disability that's being considered in City operations; an oversight body just to ensure that any things that are not in accordance with the CEDAW Ordinance would be implemented if there's a need for an action plan; and then, if necessary, funding to implement those changes. Again, thank you for your time and listening to our interest. My colleague and fellow Board Member, Helen Young, is also going to add a few notes on the historical context for CEDAW. Thank you.

Mayor Burt: Thank you. Our next speaker is Helen Young, to be followed by Herb Borock. Welcome.

Helen Young: Thank you, Mr. Mayor and Council Members. The Covenant for the Elimination of Discrimination against all forms of Women was signed by Jimmy Carter in 1979 and reported to the Senate for their advice and consent as is required for all treaties. It has been in committee ever since. Generally, the U.S. attitude towards these covenants is "we're already doing it," and they don't generally sign the covenants. Along with Iran, Palau, Somalia, Sudan and Tonga, the U.S. has not ratified this treaty. The other 189 states have. There are 189 countries who are members of the U.S. who have. Since we're not part of the U.N. world on this, many of us feel that it's important for us to have this enacted so that we can move forward on making sure that discrimination doesn't continue or arise. The fiscal impact of passing this as an Ordinance, if it's correct that Palo Alto is totally in compliance with it, would be nil. If it's not, then there may be some fiscal impact. Sarah has some figures on that. Probably the other thing that you need to know is that many cities across the country, as Sarah has said, are considering this. I hope very much Palo Alto will join the group. Thank you so much.

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Mayor Burt: Thank you. Our next speaker is Herb Borock, to be followed by Rita Vrhel.

Herb Borock: Mayor Burt and Council Members, the agenda description for next week's Closed Session on conference with labor negotiators, Council-Appointed Officers' CAO compensation, lists the agency negotiators as Mayor and Council Members. The Brown Act requires that the actual names of the negotiators be listed on the agenda or identified at the meeting prior to your going into Closed Session. If the agency negotiators are different for different Council-Appointed Officers, then the negotiators who would be meeting with each CAO need to be identified separately. Although, the Brown Act provides an exception that permits you to meet in Closed Session with your negotiators, there is no exception that permits an agency's labor negotiators to meet in Closed Session with the other party to the negotiation if the labor negotiators constitute a quorum of a legislative body subject to the Brown Act. Therefore, the negotiators who will be meeting with each CAO cannot include more than four members of the City Council nor more than two members of each of your four-member Committees nor more than one member of the your three-member CAO Committee. For example, Mayor Burt and Council Member Kniss were able to be designated as your negotiators on a prior meeting agenda because they do not constitute a quorum of either the Council or any of its Committees. Committees consisting of both Staff and Council Members are subject to the Brown Act. That is to permit private labor negotiations with organizations that represent employees to occur, only Staff but not Staff plus Council Members are the City's negotiators. Thank you.

Mayor Burt: Thank you. Our next speaker is Rita Vrhel, to be followed by our final speaker, Mark Mollineaux. Welcome.

Rita Vrhel: Hello. First I wanted to congratulate Council Member Berman on his election and also Council Member Kniss. In September, I came before this body and indicated that the property at 181 Heather was pumping at a rate of 1,050 gallons per minute using two hoses. To date, per meter reading by Leo and Public Works while I was onsite had totaled 54 million gallons. Saveplacitosgroundwater.org met with Mr. Bobel a couple of weeks ago. We learned that actually this figure was off by 52 million gallons. How did that happen? When this body met in February of this year and Council Member Schmid kept asking for metering of the extracted groundwater during construction of residential basements to be placed in the directions to Public Works, he probably thought as did we that the groundwater extracted would be measured accurately. However, Public Works did not install the meters. In fact, we were told that there was not actually a standard for the meters. Several of the different projects had

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dubious numbers or doubtful numbers. Of course, the one on Heather was the largest pumper we thought, because it had two hoses going. As Leo from Public Works said, it was a real gusher. On December 13th, Public Works will come to the Policy and Services Committee and discuss their recommendations for 2017. We had hoped that this City Council, who had given the directions in February, would be able to hear that discussion, but you're not going to because Public Works is late in coming to the City Council. I'm speaking for myself now in saying that I think there's a completely lack of transparency in this process. The fill stations did not work. The tanker truck fill stations did not work. I don't want to say they didn't work 100 percent of the time, but they didn't work enough so that less than 1 percent of the groundwater extracted was actually recycled or used. I would like to recommend that there be a Citizens Oversight Committee. I would like to volunteer to be on that committee. I know Public Works is short of Staff; we keep hearing that. I think citizens could help read the meters, keep track of the meters, keep the tally so that there is transparency. Thank you.

Mayor Burt: Thank you. Our final speaker is Mark Mollineaux.

Mark Mollineaux: Hi there. My name is Mark Mollineaux. I live in Redwood City. Here's a summary of an attitude I've identified here at the Palo Alto City Council. We'd love to have more people able to live here in Palo Alto, but it will hurt the traffic. There will be too much noise. It'll be a burden in our schools. It'll ruin the neighborhood character. It'll ruin my housing value. Why do they have to move here? Why us? Here's an attitude I've seen from other parts of the U.S. We'd love to have more immigrants and refugees, but they're dangerous, and they don't understand our culture. The government systems don't have the ability to support them. Why do they have to move here? Why us? The first is NIMBY-ism and the later is nativism. I think they're very much the same thing. People here aren't trying to do bad, but they're part of a system that makes it structurally inevitable to keep people out of Palo Alto. Our Council people speak to their constituents, and their constituents answer to their own interests. I get that. We need to look at the reasons for the structural cause of this and fix them. This may sound a bit hyperbolic, but I think it's very true. Proposition (Prop) 13 caused Donald Trump. California's inability to let more people in at affordable rates of living has exacerbated the red state, economic misery and has led to a greater and greater cultural disconnect. I really think that if you're complicit with Prop 13 and don't support the full repeal of Prop 13, you're complicit with the system that inevitably leads to Donald Trump. Thank you.

Mayor Burt: We now have concluded oral comments.

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[Council proceeded to the Consent Calendar.]

Minutes Approval

1. Approval of Action Minutes for the November 14, 2016 Council Meeting.

Mayor Burt: I accidentally skipped over Approval of Minutes. We need to entertain a Motion for approval of Minutes from November 14, 2016.

Council Member Berman: So moved.

Council Member Kniss: Second.

MOTION: Council Member Berman moved, seconded by Council Member Kniss to approve the Action Minutes for the November 14, 2016 Council Meeting.

Mayor Burt: Motion by Council Member Berman, seconded by Council Member Kniss. Please vote. That passes 9-0.

[Council proceeded to Item Number 3.]

MOTION PASSED: 9-0

Consent Calendar

Mayor Burt: We can now move onto the Consent Calendar. Do we have a Motion to approve it?

Vice Mayor Scharff: Second.

Mayor Burt: Council Member Schmid, did you ...

Council Member Schmid: I'd like to pull Item 3.

Council Member Holman: I'll second that.

Mayor Burt: Is there a third?

Council Member DuBois: I'll third.

MOTION: Council Member Schmid moved, seconded by Council Member Holman, third by Council Member DuBois to pull Agenda Item Number 3 - Approval of Amendment Number 6 to Contract Number C08025506 With Placeworks | DCE ... to become Agenda Item Number 8a.

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Mayor Burt: Item Number 3 will be pulled. Does that need to be rescheduled for a future date or is this—I guess it's dependent on whether this is a relatively brief discussion this evening.

James Keene, City Manager: Yes, Mr. Mayor. Council did not give us advance notice of pulling this. Not really in a position to speak to that. In any case ... Are you here to try to take action on it right now?

Hillary Gitelman, Planning and Community Environment Director: I think we should, because it affects the resources available for the Comp Plan.

Mr. Keene: We'll let you finish with the Consent Calendar, and then we can take this matter up.

Mayor Burt: Just a reminder to colleagues. It's our protocol to attempt to notify Staff in advance if we intend to pull items, so that they can attempt to have appropriate Staff here so that we hopefully would be able to contend with it in a timely manner. Do we have a Motion to approve Items 2-8 excepting Item 3?

Vice Mayor Scharff: So moved.

Council Member Filseth: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Filseth to approve Agenda Item Numbers 2, 4-8.

Mayor Burt: That's Motion by Vice Mayor Scharff, second by Council Member Filseth. Please vote.

2. Approval of two Blanket Purchase Orders for Hauling and Disposal of Construction Material Debris From the Municipal Service Center to an Off-Site Facility for the Utilities and Public Works Departments With a Total Not-to-Exceed Amount of \$3,507,233 From November 1, 2016 to June 30, 2019 With (a) Dillard Trucking Inc. (\$1,494,085); and (b) With TMT Enterprises, Inc. (\$2,013,148); and Finding of CEQA Exemption Pursuant to Guideline 15301(b)-(c) Maintenance of Existing Facilities.
3. ~~Approval of Amendment Number 6 to Contract Number C08025506 With Placeworks | DCE to add \$410,902 for a Total Not-to-Exceed Amount of \$3,212,059 for the Comprehensive Plan Update; and Amendment Number 1 to Contract Number S16163548 With Management Partners to add \$120,000 for a Total Not-to-Exceed~~

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~~Amount of \$205,000 for Related Project Management Services; and Approval of a Budget Amendment in the General Fund.~~

4. Request for Authorization to Increase Existing Legal Services Agreement With the Law Firm of Jarvis, Fay, Doporto & Gibson by an Additional \$325,000 for a Total Not-to-Exceed Amount of \$375,000 for Litigation Defense Services and Approve a Budget Amendment in the General Fund.
5. Approval to Schedule a Discussion Regarding Appointments for Unscheduled Vacant Term on the Planning and Transportation Commission Ending December 15, 2018; and Appointment of Three Candidates to the Historic Resources Board and Four Candidates to the Parks and Recreation Commission for Terms Ending December 15, 2019 in January 2017.
6. Ordinance 5400 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Palo Alto Municipal Code (PAMC) Title 16 (Building Regulations), Chapters 16.45 (Transportation Impact Fee for New Nonresidential Development in the Stanford Research Park/EI Camino Real CS Zone), 16.46 (Approval of Projects with Impacts on Traffic in the San Antonio/West Bayshore Area), 16.47 (Approval of Projects with Impacts on Housing), 16.57 (In-Lieu Parking Fee For New Nonresidential Development in the Commercial Downtown (CD) Zoning District), 16.58 (Development Impact Fees), 16.59 (Citywide Transportation Impact Fee), 16.60 (Charleston Arastradero Corridor Pedestrian and Bicyclist Safety Impact Fee), 16.61 (Public Art for Private Developments); and Title 21 (Subdivisions and Other Divisions of Land), Chapter 21.50 (Parkland Dedication or Fees In-Lieu Thereof) and; Adding 16.64 (Development Fee and In-Lieu Payment Administration) (FIRST READING: November 7, 2016 PASSED: 8-1 Schmid no)."
7. Ordinance 5401 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Resolution 9579 to Update the Fiscal Year 2017 Municipal Fee Schedule to Adjust the Planning and Community Environment Fees by Fiscal Year 2017 Adjustments to Salaries and Benefits (FIRST READING: November 14, 2016 PASSED: 7-0 Berman, Kniss absent)."
8. Ordinance 5402 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Section 4.39.080 (False Alarm Service Charges) and Section 4.39.090 (Revocation of Alarm Registration) of Chapter 4.39 (Private Intrusion Alarms) of the Palo Alto Municipal Code to Update

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the False Alarm Program (FIRST READING: November 14, 2016 PASSED: 7-0 Berman, Kniss absent)."

Mayor Burt: That passes 9-0. I'm sorry.

MOTION FOR AGENDA ITEM NUMBERS 2, 4-8 PASSED: 9-0

[Council returned to Approval of Minutes.]

Mayor Burt: Mr. Keene, any thoughts on when we should take up Item Number 3?

Mr. Keene: I'll ask our Planning Director here. I think there's some sensitivity to being able to stay on schedule and ensuring we have the funding. The question is are you the only one who's going to deal with this? It's your call. Ms. Gitelman is here this evening. She'll be here for the last item on the Council's agenda, and she's also here right now. It's the Council's pleasure.

Mayor Burt: Why don't we go ahead and make Item 3 a new Item 8a? Is that the way to do it? Which means now.

Mr. Keene: It'll be now.

Action Items

8a. (Former Agenda Item Number 3) Approval of Amendment Number 6 to Contract Number C08025506 With Placeworks | DCE to add \$410,902 for a Total Not-to-Exceed Amount of \$3,212,059 for the Comprehensive Plan Update; and Amendment Number 1 to Contract Number S16163548 With Management Partners to add \$120,000 for a Total Not-to-Exceed Amount of \$205,000 for Related Project Management Services; and Approval of a Budget Amendment in the General Fund.

Mayor Burt: Council Member Schmid, would you like to go ahead and explain why you pulled the item? Whether you have a question or what.

Council Member Schmid: I apologize for not informing Staff about pulling it. I missed getting the response on my email and only got it at places. The issue is that on November 7th, when we're looking at defining the new Scenario 5, there was amendment made to the Motion to reduce the nonresidential square footage from 2.7 to 2.4. That was done, but the job number remained the same. It seems to me there was a choice that the Staff faced of whether to reduce the jobs with the new square footage or to leave the jobs alone. Reducing the number of new jobs with the reduction in

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new square footage seemed logically to make sense. I think it was the intent of the Motion that that happen. To keep the job level high meant changing a long-term Council, Staff, City position that the ratio between new jobs and the mandated parking places was 4 per 1,000. This changes that ratio dramatically to like 5.7 per 1,000 for the new development, which seems to me to be a discretionary choice. I would move that we maintain our tradition going back to the 1988 Citywide land use and transportation study, that we treat new development as having a ratio of 4 new parking places or intended jobs per 1,000 square feet.

Council Member Holman: Could we hear it restated please?

Council Member Schmid: Since the amendment reduced the new nonresidential square footage by approximately 11 percent, that the new jobs be reduced by 11 percent as well. The explanation is this was maintain our longstanding tradition of 4 new jobs per 1,000 square feet.

Council Member Holman: I'll second.

MOTION: Council Member Schmid moved, seconded by Council Member Holman to maintain tradition going back to the 1988 Citywide Transportation/Land Use Study to treat new development with 4 new parking spaces per 1,000 square feet.

James Keene, City Manager: Mr. Mayor.

Mayor Burt: Sorry. You said you do second? Motion by Council Member Schmid, seconded by Council Member Holman. Before proceeding, Mr. Keene, did you have a ...

Mr. Keene: Maybe we're on the same track. I don't quite understand the direct relevance of this Motion as it relates to the item that is before the Council. I think that would need to be made clear. These are contract amendments to our consultants who are doing work on a project. I don't know to what extent the concern that's being raised could not be accomplished with this ...

Council Member Schmid: If I could respond. On Packet Page 63, the scope of work, Section 1A says consultant shall work with City Staff to develop 2030 population, housing and employment projections including build-out projections. In essence our scope of work says that the Staff will tell the consultant what to work on. It also says that that will be done up to the date the contract is approved, which means through today.

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Mayor Burt: You have not made clear how this amendment modifies this scope of work or why the scope of work is in conflict with Council direction. The scope of work doesn't go into the specific detail that you just raised. I will add that it's often more effective to begin with questions for clarification, unless you're just so sure that you've drawn correct conclusions and you have no questions, which apparently is the case here. Go ahead.

Council Member Schmid: In response to a question, which is available online, Staff has said that they did reduce the nonresidential square footage from 2.7 to 2.4 but did not reduce the number of new jobs projected. That's the issue that I'm dealing with.

Mayor Burt: I think as a courtesy that—you have inferred something. You believe it's a clear conclusion whatever your inference is. It would be more appropriate to ask Staff for a clarification than to leap to a conclusion. I'd like to allow Ms. Gitelman to offer any clarification she might have or not or whatever.

Hillary Gitelman, Planning and Community Environment Director: Thank you, Mayor, Council Members. Hillary Gitelman, the Planning Director. We did receive Council Member Schmid's question last week—I think it was on Wednesday—and provided a written response by email prior to the holiday. Basically, we had received Council's direction in August of this year about the scenarios that we were adding to the Environmental Impact Report (EIR) analysis. We gave the Council an opportunity to opine on the jobs numbers, the housing numbers, population and square footage in all of the scenarios as well as the principle policy components. The Council adopted a detailed Motion which asked for changes on some of the policy components and adjusted the square footage numbers as Council Member Schmid has indicated. The Council did not suggest that we should address the job numbers, and so we didn't do so. We've explained in our response to Council Member Schmid why we think that's a reasonable set of assumptions. We all know there's been job increases in Palo Alto since the recession, that have happened in existing building space not just in new building space. It's likely that this is a trend that can continue over the next 15 years. We think that the job number and the square footage number that the Council ultimately landed on in August are reasonably—a reasonable relationship can be drawn between the two of them without calling into question our longstanding, historic assumption related to one employee per 250 square feet. I would add, as it relates to the item on the Consent Agenda, we're talking about two specific contracts for work that is already well underway. If the Council wishes to adjust the job number on one or both of the scenarios we're analyzing, we would have to adjust the scope of

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work included here and bring it back at a later date, and the cost would go up. The schedule would also be affected.

Mr. Keene: Mr. Mayor, can I just add to that? I find this a little disturbing. It's almost like we're at Congress or something right now, and there's an appropriation bill, and we've got a policy issue being brought up. I don't even know that it would be appropriate the way this is presented here tonight to inject this discussion. The public wouldn't be aware of the fact that this sort of detail within the contract was this crucial. I think the appropriate time to deal with this would be as a separate matter. I think it's worthwhile bringing it up, but I do think this would get to be a difficult practice if we were to get to the point where we're following up on prior directives from Council to do the mechanics of bringing on the support we need to do things with the Council that we hold these things up. As Ms. Gitelman pointed out, if you did want to do this, there would have to be a subsequent amendment that would be brought. That would be a different document anyway. I miss the point as to why we don't proceed with this. If there's really an interest and concern, to then tell us to come back with an additional amendment to this contract, if you're interested. I think it's problematic to do it tonight.

Council Member Holman: Can I speak to my second?

Mayor Burt: We have a seconder. Council Member Holman.

Council Member Holman: I seconded this wanting also to provide clarification and likely an amendment. Where I understand Council Member Schmid is coming from is that, as the maker of the amendment, reduced the square footage of office in Scenario 5. It was, I think, a natural assumption and presumption that the number of employees would be reduced comparatively. There was no indication on my part—I don't recall any on any of the Council Members' parts in the ensuing conversation about that amendment—that there would be any change in relationship between office square footage and number of employees per 1,000 square feet. That's something that's been introduced subsequent to that amendment. It's really the relationship of the amount of office square footage and the number of new employees. That's the relationship to the parking spaces per 1,000. I don't think parking places per 1,000 is the most direct way to address this. That said, I don't disagree that we all know it's been going back to when we did the South of Forest Area (SOFA) plan, when there were oftentimes eight employees per 1,000 square feet. The number of employees per 1,000 square feet is not always 4, sometimes it's well above 8. Sometimes, it's only 4; sometimes, it's a little bit less than that but not typically this day and age. I feel like there has been a bit of a misdirect, miscommunication,

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alteration of assumptions or an alternative that should have been presented more forthright to the Council, so that we could address the change in dynamic of office occupancy density that's being addressed in this Motion. We brought this up—I believe Council Member Schmid and Council Member DuBois and I commented on this a couple of weeks ago during Council Members Comments and were told that we should bring it up during the land use discussion, which is before us this evening. Also, when this contract was flagged, it does indicate in it—I don't disagree with the City Manager that this is an unusual way to approach it. It does say in the language that's provided to us in the Staff Report that the City Staff will provide to the consultant the numbers to be used. That's directly relevant to this 4 per 1,000 scenario and concern that Council Member Schmid has, I think, rightfully raised. The amendment to the Motion that I would make, with Council Member Schmid's approval, be to retain the current ratio of employees per 1,000 square feet of commercial development for Scenario 5 and apply that to the reduced floor area ratio maximum identified for Scenario 5.

AMENDMENT: Council Member Holman moved, seconded by Council Member XX to add to the Motion, “retain the current ratio of employees per thousand square feet for commercial development in Comprehensive Plan Scenario 5 and apply that to the reduced floor area ratio maximum.”

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Mayor Burt: Is that an amendment? How does that reconcile with the Motion that Council Member Schmid (crosstalk).

Council Member Holman: It would replace the parking reference.

Molly Stump, City Attorney: Mr. Mayor, if I may.

Mayor Burt: Yes.

Ms. Stump: It may be that for some Council Members the way that the scope is drafted is a reason to vote no on this contract. I do think on this item you need to approve a contract or not approve the contract. The policy direction on how to adjust the scenarios is something that can be brought up tonight under Item Number—under the Comprehensive Plan (Comp Plan) item. That item is quite a bit broader. It's policy-based. It doesn't call out the EIR process specifically, but we do think it's broad enough that you could raise these policy direction points within that item. That is really more appropriate from a public notice standpoint.

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Council Member Holman: The question then is how might that affect this contract or how would we provide direction to Staff related to this contract?

Ms. Stump: The way the scope is drafted is very typical. Staff works closely with consultants to provide ongoing direction. They will do that carrying out your direction to the extent you've provided detail on a particular item. You could approve this contract that provides for the work hours to be available for the consultant to move forward on this part of the EIR, and then give that policy direction on what you want that to look like under the Comp Plan land use item.

Council Member Holman: One last question. If there are then amendments that would be required to the contract because of our land use discussion, Item Number 10, then how would we bring that up or address that?

Ms. Stump: We wouldn't put that level of detail into a scope of work in a contract. I don't think you—the scope of work as drafted doesn't provide for it to do either thing, either the way that the Director has described it or ...

Mayor Burt: Let me offer what I would envision and see if Staff concurs. Under Item 10, if we gave this clarification, then if it is true that it would alter the cost of the contract, then Staff would have to come back with a contract amendment at a subsequent time.

Mr. Keene: That's the way it should be done.

Council Member Holman: Final, final question then is could we, because it's not agendized, direct that as part of the land use discussion for Item Number 10?

Mr. Keene: If I might add. I think you read an excerpt from the Staff Report that we would incorporate numbers as part of this analysis. Presumably under Number 10 you may have some discussion and give us some additional new direction, which would inform the numbers that we would work with the consultant on. We either go back with the consultant and we're able to accommodate it and negotiate it within the scope of work of the contract as it is right now or we'd get some information from the consultant and we'd find out what that would be and we'd have to come back with an amendment. There's no way we can do this on the fly tonight.

Mayor Burt: Let me add that I'm not sure that I follow Director Gitelman's reasoning that this would be some significant change for the consultant. What we'd be doing is having the Scenario 6 look at a moderately fewer number of jobs than it's currently looking at. I don't understand why that would have a significant impact on their scope of work or the environmental

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conclusions. It would be less impact, and it would be subtractive from certain elements of their model. I don't quite follow that, so I do see it as—I'll say that I think this Motion is out of order. I think the topic is reasonable, and I tend to agree that that was our intent when we gave direction to Staff. This doesn't appear to fully reflect our intent. I also believe that the correction to it can be accomplished easier than was portrayed to us. What I'd like to do is encourage the maker and the seconder to withdraw the Motion, but we can vote on it if you don't want to.

Council Member Holman: I'm fine as seconder to withdraw the second given the prior conversation. Just for clarity, it's Scenario 5 rather than Scenario 6 as the Mayor mentioned.

Mayor Burt: Did I say 5?

Council Member Holman: You said 6; it's actually 5. Just for clarity for anybody who's listening.

Council Member Schmid: Could I have a clarification?

Mayor Burt: Briefly.

Council Member Schmid: The discussion was that we could discuss this in Item Number 10. This refers specifically to Scenario 5 that we have worked on. There's no mention of the scenarios in Item 10. Is it okay to bring up a subject that is not in that item? It is specifically mentioned here.

Mayor Burt: While they're getting ready, let me just say that Item 10 is very broad. There's a whole bunch of things, innumerable things, that are not specifically listed in 10 that we will be discussing tonight. It has everything to do with the Land Use Element. Ms. Stump?

Mr. Keene: I think Molly is going to concur, and it's way broader than this item is. This item is a contract to do 95 percent of the work unrelated to this issue that you're talking about. Hillary's right. This is either yes on the contract or no on the contract for the most part. You don't want to do that. You can accomplish what you want by following the directive the Mayor was talking about.

Ms. Stump: You can raise it under Item 10.

Mayor Burt: Thank you.

Ms. Stump: There may be that there's an additional item that will need to come back at some other point on cost and schedule, and that will happen later.

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Mayor Burt: Is the Motion withdrawn or not?

Council Member Schmid: Yes, I'm going to withdraw it.

MOTION WITHDRAWN BY THE MAKER

Mayor Burt: Thank you. Council Members DuBois and Scharff, do you still need to speak on this?

Council Member DuBois: I do.

Mayor Burt: Council Member DuBois.

Council Member DuBois: First of all, just to clarify again, I didn't see the answers until tonight. Apologies for not giving you a heads up. I don't think this was about new work. I think this was a clarification. I truly believe there was a mistake or miscommunication. We can talk about that when we get to Item 10. I just wanted to clarify that I would have described the issue much differently in the Motion. I think, again, our intent was really clear. I went back and looked at my notes. We never talked about putting the same number of workers unless office space—I think we were always talking about Scenario 5 as a low jobs growth scenario. When Council voted to reduce that office space, I think that was clearly our intent. It was not to have the same number of employees in 2.4 million square feet and the same number in 2.7 million square feet. That doesn't make sense to me.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I think we actually need to pass this though. I'd like to move approval, since we don't have a Motion on the board, of the Amendment Number 6 to Contract Number, etc., etc.

Mayor Burt: I'll second that.

MOTION: Vice Mayor Scharff moved, seconded by Mayor Burt to authorize City Manager or his designee to execute:

- A. Amendment Number Six to contract C08025506 with Placeworks | DCE, increasing the amount by \$410,902 for a total of \$3,212,059 for work on the Comprehensive Plan Update; and
- B. Amendment Number One to contract S16163548 with Management Partners increasing the amount by \$120,000 for a total of \$205,000 for related Project Management Assistance; and

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- C. Amend the Fiscal Year 2017 Budget Appropriation Ordinance for the General Fund by:
- i. Increasing the Planning and Community Environment Department contract services by \$530,902; and
 - ii. Decreasing the General Fund Budget Stabilization Reserve by \$530,902.

Mayor Burt: Please vote on the board. That passes unanimously. Now we can return to our business.

MOTION PASSED: 9-0

9. Discuss and Approve Sustainability and Climate Action Plan (S/CAP) Framework, Principles & Guidelines.

Mayor Burt: Item Number 9, which is to discuss and approve the Sustainability and Climate Action Plan framework, principles and guidelines. Mr. Friend, are you kicking it off?

Gil Friend, Chief Sustainability Officer: I am.

Mayor Burt: Welcome.

