



# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting  
November 30, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:05 P.M.

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

Absent:

Planning and Transportation Commission:

Present: Alcheck, Downing, Fine, Gardias, Rosenblum, Tanaka, Waldfogel

Absent:

## Action Items

19. PUBLIC HEARING: To Consider a Continued Appeal of the Director of Planning and Community Environment's Architectural Review Approval of a 31,407 Square-Foot, Four Story, Mixed Use Building With Parking Facilities on two Subterranean Levels on an 11,000 Square-Foot Site in the Downtown Commercial (CD-C (GF)(P)) Zone District Located at 429 University Avenue; and Approval of a Mitigated Negative Declaration. Environmental Assessment: A Mitigated Negative Declaration has Been Prepared. This Hearing is Continued From May 4, 2015 \*Quasi Judicial.

Mayor Holman: Our first item on the agenda tonight is actually Item Number 19, to consider a continued appeal of the Director of Planning and Community Environment's architectural review approval of a 31,407 square-foot, four-story, mixed-use building with parking facilities on two subterranean levels on an 11,000-square-foot site in the Downtown Commercial Zone located at 429 University Avenue and approval of a mitigated negative declaration. This is a quasi-judicial, so if any Council Members have anything to declare? Council Members? I did have a brief conversation with a couple of members of the public, not the appellant or the applicant. Seeing no other lights, that is it. We'll go to Staff for a presentation.

# TRANSCRIPT

Jonathan Lait, Planning and Community Environment Assistant Director: Thank you. Good evening, Mayor and City Council. This is a continued public hearing item for the mixed-use project at 429 University Avenue. Just to reacquaint the Council and the people watching, this is at roughly the northwest corner of University and Kipling. The project is a Code-compliant project. It contains approximately 31,000 square feet of building area. The ground floor being retail; the second floor office; and the third and fourth floors dedicated to residential. A mitigated negative declaration was prepared for the project and finding no unmitigable impacts. This slide basically provides a timeline. The project was submitted in June last year. There were a number of hearings before the Architectural Review Board, and a recommendation from that Board to the Director for approval. The project was approved and ultimately appealed. The City Council considered that appeal in May this year. There was a discussion at the Council and a remanding back of the project to the ARB and HRB, which I'll talk about in just a moment. Here's some slides just showing the exterior of the project site. This is the view from University Avenue. This is a view from Kipling Street. When the project was first submitted to the Architectural Review Board before its even formal application, there were a number of design schemes that were presented. This is the very first one. The project continued to evolve over a number of meetings, finally resting with this design here which is the Director tentative approval off of University Avenue. Similarly, off of Kipling Street there was a design evolution that progressed over a number of meetings, ending with this elevation here on the last meeting. The City Council reviewed the project and voted 5-4 to continue the matter to a future date; that is this meeting. In the course of doing so, had asked that the ARB and HRB consider some additional factors. In essence, the HRB was asked to take a look at the potential historic-related impacts not just with the buildings that were existing, which was evaluated with the original application, but also some of the surrounding areas and some of the other potentially historic resources and historic resources in the broader area. The Council directed HRB to look at a number of compatibility-related issues, context-based criteria, and requested additional shadow studies as well as an updated circulation and traffic report. In total there were three new studies that were requested and prepared; the updated historic resources report, the traffic study and the shadow impact. None of these reports resulted in any conclusions that the project would detrimentally impact either the historic resources, the traffic operations of the alley or the streets in the area, or cast shadows on buildings in a significant way. Based on all of the feedback that the applicant received from the Council, revised plans were submitted, and these plans were reviewed by the Architectural Review Board and HRB as directed. This is the rendering showing the project as revised by the applicant. The Staff Report includes a number of changes that were made to this project. I believe

# TRANSCRIPT

Attachment E contains a letter from the applicant. By way of comparison, here is the project that was presented to the City Council in May. As we go to the Kipling elevation, this is the revised elevation off of Kipling to respond to the Council's comments. This was the project that was first reviewed by the City Council on appeal. That takes us to the alternatives that are before the Council today. There are three basic alternatives: either to deny the appeal and uphold the project based on the Director's findings; uphold the appeal and approve the project with modified findings and conditions; or uphold the appeal and deny the project based on specific findings. I'll conclude the Staff Report at this time and thank you for your attention.

Mayor Holman: Thank you. At this time we have an appellant and an applicant. You'll each be granted up to ten minutes. At the conclusion of other public comments, you'll each have three minutes to conclude or respond, should you desire to do that. Mr. Mitchell, are you speaking for the applicant?

Kent Mitchell: Yes, Madam Mayor. The architect is going to speak first, (inaudible).

