

CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Regular Meeting April 6, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:06 P.M.

Present: Berman, Burt, Filseth, Holman, Kniss arrived at 7:14 P.M.,

Scharff, Schmid, Wolbach

Absent: DuBois

Study Session

 Cost of Services Update and Draft User Fee Cost Recovery Level Policy Discussion.

Special Orders of the Day

2. Selection of Applicants to Interview on April 15, 2015 for the Human Relations Commission, the Public Art Commission and the Utilities Advisory Commission.

MOTION: Vice Mayor Schmid moved, seconded by Council Member Wolbach to interview all candidates for the Human Relations Commission, the Public Art Commission and the Utilities Advisor Commission.

MOTION PASSED: 6-1 Scharff no, DuBois, Kniss absent

Agenda Changes, Additions and Deletions

None.

Minutes Approval

3. January 20, 2015, February 9 and February 17, 2015.

MOTION: Vice Mayor Schmid moved, seconded by Council Member Kniss to approve the minutes of January 20, February 9 and 17, 2015.

MOTION PASSED: 7-0-1 Scharff abstaining, DuBois absent

Consent Calendar

MOTION: Council Member Burt moved, seconded by Vice Mayor Schmid, third by Council Member Filseth to pull Agenda Item Number 15- Appeal of the Planning and Community Environment Director's Architectural Review Approval of a 31,407 s.f., Four Story, Mixed Use Building With Parking Facilities on Two Subterranean Levels Requested by Ken Hayes Architects, Inc. on Behalf of Kipling Post LP to Replace Two One-story Commercial/Retail Buildings on an 11,000 s.f. Site in the Downtown Commercial (CD-C (GF)(P)) Zone District Located at 429 University Avenue, to be heard on May 4, 2015.

MOTION: Vice Mayor Schmid moved, seconded by Council Member Kniss to approve Agenda Item Numbers 4-14 & 16.

- 4. Approve and Authorize the City Manager to Execute a Construction Contract with Cal Electro Inc. in the Amount of \$514,000 for the Electric Underground Rebuild and Re-conductor Project, Phase III Along and Near (A) San Antonio Road Between East Charleston and Middlefield Roads and, (B) Middlefield Road Between East Charleston and East Meadow Drive.
- 5. Approval of a Construction Grant Agreement with The Association of Bay Area Governments and the San Francisco Bay Area Water Trail in the Amount of \$40,000 for Palo Alto Baylands Sailing Station Accessibility Improvements and Adoption of a <u>Budget Amendment Ordinance 5315</u> entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Capital Project Fund in Amount of \$40,000."
- 6. Policy and Services Committee Recommendation to Accept the Auditor's Office Quarterly Report as of December 31, 2014.
- 7. Resolution 9502 entitled "Resolution of the Council of the City of Palo Alto Amending the Structure of the Palo Alto/Stanford Citizen Corps Council / Palo Alto Emergency Services Council."

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- 8. Approval of Letter of Agreement with the City of Sunnyvale for Emergency Operations Plan.
- 9. Approval of Contract with Traffic Data Services, Inc. for a Total of \$100,000 to Provide On-Call Traffic Data Collection Services and Approval of a <u>Budget Amendment Ordinance 5316</u> entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto in the University Avenue Parking Permit Fund and the General Fund."
- 10. Approval of Contract Number C15155597 with Biggs Cardosa & Associates, Inc. in an Amount Not to Exceed \$149,250 for Consulting Engineering Services for the Citywide Bridge Assessment Project CIP PE-13012.
- 11. Approval of a Record of Land Use Action and a Site and Design Application for a New Single-Story, Single-Family Residence and Associated Site Improvements on a 3.5-Acre Parcel of Land in the Open Space (OS) Zoning District Located at 805 Los Trancos Road.
- 12. Adoption of Corrected <u>Resolution 9499</u> entitled "Resolution of the Council of the City of Palo Alto of the Council Ordering Weed Nuisance Abated."
- 13. Confirmation of Appointment of Suzanne Mason as Assistant City Manager and Approval of Employment Agreement.
- 14. Adoption of a Contract Amendment with Val Security and a Budget Amendment Ordinance in the Amount of \$175,000 to Increase the Project Safety Net Fund and Decrease the Stanford Medical Center Development Agreement Fund.
- 15. Appeal of the Planning and Community Environment Director's Architectural Review Approval of a 31,407 s.f., Four Story, Mixed Use Building With Parking Facilities on Two Subterranean Levels Requested by Ken Hayes Architects, Inc. on Behalf of Kipling Post LP to Replace Two One-story Commercial/Retail Buildings on an 11,000 s.f. Site in the Downtown Commercial (CD-C (GF)(P)) Zone District Located at 429 University Avenue.
- 16. Approval of a Contract Amendment with Genuent USA, LLC, Intratek Computer, Inc., Digital Intelligence Systems, LLC, GTC Systems, Inc., Modis, Inc., Bodhtree Solutions, Inc. and Signature Technology Group,

Inc. For IT Temporary Staffing Support Services in a Total Amount Not to Exceed \$650,000 Per Fiscal Year for All Seven Contracts.

