

Special Meeting
December 5, 2011

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:08 P.M.

Present: Burt, Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh arrived @ 7:10 P.M.

Absent:

STUDY SESSION

1. Palo Alto Golf Course Re-configuration Resulting From the San Francisquito Flood Control Project.

James Keene, City Manager, stated that the San Francisquito Creek Joint Powers Authority (JPA) had been working on the JPA Creek Capital Project to deal with flooding issues. Staff had been researching options to realign the golf course, but there were a number of policy issues which have significant financial implications.

Len Matterman, Executive Director of the JPA, described the creek and its course through Palo Alto. He stated the proposals submitted by the Santa Clara Valley Water District and the JPA were designed to remove land parcels from the flood plain. He noted a Study Session on JPA issues was scheduled for the following week. He then described the area affected by the Project using a map. He stated the impact of the Project was the movement of the levy, and the mitigation was to maintain and improve the golf course. He said the JPA was supporting the mitigations only. He indicated the JPA had questions about possibly enhancing the golf course as well.

Rob De Geus, Recreation and Golf Division Manager, noted some challenges were reconfiguring the golf course, a short period of time to resolve issues, lost revenues during construction, and impact on contracts. He felt

alternative recreational uses could be either a challenge or an opportunity. He then listed some opportunities including flood control, funding from JPA, an increase in natural areas, and possible importing of soil from Stanford Hospital.

Forest Richardson, Golf Course Architect, stated they had received input from golfers, evaluated the course in detail, and prepared schematic design options. He stated the process going forward was to gain input from the public, presentations to various committees in public meetings, design development, costing, final presentation, approvals and implementations. He then described various analyses they had performed on the golf course. He next shared comments about the course from golfers. He stated plans included upholding the legacy of the Bell design, keeping nine holes open during construction, and allowing more flexible yardage. He described the impact of reconfiguring holes and listed problems with the current golf course. He next explained the three design options: Plan A, the baseline minimal reconfiguration; Plan D, the preferred plan for reconfiguration; and Plan F, a plan to include athletic fields with the reconfiguration. He shared the cost analyses for Plans A and D.

Mr. De Geus stated the timeline was a big challenge because the JPA was moving forward with moving the levy. He stated Staff had moved forward with reconfiguring the golf course in order to provide the City Council with options. He stated they would look to the golfers to pay for improvements beyond the mitigation from the JPA.

Jim Cummings stated the golf course did not cost the City any money as golfers' fees paid for it. He stated the problem today was the decline in play on the Palo Alto Golf Course.

Shani Kleinhaus indicated she supported the design of the new golf course with regard to wildlife and environment. She mentioned actions taken by neighboring golf courses to create and encourage diverse habitats.

SPECIAL ORDERS OF THE DAY

2. Community Group Presentation - Partners in Education PiE

Rob De Geus, Recreation Manager, introduced Kathy Schroeder, Executive Director of Partners in Education. He indicated Partners in Education funded key initiatives supporting youth well-being.

Kathy Schroeder, Executive Director of Partners in Education, thanked the City Council for providing the opportunity to talk about PiE, Mayor Espinosa

for allowing non-profit agencies to speak about their contributions and ideas, and the City Council for serving the Community. She stated Partners in Education supported schools by providing funding for counseling, electives, teacher coaching and various other programs.

Council Member Shepherd asked about the criteria for receiving a window cling in exchange for a donation, and where should it be placed.

Ms. Schroeder explained it was a thank you for any donation, and it could be placed on any window.

Council Member Shepherd stated she could make a donation because of lower property tax assessments. She thanked Ms. Schroeder for working with this great cause.

Ms. Schroeder stated organizations like PiE and the parcel tax help mitigate the large gap in per pupil spending.

Council Member Klein discussed his research on schools and spending among Palo Alto and two other communities. He expressed his hopes for PiE's success.

Ms. Schroeder indicated they benefited from the investments of prior generations and needed to invest in future generations.

Council Member Price agreed that the best investment is education, thanked Ms. Schroeder, and commended the efforts of the organization.

Ms. Schroeder mentioned the website <http://www.papie.org>.