Mayor Holman: I don't. Can you clarify with the Clerk? I don't have any way of knowing who that is. First, we will hear from the appellant, Mr. Harbour. You'll have up to ten minutes. Mr. Mitchell, if you would work with the Clerk so that I can identify who, names, is going to speak for the applicant, that would be really helpful. Thank you. Mr. Harbour, you'll have up to ten minutes. Will you be the only speaker for the appellant?

Public Hearing opened at 5:11 P.M.

Michael Harbour, Appellant: I'm the only one amongst the appellants here that are speaking. I don't know about the members of the public.

Mayor Holman: Thank you.

Mr. Harbour: Is Roger here, who's in charge of the slides? Let's see here. Good evening, and thank you for an earlier special session to review this final review of the proposed building at 429 University at Kipling Street, which is an important designation, that it's at Kipling. On behalf of the appellants, I wanted to present some of our evaluations with regard to the work that's been done since we last were together on May 4th. As you know when I presented originally to you, the appellants had a number of concerns as well as the public regarding Municipal Code, Comprehensive Plan Regulations and Downtown Guidelines that we all felt were ignored by this plan. We felt Palo Alto Municipal Code requires harmonious transitions in scale and character and that are considerate of each other as designated by

# TRANSCRIPT

Municipal Code. The design should follow Context Cased Design Criteria and be responsible to context and compatible with adjacent development including street types. There should be appropriate transitions to the surroundings and that the new construction should share general characteristics and design linkages and maintain a visual unity of the street. Again, all of this is documented as criteria which developers need to follow when proposing new buildings. We felt that there was insufficient parking and congested traffic flow which would adversely affect the safety of neighboring residential areas. We felt that the Kipling Street secondary business district recognition was being ignored. We felt that this massive building discourages the use of the Downtown alleyways for pedestrian and bicycle only use and prevents shops from opening onto the alleyway. As we talked about, we were concerned about the loss of ground retail space. From your motion on May 4th, you ordered the traffic and shadow studies, which I don't really agree with the conclusion of Mr. Lait that they had no impact at all. There are a number of subtle, interesting findings in that. The project shall have this—you mandated that the project shall have design linkages with the overall pattern of buildings so that the visual unity of both University and Kipling are maintained. Again, you said both streets needed to be considered as part of this. You asked that the HRB evaluate the historic buildings, and that it be resubmitted back to the ARB. Specifically, you said in your mandate the option of a third or fourth floor could be evaluated provided that they are visually compatible from the streets, both University and Kipling, and that they require articulation and setbacks. We'll discuss that here shortly. The HRB met and voted unanimously, 5-0, that the building was too big, massive and incompatible with surroundings. They described the building as dominant and overwhelming. They blasted this proposal, blasted it. They said it will permanently change University Avenue. There were significant numbers of historic properties overlooked in the assessment including many Birge Clark buildings like the old Apple building and the Varsity Theatre. The historic area, they said, was not inclusive enough and should have been enlarged. They said there was no attempt to minimize massing at the rear of the building from the perspective of Kipling Street, Lytton Avenue and the alleyway, including the 15-foot height addition on top of the four stories from the HVAC and the elevator shaft; and the building could be seen from far away. They said single-story buildings are becoming rare and difficult to compare for future development proposals. Some specific comments that were made at the HRB. The Chair said any historic building within eyesight should have been included within the study area. Mr. Bower said his most serious concern is that the mass and scale is not sympathetic to the surrounding buildings. Beth Bunnenberg said, "We are setting the pattern, and the cumulative impacts of these types of buildings set the pattern that it is okay to build these massive buildings." Ms. DiCicco said this needs more close review. Ms. Wimmer said the mass

