



# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting  
August 29, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:05 P.M.

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

Absent:

## Special Orders of the Day

1. Resolutions 9620 Entitled, "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Steve Eglash," Resolution 9621 Entitled, "Resolution of the Council of the City of Palo Alto to Jonathan Foster" and Resolution 9622 Entitled, "Resolution of the Council of the City of Palo Alto to Garth Hall Upon Completion of Their Terms as Utilities Advisory Commissioners."

Mayor Burt: Our first item of business is a Special Order of the Day for Resolutions expressing appreciation on the Utilities Advisory Commission of Steve Eglash, Jonathan Foster and Garth Hall. We have three Resolutions, and then we will vote on them. The first is for Steve Eglash. Council Member Filseth, were you going to take the lead on that or do you have that? Sorry. I thought you had it.

Council Member Filseth read the Resolution into the record.

Mayor Burt: Thank you.

Council Member Filseth: Can I say something here? I regret we're losing a lot of talent.

Mayor Burt: Go right ahead.

Council Member Filseth: We're losing a lot of talent right now on this Commission. Thanks.

Mayor Burt: Our next Resolution is for Jonathan Foster, to be read by Vice Mayor Scharff.

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Vice Mayor Scharff read the Resolution into the record.

Mayor Burt: Thank you.

Vice Mayor Scharff: Can I say something?

Mayor Burt: Sure.

Vice Mayor Scharff: Jonathan and Steve and Garth, I just wanted to say we are really going to miss you guys. I've really enjoyed being the liaison with you guys. It's going to be a real loss to the community, you guys going off the Commission.

Mayor Burt: Finally, Garth Hall, the Resolution to be read by Council Member DuBois.

Council Member DuBois: There's a bunch of whereas's in here. I'm going to skip a few, but they'll be in the final version. He read the Resolution into the record. Again, I'd like to thank you, Garth, and all three of you guys. It's been an excellent Commission. Thank you for your service.

Mayor Burt: Council Member Holman.

Council Member Holman: I just wanted to agree with the comments that have been made here this evening. With all three of you leaving at once, we're losing an awful lot of talent. Just one other thing. If the three of you are leaving together to form your own advisory group, would you please let us know?

Mayor Burt: Council Member Berman.

Council Member Berman: I just wanted to heap on more praise and say thank you, guys, so much for all the work and time put in that you guys have done to make our community better. I was talking with one of your replacements over the weekend. We were talking about ...

Council Member Kniss: There's no replacement.

Council Member Berman: There is no replacement. How the Utilities Advisory Commission (UAC) in my mind is the most technical Commission that we have. It's also the one that, at least in my experience on the Council, always has—it's always the toughest vote when it comes to voting on who to appoint to the UAC. I think both times that we've appointed people, there has been just so many great applicants and not enough spots. Thank you, guys, for that. I remember walking the Dish with Jon before I got elected to Council. He was just giving me diplomatic advice. He said,

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"Always do what the UAC says. If the UAC and Staff differ, definitely always do what the UAC says." No, you guys are awesome. I really appreciate all the work that you did. I hope you guys enjoy your extra time.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Some of you will understand it. One of the things that I will miss is reading your comments in your Minutes. Actually, you get the Minutes written out in some detail. I enjoy reading them. Aside from that, we will miss you all so much. You have done a terrific job. From those Minutes, I know what discussions you really had. It's a lot easier to follow where you go when you make a Motion. Thank you all for serving.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: Beside echoing the comments of my colleagues who have spoken prior, I just want to emphasize how significant the work of the Utilities Advisory Commission is when it comes to City finances representing such a large portion. Almost half of our City budget is just—we do lean on this Commission a tremendous amount on the City Council. I believe the Staff does as well. Even when we disagree and even when Staff disagrees, we still lean upon the work of the UAC very heavily. The work that each of you have done has made our jobs easier. I just want to say thank you for that.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I'd just like to sincerely thank you for almost 20 years of voluntary service, bringing expertise to an area that is oftentimes under the horizon, but extremely important to every citizen in the City. Appreciate it very much and we'll struggle to move ahead without you.

Mayor Burt: I would just like to add a note of context. I think it was around eight years ago that the City Council opted to increase the size of the Utilities Advisory Commission. The reasons for doing so were, I think, twofold. One was that we were moving into an era of even greater change and innovation in our utilities. We wanted to be able to take advantage of the incredible knowledge and skills of members of our community who apply to the Commission, and we didn't have enough spots to do so. That goes into the second reason. We started getting just a wave of incredible applicants who said there's a lot of interesting things that the City does, but what really is exciting to me are the innovations that are happening in our utilities. The three of you just were what we had in mind. We are grateful for all that you've contributed in those regards as well as the nuts and bolts of the day-to-day operation of the utility. Thank you, all three, for your

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service. I will entertain a Motion to approve the Resolutions and then bring them forward. We'll meet up here, and then each of you certainly are welcome to make some comments at that time.

Council Member Kniss: I move those recommendations.

Council Member Filseth: Second.

**MOTION:** Council Member Kniss moved, seconded by Council Member Filseth to adopt the Resolutions of Appreciation for Steve Eglash, Jonathan Foster and Garth Hall.

Mayor Burt: Motion to approve the Resolutions by Council Member Kniss, seconded by Council Member Filseth. Please vote on the board. Not surprisingly, that passes unanimously.

**MOTION PASSED: 9-0**

Steve Eglash: This has been just an incredible honor and privilege to be able to deal with the Staff and the elected Council and the ratepayers and the businesses of the City. This has just been a huge treat. I've enjoyed it immensely. Thank you all for the opportunity as well as your nice comments tonight.

Jonathan Foster: I'll echo that. Thanks to all of you. I want to say a few things. The work that this Utility Department does is really impressive. It frankly starts with all the members of the City Council. Mayor Burt, during your time on the City Council, you've been an enormous supporter of advances in sustainability. That's really true of everyone on the Council now and members of the Council who are no longer on the Council. The leadership really has started at the top, and that's been fabulous. The Utility Department Staff has been excellent through and through in devising policies, implementing, has done an excellent job. We've really all benefited from having Ed step in over the last—I guess it's been eight months—to lead the Utility Department. He's done a tremendous job and all the members of the Staff. Jim and Molly, Jim, the leadership starts with you. You've set a tone from the City Manager's Office which, I think, has been enormously helpful. Molly, the City Attorney's Office has been very helpful on some of those difficult issues. It's really been great. Finally, I'd say to the community as a whole the reason frankly that all of us, everybody from the UAC to the City Council to the Staff, are able to do that is because of the support in the community for innovation and for sustainability. I thank everyone in the community. The very last thank you is whoever wrote those Proclamations. That's just astonishing. Thanks very much for that. Thanks.

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Garth Hall: Mayor Burt and City Council Members, who could not want to work on a technical commission or advisory commission that would serve the members of this community as well as directly the City Council Members when you have such leadership here. Who would have imagined a city that would be the first probably in California if not the nation to be carbon neutral, to have set that vision, to have implemented it and said that's not enough. It is really quite commendable that Palo Alto is doing these things. I think it stems from the fact that the City Council has the vision, works cohesively, constructively. I do also want to echo the comments about the Staff. I know Val Fong retired. Ed stepped in very admirably. The Staff has just been really incredible. Council Member Kniss mentioned the Minutes. The Minutes may seem like just paperwork, but I've never worked in any public agency that provides such accurate and detailed and very useful Minutes as the City does. It really does reflect all the way through the quality of the work that's being done amongst the Staff. They really have done a very, very good job. I got really sorry for Val and some of the Staff on some of the late nights when they had worked a long evening and then had to endure all the questions, comments from the Commission, but they stood by it and they were very professional. I just really respect them enormously, all of the Staff. Thank you.

Mayor Burt: Thank you. Thank you again to all three of you.

## Agenda Changes, Additions and Deletions

None.

## City Manager Comments

Mayor Burt: We will now move on to City Manager Comments. Mr. Keene.

James Keene, City Manager: Mr. Mayor, members of the Council. I just would add my words on behalf of our Staff. We are truly fortunate to have such smart, dedicated people on our Commissions, in particular the folks who have just left us from the UAC. The summer construction season. I wanted to sort of share with Council a little bit that, in partnership with Public Works, the City's Transportation Division has made a number of improvements to signing and striping on City streets as part of regularly scheduled maintenance projects over the summer. Some elements of the adopted concept plans for bicycle boulevards and enhanced bikeways were implemented well in advance of the larger quarter projects. This saves the City money and helps to get needed improvements on the ground faster. We thought we'd just share a few of the projects that are in the final stages of construction. They include a new traffic circle at the intersection of Park Boulevard and Stanford Avenue; a new crosswalk and curb extensions on

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Georgia Avenue at the Gunn High School path; new bicycle ramp and bike lanes on North California Avenue at the California Avenue underpass; enhanced bicycle lanes on North California Avenue between Alma Street and Middlefield Road; short two-way Class IV separated bikeway on Middlefield Road and North Cal. Avenue connecting the bike lanes along North California Avenue to the bicycle cages at Jordan Middle School. We have also developed a user guide for the two-way separated bikeway and have been working with Jordan Middle School administration to familiarize students with its design prior to its opening a week or so ago. We also plan to have Transportation Division Staff onsite during the first weeks of operation. We're going to finish a couple of minor items. We want to make sure it's completely finished, but that's one example. There also was construction of a shared-use path between Pratt Lane and Wilkie Way; removal of metal gates on Bol Park Path at Matadero Avenue; and installation of enhanced crosswalk on Cal. Avenue. That's it on the photos. I did want to share that the City is looking for engaged members of our community to serve on the Historic Resources Board, the Parks and Recreation Commission, the Planning and Transportation Commission, and the Storm Drain Oversight Committee. The application deadline has been extended until Wednesday, September 14th at 5:30 p.m. Applications are available on the City Clerk's webpage at [www.cityofpaloalto.org/clerk](http://www.cityofpaloalto.org/clerk). Please direct any questions about this recruitment to Deputy City Clerk David Carnahan, 650-329-2267 or [david.carnahan@cityofpaloalto.org](mailto:david.carnahan@cityofpaloalto.org). The City of Palo Alto is again partnering with the Palo Alto Family YMCA to co-host the second annual health fair as part of the Council's Healthy Cities/Healthy Community initiative. The 2016 Palo Alto community health fair is an entirely free event, sponsored by the City of Palo Alto, the Y, Kaiser Permanente, Palo Alto Medical Foundation, Sutter Health, Stanford Children's Health and Stanford Medicine. This year the event will be held at the Mitchell Park Community Center on Saturday, September 10th, from 10:00 A.M. to 10:00 P.M. The mission of the health fair is to connect community members with medical experts and local health services. The event will feature talks by physicians with a focus on health, nutrition and fitness. Topics will range from preventing diabetes to encouraging positive mental health. Audience members are encouraged to participate in end-of-session Q&As. Individuals can also sign up for one-on-one private meetings with physicians where personal health issues can be addressed free of charge. There will be over 40 health-related community vendors on-hand to provide demonstration, information and outreach for the community. More information on this event can be found at [ymcasv.org](http://ymcasv.org) for Silicon Valley. We had another successful summer camp and aquatics program season this year. A couple of numbers include 4,000 group swimming lessons, 1,200 private lessons with a Staff of 25 instructors and 41 lifeguards. We contract out with Team Sheeper to provide lessons while the City provides lifeguard staffing. We heard that 99 percent of participants

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reported they were satisfied with lessons. We don't know who the 1 percent is. An equally high number reported they would recommend the classes to a friend or family. We did want to share that last week Accela, who's the City's land permitting and licensing software vendor and a leading provider of cloud-based productivity and civic engagement solutions for government, recognized the City of Palo Alto and specifically our Development Services Director Peter Pirnejad at their Trendsetter Awards conference in south California. The awards recognize government agencies and individuals who are making great strides in civic engagement through the age of technology. Peter was recognized as an Accela Civic Superhero for his work to create an analytics dashboard that leveraged Accela data to measure service counts, speed of delivery and timeliness. That's all I have to report.

Mayor Burt: The community will be allowed to ride their bikes to Community Health Day. Is that correct?

Mr. Keene: I actually think the Mayor's Challenge is that everybody ride their bikes to the Community Health Day.

Mayor Burt: Council Member Holman, did you have a question?

Council Member Holman: Just one quick question. The new roundabout that you showed—I do like roundabouts. I just want to confirm that's going to be landscaped. It's barren at the moment.

Mr. Keene: I will look at that answer. I would say given the former Mayor/Council Member Holman's insistence on making improvements to some of our existing traffic circles last year, we'll definitely take a look at that. We've gotten obviously lots of positively comments from the community that we're finally cleaning those up.

Council Member Holman: I do go around and look at the ones, and they look really great. They look so much improved. Thank you.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Jim, I heard you say but not totally clearly that you will have people perhaps at Jordan for a couple of weeks indicating how the new configuration actually works. Did you say that or did I just imagine it?

Mr. Keene: At the start of the school year, yes. We actually had this written before the school year had opened up, but I know we were supposed to keep folks on board at least for the first week to make sure things were working well.

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Council Member Kniss: I think it's going to work well eventually, but it has been interesting initially. Lots of questions from residents asking about how does this work. FYI.

Mr. Keene: Thank you.

Mayor Burt: Those weren't the residents. They're not Jordan School students who got the training, right?

Council Member Kniss: No.

## Oral Communications

Mayor Burt: Moving on to Oral Communications. We have four cards from members of the public. If anybody else wishes to speak, please come forward to fill out a card. Each speaker will have up to three minutes to speak. Our first speaker is Neva Yarkin, to be followed by Mary Sylvester. Welcome.

Neva Yarkin: Good evening, Mayor and City Council. My name is Neva Yarkin, and I live at 133 Churchill Avenue. I live on that first block of Churchill Avenue where all the Paly students cross over Alma to get to school. It is a traffic mess from 7:30 to 9:00 in the morning with bikes, cars and backup from train crossing and continuing in the afternoon when school is over. I do not park my car in my driveway, because I'm afraid of killing someone entering or exiting my driveway on Churchill. Streets Embarcadero, Alma and Churchill are already stretched to the limit. Since traffic is a major problem in Palo Alto, I really don't understand how City Council would even consider this major expansion of Castilleja, adding more cars to this already congested area. If a vote were taken today in Palo Alto, I'm sure the majority of citizens living in Palo Alto would vote against Castilleja expanding and the buildup of traffic in this area. Let Castilleja go back to 415 students and let traffic not continue to grow. Thank you so much for your time.

Mayor Burt: Thank you. Our next speaker is Mary Sylvester, to be followed by Ken Horowitz. Welcome.

Mary Sylvester: Thank you. Mr. Mayor, City Council, I'm Mary Sylvester. I live at 135 Melville Avenue, one-half block from Castilleja School. I've lived on that block for 39 years raising two children. I'd like to bring up three questions about Castilleja's recent Conditional Use Permit (CUP) application as well as their master plan approval process. The three questions that I bring up and associated comments are directed to the Council as well as Ms. Freeman, Mr. Keene and the City's legal counsel. What does it take to



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have City personnel respond to neighborhood correspondence and phone calls? I will say one very fine City Planner has had the courtesy to respond professionally and promptly to numerous neighborhood concerns. However, the Planning Director has not. Mr. Keene has not responded to correspondence from the neighborhood. Number 2, what does it take to get the City to enforce Castilleja's 415 student zoning cap as required by their zoning permit in 1980? The school has consistently been out of compliance for over a decade. We are not talking about a public school. We are talking about a private women's school that has a very fine mission, but has the possibility of residing in many different parts of the community, not in an R-1 neighborhood where 73 percent of Castilleja students come from outside Palo Alto. The corollary to Question 2 about what does it take to get the City to enforce the zoning cap is are the neighbors to assume that the school's desired 415 to 540 student enrollment level outweighs the neighborhood's need and concerns about their own quality of life. We have been dealing with problems from Castilleja for 25 years. It's now time to take a stand. Thank you.

Mayor Burt: Thank you. Our next speaker is Ken Horowitz, to be followed by our final speaker, Mark Mollineaux.

Ken Horowitz: Good evening. I'm Ken Horowitz; I live on Homer Avenue. It's a little over two years that I came before you with about a dozen residents to talk about the YMCA that was formerly at 755 Page Mill Road. I wanted to give you an update. At the time the City Manager said he was going to give an update to the Council, but I haven't heard from him again regarding that site so I'll give you a little update. The Silicon Valley YMCA pulled out and left a vacant space. There was 15,000 square feet. In June 2015 the landlord submitted a plan to convert that space into offices. Thankfully the Planning Department denied the applicant to convert that 15,000 square feet into offices and was told that he would have to keep it as a fitness center. He resubmitted the plans, and just this June he got another permit for a fitness center which is going to be smaller than the original and some offices. I don't have a problem that it's going to be a little bit smaller, but what I recently found out is that the applicant, the landlord, is just going to allow people who are tenants at that particular building to use the facility. That certainly doesn't seem like it's a fair use. In fact, I would consider it also office use. My hope is that our City Manager would talk to Mr. Robert Wheatley and see if he would be amenable to allowing some of us that were formerly members of that Page Mill YMCA to come back and use that facility that he's now going to restore as a fitness center and allow us—it was really important to so many of our residents, particularly those people that lived in Barron Park and College Terrace—to go over and use that facility as a fitness center. It was kind of interesting

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that at your last meeting both Mr. Robert Wheatley and Boyd Smith were here arguing that their Pet Depot was not a pet store. It's kind of funny that they were here also last meeting to argue. Again, my hope is that the City Manager, who said he was going to help us, might negotiate with Mr. Wheatley to see if we can get that back as a facility and that he would satisfy the Planned Community (PC) requirements that he was awarded at the time. Thank you for your time.

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

Mark Mollineaux: Good evening. My name is Mark Mollineaux. I live in Redwood City. I'd like to comment on the statements of Mayor Pat Burt last week, when he was interviewed by *SF Curbed*. I wouldn't normally wish to single out a single person, but as he is the face of the housing policy of the City it's unavoidable. I commend the Mayor for speaking publicly on the justifications for the Palo Alto housing policy, but his answers were more than a little bit troubling. To quote, the Mayor at one point said, "My point is the former Palo Alto Planning Commissioner Kate Vershov can't afford a home like that," referring to a two-bedroom home, "but she could afford a starter home or a condo home. That would not be cheap either, but when my wife and I came to Palo Alto, we rented half a duplex, just a little more than 500 feet, then we overpaid for our first house, a two-bed one-bath place. After 10 years, we were able to buy a slightly larger home." This is troubling for several reasons. One, it offers an "up from my boot straps" narrative that was true decades ago but not today. It's true that after the journalist that the Mayor was speaking to objected that this was not open for her, the Mayor responded, "It may be out of reach for someone like you, a journalist, but not for young professionals. They can and are making those purchases." This can only be true in a very limited sense. A medium home price in Palo Alto, \$2.5 million, is simply not affordable, not just for journalists and school teachers but also for professionals. The City has become unaffordable to essentially everybody except those who were lucky to move here years and years ago. These statements by the Mayor would either imply that he is unaware of the severity of the failure of the housing policy of his own City or is indifferent to the very human cost it creates. Both I find very troubling. Thank you for your time.

Mayor Burt: Thank you. That concludes our Oral Communications.

## Minutes Approval

2. Approval of Action Minutes for the August 15, 2016 Council Meeting.

Mayor Burt: Our next item is Approval of Minutes from the meeting of August 15, 2016. Do we have a Motion to approve?

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Vice Mayor Scharff: So moved.

Council Member Berman: Second.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Berman to approve the Action Minutes for the August 15, 2016 Council Meeting.

Mayor Burt: Motion to approve by Vice Mayor Scharff, seconded by Council Member Berman. Please vote on the board. That passes unanimously.

**MOTION PASSED:** 9-0

## Consent Calendar

Mayor Burt: Our next item is our Consent Calendar. I'll entertain a Motion to approve.

Council Member Kniss: So moved.

Vice Mayor Scharff: Second.

**MOTION:** Council Member DuBois moved, seconded by Council Member Kniss to approve Agenda Item Numbers 3-8.

3. Resolution 9623 Entitled, "Resolution of the Council of the City of Palo Alto Approving an Assignment, Assumption and Consent Agreement With Mercuria Energy America Inc. and EDF North America LLC, and Finding That the Agreement's Approval is not a Project Requiring California Environmental Quality Act Review."
4. Approve and Authorize the City Manager to Execute a Contract With Advanced Design Consultants, Inc., in an Amount Not-to-Exceed \$160,701 for Design Services for the Ventura Building, Capital Improvements Program Project PE-15011.
5. Acceptance of the Palo Alto Fire Department Quarterly Performance Report for the Fourth Quarter of Fiscal Year 2016.
6. Approval of a Contract With Golden Bay Fence Plus Iron Works, Inc. in the Amount of \$1,755,510 for the Palo Alto Airport Perimeter Fence and Gate Upgrades, CIP Project AP-16003; Approval of Amendment Number 2 With C&S Engineers, Inc. Contract Number C15155208A to Increase the Contract by \$208,329 for a Total Not-to-Exceed Amount of \$1,108,329 for Engineering and Design Services; Approval of a Budget Amendment in the Airport Enterprise Fund; and Adoption of Findings That the Project Satisfies the Requirements of the National

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Environmental Protection Act (NEPA) and California Environmental Quality Act (CEQA).