Mr. Friend: Thank you. Good evening, Mayor Burt. Good evening, Council Members. I'm Gil Friend, the City's Chief Sustainability Officer. I'm pleased to be back with you tonight to take the next step in the City's Sustainability and Climate Action Plan. The focus of the Plan is obviously broader than just climate. We're here to talk about creating the kind of future that we want, which includes a healthier and safer and more sustainable and prosperous and resilient community, to do our part as a City, where the leading edge is around the world in meeting the global climate challenge, and to do as we have done many times over the past decades to lead by example and inspire others. What we're recommending tonight is that we discuss and adopt the Sustainability and Climate Action Plan framework. I'll talk more about that in just a moment, including in particular its proposed decision criteria, guiding principles and design principles as the roadmap for the development of the subsequent S/CAP implementation plans that we'll be bringing back to Council early in 2017. We'd like to ask you to direct Staff to return to Council with those implementation plans probably in phases early in 2017. Just by way of context, here's where we are. We've made dramatic reductions in our greenhouse gas emissions over the past 20 years. You can see at the right where our 2030 goals are in context of your 80 percent reduction decision back in April. The S/CAP, as you recall, has ten major

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areas. We're not going to go into the details of them now. You've seen them in April; you have them again in the Packet that's in front of you. In each of these areas, we have some context discussion, specific goals that we're proposing to achieve and the key strategies needed to achieve those goals. In summary, these are some of the key elements in the Plan. There's a lot in there, so I'm not boiling it all down. These are some of the things that stand out. To summarize our conversation from back in April, Council provided a resolution with four elements. Here you see on the screen the elements that you established at that time and the Staff responses to them. Staff have begun referencing the 80 by '30 goal in their work as have people in the community. We've developed and have begun implementing a process for integrating the Sustainability and Climate Action Plan with the Comp Plan. We have formed seven interdepartmental teams to develop specific sustainability implementation plans covering the key S/CAP sections of mobility, efficiency in electrification, water, zero waste, municipal operations, natural environment and adaptation and sea level rise. We have brought back to you tonight the framework document including the guiding principles. The framework document is in response to your resolution back in April to support the framework. What we've done is we've stripped out the Action Item level of detail, the specific actions and accountabilities. We're putting those into the implementation plans, which will address specific actions. Accountability is who will do what when. What are the budget requirements of those? What are the performance measures for those? Those are removed, and what remains in the framework is the overall strategic language, the decision criteria and guidelines and principles and for each section the goals and the strategies. Based on the work of the implementation teams since July of this year, there have been an enrichment of some of the sections, which you noted in April were thin. You'll see additional content around water and natural environment and adaptation. In some of the sections, there have been some adjustments to the goals and strategies based on the work of the Staff teams. We've highlighted those in the document that you have in front of you. Yellow highlights in those sections. You'll also see a little bit of redlining where we've provided some clarification in the text. I know that's not the normal practice for a report to you, but wanted you to be able to see the detail and changes so there would be no problems there. The trajectory that we're on, just to summarize it here. Back in April, we brought you the draft Plan. You adopted the 80 by '30 greenhouse gas reduction goal. You supported the overall framework of the Plan. You supported the guidelines and wanted to discuss them further. You asked us to address the integration and synchronization of the S/CAP and the Comp Plan. Today in the framework, the middle column here on the slide still includes the overall perspective on climate strategy and the City strategy. The section on the guidelines and criteria and in each of the sections the goals and strategies that we propose

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to guide us on a trajectory to 2030. These are high level, within which we'll have specific operating plans that will necessarily change over the years. That's what we'll come back to you with in Q1 and Q2 of 2017 to dive into the detail on those. As we've approached this, we've considered that the success factors for making this work are to have strong directional goals. We have those now. To have clear principles and criteria to guide Staff in the development of the implementation plans. We need to build flexible platforms so that we not only fulfill our plans but build the capacity of the City and its organizations and the community to respond effectively to the next phase and the phase following that, expecting that circumstances in the world politically will change, technologies will change, cost effectiveness will change. We'll need to learn as we go, so we want to build the capacity in our organization to do that. Fundamentally important is to have timely and transparent performance tracking so that Staff and Council and community can know where we are and how we're progressing and how we can do better on those. With that overview, let me just summarize the decision criteria, how we will know and decide if we're on track. You can see here greenhouse gas impact is top of the list, but it's by no means the only thing that's important to this community. We've suggested seven other decision factors that should guide our choices and decisions as we move forward with this Plan. We're suggesting a series of guiding principles that provide the context or the wrapper for the work that Staff does, knowing that a lot of details will shift, but directionally we want to know where we're going. We want to consider sustainability in its broadest dimensions, including quality of life and other factors. We need to address the sustainability issues that are most important to this community, select the most cost-effective ways of pursuing them, but recognizing also that there are moral and political choices to be made as well, not just economic choices. We fundamentally want to improve the quality of life in this community and not see this as a sacrifice but as an enhancement of the way that we live. Foster a prosperous and robust and inclusive economy that builds our resilience throughout the community. We need to include diverse perspectives from all stakeholders in building and carrying out this Plan. Last but not least is to recognize Palo Alto's traditional role as a leader and use that to build linkages and influence with regional and national and global community and partners that are working in their own regions on these common concerns. We suggest in the Plan as far as design principles to guide us on how we proceed on these many complex choices, that we focus on what's feasible right now but do that with a full recognition that technology and costs are shifting very rapidly in many of the domains, that we're concerned about that, so be open to that. We need to prioritize the actions that are in our control. In the framework document, there's a set of concentric circles that show the things we have direct control over, partial control over and indirect control over, so we want to use that as a prioritization tool. We'll address in

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the implementation plans coming back in early 2017 specific near-term actions and costs, how to move from theory to practice, and the first steps on the path that we're on here. Do this in the context of the more aspirational, longer-term goals. We'll look at what's practical in 2017, '18, '19 and '20 but in the context of where we want to get to by 2030. As Council established in 2009, we'll need to use life-cycle analysis and total cost of ownership and consideration of externalities to guide our financial decisions. This is something the Council was, I think, one of the earliest cities in the country to put a stake in the ground on, but it's something we have not yet implemented fully, partly because the techniques of doing it aren't fully developed. We're working with other cities to look at how we can advance that. We need to align incentives to ensure that the things that we subsidize encourage the results that we want, not the results that we don't want. As I mentioned before, flexible platforms that let us take practical, near-term steps, but build our muscles and our reflexes and our ability to see opportunities as we go forward. The reason that we have these guidelines and principles in here is, frankly, that we're navigating uncertain seas. We're in a world that's volatile and uncertain and complex and ambiguous. We need to have a clear destination in mind but understand that our route is going to vary. Much like a sailor on a ship, tacking toward a destination is not always directly on course but is moving in general toward that course. This is a different kind of planning than we typically do. We typically focus on what's our capacity to move right now on a particular issue. This is a kind of planning that says where is it that we want to go and how might we get there. We'll need to do both of these together, but understanding that they're different and there's going to be inevitably some creative tension between them. Jim, do you want to speak to this slide?

James Keene, City Manager: Are you nearing the end?

Mr. Friend: Yes, I am.

Mr. Keene: I'll make some other comments. We put this together really, really quickly, like in the last half hour before the Council meeting. It's not in your Packet. When I was looking at the Staff Report, there's still some unanswered questions about precisely how the S/CAP and the Comp Plan itself will be cross-referenced or incorporated. In fact, we were late in coming back to the Council. From your directive, you asked us to come back in two months. That put us right about at the Council break. The Citizens Advisory Committee (CAC) was getting rolling with its sustainability subcommittee over the summer. We made some progress on really more logistical issues about how the Comp Plan itself will include references specifically and ultimately for the need for the Comp Plan to, once it's completed, feed back to the S/CAP. We might want to make changes in the

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S/CAP based upon some of that language. In talking with a few folks, I thought it was helpful for us to maybe reframe the way we talk about the Comp Plan itself by this little diagram here. At the center of what we call the Comp Plan is really the General Plan, which is a requirement in California and in most states for localities to adopt a general planning document to guide it. The truth is it's meant to be general. All the work we've been doing has still been very much on a plan that is meant to deal with the core issues at a high level. In our City, I don't know. Some of you Council Members would know better than I do. We actually built our Comprehensive Plan, which we are updating right now, with the core of this General Plan and then we added other components to it that are not necessarily required in the State law. That's that sort of inner circle that looks like a target. If we could think about what we're really doing is ultimately enlarging the range again of the Comp Plan into this wider area. In the case of the S/CAP, which is up in the top, the Sustainability and Climate Action Plan, we would be ultimately incorporating by reference into the Comp Plan the S/CAP. You could be doing the same thing with, at the Council's discretion, other planning documents that we have, the Parks and Recreation (Rec) Master Plan, the Urban Forest Master Plan. When we get the time to be able to do more detailed coordinated area plans, for example, we'll add those, or the Council can choose to add those. I want to put that up there because it parallels a little bit of this conversation about the S/CAP. When we finish this year, 2017, this upcoming year, what we call the Comp Plan itself and in that same timeframe the expectation would be we've gone through the environmental review process for the S/CAP itself and adopted the S/CAP, that would be incorporated by reference into our Comprehensive Plan. Not everything has to be perfectly matched. It'll be almost a dynamic between those two documents. I want you to think about it more in terms of just other plans that we want to take forward. Before Gil completes, I have a more simple view a little bit of what's happening here. The Council got—we had a big Summit last year with a whole bunch of folks at the end of January, I think. In April, we came to the Council with the Sustainability and Climate Action Plan. It had a lot to it; even the vocabulary was kind of complicated. We had goals and guidelines and strategies and targets and action steps. While the Council said they generally adopted the framework, it was actually kind of uncertain to me what that really meant, adopt the framework. My sense was a lot of the Council concern, both spoken and unspoken, started to deal with all of these detailed action steps that would have to take place to start to meet these targets themselves. In many ways, they were both all over the map. We had a 14-year away goal of 2030 to really start to get a handle on what should we do or not do over a 14-year period. To reach this audacious 80 by '30 goal is pretty hard to make some decisions about. That is why when we went back after your directives, we said, "There's too much here. We've got to break this off into

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a more summary piece, which is a framework document, these decision criteria, the guiding principles." Again, get the Council on board and familiar with that and understanding that these implementation plans, that Gil is talking about, need to come back separately, and they need to have a shorter timeframe, horizon. That was this idea of having a 2020 target. That would really say how much investment in Electric Vehicle (EV) vehicles, for example, under electrification or mobility would we really be looking at, what do we think that would cost and what that would take. The Council would be in a better position to really say go ahead and do those detailed actions steps. Knowing that we would report to you each year, at least, on our progress on that and certainly by the time we got to 2020 we could really take a look again and say how far have we made it, is 80 by '30 a goal that's really within our reach or is it further out. It's really too much for anybody to fully commit to. That's why we've separated it into these two things. I won't say we glossed over it, but the decision criteria that Gil mentioned—I apologize. We don't have slide numbers on your slides. It's the first one after the S/CAP success factors. Maybe you can put it up? I would just call this out as an important qualifier for the Council, because we're saying to the Council, "Adopt this framework. The framework will include these decision criteria, these seven or eight guiding principles, and these design guidelines." I've identified the high-level strategies with the targets attached to them, but it doesn't say at all really how we're going to get there in detail. That will be the follow-up plans that we will come back in 2017 and start working with the Council. There is a clear acknowledgement that the Plan envisions the Council will consider, when saying go, no go, go at this speed, go more slowly, our greenhouse gas impact, quality of life impact, the mitigation costs, the return on investment, the ecosystem health, resilience, the impact on future generations. There may be ultimately specific criteria the Council wants to add to that. I see these as protections and buffers that can allow the Council, I think, to move ahead at the framework right now, knowing that you're going to subsequently look at the specific implementation measures, and you'll have the ability to be able to accept, modify or decline to support for this next 3, 4-year period through 2020 those directives, which would ultimately be back to the Staff based on these criteria. I think that gives the Council enough flexibility to know this isn't just going to be a carbon reduction goal; that's going to be a factor. There are other things that you can bring into it. I'll be available here with Gil also to respond to more detailed questions. I did want to add those components.

Mayor Burt: Thanks. That was very helpful. I think what you just described helps the Council feel comfortable that what we're focusing on tonight is that next layer, not the actual programs and plans, but how future decisions would get made and the guiding principles that we would use as well as

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these criteria that City Manager Keene just went through. I encourage everybody to start at those criteria. Maybe we can even have that slide up there again. This Quality of Life (QOL) is ...

Mr. Friend: These are also on Page 18 and 19 of the framework document in your Packet.

Mayor Burt: Why don't we go ahead and put it up there? That's quality of life impact. This really speaks to issues about how our Sustainability and Climate Action Plan will integrate with not only our General Plan but a whole set of community values that matter to how we live here. We should look at whether those are a good set of criteria, look at whether the guiding principles are the ones that we believe are those that we want to use, and then we can focus next on these design principles and make sure that we're comfortable with that. As Mr. Friend explained, next year the Council will be taking different segments of this and applying these criteria and principles to then support a series of programs and plans. We can at this time entertain any questions of Staff. We have speakers, and then we'll return for discussion. Council Member Wolbach.

Council Member Wolbach: On Page 2 of Attachment C, which is the principles and criteria, it's the last page of what we got in our late packet. The third from the last design principle, actually the first item on that second page, where it talks about full cost accounting. The second clause of that says focusing on emission reductions that—I think there's a typo—are achievable at a point in time.

Mayor Burt: I just want to make sure everybody's tracking. Out of the actual—at the back of our Packet we have the actual Plan. At the very back of that, Council Member Wolbach is referring to a two-page Attachment C. Go ahead.

Council Member Wolbach: It's the very last page of our late packet, at the top. It says focusing on emission reductions that are achievable at a point in time, and then there's a parenthetical statement, *i.e.*, not on life-cycle emissions. I was hoping Staff could clarify why not focusing on life-cycle emissions. It seems like a very clear choice there. I'd just like some clarity, because I'm not sure I understand that, unless it's a typo.

Mr. Friend: Staff can't clarify that. In truth, Council Member, I'm not recalling why that parenthetical got in there. I think we wanted to be clear that we were looking at concrete, near-term reductions that are available as the priority. Over the course of the Plan and trajectory, we'll be looking at the life cycle reductions, in other words what happens. You make an investment, and it may take 10 or 15 years for all of its benefits to play out.

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I think this was an inartful attempt to draw that distinction. I think we need to revise that language. Thank you for catching it.

Council Member Wolbach: Thanks.

Mayor Burt: Does anybody else have any questions before turning to the public? I see none. We do have a lot of speaker cards. Fortunately, the first speaker is speaking on behalf of six speakers. Chris Martha speaking on behalf of himself, Jeralyn Moran, Karen Neuman, Joyce Martha, Julian Chu and Sandra Slater. You'll have up to 10 minutes to speak. Thank you.

Chris Martha speaking for Jeralyn Moran, Karen Neuman, Joyce Martha, Julian Chu, and Sandra Slater: Thank you, Mayor Burt, and thank you to all the Council Members for your service to our City and for the opportunity to address you this evening regarding the S/CAP. My name is Chris Martha, and I've lived on Parkinson Avenue in the Community Center neighborhood of Palo Alto for the last 17 years. I was lucky enough to be a block leader for the Cool Block pilot program over the last six months. Back in 2012, the City Council wrote a letter of intent to support the Cool City Challenge. The program was designed for citizens to get to know our neighbors better, conserve resources and reduce our carbon footprint for the sake of our children and that of the planet, and to get better prepared for emergencies. We've just completed the pilot of this exciting program, and we'd like to share some of the results. In the pilot, there were ten blocks in Palo Alto representing 80 households. Collectively, we reduced our carbon footprint by more than 500,000 pounds, and we took over 1,000 actions, and every member of each team now feels much more connected to their neighbors. Our blocks have built tremendous social capital and are now linked to each other in meaningful ways, knowing that we can lean on each other for everything from helping each other in emergencies to building community gardens to coordinating efforts around purchasing or childcare to sharing resources such as tools and even sharing our knowledge and skillsets. These blocks now feel stronger, more connected, more engaged and are continuing with creating wonderful new programs from their own ideas. A positive grassroots movements has been born. We want to thank the City Council and City Manager Keene for your leadership and vision for bringing these types of programs to Palo Alto. While we don't know the specifics of the S/CAP that you're discussing tonight, as that will be determined over time as programs and technology emerge, we do know that we can make a difference as a household, as a block, as a neighborhood. We as citizens have growing awareness of our responsibility for our decisions regarding use of resources and the effects of our consumption to our future. The Cool Block program has been an amazing success, but we can't do this alone. We need the City's continued leadership to take bold action to help Palo Alto

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become a beacon to the rest of California, the nation and the world. We urge you to support the S/CAP goals and framework through good policies and audacious programs that will help see a better Palo Alto, a better California, a better planet. Palo Alto has been the leader in the world for technology. We need to be the leaders for the world to showcase good policies and citizen engagement to heal the planet. Please support the S/CAP framework. Let us finish what we started, a concerned and engaged citizenry that can help move the dial on climate change. There are several members of the Cool Block community here this evening to lend their support for the S/CAP as well. I'd like to ask them to stand now as a show of support for the S/CAP framework. Thank you all very much.

Mayor Burt: Thank you. Our next speaker is Bruce Hodge, to be followed by Bret Andersen.

Bruce Hodge: Thank you very much, Mayor. Bruce Hodge from Carbon Free Palo Alto. This excerpt is from a brief that we sent you earlier. The S/CAP provides an interesting and far-reaching list of goals and strategies. However, the City has spent almost three years on the S/CAP and still lacks specific plans and timelines for actual reductions. It's time to develop a three year Plan that focuses on the specifics of perhaps three implementation strategies that are effective, scalable and realistic given the resource limitations of the City's Staff. Attention should be paid to adequate staffing and funding and the financing considerations to make the effort successful. Key performance metrics should be identified and then reported regularly to the City Council and the public. Action is needed now. As the scientific knowledge of the impacts of climate change has evolved indeed for urgent action, it's only increased, never decreased. Let's get going. We feel that there's too much complexity in the S/CAP. In general, California Food Policy Association (CFPA) believes that the S/CAP has too much complexity and not enough specificity. There are too many strategies, and there's no prioritization of them based on the efficacy and likelihood of success. Many strategies are very general and are unlikely to be translated into specific actions for various reasons. There's little indication of the strategies which can realistically be implemented given the extent of local jurisdiction and influence. The numbers in S/CAP are a best guess. CFPA would like to caution that despite the many numbers and percentages quoted, the S/CAP represents a guess at one scenario out of many possible ones and perhaps implies more certainty than warranted. Many of the numbers are just educated guesses with some more grounded than others. The natural gas emissions are a larger contributor than presented in the report. Even presenting a clear breakdown of Palo Alto's emissions by sectors is complicated by several factors. For instance, there's increasing evidence that the natural gas sector emission should be doubled to account for the

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effect of (inaudible) emissions of methane, which brings the percentage contribution up to about 42 percent and which consequently reduces the road travel emissions to around 51 percent. If you further reduce the contribution from road emissions to only account for local residents, the natural gas can easily become the top contributor to greenhouse gas emissions in Palo Alto. Finally, what about air travel? The impact of air travel is downplayed in the report. Palo Alto is an extremely affluent community. For many residents, the emissions from air travel completely overwhelm all other emission sources including driving and heating water and living spaces. This simple fact is not recognized by many residents. The City should forthrightly present this issue. Thank you.

Mayor Burt: Thank you. Our next speaker is Bret Andersen, to be followed by Debbie Mytels.

Bret Andersen: Thank you for the opportunity to speak. I'd like to add some detail to what Bruce was saying about our brief, sent earlier to the Council. We feel very strongly that after the years of analysis into the S/CAP Plan we should have more detailed plans for the largest sources of greenhouse gases in the City. Palo Alto has a greater scope of impact in these areas as well as the potential for higher returns and pulling the curve for adoption of these measures earlier. These two are electrification of vehicles, electrification of buildings. The first advantage that Palo Alto brings to this is its carbon neutral electricity. Every electric vehicle, every heater, cooler or other device added to our grid is a zero emissions device. This means that every EV adds energy storage to our electrical grid, and the efficiency measures extend the reach of our grid to become the smart infrastructure that we need for the future. To the extent that carbon has a price, then the return on investment to electrification in Palo Alto is higher for Palo Altans. These advantages of going electric in Palo Alto should be shamelessly marketed to the population. We should promote the adoption of electric solutions much more aggressively, for example, in sponsoring more events from the City and using social media to promote these points continually. Second, the big advantage that Palo Alto has in owning its own utility is that it can provide its own services and fund those through on-bill financing. For example, providing easy to buy on-bill financing options for energy upgrades including electrification or efficiency. It removes the high upfront costs that are traditionally causing historical underinvestment in the efficiency by residents. On-bill financing has been shown already in some areas to achieve very high adoption rates compared to traditional rebate programs or optional programs that are implemented by utilities. Carbon Free Palo Alto can offer more details if more information is required on this later. It's already past time, I think, that we invest in providing services that give easy to buy upgrades for people, businesses and residents, in our

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community for electrification. Three other recommendations that we have include not approving the carbon offsets for natural gas as a standalone program. We oppose this proposal to raise gas rates to spend on offsets unless a commensurate amount of money is collected and invested in local electrification efforts. We need to tie money that might leave the community to investment in our community to actually stop using the natural gas that we need to offset. Two final recommendations are just to simplify the Plan greatly and provide priorities so that the implementation plans we look at are not a list of 18 areas but focused down to those select few. Thank you.

Mayor Burt: Thank you. Our next speaker is Debbie Mytels, to be followed by Lisa van Dusen.

Debbie Mytels: Good evening, Council Members. Thank you for going through this with all of us tonight. I'm a resident of south Palo Alto, one of thousands perhaps, who are concerned about sea level rise and how it may ultimately wipe out the nest egg that we want to leave behind for our grandchildren. Although I work for Acterra, I'm speaking as a private citizen tonight. I'm sure that my colleagues at Acterra are pleased with this document and ready to help you with its implementation. I'm also the volunteer with the Zero Waste block program of the City and really pleased that there's recognition of the contribution that Zero Waste can make in reducing greenhouse gas (GHG) emissions. I spent some time over the past few days reading over the updated Plan and want to applaud the Staff for their work and the reframing of the initial draft. I think it's well thought out and comprehensive in its structure. I think some of the points about moving ahead more quickly with implementation plans are important, as has been raised by the previous two speakers. One of the things I really like, though, about it was ways in which the key assumptions on Page 16 suggest a reframing of some questions. For example, as it says, rather than asking—while this is possible, it might be better to say what can we do to accelerate changes or take advantage of existing market forces. One of the changes that's proposed is instituting fees for parking. As a person who travels up and down the Peninsula to meetings and shopping in other communities, I'm really used to paying for parking, and I'm really surprised that Palo Alto hasn't done this yet. We really need to tap into this revenue stream. It's also good to see that the proposed implementation plans may also call for changes in parking requirements, with the idea to require a maximum parking allocation for buildings rather than a minimum one. I think there are a few other questions I'd like to raise as well. First, there's no reference to potential changes in Federal government regulations. This, of course, is something that we're all looking at with trepidation right now, especially in regard to vehicle fuel efficiency standards that would contribute significantly

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to the anticipated business-as-usual reductions. That's sort of a squishy thing to rely upon at this point. The plan also relies heavily on the growth of ridesharing services and mobility apps. Yet, this is also something that's largely outside the City's sphere of influence. The market forces that may bring it into existence may also be subject to changing winds at the Federal level. Lastly, I just would like to say that I'm glad that the S/CAP includes a section on the natural environment and the potential for carbon sequestration in our soils and urban forests. We had a talk at Acterra recently by John Wick, the head of the Marin Carbon Project. They're finding great potential for carbon sequestration by the application of compost to range lands where deep-rooted native grasses are growing. More leaves from our urban forest could be composted, and we could get credit perhaps for related sequestration. Basically, thank you. We're looking forward to seeing the implementation plans in the near future. Thank you.

Mayor Burt: Thank you. Lisa van Dusen to be followed by Mark Mollineaux.

Lisa Van Dusen: Good evening, Mayor Burt and Council Members as well as City of Palo Alto Utilities ratepayers that are here tonight. I'm Lisa van Dusen, and I'm here as a more-than-30-year resident of Palo Alto and as a member of the City of Palo Alto's Sustainability and Climate Action Plan Advisory Council. To be clear, though, I'm here speaking as an individual not as an S/CAP member. I'd just like to speak briefly to an opportunity that's going to be before you next Monday for your approval, and that is related to the 100-percent carbon neutral through offsets green gas program. It is an example of something that can be done now, that is a specific part of the framework that you're looking at tonight and, I think, maps beautifully to all but one of the guiding principles, one of which just simply doesn't apply. My partner in crime, Sandra Slater, and I brought this proposal to the Utilities Advisory Commission almost a year and a half ago. I've had the pleasure of working with the Utilities Staff and the Utilities Advisory Commission (UAC) and the Finance Committee, Eric Filseth, Cory Wolbach, Greg Schmid and Karen Holman, through the public process to help shape this. Without getting into a lot of details, I really feel like it's a prime example of something that can be done and that is flexible, does not hamper any of the kinds of things that were brought up earlier. All of those things can happen as quickly as you can execute on them. I think it focuses on what's feasible, prioritizes actions within our control, addresses specific near-term actions and costs in the context of our aspirational goals. It addresses full-cost accounting; although, you can always spend more offsets. It aligns with incentives, getting people off of gas and moving to electricity, and creates flexible platforms. While offsets are not the endgame, it is a bridge, and they can also be moved towards more local offsets as well. We've heard from others including Canopy about the

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potential for that, that could be quite soon. Again, it's something that you can do now. It is something that does not exclude and, in fact, can help create a platform for doing just what was talked about, moving to electrification at the pace that you set. I just want to say thank you for your work, for Gil Friend's work, for the support of City Manager Keene and for all of you. I think the framework that's before you, particularly if you just bear in mind the guiding principles, that we can move quickly. In the context of our new political reality, I think it's all the more important that we take seriously the power of the local mandate. Thank you.

Mayor Burt: Thank you. Mark Mollineaux to be followed by Keith Bennett.

Mark Mollineaux: Hi there. Everything in this Plan is very good. It does essentially everything right when working within certain assumptions, when certain things aren't to be considered, when certain things are off the table. When you look at what can be done without certain pain points being addressed, it does a great job. It looks at some of the biggest things here. 65 percent of emissions are from road travel. It does some good things to help that, such as reducing free parking. This would be a great thing. There could be more direct things, perhaps more exotic like congestion pricing. I really think if you want real wins and improvement in the environment, you have to look more at land use policy. It's the father of all the other issues that come from this. If you align the incentives with land use policy correctly, you don't need to manually plan so much. You get a lot of things automatically, a lot of things for free, and vice versa. If you continue to have an incredibly inefficient use of natural resources such as land, such as low-density single-family housing in most of the land of the City, you will really struggle to claw back any savings at all. It's all uphill. I think the document—it breaks down what each component will get you. The land use policy proposed here is a target of 2.95 job to housing ratio. If you really wanted to save the emissions, why not aim higher? Aim for a balanced jobs/housing ratio. If you really want to help the environment, you have to consider things like this. The target it has here will contribute to 1 percent of the savings—that's from the report—compared to everything else it is. That isn't that much. I think that you could have clawed back more of the land use policy and adapted it to quite more savings. I completely understand when you touch that, it becomes very unpopular with constituents. It's reasonable that it's off the table. I simply think that when so much is off the table, you should at least consider it. I think it's a bit disingenuous to say this is really doing the best thing to help as opposed to helping a lot. It does good things. It's largely about making people feel like it's a lot and not actually doing what they can. Looking more at some of the structural problems. I have to say it again. Prop 13, you're not really going

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to help the environment unless you look and say maybe we have to touch a few things we considered untouchable. Thank you very much.

Mayor Burt: Our next speaker is Keith Bennett, to be followed by Bill Ross.

Keith Bennett: Hello. I'm Keith Bennett. Some of you know me. Water is a critical component of any Sustainability and Climate Action Plan. Climate change and population growth will exacerbate water issues. I would like to call your attention tonight to Section 5.2.2 of the draft 2016 Santa Clara Groundwater Management Plan, which states "historically saltwater intrusion has been observed in the shallow aquifer of the Santa Clara sub-basin adjacent to SF Bay. Significant increases in groundwater pumping or sea level rise due to climate change can lead to saltwater intrusion." In the following paragraph, the Plan goes on to state "although not typically used for beneficial purposes, the shallow aquifer is also a potential future source of drinking water or other beneficial use." Let me repeat that. The shallow aquifer is also a potential future source of drinking water or other beneficial use. Against this background, I would like—finally I want to point out that careful beneficial use of shallow groundwater has a much lower carbon footprint than current practices and would be highly compatible with Cool Cities. Against this background, please note that the City currently estimates that 120 million gallons of groundwater was legally pumped this year in Palo Alto for the construction of eight residential basements. This is 35 percent of the estimated aquifer recharge by San Francisquito Creek for an entire year. It is also approximately twice the amount of water pumped from under Oregon Expressway annually.

Mayor Burt: Thank you. Our next speaker is Bill Ross, to be followed by Rita Vrhel.

Bill Ross: Good evening, Mayor and Council. I'm a resident, business owner and ratepayer in both capacities. My comments are focused principally on the goals and policies set forth in four, water management. I would suggest also that there's a document for integration that could be relied on presently. It's the 2015 General Plan Guidelines that are proposed; they aren't yet adopted. It contains several references to how the Sustainability Plan can be related directly to the required elements including circulation and land use. Water management, I don't understand why there isn't a policy right now to implement the zero water footprint. It's the comparable thing that's been done with respect to air quality standards being met both with respect to State levels and Federal standards. Also, you have the opportunity to immediately require dual plumbing in all new development. You had the chance on 1050 Page Mill, where you could exercise your discretion as the last speaker said or the one previous to that in a land use

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condition, and you chose not to. The price comparisons between recycled water and domestic water supply are incredible. That should be an immediate implementation measure that you should consider in water management, both of those. They're linked. Again, I think there are efficiencies that can be achieved by an examination of the relative costs of energy, and I would make reference to the approximately two year study by the State Energy Commission of the Hidden Hills project, which analyzed everything from natural gas to combined solar/steam systems. Obviously that relates to the cost. There are advantages to natural gas. There are certainly costs associated with a combined solar/steam system. That's worth integrating in this analysis. Thank you.

Mayor Burt: Thank you. Rita Vrhel to be followed by Shani Kleinhaus.