# TRANSCRIPT

and scale can be more sensitive and sympathetic. This is the extreme case. This is 5-0. I listened to the Historic Resources video and attended four separate times, and I wrote down all their quotes. The first building that was proposed here was not deemed to be compatible with Code. There was no shared characteristics or design linkages with the neighboring buildings. The visual unity of the street was not maintained. Large scale and mass detracted from pedestrian-oriented design. Guess what folks? This new building is still not compatible. The only thing that was done here was the third and fourth floors were moved to the rear of the building, and shifted all the massing there. It is the same footprint. It is the exact same square footage. If you have the same footprint, the exact same square footage, and we've moved the third and fourth floors setback from University, all it did was move them to the back towards the Kipling Street view and the alleyway. It worsens the mass effect from the Kipling view. This new lighter color that they've come up with makes the building appear even larger. That was noted by the Historic Resources Board. The scale and mass overwhelm Kipling Street and the alleyway. The upper floors should be setback from all sides sufficiently. All exposed sides should be treated equally. That's in our Municipal Code, all exposed sides. They're not. This site is not compatible with neighboring buildings. The Council, all of you, mandated that the setbacks should minimize massing; it needed to be done all sides. It turns this alleyway into a busy one-way street to service the in-and-out garage. There's insufficient use of landscaping to buffer the entrance from the adjacent buildings. Again, it's the same colossal building and footprint on the narrowest street in Downtown Palo Alto. When you look at their rendering from University Avenue, they've put these massive trees out there that actually hide the floors from second to the fourth floor against this one-story, historic Birge Clark building. You have three solid floors of flat wall that you will see when driving down University Avenue, but it's been deceptively hidden here by this tree. Some specific comments from the ARB Members. I wanted to let you know here I've put them in red which I think are the most important. Member Kim said, "I understand the concerns that it doesn't respond enough with regard to Kipling." Member Lew, "The bulk of the building has been pushed towards the alley and looks like a uniform block of grey stucco." That's from our ARB Member. He said, "This is a 3.0 FAR building which is larger than what we would normally allow due to the applicant's TDR. Given what the Council gave us with this narrow focus, I would say that it is not working together. This four-story building shadows the one-story building on the alleyway. If the fourth floor were eliminated, it would fit better." Finally, "my recommendation is that this project come back again to ARB and come back smaller." Those aren't my words; these are your ARB Members. Finally, the Chairman said, "It does have a problem in the back and on the alleyway. Removing the fourth floor would be the best solution, but the TDRs and zoning prevent us from doing this." The

# TRANSCRIPT

traffic study recommends removing one or two parking spaces along Kipling Street to improve visibility. It does not consider the safety and impact of the existing businesses on the alleyway. Our alleyways should be used for pedestrians and people walking back and forth. The traffic report did not assess that. At a minimum the City, if this project is approved, needs to consider reversing the alleyway traffic towards the larger and wider Waverley Street for better flow and utilize the existing signals at both ends. Kipling doesn't have a signal at both ends, and Waverley does. The traffic should actually flow out toward Waverley, but that's a worst case scenario if you were to approve this building. The shadow study here—this is a four-story building plus HVAC and an elevator shaft which obscures daylight over the alleyway. What I want to show you is—I took this picture right here. This is the back of Design Within Reach. It's about 1 1/2 stories. You can see during the daylight how this building already shadows across the alleyway. This is only 1 1/2 stories tall. Wait 'til you get a four-story building plus HVAC plus the elevator shaft. You will completely obscure that building. The study improperly equates the impact from the building as that from the trees. It says it won't be any longer than what the trees do. Come on, I mean, we're not idiots. Trees leave a lacy type of shadowy figure, not what a big, block building does. I mean, this is just so ridiculous how these people can right these things here. We can see this on Florence Street where the big, ugly garage completely obscures little, tiny Florence Street with the big shadows that go over, across. You can see what lacy tree shadows are. It's not the same as a big building. In summary—actually according to my clock, I have 20 seconds. I will review this at the three-minute rebuttal.

Mayor Holman: Thank you. Thank you.

Mr. Harbor: Thank you.

Mayor Holman: Thank you. We'll now hear from the applicant, and Jim Trotter is architect and Kent Mitchell as attorney for the applicant. You'll have a combined ten minutes.

Jim Trotter, Architect for Applicant: Mayor Holman, Vice Mayor Schmid, and fellow Council Members, thank you for having us. I'm Jim Trotter; I'm the consulting architect for Elizabeth and Jaime Wong. I'm helping with the shadow study and reviewing the revisions on the proposal for 429 University. As I stated at the last meeting with the ARB, I think both the original design by Ken Hayes and the current revised plans are elegant and thoughtful designs. As a modern, contemporary, mixed-use development, this is one of the better designs that I've seen in this area in Palo Alto. Concerning the context and the complexity of the program, I think this

# TRANSCRIPT

project has been very well integrated, maximizing what could be done with a corner site and meeting retail, commercial and also residential needs as well. In response to the criticisms of this project, the design has gone through over two years of ARB revisions already. The latest revision, six actually, is responding to the concerns expressed by the Council, and addresses all these concerns with more generous setbacks and by adjusting the scale of the storefronts to the neighboring properties. Regarding the storefront façade, the verticality that the ARB liked in Revision 5 was adjusted to reduce the height and mass on University Avenue. Revision 6 keeps a modern appearance while omitting some of this verticality, and thus you have a more horizontal look. This look is common for modern office and mixed-use design. Another project in the area also designed by Ken Hayes at 611 Cowper Street has 100 feet of frontage as does 429 University. It's upper floors also have balconies running the front of the building, also like 429 University. For this revision, Revision 6, you can see from the renderings what has been shown in the report. The balconies on the third and fourth floor are not new, but were carried over from Revision 5. These balconies just became more prominent with the revision of the vertical façade in Revision 5. On the fourth floor, the rail line was broken up visually by interesting planters along University Avenue, which was approved by the ARB in Revision 5. We can propose introducing some more planters; that was one of the things we just recently discussed on the third floor of Revision 6 to also horizontally break up the glass rail visually, even though we already feel we have made the latest changes in Revision 6 to address all the concerns that have been brought up. In addition to these observations, I want to point out that much of the concern about the overall height of the project does not affect the experience of the pedestrian on University or Kipling. Part of the challenge of two-dimensional drawings and even model renderings is to help everyone see what the pedestrian sees. With increased setbacks at the third and fourth levels, especially facing University and Kipling, the pedestrian really won't see the third and fourth floors. With the area of the retail space essentially remaining the same in kind, the pedestrian or local shopper will continue to have a similar or better level of retail options with a more contemporary design. Finally in summary, all of the revisions made to this point have addressed the concerns made by both the ARB and City Council while keeping essential functionality and program intact. This modern, contemporary, mixed-used development has been carefully and painstakingly designed and revised to meet the current zoning and Code requirements. I honestly don't see any reason for the appeal to be accepted. Thank you for your consideration.