MOTION FOR AGENDA ITEM NUMBERS 4-14 AND 16 PASSED: 8-0 DuBois absent

Action Items

17. TEFRA HEARING: Regarding Conduit Financing for the Stevenson House Project, Located at 455 East Charleston Road, Palo Alto, and Adoption of a Resolution 9502, and Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority for the Purpose of Financing the Acquisition and Rehabilitation of a Multifamily Rental Housing Facility.

Public Hearing opened at: 8:06 P.M.

Public Hearing closed at 8:09 P.M.

MOTION: Council Member Scharff moved, seconded by Council Member Kniss to adopt the Resolution approving the issuance of the bonds by the California Municipal Finance Authority (CMFA) for the benefit of Palo Alto Senior Housing Project, Inc. Stevenson House LP (Borrower).

MOTION PASSED: 8-0 DuBois absent

18. City Council Direction Regarding: (1) Parameters of an Interim Ordinance to Prohibit Conversion of Ground Floor Retail and Services to Other Uses, and (2) Subsequent Steps to Establish Zoning Regulations to Preserve and Promote Active Ground Floor Uses in the City's Commercial Areas.

MOTION: Council Member Scharff moved, seconded by Council Member Burt to direct Staff to prepare and return to Council with an urgency ordinance, including at a minimum the following:

 A Citywide prohibition on converting existing ground floor retail uses to other uses until existing retail protections can be reviewed and revised as needed. Extend the same protections to eating and drinking uses, personal services, hotels, theatres, and travel agencies (permitted ground floor uses in the Downtown GF combining district); and

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- 2. Apply the prohibition to those retail services operating as of March 2, 2015 and for which no discretionary application involving a change of use has been submitted to the City by March 2, 2015; and
- 3. Include within the ordinance an appeal to the City Council in cases of financial hardship or showing that the facility is unsuited for successful retail use; and
- 4. Allow existing retail service facilities to be demolished and rebuilt provided that the retail square footage is only reduced by the minimum amount needed to provide access to any new upper floors and/or lower level parking; and
- 5. Retail services that are grandfathered in as legal non-conforming shall not be protected or required to remain; and
- 6. The Municipal Code's definition of retail services and the other uses cited above shall be continued; and
- 7. The ordinance will be effective for an initial 45 days with an option to extend if the urgency continues. Staff is also directed to prepare a traditional ordinance for consideration by the Planning and Transportation Commission and the City Council as a "backstop" to extend the interim measures until existing retail protections can be reviewed and revised as needed; and
- 8. Nothing in the ordinance shall alter requirements of site-specific Planned Community zoning ordinances or adopted conditions of approval. Also, nothing in the ordinance shall affect the need for a conditional use permit for certain allowed uses where such requirements currently exist, although use permit requirements and affected uses could be adjusted in the permanent ordinance that follows.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that conditional uses for ground floor retail areas are not permitted in retail districts while the interim ordinance is in effect.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to delete Number 5- Retail services that are grandfathered in as legal non-conforming shall not be protected or required to remain in the Motion.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER modify first sentence of Municipal Code Section 18.04.030 (125) to begin "Retail service" means a use predominantly engaged in providing...

Council Member Kniss left the meeting at 10:00 PM

MOTION AS AMENDED PASSED: 7-0 DuBois, Kniss absent

MOTION: Council Member Scharff moved, seconded by Mayor Holman to direct Staff that once the interim Ordinance is in place:

- 1. To bring forward the interim Ordinance as a regular Ordinance for Council adoption; and
- 2. Subsequently, to prioritize consideration of permanent retail protections starting with retail uses allowed on California Avenue and boundaries of the Retail (R) combining district. Also prioritize an analysis of retail trends and desired adjustments to the Ground Floor (GF) combining district in Downtown, followed by consideration of other commercial zones within the City.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff to prepare an Ordinance to extend the boundaries of the (R) combining district to Cambridge Avenue.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that projects in the pipeline that do not have applications for planning entitlements on file on March 2, 2015 would be subject to the Ordinance.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that both instances of "interim" in the first sentence of the Motion be changed to "urgency."

MOTION AS AMENDED PASSED: 7-0 DuBois, Kniss absent

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Council Member Scharff inquired if Council Members should keep the Packet Books for Agenda Item Number 18- City Council Direction Regarding: (1) Parameters of an Interim Ordinance to Prohibit Conversion of Ground Floor Retail and Services to Other Uses, and (2) Subsequent Steps to Establish Zoning Regulations to Preserve and Promote Active Ground Floor Uses in the City's Commercial Areas.

Hillary Gitelman, Director of Planning and Community Environment responded yes.

Closed Session

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

MOTION PASSED: 6-0 Scharff not participating, DuBois, Kniss absent

Council went into Closed Session at 10:49 P.M.

19. CONFERENCE WITH CITY LABOR NEGOTIATORS
City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Kathy Shen, Melissa Tronquet, Dania Torres Wong, Sandra Blanch, David Ramberg, Joe Saccio, Molly Stump, Walter Rossmann)
Employee Organizations: Palo Alto Police Officers Association (PAPOA); International Association of Fire Fighters (IAFF), Local 1319
Authority: Government Code Section 54957.6(a)

The Council reconvened from the Closed Session at 12:23 A.M., Mayor Holman reported no reportable action.

Adjournment: The meeting was adjourned at 12:23 A.M.