7. Approval of a Contract With Engineering/Remediation Resources Group, Inc. in the Amount Not-to-Exceed \$180,007 for the Municipal Services Center Fuel Station Demolition and Excavation Capital Improvements Program Project VR-14002 and Approval of a Budget Amendment in the Vehicle Replacement and Maintenance Fund.
8. Ordinance 5387 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Chapter 2.30 [Contracts and Purchasing Procedures] of the Palo Alto Municipal Code to Establish Contracting and Purchasing Procedures and to Define the Contracting Authority of City Officers and Employees (FIRST READING: August 15, 2016 PASSED: 9-0)."

Mayor Burt: Motion to approve by Council Member DuBois, second by Council Member Kniss. I see no lights, please vote. That passes unanimously.

**MOTION PASSED: 9-0**

## Action Items

9. Resolution 9624 Entitled, "Resolution of the Council of the City of Palo Alto Proposing a Storm Water Management Fee of \$13.65 per Equivalent Residential Unit (ERU) to Replace the Existing Storm Drainage Fee, Calling a Public Hearing for October 24, 2016 With Respect to Such Fee, and Adopting Procedures Relating to the Conduct of a Protest Hearing and Mail Ballot Election."

Mayor Burt: We now can move on to our two Action Items of the evening. The first is adoption of a Resolution proposing a storm water management fee of \$13.65 per equivalent residential unit, ERU, to replace the existing storm drainage fee, calling for a Public Hearing for October 24, 2016 with respect to those fees, and adopting procedures relating to the conducting of a protest hearing and mail ballot election and adopting a categorical exemption under Section 15061(b)(3) of the California Environmental Quality Act Guidelines. Welcome, Mr. Bobel.

Phil Bobel, Public Works Assistant Director: Thank you, Mayor. City Manager, did you want to ...

James Keene, City Manager: (inaudible) good work, Phil.

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Mr. Bobel: This can be pretty short. We just have three slides for you. As background, just to remind you, we brought the recommendations from the Blue Ribbon Storm Water Management Committee to you previously. You adopted all those with some excitement, I'll say. Mayor Burt gave a very impassioned and accurate thank you to the Committee as he described the new features of this. We've talked about that before, and I won't go through that again. Just to remind you, you did adopt the recommendations which included a proposed new fee and a series of other important measures on green infrastructure and others. With respect to the fee, that's really why we're here tonight. The Staff recommendation is to ask you to approve a Resolution proposing the fee itself, which would begin June 1st, not quite the fiscal year (FY), of '17 and apply mostly to FY '18 of \$13.65. That's for a typical resident. You recall it relates to the property size. Our most typical resident would pay \$13.65. Just to put that in context, that's about a 3 percent increase over what they would have paid if the existing structure had remained in place. Remember, it doesn't remain in place. It in fact sunsets on June 1st. Most of the existing fee sunsets at that time. The Resolution would also be calling for a public hearing on October 24th with respect to a fee and adopt the procedures relating to the conducting of a protest hearing and a mail ballot election. You'd also be adopting tonight a categorical exemption from California Environmental Quality Act (CEQA) for the action of imposing this fee. Just to remind you a bit about the fee. It's composed of a base and then a project component. First, the base. The funds are for non-capital expenditures; that's the best way to describe them, maintenance, our staffing and expenses. This part would not sunset. This is a little bit of a change from the existing situation where the entire added portion of the fee sunsetted. Remember there was a part of the fee, just over \$4 per household, which came from before the last ballot measure and did not sunset. The rest of it is sunsetting; approximately \$8 is sunsetting in June of '17. There would be this portion that the Committee is proposing not sunset, and that'd be \$7.48 for a typical household or so called ERU. There would be the project component. This is the part that would pay for Capital Improvement Program (CIP) projects. It would pay for the green infrastructure, and it would also pay for incentive programs, we've called them, where the private sector can apply for funding to do measures that result in infiltration of storm water and replenishment of the groundwater. That part would sunset after 15 years, so a little longer than the current period, which was 12 years of sunsetting. Roughly half of it not sunsetting, the half that relates to maintenance, and then half of it roughly sunsetting after 15 years, the project portion of it. Here's the schedule. This is really our last slide just to show you what the next steps would be, assuming you approve the Resolution tonight. We would mail these legal notices on September 9th. Remember, this is a two-step process, and this is unique to storm water. The rest of the utilities don't have to have this two-step

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process. In the storm water case, there's first a notification, then the potential for a protest hearing if greater than 50 percent of the people respond and request—essentially propose to deny the amount. The protest hearing itself would be October 24th. The second step is the ballot step unless we are cut off at the protest hearing step, which is unlikely. It's unlikely that we're going to get a majority of folks protesting this. We'd have a ballot, which we'd mail on January 11th. That's the proposal. The ballots would be due back on February 28th. Then, we'd bring back to you the results of that election to be certified on March 20th, and the new fee would become effective on June 1st, '17, as I said before. Those were all of our slides. I did want to recognize the guy that put this all together, Joe. This happened a bit faster and Joe, I'm sure, was still upstairs. These things happen ...

Joe Teresi, Public Works Senior Engineer: (inaudible) early.

Mr. Bobel: I also wanted to recognize Hal Mickelson, who has been a two-time member now of our storm committee. We've renamed it. The Committee recommendation was not to call it a storm drain fee, which implies some kind of drain on all of our resources, I guess, but rather a storm water management fee to reflect the fact that this is really a resource. It's not something we should just be thinking of how to get rid of, but how do we use this as a resource. The Committee really focused on that. Many thanks to Hal. David is also with us. David, thanks to you. We really appreciate your—he was one of the new youngsters on the Committee, David, this year. Thank you so much. I think those are our only two Committee members. Just to remind you, Claire Elliott was our Vice Chair. She presented the green infrastructure part last time. She's very excited about that, like all the Committee members. Peter Drekmeier is our Chair. Neither one of them could make it tonight.

Mayor Burt: Thank you, Phil. We'll now have questions from Council Members. Council Member Kniss.

Council Member Kniss: I was fortunate to attend a portion of the first meeting. In addition to it being an enthusiastic group, I was impressed by how many were there.

Mayor Burt: I'm sorry. Are you talking about the Committee that recommended this as opposed to a campaign committee which is not what this is about?

Council Member Kniss: Let me withdraw those comments. Yes, I was.

Mayor Burt: Thank you. Council Member Berman.

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Council Member Berman: One quick question. Slide 3 talked about how the base component of \$7.48 a month is going towards ongoing non-capital expenditures for engineering, maintenance and storm water quality staffing and expenses, and then there's an infrastructure component. On Page 2 of the Staff Report—it doesn't have a Packet Page number because it was a follow-on item—says after adjusting the proposal to reflect the fiscal year 2017 adopted budget, etc., the cost of ongoing staffing and programs have been increased, leaving less funding for the proposed new storm water management endeavors. Were we locked into the total amount? Was it not possible to just increase the amount of the base component to address the increased staffing costs? It seems like we've taken away a little bit from the capital improvement projects due to the increased staffing costs.

Mr. Teresi: Good evening, I'm Joe Teresi, Senior Engineer, Public Works. When we met with the Committee, we had slightly different budget numbers that we were working with. Over the course of updating those budget numbers, we realized that more of the funding had to be applied towards this long-term ongoing cost and a little bit less towards the projects. It's a change from what the Blue Ribbon Committee originally saw, but it's in the same spirit.

Council Member Berman: I just can't remember exactly what we've done when. Was it too late at that point to just increase the amount of the base component fee or was that discussed?

Mr. Teresi: We talked with the group about the idea of raising the total fee from \$13.65, but they were pretty set on that amount. They didn't want to increase that. We just had to increase the balance between the two components.

Council Member Berman: The conversation was had.

Mr. Teresi: Yeah. The fear was if the fee was too high, it would be harder to pass.

Council Member Berman: Thanks.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Just a follow-up on the same issue. I was struck with the Table on Attachment B. The original proposal had half the funding going to Staff and maintenance and half going to capital improvements. All of a sudden, between the last meeting and this meeting, there is a substantial shift of where the funds go. You now are proposing 56 percent of the funds to go to staffing. As I recall, we increased total costs of Staff on

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the order of 3-3 1/3 percent in our most recent budget. This is a 12 percent increase. It seems to me we're going to people who traditionally have gone selling capital improvements, and a 50/50 split of the funding seemed to make sense. Now, we're at 56/44 for staffing and maintenance. That seems like a fairly dramatic shift.

Mr. Teresi: Again, what happened is when we were meeting with the Committee and when they prepared the Report, we were using fiscal 2016 budget figures. Since this new fee proposal wouldn't go into effect until Fiscal 2018, there's actually going to be a difference between those old figures and the figures that will be in effect in 2018. We looked at more updated and more current budget figures. Existing costs have gone up, and those are part of the base program. I understand your concern, but this is the cost of the ongoing maintenance and engineering and water quality program.

Council Member Schmid: As I recall, the Long Range Financial Forecast implied that salary and benefits, the cost of maintenance and engineering would be rising about three percent, 2 1/2-3 percent per year in the future. We do have an inflation adjustment of that written in. Again, why the shift for more of the funding to go away from capital projects?

Mr. Bobel: Let me emphasize that there wasn't any increase in any of the actual activities between the last time you met and now. What we had to do was take care of two years of budget growth. Like Joe said, we were working off FY '16 numbers; we had to update that to FY '18. You get two years' worth of growth. Roughly speaking, your math isn't too far off from what actually happened. When we shifted from one category to the other, it looks like a 12 percent increase; actually that's only as a percent of the total. Really what we had was two years worth of a smaller number. It looks like that shift from the total, but it was not that percentage increase from the previous figure you were given for the base amount. It's hard to explain.

Council Member Schmid: I'm just thinking if we're heading toward an election, which your time table has coming pretty quick, it would be an effective election issue, to say that this is addressing the capital needs of our City. Moving away from the 50/50 is a little bit concerning. I wonder if the members of the Commission would like to make any comment.

Mayor Burt: Excuse me a moment. I'll allow it. Mr. Mickelson, if you'd like to come up to the mic. Those need to go through the Chair.

Hal Mickelson, Blue Ribbon Storm Water Management Committee: Hal Michelson. I would say that what's going on primarily is that there was



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strong feeling on the Committee that if we currently have a \$13.03 rate, we could effectively convince our fellow citizens to move to \$13.65. There was a lot of resistance to a number beyond \$13.65. It's trying to keep the overall fee per ERU to that number. I think that was our focus.

Council Member Schmid: Was there a discussion about the share going to capital improvements?

Mr. Mickelson: I can't recall that there was that discussion. The phenomenon that you've identified comes from trying to keep the total at the same number.

Council Member Schmid: Just a final comment. I know the current storm drain program still has one capital project still to go. I note that it's not included under the funding here, which means that the contract when it gets signed will have money coming from the current. Is that correct?

Mr. Teresi: That's right. I know that's your favorite project, the one for the Matadero Pump Station. We're getting ready to put that out for bids probably in the next month or month and a half. That's fully funded from the existing funding from the existing fee.

Council Member Schmid: I think that would be an important point to make as we move forward. Thank you.

Mayor Burt: Council Member Filseth.

Council Member Filseth: I just wanted to say I really like the structure of what you've done here, splitting out the capital versus the operating expenses. It's very transparent. I recognize the differences in time scale between the two sides. The discussion we're having, which is basically the tension between operating expenses and capital expenses, is the right kind of discussion to have and the structure facilitates it. I thought that was really good. If it works here, maybe we should look at it for other utility areas. Thanks.

Mayor Burt: We have no speaker cards. We can now entertain a Motion. In that case—Vice Mayor Scharff.

Vice Mayor Scharff: I'll move approval of the Staff recommendation.

Council Member Berman: Second.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Berman to adopt a Resolution:

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- A. Proposing a monthly Storm Water Management Fee of \$13.65 per Equivalent Residential Unit (ERU) to replace the existing storm drainage fee of \$13.03 per ERU; and
- B. Calling a public hearing for October 24, 2016 with respect to such fee; and
- C. Adopting procedures relating to the conduct of a protest hearing and a mail ballot election in conformance with Proposition 218; and
- D. Adopting a categorical exemption under Section 15061(b)(3) of the California Environmental Quality Act Guidelines.

Mayor Burt: That's a Motion by Vice Mayor Scharff, seconded by Council Member Berman. Do we have that available to place on the screen? Vice Mayor Scharff, would you like to speak to your Motion?

Vice Mayor Scharff: Yes, I would. I appreciate all the really hard work of the Committee on this, and Staff on this. This is obviously something we need to do. I think it's really important for the City that it gets done. I also was disappointed to see the change between operating expenses and capital costs. To be honest, I had a concern that it'll get worse. As we move forward on this, operating costs could go up more, and we could actually then have less money to spend on capital costs. I did want to ask the question of how confident you were on your projections for 2018 and beyond? This goes on for a while. What numbers are you using as an inflator?

Mr. Bobel: We're using three percent. I think we all share the concern that certain costs are rising even at a greater rate than three percent. We might face that problem. We've tried to be conservative in the capital cost estimating so that hopefully those dollars will go just as far if not further than what we've estimated.

Vice Mayor Scharff: Thank you.

Mayor Burt: Council Member Berman.

Council Member Berman: I don't have anything to add.

Mayor Burt: I see no more lights. Please vote on the board. That passes unanimously on a 9-0 vote. Thank you all very much. Thank you to members of the advisory committee for all of your great work.

**MOTION PASSED: 9-0**

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## 10. Policy Discussion on Comprehensive Plan Update Environmental Impact Report Scenarios 5 & 6 (Continued From August 22, 2016).

Mayor Burt: We will now move on to Item Number 10, which is a discussion of the Impact Report Scenarios, Numbers 5 and 6, of the policy discussion on the Comprehensive Plan Update. I want to read this correctly. Update of the Environmental Impact Report and to provide direction to Staff regarding requested modifications. This item was continued from August 22nd. Based on our action tonight, Staff will work with the City's consultants to conduct an environmental analysis of the new EIR scenarios. The draft environmental analysis will be circulated for public review prior to preparation of a Final EIR. Director Gitelman, welcome.

Hillary Gitelman, Planning and Community Environment Director: Thank you, Mayor Burt and Council Members. Hillary Gitelman, the Planning Director. Let me acknowledge that Elena Lee and Elaine Costello are in the audience, who are working with us on the Comp Plan. I also saw at least one member of the Comp Plan Citizens Advisory Committee (CAC) here. There are some people watching. This is a continuation of an item or a discussion that was actually begun in May and June and got postponed during the Council break. We're glad to take it up again. We're here to talk about the scenarios that we'll be adding to the EIR analysis before finalizing that analysis and bringing it back to Council with the final Comprehensive Plan Update. You all know that this Comprehensive Plan Update is really a once in a generation endeavor. We've put a lot of effort into it already, not just the Staff but the Council, the Planning and Transportation Commission, the Comp Plan CAC and a whole host of others who have participated through many years at this point of effort. We are developing a Plan through all of this that is really looking ahead to the year 2030. It's about the future, and it's really something that we think will be in place for the next 15 years or more. We're embarked on a process that has three parallel and interweaving efforts going on. The Comp Plan CAC, Citizens Advisory Committee, is the middle column in this chart. It shows that the CAC is taking up one-by-one each of the elements of the Comprehensive Plan and preparing a recommendation to the City Council. On the left-hand column, you'll see that the City Council is weighing in on policy issues and reviewing the work products of the CAC. The City Council is the ultimate decision-maker here. On the right-hand column, you'll see that we're preparing a CEQA document which is needed before we can get to the end of the process and provide to the Council a plan that's ready for adoption. It's really that last strand that we're here talking about this evening. As you know, a Draft EIR was published early this year. It looked at four alternatives or scenarios at an equal level of detail, which goes beyond what is normally required in a CEQA document. The reason for doing that was to give the Council

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ultimately some flexibility to adopt a hybrid of the scenarios at the end of the day. We think of these scenarios as really bracketing possible outcomes, giving the Council the ability to choose policies within those brackets. The Council earlier this summer requested that we add two additional scenarios to enhance that bracketing of possibilities in the future. The quantitative parameters of these two new scenarios, which we're affectionately calling Scenarios 5 and 6, were defined in May. We've provided those in your packet. What we really want to focus on this evening are the qualitative or policy parameters of the scenarios. We had embarked on this conversation in June and then just ran out of time to get to the finish line. We talk about in the Staff Report these policy parameters falling in a number of categories, and we provided some recommendations for you in the form of some tables with check boxes in them. The housing-related policies and programs are on Page 283 of your Packet. The possible zoning amendments are on Page 286 of your Packet. Infrastructure investments are on Page 287, sustainability measures on Page 288, and then a discussion of performance and mitigation measures on 289 and the pages that follow. We can go through any of these in whatever level of detail you like. These tables are not exhaustive, as you see. They do provide some detail. I don't think they get down into the weeds to the extent that we could with these. The idea again is simply to provide enough policy parameters for these scenarios that we can do a coherent analysis of their potential impacts and present those in the form of a supplement to the EIR before moving forward. We're not intending that any of the policy parameters we discuss tonight would be commitments of the Council. They're merely just possibilities that could be analyzed for further consideration later in the day. I have some slides just reviewing what the original scenarios were and the new scenario. Let's review quickly. Scenario 1, if you remember, is our equivalent of the no project alternative. In this scenario, the Comprehensive Plan is not updated. This shows what the future would like if we make no policy changes whatsoever. It's based on an assumption that Association of Bay Area Government's (ABAG's) projections 2013 were correct for the job numbers and for the housing numbers. We basically continue to add housing at the same rate we've been doing so for the last 20 or so years. Scenario 2 is meant to depict and test this idea of slowing job growth. It also has a housing growth consistent with our historical growth pattern. The focus on housing units, though, is on smaller units. There are some policy parameters introduced to this kind of slow growth scenario. Scenario 3 also has some ideas about slowing the growth of jobs, in this case using an annual limit like the one we have in place on an interim basis. It eliminates some housing sites in the southern part of Palo Alto and instead increases densities Downtown and in the California Avenue area. It starts to introduce some infrastructure ideas in addition to what's in the Infrastructure Plan, specifically grade-separating Caltrain. Scenario 4 is the largest growth scenario that was included in the

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Draft EIR. It basically tests this idea that we allow growth to happen without slowing job growth. The job and housing numbers are both consistent with what ABAG projected back in 2013. The idea in this one is that we would try and control the impacts of growth rather than the growth itself. We would in this case eliminate housing sites in south Palo Alto again, increase densities in other parts of the City and also add some new housing sites along El Camino Real. We're hoping to get your input on that idea tonight in the context of the new scenarios. This scenario was interesting to all of us because of this idea of the performance-based approach to try and control impacts instead of controlling growth, as I mentioned. Scenario 5, this is the first of the new scenarios that we're seeking your input on this evening. The concept again was to test a slow growth scenario with this concept of performance measures and controlling the impacts.

Mayor Burt: Hillary, can you make sure when you say slow growth whether you mean slow job growth or slow housing growth?

Ms. Gitelman: Sure. Scenario 5 tests slow job growth. It has slightly less job growth than Scenario 2, which henceforth had been the lowest of all of the job growth. It also has really pretty modest housing growth, somewhat more than our historical pattern. It uses the idea consistent with Scenario 3 of eliminating sites in south Palo Alto and increasing densities Downtown and in Cal. Ave. It's a good kind of middle-of-the-road scenario, again testing this idea that with slow job growth, a modest increase in the rate of residential growth, could we control the impacts through performance measures. Scenario 6 is another one of the new ones we're seeking input on. Really here the idea, as I understand it from the Council, was to test the idea of more housing growth again by using performance measures. Once again it has slow job growth, but it allows much more housing than the other scenarios, so the housing is even greater than was previously analyzed as part of Scenario 4. We have in your Packet—I don't expect that everyone's going to be able to read this table carefully. We've provided a comparison of all of the quantitative parameters of the scenarios in the Packet. It's on Packet Page 282, Table 1. We show the housing numbers, the population, nonresidential square footage and job numbers for each of the scenarios including the two new ones, Scenario 5 and Scenario 6. Tonight we'd like to do hear any comments from the public and then get any questions you have on the objectives of this evening's conversation. We are interested in your input on the policy parameters for Scenarios 5 and 6, and we've provided the tables that I referenced in the Staff Report for your review. We also provided excerpts from an earlier Staff Report that had slightly different wording in the tables. I guess I should emphasize that we're not about precision here. We're trying to generally define parameters of the scenarios sufficiently to permit an analysis of them in the EIR. After this evening,

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we're going to work with the consultants to analyze the two new scenarios. We do have to amend the PlaceWorks contract one more time. The last amendment we brought to you provided the funds to do the analysis of one new scenario, but now we're adding two new scenarios. After that, we'll be steaming ahead. The idea is to produce a supplement to the Draft EIR that will be circulated for public comments. During that review period, we'll also submit additional comments at the Council's direction on the Draft EIR. Once we have all the comments, we will prepare written responses, and that will come to the Council in the form of a Draft EIR, which must be certified before the Council can take action on the Comp Plan Update itself. That's really it for this evening. I did want to give you a quick preview of what the Citizens Advisory Committee is thinking in terms of performance measures. I know you'll have an opportunity to discuss this in the future. Just because both of these new scenarios have this idea of using performance measures to control the impacts of development, I thought I would show you—just try and explain briefly what the CAC has been talking about in the context of the Land Use Element. They've really been talking about two different kinds of performance measures. The terminology is still evolving. This whole thing is evolving a little bit still. On the left you see they have been thinking about development performance measures that would control the impacts of new development. The idea is to ensure that we have the right standards and requirements in place to address the impacts of new development. If we want to have standards that are optional and if some new development would comply with those standards, they would get some additional something, density or height or whatever. That's the idea of development performance standards. It's specific to new development that happens during the life of the Plan. It's still to be defined a lot of the detail there, but conceptually that's one of the approaches. The companion approach conceptually doesn't just apply to new development; it applies to the community at large. If we look ahead 15 years, we have to realize that a lot of the change—a lot of what's going to happen in the community is not because of the new development. It's because of the people who already live here. You think about greenhouse gas emissions, for example, in the Sustainability and Climate Action Plan (S/CAP). We're not going to achieve the reductions that we've set as our goal just if we make new development do the right thing. We all as a community are going to have to contribute to doing the right thing to achieve the reductions that we're trying to achieve. The community performance measures are more about monitoring those things that have to do with our well-being, our quality of life, the long-term livability and sustainability of the community. The idea is that these would be monitored on a regular basis and be used to inform and adjust the growth management strategies going forward. That's the concept that the CAC has been working with and will be defining further as the Land Use Element makes its way to you. I thought you'd want to know that, because

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it's directly relevant to how we talk about these Scenarios 5 and 6. Happy to answer questions about that as well.