Mayor Holman: Thank you. Mr. Mitchell.

# TRANSCRIPT

Mr. Mitchell, Attorney for Applicant: Good evening, Madam Mayor and members of the Council. I'm Kent Mitchell, the attorney for the applicant. I want to thank the Staff, the Director, the ARB, the HRB and the City's outside consultants for reviewing all of this material. I would point out that despite everything that has been said here by the appellant, those reports all confirm that the findings are appropriate that were made by the ARB. The ARB did not choose to changes its findings. The ARB did not choose to take a new vote. What's before you on the record is the 4-0 vote from the previous iteration and no recommendation that findings that they made or the Director made and adopted be changed. The applicant has worked diligently in this case to present a Code-compliant project, and Staff has confirmed that this is a Code-compliant project. It also serves the City's mixed-use goals for uses in the Downtown CD area, which is very important. It may be that there is a political discussion to be had about the appropriate future of development on the CD Downtown area, but that's a discussion that has not yet been had. The ordinances that are in place should still be given full effect, and only if those ordinances are changed should different standards apply. As far as the historic concerns that have been raised by the referral motion back, those were basically to make sure that CEQA was being complied with in the environmental analysis. All of your reports, your consultant Carey and Co., the tests under CEQA, the *Eureka* case that I cited in my letters and even the applicant's historic consultant have universally confirmed that this project will not cause historic resources in the area to lose their historic significance. That's the test that you should apply because your historic ordinance is basically the same as the State historic ordinance. What this comes down to is some subjective criteria of mass, compatibility, visible impact. This brings in your TDR ordinance. This ordinance was passed to incentivize two things: one, the rehabilitation or removal of dangerous, seismically unsafe structures, or rehabilitation of dilapidated historic resources which you would rather not lose. The City gets the benefit of this bargain by getting these benefits, correcting these problems, and it in turn gives an FAR allowance that exceeds what normally could be available to a building in the Downtown CD district as long as it's a qualifying receiver site. Now, what is—your ordinance is very, very specific about what a qualifying receiver site is. Basically, it has to be in the CD, Downtown area, which this site is. It cannot be an historic site itself, which this is not. It cannot contain an historic structure, which this does not. It must be at least 150 feet from any property zoned for residential use, which it is. And/or it is in a commercial zone within the Downtown area that has present other mixed uses, which it does. These are the standards for determining what is a qualified site. That really concludes the inquiry about whether this is a qualified site. In fact, this project wouldn't even have been submitted if it weren't a qualified site. Then the question is what other requirements are there. The requirement is that you allow the square footage to be made



# TRANSCRIPT

available, the additional FAR square footage, provided that it is not necessary to reduce the square footage in order to modify the project. It also must be compliant with specific requirements of the Municipal Code. That's what your TDR ordinance says. No specific requirements have been identified that have not been satisfied. Things like height, parking, setback, circulation, etc., all of those have been met. The ARB is the body that you have charged and they are the professionals that you have selected to evaluate architectural aspects of this project under Chapter 18.76. It has made findings as were adopted by the Director that this project meets all the requirements of 18.76. You should give great weight to these, because these are the people you have selected to make these determinations and recommendations to you as well as the consultants that you have approved or selected. What remains then is in that context were considerations of mass, compatibility and visibility of the project appropriately considered and were the findings about them appropriate. Recipients of TDRs in this case are entitled to rely on your ordinance and to receive the benefits of that ordinance, the increased FAR, particularly when the City, having made that bargain, has already received all the benefits that it is entitled to get. A larger building is inevitable whenever you transfer TDR rights to a qualifying site. To say that this is bigger than the building next door or this is bigger than we're accustomed to, that is really not relevant given the fact that you have agreed that they can have a larger building as long as it meets the specific requirements and the architectural requirements. In any case, the mass is going to be greater, the visibility is going to be greater, and the building is going to be more prominent given these FAR transfers. You must take that into consideration if you're applying your own ordinances fairly. This is what is and what should be expected of the City and of its residents. The previous iteration of this project met all the requirements of the Code and received the approval recommendation of the ARB. Here in response to the Council, mass and visibility really is no longer the issue. Compatibility—30 seconds if I may?