Rita Vrhel: I'm looking at the Packet that was given to the public, and I'm looking at Page 32 on the topic of water management. I honestly don't see anything here about groundwater. I see recycling and long-term water needs. I'm puzzled as to why groundwater is not listed as an equal concern to the other topics. Maybe I'm just not reading this correctly. I know when I went to the Climate Action Summit in January, groundwater was not, to my knowledge, discussed. In fact, there was really actually not a lot of discussion on water. It seemed like a lot of discussion was given to transportation and energy. I just wanted to call out what Keith had said. We have inaccurate measurements this year, but we have some measurements. That's eight residential basements for 120 million gallons. Again, I'm not against basements. What I'm against is wasting community groundwater. I don't understand why we have signs all over Palo Alto that say Palo Alto saves water. We're saving Hetch Hetchy water, but we're not saving our groundwater. We're not saving the water that we may need in the future and that our children and grandchildren will definitely need in the future. We're also in the Santa Clara Valley Water District, to which we belong, paying for zero scape landscaping. We're paying for rain barrels. We're paying for low flush toilets. Why are we allowing eight properties to pump out this much groundwater, where it is not recycled? It is not used. It is not charged. There is no fee for the storm drain use of this water. This water has to be treated at the Regional Water Plant at the end of Embarcadero. Somehow I think this is an issue of equity and fairness. I invite everyone in the public who is concerned about groundwater to attend the 12/13 Policy and Services Committee meeting. Again, I am not against basements. I'm against wasting groundwater. Thank you.

Mayor Burt: Thank you. Our next speaker is Shani Kleinhaus, to be followed by our final speaker, Sandra Slater.

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Shani Kleinhaus: Thank you, Mayor Burt, City Council Members. I wanted to thank you and Staff for including the nature and looking at sustainability from a broad spectrum and not only at the human aspect of sustainability. I really appreciate that. That's nice to see. It's very different than what we usually see. It's very, very impressive. I do want to also chime in on the water issue. I think we do need to look at groundwater and we do need to look at sea level rise. I'm not sure if it's coming out as much as I would like to see. That's my personal opinion. Thank you.

Mayor Burt: Thank you. Our final speaker is Sandra Slater.

Council Member Holman: Mr. Mayor, can I ask a procedural question? I thought the first speaker had spoken for a group of people including Sandy Slater.

Mayor Burt: Yeah. Just a second. The first speaker was intended to speak for five people and mistakenly a card was placed for a sixth person.

Sandra Slater: Thank you, Council Members, for your service to our community and the opportunity to address you this evening. My name is Sandra Slater, and I'm a 29-year resident of Palo Alto. I have to say not 29 years old, because that's obviously not true. While I'm a member of the S/CAP Advisory Committee, I come before you tonight as an individual to lend my support to the S/CAP framework. While all these considerations and concerns that have just been expressed here this evening are really valid and need to get more granular as things go forward, I'm really here to talk on a much bigger, broader—from a different perspective. Much has been done in the past two years in identifying the issues and defining the framework for how we go forward. Understanding where we are and where we'd like to be in the year 2030 is a daunting task. It's a systemic issue requiring systemic solutions. That we must wean ourselves from fossil fuels is not really up for discussion except among groups that have a vested interest in maintaining the status quo. We need to act quickly if we're going to turn this ship around and get back on track towards a greener and more sustainable future for our children and our grandchildren. The legacy you leave will have an impact greater than almost anything else you decide on Council. In order for Palo Alto to really make a difference in our City, our State and the world, we need to have a BHAG, a big, hairy and audacious goal. This will be our vision on how we want to go forward. The issue is getting more and more crucial every day, especially as we may not have credible partners in Washington to help us. What you have before you is a framework, which can be the touchstone for guiding good policies and programs into the future. It's not possible to predict every program at the moment, as technologies and the political landscape might change. As the

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Office of Sustainability will be coming before you in the next few months, this framework allows us the opportunity to fit the pieces of the puzzle together to make a coherent picture. We cannot allow this to get bogged down in the Palo Alto process as time is running out. Palo Altans are known as early adopters, willing to take risks and envision a better world, a world we can be proud of to leave to our children. We can be the guiding light and the inspiration for others, and you have an opportunity to bring this into the fore tonight. Please support the framework so we can roll up our sleeves and get working. Thank you.

Mayor Burt: Thank you. That concludes our public comments, so we can now return to the Council for discussion. Why don't we try to frame our discussion around these three major buckets of decision criteria, guiding principles and design principles? If there are any specific comments on the draft Plan that we have received, we can also entertain those. I think the primary focus tonight needs to be around those three areas that we're being asked to act upon. Is there anyone who would like to proceed? I'll go ahead and kick it off then. I don't see anybody else moving forward. Just a few comments. One, I want to thank all the members of the public and the broader community who have really committed to this initiative and this value structure that Palo Alto has a great history on, going back to being the first city in the U.S. that had curbside recycling and the first to have a bike boulevard and a whole series of actions that have gone on. Really over the last 10-15 years, the City has been great leaders in having initial renewable energy portfolios that we've built upon, so that today we're now 100 percent carbon free electricity, and an early Sustainability Plan and an early Climate Action Plan and a whole series of other measures. This document really is taking us fully into the vision that we have to have in going forward in this phase of the 21st century. The City Manager earlier spoke about the Comprehensive Plan and the General Plan and how this document fits in. That caused me to reflect on Palo Alto's nomenclature. We've had a term around a Comprehensive Plan. My understanding is that that really was a different nomenclature from the State's General Plan terminology because we added elements that we thought were important, to have a more comprehensive document or plan for our community. Today, this document is very much a critical component of a true comprehensive plan for Palo Alto. I think that's something for us to think about. I think it really fits to have the General Plan nomenclature be adopted for basically those elements that are a State-mandated General Plan, and that we have a new broader definition of what a Comprehensive Plan is. Some of the speakers also alluded to really the national circumstance and the jeopardy that we're in, that we could see steps backward in some of the measures that have been taken. When we really look at what's happened, especially over the last 8 years, we had a whole series of local, State and then Federal initiatives that

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have moved us forward as a nation. These different levels of initiatives were recognized by Secretary Ban Ki-moon as being fundamental to the ability to come up with and have an agreement on the International Climate Accord in Paris. It was recognized at that time that the role of cities and sub-national groups had played an essential part of driving that international agreement. While we all hope very strongly, the City—I signed onto a letter of 40 cities based upon our own established policies that supported—it was a letter to President-Elect Trump to continue to support the Climate Accords of Paris. We are also now returning to where we were a year ago, where cities and states in the U.S. are having an increasingly important role. What's happened at the national election level has, if anything, elevated the importance that we do both our share, but also that we as a City truly are leaders in being able to establish frameworks and policies and programs that work. Frankly, a lot of the pushback for a couple of decades from the Kyoto Accord was an argument that you can't have clean energy, cheap energy and a strong economy. They're mutually exclusive objectives. One of the strongest values that Palo Alto has established is that we have 100 percent clean energy, electricity; we have electricity costs more than 30 percent below Pacific Gas and Electric (PG&E); and we have one of the strongest economies anywhere. If anything, one of our biggest challenges is too strong of an economy. The model that we have here is really looked toward as something that other cities and regions see as an affirmation that these goals are in fact achievable and pragmatic, and not merely aspirational. It's within that context that I think we want to move forward aggressively on embracing these aspects. I'll just offer a few suggestions on wording. Where possible use common nomenclature and then explain it in what may be terms of art. For instance, under design principles, we talk about using ambient resources. That's certainly a correct terminology. I'd suggest we talk about using local resources, and then explain what that means so that the average person doesn't have to acquire new nomenclature to understand these principles. We can then explain them and offer that new nomenclature. Also, I would suggest that the—when I was looking at, for example, the foreword to the Plan, I would strongly encourage that it be rewritten in a—I'm searching for the right way to say it—a less oratorical manner. We certainly do value the forward looking vision that this Plan embraces, but I think the tone of the foreword is a disconnect from a lot of the really excellent parts of this Plan that talk about what's feasible, the pragmatic and that we're moving to things that are really doable and pragmatic. Even though many of us may strongly believe that this is an important reflection of our values and our ideals, I think it's more important that we have a tone to the Plan that conveys its practical achievability and its focus on elements that can be modeled elsewhere. Without attempting to describe what that wording would be, that would be just something directional. One of the speakers had raised a concern as to whether

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groundwater is addressed. If we go to Page 32 of the draft Plan, we see that there are a lot of goals within the Plan that are not attempted to be fully explained here. I see Goal 4.4 talks about protecting the Bay, other surface waters and groundwater. I assume that that's where we'll go into greater depth on things like our groundwater, which we're really pursuing in our joint water recycling committee with the Regional Water Quality Control Board, the cities of Mountain View and East Palo Alto. We're not only looking at a potential for cost-effective, purified, recycled water from our wastewater, but also looking at our groundwater system as part of what we're studying and is funded primarily through dollars from the Regional Water Quality—excuse me, the Santa Clara Valley Water District. I think I misspoke a moment ago.

Mr. Keene: Mr. Mayor, I would just add on the December 12th agenda, we've got a \$2 million contract award to build on precisely what you're saying and doing that aquifer study.

Mayor Burt: Thank you. One other just kind of comment that might be applied elsewhere in the Plan. I noticed on Goal 4.5, it said the goal is to lead on sustainable water management. I think showing models and leadership is important, but I don't think the primary goal for us should be to lead. It should be to achieve a sustainable water supply. Through that, one of the sub-goals may be to establish models that will be available for others and essentially achieve leadership. I don't think the leadership—it smacks me of a goal being to pat ourselves on the back. I don't think that's the objective. We have resources and opportunities here in Palo Alto and, frankly, engaged citizenry that not every community has. We do have those opportunities to really offer templates, offer achievable and achieved outcomes that others will follow. This will naturally be part of what our outcomes will be. I think we want to continue to excise some of those descriptors as what's our primary driver. I think I've warmed everybody else up, because I have other lights finally. Council Member Kniss.

Council Member Kniss: I'm going to pick up on something that the Mayor referenced. In having met with a group today that deals with air quality, I have a long-term concern, which I'll just say out loud tonight. I'm not sure everyone else will deal with it. I'm very concerned about what's happening in our country. Pat, you mentioned it in terms of what had happened in Paris. I think this really is a clarion cry for us to stay within our goals. I think it may be difficult. I am not sure that what happens in the other states, the other 49 states, may not really influence us as we go forward with a very different presidency than we anticipated, at least that I anticipated. I won't use we. I think we had not guessed that this might happen. I think there are a number of strong concerns—certainly they were

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in the press all weekend—about can California continue on this same path. At some point, Gil, you or Jim may want to comment on that, because I think it is really going to take real determination on our part to stay the course on this. I probably should have been the last one who talked rather than the next one who talked. I feel like I am, speaking of water, throwing cold water on it. I really have some very long-term concerns, and I think our determination will be tried in the future.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I just want to say I appreciated the document. I really appreciated the breakdown into some nearer-term goals and kind of the idea of implementation plans. I do think the scenario where cities can lead—I think everybody on this Council wants to do this the best way we can. Overall, to comment on the decision criteria and the guiding principles, I thought those were all good. I actually had no real comments or changes there. Clearly we had a lot more detail and direction on greenhouse gas. I think last time you came we asked you to think about sustainability more broadly, and it's good to see the sections on water and zero waste and everything else, but they're incomplete and nonspecific. I look forward to seeing those fleshed out. I think it's pretty important that we do that, because I think the very next step is prioritization and really understanding return on investment (ROI), which is one of the criteria, and how do we focus our limited dollars when we have things like sea level rise, which could require significant investment. Really understanding where to spend our time, where to spend our effort is the next exercise. Not to say that we can't do a little in a lot of different areas, but I do think we need to decide where we're going to put our major efforts. One thing I would like to call out. I would really like to see us change the wording in several areas away from automobile and towards internal combustion engine. I think that's really what we're talking about from a policy perspective. I'm concerned we're going to make bad policy decisions if we keep talking about the auto. I think people value their time. People want on-demand services, on-demand transportation. Whether we own those vehicles or rent them or subscribe to some kind of autonomous vehicle in the future, if our policies are really anti-automobile versus anti-internal combustion engine, I think we could make some bad policy decisions. I'm talking about clean energy vehicles. Again, I think people are going to value getting where they want to go, Point A to Point B. I'd like to see us call that out a little more clearly. Sticking with the automobile stated goal of getting 90 percent electric vehicles in 2030, that's a huge goal. Fifty percent of vehicles coming into Palo Alto being electric vehicles, another huge goal. I really need to see corresponding detail and effort to make that credible, because it just sounds unbelievable. I think it's a great goal. Again, it's some of our highest

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greenhouse gas, so if we can do it, it has the biggest payoff, but it's going to take a huge amount of effort. I'd like to see a lot of ideas, a wide range of ideas, and it's going to take a lot of communication, marketing, promotion to get those ideas out there. I was a little surprised and concerned about mobility as a service, something we've talked about a lot, showing a relatively small benefit. Again, it gets back to where do we spend our time and money. On water, I agree with the comments about groundwater preservation. There was a goal that was mentioned; there was no corresponding strategy that talked about groundwater. One thing I thought was missing in this section on the utility of the future was the importance of the telecom strategy. We talked about our Smart City efforts. I also think decreasing commuting through telecommunications, again understanding the cost-benefits of that. I think it could have a pretty big sustainability impact. On the commercial side, the second highest total of greenhouse gas was commercial use. Kind of a random question. Heating water seemed to be a pretty big chunk of that. Heating water, commercial heating of water. I'm wondering if there are behavioral changes that can be made similar to recycling. People are using hot water where they don't necessarily need to. Finally, nobody's talked about carbon offsets yet. How we finance all this stuff is pretty critical. If we do move forward with carbon offsets, I think the idea of using that money to invest in local efforts makes a lot of sense.

Mayor Burt: Vice Mayor Scharff.

Mr. Friend: Mr. Mayor, could I just respond to a couple of points? I don't want to respond point to point of everything people said. Some things that Council Member DuBois raised are just really important to understand. With regard to the 90 percent EV target for Palo Alto and vehicles, we can talk at another time about why that number is there and the basis for it. I want to be clear that the goals that we're setting are not guarantees and they're not predictions. They're challenges to Staff. Nobody knows what can be achieved by 2030. I'll say that declaratively. The State has a goal of 30 percent statewide by 2030. Our 50 percent incoming is against that base. We are thinking that Palo Alto can do more. Basically the question is not can we guarantee that that will be reached. It's saying to us as Staff and community what could be done to get us toward that goal or close to it. From that, some strategies emerge and that starts to give us our priorities. As we go in the next 2 or 3 years, we'll see how we're going and steer. I want to think about the goals in that context. With regard to the mobility as a service, it is a very small number. The challenge there is that, in contrast to what one of the community members said before, the numbers here aren't guesses. They're grounded estimates using the best data that we can find, that can be referenced and documented and build a credible case for the greenhouse gas reduction estimates we built. In the case of mobility as

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a service, there's no data or there's no reputable peer-reviewed data. We couldn't build a projection that we could stand behind. We believe the impact is much larger than that, but we can't prove that at this point, so we kept the numbers low for now.

Council Member Dubois: That's definitely useful. Again, I wasn't taking those as guarantees. I know they're big targets. Just to get to 90 percent EVs, it's going to be a lot more than installing charging locations throughout the City. It's going to be incentives and ...

Mr. Friend: It is. It's also presuming that the privately owned vehicle population is likely to decline by then. We've already seen signs of that. Vehicle purchases by 18-30 year olds in the United States peaked in 1983. It's been coming down. The mix will change. The 90 percent is not 90 percent of the current vehicle base; it's 90 percent of what the base will be then. Last year, we've seen a 45 percent growth in EVs. It's a very dynamic situation.

Mayor Burt: Can I (crosstalk) with a follow-up question just on that specifically? I've been encouraging for a year and a half, two years, that we do a survey, probably through SurveyMonkey, that would ask the public what type of emissions they have in their vehicle today, maybe miles per gallon, and then what they anticipate will be the type of vehicle that will be their next purchase and in what timeframe, and perhaps even what would be the follow-on vehicle after that. That would give us the baseline information and figure out how much do we need to try to move that dial based upon both Palo Alto residents and to include Palo Alto workforces in that. We have the two Transportation Management Associations (TMAs), and those businesses that participate in it could participate in that survey. Without that, we're really in a wild guess. We could move a very wild guess to having a reasonable baseline. How people respond to a survey is not a guarantee of what they will do, but it's certainly a lot more information than what we have today about our particular population and these demographics and these value structures. I guess I've been pushing for this long enough I need to know whether I need to incorporate that into a Motion to get it done.

Mr. Friend: I think your pushing has been successful. There are several questions along those lines in our annual Citizens Survey that you'll be seeing from the City Auditor later this year. I'm not sure when that comes out. Several questions along these lines. I obviously can't quote the numbers because it's still in process. I was encouraged by what I saw in the draft.

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Mayor Burt: I hadn't heard that. Vice Mayor Scharff.

Vice Mayor Scharff: Thanks. First of all, I'd like to say I thought you did a really good job on putting this together. I think it's really thoughtful. I can tell there's a lot of thought that went into each of these, and it's not that easy. Some of the questions I had to start with. What are you asking us to do exactly? Staff recommends adopt the attached framework. If you adopt it, are we adopting it exactly as written? This document you want us to adopt, are we adopting it exactly as written or are you going to make changes to it? How does that work if we say we're adopting this document?

Mr. Keene: Can I jump in? I think that is what we're doing, asking you to adopt it as is. We've called out these guiding principles and decision criteria. Obviously, everything else is still here in the framework, the verbiage, the strategies, the targets and even some of the greenhouse gas reduction estimates at a high level. That being said, Council Members are making comments today that we're paying attention to. Rather than getting back into Motions of specifics, I'd rather if and when you put forward a Motion you ask us to look at incorporating the commentary that the Council made about the language. You would be adopting this but, in one sense, we would then have to share with you the document in its final form. Hopefully, that doesn't engender a whole other conversation. To be clear, we've reworked the foreword, we've toned down some of the hyper-aspirational aspects, we've added some of these comments and details.

Vice Mayor Scharff: Getting to that part, it's funny. Actually with the substance of this, I really have no problem. I like the guiding principles. I like the design. My concern is what we use this document for and what it looks like over a 30-year period. It's 2030, so it's a 15-year period. As we look at that, this is written a little bit—it's not really a criticism—like a Staff Report for now as opposed to a document that you would read 10 years from now. We ask a lot of questions in this as opposed to—on Tom's point, where it says 90 percent EV, you then give an explanation, is this reasonable, is this whatever. It's just my opinion, but I think if I was looking for a document, it would be more formal and less—what's the word? Less asking questions about why. More explanation as to we think we can achieve this for the following reasons as opposed to more colloquial. This document has a weird mix in it of really informal comments and acronyms. As Mayor Burt mentioned, formal language that people—for instance, things like wild-eyed radicals at Goldman Sachs. It just jumps out at me. Then, we have some very formal parts of it. It's getting that mix on the language better. I don't usually focus on the non-substance as much, but I do think that we might want to just take a look at that and write it thinking about what is this going to sound like to someone who reads it 5 years from now.

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In 5 years, we'll have a slightly different cultural context. Something like that, I think, would be good. I did agree with Tom when he mentioned the issue of the internal combustion engine versus driving. To the extent that people drive, it creates externalities in terms of traffic primarily. When we're talking about the S/CAP, what we're really talking about is greenhouse gas emissions. It depends on where technology goes. If 90 percent of the people have electric cars and they're all self-driving cars and they drive close together and road capacity is doubled, it may be just fine. I'm not so sure it's the amount of cars at that point or that cars are bad. I think that's really where Tom was going a little bit. Cars aren't necessarily bad; they may be a very convenient mobile way of getting around if they are all electric and they're self-driving. It could be really a different thing. I don't think I want us to be locked in. We keep talking about vehicle miles traveled and, as much as if they're electric vehicle miles, I'm not sure if it's that a bad thing. I had some of that concern.

Mr. Friend: Council Member, the point we're trying to make there is not that cars are bad. It's that greenhouse gas emissions are bad and that congestion is bad. That's what we hear from our citizens all the time. It's one of the primary concerns in this community. Strategies that can both reduce greenhouse gas emissions and reduce congestion would be strategies we would want to prioritize.

Vice Mayor Scharff: That's what I think we should call out, that we're looking to reduce congestion. You may very well with self-driving cars be able to reduce congestion in and of itself, just because people aren't driving them themselves and have better traffic flow and all of that. I'm just trying to think of this as, if we're going to have this for the next 15 years and we really think there's going to be that much technological change and that we're going to get 90 percent, we should also think about it in a bigger picture like that. I think they should match.

Mr. Friend: Let me say, if I may, this is a 15-year Plan, but it's a 15-year Plan that we may want to revisit and revise every 5 years because, in fact, a lot will change. We see autonomous vehicles on the horizon. Nobody knows how fast or how significant that's going to be. Five years from now, we're going to have a different perspective on that. Let's not consider this as a locked-in Plan for 15 years. This is a 15-year Plan we built today. In 5 years, we might build another 15-year Plan that will be probably similar in many ways and different in other ways. We need to have ...

Vice Mayor Scharff: That's a fair point.

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Mayor Burt: Can I add two things? One is that we have scheduled in here 5-year updates to this. Correct?

Mr. Friend: I believe we have.

Mayor Burt: Second, what I'm hearing is something that I was concerned about the last time this came to the Council, frankly, in the way that the report had been getting generated is that we're conflating climate action and sustainability. There are great connected elements to that, but they're not synonymous. Actions that eliminate greenhouse gases from vehicular travel are not necessarily all sustainable. We could have 100 percent zero emission vehicles and total gridlock. We've achieved greenhouse gas reductions and not a sustainable community.

Vice Mayor Scharff: I think that's a really good point. I think you actually deal with that when you talk about consider sustainability in its broadest dimensions. I think that's helpful. In terms of the guiding and design principles, there may be moments when you have to balance these principles. I think a statement in there that the order should be irrelevant, frankly. When these come to us, we should balance this necessarily. I don't think one is necessarily higher than the other when you look at it. Obviously the decision-makers can do that well. What you're looking for tonight is us to adopt the climate action design things, and you're going to come back to us in early 2017. That's going to be with the implementation piece.

Mr. Friend: We'll come back with the implementation plans in a series of meetings. We expect that some of them are going to take some fairly substantial work on your part; others less so. There will be a series of meetings, I imagine, over Q1 and Q2. At that time, you may see fit to propose some modifications to the framework itself based on the work that we do in the implementation plans. It would seem premature to try to do that now.

Mr. Keene: Can I add to that? I think it's almost certain that once we really start to get real with the implementation plans and the discussion, in that sense that will respond to the comments that, say, Bruce Hodge and Carbon Free Palo Alto were bringing up, which is what are these near-term decisions, what are the actionable things we're going to have to make. I would ask that your Motion say as it's laid out here with the additional directive for the Staff to make its best efforts to incorporate the comments that the Council has made. That will work through the period of the implementation plans discussion, and then at the end of that, you may go back and want to make some further amendments. If we somehow got it a little bit wrong on how we were incorporating things or you have new

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comments that you want to make, you will have that opportunity to amend the broader framework itself.

Vice Mayor Scharff: You'll bring it back?

Mr. Keene: That's right.

Vice Mayor Scharff: I'd move the Staff recommendation, that we discuss and adopt the attached Sustainability and Climate Action Plan framework including its guiding principles, decision criteria, etc., etc., and direct Staff to return to Council with the S/CAP implementation plans possibly in phases and to make best efforts to incorporate the stylistic comments. Is that it or just comments?

Mr. Keene: Just the comments that the Council makes.

Mr. Friend: There were some substantive comments too. We'll reflect them all as best as we can.

Vice Mayor Scharff: All right. Comments.

Mayor Burt: I will second that. Did you want to speak more to your Motion?

MOTION: Vice Mayor Scharff moved, seconded by Mayor Burt to:

- A. Adopt the Sustainability/Climate Action Plan (S/CAP) Framework, including its Guiding Principles, Decision Criteria and Design Principles as the road map for development of subsequent S/CAP Implementation Plans (SIPs); and
- B. Direct Staff to return to Council with S/CAP Implementation Plans; and
- C. Direct Staff to make its best effort to incorporate Council Member comments.

Vice Mayor Scharff: Just briefly. I did want to again reiterate that I thought you did a good job on this. I actually appreciated all the efforts of the community. I can tell this was a community effort in terms of getting you feedback. I know you worked well and did a lot of outreach on this. I wanted to recognize that. Thanks a lot, Gil.

Mr. Friend: Thank you. I was remiss before. I'd like to also acknowledge the enormous amount of Staff work that's gone in on this. We have several people here, Phil Bobel and Karla Daily and Shiva Swaminathan, part of probably about 20 or 30 people who have been working on the implementations plans and development of this. This is necessarily a cross-

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departmental intra-agency effort to bring the whole City along with this. I want to give a lot of credit there as well. Thank you.

Mayor Burt: I'd just like to offer a minor modification to help clarify something. First, what we really have here, when we look at it, is a hybrid framework. That hybrid framework is a combination of certain areas that are drafts that are pretty well fleshed out and others that are merely outlines. To call it a framework, I think, is an overstatement. I think we need to insert in the first "A" "draft" and then clarify that when it comes back to the Council in early 2017, I'll be surprised if all these areas have enough meat on the bone. I would call that a revised draft framework, because I want to be realistic. If we don't do that, other parties will look at this and say—look at shortfalls and say this is a joke. "That's not serious. They called this a framework, and look at the shortcomings." We should simply acknowledge it is a work in progress. At a certain point in time next year, it should be a full framework. I don't know that that's going to be the next time the Council sees it in early next year. Council Member Holman.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part A, "draft" after "adopt the."

Council Member Holman: Thank you. Clearly this is a yeoman's amount of work, and so it's not surprising there have been so many people involved in it. Thank you for that. A couple of comments on the guiding principles and design principles and then on the design criteria. On, I guess, the third guiding principle—I do agree, by the way, with the comments that have been made about the form and structure of this. It's a little bit unwieldy and hard to refer to, hard to navigate in a clear and concise manner and hard to point somebody else to something. It could be better organized and structured, I think, in that regard. On the third one, it says seek to improve quality of life as well as environmental quality and economic health and social equity. There's no reference there—I think there could be—to physical health. Two bullets—it's not bullets—items down, it talks about build resilience. It's also one of the design criteria. I guess I'm not really quite sure what resilience means in this reference.

Mr. Friend: The general meaning that it carries in this context is the ability to withstand shocks and perturbation and keep your identity and keep your wellbeing in the face of disruption. The most vivid example that we talk about with regard to climate change is sea level rise. How do we maintain our wellbeing and the health and utility of our low-lying lands in the face of what may be a six foot rise in the Bay level by the end of the century.

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Council Member Holman: For my purposes, it seems like what is meant by resilience might be better described by a little bit of a fleshing out of the term. Resilience can mean a number of different things. Pardon me for this, but on the design principles, the last one on page—no page number. It's the next to last page. Use ambient resources, maximize the efficient capture and use of the energy and water that fall on Palo Alto. Can I suggest that energy doesn't fall on Palo Alto? A better way of stating that might be maximize the efficient capture and use of energy and local rainwater. Again, energy doesn't fall on Palo Alto. Next under the design criteria, it is a sustainability thing. Council Member Kniss started to go there; I thought that's where she was going to go. Appreciate other comments that were made by her. It seems to me that air quality really should be a category. Other comments. I agree with one of the speakers who said and wrote to us, Bruce Hodge, who said that there, in my words, are a lot of strategies and not priorities. I think it would be helpful to have low-hanging fruit identified, the things that are achievable and attainable. In other words, have some prioritization there. There's some things that are missing for me. It's sort of like designing a diet but not counting the cake that we eat that's got cream cheese frosting on it. There's some gaps in here for me. I agree absolutely with the comments that Council Member DuBois made about internal combustion engines. There's no discussion that I discovered here about the Palo Alto airport and the leaded fuel that's used by airplanes there, nor is there any conversation about calculating offsets for how much travel comes in and out of Palo Alto airport. When we're doing our own footprint analysis, we do count air traffic or air travel, because that is one of the highest impacts that we have on the environment in terms of greenhouse gas emissions. That just seems to be a gaping hole. You want to make a comment on that.

Mr. Friend: Thank you, Council Members. That and many of the other things that a number of you have referenced as missing pieces are in the implementation plans. They're a layer down in the detail. Airport is covered under the municipal operations. Some of the other things you've referenced will be there. If you have other things that are missing, we'd certainly like to know about them.

Council Member Holman: Thank you. I didn't catch that.

Mr. Friend: In all this, we're trying to balance—in the draft that we brought back in April, there are I think 350 different measures. We're trying to find a manageable way to get you through the high-level framework first and then dive deep. Otherwise, if we go through those one at a time, we'll never get anywhere, and there won't be a logic to it. If there are things missing, we very much want to hear them.