Mayor Burt: Let me just make sure we're all clear on the scope of what you're looking for us to comment on. In addition to the specific scenarios, we have in the Staff Report a series of tables that summarize related policies and programs, Zoning Code amendments, infrastructure investment that would go with different scenarios, and sustainability measures that would go with scenarios. Are you looking for any input we may have on those aspects as well?

Ms. Gitelman: I think that would be very helpful to hear from you, whether any of those tables that you just mentioned contain surprises or you think are off track in how they suggest that we define Scenarios 5 and 6.

Mayor Burt: In tonight's discussion, you wanted to focus on 5 and 6 and not what we had ...

Ms. Gitelman: That's correct.

Mayor Burt: ... previously discussed once before.

Ms. Gitelman: The parameters for the others have already been defined and analyzed.

Mayor Burt: I just want to frame things for both the Council and the public. We're tonight looking at two different scenarios that are different from what we had received from Staff and what the Council had instead asked for. What they basically are looking at is the only two scenarios that actually reduce our jobs/housing imbalance. These came at the initiative of the Council. The first one, Number 5, is one that has about—you said a modest increase in housing over the business as usual. My rough calculation is it's about a 30 percent increase in housing over the business as usual, which would normally be considered a pretty significant increase. That's 3,546 housing units versus 2,270 at business as usual. I just would say that I would characterize that as more than modest. Scenario 6 has a very significant housing increase, more than double the business as usual. In each case, those two scenarios reduced the number of jobs that would be grown, really through reducing the growth in both commercial space and other measures to reduce the rate at which jobs would grow, below any of these scenarios in 1-4. Without both those measures, we wouldn't be seeing the significant or moderate reduction of the jobs/housing imbalance. I wanted to make sure that was understood. There's been a lot of discussion in the public that seems to have been inaccurate about what the Council has directed and requested, not only in the Comp Plan scenarios but other recent

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initiatives. I just wanted to put that on the record. We now can go to technical questions from the Council, and then we'll hear from members of the public. I don't yet have any speaker cards. If speakers would like to put a card in, please—I think we have some. We'll hear from members of the public, and then we'll return to the Council for recommendations. Council Member DuBois.

Council Member DuBois: Hillary, I'm looking at the table on Page 286, which is the Zoning Code amendments. A question about the last one there, the residential densities, and the one on the next page, one's for Downtown and the other one's for El Camino. These are housing-related. I just wondered why they weren't in the housing section. Is there a difference between the others?

Ms. Gitelman: We could have easily put that in the earlier table about housing policies and programs. We knew there was going to be overlap. This was kind of a zoning thing.

Council Member DuBois: I was just curious about that.

Ms. Gitelman: It could have been in either place.

Council Member DuBois: The first one Downtown says permitting process by-right. The one on El Camino uses different language, modified regulations.

Mayor Burt: (inaudible)

Council Member DuBois: I'm at the bottom of Page 286, allow residential densities to increase Downtown and near California Avenue (Cal. Ave.).

Male: (inaudible)

Council Member DuBois: The very last paragraph there. The wording is different. I just wondered if that was intentional and what's the difference in meaning.

Ms. Gitelman: I don't know. You could probably read more into it than there is. The first description, the paragraph about Downtown and California Avenue, is a description we used for the other Scenarios, 3 and 4, and carried that forward for 5 and 6. I think we had the sense, when the Council was discussing scenarios earlier, that they didn't have the same interest in El Camino that they did in the other sites. We made this separate line for El Camino, and the language is somewhat different. It could be the same or we could find another way to encourage that without making it by-right.



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Council Member DuBois: Modified regulations sounded more gentle than by-right. On Page 293, I know I asked this last time, and I forgot the response. We had talked about potentially reducing the Floor to Area Ratio (FAR) in the California Avenue district—I think it's the fourth one down—from 2.0 to 1.5. That one has kind of disappeared from the more current tables. I think we replaced it with a more global item. Allowable commercial densities would be reduced and replaced with residential densities. We could easily put that in, in its specific form or more generally. The idea is really that we're going to achieve the kind of slowing of jobs growth that we see in Scenarios 5 and 6, unless we take some policy steps to moderate that growth.

Mayor Burt: Council Member DuBois, the Vice Mayor was just pointing out to me on Page 293, the fourth bullet in that table appears to refer to what you were talking about on Cal. Ave.

Council Member DuBois: That's the one I'm talking about.

Mayor Burt: It's still there, right?

Council Member DuBois: This is from a previous meeting. It's not included in the current (crosstalk).

Mayor Burt: Got it. Thank you.

Council Member DuBois: Again, it's specifically around Cal. Ave. I think that's an interesting program that we should include in one of the scenarios.

Ms. Gitelman: We could definitely carry that level of specificity forward.

Council Member DuBois: The last question I had. We have this—I guess it's Attachment C. Was that included for us to think about avoiding some of the mitigations that are called for in certain scenarios?

Ms. Gitelman: I think we wanted you to understand the full scope of the mitigation that we're going to have to look at as part of the Environmental Impact Report (EIR) process. As we prepare the supplement and we're looking at taking up a performance-based approach to Scenarios 5 and 6, we'll end up making those all a little less specific and down in the weeds. We're trying to think about them more generally and in more English instead of "Planner-ese." I think it's valuable for you to understand that we—for everyone to sort of gather that in the course of the EIR, we're going to have to look at mitigation in all of these different topics and address the impacts that are identified there.

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Council Member DuBois: I thought you perhaps wanted us to think about varying the scenarios so that some had mitigations and some didn't.

Ms. Gitelman: At this point, the mitigations are mostly applied to all of the scenarios equally. There are some exceptions, but it probably wouldn't be a fruitful discussion at this meeting to trade them off. The zoning and housing and sustainability provisions are more important to find some variation between the scenarios.

Council Member DuBois: Thank you.

Mayor Burt: Council Member Holman.

Council Member Holman: Just a couple or three questions at the moment. I've always been confused by this. On Packet Page 282, if you look at whichever scenario and look at the nonresidential square feet, you go from 3.3 million—the highest is at 4 million and 2.7 million. Let's say we look at Scenario 4 and Scenario 1. The difference there is 0.7 million square feet of nonresidential, but the new jobs are considered the same number. If you look at slowing growth at 3 million, which is only 0.3 million square feet smaller than Number 1, the difference is considerably less in number of jobs. I've never quite understood the relationship of how those jobs are calculated.

Ms. Gitelman: The job numbers here are really a projection of job growth. They're meant to kind of test the impacts of different amounts of job growth. I think we have an explanation of this phenomenon on Packet Page 291. It's important that we articulate this. There is not a direct or proportional relationship between new square footage and jobs. We know that new square footage allows more jobs, but we also know that existing square footage allows jobs. There tends to be a cyclical—tends to change with the economic cycles. When times are good, workers are jammed in to existing building space and you get a lot of job growth without a lot of square footage growth. As the good times continue, you tend to add more building space and you fill up the new building space. It's not a proportional relationship.

Council Member Holman: I do understand the cycles that you're talking about. It seems like if we're looking at controlling job growth and supporting some housing growth, we ought to be incorporating tools that would moderate that job growth. I've always been told, going back many years, once a building is built you have to account for what might happen in that building if the Code and the enforcements aren't in place to moderate what happens in the building. I'll just keep it very brief here. Even with Scenarios 5 and 6—actually I have two questions. Even with Scenarios 5

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and 6, the 2.7 million square feet of new nonresidential square feet, that's 180,000 square feet a year on average over the next 15 years.

Ms. Gitelman: Just a couple of things. On your earlier point about controlling the rate of job growth in existing building space, if you look at Table 3 on Packet Page 286, in the earlier scenarios we suggested using a use permit for new office/R&D uses to regulate employment densities. We got a lot of push-back on that during the comment period. What we're suggesting for Scenarios 5 and 6 is some alternate mechanism for moderating employment densities, either through regulation or through revenue collection, as the Council's talked about some kind of head tax. That's an idea we're proposing to test in these scenarios. That would be a rationale or we think a basis for projecting the lower job growth than you see in the ABAG scenarios. That's to answer your first question. Your second question about the square footage numbers in Scenarios 5 and 6, the 2.7 million square feet, it's important to remember that there's 1.3 million square feet already approved at the Medical Center. The amount that would be spread over 15 years is 1.4 million, which is less than 100,000 a year. If you figure we have a 50,000-square-foot cap, which only includes a portion of the City, and the Stanford Research Park alone has enough zoned capacity to do more than 50,000 a year, we thought it was a reasonable projection. The Council concurred back in May when we talked about the quantitative parameters. All of these, I guess they could be a little higher, a little lower, but I thought we all agreed in May that these were good for analytical purposes. They would provide the bookends that we need in the EIR to make informed decisions.

Council Member Holman: You're right. When I did the division, I forgot about the 1.3 for Stanford. I'd forgotten about that. I do have highlighted the things that you just mentioned on Packet Page 286. I'm not overlooking those. I think my other things are mostly comments.

Mayor Burt: It's just important for us to remember that tonight we're not looking at which scenario we are electing. It's only what will be studied, the range and, as Hillary stated, the bookends. We're trying to evaluate a broad enough set of scenarios that we've done a proper environmental analysis of anything we might subsequently choose to select. Council Member Kniss.

Council Member Kniss: Just a refresher for a minute on Stanford and their proposal for new housing, which we obviously don't include in here. Are we looking at units, beds? Remind me what the numbers were that we got.

Ms. Gitelman: We report on units when we're thinking about housing growth. When we we're talking about jobs/housing balance, we're talking

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about employed residents to jobs. Both things factor in here. When you see the supplement to the Draft EIR, the Stanford housing will be factored in, in the sphere of influence. It's not in the City limits; it's not going to affect the numbers that you see in Table 1, for example. We will talk about it, because it changes the jobs/housing balance in the City plus of the sphere of influence in a significant way. It's 2,000 additional units at Escondido Village.

Council Member Kniss: That's the number that we've been kind of holding onto, the 2,000 additional units. Somehow I thought it was more than that.

Ms. Gitelman: It's about 2,000 units at Escondido Village.

Council Member Kniss: A unit is probably a one bed, two bed or do we know? Maybe we don't know yet.

Ms. Gitelman: I don't know exactly how many beds it is.

Council Member Kniss: Just looking at 2,000 units, and we don't know exactly yet whether that's one or two beds. Thanks.

Mayor Burt: It's actually in their plan. We just don't know off the top of our heads.

Council Member Kniss: Exactly.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Just briefly. When I look at Table 5, adoption of the S/CAP goal of an 80percent reduction in greenhouse gas (GHG) emission, my recollection is our S/CAP is on a total number of GHG emissions, not on a per capita. Is that correct?

Ms. Gitelman: That's correct. It's an 80percent reduction below 1990 levels by 2030.

Vice Mayor Scharff: How are we handling the issue when we have more housing units, we're going to have more greenhouse gas emissions associated on a per capita basis? We could go down per capita—how are we dealing with the issue that the more housing units you build, the more greenhouse gas emissions you have? We should possibly be neutral on that issue. What we want is really a per capita reduction.

Ms. Gitelman: I think we're going to have to analyze the more housing, fewer jobs combination that's embodied in these scenarios before we can assume that the greenhouse gases are higher. I actually think they'll

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probably be lower because of the passage of time. We're analyzing them not in today's world but in 2030 when fuel standards, emission standards keep getting better. A lot of things happen in the course of the next 15 years that provide a rational basis for showing some improvement in emissions.

Vice Mayor Scharff: Really what I was thinking of was between Scenario 5 and Scenario 6. Scenario 5 should show less greenhouse gas emissions purely because you have 3,500 residential units rather than 6,000, because you have the same number of jobs. Scenario 6 will look worse, artificially so, because we really shouldn't care if those people live in Palo Alto or they live somewhere else if they need to live in the Bay Area.

Ms. Gitelman: Again, I don't want to predict what the answer's going to be. Our hope is that by applying these performance and sustainability measures to both scenarios, we're going to be able to achieve the S/CAP goal in both scenarios. You're right that we may have to do it in a slightly different way if the amount of housing contributes to an increased baseline emissions. That's what the analysis will tell us.

Vice Mayor Scharff: Am I thinking about this in a wrong way? If you have the same number of jobs but you just have more housing, when I look at Scenarios 5 and 6, they incorporate—5 and 6 incorporate all of the same sustainability measures. It doesn't seem to me that there's any difference. The only thing I see different in terms of greenhouse gas emissions, between 5 and 6, is we have more housing units. Is there something different in the two scenarios which would drive gas—we seem to have the same infrastructure investments. We seem to have all the same—I'm just really wondering what would be a factor that would change it other than that?

Mayor Burt: Can I offer something?

Vice Mayor Scharff: Sure.

Mayor Burt: One factor is that we have, out of people who reside in Palo Alto—is it 30 percent or 25 percent work in Palo Alto? Is that our current ...

Ms. Gitelman: I don't remember off the top of my head.

Mayor Burt: It's in that range. If we assume that it would stay in that approximate proportion and it's 30 percent, then out of the new residents we would have 30 percent of them who would not have an out-of-city or into Palo Alto commute in theory. 70 percent would have an out of Palo Alto commute. There have been arguments that if we add housing, it necessarily

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reduces by that amount of housing the commutes. When we look at our current greenhouse gas emissions from transportation, one of our biggest factors is incoming commutes. In climate action calculations, we own 50 percent of the impact of those commutes. To some degree, that addresses the issue that you had. It doesn't (crosstalk).

Vice Mayor Scharff: It ameliorates it.

Mayor Burt: That's correct.

Ms. Gitelman: Also your observation is correct that in doing the analysis of Scenario 6, we may find that we need to either be more effective and achieve greater emission reductions from the measures that are outlined here or that there are potentially new emission reduction measures from the S/CAP that we'll have to elevate as important to achieving the goal that we've set for ourselves in both of these scenarios of the 80-percent reduction. It's a great observation.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: A few questions to just kind of pick up on this discussion that we've just had started by Scharff and continued by Mayor Burt. Just to clarify the question at least for me, do 5 and 6 really accurately represent the externalized differences or the difference in externalized greenhouse gas costs of allowing more people to live in Palo Alto versus having more constrained housing again comparatively between 5 and 6 because, one, there's the transportation greenhouse gases that the Mayor just alluded to. Also, people who live in Palo Alto, I think we can safely say will on average use less greenhouse gas than those who live at an average place outside of Palo Alto, because we have a net zero greenhouse gas portfolio for electricity in the City. Thirdly, because people who live in denser development, wherever it is, tend to use lower greenhouse gases per person. I guess the question is are we accurately reflecting that in how we're going to compare 5 and 6 when they come back to us in the Draft EIR.

Ms. Gitelman: Thank you. I'm looking forward to doing this analysis. We will get under the hood and sort of figure out, based on the quantitative parameters of each, what the greenhouse gas emissions of each are, and then which of these measures and potentially more measures we would have to apply to achieve that 80 percent reduction goal. Our commitment in this table, if you agree with us to define these scenarios as achieving our goal, is that we will find ways that both of these scenarios achieve that goal.

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Council Member Wolbach: To clarify the question, will the Draft EIR when it comes back and 5 and 6 not just give us gross GHG numbers but also per capita greenhouse gas emissions.

Ms. Gitelman: Yes.

Council Member Wolbach: It seems like hopefully a pretty easy thing to tabulate.

Ms. Gitelman: Yes.

Council Member Wolbach: I just want to make sure. Also, earlier in response to a question from the Mayor, you said that Scenario 5 has modestly more housing than the historical pattern. If I heard correctly, the Mayor pointed out that Scenario 5 has perhaps more than a modest amount of housing than business as usual. I wanted to clarify. When you say historical pattern, perhaps you're referring to something different than business as usual. I wanted to clarify that business as usual is our prediction of what would happen under our current zoning and regulations and policies. That might be different than our historical pattern. Is that correct?

Ms. Gitelman: In this case, they're the same. Business as usual assumes our current zoning and policy stay in place, and it uses for the housing number a projection that's based on our historical delivery of new units.

Council Member Wolbach: My next question then is when you say historical, what historical period are you using as a frame of reference. In the last few years, Palo Alto has particularly with housing been (crosstalk).

Ms. Gitelman: We're going back 20 years or more, and the average is somewhere around 160 units a year if you go back 20, 25 years. It's a long-term average.

Council Member Wolbach: I'll save my comments on that for later then. Just as far as what's agendized tonight and what you're looking—one, a legal question and secondly what you're looking for, is there any opportunity to correct or tweak the numbers for 5 or 6 as far as population or housing or job number that we're targeting for those or are we restricted to only talking about policies that relate to them?

Mayor Burt: Can I just say that, again, this is about establishing bookends for what will be studied. This is not ...

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Council Member Wolbach: I understand. My question is, when it comes back to discussion and motions later, whether we are able to tweak what those bookends are for study or if we are legally constrained to not tweak those numbers based on what's agendized for tonight.

Ms. Gitelman: I'm sure the City Attorney will tell all of us that we're not legally constrained from commenting on the numbers, but I will say that the Council spent quite a good deal of time back in mid-May vetting and discussing what those numbers should be. Our hope and expectation is that we could get beyond the numbers to focus on policy parameters this evening.

Mayor Burt: Council Member Wolbach, I think the real answer is that the Council did give that guidance already. I don't think we're planning on reopening those issues tonight.

Council Member Wolbach: When there's reference to measuring impacts, mitigating impacts, etc., impacts is a pretty vague term. I want to be clear about which particular impacts we're paying close attention to. Is it intended to be vague so that, if we think of "there's this other impact we didn't study before, let's be sure to include it," we want to have that flexibility or are we clear about which impacts we're really focused on when we're talking about mitigations and performance metrics?

Ms. Gitelman: Thank you for that question. We're talking here very much in a CEQA context. We're talking about significant physical environmental impacts that need to be addressed. That's really one of the reasons we included this whole long list of boring mitigation measures. It shows you what some of the physical environmental impacts are that rose to a level of significance in our initial analysis requiring mitigation.

Council Member Wolbach: Can you point me again to where that is? I want to make sure I'm looking at the same chart you're looking at right now.

Ms. Gitelman: It's Attachment C. It goes into exhaustive detail. If you just focus on what the topics are that are addressed, you'll see the impacts we thought worthy of ...

Council Member Wolbach: That's what I thought. I just wanted to be clear. Thank you.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Just a question on that Scenario Number 1. It's called business as usual. You make the case that you're taking the history



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of housing growth during good times and bad. The job growth is the ABAG 2013. That's not business as usual; that's a very aggressive expansionary period. Why isn't there something in here of that same long-term history, 26 years, of job growth that has both recessions and growth periods?

Ms. Gitelman: Thank you. That's a really good question. We have not historically in Palo Alto had a good, local measure or projection of job growth the same as we have of housing. We were forced to rely in the EIR on ABAG projections 2013. As the Council may be aware, ABAG adjusts these projections frequently. In fact, I'm expecting this week their latest adjustment to their projections. We're forced, when we start these EIRs which are multiyear endeavors, to just take the ones that we have at the moment when we start and use them for what they are. They're not accurate because they're just a crystal ball.

Council Member Schmid: It might be helpful not to call it business as usual. It does have a point of view, which is fairly aggressive.

Ms. Gitelman: I would agree with you it's aggressive, but it's what the regional agencies, ABAG and Metropolitan Transportation Commission (MTC), believe will happen in terms of job growth based on our existing zoning and general plan. That's why it fits within this business as usual context. I wish we had a better local projection of jobs; we just don't.

Mayor Burt: Thank you. I think we have some lights on just to draw attention. I wanted to go to Table Number 5, the sustainability measures, which could also be described in some ways as mostly impact mitigation measures. I wanted to understand which of these are measures that we could actually, legally legislate and which ones would require significant funding to be able to achieve. Have we looked at this? When I look at it, a number of them, like the ability to require paid transit passes for employees in workplaces over 50 employees, do we have that within our legislative authority?

Ms. Gitelman: That's already a legal requirement which is why it's in all of the scenarios including business as usual. The only one on this list that ...

Mayor Burt: I'm sorry. Are you referring to new projects only?

Ms. Gitelman: No. Existing employers with over 50 employees are required to have some kind of—maybe this isn't phrasing it as well as it should—pre-tax provisions of transit subsidies for employees.

Mayor Burt: Not what this describes, I don't believe.

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Ms. Gitelman: I can certainly review the law, but the intention was to characterize what's already required for employers with 50 or more employees for that first row.