3. Selection of Candidates to Be Interviewed for the Architectural Review Board for One Term Ending on September 30, 2014.

MOTION: Council Member Holman moved, seconded by Vice Mayor Yeh to interview the five new candidates for the Architectural Review Board for One Term Ending on September 30, 2014.

Council Member Klein asked if the City Council would interview all eight candidates or the five candidates who had not been interviewed.

Council Member Holman indicated they would interview those candidates not previously interviewed.

MOTION PASSED: 9-0

CITY MANAGER COMMENTS

James Keene, City Manager, reminded the City Council of the Tree Lighting Ceremony at Lytton Plaza on December 9, 2011 at 5:30 p.m. He mentioned the Greer Park Community Volunteer Tree Planting Event, which took place last Saturday, when 40 volunteers planted 40 trees. He next reported he, the Library Director and leadership Staff Members toured the Mitchell Park Library and Community Center Project.

Council Member Shepherd asked if the City Council could tour the Mitchell Park Center.

Mr. Keene indicated a tour could be arranged.

ORAL COMMUNICATIONS

Kip Husty spoke regarding property rights being protected at the expense of life and liberty. He indicated government's actions and policing powers had too often been on the wrong side of progress. He felt the Palo Alto Police Department's participation in the Occupy Oakland debacle in October was a blemish if not shameful.

Gerald Gras spoke regarding the Palo Alto Police and the Occupy movement. He indicated allegations of misbehavior by the Palo Alto Police Department were worth investigation. He expressed concern over the adequacy of the Policies and Procedures for this type of situation and requested a thorough review.

Palo Alto Free Press offered criticisms of Molly Stump, City Attorney, and her response to numerous public records requests. He indicated he believed Donald Larkin, Assistant City Attorney, had engaged continuously in criminal activities in accordance with the California Public Records Request law in that Donald Larkin had not responded to his requests for information. He expressed his wish for Molly Stump to speak with Donald Larkin about the importance of allowing government records to be viewed by the public.

Aram James stated he had attempted to obtain the names of police officers to conduct a citizens' investigation. He said he had made an oral request for this information from Ms. Stump, and Mr. Larkin declined his request. He explained he was calling for a community forum to be led by Ms. Stump to educate the public about the parameters of the Public Records Act. He asked that certain records, videos and information be disclosed to him. He then asked that Ms. Stump discuss with him case law regarding the Public Records Act.

Robert Moss spoke regarding AT&T postcards asking the public to provide positive feedback regarding towers. He explained the Architectural Review Board (ARB) had rejected AT&T's proposals regarding the towers. Mr. Moss stated that AT&T was not complying with the ARB's comments and that its technology was obsolete. He expressed his hope that the City Council and Staff would reject AT&T's proposal. He stated he opposed their current project, and hoped AT&T would implement a project that fit Palo Alto and would not destroy the community.

Omar Chatty mentioned the deaths of two people on Caltrain tracks. He asked how many additional people must die prior to opening discussions on replacing Caltrain. He asked that the City Council investigate this with respect to liability, health, and welfare of citizens. He provided information on deaths related to trains in Palo Alto.

CONSENT CALENDAR

MOTION: Council Member Shepherd moved, seconded by Vice Mayor Yeh to approve Agenda Item Nos. 4-8.

4. Approval of Amendment No. 1 to add the amount of \$192,798 to Contract No. C11136167 with Siegfried Engineering Inc. for a Total Contract Not to Exceed Value of \$284,740 for Providing Final Design and Construction/Bidding Services for the Regional Water Quality Control Plant Landscaping Project.
5. Finance Committee Recommendation to Accept the SAP Security Audit.
6. Approval of a Contract With Spenco Construction, Inc. in the Amount of \$703,490.38 for the FY 2012 Sidewalk, Curb, and Gutter Repairs Project.
7. Approve and Authorize Amendment No. 1 to Contract C10135247 with Veolia ES Technical Solutions, LLC for Additional Funding for the Second Contract Year in the Amount of \$49,910 and for the Third Contract Year in the Amount of \$105,500 for Provision of Services for Transportation and Disposal of Ash for the Regional Water Quality Control Plant.
8. Approval of a Contract with Promium, LLC in the Amount of \$190,349 to Install Hardware and Software for a Laboratory Information Management System (LIMS) at the Regional Water Quality Control Plant.