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Council Member Holman: Thank you for that. While we're telling you to prioritize these, we're saying add this and add that. It is true also I don't think we can (inaudible) our heads in the sand and ignore some things that really do have significant impact. Basements, the basement construction, the amount of concrete and the environmental impact that concrete as a construction material, that's not considered. I've brought that up a number of times. We're not counting that. We could require offsets or mitigations or something of that nature, but right now it's not there. Dewatering has been discussed by a number of people over a period of time. I think those also could be considered. Bill Ross' comments were interesting about zero water footprint and using recycled water in new development. There's something else here too, which is—I don't know if I'll be able to find it. It's marked, but I don't know if I'll find it fast enough. About trees—not about trees but about buildings, about net zero. I know existing buildings can reach highest level of Leadership in Energy and Environmental Design (LEED) certification. Can existing buildings through retrofit and other adaptations reach net zero?

Mr. Friend: As a general answer, yes, some of them can, not all of them can. It's going to be more challenging with a retrofit than with new construction. These are some of the questions that we're going to be looking at very diligently in the next Green Building Ordinance Code cycle that starts this fall. We do that every three years. Net zero energy, net zero carbon and net zero water are some of the items that we'll be looking at as part of that work.

Council Member Holman: My next question is how is net zero calculated? Is net zero calculated to include the environmental benefits of considering the embodied energy in existing buildings?

Mr. Friend: Embodied energy is not yet a standard part of the work of these kinds of analyses. I agree with you that it probably should be. We haven't addressed it here, because it's not standard practice in Climate Action Plans. There are a number of themes like embodied energy and the points that several people referenced of the impact of the purchases of our community, of air travel, goods and services, food and so forth that are clearly part of our impact on the world. They're not part of the accepted body of practice of Climate Plans. It's not in here explicitly, but it's certainly called out, for example, in the community section in this Plan and in some of the implementation plans that we'll be bringing back to you. A lot of the things that you're referencing as missing you'll be seeing in the work that we've done that we bring to you in Q1. Some of them have not, so by all means keep letting us know, and we'll bring them in.

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Council Member Holman: My concern is there are a number of things that communities do, not just Palo Alto, that really incentivize demolition. I'm here to say it's not necessarily the most environmentally responsible thing to do much less the fact that it changes community character potentially, incrementally and sometimes pretty significantly and rapidly. Palo Alto could perhaps be a leader on incorporating that, because LEED has certainly considered adaptive reuse. I don't see any reason why net zero couldn't as well. I also don't see very much consideration for the significant—trees are recognized and their broad array of benefits, but I didn't notice a plan to increase significantly the number of trees that we have in Palo Alto and how that can help. I'll try to close it up here pretty quickly here. Onsite composting is one of my things, but I don't expect it to get a huge response. Some things that do have an impact, that we may or may not want to discourage, I'm not going to judge that at this point in time. I think not to calculate their impact is not a direction we want to go. It is head in the sand, so I'm suggesting that things like basement construction, dewatering, demolition we may or may not want to regulate those more stringently. I am saying what we should do is be responsible and responsive in ways that mitigate or have offsets that cover those impacts at a minimum. Thank you.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I want to thank Staff for the report, for the thought that's gone into it. I guess the public input at the Summit, just tonight shows that people are caring and interested on what is probably the most important long-term issue that Palo Alto has, how do we deal with this for ourselves, our grandchildren and for the rest of the people in the Bay Area and the State. I think it's very important that this connects to our Comp Plan Update that we are working on very diligently and will reach fruition during the next year. How can we make the connection? I was impressed with our friend from Redwood City, who came and said, "Wait a minute, Palo Alto. You've got to address the regional issue. You're not by yourself in this. As a matter of fact, your 3:1 imbalance between jobs and employed residents is astoundingly high." It's 50 percent higher than San Francisco or Berkeley, three times as high as most of the other cities that we live next to. What does that mean and how do we deal with the issue? I guess I do recall the first time you came to us. You had as one of your options to look at growth, how fast do we grow and what impact that has. Looking at alternatives seems to have disappeared from the document. You now accept the numbers that flow out of Plan Bay Area. What we have in Plan Bay Area and in our scenarios are an increase in jobs between 18 and 30,000, somewhere in there; increase in population of 7.7 and 20. Obviously our impact on greenhouse gases, on commuting, on traveling, on the neighboring bedroom communities that have to deal with the problems

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of sustainability are going to be different if we change that 3:1 ratio. The question is why isn't there a discussion here of what kind of impact it could have on sustainability and on the cost of mitigating the problems created if we have different levels of growth.

Mr. Friend: If I may, let me respond to that in two ways, Council Member Schmid. There's not a detailed discussion of it in the S/CAP because there's a detailed discussion of it underway with the Comprehensive Plan and with measures that the Planning Department has brought to Council. There's active debate about jobs/housing ratio and where we want to go. Because that was a moving target and really beyond our ken, we didn't go into an elaboration of the debate. What we did do is we analyzed a series of scenarios looking at the greenhouse gas impacts of different jobs/housing ratios that we might go to. We've put one in this Plan as a placeholder and will bring back to Council those analyses so that you can factor that into your deliberations about how you want to move on employment and housing policy. My sense, frankly, is that it's not our job to propose a jobs/housing ratio, but it is our job to give you our best professional assessment of what the climate impact of different ratios might be.

Council Member Schmid: Yes. I guess that's what I look for in here, some guidance as we deal with the Comp Plan choices to say there's a special benefit in this level coming from our Sustainability Plan. That would be most helpful. Water has been mentioned a number of times, and I will just put in my comment that that's a critical issue area. I know the State Water Board has just come out with a San Joaquin River impact on the delta that affects our Tuolumne water supplies. The San Francisco Public Utilities Commission (SFPUC) has come out and said during drought years, that plan would lead to a loss of jobs, a loss not of new jobs but of the ability to sustain existing jobs. That says something about we need to think about water. Again, it's connected to our Comp Plan, how do we think about the creation of jobs that has an impact not just on us but our neighbors who are the bedroom communities for the jobs that we're supplying. Look forward to that connection.

Mr. Friend: Thank you.

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you very much. It's been said, but thanks to Staff for all the hard work that you guys have put in on this and to the community members that have been so involved. It goes without saying the importance of this document. I know we've got a big item to get to, so I'll be brief. I know that communities around California and around the country

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will look to this document as a guide for them to follow. I'm glad that we've built in flexibility. I think the idea of creating five year plans that help us to recalibrate our Plan based on new technologies that have been developed and new situations in Palo Alto and across the country makes a lot of sense. Hopefully we'll make this more manageable in terms of not just looking at that aspirational 80 percent reduction by 2030 but creating more concrete steps to get there. I just have a couple of questions. I know that we're supposed to be approving the guiding principles, the design principles and the decision criteria. The guiding principles, it says seek to improve quality of life as well as environmental quality, economic health and social equity. A question I have for Staff, which is a question I've been struggling with for my four years on the City Council, is what's the definition of quality of life. What do you have in mind for quality of life here in terms of how that might be different from environmental quality, economic health and social equity?

Mr. Friend: How much time you got? I think that's one of those terms that you define in your conversations. There have been endless efforts to delineate specific definitions of quality of life. I worked on one when I first came to California that produced a 300-page document, but that's not what we need. I think this is kind of you know it when you see it. It's subjective. It's what people in the community feel. I think we could tease it out into more specifics about what are the priorities. We've heard some of them today, water quality, congestion, public health. It's never going to be a finite list. What we wanted to do here was assert that that bucket of subjective factors that mean a lot to people have to be in the mix, that this is not just about measuring greenhouse gases. It's measuring what people really care about in this community and being sure that we serve that, and we don't have the environmental goals be tradeoffs against people's concerns. We need to find solutions that ...

Mayor Burt: Let me just offer, though, that I think we actually have a better sense of that than it being as nebulous as just described. Within our current Comprehensive Plan and going forward to our new Comprehensive Plan, we really do describe a whole bunch of the qualities of life in the community, whether they be ability to have mobility and not gridlock, safety, parks, just on and on, our schools and our resources for seniors and disabled and those in need. Those are all, I think, aspects of the quality of life of our community and not limited to that. I don't think it's so nebulous. I think it is an important thing for us to really have them more clearly stated, but I think that's part of where we'll see the role of the Comp Plan intersecting with the role of the S/CAP.

Council Member Berman: I think that makes senses. The challenge will be where different qualities for different people conflict, but that's always a

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tension that exists. Lastly, for the decision criteria, just out of curiosity what—I can't argue with any of the seven decision criteria that are listed here. Were there some that you considered and dismissed? It'd be difficult for me to say, "What about this," and you could come up with different decision criteria all night. Just out of curiosity, where did these seven come from and are there any that were on the fence, that you guys decided to keep it at seven, we're not going to include these?

Mr. Friend: These came from conversations of Staff and the advisory council. I don't recall ones that we considered, that we dismissed. This doesn't presume to be a definitive list, but these are the ones that seemed to us to be most important and that would give you, the Council, the greatest leverage in evaluating, deciding how you want to move. You could make the list longer or shorter. All these lists could be longer, but we're trying—this is the challenge in this whole effort, how do we get you enough and not too much, not too little. It's a difficult balancing act, frankly, as you well know.

Council Member Berman: Agree 1,000 percent.

Mr. Friend: If there's places where you want to encourage us to go more in one direction or another, let us know and we'll (crosstalk) out.

Council Member Berman: I think it's important to keep it somewhat narrow, which is why I was curious if you started out with a list of 20 and then narrowed it down to seven. It sounds like these seven were the ...

Mr. Friend: No. It was more like a list of five that became seven. I think that's what it was. Part of the reason for that in the case of the criteria and the guidelines is that these become guidance to Staff who, as you know, work hard and have a lot to do and manage tradeoffs all the time. This is a way for you to give guidance to Staff to say, "As you develop these strategies and as you prioritize, these are the factors that should guide you."

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: Let me first say I'll be supporting the Motion. You can largely associate my views with those of the maker and the seconder, the Vice Mayor and the Mayor. I think I agree with just about everything that they said. Beyond that, I'll just add a couple more thoughts, especially having listened to this conversation. I would posit that energy actually does fall on Palo Alto in the form of sunlight.

Mr. Friend: That's what we were thinking, but we'll adjust the language.

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Council Member Wolbach: If you tweak the language to make that more explicit or clear, I'm also fine with that. I'll say that Part 6, the adaptation to climate change and sea level rise, as we look towards the implementation and future iterations of this and where we prioritize, I do think, as Council Member DuBois mentioned, the importance of prioritization. Speaking only for myself, Part 6 is my greatest priority and the thing I'm most concerned with for the future of livability and security in Palo Alto. That, of course means as mentioned in the document working on it seriously, addressing multiple concerns that we're going to have to address including water insecurity, loss of energy, productivity from hydro that we invest in so much, obviously the flood risk from sea level rise close to the Bay and fire risk among other potential harms, even including potential for disease which don't typically go as far as north from the equator as they do now, which could be a greater risk to health and safety in Palo Alto. I do appreciate Part 6 and look forward to developing that and implementing those into the future. On the question of—I was also looking at the quality of life citation that Council Member Berman brought up. I've certainly posed some intentionally provocative statements and questions around quality of life over the last couple of years, especially the last few months. In putting that out there. I've actually heard some really great responses from my friends and neighbors and other community members about what quality of life means to them. I also appreciate what Council Member Burt said in response to that issue. A couple of things that certainly rise to high level for me with quality of life are—Mayor Burt alluded to mobility, the ability to get from Point A to Point B easily. This again goes back to what Council Member DuBois was saying about it's not just about limiting cars. It's also about the greenhouse gas impacts. Again, if there is congestion, that impacts quality of life. If we provide a positive, not a negative anti-car, but a positive option for those who would prefer to walk or bike or take public transit or to telecommute, that provides less congestion for those who do choose to drive, provides greater quality of life for them while also achieving greenhouse gas reductions. I think there are really opportunities for win-win here. Also with quality of life, I would posit that health and happiness are quintessential quality of life questions. For those who are able to and choose to bike or walk regularly as part of their personal mobility, the mental and physical health benefits of biking and walking are tremendous and well documented. I think there is great compatibility between these different interests. I appreciate that they're all mentioned here.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thanks very much. Thanks, guys. I share the view that the goals and principles make sense. I think they're fine. I do agree with the Mayor's earlier remarks on the oratoricality [sic] of the text.

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You mentioned that you're also interested in comments and feedback in addition to just the Motion. As I read the document, basically it looked to me like a good quantitative definition of the problem and a table of contents. The key is where do we go next as we fill in those chapters in the table. As I looked at it, I think prioritization is going to be really important here. This could be a big project just to finish the document, let alone actually go do the implementation. I think it's one of those things where it's all good, but we're going to run out of Staff time and consulting resources before we run out of good things to do. Given that, how do we narrow it down? The numbers. I understand the exercise of throwing down some numbers, even if we don't know how we'll make them. I agree with that as a first cut, but I think some of these are really speculative and some of them may even conflict with each other. I'm not sure we're ready to make a lot of decisions based on those. What I did find really compelling was the pie chart. I concur with a couple of the speakers. I guess it was Bruce and Brad who urged focus initially anyway on transportation and gas. I think that makes sense for a couple of reasons. One, it's where we're going to find the biggest impacts as we learn. The other is I worry about the ever-expanding Staff time as we start putting real programs and plans and non-recurring engineering into this and figuring out what actually the numbers really are instead of our guesses. I'll come back to that. On transportation and gas, I think the EV-ization makes sense. I was sort of looking at this, and the more incentives you can provide to get people to do that—get rid of crickets. No, we don't want to do that.

Mr. Keene: It's just part of the natural environment section.

Council Member Filseth: If you're going to charge for parking, maybe EVs are exempt, for example, that kind of stuff. All the detail programs. I wasn't going to, but I will comment briefly on Council Member Schmid's discussion of jobs/housing ratio. That only works if the housing goes to people who work in Palo Alto. If you get people who work in San Francisco, then not only have you not reduced Vehicle Miles Traveled (VMT), you've actually increased it. If we're going to do regional commute engineering, I'm not sure that jobs/housing ratio is the right metric. I think we really need to look at commute trips in and out of the City. On the gas thing, if 63 percent really is commercial and industrial, then I think that's a good focus. I was very interested in the zero net energy discussion. I thought that was kind of interesting if we're going to do this. It also implies all electric, which is interesting too. Council Member Holman's comments on embedded energy, I agree with as well. We're trying to get to 150,000 metric tons of CO₂ by 2030. If you look at the 1.3-million-square-foot Facebook project that's going up next door, it's 75 pounds a square foot. That's going to add 50,000 metric tons. That's a third of where we're—one project. I think we

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ought to be looking at that number as well. Again, I'd like to see this move forward expeditiously. I guess my preference would be to see specifics and action on some of the high priority areas, maybe even before we finish detailed plans on some of the lower priority areas, just from a perspective of how do we achieve something here. Thanks.

Mayor Burt: That concludes our comments. I think we're ready to vote on this item.

Mr. Keene: Mr. Mayor, could I just say something. Thank you. Appreciate it. Just to kind of tie this up for the next time that we talk. We clearly pulled out the implementation actions. I'm restating that. That's where the rubber meets the road. That's where the prioritization conversations will take place. That's where discipline by the Council as the representatives is going to be important also. We really can't have something where everybody gets to choose their favorite thing without applying some criteria about what the return on investment is or whatever. Secondly, I'm actually quite pleased with the Council's reception. I had a little bit of the feeling here that we were bringing the framework. We had to strip out those other pieces both to get the work done but to allow you to focus it. It felt a little bit like we were rolling out the Apple 6S as just an update, when you all really want the Apple 8 which is not there yet. I think it's a useful metaphor, because that's the iterative, evolving process we're going to go through. The S/CAP right now runs through 2030. We're going to bring back these implementation plans with a 2020 horizon. That's a three or four year horizon. The plan is two five year plans after that, '20 to '25, '25 to 2030. What that will let us do as we go along each year is to recalibrate, because we're going to make assumptions about what return we can get or the cost effectiveness. We're going to have to accept the fact that we misjudged or "that was a great option, let's double down on that as we go forward." This is only going to work if the Council has to accept that nobody on the Council is going to be here in 2030 unless you've left the Council and come back. You have a little bit of that clichéd stone mason thing about the stone mason who works on the cathedral that he or she will never experience. In many ways, you'll be making choices and decisions that aren't going to become fully clear until after you're off the Council. That's going to be demanding for you all also. Thank you.

MOTION AS AMENDED RESTATED: Vice Mayor Scharff moved, seconded by Mayor Burt to:

- A. Adopt the draft Sustainability/Climate Action Plan (S/CAP) Framework, including its Guiding Principles, Decision Criteria and Design Principles

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as the road map for development of subsequent S/CAP Implementation Plans (SIPs); and

- B. Direct Staff to return to Council with S/CAP Implementation Plans; and
- C. Direct Staff to make its best effort to incorporate Council Member comments.

Mayor Burt: On that note, let's vote on the item. That passes unanimously. Thank you all, and thank you to the public.

MOTION AS AMENDED PASSED: 9-0

- 10. Review of the Draft Land Use & Community Design Element of the Comprehensive Plan Update Recommended by the Citizens Advisory Committee.

Mayor Burt: We will now move onto Item Number 10, which is a review of the draft Land Use and Community Design Element of the Comprehensive Plan Update, which has been recommended by the Citizens Advisory Committee. Pardon me? I want to go straight in. As we get started, Council Member DuBois needs to speak.

Council Member DuBois: I'm going to recuse myself from what hopefully is a small part of the land use discussion tonight, the part that is specific to Stanford such as some of the growth caps on Stanford land. My former spouse had income from Stanford, so I'm working with Staff to clarify exactly what sections I need to recuse myself on when this item comes back. I will be back to discuss the non-Stanford issues tonight.

Mayor Burt: I think we need to clarify regretfully your recusal is not just the specific items on Stanford but the Citywide development issues that also include Stanford.

Council Member DuBois: Yeah. That's where we're going to seek clarification for in the future.

Mayor Burt: Tonight, that's the case.

Council Member DuBois: Yes.

Mayor Burt: Thank you. We'll give you a ring when we're past it. Director Gitelman, would you like to kick it off?

Council Member DuBois left the meeting at 7:56 P.M.

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Hillary Gitelman, Planning and Community Environment Director: Thank you. Mayor Burt and Council Members, I'm Hillary Gitelman, the Planning Director. My first job this evening is to introduce my colleagues, Elaine Costello to my right and Joanna Jansen to my other right. We're also joined by Elena Lee in the front row. All of us are here to answer your questions this evening. Elaine is going to start the presentation, and then I'll follow up. We'll be available to answer any questions at that point or after the public testimony. Elaine.

Elaine Costello, Management Partners: Good evening members of the Council, Mayor. Tonight we are talking about—we're introducing the Land Use and Community Design Element. You're not going to be asked to make decisions on this tonight, but it's a big and important element in the Comp Plan. We wanted to begin to present the range of issues and options, give you a chance to think about it and come back for a more detailed discussion of land use and transportation together in January. Remember the Land Use Element really guides the future physical form of the City. It's really the basis for so much that's in the zoning, the subdivision, public works and development decisions. It's really an important element of the General Plan. Because of that, the Citizens Advisory Committee and its subcommittees have spent a lot of time on this element and taken it very seriously and really thought through all of the issues and talked about them. For example, the full committee met seven times on this element. The subcommittee met another seven times, the land use subcommittee. The sustainability committee met another three times, so a total of 17 meetings on this, as well as public input and digital commenter comments. The subcommittee and the CAC worked really hard to find areas of agreement and to really clarify where they didn't agree. Many of them had individual comments, and all of their comments have been sent to you, so that you know all of the different opinions that each of the subcommittee members and committee members spent so much time developing. The image that they had of the Land Use Element was that it be an element that guides further growth and that balances really difficult issues of neighborhood preservation, climate protection priorities through sustainable development near services, and also enhancing the quality of life of all neighborhoods. That is not easily achieved. It's really a difficult balancing act. One of the things that was really commendable about the work that the CAC—I had a nice picture of them a minute ago. You know what they look like. There they are. They really worked very, very hard to determine where they could agree. They didn't just say, "We disagree. We're going to keep moving." They really tried to find some areas where they did agree. Where they didn't agree, they tried to identify concrete options with the goal of making your job easier. We hope that's how it really works out. That was their goal. There are, as you can tell just by the draft element organization, an enormous

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range of comments, of topics that this element covers. Everything from growth management to historic resources to building design to neighborhoods to a sense of community, which was one of the real goals. There was a lot of discussion about fostering public life and embracing sustainability and creating gathering places. This wasn't just about how tall should something be and how far should the setbacks be. It was also what kind of community is the Comp Plan creating. For example, on the employment centers, there was a focus on facilitating alternatives to the auto. It really is an update of the previous Land Use Element, taking into account today's contemporary issues. Some of the areas of consensus was—everybody doesn't agree on exactly how you would do it. The goal of ensuring the highest quality development with the least impacts was something that the group could agree on and did agree on. Another area that people agreed on was supporting housing. Now, what to do to implement that, there were differences. Supporting housing that is affordable and not just by that term affordability, the CAC and the subcommittees didn't just mean that it meets the legal requirements for affordability and that it's got income restrictions and all that. It meant that it really was lower-cost housing that met the needs of middle-income people. Because of its age or location or size, it would be more affordable to more people. How do you make that happen? There were differences about how you do it, but the goal of doing that, there was a lot of consensus. There was a lot of desire to prevent displacement of existing residents, to increase multifamily housing including for seniors and others with special needs. There was also a sense that this is a very dynamic situation, and that people want to be in a position to monitor growth and update the growth management plan. How much growth should there be and how should the growth be regulated was something that people knew was going to change over the next 15 years and built that into the Plan. Ms. Gitelman's going to talk more about that in a minute. You got into this issue of considering revised requirements for development and community indicators so that you're regularly assessing what is going on, not only what new development is doing but what's happening with existing residences and existing businesses. This actually fits very nicely with some of the work that went with some of the discussion just previously on the S/CAP, this idea of monitoring and looking at community indicators and being aware of how things are changing and being able to pivot. It's a more dynamic General Plan than the one that it is updating. In terms of key issues, housing affordability was a very big issue. As I said before, there was agreement on the goal and not so much agreement on how you would do it. For example, there are in this Plan four different height options ranging from maintaining the existing 50-foot height limit to being able to go above the 50 feet with no cap on a case-by-case basis and some in between 50 feet and 55 feet. One of the major things about that height discussion was this idea of what

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does the City need to be doing to—how far and what's the balance that needs to be made on height. There wasn't consensus, but there was a good clarification of what some of the issues are and how those choices work and what they do in terms of maybe promoting retail or promoting more housing and where might they take place. For those options where there is an increase, nobody wanted it everywhere. People said if we're going to increase housing, we need to be increasing it near services and near transportation, and we need to have a good reason for doing it. Those options are in the Plan. Another major issue. There was a desire—Ms. Gitelman will go into this more—to have less office growth, quite a bit less office growth, and more housing. There were different techniques that are called for in the Plan including increasing residential in mixed-use designations. Instead of the traditional mixed retail and office, there would be more retail and residential. That's a creative idea. There was quite a bit of discussion of basements. I know you had a discussion under the S/CAP of the issues with basements and groundwater. They're all the way through the Comp Plan in different elements. In this element, which is the Land Use Element, there's really a focus on should basements be counted in the FAR, should they have greater setbacks. There's a number of land use issues with basements. There was also a desire by the CAC, knowing that adoption of the Comp Plan will take time, that the CAC really look—I know you are—at the issues of basements before the Comp Plan is all completed. That was a really key thing. There was also issues of coordinated area plans and parkland acquisition that were discussed at length. Again, we had on the housing affordability, referring to the housing that is affordable, making it broader than just below market rate housing that would meet some criteria. Also, adding new programs to address and monitor displacement, that was a big change in this update. Again, the options for height. That's kind of an overview of some of the key issues, the areas of agreement. Where there wasn't agreement, there are clear options. One of the major topics is nonresidential growth management. Ms. Gitelman is going to take over on that part.

Ms. Gitelman: Thanks, Elaine. Just before I get into this really complex subject, I wanted to extend my thanks to the CAC. Some of the members are here today. They really put a tremendous effort into this topic particularly. I would say most of the meetings of the full CAC and the subcommittee on the Land Use Element focused on this question of how do we regulate or manage nonresidential growth in the City over the next 15 years. As Elaine mentioned, there were areas of agreement and areas where there was not agreement. Early on, the committee decided they weren't going to take votes and present the Council with majority and minority opinions. What they wanted to do instead is really help you in your decision-making process by outlining the options as they saw them.

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Reaching consensus where they could but where they couldn't, try and give the Council some meaningful choices to focus on. This slide summarizes some of the areas of agreement. I think even some of these are pretty significant in terms of the change in how we think about this issue in the Plan. The first two, for example, there was this desire to focus on office/research and development (R&D), which is something the Council did in the interim annual limit, but the idea was that we have been monitoring indiscriminately nonresidential uses over time. What we really care about is office/R&D and possibly hotel. There are other nonresidential uses like retail that we actually would like to encourage. The committee also reached agreement on updating the baseline. We've been operating in the current Comp Plan with a baseline of 1986 for Downtown and 1989 for the balance of the City. The suggestion was that we use all of the data and the numbers that we have developed over the years, but for this Comp Plan update it to a 2015 baseline just for the sake of transparency. Also, more of a Citywide focus and this concept of reevaluating as we go along and potentially converting some office densities or floor area ratio to residential, reflecting the fact that a growth limit on nonresidential office space will somewhat reduce development potential and on the zoning side to do the same thing. You would convert some office floor area to residential floor area potential. This next slide just talks about this issue of focusing on office/R&D a little bit. Under the current Comprehensive Plan, the Citywide cap and the Downtown cap, we're really monitoring all nonresidential space. If someone were to convert a retail space to office space, it wouldn't count towards the cap. Similarly, if someone built new retail square feet, even though we really, really want more retail square footage, that would count towards the cap. The committee and the subcommittee gave some thought to this issue and suggested that going forward we really focus on the nonresidential uses that we should be focusing on. If you convert from retail to office, it should count; it should count against our caps if we have caps. Similarly, if we add new retail square footage, why penalize ourselves? We've done something that we want to do, so don't count that towards the cap. I think you'll see that is carried through all of the options as we go on. In terms of the options, the committee and the subcommittee helped us frame the growth management options around four separate concepts. One is this concept of a cumulative growth cap, and that's what this Council familiarly calls Policy L-8. The other concepts included the annual limit, which is similar to the interim annual limit that this Council adopted; also the Downtown cap, which in the current Comp Plan is Program L-8; and the concept that Elaine indicated about development requirements and community indicators, things that we're applying to new development or monitoring over time. I have a slide on each one of these, and there's a lot of detail here, so I'm not going to go into everything I could. We can circle back to these if needed. In terms of big picture on the cumulative cap, the committee really identified

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three main options. One was to have a cumulative cap similar to the current Policy L-8 with development requirements that would be imposed on development and community indicators to monitor our progress over time. Another option was have the cumulative cap and just the community indicators. A third option was skip the cap and just have the development requirements and community indicators. When we come back to the Council for some real direction and decision-making, we'll try and tease out each one of these options as a question for the Council to answer for us and make it easier for you to really point us towards the options you would like us to carry forward. Also inherent in this discussion of the cumulative cap was a question about whether it should be only office/R&D or whether it should also include hotels. There was a split on the committee and the subcommittee about whether hotels were something we wanted, so it should be in the retail category and not included or whether it was something we were cautious about, that we should put in the office/R&D category. That's an option we will bring to the Council. The committee did some work too on what the numeric value should be for this cap. Their recommendation really was to carry forward the numeric value inherent in the current cap. The current cap, Policy L-8, was 3.2-something million square feet. There's approximately 1.7 million square feet left. The recommendation was essentially to carry that forward. If hotels are included, you might need to raise that to account for some hotel development. Again, we can go into this in more detail. Although, I should mention with regard to Council Member DuBois' recusal one of the issues was the proposal to extend this cap Citywide minus the Medical Center, which was specifically removed from the monitored areas by action of this Council a number of years ago. The committee recommended that that be perpetuated, and that's an issue that, of course, has Stanford implications. Going on to the annual limit, this is the other area where there are Stanford implications. The options here were perpetuate the annual limit that you've adopted as an interim Ordinance or don't do that. A number of questions about whether the Research Park and the Medical Center should be included or shouldn't be. If the Research Park is included, what would govern? Would the 50,000-square-foot limit that's currently applicable to a portion of the City be doubled? Would there be some other number? Would the Research Park value roll over? Could there be an option of transportation enhancements or measures or monitoring in lieu of that Research Park annual limit? I know you received and in the Packet there's some correspondence from Stanford on this question as well. Again, we can circle back to this if you have specific questions about the consensus areas and the options. The Downtown cap is the third major growth management issue. Again, the options are perpetuate a Downtown cap or don't. The suggestion was to carry forward the existing quantitative value that's remaining under the original cap, but increase it if you decide you'd like to monitor hotels as well as office/R&D. We can talk further about

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that in a minute. The development requirements and community indicators, Elaine referenced this a little bit. This was really an evolution of the performance measure concept, that I know the Council has discussed before. The term development requirements was developed to mean those issues or conditions that are imposed on new development at the time of approval, something that the Council is very familiar with. Community indicators are broader. The intention there was to use them as we evaluate our overall community over time. There was a recognition that if we want to achieve our goals, both our sustainability goals and our quality of life goals, over the next 15 years, we're not going to be able to do it just by imposing conditions on new development, which will be such a small part of the world we live in in 2030. We're going to have to address our own behaviors, changes in technology and other things, and so community indicators and monitoring our progress over time becomes a very important component of the Plan. There was recognition, though, that the CAC was not going to be able to get these nailed down perfectly, and so there are options in the Plan about further developing these concepts following Plan adoption. I'm sure you saw those options in the policy document. In terms of the options that the committee recommended the Council consider, they had to do with whether you would do both of these things, whether you would do one of these things, and how they would pair with the quantitative limits we just discussed. Moving onto other areas of agreement. I think Elaine mentioned this. There was a focus on the committee on this issue of developing a new mixed-use concept that would be just retail and residential. There are policies to that effect and this program proposed in the Plan. Basements were another area of agreement, and the policies are cited here on the slide. There was also agreement on the use of coordinated area plans. In fact, so much agreement that you'll find four different programs in the Plan. We got a little wild on this one. The thought being that there are areas of the City that are going to take much more detailed and specific planning than can possibly happen in a General or a Comp Plan. The CAC was trying to tee up for the Council areas of the City where they felt this was important. Elaine has talked about the height limit options. If you read through the policy document, you saw that these boiled down to really four. One is, of course, keep the 50-foot height limit the way it is. One was to allow heights a little larger; this is the option that I called 55 is the new 50. Something too about just a little more height to allow for more contemporary design of floor-to-ceiling heights, particularly in retail spaces. There are two options that allow something other than that. One specifies 65-feet for areas where we want to facilitate new housing. The other was silent on what the height would be, but again focused on areas where you want to facilitate additional housing. We could of course suggest criteria for what that would look like. Parkland acquisition was addressed. This is a topic that's also in the Community Services and Facilities Element, but there was some discussion and some

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policy statements in this element as a result of the CAC's deliberations. We can go into more on that if you'd like. In terms of next steps, we're hoping this evening to first get some discussion and answer your questions and hear your comments on the two issues with Stanford implications. That's the cumulative limit, the cumulative cap idea and the annual limit idea. Then, to get your thoughts, questions, comments with Council Member DuBois returning on the balance of the issues here. Then, our hope is that we can return with both the Land Use and Transportation Elements together in January. At that point, we'll be looking for very specific—we'll try and tee it up so we can get specific direction from the Council on where to go with some of the options outlined here. We're also continuing work with the CAC on natural resources, safety and the other elements, hoping to complete the CAC's work in May and bring a consolidated draft reflecting the CAC and the Council comments out for the public in June. We're really trying to make a lot of progress over the next few months. We would welcome your comments and questions. I know there are people here who wish to speak. I was hoping that the Mayor would invite members of the CAC to speak first in the public comment period. Thank you very much.