Mayor Burt: My recollection of that law is that they have to have some form of Transportation Demand Management (TDM) program. This is a strong, explicit program that I don't—my recollection is that we've been pre-empted by State law from having this explicit of a program. I would welcome it.

Ms. Gitelman: I'd be happy to get back to you with the details on the program. There is a pretty aggressive, I think, requirement in the Bay region, administered through the Air Quality Management District, for employers with over 50 employees. The one thing on this list that is of questionable legal—let's just say this. It will require additional legal thought about how we might approach the idea of requiring employers to charge for parking within existing workplaces. That's the one that we would have to give some real creative thought to how we could accomplish that. It could be that we have to do it for new and then, as things change, apply it to existing. It could be that we could find a way. We haven't put the time and energy into that one. The others, I think, we all feel are legally within our purview.

Mayor Burt: Some are legally—for instance, the sixth section, free transit passes for all Palo Alto residents in transit-accessible areas. We can't mandate that; that's not within our legal purview that everybody has to buy a transit pass. It may be something that we could fund if we had revenue sources for that. That's why I wanted us to really distinguish which things are ones that we could legally mandate and which ones would require significant new funding from a revenue stream that would be dedicated toward local transportation, I assume.

Ms. Gitelman: Very good point. That one would require additional funding. I'm presuming that the achievement of the 80 by FY '20 goal in a variety of different ways will require funding and legislative changes that we haven't detailed out yet, but presumably will be detailed in the S/CAP itself.

Mayor Burt: The real point is I want to make sure if we're adopting analysis of scenarios and then we subsequently will look at consideration of those scenarios for policy, we don't say we'll just do all these things regardless of any notion of where the revenue would come from. This was one of the fallacies of the prior Comp Plan. We had a lot of admirable goals, and no revenue streams or grossly inadequate revenue streams to be able to achieve those. That's why subsequently we'll need to have that discussion of the relationship between these things and how we would be able to

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actually achieve these things that require new funding. Mr. Friend, were you saying you wanted to comment on that?

Gil Friend, Chief Sustainability Officer: (inaudible)

Mayor Burt: Go right ahead.

Mr. Friend: Gil Friend, Chief Sustainability Officer. Thank you, Mayor, for the chance to comment. One of the things we contemplated in the S/CAP was that the funding streams conceivably could come from parking fees on the model of the Stanford fee-bate program where parking charges there were used to funding the Marguerite and other transportation alternatives there. The details on that are yet to be worked out. Certainly the legal questions that you've raised are yet to be worked out. In concept, we see a connection between potential parking fees, which are currently subsidized at a considerable value by the City and employers, that could be used to shift (crosstalk).

Mayor Burt: Agreed. The Council has discussed and is going to have in the coming months our Downtown Parking Study, which will enable us to really look at those things. For instance, this sixth block is much broader in its ambition than what we are going to be considering in the Downtown parking. Some portions of what we have here, that require new funding, might be achieved through revenue streams such as parking fees. Others are in all likelihood outside of that. I wanted to make sure that we understand that as we consider the scenarios both now and when they come back to us. We don't just go throwing around idealized solutions without us really tackling the tougher issue of how do we achieve them and, where necessary, how do we obtain the funding. Thank you. We'll now go to the public. I have six cards so far. If anybody else would like to speak, please fill out a card at this time. Our first speaker is Shani Kleinhaus, to be followed by Neilson Buchanan. Welcome. Everyone has up to three minutes to speak.

Shani Kleinhaus: Good evening, Mayor Burt, Council Members. I'm Shani Kleinhaus. I'm a resident; I'm on the CAC. I don't speak for the CAC, but I'm on quite a few committees, all of which seem to be meeting in the next few days, subcommittee including sustainability and land use and the natural environment. There's a few more that are not in the next few days. I'm not completely prepared with reading all the EIR comments tonight. You'll excuse me; I'm trying to get all that work done. One comment I have is how do you call those scenarios. You talked about and instructed Staff to look at quality of life scenarios. That seemed to be a controversial issue, quality of life. It was changed to community measures. I felt that quality of

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life had a meaning and should be retained. I thought that would be something you can consider. In general, talking about reduced impacts of growth, I think we should acknowledge that all growth has impacts. We're not reducing impacts by adopting new policies. We're increasing the impacts, but we may be okay with it. That's a different issue. How do we mitigate is the bigger issue. The EIR says that there's no biological impacts. Gita (inaudible) from the Sierra Club asked Staff why are there no biological impacts. I'm reporting what Gita told me. She said that Staff replied—Staff can tell you later if that's true—that we are not going into the Baylands or the Foothills, which is great. We also have other policies like the parks plan and Urban Forest Master Plan and so on to deal with biological impacts. That's great, but plans are not mitigation. If that was so, then we don't have any impacts of greenhouse gases because we have the S/CAP, etc. Please acknowledge that the urban forest could sustain impacts, and we need to worry about that and mitigate appropriately as we grow. The same for growth that could impact migratory birds that hit the windows. We might want to have some mitigation measures for that cumulative impact. I think one of the struggles we have—I don't have a lot of time. We do struggle with the issue of performance measures at the CAC. I don't think we understand yet what is really expected in terms of a project level performance measures. Once you build the project, who knows what happens next. Also, the performance measures, we're really trying to apply those to commercial development and not so much to housing. I think that's the right thing to do, but there are potential impacts to all of that. That's we're looking at with what is now community measures. I would like to call them quality of life measures. Thank you.

Mayor Burt: Thank you. Our next speaker is Neilson Buchanan, to be followed by Catherine Martineau. Welcome.

Neilson Buchanan: Thank you, Council. I'd like to give you praise for keeping the divergent thinking going. There's no lack of creative and divergent thinking in Palo Alto. What Palo Alto really lacks is convergent thinking. That's the next real big hurdle after this exercise. Spending \$1/2 million on more alternatives is a piece of cake. During the next 15 years, Hillary, the City budget will be \$3, \$4, \$5 billion, so this is a small investment. The real issue is how are you going to converge on these alternatives and scenarios. You can pick 5 or 6, I don't really care. The bottom line is somebody's got to pick a couple of them and then flesh them out. Hillary, I hear you loud and clear. I have great empathy on how your Staff is going to be able to wrestle with the kind of detail that Cory just asked for. I frankly don't think it exists. You can scope it, Cory, but I don't think you can get down to real details. You can measure traffic on Everett, Hawthorne, Middlefield really easily. I guarantee you, you can measure parking. What I

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ask you to think about is after converging on the scenarios, you toss it over to the Finance Committee of the Council. You really have to do the hard-press thinking. For Jim and Hillary and all the folks that work down there, I keep going back to Jim's tip of the iceberg. Until the tip of the iceberg is big enough, it simply is not going to work. We're a very quaint, small City. We have two giant metropolises on either side of us, if you look at the whole mid-Peninsula and the lower Peninsula. I just ask you to really throw it back to the Finance Committee of the Council for a reality check as you grind through this. If it begins to match up reasonably well, move ahead. I don't see that you've got the resources to even remotely pull off what you're talking about. It may take parking fees and a hell of a lot more, Pat. Thank you.

Mayor Burt: Thank you. Catherine Martineau to be followed by Arthur Keller. Welcome.

Catherine Martineau: Good evening and thank you. I actually have the same point as Shani Kleinhaus just mentioned. It's clear that any development scenario will have impact on the natural environment and biological resources. They need to be addressed. Mitigation needs to happen for that if those choices are made that have impact and more impact. Also we really have to take into account that the natural environment is a force to harness to help us achieve our goals in terms of sustainability, climate action and resilience all together. I don't think we can afford not to harness those forces. Because we don't have a market for them, they're not taken into consideration and they're taken for granted. I'm back from a conference in Los Angeles. Dr. Gretchen Daily was the keynote speaker. You may know of her. She's just right here at Stanford. She heads the Natural Capital Project, and she advises heads of state on how to use the forces of nature for sustainability and resilience. Countries around the world are actually putting those programs in place. You may have heard of Melbourne, Australia, that put their urban forestry and urban nature people and green infrastructure people in charge of their Sustainability and Climate Action Plan. Canopy was ahead of the curve for many, many years. I mean actually the City of Palo Alto was ahead of the curve for many, many years with a wonderful urban forest. As we progress, I think we're losing our edge. This is basically my message that I keep taking to different bodies in the City. I'm just afraid you're going to be tired of hearing from me, but I'll be back. Thank you.

Mayor Burt: Thank you. Arthur Keller to be followed by Doria Summa. Welcome.

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Arthur Keller: Thank you, Mayor and Council Members. Although I'm Co-Chair of the CAC on the Comp Plan, I'm speaking as an individual tonight. The first thing is if you look at that chart in terms of Director Gitelman's response to a question by Council Member Holman, I would understand that question better if the business as usual jobs number didn't exactly match the sustainability tested Number 1, line 4. Those numbers matching exactly means it's a suspicious thing to me as a data scientist. Secondly, I think it would be helpful to separate out the Stanford Medical Center numbers from the non-Stanford Medical Center number to increase clarity. Thirdly about the sphere of influence, Stanford is going to embark in several years on a new General Use Permit. There's going to be a lot more something or other there, not clear what. Therefore, the cumulative impacts, who knows that the Statement of Intent (SOI) will be on that. It will be a lot greater. I think there's a missed opportunity here in terms of the job numbers and the square footage numbers being the same for Scenarios 5 and 6. I would encourage the Council, even though you supposedly put that to bed—I think it's a mistake, a lost opportunity to have the jobs numbers and the square footage be the same for Scenarios 5 and 6. I would suggest that Scenario 5 have 10 percent lower than that for that, just like you've gone down 10 percent from Scenario 1 to Scenario 2, and then go down below that for Scenario 5 further than it is now. We also need to think in terms of school impacts in terms of the housing and also general fiscal impacts. I've heard discussions on the Council tonight, talking about fiscal impacts. That's very important, whether or not they're CEQA requirements. We're talking about relying on code enforcement and TDM enforcement when we've never been effective at that. That's a leap of faith to actually achieve that. We need to make sure that there's appropriate measures taken by the Council to really do that. There's a talk here about the FEIR. The problem with the FEIR is that if the FEIR basically says it's one of these scenarios without picking a particular one, we don't know what the numbers will be. It's imperative for the Council to actually pick a particular scenario or some combination of scenarios and pick the option the CAC will bring forward and have specific numbers of that, and then have one scenario that goes in the FEIR, not a mix and match. The specific performance measures probably won't be in the Comp Plan as recommended by the CAC, but probably will be studied during the life of the Comp Plan. Finally, I'm going to talk housing near transit. The issue is more people bike to work than take all forms of transit combined. What is this idea of putting housing near transit? We're better off putting housing near services. Transit is just another service. Housing near jobs makes more sense than housing near transit because of the bicycle things. I agree with Mayor Burt about how few people live in Palo Alto, work in Palo Alto. I think the number is about a third as of the latest data. About a third of people who live in Palo Alto work in Palo Alto, but a lot of people don't.

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Mayor Burt: Thank you. Arthur, I double checked my notes. That's what I have in my notes as well, one-third is more accurate. Doria Summa, welcome.

Doria Summa: Good evening, Mayor Burt and City Council and Staff. I want to thank Staff. I know how—I should say I'm a member of the CAC, but I am speaking for myself tonight. I know how hard Staff has been working, because I know how hard we've been working, and we just get one side of it. I am very concerned that we're moving ahead with scenarios that do not represent the full range of options that the residents of Palo Alto want. Leaving quality of life of the conversation is a terrible mistake. These are all high growth options. Right or wrong, I'm just saying we're not considering everything. I also feel like I'm looking at six different bags of groceries. and I need something from each one, and I can't combine them. It's very, very difficult to look at this, and that's why I'm speaking in generalities. I share a lot of the concerns of the previous speakers, especially about Code enforcement. I worry about relying on ABAG projections when they have been known to be inaccurate in the past. The sustainability claims are untried claims. We don't really know what it means. We don't know how the S/CAP relates to the Comp Plan. We haven't really even honed in on performance measures. I hate to say it, because I don't want to slow down the process. I know you guys want to get something done. I know Staff wants to get something done. I'm on the billions of subcommittees that Shani mentioned. I don't see how we can evaluate how the performance measures work when we haven't yet decided what they are. I think there's too many maybes and too many untried assumptions. As I understand it—I'm not obviously an expert on CEQA—there's too many untried assumptions to make a good CEQA analysis of what all these impacts will be. Thank you.

Mayor Burt: Thank you. Our next speaker is Bob Moss, to be followed by Mark Mollineaux.

Robert Moss: Thank you, Mayor Burt and Council Members. I agree with the comments that Arthur Keller made about items that are not being properly addressed like the cost of new housing. As you know, every new housing unit costs the City more than \$2,700 a year more for services than it pays in taxes. It just goes up year after year. Another thing that's important to bear in mind is applying a zone doesn't build anything. There's a mysterious force called the market that decides what's going to actually be built. You talk about building smaller units. I'm not sure that there's a real market for smaller units. Let me give you a couple of examples. There's a development along El Camino and El Camino Way and there's another one along San Antonio near Middlefield. When they were developed years ago, they were at much lower densities than what's allowed in larger units. The

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developers were asked why they did that. The answer was that's what the market wants. The market wants larger units and lower density. You talk about increasing the density, going above RM-30. I don't know if you're aware of it, but at one time we had RM-40 and RM-50 zones. Nothing was being built at those densities, so the zones were eliminated. Another problem that you're talking about is putting housing along the Stanford Research Park, the Stanford development and in the Stanford Research Park itself. In the past, Stanford has said they would not build housing in the Research Park. I don't know if you're aware of this, but here was an area in the Research Park, west of Foothill Expressway along Arastradero, which was zoned for housing in the Research Park. After Stanford put their foot down, that area was rezoned, and the housing was built along Alma. Another problem that you have to face is that the number of workers per square foot in office space has been increasing for years. It's probably going to continue to increase. Saying only building X thousand square feet of office space, we're only going to get Y number of additional workers. That does not necessarily compute. Over time, the number of workers per square feet has been increasing. I think you'll find it's going to continue that way, because of the cost of renting office space. There are a lot of issues that are going to create problems no matter what we decide we think is a good policy for zoning and land use. I'll leave you one final point. The developers will always be smarter and faster at coming up with ways of screwing the City than the community and the City Council can (crosstalk).

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

Mark Mollineaux: Thank you. I'd just like to comment on the characterization that the difference in the housing stock in the different scenarios is more than modest. I would say it actually is modest. It's modest when it's reflected that business as usual is a scenario that reflects a housing policy which has failed to create affordable housing for people. It's a policy that has (inaudible) housing prices to soar. Residents here may overlook that because they're shielded from the repercussions of rising housing stock in many cases. The most increase of any population in these scenarios is 13,700. That's about 20 percent over 15 years. That's about 1.3 percent a year. This is small when compared to the increase in housing prices. By looking at the details as opposed to the big picture of is the housing policy working, it tends to undermine the notion that the local communities are really using the power of zoning entrusted by the State correctly. I imagine that if local cities don't face to their obligations to the State and local region, it would tend to undermine this power, and you tend to see more things like Jerry Brown's by-right housing policy. Probably far more severe because as far as the severity of the problem we have, none of this begins to address it. Lastly as far as the environmental impact goes, I



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would just like to say that the real picture is not more housing here versus the status quo. There's going to be people. If there aren't people here, there will be living in Manteca or something, who drive every day. The big picture of housing growth is really what matters here, which the local view may tend to ignore. Thank you for your time.

Mayor Burt: Thank you. We'll now return for discussion. If I might exercise discretion, Ms. Summa's analogy of the grocery shopping got me thinking. I'll offer a variation of that analogy. We're all familiar with the federal food pyramid. What we're really looking at here is a combination of how much fruit and vegetables we eat versus how much meat and how much in carbohydrates and fat. Layered over that, how many calories total? We're trying to deal with certain combinations of those to give us scenarios that represent bookends of what we might have as different variations of healthy living and less healthy living or those kinds of things. At the risk of having pushed that analogy to the edge of the cliff, we'll go ahead and proceed. Council Member Schmid.

Council Member Schmid: I wonder if you could put up your last slide, the performance measures. Ultimately, you pointed out we need to address this issue at the CAC; it would be a good place to look at this. How do you balance development performance measures against community performance measures? A number of people from the public made the point that these performance measures are expensive. They cost big money, big dollars. We've gone through the experience with Transportation Management Association (TMA). That has been a City goal since 1988. It was identified as a prime strategy to deal with growth management. Here we are 30 years later having TMA as a prime strategy. The problem is it costs money. The only effective TMA program in town has been the SUMC. They did it by agreeing to specific performance measures, measured carefully every year, putting up front costs, committing \$2.5 million per year to make it happen. They have been successful, partially because they're a single employer, but they're dealing with \$2.5 million new workers, so they're spending \$2.5 million per year. Their goal is to get 35 percent of those workers out of automobiles. That's a little measure of what we need as we move forward in these scenarios. Stanford Research Park, the Downtown, California Avenue, Citywide TMA, real resources to have even a one-third impact. The other consequences are coming. The performance measure discussion is critical. As pointed out on Page 291, there are other activities going on at the Council level. Policy L-8 needs to be discussed as part of the land use. We have annual caps, which will need to be discussed before April 2017. It would seem to me to have an effective discussion of performance measures, it would be a necessary part of the CAC and PlaceWorks as our consultant to assess performance measures against

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growth caps. Suppose we only grew at our historic average. How more efficient, more simple and more effective might that be than any of the performance measures we come up. As we go forward, that should be a part of our discussions. The CAC, the Council and the more general public involved in that. Assessing how performance measures work and putting real numbers to them, not just repeating what we said in 1988, let's try TMA, or what we said in 1998, let's try a parking assessment district and parking garages, but concrete numbers that can carry us into the future with a minimum impact on quality of life. I think having growth cap numbers as part of that discussion is essential.

Mayor Burt: Council Member DuBois.

Council Member DuBois: We should remind ourselves that this is an exercise in testing a range, trying to get a broad range to evaluate. We should look at Scenario 5 and 6 differently and really try to get that range. If we look at the second paragraph on Page 287 and the table there, there's this item, mitigation and sustainability measures would be adopted to minimize impacts of new market rate housing and new nonresidential development by requiring mitigation monitoring and enforcement. That sounds pretty innocuous and sounds like business as usual, but that is the performance-based zoning clause. I would just suggest we just clearer language and call it that. I had to read it a couple of times. I'd like to see us try a Scenario 5 without performance-based zoning and Scenario 6 with. I thought Council Member Schmid made some good points about potential costs and our history of trying to do these. Again, my recollection was Scenario 5 really started as let's combine the slower growth with sustainability measures. Somehow that evolved to include performance-based zoning. That wasn't my intent when I made the Motion that created Scenario 5. We did pick up the other aspects of sustainability in Scenario 4. I'd like to suggest maybe we have separate motions for Scenario 5 and Scenario 6. If we're ready for motions, I'd like to make a Motion around Scenario 5 or I can wait for more comments.

Mayor Burt: Let's go one round of comments. Can we ask Director Gitelman to follow up on your question on 5 being performance-based zoning versus sustainability measures and what distinction should be drawn between those two?

Ms. Gitelman: I apologize. We've been using these terms a little loosely, mitigation, performance measure, sustainability measure. My understanding from the Council's earlier discussions was there was some disappointment that the Draft EIR had identified significant impacts with all the scenarios that we analyzed and a desire to test some new scenarios that incorporated

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mitigation or performance measures so that those impacts could be avoided. That was our understanding as part of the objectives for both Scenarios 5 and 6. We also understood the Council's desire to test this sort of evolving concept of performance-based zoning, whatever that might mean in our context. We've been exploring that. The CAC has been exploring that, and it's still a little bit of a moving target.

Mayor Burt: Are you saying that you're using performance-based measures and mitigations synonymously?

Ms. Gitelman: I guess I'm saying we've used the terms rather loosely, but they are different things. Mitigation measures are what address significant impacts under CEQA. Sustainability measures are measures that come from the S/CAP and the exploration of sustainability issues. Performance measures are concepts that are put in place to avoid the impacts of new development of the community so you don't need to apply mitigation measures.

Council Member DuBois: My recollection was there were a lot of things we liked in Scenario 4 that—not to speak out of turn or anything. I think most of the Council agrees with a lot of the S/CAP sustainability measures. I thought we had originally said let's look at a scenario that is a little bit slower growth but also includes sustainability features. Somehow that evolved over time. When we get back to motions, I have a very simple Motion of just adding and removing policies on the table for the scenario.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. A couple of things. When we look at the infrastructure improvements, we have the grade separation of Caltrain and a trench below Charleston at Meadow, and other improvements along the corridor. The question is if we did grade separations that weren't in a trench, would that be different, would that have a different impact, should we be looking at that as one of the EIR alternatives? Are we going to grade separate the rest of the grade crossings? I think we should look at what happens if we close Churchill instead of grade separating it and have a bike path underneath it. I think it's not as simple as grade separate with a trench. I just want to make sure that we're looking at the range of opportunities when we do this EIR and that we're not stuck. What we do with Churchill is a significant issue given the amount of taking that would require to do a grade separation there and how that works. That's one concern I have. I wanted a reaction to that. Do I need to change that in the Motion or what are we doing on that?

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Ms. Gitelman: Thank you. Let me make sure I understand. I thought the suggestion that we analyze grade separating all of the crossings and somehow including closing Churchill in one of the scenarios is a great suggestion. I didn't quite understand your first question. Are you asking whether we're analyzing the impacts of an elevated track going over the roadway?