MOTION PASSED: 9-0

AGENDA CHANGES, ADDITIONS, AND DELETIONS

None.

ACTION ITEMS

9. Response to Alternative Scenarios for Sustainable Communities Strategy (SB375), Designation of Planned Development Areas, and Update of Regional Housing Needs Allocation Process (RHNA).

Curtis Williams, Director of Planning and Community Environment, stated there were a few items Staff would like to bring to the City Council's attention. First, he discussed the Association of Bay Area Government's (ABAG) allocation of housing units on the Stanford campus to Santa Clara County rather than Palo Alto. He then discussed Priority Development Areas (PDA), the advantages and disadvantages of such, and deadlines for Staff and City Council actions. He stated Staff recommended they research this topic prior to presenting information to the Committee of Council Members and the Planning and Transportation Committee. He then corrected the date for an ABAG-sponsored community meeting in Santa Clara County. He asked for City Council input on naming the committee. He next reported on the main issue of employment and housing projections and any alternative scenarios. He discussed the White Paper and community interest in it.

Council Member Schmid indicated the Stanford letter had been done in the past and supported Staff repeating it in the current period. He then discussed housing allocations among El Camino Real, downtown, and the California Avenue area.

Mr. Williams stated the deadline for cities to comment on alternative scenarios had been moved to March 2012.

Omar Chatty commended Staff for their documentation and information. He discussed Caltrain and the pollution it caused. He asked that the City Council consider this in the future. He expressed concern about the lack of safety considerations in the plans. His hope was that this planning would consider bringing BART around the Bay.

Bob Moss recommended the City Council be cautious about recommending El Camino Real as an area of development. He also expressed concern about the accuracy of job growth numbers for Palo Alto.

Herb Borock discussed motivation for switching Growth Opportunity Areas (GOA) to PDAs.

Council Member Price asked for clarification concerning the resources for independent analysis of the projects.

Mr. Williams stated Staff was assisting with outreach efforts and not on analyzing scenarios.

Council Member Price inquired if Staff had estimated fees or concepts for independent analysis.

Mr. Williams indicated Staff had, and suggested independent analysis was more appropriate for state and regional resources.

Council Member Price asked if the goal was to have it initiated at the regional or state level rather than portions being shared by several cities.

Mr. Williams said it could be done this way; but it was hoped the regional agencies or state representatives would initiate the study rather than the cities contributing.

Council Member Price inquired if Staff had considered approaching Stanford as a resource.

Mr. Williams stated there had been discussion concerning outreach to Stanford.

Council Member Price asked if results of the Grand Boulevard Task Force had been considered in the Metropolitan Transportation Commission's (MTC) or ABAG's planning scenarios.

Mr. Williams stated he would check on this.

Council Member Price requested Staff obtain preliminary information from the Grand Boulevard Task Force on the portion of El Camino Real within the Palo Alto boundaries. She next inquired if the timeframes extended to 2030 or 2040.

Mr. Williams stated he had not seen those statistics.

Council Member Price stated she anticipated discussion concerning PDA along El Camino Real. She referenced an article and her impression from

the article that these kinds of projects may be more eligible for transportation funding.

Council Member Klein complimented Council Member Schmid on the work he had done. He expressed amazement at the use of a number (2.45 percent) from the Bureau of Labor Statistics. He asked if the City Council had to threaten the Public Records Act before they would share information. Mr. Williams did not think this was necessary. He stated Staff needed to find out where the 2.54 percent originated, if that was the number they were using.

Council Member Klein suggested Staff write letters requesting the needed information. He also inquired if the state agency, Department of Finance, was subject to public scrutiny, and if the City Council could subject the Department of Finance to questioning.

Mr. Williams said many given assumptions used in the housing process were not subject to public review or discussion. He agreed that Staff needed to request the information and have a discussion about it.