Mayor Burt: Thank you. We're at 8:20 P.M.. I just want to note for my colleagues that I have to leave for a flight at around 9:30 P.M.. Maybe in the second section I may jump to the front on some comments. We can now ask questions of Staff focused on the City-wide issues including Stanford as well as specific to Stanford and then hold off on those questions that are outside of that for when Council Member DuBois returns. Does anybody have questions at this time on those broader, City-wide issues?

Vice Mayor Scharff: These are technical questions?

Mayor Burt: Yes. Council Member Filseth.

Council Member Filseth: Just really briefly. I hope this is Citywide. The issue of having a combination of residential and retail without office in it, which is one of the things you covered, you can do that already under the existing Comp Plan, can't you? It's called out someplace.

Mayor Burt: In zoning.

Council Member Filseth: If we zone for it, yeah.

Ms. Gitelman: There is the ability to do that. The CAC introduced in the course of their work two separate policies or programs in this element talking about enhancing or emphasizing that as a mixed-use strategy.

Mayor Burt: Council Member Kniss.

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Council Member Kniss: I'll do my best to keep this as a question. I think one of the most interesting aspects of this is if you reference 1989, when I wasn't here but have read a lot about it, you come up with what I think is a different baseline than I recall us having discussed before. Have you altered the baseline? Your suggestion is to go to 2015 and call that a new baseline. Whereas, if you take what we currently have, we are roughly at our cap per year, looking back over that 30 years. I'm not sure it's a bad idea; I just wondered why you had decided on a new baseline.

Ms. Gitelman: Sure, I'd be happy to answer that. I think it's a little bit of semantics. When I say new baseline, I think the group was thinking that this new, updated Plan would be easier to use if it referred to the date 2015 rather than way back to 1989.

Council Member Kniss: Because they can't remember that far back.

Ms. Gitelman: The Committee did want to perpetuate the numeric value. In 1989, the cap was 3.2 million square feet, and some of that has been used up to the point where we only have 1.7 million square feet left under the cap. That's what's being proposed for 2015. The amount of growth hasn't changed; it's just the date we're going to use to describe what is left.

Council Member Kniss: Use that new figure rather than the old figure. Correct?

Ms. Gitelman: One point seven correct.

Council Member Kniss: I just don't want to get the history lost in all this, though. That was such an important data point. Thanks.

Mayor Burt: Council Member Holman.

Council Member Holman: I think I have two questions. One is was there any analysis done for—let's just say we change the zoning so that, while housing is allowed in mixed use, office oftentimes trumps the mixed use because the return on it is usually higher. Is there any calculation of how much floor area ratio would be freed up for housing if we merely changed the office allowance to housing?

Ms. Gitelman: The Committee didn't engage in any analysis on this point. They merely identified this as a policy direction in the form of programs that appear in a couple of different places in this element, talking about this as being the direction we want to go in, particularly in light of the fact that many of them wanted to perpetuate the growth limits. They saw those growth limits as limiting the amount of office/R&D space that could be built

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over the 15 years, and they thought we should make companion changes in the Zoning Ordinance so our regulations and our policies match. The regulatory changes they talked about was potentially changing some office floor area, development potential, to residential. There was no decision on how much or where or exactly how that would follow in the zoning changes to implement the Plan.

Council Member Holman: Did it not come up then as a discussion point as to why that was important to understand? We have comments all through here about raising the height limit to accommodate housing. If we don't know how much housing we could get in our existing floor area ratios, doesn't that significantly affect considerations for increasing the height limits?

Ms. Gitelman: That's a good question. Before we adopted any zoning changes, we would have to do that kind of analysis. I think at this kind of policy and program level, just at the General Plan level, the committee was operating on what are our intentions. What would we like to see as City policy going forward, knowing that that policy would have to be ultimately implemented through specific zoning changes that would take some analysis and some thought.

Ms. Costello: Just to add to that. I think it was discussed at that broad policy level. It wasn't really even ironed down to—there were these general directives about the kinds of locations where this would be good to do, close to services, close to transit. Downtown was often mentioned. It's kind of is this a good idea. It's really an option, is this a good idea. One of the big, overriding things was trying to make it easier for housing and not easy for office. The committee never came to a consensus about where that housing should go or how much it should be. Those are where the options come in.

Council Member Holman: I guess a clarifying question for Director Gitelman is, if we have in the Comprehensive—let's just pretend that the Council says, "Let's go to"—I'll be ridiculous here—"80 feet." If that's in the Comprehensive Plan, shouldn't there be some basis for understanding what goal that would accomplish and doesn't one need as some background how we could accomplish it otherwise? Accomplish the goal otherwise.

Ms. Gitelman: This is why we all like planning so much. There's always that chicken and egg kind of thing. Our thought was that it would be useful to have some direction from the Council at a policy level on some of these options and understand your preferences. Once we have that direction, we could provide you with the analysis that you might require to refine and hone in on specifics. To burn a lot of rubber before we knew the Council's appetite for this kind of thing, we thought that might be misplaced effort.

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Council Member Holman: I think just one other question. I didn't see in any of this a policy or program—there's a lot to digest so I could have overlooked it, but I don't think so. You'll correct me if I did just overlook it. I didn't see a policy or program that talks about a mix of unit sizes in a development. We have some small unit considerations (inaudible), but a mix of units I don't remember actually seeing.

Ms. Costello: That's correct. As we're trying to run a lot of policies through our heads quickly, there isn't that specific direction. There's a lot of focus on smaller units, the kinds of units that would be less expensive. There isn't a policy about in any project and any development having a mix of units per development.

Council Member Holman: That's all my questions for right now. Thank you.

Mayor Burt: Before Council Member Schmid asks his questions, I should have spoken briefly about our process and the context of this review versus what's coming forward next year. Tonight is really intended for Council to give feedback on this draft. After the first of the year, the new Council will have meetings where they will actually be moving forward on adoption. For the most part, what we'd be providing is either individual or consensus feedback. I don't really anticipate too many occasions where we'd go into motion-making, because it's not going to be binding. We're going to have a new Council in any event, so there's not much point in having binding directions to Staff at this time. If there's an occasion where it looks like it might be useful to have a straw vote so it's clearer without having to have everybody go around and speak, maybe we'll do some of that. What we're trying to do is give guidance to the Staff and the CAC and our feedback in a somewhat informal manner. Council Member Schmid.

Council Member Schmid: I just have a single question, but it might be complex. Policy L-8 from the old Comp Plan. My understanding over the last 18 months was that Council would debate this, decide it and give it to the CAC to use. I'm surprised that this is the first time the Council has had a chance to discuss L-8. The CAC has given us cap options, and there are only two options, 1.7 million square feet or 1.7 million square feet plus. The question is where this number came from. Was it part of an extended process of looking at a variety of options and they picked this out or was it driven by numbers? I guess I go back and look at the historical documents. There's two critical documents, the 1988 Citywide land use and transportation study, which drove the zoning changes and ultimately the 1998 Comp Plan, somewhere between the '88 and the '98 things. Those two documents, it seems to me, in the text are very clear that the '98 text referred back to the '88 study and the map, said the City Council may make

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modifications for specific properties that allow modest additional growth, but such additional growth will count toward the maximum. The maximum, this growth will be observed Citywide for the term of this Plan. Traffic will be monitored to ensure that the intent of the limit is being achieved. The intent was always traffic and congestion.

Mayor Burt: Council Member Schmid, can you focus on technical questions?

Council Member Schmid: Yeah. The technical question is where the 1.7 million comes from. I want to give some background that a reading of the text, both the '88 text and the '98 text seems pretty clear that growth will be monitored with no exceptions. If you make an exception, it still will be monitored. Now, the numbers given ...

Mayor Burt: If we have the question, let's ask the question and let them answer it.

Council Member Schmid: Let me put the question in numbers. The 1.7 comes from the fact that the goal set was 3.2. The monitored growth was 1.5, but there was non-monitored growth of 1.0, and the Stanford Medical Center of 1.3. Whether you want to count them or not is one thing, but the traffic impacts of each of those, the intent of setting the goal was to monitor the traffic that would come from it. Any way you look at this, the traffic has already exceeded the 3.2 goal.

Mayor Burt: The question.

Council Member Schmid: Where did the 1.7 million come from?

Mayor Burt: Thank you.

Ms. Gitelman: Thank you, Council Member Schmid. Just one quick clarification. If you look at the existing Comp Plan Map L-6, it shows the monitored areas where the 3.2 million square feet limit applied. That 3.2 million square feet has been partially used up as you indicated. There's 1.7 million square feet remaining.

Council Member Schmid: If I could just ...

Ms. Gitelman: The Committee's recommendation was that that number, the balance remaining in the nine monitored areas, should apply on a Citywide basis to office/R&D uses only. There are some policy changes there. We're talking about going Citywide minus the hospital area if you take this option, and we're talking about only office/R&D and potentially hotel with an additional increment, but not other nonresidential uses.

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Council Member Schmid: Just two comments. That is true. That's the map that's in the '98 Plan, but the '98 Plan refers to the original map that was in the '88 Plan. If you look at the '88 Plan, it does not exclude—it has a wider purview. That's ambiguous, because there's two different references. The question is why do you pick the one with 1.7? Did the CAC discuss the ambiguities in the document and the possibilities that the traffic impacts from the Veterans Hospital, from Palo Alto Medical Center Hospital are just as significant as from an office?

Ms. Gitelman: I think this Council has over the years pretty consistently interpreted Policy L-8 as applying to the monitored areas shown in Map L-6. That's one issue. On the other side, I think the CAC and the subcommittee of the CAC that worked on this issue thought that they were proposing a very conservative growth management strategy here, taking the 1.7 million square feet that's left under the original policy in the nine monitored areas and applying that going forward on a Citywide basis and to office/R&D uses only. I think they thought this is an aggressive and in that way conservative approach to growth management. It would be a way to really control or limit the amount of impacts associated with nonresidential development over the life of the Plan. To companion with that measure, which they thought and hoped would be effective, was this idea of potentially changing some development potential from nonresidential to residential and a concept of reevaluating this cap as it approaches, similar to the way the Downtown cap had a built-in trigger requiring reevaluation when the end was near, when we got close to the cap. That same approach is not currently present in the current Comp Plan for Policy L-8, but the CAC and the subcommittee are recommending it on a going forward basis.

Council Member Schmid: What I hear is that the CAC unanimously thought that the 1.7 was "conservative"?

Ms. Gitelman: There was a lot of discussion about 1.7, and there is an option of 1.7 plus some additional square footage if hotel was considered. Again, these are just options articulated for the Council's consideration. In the time the subcommittee and the committee had, they felt like this was a reasonably conservative approach to this issue of an overall City cap on nonresidential development.

Ms. Costello: There wasn't a consensus on this issue. There were some who actually did not want any cap at all. It wasn't 100 percent unanimous. Where there was agreement was to lay out these four options. There wasn't agreement on that was the perfect number at all.

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Council Member Schmid: The original intent of the cap or limit was traffic. Was traffic discussed?

Ms. Gitelman: The discussion really focused on this issue of nonresidential growth. I think everybody understands the reason we want to limit growth is because of its potential impacts. It was really a discussion about how to evolve or perpetuate Policy L-8 and the related policies in the Comprehensive Plan.

Mayor Burt: Just to clarify, when you use the term conservative, that really was referring to more restrictive on overall nonresidential growth. That's what you mean by conservative. I have a few questions. In the Stanford University Medical Center, where we're talking about excluding that from the commercial cap, is that only referring to excluding the currently approved square footage?

Ms. Gitelman: In the case of the cumulative cap, we were talking about excluding the area itself. Again, the Council within recent years took a separate action to amend the Comprehensive Plan to exempt that area from the nine monitored areas. The thought was to perpetuate that recent action.

Mayor Burt: The question would be whether that exclusion was intended to embody the development project that went through a multiyear approval process or to exclude that geographic area for all things going forward. I don't recall the latter having ever been discussed as an intent within the approval of the Medical Center projects. I'll just say I would consider that an open issue without ...

Ms. Gitelman: I think in drafting the Staff Report, we agreed with you. We thought this area could be explored further. One thing we can do is go back and find the specific language of that Comp Plan amendment that was adopted when the hospital went through.

Mayor Burt: The specific language of the Comp Plan amendment is important, but so would be the context for that decision. I wouldn't limit it just to that. Do we know approximately the percentage of all commercial development in the City that is hotel?

Ms. Gitelman: Off the top of my head, I do not. We can find that out and get back to the Council.

Mayor Burt: We have a number of questions around hotels. I think that's an important context. Is it 5 percent, is it 10 percent or is it low single digits, which probably is what it is but don't know. There was discussion around residential sites on certain low-density commercial land. A lot of that

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is Stanford Research Park but not limited to that. The CAC had had some discussions about creating new residential sites. Did the discussion talk about rezoning and reducing the permissible commercial development and in exchange making it residential or did it look at retaining whatever we decide is the permitted commercial development and allowing additional residential on properties that are comparatively low density?

Ms. Gitelman: I think you'll find that both of those ideas are inherent here. Where there are references to potential new housing sites, the shopping center, the Research Park, they're really lite references. There was not any consensus or direction or agreement to go in that direction. In those instances, there was not a discussion of lowering commercial Floor Area Ratios (FARs). In other policies and programs, there are at least two in here where we talk about adjusting FAR downward on the commercial side and upward on the residential side with regard to Downtown and, I think, more generally in other mixed-use areas of the City.

Mayor Burt: In those various low-density commercial areas, which that includes Bayshore areas and some in south Palo Alto as well as the Stanford Research Park and maybe even areas like Stanford Shopping Center. If there was that discussion around residential and not necessarily having that reduce the permissible commercial development, if there was allowed residential, were there any discussions around other uses of that land that would be community values and also help trip reductions in those specific areas? What I'm referring to are things like off-road bike paths, mini transit hubs. Was there any discussion around if those areas allowed those uses, that land area would not be subtracted from the land for calculating FAR on a parcel?

Ms. Costello: There's quite a bit of discussion on the commercial areas of really—I was looking at them today and I realized about 90 percent of it is about having it be much more oriented toward reducing single occupancy vehicles and making it easier for transit and alternatives to the car. The idea of how that would relate to FAR did not come up. The general concept of making it easier as a policy is in there quite a bit.

Mayor Burt: It seems like that needs to be considered, because we'll have two different responses if it is at the expense of permissible development versus if it's not. I think that's important. Vice Mayor Scharff.

Vice Mayor Scharff: Thanks. A couple of things. When they talked about coordinated area plans, it says there were areas of agreement. There should be coordinated area plans for those particular areas?

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Ms. Gitelman: That's right. They identified in those four programs where they thought those would be appropriate.

Vice Mayor Scharff: Did they talk at all about in coordinated areas that they would or would not be subject to the caps or that would be a decision when the coordinated area plan is being done, that were made at that time? Was there discussion at all about height limits within a coordinated area plan if you're doing a specific zoning and going through that process? Was there any discussion about coordinated area plans sort of in that holistic way?

Ms. Gitelman: They did not get into that level of detail, no.

Vice Mayor Scharff: When they talked about height limits, did anyone ever talk about stories as opposed to height limits?

Ms. Costello: There was quite a bit of discussion of how many stories you could fit into these different height limits. There were four options, and there was quite a bit of difference of opinion on ...

Mayor Burt: I'm sorry. Can I interrupt here? That's a really good question, but I don't think it affects the Stanford area lands unless there's a way in which you're envisioning it. It would be good to have that discussion with Council Member DuBois.

Vice Mayor Scharff: I'm happy to hold that for Council Member DuBois.

Mayor Burt: I have the same questions for Downtown.

Vice Mayor Scharff: That's totally fine. I was actually surprised by all of this, of how much hotels figured into this. I was hoping you could give me a little bit more understanding of why there was so much focus on hotels.

Ms. Gitelman: I'll ask Elaine to pile on here. I'm not sure there was a real focus on hotels. It was just an area where there was some disagreement. Those who wanted these kind of growth management strategies, among that segment of the committee there was a real split. Those who wanted to include hotels, and those who didn't.

Vice Mayor Scharff: Did Staff on the hotels provide the data as to trips generated by hotels versus other forms of development?

Ms. Gitelman: Again, we didn't really get into discussing the impacts. We talked about the development, over time how much hotel square footage had been developed and how much was in the pipeline. That information was available to the group, but not a lot about impacts.

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Vice Mayor Scharff: You didn't talk about the financial benefits of hotels to the City?

Ms. Gitelman: Just in the broadest possible way, yeah.

Vice Mayor Scharff: Car dealerships, was that at all mentioned?

Ms. Costello: No.

Vice Mayor Scharff: That's what I've got. Thanks.

Mayor Burt: That concludes our questions on this segment. We have a number of speakers. What I'd like to do is encourage speakers, if their comments are focused on the broad land use issues that may include Stanford development, to speak at this time. If they are not related to that, to wait until the next segment so that Council Member DuBois will be able to participate and hear those comments. If anybody is in that latter category, when I call your name just say I'll wait, and I'll put the card aside and we'll recall you. The first speaker is Keith Bennett.

Keith Bennett: I'll wait.

Mayor Burt: Thank you. Next Bob Moss.

Bob Moss: I'll wait.

Mayor Burt: Thank you. It's going well. Next speaker, Mark Mollineaux.

Mark Mollineaux: No, I can wait.

Mayor Burt: Thank you. Dan Garber.

Dan Garber: I'll wait.

Mayor Burt: Stephanie Munoz. I don't know if she heard. Bill Ross.

Bill Ross: I'll wait.

Mayor Burt: Thank you. Rita Vrhel.

Rita Vrhel: Is Stanford included in the documents that Council Member Schmid was (inaudible)?

Mayor Burt: Yes.

Rita Vrhel: I will speak.

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Mayor Burt: Thank you.

Rita Vrhel: I find it very interesting that Council Member Kniss referenced the historical documentation that was used in generating these plans. I was fascinated when Council Member Schmid brought up, I think, 1988 and 1998. I would be willing to bet you each \$10 that these documents were not provided to the CAC as a whole. During the meetings that I attended, one of them was over the caps or non-caps or whatever you want to call them. These documents were not brought up. I can't be certain, but it would be very easy for Council Member Schmid to send these to the CAC, each individual member, and see if in fact they did review these. The reason I'm a little suspicious is that, as you all know, I was here a couple of years ago (inaudible) with the great church. The documents that were brought forth by the Planning Department did not include the historical documents, which I had to go and dig up, which went all the way back to 1959. They basically set in place the documents moving forward on the church. The traffic pattern, which was my main complaint and which basically held up the building of that church for 1 year. I think it is imperative for the committee in an effort of transparency and accuracy be sent those documents and to review them. If they have not had those documents previously, then perhaps this whole issue of the options needs to be re-discussed with the public attending and also in the private committee meetings. Thank you.

Mayor Burt: Thank you. Stephanie Munoz.

Stephanie Munoz: Good evening, Mayor Burt and Council Members. For the last couple of years, we've had this problem with the housing of the homeless and the distance between the workers and their factory. It does seem to me that our problem is not that there are too many factories and not that there are too few houses, but rather that the houses are too widely separated from the place to work. I lived in Los Altos 50 years ago, and it was the same thing that you're now complaining of. It had already expanded as far as Los Altos where the workers were living in Cupertino and San Jose, and they had to go through there. I wanted to suggest that, since Measure A has passed amazingly and passed by a comfortable margin, the will of the people is that this town have housing for the people in it, that they not be driven out and replaced by a different population. I think we can do that, recognizing that the whole of housing is a public-private partnership. In theory, the landowner, the deed (inaudible) owns the land. The authority has half of it at least because they own the value of the land. Whatever you or others decide may be done with that land determines the value of the land. There has been a very strong tendency in these past years to make it toward commerce and toward more valuable and taxable entities. I've suggested here that we augment or that we make those

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affordable housing go better by, first of all, trying to get the companies that have large workforces to have one bedroom at least for every worker. I think that would go a long way. There are some other populations that could be taken care of without Measure A funds. The veterans, I think, should be housed by all of us, the whole country which owes a great debt to them. The seniors, who have a guaranteed pension plan, which will pay for a certain amount of housing and could. Thanks. I did forget to mention Stanford, but that's part of having the workers next to their work. Thank you very much.

Mayor Burt: Now, let's return to the Council for any additional comments on just these sections that are related to Stanford development. Who would like to go first?

Vice Mayor Scharff: Is it just Stanford or Citywide?

Mayor Burt: It's related to Stanford. It's Citywide related to Stanford and things specific to Stanford. Anyone want to go first? Council Member Wolbach.

Council Member Wolbach: Really specifically related to Stanford, it was alluded to earlier, mentioned kind of in passing earlier, the question of whether there is a future for more housing at the Stanford Research Park. There is a little bit around the corner but not a lot. The question of whether there's an opportunity for more in the future and whether there's an opportunity for mixed use to add housing at the Stanford Shopping Center. I would be excited to see at least in the Comprehensive Plan a call-out for initiating a real open and serious dialog with Stanford about those future opportunities. I don't think we're at the point where we should necessarily be calling for those to be pursued, that we definitely want to see neighborhoods developed there or the shopping center turned into mixed use, housing over retail. At least, I think there's an opportunity for a lot of mutual benefit. I'd like to pursue that conversation. I hope that Stanford will be open to that if that does happen. I just want to make sure I'm respectful of Council Member DuBois but don't put him in a tricky spot. I just want to ask the Mayor or City Attorney just for a couple of examples, just to make sure I'm really clear on what are the things of these controversial issues that have been brought, what are some that we might want to talk about now before Council Member DuBois comes back in.

Molly Stump, City Attorney: We're looking for, for example, nonresidential growth limits on Stanford lands in the Research Park or Citywide nonresidential growth limits that would include the Research Park as an element, for example.

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Council Member Wolbach: As a general rule, I also side with those who argue for a lot less office growth and a lot more housing growth. That's where our focus for future development ought to be.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I guess I don't think that Stanford Research Park should be included in the growth cap. I think it's important that it's not. I think it's important that we maintain flexibility going between R&D and office at the Stanford Research Park and that we not be too prescriptive there, that you want to allow innovation. I know my experience of going up there and seeing Tesla and how they need to move quickly, frankly, and the way they innovate. I think we want to encourage innovation in Palo Alto and encourage research in the Research Park, but that requires being able to flip back and forth. I think we want to be very careful about how we regulate the Research Park, that we don't change it's essential character. I think that we want to have serious discussions about trip counts at the Stanford Research Park to encourage the direction we want to go in having less single occupancy vehicles. I think that's a long discussion, and I think we want to think through that carefully. I think that's the direction we want to move in with the Stanford Research Park. I'm just going to basically—I think we want to encourage hotel development. The reason I bring this up a little bit now—I'll bring it up later as well. I do think that we should encourage hotel development either near the Stanford Research Park or more likely, frankly, at the Stanford Shopping Center on some of that land there. I think it would be nice if there was a hotel close to the Stanford Research Park so that people didn't have to commute as much if it was there. I think that would be a positive as well. In terms of the Stanford stuff, if I'm excluding Stanford from the growth cap, then I don't need to address the other growth caps. We can address it separately. Is that correct? When Tom's here. I'm a little confused where I draw the line, to be honest.

Ms. Stump: It's fairly complicated.

Mayor Burt: (crosstalk) growth cap, you should talk about it now.

Vice Mayor Scharff: On the 1.7 million, I don't think we should include Stanford as I said. I don't think we should include hotels. I think we need to encourage hotels. I think basically our budget is—one of the huge components of it, one of the successful things we've done is had hotel development. That's really what's funding our infrastructure plan. If we become negative on hotels, we're going to be in a—I don't want to be hyperbolic. We're going to have real difficulties meeting our budgets. We already have—I don't remember what the number is. It's a \$2 or \$5 million

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deficit for next year. This is in the up market. There are a lot of financial pressures in Palo Alto, and we need hotel development. The other thing I'm going to say about hotel development is that my recollection is that hotel development is one of the least trip generators during peak hours. Of all the developments, it has the least impact on quality of life. It's better than office. It's better than R&D. It's better than housing, in terms of those kind of issues. I think we should be very encouraging of hotel development. What I would look for in this Plan is any time we seem to be negative of hotel development, I'd like to take that out. In fact, I would like a statement in the Plan that we encourage hotel development, that we welcome that. Obviously, I think that should not be included in any Citywide number. I'm fine with the Citywide cap of 1.7 million. I think that's fine as long as it doesn't include retail and as long as it doesn't include hotel space.

Ms. Gitelman: Thank you. If I could just offer one clarification. There are two Citywide growth management strategies that we're discussing. One is the idea of the cap, the 1.7. Stanford Research Park is currently included in that. The Medical Center is currently not. The other growth management strategy we're talking on a Citywide basis is the idea of annual limit. That's the strategy where the committee put forward a number of options with and without the Research Park.

Vice Mayor Scharff: Right. I got confused. It's not the 1.7 that applies to Stanford. It's including them in the 50,000 annual limit cap that we were talking about. Correct. On the 1.7 million, 1 million of that is roughly still permitted in the Research Park. Am I correct on that? What of that 1.7—how does that break out? It wasn't Citywide before, so I'm trying to figure out where we're going on the 1.7.

Ms. Gitelman: The 1.7 is what's left under that original 3.2 million. I think we've calculated the unused development potential in the Research Park at about 800,000.

Vice Mayor Scharff: It'd be 900,000. The nine monitoring areas, what areas of the City were not included in that nine monitoring areas then? That we were going to—you said we're changing policy by doing this, if we went that direction.

Ms. Gitelman: Definitely the hospital complex is not included in the nine monitoring areas. Also, there's an area of town near Page Mill Road and California Avenue, not right at California Avenue, but where the Hohbach project is. A lot of that growth is happening around Page Mill and Park Boulevard. For whatever reason, that was not included in the nine monitored areas. There are a few other places in the City.