Vice Mayor Scharff: I hadn't gotten that far. What I was really saying is I'm not sure there is a difference in the EIR whether or not we do the trench. There might be because it's probably different construction than if we just grade separate Arastradero and Meadow as opposed to putting it in a trench. This says put them in a trench, which is my preferred alternative. It may not be possible, and there may be things that happen, at which point we'd want to maybe do the grade separations. I think that's where we'd be heading. The question is should we look at both of those scenarios or does the trench really cover the fact if we have to grade separate there and we can't do the trench, would it be the same impacts or would we have different impacts and, therefore, we have a problem. I assume in Scenarios 1 and 2 we do no grade separation. That's what it looks like. In 3, 4, 5 and 6, we do what's said here. What I'm saying is there are variations in this that we may need to look at.

Ms. Gitelman: I think it's a good point. It would be good to clarify in 5 and 6 which of these infrastructure solutions you'd like to include. Although we're doing a very programmatic, high-level analysis, there would be impacts associated with an alternative to the trench at Charleston and Meadow that we have not analyzed. We have not analyzed the aesthetic impacts or the property taking or even acknowledged in any way that would be required for another approach to Charleston and Meadow.

Vice Mayor Scharff: Do we need to analyze that in this? I'm not necessarily pushing for us to do it. There are some impacts that we're obviously seeking, because we're putting this in the EIR. Think about the different permutations. The question is, is that something we should be analyzing for this purpose as opposed to other purposes. I don't have the expertise to know the answer to that question. I specifically thought about Churchill as one where we may very well close it or choose not to close it and just do a bike underpass. If we close it, that changes traffic flow in a big way.

Ms. Gitelman: I think that would be an excellent iteration to include one of the two new scenarios, this idea of closing Churchill. In terms of whether we have to analyze many different ways to grade separate, obviously the grade separations themselves will require project-specific analysis. We're going to have to do an environmental document on whatever our preferred method of

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grade separating is at all the crossings at some point in the future. For purposes of this general plan, Comp Plan EIR, we just want to identify major infrastructure projects that may be coming our way in the life of the Plan and do our best to anticipate how we would approach those as policy matters. If we guess wrong, if we end up—we'll have to cope with that when the future project-specific analysis comes our way. The fact that you said this is your preferred way to approach, I would suggest that, if the rest of the Council agrees, is the best approach to put in the scenarios for analysis.

Vice Mayor Scharff: The trench is clearly my preferred analysis for there. I'm actually not sure what the preferred analysis is for Churchill, given the huge impacts of the takings and the way that would urbanize that crossing. We haven't really gotten there on the Rail Committee yet to have those discussions. I'm not sure frankly what it would be. That's really a question. Is that something we should analyze differently in the two scenarios here or should we not?

Ms. Gitelman: We have the opportunity to do that, and I think that's a really terrific suggestion to try and parse it that way.

Vice Mayor Scharff: The other question I really had was regarding the County expressway plan implementation. We're only analyzing it in one scenario. There's really two approaches on this. One is we talked about having an High Occupancy Vehicle (HOV) lane. I was thinking it might make sense to analyze it one of the scenarios where we do it and we have an HOV lane as opposed to I assume the County expressway plan implementation doesn't have an HOV lane in it. That way we'd get some information in the EIR if we did both. The other question I had is should we look—by doing it in Scenario 2, are we getting good enough data to tell us if we should be doing it in Scenario 5 and 6, when all this comes back? Is it going to be easier to unbundle that and say that had a significant positive impact or it didn't have a significant positive impact so we shouldn't support it? Frankly if we can't unbundle it, I'd like to put one with an HOV lane in Scenario 5 or 6 and one without an HOV lane in Scenario 5 and 6. Any thoughts on that?

Ms. Gitelman: A really good question. Scenario 5 is very similar to Scenario 2. It's kind of a blend between Scenario 2 and 3 in many ways. That one, I would say, if ultimately we ended up selecting something like Scenario 2 or Scenario 5, we'd be covered for including how we had analyzed it with the County expressway plan. If we think we might end up at the other end of the bookend and we want to test another higher scenario with the County expressway improvements, that would be another ...

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Vice Mayor Scharff: You'd put it into 6 if you were going to do it?

Ms. Gitelman: If we were going to add it to another scenario.

Vice Mayor Scharff: What about the concept of looking at an HOV lane instead? Is that a useful concept or not?

Ms. Gitelman: I don't know without talking to the traffic people about whether there would really be a difference in the peak hour, modeling it as an HOV versus just a mixed-flow lane. I'd have to defer to the experts on that. I can certainly ask them.

Vice Mayor Scharff: Any way to get that information tonight? My sense is there is; otherwise, why do we have HOV lanes? In fact, it may make it less effective. I don't know.

Ms. Gitelman: I can certainly ask them. I'm not going to be able to get them this evening to ask them. It depends on what the future volumes are in the peak hour and what the demand is in 2030. They're projecting mode shares and ...

Vice Mayor Scharff: Any down side to have one of them do it as an HOV lane?

Ms. Gitelman: No.

Vice Mayor Scharff: In general, when it comes back to Motions, I actually think what we really should do is move forward with the Staff recommendation, put that up there, and then have Council Members make Motions to tweak it. That way you start with what the Staff proposed. That way Council Members can say I think we should remove—what Tom was saying—this program here as opposed to a Council Member saying I want to start with this Motion with these three things removed. That makes it more difficult to decide. You have to make Motion to put that back in or not do that. It's much easier to do it the other way. I don't know what the rest of you think about that. As a process, I think that works better given how many of these amendments we can possibly have as each Council Member goes through these things on these charts. I'll leave up to the Mayor to think about.

Mayor Burt: Council Member Holman.

Council Member Holman: A question was raised here; a comment was made. I've heard this before. What's the problem and challenge with a

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quality of life scenario, which is what the Council was talking about some time ago? What's the challenge around that?

Ms. Gitelman: I think that was a discussion that got a lot of traction. That's how we ended up with Scenario 5, if I'm not mistaken. I'd have to look back in the Minutes from May and June.

Council Member Holman: My understanding is that the CAC is not using that language, doesn't think it's viable. We can talk about semantics; I'm not trying to get into that. That's why we're looking at community performance measures and development performance measures, especially community performance measures, to try to preserve the quality of life. Maybe it's more of a comment than question. It seems like we ought to be calling a spade a spade. On the development performance measures, it talks about—I don't want us to be hoping that things are going to happen, and we don't have a mechanism for dealing with things if they don't happen. If you're looking at the development performance measures, it talks about establishing basic requirements and incentives. It doesn't mention penalties, for instance. It's the stick and the carrot both. You have to look at both. Mitigations, I appreciate mitigations, and at the same time mitigations can sometimes be worse than and can't fully account for impacts. I've expressed from early on—it's like an over-reliance of mitigations is really concerning to me. Define over-reliance on mitigations. If everything we're going to be looking at requires mitigations, I think we're going down the wrong path and we're looking at too much happening in terms of change. Somebody already brought up how do we fund these programs. Infrastructure, from my perspective—I hope this can get some support when we look at this—we have a list of infrastructure here. It's time—where would we do it if not in the Comp Plan. We need to be looking at our urban forest as infrastructure. I absolutely do. I see Gil is nodding his head up and down. I appreciate that, Gil. I would like to see that added to the list of things that has to be funded and supported in terms of our infrastructure. A lot of the policies talk about housing near transit. One of the speakers, maybe two, talked about housing near jobs. That ought to be given more gravity. There are programs that can be put in place, called first source hiring, which gives first priority of jobs to people who live within a certain radius. It's a way to not only get people employed nearby but also reduce greenhouse gas emissions. When and where would we—if we wanted to consider a lower threshold for Level of Service (LOS), wouldn't we want to incorporate that while we're doing the EIR? How would the Council, from your perspective, and when introduce that desire, should the Council go there?

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Ms. Gitelman: You saw the Transportation Element draft from the CAC earlier this month. I think we continued it to September 19th. You'll have an opportunity in that context to speak to that policy.

Council Member Holman: Right now we're looking at the EIR scenarios. In the Transportation Element, but should we make a more general comment about it here and a more specific comment about it here? Will it be swept if directed?

Ms. Gitelman: It's really a policy issue that we would deal with in the Plan itself. At this point, we're long down the road on the significance thresholds that the Council adopted and that we've applied in the EIR. There's not an opportunity to really change those in this EIR analysis. When you get the Transportation Element, you could talk about a policy related to that issue.

Council Member Holman: It seems to me we ought to be looking at—if we are going to lower the LOS threshold, then we ought to be looking at it in the analysis and not just in the Transportation Element as a policy. We'll come back to that. I've always been troubled by this, and I don't think I'm going to get a different answer because we have different opinions. I've always been troubled about this mix and match thing in the EIRs. I've never encountered it before. I just don't know how it's workable, how you can pluck one thing from here and pluck something from someplace else. I just don't see how that's going to work and we're going to end up with accurate analysis in the end. I've asked that question before and made that comment before. I'll just let it stand.

Ms. Gitelman: I appreciate that comment. We are trying something that is challenging here. In an effort to preserve our flexibility and not have to wait until the end, until we have the CAC work done and the Council work done on the general plan to start the EIR process, because an EIR process is a 12-18-month process at the best of times. We're trying to work in parallel here and do our best to bookend the impacts. We're going to have to analyze whatever the preferred alternative is at the end of the day and make sure we did a good enough job.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thanks. I hadn't heard the idea of closing off Churchill before. That's actually a really interesting idea. It sounds like something we should consider. I always take Alma or Oregon. As I was thinking about it, I want to suggest a framework for thinking about the Vice Mayor's suggestion on this. My recollection of how we started this was the same as Council Member DuBois'. We said there's a lot of stuff to like Scenario 4 on the sustainability front. The fact is the thing that we're



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wrestling with the most, that there's divisions of opinion on, is how much growth. There wasn't a lot of controversy on the sustainability stuff. We looked at that and said that all makes sense. No matter which scenario we pick, we're going to do that. To assign it to one scenario but not a different one is an artificial exercise, because we're going to do it whichever scenario we pick. I was struggling with it the same way that Council Member DuBois was. It seems to me that, as we decide what to put in Scenario 5 and 6, if it's stuff we're going to do anyway, no matter which one we pick, then it probably should be the same in both. If it's stuff that only makes sense to one of them but not the other one, then that's the kind of thing that ought to be different. Given that the two scenarios are—one is the aggressive growth scenario and the other is the modest growth scenario. I think the Mayor had an interesting point that the whole range here is still faster growth than historical in Palo Alto, which is an interesting thing to ponder.

Mayor Burt: On the housing side, not on the office.

Council Member Filseth: On the housing, yes. Not on the office, yes. To the extent that some of these programs make sense as mitigation for aggressive growth, I would agree with Tom. Some of these aspirational performance-based measurements fit into that. That probably ought to be just in Scenario 6. If we're going to do something that's an office cap, for example. Maybe it doesn't make sense in Scenario 6, but it does make sense in Scenario 5. That ought to be the filter. When we come back to something like grade separation or what we do on Churchill Street, if it really makes sense to do that only in one or the other of the scenarios, then it ought to only be in one. If it's the kind of thing that's an independent decision, then it probably shouldn't be different between the two. We're not really trying to a multi-variant analysis on all this stuff. We're trying to scope out the solution space. That's how I'm thinking about whether it should be in both or just one or the other, if it's really tied to one or the other. Thanks.

Mayor Burt: Council Member Kniss.

Council Member Kniss: A number of more discrete comments. The discussion about closing Churchill is very relevant because of the cost more than anything. I know we'd have an outcry from a whole variety of sources. Unless we trench, we're going to have an outcry in any event.

Male: (inaudible)

Council Member Kniss: We're talking about trenching Caltrain.

Mayor Burt: Council Member Kniss.

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Council Member Kniss: If you're trenching, you're trenching. Coming back to that again, we have a chance to keep an eye on Mountain View. I don't know whether they've actually made that decision to close Rengstorff. If they haven't, it's very close.

Mayor Burt: You mean Castro.

Council Member Kniss: Castro, sorry. Looking at what they've done and having some of the discussion about that—what you're thinking, Greg, is we wouldn't have to trench it if we closed it. Correct?

Mayor Burt: Let's not get into policy discussions around that.

Council Member Kniss: Let's stay away from the exact ...

Mayor Burt: Let me just say that I want everybody—if I'll be allowed to interject here on this as we're starting to go down rail permutations. I actually have given a lot of thought over a number of years to all these different scenarios of whether any of our grade crossings could be possibly closed, whether they could be modified, different permutations. Everyone of them has really significant ramifications. This is a prime example of Mencken's quote that says for every complex problem, there's a simple solution and it's usually wrong. I would just be cautious on the first thoughts that people have been giving to this subject, to assume that this is a simple solution. It's not.

Council Member Kniss: I don't think any of us would think that, because it involves property, involves transportation, involves any number of things. Since it was brought up tonight, I think it's one of those that we absolutely need to include in the scenarios. I want to mention something Bob Moss brought up tonight, that we forget from time to time. We can indicate how many housing units we would allow, have, whatever it might be, but somebody has to build them. It has to make sense. Your comment, Bob, you were probably talking about Fern, where it hits Alma, where they created a number of very different units. As he said, the developer will develop to the market. They will not—if we want something different, we would have to develop it. Talking about transportation, Karen. I know you like LOS. I've become a big fan of Vehicle Miles Traveled (VMT). I am more and more hearing about VMT. On the very last page where it deals with transportation, which is to adopt the pragmatic approach to reducing traffic, this is very appealing. I am trying to think how we really make that happen. It's something most of us would like to see. Lastly, to mention Doria's groceries, I thought that was probably one of the most visual. The thought of plucking from each one of these scenarios is very tempting. I'm going to

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take this back and hope that we get into a Motion that's fairly inclusive without totally picking part all of the scenarios tonight.

Mayor Burt: Let me just wade in on a couple of things. First, briefly on the grade separation issues. It is really tempting to throw in one variation amongst all the different permutations we may look at in our next separation analysis this coming year. There are actually a lot more permutations than what have been discussed. Picking one tonight and assuming it sounds really good without understanding the impacts at Churchill of shutting off Southgate neighborhood from eastbound access and shuffling all that traffic onto gridlocked Embarcadero.

Council Member Kniss: We'll hear from them tomorrow.

Mayor Burt: I want to caution everybody about assuming there are some magical, simple solutions. I also want to put out there on the housing potential. Developers are going to generally build to the highest return that they can achieve within permissible zoning. Just because somebody 20 or 30 years ago said larger units were all they'd build, all we really know is they found that the most attractive development at that time. That doesn't necessarily clarify what developers would do either today under existing zoning or under modified zoning. Let's be careful about also assuming that those kinds of examples necessarily guide us. We have coming up in the next couple of weeks the VTA lot, which is a proposal for small units, quite small units, 500-600 square feet. That developer is not proposing it because they think they would lose money off it. That's not a good assumption for us to use. I did want to go to something Vice Mayor Scharff was bringing up on this unbundled analysis. That actually gets to one of the most challenging aspects of how we're going about this. Director Gitelman, to what extent will we be getting, under the current way this is framed, analyses where we would be able to unbundle certain aspects of what's been looked at? We have a lot of different elements to each of these scenarios. To what degree will we get this information back in a way that we could say, "The scenario looked at these things in aggregate. They broke it down in a way that we can fairly discretely say this aspect"—say, our final decision isn't to pick one out of the six but it's to give 5B or create a new 5B. Are we going to have meaningful information in an unbundled way that would allow us to inform where we might ultimately want to go in a preferred alternative?

Ms. Gitelman: Thank you for that question. This is an important point. We are not analyzing each one of these components individually. We're not unbundling each component and analyzing it separately. We're analyzing the grocery bags. Our expectation is that Council will choose one of the grocery bags we've analyzed or choose a variation, another grocery bag.

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We would analyze that variation and ensure it falls within the range that we've analyzed. That grocery bag is going to include some things out of the other bags. There's going to be some mixing and matching. Even in that final analysis of the preferred alternative, it's going to be a combination of elements. We just simply can't at a sufficient level of detail analyze each one of the components we've identified in these tables.

Mayor Burt: There's a big difference between each one and none. When I look at a lot of the variations that are in these different tables, it's hard for me to understand how our consultant will be able to come up with a conclusion for a scenario without having built that up on certain building blocks. I'm looking at the Zoning Code amendments, for example. We talk about changing commercial densities for some residential densities in downtowns. One, we don't specify what those new densities would be, but there would be certain assumptions. I would assume that impact—that runs across several different scenarios. The consultant would have to say if that was done to this degree in the Downtown—I'll make certain assumptions—it would have this impact in terms of switching from job growth to housing growth in a general area. That can be unbundled. If we have an alternative where we're looking at a mechanism to moderate employment densities, that's shown under Scenarios 5 and 6. Whatever that mechanism might be under 5 and 6, I don't understand why we wouldn't be able to moderately discretely look at the impact of that mechanism and apply it to 3. I want to make sure that the question is understood and answered as it's intended. Not that we would have infinite ability to precisely know the impact of everyone of these measures if they were unbundled. What amount of information are we going to have about different measures?

Ms. Gitelman: I think I understand your question. Let me see if I can respond. The function of an EIR is disclosure as much as anything else. The idea of a programmatic EIR is to disclose at a pretty high level what the elements of the project alternatives are and what the relative impacts of those alternatives would be. That's what we're trying to do. The analysis itself, the analysis of impacts, is based to a large extent on the quantitative features of the alternatives that we've already identified, jobs, housing, square footage, population and on infrastructure choices. The combination of the quantitative measures and the infrastructure choices are what drive a lot of the impacts analysis. The policy choices that we're defining, the preferences in terms of zoning changes, the one that you mentioned, Mayor Burt, we want to disclose those as policy measures that may be considered in the Comp Plan Update and policy choices that would drive the job numbers in the case of employment densities that we're analyzing as part of these alternatives. The job numbers are lower than what ABAG projects under business as usual, so we need to have a policy basis for projecting a

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lower job number. In this case we've articulated this idea of regulating employment densities, the idea of a growth limit, the idea of converting some commercial FAR to residential FAR. We're not going to be able to analyze each one of those potential techniques in any specificity. When those individual techniques are developed and the zoning changes that follow the Comprehensive Plan Update, we'll have to ensure that the impacts of those policy changes have been adequately addressed. We couldn't possibly analyze ...

Mayor Burt: Let's go for a moment—taking as a given that this EIR won't be able to go into the detailed specifics of analysis of each of these different measure, take the other extreme. If they aren't looking at these measures in any meaningful way, what's the point of this exercise? My assumption is there's some degree to which they're going to look at these measures, that hopefully is moderately meaningful. Otherwise, they can't offer us the collective impact of these measures. These are building blocks that the consultant would be using with varying degrees of specifics on different measures. I'd want the analysis to be transparent about the degree they're able to have meaningful information about the impact of a measure. Just having a consultant say, "I can't show you what I did, but in the end I came up with this," if that's all we're going to get, I have real difficulty with this whole exercise. I'm willing to accept a consultant saying, "Here's approximately the accuracy that we can use at this point in time for a given measure," with a significant qualifier saying each of these would go into much greater depth if they're actually implemented. I need to know more than what I understood you to be describing about what we'd get.

Ms. Gitelman: Let me try and approach this two different ways. I thought your word transparency was a good one. It's not just that we want to be transparent about our analysis. In this sense, I mean our analysis of scenarios with the quantitative measures and the infrastructure choices that we assign to them. We want to be transparent in terms of the policy options that we're considering in order to achieve those results. In that sense, the scenarios are as descriptive as they are analytical. I think we would like the scenarios to describe policy measures that are under consideration, even if they never make into the final Plan. Whatever is being considered as part of this bookended approach, we would like to mention them as part of the rationale for the scenario numbers that we've decided on. To explain it another way, let me go back to Council Member Holman's comment about the traditional approach. The traditional approach, we wouldn't have started the EIR. We'd still be working on the Comp Plan. We started in 2008; here we are in 2016. We probably have another year to go. We'd get a draft Comp Plan that Council would debate for a while. You'd say this is really what we want to do. We can't adopt it, because we need to do an EIR.

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Then, we'd take another 12-18 months to prepare the EIR. It would be analyzing that set of policy choices. The first step in doing that analysis would be to develop a projection of jobs, population, housing and infrastructure changes based on the policy parameters in that preferred Plan. Here we don't have the luxury of a preferred Plan yet. We're doing these things in parallel. We've come up with some straw men, the bookends of the projections. We're trying to identify the policy parameters that we think might end up in the Plan to support those projections. That's the approach we're taking. Is it ...

Mayor Burt: When we look at Table 1, it's largely formulaic based upon certain growth scenarios and jobs and housing. When we look at all of these other tables and we look at different policies and programs and measures, we're saying that we're going to use certain of them for certain scenarios and not for others. If we can't show any analysis that shows discretely what was the basis for saying using it under Scenario 5 has such-and-such aggregate impact and we're only doing it there. Then, we come back and say, "Ballpark, what's the impact of that measure?" You say, "We can't tell you. It's just so nebulous that we can't break it apart." I have a hard time believing something real was done in that analysis. I know how you perform analysis. There may be a hesitancy to characterize realistically the degree of accuracy that they could reasonably have at the point in time when they're doing the EIR. I'm much more comfortable with them saying, "This one has to be by nature very much a ballpark. This one, we were able to do a moderate amount of calculation, and here's what it is." That's the transparency I'm talking about. It has to be part of what they're doing or this is all mythical about having all these other measures and policies that are being looked at for different scenarios. We're just being BS'd. Either they've got some basis for coming to a give conclusion or they don't. If they do have some basis, but they feel they need to put qualifications on it, I'm okay with that.