Council Member Klein stated he felt the City Council should request public discussion on the origin of the numbers used. He suggested a meeting before ABAG in Oakland where cities could send representatives for an in-depth discussion.

Mr. Williams agreed that Council Member Klein's suggestion was reasonable. He stated he had discussed having representatives from ABAG present information about this.

Council Member Klein asked about Mr. Wonderman's role at the meeting Mr. Williams attended.

Mr. Williams stated Mr. Wonderman's presentation focused on supporting a high level of growth and housing production.

Council Member Klein asked if Mr. Wonderman's views were balanced by anyone with differing views.

Mr. Williams said there were no opposing or dissenting views.

Council Member Klein inquired who sponsored the meeting.

Mr. Williams replied the Bay Area Planning Directors Association sponsored the meeting.

Council Member Klein asked if Mr. Williams could urge this group to have more balance in their committees.

Mr. Williams stated that would be a good idea.

Council Member Klein asked how ABAG determined the amount of new housing allocations for the El Camino Real Corridor.

Mr. Williams indicated it was mostly from viewing maps and locations of transit stations and major corridors.

Council Member Klein asked if ABAG had considered the impact on zoning.

Mr. Williams stated he felt the primary constraint on these analyses was transportation.

Council Member Shepherd stated the peer review process was different from what she had originally thought. She then suggested the process should go back to committee for review. She expressed concern about the amount of work to be done to accommodate housing numbers. She asked what kind of control was lost by shifting the University Avenue and El Camino Real from a GOA to a PDA.

Mr. Williams indicated that the implications were unclear with regard to zoning.

Council Member Shepherd stated she would like to better understand the importance of transportation funds and the need to match them to the Comprehensive Plan. She stated she supported Item 1, but had concerns about Items 2 and 3. She said she was hopeful they could explore more scenarios for reducing greenhouse gases.

Council Member Scharff asked if the 2.45 percent figure had been frozen in time.

Mr. Williams stated he was told the figure was pre-recession, which led him to believe it was from 2005 or 2007. He suggested Staff needed more information on what the figure represents.

Council Member Scharff asked if other cities were assigned a GOA if they did not self-identify one, and if they then received housing assignments.

Mr. Williams did not believe cities were not assigned a GOA if they didn't identify one.

Council Member Scharff inquired if a city had refused a GOA assignment.

Mr. Williams stated he had heard from cities that they had attempted to identify areas as employment only, and they were still assigned housing. Council Member Scharff inquired as to what information could be provided to the City Council in the next 30 days regarding PDAs.

Mr. Williams felt Staff could provide analyses regarding housing.

Council Member Scharff discussed the concept of the City Council creating a legal issue if it did not zone for the number of units allocated in the PDAs.

MOTION: Council Member Scharff moved, seconded by Council Member Klein to; 1) work with the SB375 Council Committee and the Planning and Transportation Commission to review Priority Development Area (PDA) designations for El Camino Real and for Downtown, and 2) respond to the Association of Bay Area Governments regarding allocating Regional Housing Needs Allocations (RHNA) to the County for Stanford Campus housing.

Council Member Scharff stated he appreciated the work performed on this issue and thought the City Council was moving in the right direction.

Council Member Klein referred to actual job numbers refuting the notion of a job decline in the Bay Area. He stated he favored authorization to preserve options. He suggested the SB375 committee be named SB375 Committee.

Council Member Scharff stated he thought the committee should be called Housing and Sustainable Communities Committee.

AMENDMENT: Council Member Klein moved, seconded by Council Member Shepherd to name the Council Committee the SB375 Committee.

Council Member Shepherd stated she liked the name SB375 Committee, because it pointed the Community to the legislation being addressed.

Council Member Holman asked if there was a requirement that a Standing Committee reconstitute itself because it had existed for a period of time.

Mr. Williams stated that requirement would become effective in January.

Vice Mayor Yeh suggested the naming issue return to committee for further discussion.

James Keene, City Manager, said the public would not understand SB375; however, the name Sustainable Communities had innumerable interpretations and could be confusing.

Council Member Schmid felt the name Sustainable Communities omitted the housing allocation.