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Vice Mayor Scharff: I guess I'm still confused. When we talk about a 1.7 Citywide, are we excluding the hospital area? I thought we were.

Ms. Gitelman: Yes, we're proposing to exclude the hospital area.

Vice Mayor Scharff: It would be the entire City excluding the hospital area.

Ms. Gitelman: Correct.

Vice Mayor Scharff: But everywhere else.

Ms. Gitelman: Correct.

Vice Mayor Scharff: I would support that, the way that is drafted. Thanks.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I was about to say succinctly for once that I actually agreed with what the Vice Mayor just said. When we get to the 1.7, rather than go on about it tonight, when it comes back to us I'd like far more clarity on it. I thought I really had it nailed the first time, and now it's feeling much more muddled than it did before. I would say as far as the Stanford Research Park, unless I'm mistaken, that's just one owner. One owner can impose a transportation demand management plan far more than we ever can in the Downtown. I feel pretty comfortable that, given any kind of parameter, that particular area will be able to police itself very well as Stanford University does on a regular basis. The hospital, I'm not sure how much more the hospital can expand, but it's interesting that we're saying we're not limiting it. That's a lot of square footage there, and that was a long time coming before it was ever approved. Long before Marc and I sat here. I'd be interested also in hearing some more background on why no limitation there whatsoever. Those would be my comments. As I said, most of mine I would associate with what Greg Scharff said, but I'd like to revisit that 1.7 at some point, because my understanding was still that that was based on the original study from the late '80s. Thanks.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thanks. I think I'm actually fairly closely aligned with Council Member Kniss on this one. The intent of the cap—we are talking about two different ones here—is because of the impacts, primarily traffic, parking, pollution and potentially housing demand. Those things are Citywide things. Taking a Citywide approach to that makes a lot of sense as opposed to slicing and dicing, this part here and that part there. I'm not and maybe none of us are persuaded that 100 percent mitigation of these things

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is ever possible. That said, I think there's two things that make the Stanford Research Park—I think you can make a good case that a majority of the growth that we do, even if there's a cap, at least in nonresidential growth could make sense in the Research Park. If you look at the other areas, I think University Avenue is pretty good now. California Avenue (Cal. Ave.), I don't think that should turn into a clone of University Avenue. I think it makes sense in the Research Park. As Council Member Kniss brought up, to the extent that mitigation is possible, I think the Research Park has a better chance at a higher level of it than almost anywhere else in the City. As we look for a solution on this kind of thing, I think the Research Park actually—whether the cap applies or not, directing nonresidential growth more heavily to the Research Park is probably good in this. As for the Med Center, we did a deal. We got our silver watch. Does that impact our thinking about other caps? Maybe, but the Med Center itself is what it is. Thanks.

Mayor Burt: Council Member Holman.

Council Member Holman: Much has been said that I pretty much agree with about excluding the Stanford Research Park from the annual growth cap. This has also been talked about a lot. So long as the trips generated are incrementally reduced, I don't need to go into how exactly, but hopefully on an annual basis. It needs to be a regular monitoring and performance measure. I'm also interested in—I'd be open to, let's say, a hotel at the Stanford Research Park, but I also think that we've done the 2.0 FAR for hotels. It needs to be reduced to 1.5. There's also been discussion about that among Council Members. The 2.0 was when we were really trying to encourage hotels. We've been very successful at that. Sometimes it's just too much of a good thing. I'm open to some amount of housing in the Research Park. I don't know exactly where or how that could be. I'm certainly open to that. The 1.7 cap, the Medical Center included in that. From my perspective, it's the current project not included in that, not the land where that area was zoned for the Medical Center. It's not that; it's the project itself that's been approved as excluded from the 1.7, is separate from the 1.7. The rollover of office in the Research Park, can you say more about how that would work?

Ms. Gitelman: I think those on the committee that imagined that the annual limit would apply in the Research Park thought that the Research Park should be given additional flexibility in the sense that the square footage that's not used in one year could roll forward in future years.

Council Member Holman: I just don't know quite how that would work. It's like Citywide there's an extra 20,000 square feet, so the Research Park should be able to apply that?

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Ms. Gitelman: No, there would be a separate cap. The idea was that there would be 50,000-square-foot cap Citywide minus the Research Park, and then the Research Park would have a separate cap. The rules would be different there where the cap could roll forward if it's unused.

Council Member Holman: Not so sure I'm keen on that, but also not positive I fully understand the implications of that. First blush is I probably would not be in favor of it. I think those are my only Stanford comments.

Mayor Burt: Thank you. On a personal level, I'm watching the clock because I have to leave shortly after 9:30 P.M., and I'm worried that I won't be able to participate at all on the second segment. I have some comments there that I want to do. Council Member Schmid.

Council Member Schmid: Let me just talk a little bit about the 1.7, meaning that we've accounted for 1.5 of the growth between '98 and 2015. What impact did that growth have? I guess we've seen at least six neighborhoods applying for Residential Preferential Parking Permits (RPPs), saying the commercial traffic intrusion is really troublesome. We also in our existing conditions report have some intersection changes between 1998 and 2015. The numbers there show that 11 intersections have gone up 33 percent, an average of two percent per year. The total delays, level of service (LOS), has gone up 53 percent or over three percent per year. There have been ramifications from the growth, whatever it is. We're looking forward to 1.7 in the future, over the next 15 years. How does that compare to our history? If you look at our history of the monitored area, office growth has grown about 53,000 feet per year. This would be growth at 113,000 square feet per year or about twice as high as our historic average. A question the CAC should deal with, take a look at. If the 1.5 million monitored feet has created these traffic issues, which the City survey, which the intersection numbers say is troubling, what's double that going to cause over the next 15 years? It's doubled only the monitored area. It does not include the 1.3 Medical Center, which hadn't started in 2015. Wow. This is not a conservative forecast. This is a troubling forecast. The CAC should sit down and take a look at the consequences of what they have voted. Certainly the Council should.

Mayor Burt: Council Member Berman.

Council Member Berman: I'll try to be quick. For the annual growth cap, I think we should have separate caps for the City, like we have it, Downtown, Cal. Ave., El Camino, and then something different for the Stanford Research Park, whether that's having a cap in the Stanford Research Park or not. I like the idea of having a cap. I'm open to the idea of it rolling over. I think

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there should be some maximum annual limit. I don't think that you should be able to roll over four bad years and that fifth year build 250,000 square feet. That creates the glut that creates the traffic impacts and really angers our community. I do think the Stanford Research Park is very different, and the potential that exists for reducing trip generation in the Stanford Research Park is different enough that it warrants a separate consideration than the rest of the City. I'm intrigued by the idea of housing in the Stanford Research Park and at Stanford Shopping Center, if there's potential for that. I don't think hotels are bad. I don't know if they're as good as Vice Mayor Scharff does, but I don't think they're bad and don't think they should be considered against the office cap. That's it for the annual. I'm okay with using the 1.7 million baseline for the total cap and don't remember which other specific questions I was supposed to answer in regards to those. I'll stick with that. There could be an idea of rolling over the annual cap Citywide also with again some sort of max cap so that we don't get massive growth in one year. That's something that a future Council could consider.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: Actually just a real quick follow-up. It tends to pick up right where Council Member Berman left off. I'm really actually not sure about the question I'm about to pose. I don't know how much we've talked about it. I would just encourage my colleagues and the community and the CAC to think about it. This is the question of whether it really is better to—if you know that over a certain number of years, whether it's a five year period or over a 14-year period, you're going to have X amount of development, is it better to break it up a little bit each year and have the annoyance over a long period of time? Long-term annoyance of having some development, some obstruction of traffic, some cranes in the sky or whatever it is or is it better to frontload it at the front of that period and have a really painful couple of years where you see a lot of development and it creates huge impacts but at least it's over in a couple of years? I'll be honest. I don't know where I come down on that. I just would like to see us have a discussion about that at some point. I'm open to where we go with that.

Mayor Burt: Let's see. A few comments. First, for Stanford Research Park, when we debated whether to include the Research Park in the initial cap, there were arguments on both sides. One, it doesn't have the impacts on parking or some of the architectural issues that we care about in our areas where we live. It also is an area that doesn't intrinsically have advantages of being adjacent to transit and walkable services. That really means that we need to embrace a program where the trip controls are crucial. Frankly, their transportation management association is going very strong, far ahead

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of our Downtown one. I think that the reality is that some amount of trip reduction is feasible going forward. I would support not having them be part of the 50,000-square-foot cap contingent upon a trip reduction program. Whatever is the amount for the Research Park, the reality is that Stanford historically has metered their own pace of development in the Research Park. They're vision for that park is not to build it all out suddenly. It's to be able to have some latitude to accommodate tenants that they think are important for the diversity and the vitality of the Research Park. Nevertheless, the community would like to control that so they don't have the possibility of suddenly in two years half of that development occurring. I think some form of a rolling cap would be appropriate. I would frankly like to see it roll over, but maybe there's some framework of a five year cap or a three year cap or something that gives them latitude to respond to circumstances, but also gives some form of assurance that there won't in a future time be some change where we get a big boom in development of the Research Park, that we had a tentative agreement it wouldn't occur. Second, on the issue of hotels, Vice Mayor Scharff's points, I think, are very well taken. When we were a decade ago looking at much worse structural deficits than we have today and an inability to fund all of the infrastructure needs that we have, there was an outcry that we have no revenue planned for the City. The one area that we really had ability to be fungible in our revenue was around hotels where we get a far better tax rate than we do for any other use. It's better than sales tax or any other revenue in the City. It is correct that they are the lowest traffic impact of any development. On the other hand, I think the 2.0 FAR that we've seen along El Camino is denser than I think we want going forward. That would apply to hotels along San Antonio. I would like to see us calibrate that backward. My own notion would be a 1.75 or maybe a 1.5, but I suspect a 1.75 would get the design compatibility and mass and scale compatibility that would feel better. I think for the Downtown areas, meaning both University and Cal. Ave., that the 2.0 would be appropriate. That's where we'd want to see those denser units. I think that we'll probably see hotels start getting built in the Downtown area, because we have basically nearly closed off further office development in the Downtown, at least in the University Avenue downtown, unless the Council in the future would set a new, higher cap. I don't think that's on the horizon. I suspect that we'll see two types of development in Downtown, predominantly residential if we change some of those incentives or zonings for residential Downtown and hotels, because those might have been financial viable but wouldn't get built as long as office had a higher rate of return for investment in Downtown. I also then want to look at areas where we would allow what I'll call overlays of residential in existing commercial areas, the lower density commercial areas. I'd include in that not only the Research Park, perhaps the shopping center, East Bayshore and along Bayshore and even Town and Country Shopping Center, which I saw

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was being excluded. That doesn't mean we would necessarily force that, but it becomes housing sites. I think it should also be location specific. I don't think the whole Research Park or all along Bayshore are appropriate places for additional dense housing. They don't have services. If they don't have transit options, those are not where we want to do it. We need a sculpted approach on where we would put those overlays. I would put that to the CAC and Staff to look at most appropriate areas for housing overlays in those zones. I think those are my principal comments on this section. Maybe we can call out Council Member DuBois. If it's okay with my colleagues, can I go first and not only have questions but comments and then I take off on this next section? Thank you.

Council Member DuBois returned to the meeting at 9:27 P.M.

Mayor Burt: One of the areas on Downtown is this issue of height limits. I don't know who it was. One of my colleagues had brought up stories, because I don't think we should be looking at the two independently. We've had arguments on height limits Downtown when it was around ground-floor retail and office. Arguments being that if you want high-quality retail, it needs to be a higher ceiling on the ground floor in today's retail. With other interstitial space requirements for office, it put us a few feet above 50 feet without builders going through real high additional expense to try and just keep it at the 50 feet. I'm open to some moderation of that. I think there are really two decisions. Do we need any difference if we're going to have a mixed use in the Downtown area of ground-floor retail and residential above? If so, how many floors do we think are appropriate? If we have one floor of retail—Hillary, that's about what height? What height do we need per floor of residential?

Ms. Gitelman: The first floor would be about 15 feet. I think it ranges, but the thought was in 55 you could get retail and housing above and a reasonable set of floor to ceiling.

Mayor Burt: Retail. How many floors of housing, four floors of housing, 10 feet per floor? Fifty-five feet would allow one floor of tall retail and four floors of residential above. I would be open to that. I'll just say that part. One of the things, though, that should go hand in hand is what happens above it. We've talked quite a while about mechanical space, where it can now go well above the minimum necessary for mechanical space, and it can go out closer to the edge, beyond what it needs. It has the appearance of being another floor. I would want to link this additional height in Downtown areas for pure residential or mixed-use residential to further restrictions on that top mechanical space. With that, I would also like to see Citywide better use of top floors. In today's environment, they should either be for

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solar arrays which could be on top of the mechanical and/or rooftop garden type functions. Not rooftop party areas to disturb neighbors, but quiet space. We need to be utilizing that, and best design practices have been doing that. We haven't really pushed it. Allowing it versus requiring it, if we think it's a best practice, then why not require it. That would be my favor to do that. We have an issue of how do we create—most of this set of questions is really around the commercial options. We have big issues around if we're saying we want the housing in the Downtown areas, how do we really cause that to happen more. One is what we just talked about on the height and the number of floors. Creating a mixed-use category that is specifically for that. Another has to do with what are going to be development rights. We've had a big turning away from two things: Planned Communities (PCs) and transfers of development rights. In each case, I believe that the primary problem with those was poor projects or overdone commercial PCs, meaning office, and office absorbing TDRs. I think we should really reconsider both of them as they relate to residential. If you take for an example an area that Council Member Holman has brought up repeatedly and we haven't acted on, I would like to add this to priorities, which is retention of existing affordable housing. In the case of an area like College Terrace, we're seeing a loss repeatedly of the small quadplexes that had been part of that character. One way to preserve them would be TDRs. If I have a quadplex and currently I have this temptation to do tear those down and put up a fewer number of bigger homes, it's hard to justify not doing that as a property owner under existing rules. Under TDRs, if we restrict that and offer TDRs for housing in our downtowns or along El Camino, that's how they are allowed to go up a bit higher FAR than they otherwise would be allowed to go, that's a good thing to do. The same thing with historic preservation and some of the other reasons that we allow TDRs. Set a little bit lower base on that, what's permitted, and then consider TDRs for different purposes including preservation of existing affordable housing. If we tear it down, the newer housing that goes in is going to be more expensive. We see it emblematic in Buena Vista, where that's not subsidized housing. That's low-cost market rate housing. New housing is not going to be low-cost market rate housing. How do we preserve it and how do we help make property owners more whole, maybe not totally whole, if we put new restrictions on their ability to take away some of those market rate—I'll call it market rate affordable or attainable. That's an area that I would strongly encourage we consider. I think that captures the bulk of my comments. Downtown commercial basements. For more than two years, we've had this issue. We were supposed to get back, I thought, a year ago a report that was going to tell us what's happening and what we could do about it. I think we need to be more clear that we've had what was auxiliary retail space, storage and office supporting retail, at the ground floor that's been getting converted to high-density office in the downtowns. To

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my knowledge, we really haven't been clear on whether that is requiring additional parking requirements when we have that conversion, whether it is a de facto hollowing out of the retail because on the ground floor that retail still has to have storage and office supporting them. It shrinks the effective retail on the ground floor Downtown. I think it's an issue that has already been occurring. We don't have good data on how much, but I know a good number of anecdotal situations where it's occurred. I would want to place restrictions on that conversion. At a minimum, have it be counted for additional parking requirements when that conversion happens. My preference would be to really not allow it unless it's under a conditional use permit. There's another broad issue on the Downtown, which is the permissible uses in the zoning. I'll simply say that our existing Downtown zoning as it was originally designed, not as it's been interpreted and allowed by various Staff over more than two decades, does not appear to permit the sorts of uses that are explicitly permitted in the Research Park. The Downtown zoning says if it's not a listed use, it's not permitted. We have listed uses in the Research Park for hardware and software R&D and other purposes, and they're not listed in the Downtown. That doesn't mean that we should not permit any of those functions in the Downtown. My opinion is that we should encourage the Downtown to be what it had evolved into, which is a startup environment for small companies and business support not only for traditional business support but business support for smaller tech companies. We right now are in jeopardy and to a great extent we've already lost what was one of the defining characteristics of Palo Alto as a center of innovation, and that is our Downtown as a de facto incubator district. That is largely gone right now. We are hollowed out, almost no startup companies are there. Ten years ago, they were. Twenty years ago they were. Even five years ago they were. Business support companies in the financial sector and other business support companies have been leaving. We are having a significant transformation in what is the healthy, really exceptional economic vitality of our Downtown area. I would recommend that we consider placing caps on the size of businesses doing what are today technically unpermitted functions. Going forward, we would place caps on that. I don't know what that cap level should be on the size of business. We would have grandfathering in that we would have to acknowledge on existing businesses. I don't think we want to allow it to go further in a deterioration of what's really the long-term economic health from the diversity in the startup environment. On top of that, some of the businesses have their own cafeterias on ground floor that aren't open to the public. Very importantly, when one of those pulls up stakes, the bigger they are the more negative impact it has, a disruption and having a period of a couple of years where we would have a hole in the Downtown. I think there's a variety of reasons to really look hard at that. I'll be leaving it to the rest of my colleagues to see whether they concur at all. Thank you all

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very much for letting me do my spiel first. I now have to take off. I'll be turning this over to Vice Mayor Scharff.

Mayor Burt left the meeting at 9:39 P.M.

Vice Mayor Scharff: We have a bunch of public speakers now. I think I'm going to go to that first. The first speaker is Keith Bennett, to be followed by Bob Moss. Where we are now is we've done the Stanford and Citywide cap issues. We're coming back for all other issues that we would talk about with Council Member DuBois here. Mr. Bennett.

Keith Bennett: Thank you. Underground construction is a valuable component of our land use policy. For example, underground garages could facilitate more attractive environments while preserving above ground for other uses. Save Palo Alto's Ground Water supports underground construction with the caveat that it needs to be properly designed, constructed and sited. Tonight I would like to emphasize the importance of proper siting. Little attention has been paid to the impacts of impermeable underground construction on ground water flows, in particular handling storm water flows in our soils and aquifer. We discussed this issue in our white paper that we put out about one year ago. Just as San Francisquito Creek rises during and shortly after rains, ground water rises during and after rains. For example, some of us who lived here in 1982 and/or 1998 remember water that suddenly and rapidly seeped into our utility basements. This shows that ground water rapidly rises within a day and significantly, 4-6 feet at my home, and drops over a period of several days after the rain stops. I am aware of four other homes where this occurred. The residents are still in their homes if anyone wants more witnesses. In many areas of Palo Alto, the winter groundwater table is 5-10 feet below ground surface. With sea level rise, this will certainly be reduced by several feet, thereby reducing the aquifer's capacity to handle storm water flows. I should remind you that part of our storm water management initiative includes putting rain swales to put more water into the ground water. Just as putting obstacles in San Francisquito Creek blocks flows, increasing the risk of flooding upstream, putting obstacles into the soil impedes groundwater flows and, additionally, raises groundwater levels. Adding one stick into San Francisquito Creek does not significantly increase the risk of flooding. The cumulative impacts of many sticks, however, is significant. Similarly, the cumulative impacts of underground construction on groundwater flows are significant. When flows can't keep up with the storm water, the aquifer can't absorb more water. Additional runoff flows onto the surface and into the storm drains. When the storm drains can't keep up, we will have flooding. The implications of impermeable underground

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construction on ground water flows and flood risks, while invisible, are real and overlooked. Thank you.

Vice Mayor Scharff: Thank you. Bob Moss to be followed by Mark Mollineaux.

Robert Moss: Thank you, Vice Mayor Scharff and Council Members. It's a big packet. I'm just going to touch on a few issues. First on basements, they should count toward the FAR, not 100 percent but let's say 50 percent. However, if the basement impinges on the aquifer, then it should be 100 percent toward the FAR. On the building height, if you have housing and you exceed the required BMR units, then you can increase the height to as much as 60 feet. That would also apply if you have mixed-use, ground-floor retail and housing up above. Otherwise, 50 feet and no more. That 60-foot height would not apply if you're within 150 feet of an R-1 zone. Taking care of people who are forced out of affordable housing, one way to do that would be to require the developer to pay not only to relocate to equivalent housing no further than 5 miles from the same site, but also to pay their rent for the first year. That will discourage driving affordable housing people out. On FAR overall, I think we should retain the FAR and not increase it. On the 50,000 square feet of office space, that should be Citywide. I'm willing to allow, if you don't build 50,000 square feet in a particular year, to carry over up to 10,000 square feet for up to two years. After that, it expires. On the issue of retail space, in both the CS and CN zone we have a number of sites which are illegally converted to office space. We've not been enforcing the requirement for retail on the ground floor. That should end. We should make a specific requirement that the Staff identify and eliminate all of the office uses on the ground floor in CS and CN. They can require amortization by no more than, say, six months. What's been put in there is illegal and should not be allowed to continue. Finally, on retail space itself, I would suggest that we encourage it by offering retailers a 20 percent discount for the first year on utilities.

Vice Mayor Scharff: Mark Mollineaux to be followed by Dan Garber.

Mark Mollineaux: Hello again. I appreciate all the care put into this Plan. It's a very thoughtful document written in good faith and considers every small detail very aptly. I believe it misses all of the big picture. I'd say tragically that it never really had a chance to address the big picture at all. You're not going to adapt the best plan this way. You'll adapt the best plan that Palo Alto residents will agree with. Let's talk about \$2.7 million, that's the median price of a home in Palo Alto. I would say this is a problem. I would say it's a disaster. Within a city, people have certain privileges. Even though I think it's a shame, I think it should be hung up in this room, \$2.7

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million, and we should all be looking at it. If you're voting in Palo Alto and you have certain privileges, let's say you have \$1 million in housing value, but you pay a couple hundred dollars in property taxes every year, it doesn't really matter to you. What matters to you is people not being left to leave if you're already here. What matters is neighborhood character. There's really no reason people living here should ever have to care about affordability. The privilege that is bestowed upon the residents, which is the privilege of not having to care, imagine it was reversed. If they were on the outside looking in, could they buy their way back into Palo Alto? I'd say they absolutely would not be. A lot of people are never in the position to consider people on the outside who don't have the ability to determine these plans. They are sitting on extremely sought-after land, and they to a large extent are using it very efficiently. Now, a few meetings ago, like a few months ago, it was asked of people in the room, is there a housing problem in Palo Alto. I think less than a third of the people raised their hands. I think that just shows that of all the people who really should determine the Plan, the people in Palo Alto are the last people who should be doing it. The zoning belongs to a state. It's a state power put onto each city with a trust that they will protect the best interest of the region, of the State at large. It isn't happening. There are really two paths. It could be determined at a higher level, the State level. I think that's a bad idea. I don't think centralized determination of zoning is a good idea. It could happen at the local level without privileges. People could actually pay for the choices they make. If you choose to favor neighborhood character, you really ought to pay for it. I really think that unless we rethink a lot of things we've been living with, like Prop 13, we're never going to solve any of the affordable problem we have. I appreciate all the work you do, but it misses the big picture. Thank you for your time.

Vice Mayor Scharff: Thank you. Dan Garber to be followed by Bill Ross.

Dan Garber: Thank you. I'm Dan Garber, the Co-Chair of the Citizens Advisory Committee on the Comp Plan. I had actually prepared some personal comments that I had shared with the CAC back in August. In conferring with my colleagues here, I have a couple of comments regarding the presentation. I want to be respectful of both Staff who has put in a tremendous amount of time trying to understand all this and condense it and make all of our myriad comments somewhat coherent. At the same time, I want to be a little careful, because I didn't come truly prepared to represent all of these issues this evening. Let me bring to your attention a couple of different topics on the fly regarding housing affordability. On Page 8, the first bullet, refer to housing that is affordable rather than affordable housing. Our memories, of Doria, Hamilton, Lydia, Shani and Don were that conversation was really about trying to find ways to house the most

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vulnerable and find ways to address lower income, senior and disabled housing issues there. On the cumulative cap on Page 12, in answer to Council Member Schmid's response, we did not have detailed discussions around the 1.7 million number nor did we look at specific issues around traffic and density. They were much more generally stated and the conversation was much more generally taken in that particular topic. There were some more detailed conversations in some of the subcommittees. Regarding basements, on Page 18 the third bullet, the CAC requests that the Council take action to limit the basement construction now. That is somewhat overstated. I think Eileen's comments were more to the point in that we had anticipated that Council would be looking at a number of issues regarding basements. We were really leaving it to the Council to be talking about those things. There wasn't an implied action that we were expecting the Council to take specifically. We have, as the group, sort of broken out a number of these issues. First of all, the Natural Resources Element, which you'll get to eventually, really focuses on the recognition of groundwater as a limited a resource and how we manage that. There are technical solutions regarding excavation of the ground that are being dealt with outside. Keith and I are going to be talking to the Services and Policy Committee next week on those topics. The occupancy issues, which really probably take up most of the amount of interest, where FAR is, how basements should be used, etc., we have addressed that in the Comp Plan and have recommended language to draw those issues in a much larger public forum allowing for much broader discussion and interaction on those topics. I will save my personal comments, which were on area plans, and I will submit them separately.

Vice Mayor Scharff: Dan?

Mr. Garber: Yes.

Vice Mayor Scharff: If you did have further comments as Chair of the CAC, you wouldn't be limited to three minutes, if you do have other stuff that's representing the CAC. If not, we're good.

Mr. Garber: I understand; I appreciate that. I think in fairness, I will call it quits. I will submit my comments separately. Thank you.

Vice Mayor Scharff: Thank you. Bill Ross to be followed by Shani Kleinhaus.

William Ross: Council Members and Staff, the following are comments addressed to the agenda item. In the September meeting of the CAC, the issue of the requirements of Government Code Section 65302(b), which requires direct correlation between the Circulation or Transportation Element and the Land Use Element was raised. At that time, Staff said, "We'll wait

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and do it later." May I respectfully suggest that many of the decisions that are before you tonight in terms of policy decisions on land use would be fostered by that very requirement in the Government Code. The correlated analysis, case law requires it. The Attorney General requires it. CAC should have had the benefit of that correlated analysis by Staff. Notwithstanding that, I think substantively you should retain the 50-foot height limit with some of the modifications contained in the CAC recommendations. I would also additionally note on the issue of land use, there's a recent case of the California Supreme Court that found that the storm water management regulations are not a reimbursable mandate, but they're a mandate. That has to be integrated into the land use discussion about land use, about how you get rid of storm water runoff, which inherently is related to several of the other issues concerning water management and the development of property regardless of its use or intensity of use. I think there's one element that was not adequately presented to the CAC, and that includes parkland and potential for parkland. I think in that regard, the Fry's parcel should be evaluated again especially because of its proximity to Matadero Creek and what has become an implemented policy in several other jurisdictions statewide where the stream waters of a flood control channel are taken out, used in the parkland, facilitating groundwater recharge, facilitating a real different type of parkland. You don't have that much space left in the City. Thank you for your consideration.

Vice Mayor Scharff: Thank you. Shani Kleinhaus is our final speaker.

Shani Kleinhaus: Thank you. I would like to discuss a couple of things as I remember the discussion in the CAC and a couple of comments. One issue that you brought up is the stories versus height limit. I just wanted to bring up the new Google building over at North Bayshore, which is 110 feet tall at the center, and it's two stories. Just limiting by stories may sometimes come out with amazing projects, but it may be a problem in some cases. In terms of the—again I agree that the vulnerable population is what we wanted to focus on. One other thing in answer to Karen Holman about allowing the Research Park to rollover unused square footage. I think that would be necessary if they were ever to develop as the one landowner and they wanted to develop something bigger. 50,000 feet may never be enough for them to develop. There was quite a lot of discussion of that in the land use committee, and came up with allowing Stanford to accumulate over a couple of years if they wanted a bigger project. One other thing is on the coordinated area plans. We did have agreement on South El Camino and Fry's. Fry's was the first ranking site, and then South El Camino. I think the other ones, California Avenue area and Downtown, were not in consensus. Some people wanted them and some people felt that we couldn't take all that at once and we really need to focus on the other two.

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Personally, I really support the idea that we look at Fry's and a connection with the creek and how that can be created to restore and use groundwater and the creek water and recharge aquifers. Thank you.

Vice Mayor Scharff: Thank you. Now, we'll return to Council for non-Stanford-related comments. Council Member DuBois.

Council Member DuBois: First of all, thank you colleagues and the public for separating that item. I really appreciate it. I did listen to the public comments. I actually have some questions to start with. I was curious about Town and Country. The current Plan suggested it be looked at for residential, and that was deleted. I spoke to some CAC members; they didn't recall that being discussed. I was curious why that was deleted.

Ms. Gitelman: My recollection is that it was discussed at the subcommittee and then brought forward as part of the document that the full CAC reviewed. Do my colleagues have anything to add?