Mayor Holman: Mr. Harbour stopped at time, and I must ask you to do the same thing if you would please.

Mr. Mitchell: I will finish in my ...

Mayor Holman: You'll have three minutes coming up.

Mr. Mitchell: Thank you.

Mayor Holman: We have 14 speakers on this item. You can figure that math out pretty quickly. We'll allow two minutes to help us move through this. I appreciate the public's indulgence on that. When you hear your

# TRANSCRIPT

name called, if you would please move to the front pew so that you're ready to come forward and speak, that would be most helpful. Also, if anyone else needs to speak to this item, turn your card in now. I will not be accepting cards after the first speaker completes speaking. With that, Andrew Gottlieb to be followed by Vita Goborova. I apologize if I'm butchering that last name. I apologize. Thank you. Andrew.

Andrew Gottlieb: Good evening, Mayor and Council. I am a resident of Downtown Palo Alto; I live on Emerson Street. I'm not anti-development by any stretch. I like to see progressive development of the neighborhood. When I see something like this, it's gone a little bit far. I believe the developer's playing a bit of a shell game here. I think what they've done is they've taken some of the serious comments that have been publicly made, and they haven't listened. They just clearly haven't listened. They've taken the mass, and they've just moved it to a different spot. Now we're looking at pretty much the same project, not without the developers taking into account really the concerns of the Council and the ARB and what the neighbors have to say. I'm not sure these folks are even neighbors in Downtown, so they actually won't be even impacted. When you walk down Kipling Street, you can just feel what will happen to that street given the nature of the project. If that's a well-integrated development, as this gentleman said, then we have a big problem in Palo Alto. Thank you for your time and good night.

Mayor Holman: For those who aren't familiar with speaking, when the yellow light goes on, that means you have a minute left, just so everybody knows. Vita Goborova to be followed by Stephen Levy. Again, apologies about the last name.

Vita Borbunova: Hello. I'm a 15-years resident of Downtown Palo Alto, and I'm speaking very much in support of appeal and very much against this project. Honestly speaking, I am pretty much convinced that owners and architect never actually expected you to approve this project as they submitted it as they just give you the plans of the biggest and cheapest they could get into the City without being locked out of the City. That's what it is, and it's a huge (inaudible) that we're still discussing four-story high project when I clearly remember, for example, Karen Holman mentioning removing one or even two stories from this project. Somehow it was left as a possible (inaudible). I also think that they're omitting a lot of detail from the submitted plans. For example, the building across the street from the proposed building shown as high as this building. In reality, the roof would be this high. It's kind of omitting it. Here's how the building mass would look like on the photograph. I just take the ruler and did it. Here on the back looking from the Kipling, how it would look on the back. If you can see

# TRANSCRIPT

from here is this little thing. It's a building on the back. I can actually give you the paper, so you can take a look at it. This building will have huge impact. They just silently laughing and very happy that you are still discussing it. What should be discussing here is a two-story building, how to make it look appropriate for this site. Please don't call it a modern design; it's not modern. It's outdated, last century way to build cheap.

Mayor Holman: Thank you. Stephen Levy to be followed by Sally Ann Rudd. Again, if speakers would come to the front when you hear your name called, that would be most helpful. Thank you. Stephen Levy.

Stephen Levy: You have my best wishes for your Study Session that follows. Dave Price said they followed the rules. Jonathan said project is Code-compliant. That sets a pretty high bar for me. The size and uses are legal. The in-lieu money can be used by the City for transit options for workers for building additional garages. As several people have said, it meets the City's guidelines for a mixed-use project. You'll have better seismic safety. There are green elements and active transportation elements. That's a really high bar. I'm not going into the "I don't like it." It feels too subjective to me, with the one exception that I gave you in my letter. I live on a smaller street, Gilman, on which you are considering two parking garages. There are far, far, far, far more people who live next to what could be a parking garage that backs up to my bedroom. What are we supposed to do? Say we don't like it; it'll inconvenience us, if that's your best decision for a parking lot? Just like I didn't agree with what you did on the office cap, I will work with you to support it, because it's what you did and you had the legal right to do it. Finally, I don't know all the projects, but this feels to me like the last major project that's left over before we test your adoption of the office cap limitation. I'd like for all of us to go into it with clean hands. This has been around for a while; it's Code compliant; it has some public benefits. I urge you to approve the project as modified.