Council Member Scharff stated he supported the SB375 Committee name.

Council Member Burt discussed SB 375 versus Sustainable Community. He suggested Regional Housing Mandate Committee.

AMENDMENT FAILED: 4-5 Espinosa, Klein, Price, Shepherd yes

AMENDMENT: Council Member Burt moved, seconded by Council Scharff to name the committee the Regional Housing Mandate Committee.

Council Member Scharff stated Regional Housing Mandate Committee captured the essence of the committee's work.

AMENDMENT PASSED: 9-0

Mayor Espinosa expressed concerns about faulty data and misguided methodology, and mentioned the parallels to issues with High Speed Rail (HSR). He asked Staff to discuss the formation, involvement and leveraging of an outside organization similar to Californians Advocating Responsible Rail Design (CARRD).

Mr. Williams stated there had been some discussion, but there needed to be outreach to determine the Community's interest in this issue. He stated Staff would proceed with attempts to generate interest. He stated it was harder to grasp the nature of this proposal compared to HSR.

Mayor Espinosa stated he had heard community members express their concerns about this issue.

Council Member Shepherd questioned the urgency on this issue.

Mr. Williams stated that the urgency came from plans moving forward to create a sustainable pattern of growth in the Bay Area. He also indicated

one difference between the growth issue and HSR was that growth would take a number of years to play out.

Council Member Shepherd asked that the committee discuss the potential risks and impacts.

Council Member Burt mentioned the impact of the housing issue on schools.

Council Member Holman stated the cost of infrastructure and provision of services would constrain the ability to provide services to the broader Community.

Vice Mayor Yeh spoke in support of Mayor Espinosa and Council Member Burt's comments regarding engagement, especially with the School Board.

Council Member Price recalled that school capacity was not a significant reason to deny density of housing for a particular project.

Mr. Williams agreed it was clearly not a basis on a particular project, in a California Environmental Quality Act (CEQA) document.

Council Member Price stated the CEQA process did not consider the connection between approval of housing and impact on schools. She also stated a specific challenge was determining a balance with economic development.

MOTION PASSED: 9 – 0

10. Adoption of a Budget Amendment Ordinance 5134 Amending the Fiscal Year 2012 to Provide Additional Appropriations of \$1,520,426 to Fund the Implementation of the Blueprint Process Plan for the Development Center.

James Keene, City Manager, stated Mr. Emslie would provide an update and clarification on this item as compared to the Consent Item previously presented.

Steve Emslie, Deputy City Manager, stated the title Development Services Official had been changed to Development Services Director with a new job description. He indicated the second position was Permit Center Manager, who would direct the day-to-day activity of the Development Center. He emphasized the role of the Development Services Director in providing management oversight of the varied functions of the Development Center. He indicated Staff was adding three Project Managers, who would be central

points of contact for inquiries on development projects. He clarified the correct number of positions being added was five; the sixth position mentioned in a previous report was already in the budget. He reviewed budget impacts, allocation of technology expenses, and budgets of the previous four years.

Curtis Williams, Director of Planning and Community Environment, reported on the status of Individual Review notifications, inspection manuals, desired outcomes, and partnerships between Staff and applicants.

Mr. Keene reported that, in the current Budget Amendment, technology expenses would decrease significantly after two years, Staff costs would continue, and capital improvements were one-time costs. He indicated these costs were covered by the anticipated revenue stream rather than a General Fund subsidy over time. He stated the second phase of the Blueprint Process would be similar to an organizational merger and would include accountability and performance measures.

Council Member Holman expressed concern over the lack of a broad review of the streamlining process and the inconsistent definition of customer.

Mr. Emslie indicated part of the culture change would be to refer to a customer in a broader sense, as opposed to applicant.

Council Member Holman inquired about the value of a January check-in as Staff would not be in place at that time.

Mr. Emslie stated Staff wanted to report on development of metrics, baseline data and survey information. He stated this would provide information on the starting point and measures of progress. He stated Staff also wanted to provide information concerning the testing of systems in the Project Management area.

Council Member Holman asked for an explanation of the different totals between the November and current meetings.

