

CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting January 26, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:07 P.M.

Present: Berman, Burt, DuBois, Filseth, Holman, Kniss, Scharff, Schmid,

Wolbach

Absent:

Study Session

1. Information Technology 3-Year Strategy Update Study Session.

Agenda Changes, Additions and Deletions

Mayor Holman announced that Staff requests to move Council Member Questions, Comments and Announcements forward, to be heard before the Closed Session, and to continue Agenda Item 4 to a date uncertain.

Consent Calendar

MOTION: Council Member Scharff moved, seconded by Council Member Burt to approve Agenda Item Numbers 2-3, 5.

- 2. Policy and Services Committee Recommendation to Accept the Triennial External Quality Control Review of the Office of the City Auditor.
- 3. Approval of the Acceptance and Expenditure of Citizens Options for Public Safety (COPS) Funds on Various Law Enforcement Equipment and Approval of a <u>Budget Amendment Ordinance 5299</u> entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Amount of \$105,587 for the Supplemental Law Enforcement Services Fund."

- 4. Approval of a Construction Grant Agreement with The Association of Bay Area Governments and the San Francisco Bay Area Water Trail in the Amount of \$40,000 for Palo Alto Baylands Sailing Station Accessibility Improvements and Adoption of a Related Budget Amendment Ordinance in the Capital Project Fund.
- 5. Finance Committee Recommendation that City Council Adopt a Resolution 9487 entitled "Resolution of the Council of the City of Palo Alto Amending the City's Cap-and-Trade Revenue Utilization Policy to Cover the Use of Freely Allocated Allowances for the Gas and Electric Utilities, and Adopt a Resolution 9488 entitled "Resolution of the Council of the City of Palo Alto Amending Rate Schedules G 1, G-1-G, G 2, G-2-G, G 3, and G-3-G to Add a Rate Component for Cap-and-Trade Regulatory Compliance Costs and Combine the Administrative and Transportation Charges with the Distribution Charges."

MOTION PASSED for Agenda Item Numbers 2-3, 5: 9-0

Action Items

6. PUBLIC HEARING: Approval of a Mitigated Negative Declaration and a Site & Design Review and Design Enhancement Exception Application for a Three Story Mixed-Use Building on a 27,000 Square Foot Site Zoned Service Commercial (CS) at 441 Page Mill Road. The Project Would Contain 21,540 Square Feet of Commercial Space, 91 Off-Street Parking Spaces, and Ten Apartment Units, Including Three Below Market Rate Units, and Includes a Request for Three "Off Menu" Concessions Under Palo Alto Municipal Code Section 18.15 and the State Density Bonus Law.

Public Hearing opened at 8:09 P.M.

Public Hearing closed at 9:02 P.M.

MOTION: Council Member Kniss moved, seconded by Council Member XX to approve the Mitigated Negative Declaration (MND), the Site and Design Review application, the two Design Enhancement Exceptions (DEEs) and the three density bonus concessions for the project at 441 Page Mill Road, based on Architectural Review (AR), Design Enhancement Exception (DEE), Context Based Design Criteria and Density Bonus Findings, and subject to the conditions in the draft Record of Land Use Action (RLUA, Attachment A).

MOTION FAILED DUE TO THE LACK OF A SECOND

MOTION: Council Member Filseth moved, seconded by Vice Mayor Schmid to request additional Pro Forma off-menu concessions analysis and use a discounted cash flow approach applying local rental rate growth and reasonable risk adjusted cost of capital figures.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff to review the rate of traffic growth assumed at the intersection of Page Mill Road and El Camino Real using the historic growth rate.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff in regards to cost, to use a model that does not assign the pro-rata cost of the entire building to the Below Market Rate (BMR) units, but instead looks at the incremental market rate and BMR revenue, and offsets that with a density bonus;

- a. Direct Staff to provide more detail on travel impact that takes into account actual traffic growth on nearby intersections, including the impacts of recent Stanford projects and Park Boulevard impacts;
- b. Include a conditional use permit requiring occupants and users of the building to park in the garage. If occupants and users do not comply with the conditional use permit, the City will initiate a Residential Parking Permit program for the neighborhood.

MOTION: Council Member Burt moved, seconded by Council Member Scharff to continue Agenda Item 7 - Discussion and Direction to Staff Regarding Establishment of an Office/R&D Annual Growth Limit to February 9, 2015.

MOTION PASSED: 7-2 Filseth, Wolbach no

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff to ensure that the parking analysis captures the effect of the loss of parking on Page Mill Road.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to restate paragraph 5 as "Staff will explore a Conditional Use Permit that requires the occupants and users of the building

to park in the garage. If occupants and users do not comply with the conditional use permit, the City may initiate a Residential Parking Permit program for the neighborhood."

AMENDMENT: Council Member Berman moved, seconded by Council Member XX to direct Staff to return with additional analysis and information detailing varying levels of benefits including at 100 percent of the concession economic benefit, 50 percent of the concession economic benefit and 25 percent of the concession economic benefit.

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to eliminate paragraph 5, sentence 2 "If occupants and users do not comply with the conditional use permit, the City may initiate a Residential Parking Permit program for the neighborhood." from the Motion.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to restate paragraph 5 as "Staff will explore a condition of approval that requires the occupants and users of the building to park in the garage."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to ask the applicant to explore a barrier between Page Mill Road and the sidewalk.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct the consultant that if the methodology suggested in the Motion is determined to not be reasonable and defensible and the Director of Planning and Community Environment concurs with this determination, the consultant will not perform the analysis but instead will report back to City Council on why the methodology is not reasonable and defensible.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change "barrier" to "safety measure" in paragraph 7 of the motion.

AMENDMENT: Council Member Berman moved, seconded by Council Member Scharff to remove "To ask applicant to explore a safety measure between Page Mill Road and the sidewalk." from the Motion.

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AMENDMENT FAILED: 3-6 Berman, Scharff, Wolbach yes

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Scharff to remove "to direct Staff to ensure that the parking analysis captures the effect of the loss of parking on Page Mill Road."

AMENDMENT FAILED: 4-5 Berman, Kniss, Scharff, Wolbach yes

MOTION AS AMENDED PASSED: 9-0

7. Discussion and Direction to Staff Regarding Establishment of an Office/R&D Annual Growth Limit.

Council Member Questions, Comments and Announcements

Closed Session

MOTION: Council Member Wolbach moved, seconded by Vice Mayor Schmid to go into Closed Session.

MOTION PASSED: 8-1 Kniss no

The Council went into the Closed Session at 11:40 P.M.

8. CONFERENCE WITH CITY ATTORNEY/LEGAL COUNSEL Potential Litigation (as petitioner) – one matter Subject: Caltrain Joint Powers Board – Peninsula Corridor Electrification
Project – California Environmental Quality Act Authority: Government Code Section 54956.9(d)(4)

The Council reconvened from the Closed Session at 12:15 P.M.

Mayor Holman reported that the City Council decided not to initiate a lawsuit based on Caltrain's stated commitment to work on resolving areas of concern identified by the City of Palo Alto.

Adjournment: The meeting was adjourned at 12:16 A.M.

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