Mayor Holman: Thank you. Sally Ann Rudd to be followed by Sam Arsan.

Sally Ann Rudd: Sally Ann Rudd, 354 Poe Street, Downtown North. I am a 26-year resident of Downtown Palo Alto. If you can't look at a building and have a subjective reaction to it, then I don't know how you're supposed to assess a project like this. When I see it, I see something that maybe belongs in Sunnyvale next to Lockheed Martin. I don't see something that belongs in Downtown Palo Alto next to some lower buildings and opposite the President Apartments which is a very tall building, but it's very elegant and it's in a completely different style. I see no redeeming features in this building, and it is very massive. There are other massive buildings in Downtown Palo Alto, but in the location that this one's going to be located, I

# TRANSCRIPT

think it's going to dominate the street and not in a good way. Two years review is not a long time for a building like this, that is massive and is likely to be controversial by its style and design. I believe it is a carbuncle in Downtown Palo Alto. It is less attractive than the Cheesecake Factory, and I never thought I would have to say that. Please, I do urge you to send this back to the ARB and have some more major design improvements done to this building. Usually I actually support building no parking for massive building projects on the theory that people will use alternative transportation if they do not have parking spaces at the place where they work. However, in this case, the execution of the Downtown RPP has been so disappointing that I do not think you should be approving any more projects that are not self-parked until that is satisfactorily resolved. Code compliant or not, I think that there are some major issues with traffic and parking that are not being addressed, and those should be addressed as a priority. Please send this back to the ARB.

Mayor Holman: Sam Arsan to be followed by JC Andrade.

Sam Arsan: Hello. My name is Sam Arsan; I'm with Arsan Realty. I've been involved with retail leasing in Downtown Palo Alto for over 20 years. I believe this project will be a great addition to the Downtown area. It will greatly enhance Downtown for the current tenants and future tenants. I respectfully request that you approve this project. Thank you.

Mayor Holman: Thank you. JC Andrade to be followed by Michaela Dieffenbach.

JC Andrade: Good evening, Mayor, Vice Mayor, Council. Thank you so much for hearing me out on this. This first came to my attention a few months ago. Michael, thank you as well for sticking up for us on this. I'm now currently partnered up with Vino Locale which is at 431 Kipling Street which is right across from where Zibibo used to be. When I first got to this place, I said, "Wow. That's a beautiful street." As you know, all Victorian homes and they all look like family homes. It's a beautiful place to be. It's actually one of the few hideaways that you have here in Palo Alto now, that's still left standing, that you can say, "Wow. That is old Palo Alto." That is Palo Alto. That embodies Palo Alto. With this proposed building, we will be hidden away even more. We're already tucked away down this little street. The parking, it's not as bad as other streets. When you say let's take away a couple of spaces, it gets a little worse. When you put this building on the corner, then what do we do? It's such a massive building that it will absolutely hide us away. There will be no more this hidden gem. There will be no more beautiful little Kipling Street. There needs to be just—let's go back to the drawing board. I'm all for progression; I'm all for building; I'm

# TRANSCRIPT

all for progress. We all are here in Palo Alto, but let's do it on a scale that's going to be tasteful, accommodating to our neighbors. We can all just live harmonious. This is what we're here for. Thank you very much for listening to me.

Mayor Holman: Thank you. Michaela Dieffenbach to be followed by Gerson Bers.

Michaela Dieffenbach: Hi, my name's Michaela Dieffenbach. I have Michaela's Flower Shop; you probably know us better at Stapleton's. I worked there right out of high school. I don't even know where I'd be if I wasn't there. My major concern with this is the alleyway. We use the alleyway, as you can see, Valentine's Day and my partner Steve there. This is our lifeline. Our trucks come through. Not only mine, our neighbors'. This is where they come through. If this building takes up the alley, our trucks—I don't know where our trucks are going to go. They have to use this. I share it with my neighbors, the tea place, the coffee shops. We all use this alley. We need this alley to be kept open. I can't even imagine once this happens how many cars and trucks are going to go through this. You can see how tiny we are. We don't have a lot of space and how we've been doing this space forever. This is my life. I love this little flower shop. There's not too many of these little buildings around that keep going. We keep losing all the great things just to things like this. We need to keep it the same in some way. I'm like JC, I'm all for change; I'm all for a little bit. They can't take the alley away, that's my lifeline. There's got to be a way where we can figure this out, because I can't lose my shop. Thank you.

Mayor Holman: Thank you. Gerson Bers to be followed by Jeff Levinsky.