Ms. Gitelman: I think part of why this is a complicated conversation is that we're a little apples and oranges in these tables. There are some things in Table 2, for example, that very clearly will have different impacts, and we'll be able to articulate based on the analysis of the various scenarios. For example, if you move housing sites, if you increase residential densities in some area and lower them in others, those are the types of changes that we are going to be able to parse and, by looking at the results of the scenarios, tell you what the impacts of those choices are. The same is true of the infrastructure items that are in one of the infrastructure tables. Where it gets a little cloudier is some of these zoning ideas that are a basis or a rationale for coming up with the employment numbers or the housing

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numbers but in and of themselves are going to be difficult. I wouldn't want to promise that we'll be able to parse that particular measure.

Mayor Burt: That falls within the framework that I am comfortable with receiving and that I was really hoping that we could move toward; for the consultant to transparently say, "These are the ones that I was able to have moderately meaningful quantified estimates." They're still going to be estimates. "These are other ones are ones that we simply had to have a best professional, subjective judgment. We really don't have meaningful quantification, but that's the best we can do at this point in time." I want to see that. I just want to see what the consultant transparently says, "These are the things that I had something moderately meaningful on, and these are the things that I simply cannot. I used professional judgment and came together with what we say would be an aggregate impact of this set of measures." That's all transparent, and we get to understand it. We would need to take the responsibility to not beat up on everyone of those and say, "Why didn't you give me perfection?" That's our responsibility to come back and not do that. We each have a responsibility. I don't want to have a game where the consultant says, "I can't show you my cards, but I came up with this conclusion." That doesn't cut it for me. I want to have an open deck and say, "Here's what we have a reasonable analysis for. Here are the things that we don't have a good enough basis, so we used best professional judgment." We should be responsible enough to take those distinctions and say that's the best we have to work with. Let's make the best judgments we can based on that, when we look at choosing scenarios. I do think that—I had two lights, Vice Mayor Scharff and Council Member Wolbach. Were you both wanting to go forward toward Motions?

Council Member Wolbach: I just wanted to weigh in on that first round. I forgot to hit my light earlier.

Mayor Burt: I thought you had.

Council Member Wolbach: I haven't spoken since our question period.

Mayor Burt: Why don't you go ahead, and then I'll go to Vice Mayor Scharff. Let me just say his notion of putting out the Staff recommendation as a starting point is probably a useful way. Then, we just openly discuss modifications to it. Council Member Wolbach.

Council Member Wolbach: I've got a couple of questions for Staff. Picking up on that process question, my inclination would be a bit of both what Vice Mayor Scharff and Council Member DuBois suggested. Perhaps we do a Staff recommendation for 5 and then the Staff recommendation for 6, and go through them each separately. I would be open to that, but I do think

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starting with the Staff recommendation does make sense. I actually had a question about the Staff recommendation I forgot to ask earlier. I'll give the Director just a moment to make sure we're literally on the same page. Attachment 10A, Table 2, the second line, eliminate housing sites on San Antonio and South El Camino. That is checked for Scenarios 3, 4 and 5, but is not checked for Number 6. Two pages later in the paragraph summarizing Scenario 6, it says Scenario 6 would eliminate housing sites along San Antonio and South El Camino. There's a contradiction there. I just wanted to check which direction is the Staff recommendation before we get to motions.

Ms. Gitelman: Thank you for catching that. The table is correct and the text is not. In Scenario 6, we pumped up the housing numbers so high, I think we need to keep the sites and increase densities elsewhere and at the new sites.

Council Member Wolbach: To clarify, Scenario 6 would not eliminate housing sites along San Antonio and South El Camino.

Ms. Gitelman: Correct.

Council Member Wolbach: I'd asked a question earlier about whether we're allowed to tweak the numbers on jobs and housing. I heard from Staff that we could. The Mayor weighed in that we should not. Staff said they hoped we would not. A couple of members of the public suggested that we should. We did have an extensive conversation about that last time around. As a comment, I am still disappointed that we are not exploring as a matter of study housing units to equal our job growth. Even Scenario 6, the most pro-housing one, even though it aims to reduce our jobs/housing imbalance below what it is currently, it still would add more new jobs than new housing. I still find that frustrating. Given the discussion we've been having and the public's been having, I'm not going to make a Motion about that again because we've done it before.

Mayor Burt: I just want to make sure you know that 5 does not do that, well, nominally. It has 33 jobs more than population (crosstalk) housing.

Council Member Wolbach: I'm actually looking at housing units. The key question isn't population. The question is housing units given that's what we're looking at here. I think that would be comparing apples to oranges, because 5 looks at 3,500 units of housing, 6 looks at 6,000 units of housing. Both of them look at almost 9,000 new jobs. I am still frustrated by that. If anyone else wants to explore changing those numbers so that Option 6 would have housing to balance the jobs, I'd be open to seconding that. I understand the reluctance to do so.



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Mayor Burt: Can we ask whether Staff has a clarification on the assumption of how many workers per housing unit? That is core to Council Member Wolbach's concern.

Ms. Gitelman: I'm sorry I'm not going to be able to respond to that on the fly. Footnote 3 in this Table 1 talks about the number of employed residents is based on a percentage of the population from the ABAG projections. That's how the jobs/housing ratio gets calculated. I don't know if that's responsive to your question or not.

Mayor Burt: I think it helps.

Council Member Wolbach: Council Member Schmid was just telling me it's about 48 percent. It's pretty close to one job per household.

Council Member Schmid: One-half job.

Council Member Wolbach: One-half job per household.

Ms. Gitelman: I'm not sure that's how it works out. It's based on 48 percent of population. Population depends on unit size and a variety of factors. The persons per household changes over time, so we'd have to look at the projection for 2030.

Council Member Wolbach: For any of the scenarios, we're still looking at less housing units than jobs. If you have less housing units than jobs, you're probably not making enough room for people, especially given for each of these we're looking at maybe two or a little more than two people per household. Again, just as a comment, I want to share my disappointment on that and would be open to exploring changing that for Number 6 so that they would be balanced. I'll just make a couple of comments for when it comes time for motions. There should be some specific all-out around parking requirements, perhaps as a particular type of incentive if balanced with residential TDM. This would accompany the last item in Table 2, where it says adopt regulations and incentives to create smaller units. I'd be looking for a Motion that suggests at least exploring allowing reduced parking requirements in conjunction with residential TDM and RPP. Table 3 talks about Planned Community, PC zoning district provisions would be reformed. Obviously that's still be determined where we move with that in the future. I would suggest as a complement to that emphasizing Staff would prepare and the City would start to use coordinated area plans as a more regular planning tool as we've done with great success in SOFA and SOFA II. A number of people are looking at places like the Fry's site but not exclusive to the Fry's site where coordinated area plans might be a useful tool moving forward. I'd like to see that referenced in

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Table 3. Since we're not in motions yet, I'll leave it at that. Sorry, one more thing. On this question of grade separation, maybe the easiest way to change it—at least what I'd be looking for—is where it says in Table 4 agreed separation of Caltrain in a trench below Charleston and Meadow. I'd be open to adding two words, "at least." It'd say grade separation of Caltrain in a trench at least below Churchill and Meadow. I'll leave my comments at that for now and let it go to motions.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I'll move the Staff proposal for Scenarios 5 and 6. Do you want more definition like as captured in the table set forth in? As captured in the table set forth in—I guess it starts on Table 2 through Table 5.

Council Member Kniss: Second. Are you done?

Vice Mayor Scharff: Yes, that was the short Motion.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Kniss to direct Staff to move forward with Scenarios 5 and 6 as outlined in Tables 2-5.

Mayor Burt: Go on.

Vice Mayor Scharff: I think for the most part Staff captured this well. I'm clearly open to tweaks that Council Members want to make. I realize that was the goal here. I was very intrigued with Mayor Burt's concern about the unbundling. I have that concern. I didn't really view this as we choose either Scenario 5 or we choose Scenario 6. I viewed it that we could mix and match a little bit. I want to know if we're going to do where we can do that as much as possible, that's going to be helpful. It's going to be very difficult if we can't unbundle how to do that. I actually would have thought about this whole process totally different, because I thought we were saying as long it's in here, we can unbundle it and mix and match it. If we have no basis to make that decision because we can't unbundle it, then it becomes very hard to justify why are you pulling that over, other than gut judgment. I have that concern as well on this. The more we can unbundle it, the better that would be. There's two purposes of doing this EIR as far as I can tell. There are the legal requirements, i.e., give notice to everyone. That's why you throw everything into at least one scenario. At the end of the day, we have to come together and choose something. We have to have some sort of data driven, rational reason of why did this and why we did that. I feel about that the same way. With that, I'll say thank you for all the hard work.

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I can tell you put a lot of time and effort into this. Maybe when we get over it, it'll be easier. Thanks.

Mayor Burt: Council Member Kniss, did you want to speak to your second?

Council Member Kniss: Greg just put it very well. The unbundling aspect of it is pretty important. The moving ahead with it portion is pretty important at this point too. It's only been—what have said? Eight years? As of the beginning of January, there will be a new Council sitting here that may not see exactly what we see in front of us tonight. Believe it or not, they even decide to mess with it a little bit. We just have to move forward at this point. Staff has done a great deal of work on it. I never guessed that we would actually end up with six scenarios, all of which—as Doria said, it's a grocery bagful. It's really a grocery cart full that we're choosing from. Obviously I'm supporting it.

Mayor Burt: Thank you. Council Member DuBois.

Council Member DuBois: I'll propose a friendly amendment. I was thinking along exactly the same lines, that we would accept Scenarios 5 and 6. I emailed David some proposed changes to Scenario 5. Scenario 5 to include the County expressway implementation and to include the CC-2 FAR reduction from 2.0 to 1.5; to subtract on 5 the performance-based zoning; the constraints on ADUs; and the development by-right language.

Vice Mayor Scharff: Why don't we just take them one at a time?

Council Member DuBois: I'm proposing those as a bundle for Scenario 5.

**AMENDMENT:** Council Member DuBois moved, seconded by Council Member XX to add to the Motion, "with the following changes to Scenario 5:

A. Add:

- i. County Expressway implementation; and
- ii. In the Community Commercial 2 (CC-2) district, the allowable 2.0 FAR would be reduced to an FAR of 1.5 near California Avenue; and

B. Subtract:

- i. Remove 'Mitigation and sustainability measures would be adopted to minimize impacts...' Remove performance-based zoning – retain density-based zoning; and

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- ii. Remove 'Remove constraints on the addition of ADUs;' and
- iii. Remove 'development by right' language in Table 3."

Mayor Burt: We may not want to accept them as a bundle. We may be willing to accept certain ones. I'll just give as an example—I don't understand how the County expressway implementation would align with Scenario 5 being sustainability tested. That's really what would normally be thought of a sustainable approach by increasing road capacity for single occupancy vehicles. That's an example.

Council Member DuBois: I'll speak to it if I get a second of if it's accepted.

Vice Mayor Scharff: Why don't you just do one at a time? That way you could ...

Mayor Burt: I'd like you to propose them separately.

## **AMENDMENT SEPARATED FOR THE PURPOSE OF VOTING**

**AMENDMENT A:** Council Member DuBois moved, seconded by Council Member XX to add to the Motion, "with the following changes to:

- A. Scenario 5:
  - i. Add to Table 4 Row 8, 'County Expressway implementation.'"

Council Member DuBois: A friendly amendment for the County expressway implementation. My thought here was ...

Mayor Burt: Now you've got to get a second to that or acceptance.

Vice Mayor Scharff: I will accept that.

**AMENDMENT A RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "with the following changes to:

- A. Scenario 5:
  - i. Add to Table 4 Row 8, 'with or without the addition of a High-Occupancy Vehicle (HOV) lane (the opposite of Scenario 2).'"

Council Member DuBois: Should I speak to it or should I go to the next one?

Mayor Burt: Go ahead and speak to it.

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Council Member DuBois: My thought on this one was similar to what Council Member Scharff said. Just to include it one of the higher growth scenarios for evaluation. It would be in 5, not in 6. We would have the comparison, where right now it's only in Scenario 2. We could even specify that this is the HOV one. Scenario 2 is without HOV. If that's clearer.

Vice Mayor Scharff: Were you saying with HOV or without HOV?

Council Member DuBois: If you wanted to test both, I'm happy with it just being in ...

Vice Mayor Scharff: I'd prefer it with HOV so we can test it as opposed to the one without HOV.

Mayor Burt: Is the Motion to test it with HOV or without HOV or both? Both becomes problematic, I think.

Council Member DuBois: It's already in Scenario 2 as the County proposes. This would be with HOV.

Mayor Burt: Do we have clarity on what's being referred to as the County proposal? Was that adding the lane with the HOV?

Ms. Gitelman: I'll have to confirm with the traffic engineer how they modeled it in Scenario 2. I think they modeled an additional lane. The text of the EIR describes the Council's position as wanting it to be HOV. I'll have to ask them how it was analyzed.

Mayor Burt: For our purposes tonight, are we to assume that it does include the HOV, because that was the City ...

Vice Mayor Scharff: The easiest thing to do would be to say we'd like one with HOV and one without HOV. If you modeled it with HOV, let's model it without HOV.

Council Member DuBois: Right.

Vice Mayor Scharff: Let's just have two.

Mayor Burt: Going back to Council Member DuBois, is that acceptable on what you want to have in this Motion?

Vice Mayor Scharff: You probably need to change the language.

Council Member DuBois: If you could change the language so that we have Scenario 2 and Scenario 5, one is with HOV and one is without.

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Mayor Burt: I'm trying to think through the voting process, whether we should pile these up and then go through a series of votes under discrete additions at the end or whether we should act on each as we get them.

Council Member DuBois: Wasn't this accepted into the main Motion?

Mayor Burt: You're right. That's been accepted. The intent of that main Motion really was for us to have a template by which we'd consider alternatives.

Vice Mayor Scharff: I'm fine to have a vote on everything, then we don't ask me. We just put it out there. I guess it has to get a separate second. I separately seconded it. If that's the process, I don't have a (crosstalk).

Mayor Burt: Let's get a quick consensus. From a process standpoint, do we want to consider each amendment separately?

Council Member Kniss: (inaudible)

Mayor Burt: We could have a good number. Otherwise, we can have a Motion that will fail because we've got concerns with individual amendments, even though we might be supportive of the vast majority of them.

Council Member Kniss: (inaudible)

Vice Mayor Scharff: It goes up there, and then we vote on them separately. It just needs a second from anybody.

Mayor Burt: To make it on to the list. The other question is when do we vote on them? At the end? Get the list up and then go through them at the end. I see Molly has a little input.

Molly Stump, City Attorney: Just a suggestion. I think you're working your way towards it, but your rules do provide that the Mayor has the option to split the question. If you wanted to put all ideas up there and then just split the question, you could go through them.

Mayor Burt: Let's get them out there. Once we've got them all there, see whether it looks best to consider them individually or only split some or who knows what. Let's get them on the table.

Council Member DuBois: The second one was to add back ...

Mayor Burt: How about this? Since the primary Motion just put the Staff recommendation up there, I don't know that we should necessarily be going through the maker and the seconder to get something on the board. I

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would say anyone that has a second. We'll allow anyone to second these individual considerations. That makes sense? Everybody got that?

Council Member DuBois: The second one here was to bring back the CC-2 reduction from 2.0 to 1.5 near Cal. Ave.

Mayor Burt: Council Member Holman seconded that.

**AMENDMENT B:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "add to Proposed Zoning Code Amendments Row 8, 'in the Community Commercial 2 (CC-2) district, the allowable 2.0 FAR would be reduced to an FAR of 1.5 near California Avenue.'" (New Part A.ii.)

Council Member DuBois: This is ...

Vice Mayor Scharff: I would suggest that we not speak individually. We just get them on the board and then (inaudible).

Mayor Burt: That sounds good too. We won't speak to these ... We'll call them amendments as we go.

Council Member DuBois: These were removals from Scenario 5 only, again with the idea that we'd test a range of options. It would be removing this mitigation sustainability measures, basically the performance-based zoning from Scenario 5. We would end up with Scenario 5 without it and Scenario 6 with it.

Mayor Burt: You seconded that? Council Member Holman seconded that.

**AMENDMENT C:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "remove from Table 4 Row 13, 'performance-based zoning' and retain density-based zoning." (New Part A.iii.)

Council Member DuBois: The third one was to remove the—I'm looking for the language so I get it right. Remove the "remove constraints on accessory dwelling units." That's included in five scenarios right now. I thought we'd get a better range if we did not include it in Scenario 5.

**AMENDMENT D:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "remove from Table 2 Row 7 'remove constraints on the addition of ADUs.'" (New Part A.iv.)

Mayor Burt: That sounds pretty binary. It's either remove constraints or don't remove constraints. There's a lot of ground in-between. (crosstalk)

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was reduce constraints or something to that effect, which is what the Council has already forwarded to the Planning Commission. We've been waiting since last year to see a proposal. I'd be a little hesitant to ...

Council Member DuBois: I would change it to reduce constraints. That just seemed very binary the way it was written.

Council Member Holman: (inaudible)

Mayor Burt: It's going to change "remove constraints" to "reduce constraints" on the Accessory Dwelling Units (ADUs).

**AMENDMENT D RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "replace in Table 2 Row 7, 'remove constraints on the addition of Accessory Dwelling Units (ADUs)' with 'reduce constraints on the addition of ADUs.'" (New Part A.iv.)

Council Member DuBois: The last one I had was the one for Downtown and Cal. Ave., where it said to get the permitting process by-right and actually use the other language, which was to modify regulations.

**AMENDMENT E:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "remove 'development by right' language in Table 3." (New Part A.v.)

Ms. Gitelman: Roman Numeral III is in the last cell on Page 286. Am I right?

Council Member DuBois: 286 at the bottom.

Mayor Burt: We're replacing the language "development by-right" with ...

Council Member DuBois: With "modified regulations."

Mayor Burt: Modified regulations. Council Member Wolbach.

**AMENDMENT E RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "replace in Table 3 Row 8 'development by right' with 'modified regulations.'" (New Part A.v.)

Council Member Wolbach: I have three possibly friendly amendments. Should I go through them one at a time in the same process?

Mayor Burt: They're not friendly amendments so much as we're putting amendments on the table if you get a second.



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Council Member Wolbach: I will commence. The first would be—I'm going to be looking for a second from anyone who would be friendly to them or supportive—to add to Table 2 Scenario 6. An additional line which would read allow reduced parking requirements for residential development when in conjunction with TDM and RPP.

Council Member DuBois: I'll second that.

Council Member Wolbach: That's just for Table 2, Scenario 6.

**AMENDMENT F:** Council Member Wolbach moved, seconded by Council Member DuBois to add to the Motion, “

B. Scenario 6:

- i. Add to Table 2 Scenario 6, 'reduce parking requirements for residential developments when in conjunction with Transportation Demand Management (TDM) and Residential Preferential Parking (RPP).’”

Council Member Holman: Mr. Mayor?

Mayor Burt: Yes.

Council Member Holman: When Tom started out, he said include the following changes to Scenario 5. "C" actually should have a different heading, because it's Scenario 6.

Mayor Burt: Start that grouping as Scenario 6. We'll do that just as a way to organize it. I will second that, but then I want to offer—you already did. Can I offer just a suggested slight modification to the language?

Council Member Wolbach: Happy to hear it.

Mayor Burt: Rather than say specifically RPP, it would be where adjacent to parking restrictions.

Council Member Wolbach: How about this? In conjunction with residential TDM and adjacent to parking restrictions.

Mayor Burt: On-street parking restrictions, I should say.

Council Member Wolbach: (crosstalk) to on-street parking restrictions. I'm comfortable with that clarification instead of using the specific RPP. Are you okay with that, Tom? Council Member DuBois?

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**AMENDMENT F RESTATED:** Council Member Wolbach moved, seconded by Council Member DuBois to add to the Motion, “

B. Scenario 6:

- i. Add to Table 2 Scenario 6, ‘reduce parking requirements for residential developments when in conjunction with Transportation Demand Management (TDM) and adjacent to on street parking restrictions.’”

Council Member Berman: Is it just reduce parking requirements, not reduce, reduce the parking requirements?

Council Member Wolbach: You can get rid of the second one.

Mayor Burt: Or the first.

Council Member Wolbach: Thank you, Council Member DuBois, for seconding that, and Mayor Burt for the tweak on the language.

Mayor Burt: I got it. I'm just looking at the way that David has it organized.

Council Member Wolbach: My second suggested addition would be to add to Table 3—this one will actually be for Scenarios 5 and 6 potentially. It's not as much about growth as it is about a stylistic approach to planning. It would be a new line for Table 3, Scenario 5 and 6, coordinated area plans aka precise plans would be a usable and normal planning tool in Palo Alto.

Mayor Burt: What does that do with an EIR?

Council Member Wolbach: If you look at the first item in Table 3, it talks about changing how we use Planned Communities in a very general sense. We're saying in changes to how we do planning in the City, we're going to pursue amendments or reforms to Planned Communities. I'm personally not a huge fan of PCs. I'm not going to fight on removing that one right now. If others want to argue about that, we could.

Mayor Burt: This "uses a normal planning tool" is not descriptive enough. It sounds to me like what you're wanting to do ...

Council Member Wolbach: How about a "usable planning tool"? Right now, it's unused since SOFA and SOFA II.