Ms. Costello: That's correct. Some things were discussed at more detail in the subcommittee meetings and some were in more detail at the CAC. The issue of the members who did not want it in Town and Country Shopping Center—there wasn't disagreement when it got to the CAC specifically. There may be people who, if they'd been asked, would have said maybe. That's a lot of how it happened.

Council Member DuBois: I understand the concerns with Charleston and Midtown, which are smaller and well-used retail. It does seem like Town and Country perhaps in the back is particularly well suited for considering some housing. It's near to Paly, near to the Medical Center. I also understood the discussion about the Downtown cap and changing the definition from nonresidential to office/R&D. I'm curious, though, we were talking about some exceptions for retail, for hotels potentially, for small medical. Are there any unintended side effects that you can foresee?

Ms. Gitelman: I think there would be—obviously it would be a change to expand the uses that are exempt under the Downtown cap. If I recollect, currently only public facilities in the CD are exempt from that Downtown cap, and this would be expanding that. I think there was interest not universally on the committee but from a subgroup of considering the potential for allowing small offices, for example, to proceed, less than 5,000 square feet.

Council Member DuBois: I was just concerned if we have a bunch of exceptions, do we end up with a lot more development than we expect. I also saw we weren't always consistent in the way we refer to medical. I

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think small medical makes sense, but there can be some very large medical. I think the intent was to exempt small medical, but we should make sure that's clear. Did there used to be language in the element about school impacts? I saw some discussion in the Minutes, but I didn't see any redlines. Also Cubberley, I didn't see either of those. I thought Cubberley used to be in there.

Ms. Gitelman: I think in the proposed draft it's in the community indicators as something that would be monitored over time. I don't recollect that there was an existing policy. We can go back and check. It's in community facilities, so it's not in the Land Use Element.

Council Member DuBois: I think it's important enough under kind of civic buildings and the Land Use Element, there's a little bit of a discussion there. We are starting a design; it seems really relevant. Why was Alma Plaza removed from neighborhood centers? I know it's a lot less retail than before.

Ms. Gitelman: Again, I think that was a recommendation by the subcommittee that was carried forward to the full CAC and not altered at the full CAC. There was a sense that it had already developed for what it is, and it didn't need to be included in that category anymore.

Council Member DuBois: I also saw a policy that was deleted, that I actually thought was kind of interesting, which was having property owners coordinate on retail master plans and shopping areas. That seemed like a useful idea. Again, I want to say thanks to Staff and the CAC members. I know you guys have put in a ton of time. This has been going on since 2006. I think PlaceWorks has been working with us since 2008, so it's been a while. I think really since 2014 we've put an emphasis on this and made a tremendous amount of progress in the last couple of years. I do still feel and I say it every time an element comes to us that we need to try to focus. It feels like editing is a challenge. Every idea is present; again, I'm always concerned that we have so many programs and policies that we're never going to get to them all. I do want to go back to the Scenario 5 discussion. Again, it could have been a miscommunication from Council. I do take notes; I went back and looked. I think we made specific motions on Scenario 5, and we've always talked about Scenario 5 as less job growth. Right now it's the same as Scenario 6. I think it was a mistake, and I do think we should correct that tonight. If my colleagues remember, the discussion on the scenarios is to test a range of conditions. This is work that's underway, so I think we have some urgency to correct that. I would urge us to make a Motion along those lines later tonight, that we distinguish Scenario 5 from 6 and that the amount of jobs reflect the decreased amount

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of office space that we included in that scenario. Did you have your light on?

Ms. Gitelman: Yeah. Through the Chair, if I could suggest that we ask the Clerk to pull up the Motion from August, when this discussion happened. I think it would be helpful for the conversation. I would like an opportunity to review with the Council the materials that were included in the written response to Council Member Schmid's question.

Vice Mayor Scharff: I think there is some interest in taking this up. I heard that by three Council Members earlier. What I was thinking we should do is why don't we do a round of our comments, then I'll come back to this. I'll let you make the Motion, Council Member DuBois. Then, we can have a discussion about it. My understanding from that was the Staff's recommendation was against that. I think it'll be a discussion, and we'll have some talk about it.

Council Member DuBois: That sounds good. I just wanted to highlight that.

Ms. Gitelman: In the meantime, I'll see if the Clerk can help me pull up that Motion. Thank you.

Council Member DuBois: My second comment was really about coordinated area plans. I think we got 1 1/2 plans done in the current Comp Plan. I think we need to be realistic. I think Fry's is a good one, and I think we need to finish the Cal. Ave. plan. I don't think we should dramatically increase the number of plans. They're very time consuming. Essentially they're kind of like PC zones over a larger area. I'm concerned about the amount of work and whether it really makes sense. I think we already heard a little bit of a discussion of would a coordinated area plan include height limits or growth caps. I think we're going to get really bogged down trying to work those out. I support the idea of the Fry's site and finishing the Cal. Ave. plan. In particular, I know it was called out, but the South El Camino plan that she actually showed a map in the Comp Plan draft. It just seemed incorrect to me. There's senior housing there today. There's medium-density housing. There's a school. There's restaurants. There's a daycare center. Buena Vista is there. The drawing there suggests a lot of office and mixed use. It just feels like we gentrify that space, and it's not what we want there. I just don't understand the focus on that coordinated area plan. There's a new childcare center there. We removed a lot of language about maintaining the character of neighborhoods. I don't know if it was a reaction to the word "preserving," but to me those are really about character and what makes Palo Alto neighborhoods unique and not cookie cutter. I'd like to see that language come back. I support what Mayor Burt

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said about hotels. We had incented hotels with this 2.0 FAR. I think hotels are important, but maybe we can dial that back a little bit. I like the idea of maybe 1.5 FAR for hotels except for Downtown. Maybe we leave Downtown at 2.0. On the height limit, I think it's a really important issue for a lot of residents. It goes to the heart of this idea of character of Palo Alto. I am in favor of maintaining the 50-foot height limit. At the same time, I hear people appreciate Channing House. I could support a policy exceeding the 50-foot height limit for senior housing, particularly if we put that to a vote of the public. I think we need to treat the 50-foot height limit pretty seriously. I also really support the idea of what you called mixed use with retail and residential. When I campaigned for office, I talked a lot about that, and I'd really like to see us do that. We haven't really talked about the community indicators, those tables. I'm not sure we're going to be able to do it tonight; I expect that'll probably come back. I thought there were some really good comments from some of the public about maybe tweaking a couple of those measures. Instead of jobs/housing measurement, maybe the growth of jobs versus the growth of housing, maybe a measure of satisfaction with the schools instead of school sizes. I would even like to see tracking of short-term rentals over time. I'm going a little fast to respect the time here. I also want to say I support Mayor Burt's comments about making sure we have a healthy Downtown and starting to at least talk about size restrictions for companies Downtown with grandfathering and considering a lot of those issues. I really think that's an important discussion. I had a question about the unleaded airplane fuel. I do see a lot of airports in the U.S. switching to unleaded, but the Staff Report just says it's not possible. I see other progressive cities doing it. We should figure out what's the truth there and what can we do.

Ms. Gitelman: That was a topic we consulted with legal counsel on and ultimately shaped the policies based on that input. It's something that we all want to see happen. The question is can we require it and on what timeframe.

Council Member DuBois: If you google unleaded gas in airports, you'll see a list of airports that do it. Somehow people are doing it. I will probably just email the rest of these. There were a couple of policies that seemed to be duplicates. There were others that seemed to be grouped together where they're actually separate items. I don't know if that was just typos. Do you know what I'm referring to or should I call those out?

Ms. Gitelman: I think we'd be happy to get any additional comments you have by email.

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Council Member DuBois: Just a couple of last comments here. I actually liked the idea that Bob Moss had about using utility discounts to encourage retail. I don't know if that's something we can do legally. The other comment Mayor Burt made about PC zones, we didn't get much of a recommendation from the Planning and Transportation Commission (PTC) this year. I think one path forward with PC zones would be to focus on affordable housing; there'd be a lot more support for that. That's been some of our most successful PC zoning projects. That's it. Thanks.

Vice Mayor Scharff: Council Member Holman.

Council Member Holman: Thank you. Starting with the bigger picture, I think that we've looked at before the introductions in some of these chapters. I have to say that the introduction and planning context really are very much focused on new development as opposed to, consistent with what Council Member DuBois said, retention of community character. I think we can do both, but there seems to be changes from the existing Comprehensive Plan, which I have right here and reviewed as well when I was looking at this. I think we've gutted too much of the current protections for the neighborhood character, the community character and design elements in the new foreword sections, I guess you could say, before we get to policies and programs. Also under City development, just a quick comment here. I think it's a little overblown to say that from its earliest days Palo Alto has been a world-class center of knowledge and innovation. I think that's a little overstated from where we actually started. Under sustainability and resilience—I did check, by the way, with the City Historian on some of this stuff. Under sustainability and resilience, we seem to be focused on the recent past, the Climate Action Plan in 2007, totaling ignoring how progressive we were in the Park Dedication Ordinance, curbside recycling, the purchase of Foothill Park and Pearson-Arastradero Preserve and all of that. None of it is referenced here whatsoever. It's all very strong, very large initiatives that this City took long before any of us were even thinking about being on the Council. To start with 2007 is really missing the boat on that. I also think in the residential neighborhoods we don't really address adequately the various different designs and stages and ages of development we have in the community. It talks about Eichlers; it doesn't even talk about the earliest neighborhoods that we have in Palo Alto, either commercial or residential. I'll skip to urban design. That section is written fairly poorly. It's a short first section; I think it's written fairly poorly. It's not to discount all the effort that's been put into this. It's a lot of effort and a lot of very good work, a lot of high quality work. There are some areas which need to be improved to be consistent with what the community is looking for and, as I read it, what a lot of the CAC members are looking for as well. Under buildings, again there is no reference to

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Eichler overlays, single-story overlays. There's reference to the Architectural Review Board (ARB), but there's no reference to the Historic Resources Board (HRB). There's actually some errors. Packet Page 228 talks about, at the very top, more than a dozen buildings in the National Register of Historic Places as well as two Historic Districts. We actually have four Historic Districts as identified on the map on the opposite side. It's the California Register for Historic Resources, not landmarks. We get to public spaces, streets and parking, and the design aspects of this. I've brought up numerous times the Colleagues Memo that Vice Mayor Scharff, Greg Schmid and I—I should have looked up to see the other—wrote in 2012 or '13. I've been assured numerous times that those concerns and considerations and recommendations would be addressed in the Comprehensive Plan as we looked at design. If you look at public spaces, streets and parking, I just don't see any of that incorporated either there as broad-brush considerations or later in the policies and programs. It has to do with sidewalk widths and ample sidewalk. It has to do with building setbacks and step-backs. It has to do with plazas and retail. All that kind of stuff, attraction of retail. That Colleagues Memo exists as well as the attachments that go with it. I have brought it up numerous times. I don't think childcare, going to Page 236, does belong in—it says childcare options, choose one to carry forward. I go with the second option, which eliminates childcare. There are reasonable locations for childcare but not in those shopping areas. Going to Page 239 and 240, this is Goal L-1. A lot of what happens here is the word "design" is eliminated. We're talking about neighborhood design, neighborhood character, community character, but we get rid of the words "a well-designed compact (inaudible) City." Why do we eliminate "well-designed"? I think it should be retained. On the next page in Policy L-1.3, we talk about overall scale and character of the City to ensure a compact, efficient development plan. I have not a clue what an efficient development plan is, not a clue what that means. However, as I think Council Member DuBois mentioned, what's been struck out here is maintain the scale and character of the City, avoid land uses that are overwhelming and unacceptable due to their size and scale. That should be retained. I'm sorry, I'm trying to go through these. If I seem harsh, I don't mean to be. I'm trying to go through these in a hurry because there are a number of them. I won't get through all of them here. Definitely support Policy L-17.1, increasing improved Code enforcement practices. At Finance recently we talked about fees and full cost recovery. In fact, what we do is—that's fine in most cases. In places there are some concerns that some of us raised. We are subsidizing Code enforcement. We are subsidizing people who are repeat offenders. I absolutely support improved Code enforcement. Like I said, I won't get through all of this. Skip over the Stanford stuff; we've dealt with that. There are a couple of places I could bring this up. There are ways that I could bring this up, but here's as good as any, I guess. On Page 246,

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there's no recognition of historic preservation here. It is in another section, which I appreciate. There's also no reference to State Historic Building Code. That was struck actually. I could find it in a moment here. Actually it goes over to Packet Page 273 and 274. Under Program L-71.2, the State Historic Building Code was deleted; it should be put back. Actually cities are supposed to, unless something's changed, make that available to owners of buildings that are 50 years or older. Also on the next page at the top, which is part of Policy L-7.2, a section there has been struck, maintain and strengthen design review procedures for exterior remodeling and demolition of historic resources. I would keep that, except the word landmark. Palo Alto doesn't have landmark designations, that I'm aware of. We have Historic Resources; we have Inventory properties; we have California Register and National Register. I'm not aware of any landmark status. Down on the same page, 274—I'm sorry to focus on this. It's just that I'm the one that has familiarity with Historic Resources; that's why I'm doing that. It says develop incentives for retention and rehabilitation of buildings with historic merit in all zones and revising existing blah, blah, blah, blah. Actually we have quite a number of incentives; they're hidden, pretty much buried in the Code and not on the City's website for people to discover easily nor are they promoted. My change there would be to promote existing incentives for retention and rehabilitation of buildings blah, blah, blah. On the previous page, Program L-71.1, for some reason or other it says update and maintain the City's Historic Resource Inventory and determine all Historic Resources that are eligible for the California Register. I don't know why California Register. We have a local Palo Alto Inventory, so I don't know why California Register is the threshold there. Historic Registers and Historic Resources are identified all the time that are important at the local level. I don't know why there's a focus here on California Register. To some of the other issues, I actually would like to hear what other Council Members have to say about this. I've broached this—I'm glad to see it in here. L-44, Packet Page 253, Program L-2.2.1, explore whether there are appropriate locations to allow small-scale neighborhood-serving retail facilities such as coffee shops and corner stores in residential areas. I'm interested in knowing what other Council Members have to say about this. When I have broached this with members of the community, there is a good amount of interest. From my perspective, we're not talking full-scale coffee shops, full-scale grocery stores. We're talking maybe even kiosk-size or larger than kiosk-size. Just to remind folks who maybe haven't watched development happen over a number of years and patterns and maybe not read as much as has some, neighborhood markets were fully integrated in the neighborhoods in times past. They've disappeared because they were zoned out. Now people have to drive to markets and such. I think finding ways to put those back in some places—it has been suggested to me near parks and

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near schools are appropriate places to do that. I mentioned earlier a mix of unit sizes for housing.

Vice Mayor Scharff: Our turn?

Council Member Holman: I'd flag this page—I'm kidding there. Hang on. Having to do with building height, I'm also in favor of retaining the 50-foot height limit potentially with exceptions for affordable housing projects which could include senior housing projects as well. We also have to consider that there are density bonuses that are allowed too. Any methods to retain and protect cottage courts, cottage clusters, definitely in support of that. The Downtown basements, I concur with Mayor Burt's comments earlier. Also agree with the Mayor's comments about Downtown but would add California Avenue as to the description of businesses and the land uses that actually are allowed and the types of uses that are allowed in those areas. I won't repeat everything else he said, but I agree with it. Also should not be allowing offices to have upper floor. We've taken care of ground floor, but we need to take care of upper-floor cafeterias, which some offices are developing and have been developing. One of the things that property owners talk about as the benefit of having office is they support retail and restaurants, but they're not if they have their own building facilities. Retail attraction, I don't see much in here, if anything. Yes, we are. Yes, we are. Yes, we are. It's important—we'll do nothing more important than this. Retail attraction, I don't see much of anything about that in here. I could say more, but we'll keep it brief. We do need a very strong what typically is called economic development manager who will work with property owners and identify what the needs are to have a very good cohesive and complementary retail sectors, whether it's Downtown, El Camino or Cal. Avenue. We haven't had that for a very long time. I agree with the comments about Fry's coordinated area plan. We need to go with that ASAP. School impacts should be in land use, not community facilities. Almost there, almost there, almost there. Think we should be looking at converting a good amount of the office in mixed use floor area ratio to housing. Urban forest, I think we still lack emphasis there on water conservation and how that marries with our canopy. Lastly, I'd like to see the language stronger, more supporting and addressing the issues that are raised often by our Palo Alto airport. It's Policy L-10.1. The range of issues are not addressed there that the community faces all the time. I think that's it. Yes. Thank you.

Vice Mayor Scharff: Thank you. Council Member Kniss.

Council Member Kniss: I lost my train of thought.

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Vice Mayor Scharff: Want me to come back to you?

Council Member Kniss: No, no, no. I may be gone. Let me start with—I guess I'll start with the Downtown. I still think the numbers are somewhat awkward as we're currently dealing with them. I'm still seeing that in 30 years we haven't reached the cap that was set in 1989. Am I correct?

Ms. Gitelman: That's correct. Actually that cap goes back to 1986.

Council Member Kniss: Which says to me that I don't think we should be too prescriptive. I'm very concerned that it's so easy to look at a moment in time and say this is what's needed now without realizing what could be needed in the future. Whomever sat here then—what did we just agree, '86 or '89, Hillary?

Ms. Gitelman: '86.

Council Member Kniss: '86. Whomever sat here—I actually know some of the people who sat here in '86—and who did take that long view and in that length of time, as I see it, they never went over 50,000 square feet a year. I think where we are at the moment is okay, but I would certainly like us to look in March and determine at that point. We have no projects in the pipe right now, right? Nothing.

Ms. Gitelman: In Downtown there's one project in the pipeline, that 429 University, that's coming back to the Council at some point.

Council Member Kniss: Which one?

Vice Mayor Scharff: Ms. Wong's.

Ms. Gitelman: 429 University.

Council Member Kniss: That's been in the pipeline for three years now. I don't think I would really count that. I'm serious. Things that keep coming back again and again are just in a different category. I would really urge us don't jump into this preemptively. It'd be very easy to decide now in 2016 that you know what's going to be good for 2026 or 2030 or whatever it may be. The next one I'd like to take a look at is Fry's. That's our largest, big housing site in town. Karen, I've heard you discuss this before. Looking at some kind of precise plan, specific plan, whatever kind of plan we may want to call it, this would definitely be the time to do it. We've had a lot of talk about housing that's affordable, affordable housing, whatever definition we may use. There is absolutely no question that in this community there is a cry for housing that meets that second criteria, whatever that may be. We

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talk about affordable housing, but that's subsidized. I don't know quite how we're going to continue to reference this. I would ask you all to come up with some terminology that we can use. Big difference between our subsidized housing, for which there are waiting lists all over town that are extremely long. I think we need some other mechanism for saying we need more housing that people can afford and in a different way. That in particular I would like to see us, particularly with Fry's, look at something as to what we do in the future. Parks have been thrown around rather casually. I still think we have a lot—if I can remember now—4,200 acres of parkland. Am I correct? I'm right in the ballpark if I'm not right on. The largest one, of course, being Foothill. We talk casually about buying land for parks. I don't think there's any land in this community right now that is under—what amount per square foot would you say, Hillary? I want to grab a small park, half an acre. What's that going to cost me? It can't be under \$5 million, no matter what. When we're discussing casually we need more parks in our community, I think we have to think carefully about where the money comes from for the capital costs and then we've got to think of the operating costs at the same time. Some reality has to be built into what we're talking about. I think we're just retreading some of this now. I said before that I agreed with the Vice Mayor; I still do. I don't see Stanford Research Park needing to have these incredible controls put on them. I'm not even sure the Downtown needs to be limited in terms of how large the companies can get who are there. I would suggest—I don't want to give you any more work to do, but if we were to look back 30 years, I don't know when large companies began first coming into town. I am guessing that probably Deck [phonetic] was one of the first ones in the early '90s. Do any of you remember this off the top of your head? Many big companies have come and then left. I would not think it would be a great deal different from what it is then. Again, I worry about being too prescriptive. What number do you give to a company? You can only have 300 people, you can only have—I don't know. What is a rational number you would give to a company to say as soon as you hit that number, you're out of town? I think that's troubling, once again, to get that precise. That's long enough for the moment. Thank you.

Vice Mayor Scharff: Council Member Schmid.

Council Member Schmid: Just a few comments. One, I would like to thank the CAC for what they've done. I know I made a lot of noise about L-8, but I think that's the Council's responsibility as much as anything. The work you've done—I sat through a number of meetings. Well organized, thoughtful, everyone participating. It was really helpful. I have just five comments. One on the height limit. I think the 50-foot height limit in place now for 40, 45 years has been extremely helpful to Palo Alto to maintain the

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open environment of start-offs and innovation. It would be harmful to the City and, I think, to Silicon Valley to break that height limit without good reason. Number 2, it is important to encourage and maybe provide incentives for mixed use, substantial housing projects. Too often in areas that allow mixed use, you get token housing thrown in, just enough to get a bonus. I think we ought to provide incentives for substantial housing. Hotels are very attractive financially. They do give the City real funding, and there's an incentive to do it. We ought to look carefully at what too many hotels do. They make your center city a place for pass-throughs, for people who come and do something and leave, do not have a participation in the community. Our investment in hotels should not go in the direction of undermining the characteristics of the community. That brings me to Point Number 4, which is critical to us maintaining Palo Alto as a community. That's the demographics of the share of citizens between 5 and 17. The Land Use Element and other elements in our Comp Plan are filled with the School District saying, "We're on top of this. There's not going to be any growth in the school population." In other words, the share of citizens between 5 and 15 will be reduced. There is one community, one county west of the Mississippi that has had that take place over the last 30 years, San Francisco. It's one of the characteristics of the old aging, center cities in the East. You lose your families. I don't think Palo Alto can lose its family and remain a community. I would say we need to talk to the School District. If we're going to add 10 or 15 or 20,000 people to our community, they should include families. We need a way of figuring how to do that. It's the only way we will remain a community and not an urban center city. The last thing, I think there is a lot of interest in the community, in everybody on housing affordability. The most direct and simplest way of affecting housing prices is to restrict office buildings. Palo Alto has the highest ratio of jobs to employed residents of virtually any city in the country. No one else in California is like us. The only cities at the top of the list are Washington, D.C., and Manhattan County. The high cost of housing comes from high cost of land use, the incentives the developer has to build offices rather than housing and the density of jobs here. I think we have to take positive steps if we want to deal with housing affordability to limit office growth.

Vice Mayor Scharff: Council Member Filseth.

Council Member Filseth: Thanks. I've got a laundry list too, but maybe what I'll do is send you an email. Do I want to ask a couple of things? Just briefly, in the business district sections, I noticed that you used to reference the Downtown Urban Design Guide. There was also some language about facilitating reuse of existing buildings. Does anybody know offhand why that went away? I also noticed that it eliminates the square foot cap on the Stanford Shopping Center. Was there discussion on that?

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Ms. Gitelman: I think that's governed by a Development Agreement. We'll have to check.

Council Member Filseth: In that case—one more. There was an old policy that called for the Cal-Ventura area to be two and three-story mixed use, that didn't look like it was there anymore. Do you guys know that one offhand?

Ms. Gitelman: We'll have to look at that. Maybe this is an opportunity for me to say a few of you have mentioned that we've eliminated wording around preserving community character. That was really not the intention. The CAC and the Staff have really tried to preserve those fundamental concepts. There have been some editorial changes. If it went too far in one direction or another, we will try and correct that in future drafts.

Council Member Filseth: I don't want to terribly get out in the weeds here. Just in general, I agree with Karen about there was an old Clause L-6 that had maintain scale and character of the City, avoid uses that are overwhelming and unacceptable. I think that's good language for the Comp Plan. I'd like to see that back in. Also agree that the proper place for school impacts is in discussion of land use.

Ms. Gitelman: Excuse me, Council Member Filseth. Could you speak up just a little? We're having trouble hearing you.

Council Member Filseth: Sorry. I want to echo Karen's comment about the clause about maintain the scale and character of the City. It used to be Policy L-6. I also concur that the right place to talk about schools is in land use, not in community facilities. Caps should generally stay. If we change the cap every time we get close, then we don't have a cap. As for development requirements and community metrics, I don't think this is controversial at this point. To the extent we're collecting data, it's good. Although, some of these things you could spend an awful lot of time and effort on. I think we need to balance that. To use performance-based zoning to replace existing zoning, I don't think that's a good direction. It's very difficult, costly and time-consuming to enforce. Our track record on enforcement is not as good as it should be, even as we'd like it to be even now. Relies on mitigation which is unprovided and it's complicated, which means it's susceptible to being gamed. I don't think we should bake that into the Comp Plan at this point in time. Measuring things is a good thing. I did have a question. If I understand Policy L-7.2—sorry to go into the weeds. You have to do a historical analysis of any property before you issue a demolition permit. I'll send you the email. If that means that somebody can decide they want to remodel their kitchen and get ready to break ground

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and suddenly the City comes back and says, "Wait a second. We decided your property's historical," probably we don't want to do that .

Ms. Gitelman: I think you're right. That will require implementation to be very clear about what is a change that could potentially affect the resource and what are negligible changes that don't require (crosstalk).

Council Member Filseth: It's more than that. When you go to buy a property, you should know whether it's historic or not. You shouldn't buy a property with one expectation, and then the City suddenly decides its historic.

Ms. Gitelman: Agree. There's another program about updating our Inventory so we have a better understanding about what is historic.

Council Member Filseth: As long as that's ... Finally, let me weigh in on the height limit for a second. By the way, the height limit I gather is not in the Comp Plan right now. It's in the Code, but as far as I know it's not in the Comp Plan.

Ms. Gitelman: I don't recall offhand.

Council Member Filseth: I think it's not. It's possible to have a legitimate discussion of whether it makes sense to be in it or not. You could actually have a discussion. Let me sort of frame the argument. There's lots of reasons why you can do more with a higher building. Certainly most of our neighboring cities are getting higher faster. The 50-foot height limit was defined many years ago when there was a lot of concern about tall buildings going up around town and maybe Palo Alto would look a lot different unless some policy was put in place. The kinds of things we're talking about here, if it goes to 55 or 60 feet, will Palo Alto be irrevocably changed? It doesn't seem likely. On the other hand, if it goes to 55 or 60 feet, will we suddenly have \$1,500 a month apartments instead of \$3,000 a month apartments? In other words, housing which is affordable. It doesn't seem very likely either; although, if it is, then that's a discussion. The thing we have a challenge reconciling is suppose we make it 55 feet, then 60 feet would only be a little bit higher than that. Most of the same good reasons to raise it would still apply. I know that's a slippery slope argument, but I go back to the Facebook expansion next door, 1.3 million square feet. That's only 70 feet high or 75 feet high, I think. I think we need to keep an eye on the slippery slope. At some level, I think we can get done what we need to get done in 50 feet. The things we can't do in 50 feet are probably not going to be doable in 55 or 60 feet either. There's a legitimate discussion of whether it should be 100 feet or 150 feet, but that's quite a bit different than the discussion that's framed up in this. If we're going to have that discussion,

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let's have that discussion. Let's not talk about 55 and 60 if what we really mean is 100 or 120. That's all. Thanks.

Vice Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: I don't know where to start. I'm going to not go through the draft line by line, in part because of the hour and because it's going to be coming back to us anyway. I'll try and keep this relatively brief at least by comparison. Where to start? We should be open to being flexible. We should be open to being flexible and actually trying things, trying things which the community says it wants, that there is broad consensus about but which are currently difficult to do. That means housing. That means housing which is technically affordable or which is attainable in cost because it's at the lower end of the market rate, not the high end of market rate. That means being open to any opportunity to secure new park and recreation space and opportunities in Palo Alto whether we're buying it for \$5 million for a half acre or whether somebody grants it to the City or its part of a coordinated area plan. We should clarify that there's a difference between a coordinated area plan and a concept area plan. Those are not exactly the same thing. I don't think we've done 1 1/2 coordinated area plans in the lifetime of our current Comp Plan. We haven't done any that I'm aware of.

Ms. Gitelman: SOFA I and SOFA II are our coordinated area plans.