Gerson Bers: Thank you. My name is Gerson Bers, and I've lived in Palo Alto for 25 years, first at 360 Forest right around the corner. Thank you for permitting me a few moments to speak in support of the proposed 429 University project. I've heard and considered the widely circulated concerns against this project and do not find them compelling. The argument that it shades the neighbor properties is a legitimate concern, but review by third-party consultants have determined that is not a realistic concern. The argument that the project was too large was an early concern, but time after time after time it's evolved 'til the project now with third and fourth floor setbacks that reduce the mass from University and Kipling on a pedestrian scale. The argument that it replace important historic buildings has been reviewed and set aside by highly qualified consultants. The argument that the project overwhelms the older homes on Kipling is interesting. The block in question sits between University and Lytton. Between these two streets are the most dense and important commercial development corridor in Palo

# TRANSCRIPT

Alto. There are many buildings 50 feet and taller on University, Lytton and even on adjacent streets. I find the arguments that development is too dense or too tall on University much like those who complain about train whistles on Park Avenue. It's part of living in Downtown Palo Alto, you're going to have high-density development. There's an ongoing conversation regarding Ken Hayes' design. It's unfortunate. There are lots of modern buildings near modern buildings in Palo Alto, some of which you guys are going to award this evening. Lastly, I say that the project meets all of the City requirements that you've laid in front of it. I urge you to approve this project.

Mayor Holman: Well timed. Jeff Levinsky to be followed by Doria Summa.

Jeff Levinsky: Good evening, Mayor, Council Members and Staff. Many of our streets are becoming urban canyons. Fortunately for Downtown, we have compatibility rules to try to protect our architectural heritage and our community. The project before you tests those rules by proposing a building quite different in massing and feel from many others around it. However, in justifying the changes, the applicant and supporters have cited a few taller buildings near the project. In particular, they've cited the four-story office building at 428 and 432 University which is across the street from part of the project. However, that building—I don't think anyone has mentioned this—itsself is noncompliant. Its FAR is well over 3.0. It would not be legal today. The President Hotel of course is also noncompliant. I urge you to consider that using excessive buildings to justify compatibility is unfair. It means that neighborhoods will grow and grow in height. I think that's the wrong way to go on this project. Another point I'd like to make is that none of the visualizations offered show what this project will look like from the perspective of a pedestrian walking down Kipling towards University, not right at the building but from partway down the street where the houses are. We've asked for that; we've never received those. I think it's worrisome that the architect and applicant have failed to produce those drawings which would be so important in understanding how this will fit in. If you decide to continue this, I ask that you request story poles be erected; that's the norm in other communities. I think that will help give the community a sense of how large and where the mass will be on this building. Thank you very much.

Mayor Holman: Thank you. Doria Summa to be followed by Ronjon Nag.

Doria Summa: Good evening, Mayor, City Council and Staff. Thank you for letting me speak. I just wanted to lend support to the appellant. I feel that you've heard many of the issues raised about the congestion in the alleyway, the massing and scale of the building which was not addressed at

# TRANSCRIPT

all. It is exactly the same size; they just shoved some of the mass back towards the alley which is the most sensitive area and didn't reduce the size of the building at all. I think that the ARB was genuinely disturbed with the degradation of the quality of the architecture and the integrity of the original architecture and made it clear that, while they stood by their findings, they would not be able to approve the architecture today. It's still overwhelming the one and two-story buildings that are adjacent on the street, except for the two noncompliant buildings that the previous speaker mentioned. I also wanted to mention that I'm a member of PAN, Palo Alto Neighborhoods, which I represent my own neighborhood on. We did a survey last year. This kind of issue of increasing density and congestion in Palo Alto is one that most concerns neighbors. I also wanted to mention very quickly that Mr. Mitchell for the applicant didn't quite get a couple of statements about TDRs correct. They are not correctly or legally given to tear down historic buildings, only to renovate or rehabilitate. Similarly, when you are given a TDR in Palo Alto you are not guaranteed that you can ever use it, because you are not guaranteed a receiver site for any TDR. Thank you.

Mayor Holman: Ronjon Nag to be followed by Jon Goldman.

Ronjon Nag: Hello. My name's Ronjon Nag. I'm a resident of Downtown Palo Alto for 26 years, and I live on 354 Poe Street which is just a few blocks down from this intersection of Kipling and University. I think from what we've all heard what we've got to look at is a balance of the issues of new building, the effects to others and progress of our neighborhoods. The job of this position right now is to compute that balance. One argument is that the applicant's proposal meets all the rules. The whole point we're here is that the rules cannot cover every aspect. For me, the scale of the building is what is overwhelming. I think it should be a two-story building. It also should meet the character of the neighborhood. I do not think it is doing that. I would like to support the appellant. Thank you.

Mayor Holman: Thank you. Jon Goldman to be followed by our final speaker on this item, Neilson Buchanan.