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Mayor Burt: You want Scenarios 5 and 6 consider necessarily using that. Is that correct? We're contrasting it to Scenarios 1-4 where we aren't saying that specifically.

Council Member Wolbach: My hope was not to mess with 1-4, and that's why I'm only talking about 5 and 6.

Mayor Burt: That's what I'm saying. By saying 5 and 6, if they currently are not—Hillary, that's a question of what's the baseline on 1-4. What do we assume about the use of coordinated area plans in Scenarios 1-4?

Ms. Gitelman: I think this is a good example of something we really won't be able to unbundle from the scenarios. It's descriptive of more planning process. Obviously a coordinate area plan would have to be developed with specific policies and regulations, and it would require its own environmental review. Including it in one or more of the scenarios might state the Council's intention, but it's not going to really change the results, as we talked about earlier.

Mayor Burt: I'm trying to see language that would capture Council Member Wolbach's intent and distinguish it. If it's being distinguished from what we do otherwise ...

Council Member Wolbach: You know what? Based on what I just heard from the Planning Director, since it wouldn't have a tremendous impact on the EIR, perhaps we should just apply it across the board just like the PC zoning district provisions being reformed is applied across the board. It's a stylistic thing. I think this is the appropriate time to mention it, if we want to see it included. Having the tool available doesn't necessarily mean we'll have more housing, less housing, more jobs, less jobs. It's just a question of how we approach having those conversations in the future. Maybe we should just do all scenarios.

Mayor Burt: I might have it become "B." You're basically wanting to have all of the scenarios ...

Vice Mayor Scharff: (inaudible) looked at those. Haven't they done the EIR (crosstalk).

Ms. Gitelman: If I can interject on that, Mayor Burt? We're not at this point planning to go back and rewrite the descriptions of the earlier scenarios. If there's a desire to have this somewhere in the record, I would suggest choose 5 or 6 or both 5 and 6.

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Council Member Wolbach: I'm happy with that too. Whatever is easiest for Staff.

Mayor Burt: If we're not really changing things on 1-4 through this statement, then we'd word it one way. If we are changing it, we'd word it around 5 and 6. If 1-4 have assumed using coordinated area plans as a routine planning tool ...

Ms. Gitelman: They have not.

Mayor Burt: We have that clarification. We keep this focused on 5 and 6.

Vice Mayor Scharff: Why don't we call it routine instead of normal planning tool?

Council Member Wolbach: I'm fine with that change. Would I have a second from anyone on this one?

Vice Mayor Scharff: I'll second it.

**AMENDMENT G:** Council Member Wolbach moved, seconded by Vice Mayor Scharff to add to the Motion, "

C. Scenarios 5 and 6:

- i. Add to Table 3, 'Coordinated Area Plans, (Precise Plans) would be usable and a normal planning tool in Palo Alto.'"

**AMENDMENT G RESTATED:** Council Member Wolbach moved, seconded by Vice Mayor Scharff to add to the Motion, "

C. Scenarios 5 and 6:

- i. Add to Table 3, 'Coordinated Area Plans, (Precise Plans) would become a routine planning tool in Palo Alto.'"

Council Member Wolbach: My third change was one I mentioned earlier as well about grade separation. This suggestion would be for Table 4, Item 9 for Scenario 6. I'd be open to making it 5 and 6. Just swap out a couple of words. Rather than saying "in a trench," it would say "at least." "In a trench" is redundant because it already says below Charleston and Meadow. It would read grade separation of Caltrain at least below Charleston and Meadow. The remainder is the same.

Mayor Burt: May I also offer a though on this?

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Council Member Wolbach: By all means.

Mayor Burt: The more I think about this, we have an identified preferred scenario of trenching. We've evaluated it essentially south of Loma Verde. The most important thing for this environmental analysis is grade separations rather than what type of grade separation. We all know that there are permutations of impacts depending on the type of grade separation. It's most of all about the CEQA analysis would look at grade separated crossings as opposed to us trying to decide whether we only look at the ones that are our preference or whether we simply say the main thing is grade separations for purposes of this analysis.

Vice Mayor Scharff: Why don't we just say we'd grade separation (sep) Caltrain?

Council Member Wolbach: I'm not clear on what the suggested change would be.

Mayor Burt: Just call it grade separations. Then, we have a question of whether we want to have that at just Charleston and Meadow that we'd evaluate or we want to have it at all grade crossings as part of this environmental analysis. I would suggest that we have infrastructure investment under the EIR scenarios looking at grade separations at all grade crossings on 5 and 6.

Council Member Wolbach: I'm fine with that. The language I proposed would include that as well, because it says at least Charleston and Meadow.

Council Member Berman: You had it in a trench.

Mayor Burt: You had it in a trench and "at least" could mean two. It doesn't mean that we want them to look at all four. I'm saying we want them to look at all four in the environmental analysis.

Council Member Wolbach: What would it be then?

Mayor Burt: Grade separations at all grade crossings.

Council Member Wolbach: I just realized I don't think David quite captured what I was trying to say. That may be why there was ...

Mayor Burt: The Vice Mayor suggested that we continue to add—is that a semicolon? Other improvements along the corridor. We add that as well. Council Member Wolbach, Council Member Filseth is asking if he can ...

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Council Member Wolbach: I think there's some confusion because what I had proposed didn't end up getting onto the screen. What you were looking at and what I was trying to wasn't quite the same. Could I just give it one more try? Then happy to pass the mic. It would say grade separation of Caltrain—I was saying at least below Charleston and Meadow. We could just change it so it would incorporate the two. Grade separation of Caltrain to be studied at all at-grade crossings.

Mayor Burt: I don't understand what's the difference between that and seven.

Council Member Wolbach: That's fine. We can remove mine, and we can go with seven. You can take ownership of it and go for it.

Mayor Burt: It's not about ownership; we just had a solution up there.

Council Member Wolbach: Not offended.

Mayor Burt: Let's let Council Member Filseth wade in on this particular thing.

Council Member Filseth: This is more of a process thing. I'm going to plead for simplicity for here. One of the things that you want to do is be able to unbundle so the consultant can synthesize new grocery bags. The more permutations we introduce here, the harder it's going to get to do that. I hope we can keep this as simple as possible.

Mayor Burt: That goes back to—under seven we want to include the other clause that was there, "other improvements along the corridor." Is everybody okay with that? This is Wolbach, seconded by Burt.

**AMENDMENT H:** Council Member Wolbach moved, seconded by Mayor Burt to add to the Motion, "replace in Table 4 Row 9, 'in a trench' with 'at least.'" (New Part C.ii.)

**AMENDMENT H RESTATED:** Council Member Wolbach moved, seconded by Mayor Burt to add to the Motion, "replace in Table 4 Row 9, 'grade separation of Caltrain in a trench below Charleston and Meadow' with 'infrastructure investments to look at grade separations at all grade crossings and.'" (New Part C.ii.)

Mayor Burt: Council Member Holman.

Council Member Holman: If there's somebody else, go ahead. I have a question first.

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Mayor Burt: I'll try this one that's an overarching. It's not—how did we have this organized. This is going to be overarching. Provided unbundled impacts of policies and programs to the degree that such information is used in the analysis.

Vice Mayor Scharff: I'll second that.

**AMENDMENT I:** Mayor Burt moved, seconded by Vice Mayor Scharff to add to the Motion, “

D. For Scenarios 5 and 6:

- i. Provide unbundled impacts of policies and programs to the degree that such information is used in the analysis.”

Mayor Burt: It's really all scenarios. That was seconded by Vice Mayor Scharff. Did you have something else? You wanted to hear any Staff response to that?

Vice Mayor Scharff: I did.

Mayor Burt: Hillary.

Ms. Gitelman: I want to make sure that we all understand ...

Mayor Burt: I've tried to carefully capture in the Motion "to the degree it's known." I'm not asking for something that's not known. If that intent is not clear in the language, if you want to revert back to the positions, that's one thing. We can have that conversation all over again. I'd rather just focus on whether this language is clear enough to you that we're not asking for what you don't know or the consultant doesn't know. We're asking for what they do know to the degree they know it.

Ms. Gitelman: I understand what you're saying. I just don't think the way that's stated it really get you anything. It's saying to the extent that such information is used in the analysis. We don't know the impacts until we do the analysis.

Vice Mayor Scharff: (inaudible) suggest language that would capture what we're trying to achieve, that would be workable for Staff, that you'd be comfortable with.

Mayor Burt: You were saying analysis. If you're meaning that I should instead say in the conclusions ...

Ms. Gitelman: Such information can be gleaned from the analysis, maybe.

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Mayor Burt: Okay. It can be gleaned from the analysis.

Ms. Gitelman: I think the consultants have been very clear. They're analyzing the grocery bags, not the individual components. Once the analysis is complete, I think we're going to be able to step back, and there are going to be some of these big things like the grade separations and the housing site locations where we're going to be able to tease out what the impacts are under the various scenarios.

**AMENDMENT I RESTATED:** Mayor Burt moved, seconded by Vice Mayor Scharff to add to the Motion, "

- i. For Scenarios 5 and 6, direct Staff to:
- ii. Provide unbundled impacts of policies and programs to the degree that such information can be gleaned from the analysis."

Mayor Burt: Council Member Schmid.

Council Member Schmid: Maybe an addition to that sentence. It seems to me it would be very valuable to identify who is responsible. For example, under Scenario 5, it says the scenario would implement a growth management program. That's a TDM program. Who's responsible? Is that a City program? Is that a Stanford program? Is it a business program? Every time there is one of these things, do something, identify who is going to be responsible for doing it. Identify a party who can take action.

Mayor Burt: Can I try to capture your intent? Tell me if I get it wrong. This would be a second overriding point. Where applicable, identify the lead or responsible party for the given program.

**AMENDMENT J:** Council Member Schmid moved, seconded by Mayor Burt to add to the Motion, "where applicable, identify lead or responsible party for a given program." (New Part D.ii.)

Council Member Schmid: The intent of this is to see who pays, who benefits, how much.

Mayor Burt: That's how I understood it. We want to keep it somewhat open-ended on that. That goes to one of the questions I was asking earlier. Council Member Holman.

Council Member Holman: You're not looking for comments on these. You're just looking to see what other bells and whistles we want to add on here.



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Mayor Burt: Right.

Council Member Holman: For Scenarios 5 and 6 in Table 2, adopt regulations and potential incentives to create smaller units. Adding the word potential. If I can get a second to that.

Mayor Burt: I'll support that.

**AMENDMENT K:** Council Member Holman moved, seconded by Mayor Burt to add to the Motion, "add to Table 2 Row 9, 'potential' after 'regulations and.'" (New Part C.iii.)

Council Member Holman: Thank you. I absolutely appreciate that you've got in here avoid policies to avoid the loss of existing housing and displacement. I so much appreciate that. I'm a little bit concerned—maybe Staff's clear on this. I'm not sure everybody would be. There are a number of places where there's a reference to commercial development. Retail is also commercial. I think what we're referring to is office. Is that not right?

Ms. Gitelman: Generally that's right. I think in some places we call it non-retail commercial densities and sometimes we just shorten it to commercial.

Council Member Holman: There are a couple of places I'd like to make the comment just to be clear, if you think it's necessary or if you get it.

Ms. Gitelman: I think we understand. We're talking about Office/R&D.

Council Member Holman: In Table 2 it's commercial. Table 3 also talks about commercial densities. We really are just talking about office. Table 4, infrastructure, I'd really like to add in all scenarios that we add our urban forest as an infrastructure item.

Mayor Burt: I will support that. If it's okay, I'd like to hear from Staff their thoughts on whether that is an infrastructure or some other way to capture that intent.

**AMENDMENT L:** Council Member Holman moved, seconded by Mayor Burt to add to the Motion, "add Urban Forest as infrastructure." (New Part C.iv.)

James Keene, City Manager: Could we maybe get a little direction? We understood the concept as it was made earlier. That's very appropriate. We're just rolling it right now in infrastructure with the traditional meanings of that. It might do both of them.

Mayor Burt: What would be the impact? As I'm thinking about this, what's the impact for CEQA analysis of adding that concept, whether we call it

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infrastructure or we come up with some other descriptor for what we mean about the criticality of protecting it under all scenarios?

Council Member Holman: I appreciate the second. From my perspective, it not only elevates the importance of it by identifying it as infrastructure. For CEQA analysis, there are so many environmental advantages to having a good supported and sustained urban forest, that I think it would help with the—I'm not all that keen on mitigations all the time. I think it would help us in evaluating what the impacts would be to any additional development if we have a sustained and supported urban forest as part of our infrastructure.

Mr. Keene: I'm going to argue that it could actually diminish the way it could be looked at also. I don't think that the EIR is going to miss the environmental importance of the urban forest if it's not labeled infrastructure. I think there's objective the Council is trying to achieve by putting it in the class of infrastructure. That made sense earlier this evening. Right at this piece of it, I ...

Council Member Holman: I haven't seen anywhere that planting of additional trees is being used as mitigation other than removal of trees. That's why I'm looking to putting this in a stronger position.

Ms. Gitelman: Could I make a suggestion? It might be appropriate in Table 5, the sustainability measures. The CAC is committed to developing a Comprehensive Plan Update that is protective and enhances the urban forest. We could identify it in the sustainability measures as something we'd put in these two scenarios to ensure that is in fact the case.

Mayor Burt: I think that's the better place to put it, under Table 5.

Council Member Holman: Do you have particular language, Hillary, that you think would capture that?

Ms. Gitelman: We could say something in Table 5 about protecting and enhancing the urban forest as a community value or something really broad.

Mr. Keene: (crosstalk) natural infrastructure or something.

Council Member Holman: Natural infrastructure. Community value is not strong enough.

**AMENDMENT L RESTATED:** Council Member Holman moved, seconded by Mayor Burt to add to the Motion, "add to Table 5, 'protecting and enhancing the urban forest as natural infrastructure.'" (New Part C.iv.)

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Ms. Gitelman: Protecting and enhancing the urban forest as natural infrastructure.

Council Member Holman: Are you good with that, Pat?

Mayor Burt: Okay.

Council Member Holman: I have a question on Table 3 on Page 287. The second item down says mitigation and sustainability measures would be adopted to minimize impacts on new market rate housing and new nonresidential development by requiring mitigation monitoring and enforcement. Isn't that just a standard CEQA requirement? I don't know why that's called out.

Ms. Gitelman: This gets to one of the challenges or issues that the Council identified early on in this process. The Draft EIR analyzed the impacts and then provided mitigation but didn't show what the mitigation would accomplish. It didn't have the mitigated results. By putting this here, we're saying we're going to do that for these two scenarios.

Council Member Holman: For clarity, do we need to add language that says to identify mitigation accomplishments? It just seems—I don't know.

Ms. Gitelman: We could have just not put that in the table. We could have just said this time around we're going to show you the efficacy of the measures that are identified to mitigate significant impacts.

Council Member Holman: That language is much better and clearer.

Mayor Burt: If we're going to capture that in the Motion, how would you prefer we reference it?

Council Member Holman: That should cover all scenarios, of course.

Ms. Gitelman: That would be in the changes to Scenarios 5 and 6. Section 8 would be ensure that the analysis provides the impacts of the scenarios after mitigation.

Council Member Holman: Shouldn't that be 1-6?

Mayor Burt: Would it apply to everything?

Ms. Gitelman: The way we do it for Scenarios 1-4 is we talk about where the impacts have been reduced to less than significant, but we haven't been able to eliminate all the significant, unavoidable impacts. I think the Council

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wanted us to take another swing at describing how the mitigation would be effective in these last scenarios. We're going to try.

Council Member Holman: How the impacts are reduced to less than significant on 1-4 is through mitigations. Aren't we saying the same thing for 1-4 as 5 and 6?

Ms. Gitelman: It's really about how we presented the conclusions of our analysis. I think the Council wanted more explanation and more detail about the efficacy of the measures. That's what I gleaned from our past discussions.

Council Member Holman: I don't have exact recollection of it being that way. You may be right. I'm going to try something else. On Scenario 5, I'm somewhat sympathetic to Council Member Wolbach's comments earlier about jobs and housing balance. On Page 282, the summary of the EIR scenarios, I'd like to amend the second column over, nonresidential square footage. Understanding that 1.3 million square feet of that 2.7 is Stanford Medical Center, I'd like to reduce that 2.7 to 2.4 million because that—I think the math is right—would take us to a 50,000-square-foot annual cap Citywide. If I can get a second to that.

Council Member Schmid: Second.

**AMENDMENT M:** Council Member Holman moved, seconded by Council Member Schmid to add to the Motion, "replace in Table 1 Column 2, '2.7 million' with '2.4 million.'" (New Part C.v.)

Mayor Burt: I've got Council Member Scharff and Wolbach. Let me just—pardon me?

Council Member Wolbach: You can scratch my name off.

Mayor Burt: I've got a way that might speed up our voting. Once we're at the end, we've got this set. Probably there's moderately good consensus I'm actually hearing on these. I'd like to suggest we pull for individual voting any of these that two Council Members say they have concerns and want to vote on it. Everything else we'll vote as a group. If there aren't two folks who have concerns and want to vote. That may speed things up and get us out of here before midnight. Vice Mayor Scharff.

Council Member Holman: I had one last one. Table 2, the fifth one down, consider additional sites near Stanford University Medical Center or the western portions of the Research Park. Although we're trying to differentiate 5 and 6, it seems that also ought to be considered in Scenario 5.

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Mayor Burt: I would say that 6 is the one where we're looking for significantly more housing sites than 5. That's why it popped up there.

Council Member Holman: Agreed. I don't see it incorporated anywhere here, and I haven't found where the best place is to put it. We aren't identifying any housing sites near jobs. We've talked about housing sites near transit but not near jobs except for that one (crosstalk).

Mayor Burt: We've got it on 6, so this isn't about selecting a scenario. This is about analyzing scenarios. Coupling the additional sites with the highest jobs scenario is the logical thing to do.

Council Member Holman: I'll pass on that one then.

**AMENDMENT N:** Council Member Holman moved, seconded by Council Member XX to add to the Motion, "add to Table 2 Row 5, 'Scenario 5.'"

## **AMENDMENT N WITHDRAWN BY THE MAKER**

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thanks. I want to basically understand what we've done on the issues of where we said it applies to all scenarios. Can we look at that one again just for a second? I wasn't sure what the impact of this is in terms of money and time. Are we going back on any of these and redoing any of the scenarios or not? I had concerns about how we ended up looking at Scenarios 1-4. I thought the notion was we don't change anything in Scenarios 1-4.

Ms. Gitelman: I'm sorry. I didn't notice that there was something up there for Scenarios 1-6. This is a discussion about ...

Mayor Burt: Can I attempt to clarify the intent? I was in all three of those. It's not to change the analysis; it's to change the reporting.

Vice Mayor Scharff: Have we already done the reporting or not?

Ms. Gitelman: Yes, we've already—we weren't going to republish the Draft EIR. We're going to prepare a supplement that's going to focus on Scenarios 5 and 6. To the extent we need to repeat information from the Draft EIR to make that analysis more clear, we will. We were not going to go back and redo this. We agendized this really for a discussion of 5 and 6, not how we should go back and redo 1-4.

Mayor Burt: I just clarified we're not—the intent of this is not to change the analysis of 1-4.

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Ms. Gitelman: I understand, but we didn't think we're going to either analyze or describe or describe different results. We focused this Agenda Item on 5 and 6, because we were not intending to redo what we've already done on 1-4. That would add significantly to our efforts.

Mayor Burt: You keep saying that as if it's a different analysis. That's not what these are asking for.

Vice Mayor Scharff: When we say Table 5, you add protecting and enhancing the urban forest. Obviously ...

Mayor Burt: That one might ...

Vice Mayor Scharff: I have concerns with that frankly. I'll say that because I think it does.

Mayor Burt: Let's peel that one off separately. Based on what Hillary said, that could cause a new analysis of 1-4. Council Member Holman, if you're okay with that, it would apply only to 5 and 6. The other two are about culling information from what's already been analyzed in 1-4 and just sharing the information with us. Not new information, just culling it.

Ms. Gitelman: It could be that we just do that in the Final EIR and not in this supplement on Scenarios 5 and 6. As long as you're fine with that, we can ...

Mayor Burt: Yeah.

Ms. Gitelman: ... carry that forward.

Vice Mayor Scharff: I think that's fine. Do you need language that says that in there? If you want language to add, I would suggest you add the language now.

Ms. Gitelman: In the Final EIR for Scenarios 1-6.

Mayor Burt: I'm good with that.

**AMENDMENT I RESTATED:** Mayor Burt moved, seconded by Vice Mayor Scharff to add to the Motion, "in the Final Environmental Impact Report (FEIR) direct Staff to:

- i. Provide unbundled impacts of policies and programs to the degree that such information can be gleaned from the analysis."

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Vice Mayor Scharff: It says replace "remove constraints on the addition of ADUs" with "reduce constraints on the addition of ADUs." That's just in Scenario 5. Should that also be in Scenario 6? Now we're making a verbal distinction between the two. By saying "remove constraints," does that mean you could put an ADU anywhere in Scenario 6? That's not the intent.

Mayor Burt: Council Member DuBois, when you put that in, was that intended to apply only to 5 or 5 and 6?

Council Member DuBois: I was trying to draw differences between 5 and 6, so it was only 5.

Mayor Burt: That does bring up the question of no constraints. (crosstalk)

Council Member DuBois: That's what it says.

Mayor Burt: I understand that. We have the opportunity tonight to try to get it right.

Council Member DuBois: I originally was thinking remove it from 5, leave it on 6. You suggested the change in language.