Mr. Emslie stated the Staff Report in November reported the sum total of allocations for each department along with an additional amount to implement Blueprint improvements. He explained that Administrative Services Department (ASD) stated the allocated charges were included in the Budget and, thus, counted twice.

Council Member Holman stated she was concerned about the Economic Development Manager being removed from the Planning Department as this

had been a problem in the past. She inquired about the limitations of an appointment system versus a queuing system.

Mr. Emslie said appointments help Staff manage work flow; however, queuing software would help Staff manage walk-in customers.

Council Member Holman asked if part of the IT improvements would allow public access to more documents and information through the City's web site.

Mr. Emslie stated it would.

Council Member Holman asked Staff to respond to comments concerning a movement towards reducing tree protections.

Mr. Emslie stated there hadn't been any move to change the tree protection manual or any standards. He indicated there had been a few service enhancements to tree protection.

MOTION: Council Member Price moved, seconded by Council Member Scharff to accept Staff recommendation to adopt the Ordinance amending the Budget for the fiscal year 2012 to provide additional appropriations of \$1,520,426 to fund the implementation of the Blueprint Process Plan for the Development Center.

Council Member Price stated she supported this Motion because the action is necessary and overdue.

Council Member Scharff thanked the City Manager for supporting this project and for changing the culture.

Council Member Schmid inquired if revenues in the 2012 Budget had declined, as there was a surplus in the prior Budget and none in the 2012 Budget.

Mr. Emslie explained that these actions bring expenditures and services in parity.

Council Member Schmid asked if the City Council had to resolve a \$1.3 million shortfall.

Mr. Keene explained the \$1.3 million was not spent but placed in the Budget Stabilization Reserve at the end of the year. He further explained the drawdown of the Budget Stabilization Reserve in 2012 to offset the funding.

Mr. Emslie reminded the City Council that state law prohibited using excess fees and revenues on items other than services.

Mr. Keene indicated a year-end review would show an increase in the Reserve due to a greater inflow of revenues.

Council Member Schmid asked if Staff would be willing to accept increasing the public-opinion score of land use planning and zoning as a metric of success of the program.

Mr. Keene stated he believed scores of 80 percent to 90 percent would never be achieved in this realm.

Council Member Schmid indicated this was a general survey.

Mr. Keene stated it was. He stated there had been increases over the prior year in sub-measures within the Development Center Land Use area indicating improvement. He indicated the metrics used would be sharpened and further defined over time.

Mayor Espinosa indicated comments from business leaders about the new process were complimentary.

Mr. Keene stated the new process was easier to accomplish with targeted projects and the goal was to make the process routine across the City.

MOTION PASSED: 9-0

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Vice Mayor Yeh asked if Staff intended to provide an opportunity to discuss the policy question concerning the Distributed Antenna Systems application and height limits for cell phone towers.

Mr. Williams indicated an information report was in next week's packet concerning the status of wireless efforts and Staff was trying to plan a January work session on this topic.

Council Member Shepherd seconded Vice Mayor Yeh's concerns regarding cell tower height. She also reported she had an Acterra home inspection and was a bit greener.

Mayor Espinosa congratulated the Palo Alto High School Girls Volleyball Team for their second consecutive state championship. He indicated Staff was discussing a means of recognizing them.

CLOSED SESSION

11. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Authority: Government Code Section 54956.8

Property: 2785 Park Blvd., Assessors Parcel No. 147-08-052

Negotiating Party: Essex Park Boulevard, LLC

City Negotiators: James Keene, Steve Emslie, Lalo Perez

Subject of Potential Negotiations: Price and Terms of Payment

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Authority: Government Code Section 54956.8

Property: 2747 Park Blvd., Assessors Parcel No. 132-31-071

Negotiating Party: Brown Fairchild-Park Investment Company, L.P.

City Negotiators: James Keene, Steve Emslie, Lalo Perez

Subject of Potential Negotiations: Price and Terms of Payment

The City Council reconvened from the Closed Session at 11:45 P.M. and Mayor Espinosa advised no reportable action.

ADJOURNMENT: The meeting was adjourned at 11:45 P.M.