Council Member Wolbach: Was SOFA I and II in the timespan of our current Comp Plan? Yeah, SOFA I and SOFA II. Aside from that, that's it. What we've done in Cal. Ave. and East Meadow Circle are not really coordinated area plans. There's the allusion offered by a colleague on the Council tonight that coordinated area plans sound like PCs over a bigger area. Let's be clear. The point of a coordinated area plan is that it's a better process than a PC. As opposed to being developer-led, it's community-led. It's the community coming together like we did at SOFA I and SOFA II and saying what do we want, not what does a developer want. When we decide we want to be flexible, we want to try something different and we end up with Heritage Park and we end up with housing and we end up with a neighborhood that people really like, that's a positive example to point to. It's no secret that I've long advocated getting rid of PCs, because they are a developer-led process and aren't as responsive to community input as coordinated area plans would be. I'm also under no illusions that if in our Comprehensive Plan we say that coordinated area plans are a tool which we want to be capable of using as a regular tool, like neighboring Mountain View that was able to do three in a year, that doesn't mean that we're going to do a bunch overnight. It means we set up an option. We say that here's a

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planning tool that we could use in the future. We might not see any in my time on the Council. Maybe by the time that the life cycle of this Comprehensive Plan comes to an end, we'll have done a couple. The Fry's site is a great example of a place to do that. I just want to put those thoughts out there for consideration as we're talking about what coordinated area plans are, what they're meant to be. They're not meant to be a sneaky backdoor to doing a PC. They're supposed to be an upfront attack and replacement on the PC, at least in my advocacy for them. I'd like to throw my weight behind saying absolutely yes to encouraging and looking for ways to rezone so that we have options to actually use retail under residential as opposed to mixed use that has a lot of office included. As I mentioned earlier, I'm still a strong advocate for less office development but lots more housing development. We should continue to explore being flexible about FAR, maybe even go up to as high as 3.0 in transit-oriented areas where really appropriate, like right near transit and for housing, at least for affordable housing, truly affordable housing. An overlay might be the way to do that or it might just be a regular zoning thing. We should explore allowing housing developments to pay in-lieu fees or pay into parking districts in the same way that commercial buildings do. I'm not sure if they're able to do that right now, but that's an important opportunity that commercial developers have. Sometimes a site is too small, it's not appropriate to put a ton of parking right onsite, but it might be a fine place to put some small unit housing or micro housing or senior housing. They don't have a ton of space to fully park it onsite, but being able to pay into a larger parking assessment district for a garage or pay into our TMA to make up for their lack of parking onsite might be a useful approach. It's all about balancing the impacts with the development. We should be realists when it comes to parking. That means that sometimes we require a lot more parking than something needs. Mayor Burt isn't here right now, but he's talked about and I agree the need for us to really look at some of the sites controlled by the Palo Alto Housing where they don't use all the parking that they have onsite. Some uses in some places we require more parking than we need. On the other hand, there might very well need other uses in other places where we don't require enough parking. Recognizing it's not one size fits all is important, and that's part of being realistic. It's recognizing and being realistic about the nuances. Again, I do think that there is a debate between saying we just should have housing for particular, designated, exclusive groups. Below market rate housing, seniors, City employees, school employees, disabled, all those are very important. Also on top of that there is also a clear demonstrated need with lots of research including from our current White House and Department of Housing and Urban Development (HUD) and lots of academic research. If colleagues and members of the public aren't aware of it, I'm happy to share the articles, the research, etc. There is a need for market rate housing, specifically the lower

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end of market rate. This doesn't mean if we add a few more reasonably priced apartments in Palo Alto that suddenly things are going to be down to \$1,500 a pop. This isn't a silver bullet. This is just a question of doing our fair share to make a dent. Personally, I'm not excited about changes to the height limit. I never have been. Regardless of the history of how it was put into place, it's served us pretty well. There are times when I've heard people more recently than in the past saying we should be more flexible about it. This is one area where I'm not—as I've always said, I'm not going to be a leader on this one. I'm going to listen to the community on this one. A couple of years ago, when I first ran for office, I didn't hear almost anybody saying we should change the height limit. Now I'm hearing some people say it. I haven't heard overwhelming support for changing the height limit. Maybe the idea that Council Member DuBois floated of having that be something that we put to the community to consider might be the right way to go. Maybe put it on the ballot when we put our transportation tax measure on the ballot in a couple of years and see what the community says. I'm not ready to say that we should throw out something that the community is comfortable with for the most part and that the community expects. As far as the Downtown zoning and permitted uses, etc., regardless of what the history was, as the Mayor mentioned earlier, for the last couple of decades at least, there has been a lot of software development in Downtown Palo Alto, and we've come to expect that. The startup culture in Downtown Palo Alto is very important. I'm not sure that restricting big companies, larger software companies from gobbling up a lot of space in Downtown Palo Alto is the right approach to restore our startup culture, but I'm not sure it's wrong. What I definitely don't want to do is say we want to ban software coding in Downtown Palo Alto. If there are ways that we can restore some of the small, innovative startup culture in Downtown Palo Alto, I think it's worth exploring, even the policies that we might initially bristle at. I'm willing to consider them. I will leave my comments at that.

Vice Mayor Scharff: Council Member Berman.

Council Member Berman: Let me start off by thanking the CAC, at least the couple of members that have lasted this long. We have a very well balanced CAC. That in itself was a saga. I think they've done a good job of creating a draft of a well-balanced land use section. Change is hard, and it's always hard to let go of the past and embrace revisions and changes and updates. It's important that we do that and trust the CAC and the work that they've done and the deliberations they've had, that have been much more thorough frankly than the ones that we have up when we kind of talk past each other. I'm assuming that you guys have had a more collaborative process. It shows in the work that you've produced. I'm not inclined to wordsmith what you guys have proposed tonight. I will say that when it comes—I think the

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Council has done a good job over the last couple of years of beginning to implement changes that address our community's concern about office development. I won't go through the litany of things that we've done to begin addressing that and will continue to codify those changes in our new Comprehensive Plan. At least the changes that have worked. I clearly think we've got a lot of work to do on housing. I've heard tonight some folks worry that some of these changes might not necessarily lead to housing costing as much as it does in other parts of the Bay Area or other parts of the state. That shouldn't be our goal. I've been saying this for four years. I've been saying this since I ran for City Council. We've lost our socioeconomic diversity in this town. The little that remains is people that were lucky enough to buy their homes a long, long, long, long, long time ago and people who live in affordable housing. We've also lost the ability to develop affordable housing in our town. We heard that when Palo Alto Housing had their Study Session with us a couple of weeks ago. I was just looking up some of the proposals that Palo Alto Housing has in Mountain View and in Sunnyvale and that other affordable housing developers are proposing in Mountain View. One of them was 57 feet, so there's seven feet difference for affordable housing that's going towards those in our community who we want to try to keep in Palo Alto or invite to Palo Alto, whether it's adults with disabilities or whether it's homeless veterans or whether it's frankly people who work in our service sector and don't make nearly enough to be able to afford anywhere near here. They are 57 feet, so that extra seven feet meant an extra floor of housing. I couldn't decipher exactly how many units that was, but that matters. That really matters. To hold fast to this idea of a 50-foot height limit when what you're sacrificing could be significant housing for those most vulnerable in our communities, that we say all the time that we want to help, but then we don't enact the policies that actually lead to the additional housing that helps them. We start sounding disingenuous. Clearly the status quo doesn't work; it hasn't worked. I've been on Council for four years; I haven't approved one—I did. I approved one affordable housing complex that ended up getting overturned. There haven't even been any other proposals to develop affordable housing in Palo Alto. Council Member Wolbach's right. We need housing of all kinds. We need less of the penthouse, \$32,000 a month housing. I don't want to see that again. We need more housing not only for what actually qualifies as affordable but also housing for teachers and nurses that don't qualify for affordable housing but need housing that is more affordable. We can't keep on talking about how we support this but not actually implement policies in our plans that will incentivize the creation of it. When the cost of land, like we talk about a lot, is so high, it means that if we actually want more affordable units, we need to provide zoning that allows for more units. That's how it will get more affordable. The next Council's going to be dealing with actually making the decisions on a lot of

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this stuff. I think there's a real opportunity to gently exceed 50 feet in certain geographic locations if there are certain proposals that are being proposed. I imagine we can be that prescriptive about it. Literally saying if somebody wants to develop ground-floor retail and four stories of housing, that is someplace where you could go to 55 feet. We're not talking about going to 70 feet; we're not talking about going to 80 feet. We're talking about 55, maybe 60 feet in certain circumstances where our community can benefit from the additional housing. I am a fan of coordinated area plans. We've heard from Mayor Burt and Council Member Holman time and time again how well the SOFA I and SOFA II process worked and what the result was. The result was you got housing that costs \$2, \$2 1/2 million per condo right across the street from affordable housing, and you don't even know it. You don't know that those affordable housing complexes are affordable housing. They blend in with the neighborhood. That very expensive housing is right on a new park. We talk about how we need new parkland. That came out of a coordinated area plan process. It can take time, but it seems like the proof is in the pudding in the sense of whether or not it was worth it. That's something that Council should look to really get the advantage of. You get the community input when you have that type of a process. This is my parting words to the future Council. Take seriously the desire in our community for additional housing, take seriously the concern in our community for the fact that it doesn't look anything like it did when Cory and I were growing up in the '80s and '90s when people could—one of my best friends was the son of a single mom who worked retail at Stanford Shopping Center. You can't live in Palo Alto on that anymore unless you live in an affordable housing complex. The waiting list for those are 5 or 6 years long. Let's not let the perfect be the enemy of the good. Let's really try to figure out what type of proposals can incentivize more housing. That's not what we're tasked with tonight, at least not getting into the weeds on it or I don't think making motions on it. When it comes back in February or March, I really hope that the City Council takes a serious look at what changes can be made strategically and delicately that can lead to more housing but not necessarily lead to massive office complexes and the kind of things that we've worked hard to scale back over the last couple of years. It's possible, if we are really serious about whether or not we think we need more housing in Palo Alto. I know we do.

Vice Mayor Scharff: Thank you. Just briefly. I also would like to thank the CAC, especially those members that are still here listening to us. Definitely appreciate your presence. A couple of things. I was very intrigued with Council Member Filseth's comment on what goes in the Code and what goes in the Comp Plan. In my view, there's too much in the Comp Plan. On a broad basis, there's a lot of things that have now been added to the Comp Plan of which Council has still not made policy decisions on. I don't think we

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should make policy decisions by putting it in the Comp Plan before Council has a chance to vet it and think about it. I think there's quite a bit of stuff that seems to have gotten in here that we haven't actually discussed as a Council. I'm not okay with that. I wanted to briefly address the housing thing. There were a lot of really good comments on housing. One of the things—I'm going to give Council Member Wolbach credit for this. As you know, I sit on the Association of Bay Area Governments (ABAG) Executive Board. I listen to all the different communities of what they're doing in housing. There are some communities which are building zero housing. There are other communities that are building a lot. Mountain View and Sunnyvale are building thousands and thousands of units actually. We are viewed as one of the bad guys. I don't think we're used to that. As I sit up there on the ABAG Executive Board, you'd be surprised how many times people come up and talk about Palo Alto. I hear it from all these different speakers, mostly the nonprofits. The guy from the Green Foothills comments about Palo Alto at least once a month. I think we should realize that from a regional perspective we are not viewed as a good actor on this. I'm not sure how that informs my policy, but it's something we should know. The other thing we should think about is we go to extreme lengths to get rid of small amounts of greenhouse gas emissions. I'm going to give credit to Council Member Wolbach on this. We are so focused on greenhouse gas reductions, as we should be, but we never say, "If we reduce X number of greenhouse gas emissions, it's not going to make any difference in the scheme of things." We say, "No. We are providing leadership on this issue. We're providing a beacon. We are showing the world what we're doing." When it comes to housing, I keep hearing, "Adding an extra 100 units here, an extra 50 units there makes no difference, and it's not going to make housing affordable in Palo Alto." If every community in the Bay Area were to add 50 units, that's a lot of units. I'm not suggesting we be the leader on this frankly. I'm just suggesting that we stop saying, "If we add 100 units, it's going to make no difference." It is going to make a difference. We do need to show some leadership—not leadership on this. We need to stop being one of the worst cities in the Bay Area on this issue. That's where we need to talk a little bit about housing. I wanted to basically talk about the height limit. For the most part, I'm with Cory. We have a 50-foot height limit. That's where I am, with the exception that I am never that rigid. The 55-foot limited to retail is what we should do. As Council Member Filseth said, it's not going to change Palo Alto, that 55-foot height limit. The issue then is to address the slippery slope. To say 55-foot limited only to retail is the way to go. The reason I think that is it will increase the quality of life in Palo Alto. Palo Alto will be a better place, a significantly better place with better retail. That's something the Council should clearly consider. We're so focused on having better retail in Palo Alto, we should allow better retail to exist in Palo Alto. The way we do that is have a 55-foot height limit only

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focused on when you have ground-floor retail. I would say that I have concerns that we're overreacting on office development. Some office development in the next 15 years Downtown is a good thing. You don't want to have no office development Downtown. I think 47,000 square feet over 15 years is probably too little. I don't think we should be that prescriptive. We could probably meter out the way we want to do it. To do 47,000 square feet over 15 years is way too prescriptive. It's basically saying, because we want more housing and other people want no more traffic or whatever, we're going to have no office development in the Downtown. Given that, our Downtown is actually the place that you actually would want to do development, given it's right next to the Caltrain station. That'll segue into the Mayor's comments since other people commented on it. We should all realize that our two largest companies, Palantir and (inaudible), I think, it's between 70 and 80 percent of the people do not drive, that work for those companies. We're achieving what we're looking for in non-single vehicle occupancy use. 70-80 percent of the people take some other form of transportation to get to work. That's an amazing feat. We should be fully supportive of those companies. The other thing I'd say is that all comments that software development is not allowed in our Downtown, I think, is just wrong and is just silly. Software development is clearly allowed in our Downtown. To say otherwise is just wrong. Our Planning Department interprets it that way. Our City Attorney interprets it that way. I have heard no one on Staff, not a single person on Staff, say anything to me otherwise. I've just heard one Council Member talk about this in the press. I think that's inappropriate, and we shouldn't think that. If we are concerned about increasing allowing startups in the Downtown, there are ways we could do that, but we also have to realize that we complain about startup companies when up here, about traffic. They're the ones who actually put—I like startups. I'd be happy to encourage it. I want to see more startups in the Downtown. They are actually the ones that have ten people in 500 square feet. You look at a startup, and there are all these people sitting desk to desk, as many people as possible. They're the ones that are actually playing a little fast and loose often with the rules or the Code enforcement. When we look at this and what we want, we have to be somewhat honest with ourselves about where we're going in the Downtown. If we wanted more startups, we could say, like we do with medical space, "You can build 2,000 square feet or 3,000 square feet of office space, but it's got to be dedicated solely to startups." You could do that. You could have a little cap thing that breaks that out and do that. There are lots of ways to do that. I also take issue with the notion that there aren't startups in Downtown. Maybe I don't go to the same Downtown as the rest of you, but I can't sit in a single café in Palo Alto and not have somebody next to me talking about their startup. I don't know where this notion is that there are no startups Downtown. There are startups in every Starbucks in Palo Alto,

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and we have like five of them. There are several in Coupa going on every time I go there, Philz, HanaHaus. I actually think we have lots of startups in Downtown. We have to be a little careful about getting in this trap of when people say things that we don't really have any evidence for them. Those are my comments on this. I am a little concerned about how many policies we have in there. Other people have said that. How many new things and how many things that Council has not vetted in terms of policies on this stuff in a lot of it. I did promise I'd come back to Tom now. You wanted to make a Motion, then we can discuss it.

Council Member DuBois: Thank you. I did want to comment about Downtown, but I think I'll resist. I actually emailed my Motion to David. My Motion would be that we immediately clarify with PlaceWorks that Council's intention in Scenario 5 was a low jobs scenario, that we would reduce the jobs forecast an amount corresponding to the reduction in office space. We'd attempt to accommodate that work within the existing budget.

Council Member Schmid: Second.

MOTION: Council Member DuBois moved, seconded by Council Member Schmid to:

- A. Immediately clarify with PlaceWorks | DCE that Council's intention in Scenario 5 was a low jobs scenario; and
- B. Reduce the jobs forecast an amount corresponding to the reduction in office space square footage, and attempt to accommodate that work within the existing budget.

Vice Mayor Scharff: Second by Council Member Schmid. Do you want to speak to your Motion?

Council Member DuBois: Yeah, just real quick. First, I think I made the original Motion that created Scenario 5. The intent was, again, lower job growth with some of the sustainability factors. This discussion tonight isn't about blame or mistakes. It's pretty clear that maybe Council didn't communicate properly. The Action Minutes that you had up there with the Motion are correct. The Motion just reduced the square footage. That's what I love about Action Minutes. We lost a lot of the context. Going back again and looking at my notes and trying to remember that conversation, I do think the intent was clear that we had agreed to reduce the number of jobs in Scenario 5 by a small amount; it was like 10 percent. What we're doing now, there's no reason for us to have a scenario with less square feet and the same exact number of jobs. Scenario 5 and 6 have the same number of jobs. One has less office square footage. We didn't talk about

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trying to put the same amount of people in less space; that clearly wasn't our intent. I think our intent was clear. I would ask Council to reaffirm the decision we made back in August.

Vice Mayor Scharff: Council Member Schmid.

Council Member Schmid: I would just add that the goal was to have six scenarios to span the range of activities, to have the consultant come in and say, "Here are the consequences of these different ranges." It made sense to have one scenario, Scenario 5, that has low square footage growth and low job growth. The goal of it is to allow the consultant to say, "Does this make any difference? Where does it have a difference? How do you mitigate some of the issues we're looking at in this scenario?" Whether you're in favor of the scenario or not, it makes sense to have the analysis available when you come back in April to make choices of how to construct the scenario you want.

Vice Mayor Scharff: Staff had a memo at places. I know Staff wanted to address this issue. I thought I'd give Staff the opportunity before we all comment and hopefully save a little bit of time.

Ms. Gitelman: Thank you. Through the Chair, I did want to just reiterate a few things that were in the written response, that it seems some of you didn't get before this evening, and also draw to your attention the Motion from August where we received the Council's very prescriptive, very specific direction with regard to the scenarios. It identified a request by the Council that we reduce the square footage in Scenarios 5 and 6 from 2.7 to 2.4 million. It did not identify a desire to reduce the employment projected. Although, those numbers were provided to the Council in the tables that are referenced in this Motion. We took the Council at its word, and we have been proceeding in this direction. I'm not saying you couldn't change your direction, but it would be a change. I also wanted to emphasize that the purpose of these EIR scenarios is to analyze the potential outcome of planning decisions. It's not to lock us into any policy decision or any specific direction in our Comp Plan. It's merely to set a bracket of what potential outcomes might be in this process. One more thought. We went through this very carefully in the written response to Council Member Schmid's question. We believe that there is no incongruity between the 2.4 million square feet and the number of employees that are projected under these two scenarios. Yes, if you calculate it out using the 250 square feet per employee that we all know is a little questionable for some of our land uses, if you use that, the numbers don't quite jive. The reason for that is we know from experience—I know this from the fifth floor of this building, where we've increased our Staff by maybe 10 percent on that floor in the last three

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or four years. We haven't added 1 square foot to the fifth floor. The forecast of job growth is not solely related to new development space. It's also related to the amount of existing nonresidential space we have in town and this opportunity that people have in thriving economic times to increase employment densities and add people. That's what we've tried to explain. I apologize if it didn't get to some of you in a timely way. We really think there is no need to change the scenarios at this late date. Of course, if that's your direction, we will do it, but it will potentially have consequences on cost and schedule.

Vice Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: I fully appreciate that the objective of Scenarios 5 and 6 was to have equal to each other the lowest possible job growth that Staff and the consultant told us we could get away with. That was the goal on the jobs side for five and six. The bare minimum possible. We want to see what does it look like, how do we constrain job growth as much as possible. Five had less housing growth than six, but both aimed at the bare bones for job growth. In addition to that, there's the attempt to reduce the development and the impacts related to development separately from job growth. That's why we reduced the office square footage growth in these scenarios. I appreciate the explanation from Staff, both in writing and this evening. While this Motion was well intentioned, I think it is inappropriate at this time. Staff and the consultants have been doing what we asked them to do exactly. I'm not interested in delaying the Comprehensive Plan even further. I'm not interested in wasting money to delay it further, when this is exactly what we asked Staff to do.

Vice Mayor Scharff: Council Member Filseth.

Council Member Filseth: The Council asked for a change in the square footage. I can't imagine any scenario where we would ask for a change in the square footage without intending a change in jobs. I'm not worried about the intensity of use in startups or something like that. It's probably Council's fault that we didn't make that clear. I understand the argument about the increasing job intensity, but that would apply to both Scenarios 5 and 6. We're really looking for an analysis of the difference between the two scenarios. We're paying a lot of money for this analysis; let's get what we want. Not getting what we want is the waste. I think we should make this change.

Vice Mayor Scharff: Council Member Holman.

Council Member Holman: Appreciate the response from the Planning Director and Staff. As the author of that amendment, it's a little frustrating

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because I thought it was pretty clear that what we were looking at was a lesser jobs-creating scenario. For instance, if I would have said, "Replace in Table 1, Column 2, 2.7 with 2.4 million," it would have seemed redundant to say, "And reduce the correlating number of employees consistent with that reduction in office square footage." The intention was for Scenario 5 to have a lower jobs creation. I agree absolutely with the comments that Director also made about it's not just new office but also existing office that has increase in employee density beyond 4 per 1,000. I wish that to be addressed, but that's not the place to address it. That was the reduced employee scenario. It would be great to have brought forward some way to address and the impacts addressed of having higher than 4 per 1,000 office employee density, because we know it exists and we have known it exists. That is not the place to do it. That was not the intention at all. I'll be supporting the Motion. Just to be clear, the Motion reduced the jobs forecast an amount corresponding to the reduction in office space square footage. I just want to make sure that we're really clear that that means reduce it to 4 per 1,000, and that's the reduction rate. We went through this before.

Council Member DuBois: I wasn't sure how it was being calculated, so I didn't want to specify that.

Ms. Gitelman: Can I just maybe ask a couple of clarifying questions? I guess I'm a little confused. We're not talking about setting policy here. We're just talking about coming up with a reasonable projection that we can use for our analysis. It seemed to me from the Council's Motion that your intention was that Scenario 5 and 6 would be similar in the square footages that you wanted us to analyze and in the employment densities. Those were both equal on the table that you saw when you adopted this Motion. Now, I think I hear the Council potentially going in a different direction where you want the difference between five and six not just to be housing numbers. You want them to vary in terms of employment as well. That is quite a bit different in terms of the intention of the scenario that you're asking us to analyze. Again, my colleagues have been hard at work doing this analysis since the end of August. We're talking about potentially having to circle back and make revisions. Happy to do that, but I would think you would want us to come back with something on budget and time involved before making that decision this evening.

Vice Mayor Scharff: I'm not going to support the Motion. First of all, what I'm hearing is it's unlikely we could do it within the existing budget. The Motion says attempt to accommodate that work, so I understand that. It's unlikely to be accommodated in the budget. In the scheme of things, what I'm hearing from Staff is that it would delay things, it would make them redo

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a bunch of work, it would cost a lot of extra money, and it was not the right EIR decision. The EIR decision is to have the same number of jobs in both. If I'm saying anything that's not correct—I'm just paraphrasing what I heard. Is that correct?

Ms. Gitelman: Having a different EIR scenario doesn't change the Council's ability to have a policy discussion like you had this evening about employment densities, about job growth and development in the next 15 years. Whatever these EIR scenarios look like, you can still have those conversations.

Vice Mayor Scharff: What I saw in your memo—maybe I misunderstood—was that it is very unlikely that we would be able to get below the number of jobs you have. Therefore, it was an unrealistic assumption to go below that jobs number and, therefore, it was not really the right thing to put in an EIR. That's how I read that memo. If I didn't read that correctly, tell me. It would actually influence me.

Ms. Gitelman: You're paraphrasing my professional opinion correctly. I think that's what we communicated back in August as well.

Vice Mayor Scharff: That's really my reason for it. I don't think it makes much difference and gives us worse information than to have an unrealistic jobs number. I'd rather have the right jobs numbers. Council Member Holman, did you put your light on a second time? With that—you put your light on a second time. Do you guys really want to have a second round?

Council Member Kniss: No. Let's vote guys. It's 11:30 P.M.

Vice Mayor Scharff: It is 11:30 P.M. Let's vote. Wrong one. I meant to vote no. That passes—no, it's 4-4. That fails on a 4-4 vote.

MOTION FAILED: 4-4 DuBois, Filseth, Holman, Schmid yes, Burt absent

Council Member Holman: Can I make a Motion to retain what the current Staff is working on and we'll kill that 4-4 and we'll be stalemated.

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Vice Mayor Scharff: Council Member Questions, Comments and Announcements.

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Council Member Kniss: Would you like us to do our ta-da?

Vice Mayor Scharff: Sure. Council Member Kniss.

Council Member Kniss: I need departing Council Member Berman's assistance and Karen. Karen, since you are very involved in this, why don't you come over and you get to open the box. For a number of you who know we've been working on a Healthy Cities project in Palo Alto for two years, the Vice Mayor and I went down to San Jose two weeks ago and discovered that we were the winners of three awards, not just one. Karen, why don't you open that one first. I confess Greg and I have already seen it. This is why we won. I think we won because we are an active and safe community, healthy food and beverage environment, tobacco-free community, and also we did some cross-cutting strategies. We're a remarkable community. Hold that up, as they say on those programs, so everyone at home can see it. Isn't that pretty?

Council Member Holman: It's a very heavy, fingerprinted piece of glass.

Council Member Kniss: It's actually very pretty. In addition, you may want to talk about your own. Greg and I both went down to this meeting without knowing that we had won anything whatsoever. It was a big surprise. This one simply says an exemplary city. This one in particular was for Safe Routes to Schools, so talking about safety. That's the City of Palo Alto. Vice Mayor, maybe you'd like to share yours.

Vice Mayor Scharff: They did give me the Healthy Cities Champion Award for Santa Clara County when I was down there. I wanted to call out Council Member Holman who has worked really hard on the Healthy Cities initiative. I just wanted to say everyone's aware down there of your hard work and wanted to thank you for it.

Council Member Kniss: We missed you that day.

Council Member Holman: Thank you. I am very sorry. I had all intentions of going, and I was home on the couch with a splitting headache and with the jackhammers going on my street. It was not a very pleasant day. I would rather have been with you all.

Council Member Kniss: It was wonderful to get recognized for—two years ago I think we chose as one of our Priorities a Healthy City. The group is still going strong and has lots of support. The heightened awareness of what it takes to be a Healthy City has been a very positive outcome.

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Vice Mayor Scharff: I should just briefly explain that the reason they gave me the award is I've been working with them for the past three years regarding setting up the matrix and discerning what constitutes a Healthy City and how we should do this and what that should look like. That's why. That was through the Cities Association.

Council Member Holman: Can I put a shout out to Staff? The City Manager's Office and Community Services Department especially have been really supportive in developing and supporting the work of the Healthy Cities committee.

James Keene, City Manager: We'll all do a 6:00 A.M. run tomorrow morning. We'll be looking forward to seeing you all at that.

Vice Mayor Scharff: Can't we go now, Jim? Council Member Holman, you had your light on.

Council Member Holman: It was that.

Vice Mayor Scharff: Council Member Berman.

Council Member Berman: It's fitting I do this to a practically empty chamber. Later on this week, I will be submitting my letter of resignation to the Mayor and the City Manager or the City Clerk or whoever else I'm supposed to submit it to. You can't serve on two bodies at the same time, and I'm going to get sworn into the California State Assembly a week from today, next Monday.

Vice Mayor Scharff: You're choosing them over us?

Council Member Berman: It's not personal. I'll be back for the reorg meeting. I haven't had time to process everything and think of all the comments that I want to make. I'm not going to be eloquent tonight. I'll be back for the reorg meeting, the first Tuesday in January, to join everybody then.

Vice Mayor Scharff: Council Member Schmid. No. Did you put your light back on?

Council Member Kniss: I did.

Vice Mayor Scharff: Council Member Kniss.

Council Member Kniss: I don't think it would be proper to not tell you, Marc, that we're going to miss you. Delighted that you attained that goal, that I understand you've had since eighth grade. I really did understand that. I

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know you went on to be class president as well. You've had the eye on this prize for 20 years. That's commendable to have decided when you were that young that you would go to Sacramento. You've done a great job. Good luck, and come back and visit us. When we want something, we presume that we know what the answer will be. Congratulations. We'll see you on Tuesday, the 3rd.

Council Member Berman: Thank you, Liz.

Vice Mayor Scharff: Council Member Holman.

Council Member Holman: I'm going to take just a quick moment here of personal privilege, if I might, to go back to the Comp Plan just for one comment, something that I overlooked. It also gets very positive comment in response from the public. That is creation of an arts district. I'll just leave it at that right now, because I forgot to mention it earlier. I didn't see it in the Comp Plan.

Vice Mayor Scharff: Did I miss anyone? I just have a couple of brief comments. I was chosen to be Vice President of the personnel and finance committee recently at ABAG and also was put on their committee that's supposed to negotiate the merger agreement with Metropolitan Transportation Commission (MTC). If you have any thoughts on that, tell me. With that, meeting adjourned.

Mr. Keene: Mr. Mayor, just real quickly. Council Member Berman, it's been a delight for the Staff to work with you, and we wish you the best. It goes without saying we know you won't forget where you came from. We'll look forward to working with you.

Council Member Berman: Thanks, Jim. If you want to come with me to Sacramento, I'm looking for staff.

Adjournment: The meeting was adjourned at 11:36 P.M.