Mayor Burt: I would support having this apply to 5 and 6.

Vice Mayor Scharff: That's what I was going to suggest. Do you have a problem with that or not?

Council Member DuBois: (inaudible)

Vice Mayor Scharff: By removing the development by-right language, what is the effect of that by taking it out of 5 and leaving it in 6? He changed it to modified regulations. I felt the same way about that with both 5 and 6. The real answer is if it's zoned for that, we have no ARB review, we have no nothing.

Mayor Burt: I think that has a meaningful distinction.

Vice Mayor Scharff: Is that the idea, that we're not going to have ARB review? If so, I don't think it's worth studying. I don't see us saying you can build an apartment complex or a housing complex without ARB review. I think that's also a waste of time to study.

Male: (inaudible)

Vice Mayor Scharff: I don't see that as a worthwhile thing to study. I would suggest that we have the same language in 6 which is modified regulations.

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Council Member Wolbach: I'll second that.

Ms. Gitelman: I think that's fine. I actually think we were being not very precise when we said by-right. We were trying to say we would eliminate the need for legislative action to use the Pedestrian-Transit Oriented Development (PTOD). You could still have an ARB review.

Vice Mayor Scharff: I think that's modified regulations.

Mayor Burt: We've got it now. We're going to apply it to 5 and 6.

Council Member Berman: Are we asking (inaudible)? Are we going to have an opportunity to ask questions, try to pull specific things? I wasn't sure if Scharff was (crosstalk).

Mayor Burt: We will. That's the next thing. Anyone who wishes to have one of these voted on separately, if you get a second to that request, then we'll pull it and vote on it separately.

Council Member Berman: If we just have general questions first?

Mayor Burt: Go ahead with questions.

Vice Mayor Scharff: I have one more question.

Council Member DuBois: Can we clarify this text to the last one?

Vice Mayor Scharff: Jim, Hillary. I actually have a question for Hillary. It's a question on this. Tom added go to 1.5 FAR on California Avenue from a 2.0. You previously had in here reduce—you got rid of that, but it was in the previous thing. You added allowable commercial densities would be reduced and replaced with residential densities. That covers that one, but this is more specific. The question that came up is, is there a reason why you originally had California Avenue? Why you picked on that area as opposed to other areas and why was it 1.5?

Ms. Gitelman: This is a zoning change idea that came from the Council early on in this process. That's how it made it on the list. When we were faced with these scenarios that have dramatically lower job growth, we added this larger concept of converting commercial FAR to residential FAR.

Vice Mayor Scharff: Do you want me to start pulling stuff or do you want me to get in line?

Mayor Burt: Council Member Berman first has questions, and then we'll go into the pulling.



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Council Member Berman: The questions were along those lines. Because I don't have as good knowledge on these things as some of my colleagues, what's currently allowed in CC-2? Just office or is it a mix of things?

Ms. Gitelman: I think it's office.

Mayor Burt: Is that total FAR with a ground-floor retail?

Ms. Gitelman: It doesn't always have ground-floor retail. It's one of the commercial districts ...

Mayor Burt: That's right. They're areas outside the retail overlay.

Council Member DuBois: This one was specific to Cal. Ave.

Ms. Gitelman: It's the commercial district with the highest FAR.

Council Member Berman: There was something similar that I had a question on, but now I can't find it. It had to do with you guys added potential incentives. Adopt regulations and potential incentives to create smaller units. What is a potential incentive versus just an incentive?

Mayor Burt: The intent there, if I recall correctly, was potentially to include incentives.

Council Member Berman: Can we rephrase that a little bit?

Mayor Burt: Karen, is that correct? Are we good? Now we go into who wants to pull something to vote on it?

**AMENDMENT D RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "replace in Table 2 Row 7, 'remove constraints on the addition of Accessory Dwelling Units (ADUs)' with 'reduce constraints on the addition of ADUs.'" (New Part C.vi.)

**AMENDMENT K RESTATED:** Council Member Holman moved, seconded by Mayor Burt to add to the Motion, "add to Table 2 Row 9, 'potentially' after 'regulations and.'" (New Part C.iii.)

Council Member Kniss: I've got one thing to pull.

Mayor Burt: Vice Mayor Scharff first, and then Council Member Kniss. Go ahead and put up your lights.

Vice Mayor Scharff: I'd like to pull the one about reducing the FAR on California Avenue. My concerns are really simple. First of all, this is a

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specific policy proposal. I believe what we should do—I'm not actually opposed to it. I just think we should have specific policy proposals and have a Staff Report on these, understand that we're doing. It's a significant change from 2.0 to 1.5. Just to put it in, I don't think it's useful in that way. It says we're heading in that direction. We're doing that without any real thought to it. I also think there's a counter-argument to it that may actually be really important. If you really want to eliminate greenhouse gas emissions and have less traffic, you actually also want to put your jobs right next to transit. The more jobs that are right next to transit, that's when you get the lease number of people driving in cars.

Mayor Burt: I'll support pulling it. In the context, if it's with a cap on office development, then we're not saying that a higher FAR allows more office total. It's when you put it in, it's more concentrated on a given site. That's the impact and why I'm open to pulling that.

Vice Mayor Scharff: That's what I was saying.

Mayor Burt: Did you have any others?

Vice Mayor Scharff: No. That was the only one.

Mayor Burt: Council Member Kniss, you had one.

Council Member Kniss: (inaudible) back up to where Tom began to make this changes. It is take out the mitigations, sustainability measures would be adapted to minimize impacts. I don't happen to agree with that one. That should be left in.

Mayor Burt: Is there anybody who seconds that?

Vice Mayor Scharff: I'll second that.

Mayor Burt: Council Member Holman.

Council Member Holman: I was going to comment on the CC-2. Whenever it's time to do that.

Mayor Burt: Go ahead now. It doesn't look like we have other lights.

Council Member Holman: I support absolutely reducing the 2.0 FAR on CC-2 to 1.5. We can talk about having jobs near transit. They're more likely to take transit. I don't disagree with that. Having the 2.0 allows more jobs, a percentage of which would take transit.

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Mayor Burt: I do want to make sure that we're reminding ourselves what we're talking about here is what will be studied in the EIR scenarios and not trying to make policy tonight.

Council Member Holman: I'm arguing for why I think it ought to be studied as 1.5 instead of 2.0. Let's say you add 1,000 jobs—just to use a number. If a percentage of those people use transit, great. You still have whatever the surplus is not taking transit. You've still added to the impact. Some of the development we've seen in the California Avenue area is not compatible with the area. It's really overblown. Those two reasons, I would definitely say reduce it.

Mayor Burt: On your first one, the argument would be if it's not concentrated, it will be allowed somewhere else. It's not that this would affect the amount of cap we'd have per year. It's only the location and the density at a given location that it would impact. We'll vote on it.

Council Member Holman: The two of those together, you get it.

Mayor Burt: Council Member DuBois.

Council Member DuBois: On those two items at the bottom there, we're looking at a range. Scenario 5, I would support having the CC-2 change just for Cal. Ave. It's our most dense zoning. We have a lot of concerns about the nature of retail on Cal. Ave. This is not in Scenario 6, so we get a comparison. I would remind everybody we're not picking one or the other. We're picking what we're going to evaluate. The same thing for "B," the performance-based zoning. I'm suggesting we remove it from 5 but include it in 6, so we test both. As there was a lot of discussion that we've had performance measures in the past. It's been difficult and costly to implement. I think it's worth including an option without it in these two new scenarios.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: The ADUs are now 5 and 6. Can I offer a slight amendment just for grammar on the one where it says development by-right should be changed to modified regulations? I'd suggest changing that to "with reduced regulations." Would DuBois and Holman be okay with that, just so it's clear?

Mayor Burt: I'm not sure whether we—I think that's a specific direction.

Council Member Wolbach: I'll pull it if we want. (crosstalk)

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Mayor Burt: Is there anybody else who wants to pull it?

Council Member Wolbach: DuBois was okay with changing that. I was looking to Holman ...

Council Member DuBois: (inaudible) We were just changing it to the language they had in the next item down in the table.

Council Member Wolbach: I'll say pull that one. I think the grammar is poor, and it's not as clear (crosstalk).

Mayor Burt: Does anybody else want to pull it for that purpose. No second.

Council Member Berman: I'll second it to hear more about why.

Council Member Wolbach: Should I speak to that now?

Mayor Burt: Go ahead.

Council Member Wolbach: If we change that to what I was proposing, it would say allowable residential densities would be increased Downtown and near California Avenue possibly by adding the PTOD zoning designation to Downtown and streamlining the permitting process to allow for residential development in the PTOD zone with reduced regulations. That's what it'd say.

Mayor Burt: Going back to the CC-2, the one argument for keeping it the way it was proposed that was compelling to me was Council Member DuBois' one that we're only doing this for Scenario 5. I think most of the other discussions were people trying to wade into the merits of a particular policy, which is not what we're doing. Just for study purposes, to look at 1.5 in Scenario 5 and 2.0 in Scenario 6 is useful for environmental analysis. I'm actually not going to support that separate vote.

Council Member Holman: (inaudible)

Mayor Burt: I understand that. That's what I was just saying. Vice Mayor Scharff.

Vice Mayor Scharff: Will this be something that's easily unbundled or not? The CC-2 issue. If it's not easily unbundled ...

Ms. Gitelman: It will not be easily unbundled.

Vice Mayor Scharff: If it's not easily unbundled, it's not actually helpful between the 5 and the 6.

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Mayor Burt: If I'm doing an analysis and I can look at what's going to happen if you've got a 2.0 and I can look at what's going happen in a 1.5, I'm going to ...

Vice Mayor Scharff: The other argument I'd make on this is since we already have the thing about replacing FAR with housing, this will actually reduce available FAR for housing. Where we end up is we already have a 50,000 limit a year. What you'll end up doing is reducing the amount of available FAR for housing on the Cal. Ave., which is not necessarily something you want on this. I'm not sure. If you can't unbundle it and we're making—why 1.5? Why not 1.75? It's just pulling something out of the hat without any thought. I don't think that's a good plan.

Mayor Burt: Council Member Holman.

Council Member Holman: This has been thought about for a long time about the housing. Even with the 1.5, you've still got density bonuses to allow for more housing. I don't think it's a ...

Mayor Burt: Let's just go on with the separate vote items.

Council Member DuBois: There wasn't a second on that one. Is that a separate vote?

Mayor Burt: Because I've withdrawn my second?

Council Member Berman: I'll replace your second.

Mayor Burt: Let's go ahead. First we'll vote on—this is separate vote A. Everybody understand. Read it. In Scenario 5 we will study—a favorable vote means that we will—a yes vote means that we will study 1.5 in Scenario 5 and 2.0 in Scenario 6. Am I understanding ?

Vice Mayor Scharff: If we don't want it in, we vote no.

Mayor Burt: That's correct. If you don't want to make that distinction, you vote no. If you do want Scenario 5 to study 1.5 FAR and Scenario 6 to study 2.0, you vote yes. Vote. That passes 5-4 with Wolbach, Scharff, Berman and Kniss voting no.

**AMENDMENT B RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "add to Proposed Zoning Code Amendments Row 8 'in the Community Commercial 2 (CC-2) district, the allowable 2.0 FAR would be reduced to an FAR of 1.5 near California Avenue.'" (New Part A.ii.)

# TRANSCRIPT

**AMENDMENT B PASSED:** 5-4 Berman, Kniss, Scharff, Wolbach no

Mayor Burt: Next, Scenario B is under Scenario 5 to remove mitigation and sustainability measures would be adopted to minimize impacts and remove performance-based zoning, retain density-based zoning. I'm sorry, but I'm now getting confused. A yes vote would be to remove mitigation and sustainability measures—remove? The first one before the "m" in mitigation, is that a quotation mark? Is that what that should be? Is that correct? Karen, do you know?

Council Member Holman: I was trying to identify where this came from because the language seems to have changed a little bit.

Mayor Burt: Tom, you put it up, and then it was seconded by Karen. I'm just ...

Council Member Kniss: (inaudible) on 287 and the second one (inaudible).

Council Member Holman: I've found it now. Hasn't the language changed from its original version?

Vice Mayor Scharff: No, that's the way the language was.

Council Member DuBois: It's the language. This is basically removing performance-based zoning from Scenario 5, keeping it for Scenario 6.

Mayor Burt: Your proposal is to remove performance-based zoning from Scenario 5?

Council Member DuBois: (crosstalk) but keep it on Scenario 6.

Mayor Burt: Just so we have clarity, maybe we'll restate it that way.

Council Member DuBois: That's why I confirmed that that's what this paragraph is. The answer was yes (crosstalk).

Mayor Burt: The intent is to remove performance-based zoning from Scenario 5 and to keep it on Scenario 6. All those who want to do that, vote yes. All those who don't, vote no. Has everybody voted? That passes 5-4 with Wolbach, Scharff, Berman and Kniss voting no.

**AMENDMENT C RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "remove from Table 3 Row 13 'performance-based zoning.'" (New Part A.iii.)

**AMENDMENT C PASSED:** 5-4 Berman, Kniss, Scharff, Wolbach no

# TRANSCRIPT

Mayor Burt: Last of the separate votes before we go to the primary direction. For scenarios 5 and 6, remove development by-right language in Table 3, Row 8, and replace modified regulations. This was the one that Council Member Wolbach preferred reduced regulations. Is that what you said?

Council Member Wolbach: Yes. What would be the right process for this. I was proposing (crosstalk) amendment.

Mayor Burt: First, let's see if—we'll vote on this. If it is defeated, then you can offer your substitute language.

Council Member Wolbach: Would it be possible to do it the other way around? If my substitute fails, I would definitely support. I just thought it was slightly (crosstalk).

Mayor Burt: No, let's do it this way. Go ahead.

Council Member Filseth: The words "development by-right" creep the heck out of me.

Council Member Berman: I have a question.

Mayor Burt: Sure.

Council Member Berman: Council Member Wolbach, I know you tried to explain it. Can you explain maybe a little bit clearer the difference in your mind between modified and reduced and why it's important to have that change?

Council Member Wolbach: Actually there were two changes. One was to add the word with just for grammar. The other was reduce because the point was to reduce the regulations to make it easier to add housing.

Council Member Berman: Your concern is that modified means it could be more stringent regulations.

Council Member Wolbach: I just thought it was clearer language that fits better with the remainder of the text in that item.

Council Member DuBois: I'm okay with the change. I think it's clear from the text. It says modify regulations to streamline it.

Council Member Wolbach: (inaudible)

Council Member Berman: I'm so confused now.

# TRANSCRIPT

Mayor Burt: Let's vote.

Council Member Kniss: Wait. I'm not sure which way we're voting.

Mayor Burt: We're voting on whether to make the change that's here?

Council Member Kniss: Remove development by-right.

Mayor Burt: And replace it with modified regulations. That passes 7-2 with Wolbach and Berman voting no.

**AMENDMENT E RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "in Table 3 Row 8, replace 'development by right' with 'with modified regulations.'" (New Part C.vii.)

**AMENDMENT E AS AMENDED PASSED:** 7-2 Berman, Wolbach no

Mayor Burt: Now we get to return to one giant vote. Everybody understand that everything here we've gone through. We voted separately on the areas where we had contention. Let me clear this. If anybody wanted to speak to the primary Motion, hit your light again. Council Member Wolbach.

Council Member Wolbach: Because we haven't moved on to the agenda item, can I change my vote on the last one?

Mayor Burt: Can you change your vote?

Council Member Wolbach: Can I change my vote on the last one?

Mayor Burt: You get to vote for it here.

Council Member Wolbach: Just for the record. I was honestly just confused by the process we were going through there. Was that a no?

Mayor Burt: There's no point in it. Now we're voting on everything else. Please vote. That passes unanimously.

**MOTION AS AMENDED RESTATED:** Vice Mayor Scharff moved, seconded by Council Member Kniss to direct Staff to move forward with Scenarios 5 and 6 as outlined in Tables 2-5 with the following changes to:

A. Scenario 5:

- i. Add to Table 4 Row 8, "with or without the addition of a High-Occupancy Vehicle (HOV) lane (the opposite of Scenario 2);" and



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- ii. Add to Proposed Zoning Code Amendments Row 8, "in the Community Commercial 2 (CC-2) district, the allowable 2.0 FAR would be reduced to an FAR of 1.5 near California Avenue;" and
  - iii. Remove from Table 4 Row 13, "performance-based zoning"; and
- B. Scenario 6:
- ii. Add to Table 2 Scenario 6, 'reduce parking requirements for residential developments when in conjunction with Transportation Demand Management (TDM) and adjacent to on street parking restrictions;" and
- C. Scenarios 5 and 6:
- i. Add to Table 3, "Coordinated Area Plans, (Precise Plans) would become a routine planning tool in Palo Alto;" and
  - ii. Replace in Table 4 Row 9, "grade separation of Caltrain in a trench below Charleston and Meadow" with "infrastructure investments to look at grade separations at all grade crossings and;" and
  - iii. Add to Table 2 Row 9, "potentially" after "regulations and;" and
  - iv. Add to Table 5, "protecting and enhancing the urban forest as natural infrastructure;" and
  - v. Replace in Table 1 Column 2, "2.7 million" with "2.4 million;" and
  - vi. Replace in Table 2 Row 7, "remove constraints on the addition of Accessory Dwelling Units (ADUs)" with "reduce constraints on the addition of ADUs;" and
  - vii. Replace in Table 3 Row 8 "development by right" with "modified regulations;" and
- D. In the Final Environmental Impact Report (FEIR) direct Staff to:
- i. Provide unbundled impacts of policies and programs to the degree that such information can be gleaned from the analysis; and
  - ii. Where applicable, identify lead or responsible party for a given program.

# TRANSCRIPT

## **MOTION AS AMENDED PASSED: 9-0**

Ms. Gitelman: Thank you all.

Mayor Burt: Thank you. I think that concludes this item. Let's hope so.

### Inter-Governmental Legislative Affairs

Mayor Burt: We are now at Intergovernmental Legislative Affairs. I actually have something. At the Caltrain Local Policy Maker Group, there's been discussion for a few months about a concept of seeking from MTC a grant for probably just shy of \$1 million that would be to look at grade separations throughout the system with the Local Policy Maker Group being in all likelihood the client. This was this group wanting to look collectively at grade separations. It would not attempt to design any particular one. It was to try to have a greater systems approach including transitions from one city to another and make sure cities are really looking collaborative. Also to look at lessons learned from cities who have already gone through successful or less successful grade separation analysis and construction. Finally, to try to help provide a process that cities would use for helping to facilitate their specific grade separation analyses. Those are generally the concepts of it. We don't have final wording. The reason I'm bringing this up under legislative matters is I think this falls within our existing Rail Guiding Principles. If any colleagues felt that we needed to discuss this as a Council, then I'm willing to do that. Otherwise, I just plan on supporting it when it comes forward. I don't know if it's going to pass even. There's no consensus. There's no movement because it's not agendized.

Mayor Burt: I'm just saying that I want to give this for informational. If any Council Members subsequently think there's a need to agendize it as a Council, I wanted to make sure everybody had that prerogative. Otherwise, I will just file forward. Silence implies consent in this case.

### Council Member Questions, Comments and Announcements

Mayor Burt: We have Council Member Questions, Comments, Announcements. Anyone have anything? Yes, go right ahead. Vice Mayor Scharff.

Vice Mayor Scharff: I just went to my first airport land use commission meeting, which was really interesting. I didn't realize that Sunnyvale is actually building two million-plus square feet out at Moffett, which is a fairly large number. That's all I had.

Council Member DuBois: They're building an airport?

# TRANSCRIPT

Vice Mayor Scharff: They're building office space.

Mayor Burt: This just goes back to that question of whether there's any hope for us in the region to build housing as fast as jobs are being created currently. Council Member Kniss, did you have something?

Council Member Kniss: (inaudible) Let me do one in memoriam first. I think many of you through the years knew Laddie Hughes. Laddie's memorial service was held last Saturday. Many of you probably know her through her daughter-in-law, Kathleen, who runs Ada's Café. Laddie was very involved in politics in Palo Alto for a long period of time. Her only drawback was that she was a Republican. She was still somebody I liked. She was lots of fun, but she was intently involved in all the years that I knew her.

Mayor Burt: Thank you. Karen, did you want to do the other one? You're welcome to.

Council Member Holman: Unless you would like to, which I'm happy if you do.

Mayor Burt: Go right ahead.

Council Member Holman: We also recently lost Kirke Comstock, who was a former Mayor, longtime Council Member, served on the Council in the '60s and '70s, and was a strong advocate for open space. He was one of the major players in us getting Foothill Park and for preserving our Baylands from office development. He served with what then were considered residentialists. Some consider he was the first residentialist. I forget the name of the study that was done. Something Livingston study that was done to prevent housing being developed in the area that's now the Arastradero Preserve. The study showed that it was actually more expensive for the City to support housing there than it was to buy the land. That was undertaken with that Council with Kirke, I think, at the lead of that. Enid Pearson was a part of it. Byron Sherer was also a part of that. We have a lot to thank Kirke Comstock for. We enjoy a lot of the things that he's responsible for to this day. Happy to adjourn the meeting in his honor.

Council Member Kniss: Just a reminder. We were sued by those who were going to develop it. We lost and considered a taking. It was a bargain at \$7 million.

Adjournment: The meeting was adjourned in honor of Laddie Hughes and former Mayor Kirke Comstock at 11:39 P.M.

# TRANSCRIPT

Mayor Burt: In memory of those two longtime community members and activists, the meeting's adjourned.