Jon Goldman: Hello. Jon Goldman, I work over at Alma Street. I've been working Downtown for 18 years, so I spend a lot of my waking hours there and very much love Downtown. Also professionally, our firm manages a large number of properties in Downtown Palo Alto. Both personally and professionally, I take interest, pride and concern in kind of the quality and compatibility of what's going on in Downtown. One thing I think is compatibility does definitely not mean that everything should be the same. This is a very elegant building. I think it would be a great addition to Downtown. I'm also very enthusiastic about the idea of some housing being

# TRANSCRIPT

added. I think the whole mixed-use, housing over office and retail, is the future of our Downtown to keep them vibrant and also make it so people don't have to commute to work. Thank you.

Mayor Holman: Thank you. Our final speaker, Neilson Buchanan.

Neilson Buchanan: Neilson Buchanan at 155 Bryant Street, Downtown Palo Alto neighborhood. I'm here to talk about informed decision making. I know for a fact, because I've been involved in projects like this for the last three years, but I think historically for the last ten years residents particularly have been coming forward and saying the Staff Reports for individual buildings do not result in an informed public, nor an informed City Council. The central piece that has been very poorly articulated over those ten years has been adequate parking. Staff Reports have somehow systematically avoided giving you impact of parking and cumulative impact. I know for a fact for the last three years we have tried to make that point clear to the City Council and to Staff, and it hasn't been made. Without good Staff Reports, good decision making can't happen. Ironically, 14 days from now you're going to get the first interim report on permit parking. The residents' objections to the parking reports going to City Council have never been about not having parking in our neighborhoods around University Avenue. It's always been a question of how many parking places will be taken out of the residential neighborhoods and devoted to commercial parking lots. In 14 days, you're going to hear a report basically saying 5,000 residential parking spots, 2,000 of which are going to be dedicated to Downtown workers for all-day parking. Five thousand parking places, 2,000 commercial parking places in the residential neighborhoods. To me, that's an example that cumulative impact has not been addressed by the Council. I don't think it can be corrected with this project. In 14 days, beginning to unravel this Gordian knot will begin to happen. I ask you to start thinking about a systematic solution. I think the root cause is the Parking Assessment District entitlements. Until you have a Study Session over that, I think we're going to be fighting the battle project-by-project. Thank you.

Mayor Holman: Thank you very much. If memory serves—I look at City Attorney—the order is reversed, and the applicant gets their three minutes first and the appellant gets their three minutes second. Is that correct? I'm trying to remember the order.

Cara Silver, Senior Assistant City Attorney: The rules don't specify.

Mayor Holman: That's what memory serves me.

Ms. Silver: Either way is fine.



# TRANSCRIPT

Mayor Holman: The applicant, either Mr. Mitchell or Mr. Trotter, you'll have three minutes to respond to anything that's been said.

Mr. Mitchell: Thank you. I'd like to make five quick responses. With respect to the issue of transition, please note that the transition zones in your Comprehensive Plan are supposed to begin on the north side of Lytton and the south of Hamilton. They're not supposed to begin on University Avenue. Asking for a transition from this building to the Kipling buildings is totally inappropriate. As far as the HRB's comment on architecture, that's really not their purview. Their purview is to give you advice regarding historic preservation. All of those opinions that recited, that were given by the HRB, were more properly matters that should have been addressed and were addressed by the ARB. As far as being a shell game, we're not listening, we are listening. We've made immense changes in response to comments from Staff. Lastly, the statement that I said the TDR ordinance is applicable where the historic buildings are torn down, I did not say that. I said it's applicable where there's a rehabilitation of buildings. In summary, I simply want to say that the appellant is really asking you to nullify your ordinance, your TDR ordinance, and not give effect to what the tests it promises are and explicit promises are for more square footage. Over the last two years this project has been presented, re-presented, considered reconsidered. The City has rightfully expected the applicant to abide by all of its rules and regulations, and the applicant has done so. This is evidenced by the massive reports, studies, findings that have been submitted to you all in support of this project. Now, it is your opportunity to do the same, apply those same rules fairly and reasonably, give credibility and meaning to your TDR program and ordinance, deny this appeal and approve the project based upon the Director's findings and conditions. Thank you.

Mayor Holman: Thank you. Mr. Harbour, you will also have three minutes to respond to anything that's been put in the public record.

Mr. Harbour: I had a couple of summary comments. I do not feel the applicant addressed the major issues outlined by the Council from the motion on May 4th. There are multiple violations with regard to size, massing and compatibility that still exist. The building size remains exactly the same. The only substantive changes has been the fact that the third and fourth floors have been pushed back to the rear as much as they want to tell you in their song and dance that they've done a lot of work. Lightening the building color and changing the roof lines do not address the size and massing issue. Their photos and poor renderings minimize the true impact of this project. Quality of life is negatively impacted for existing residents, businesses, tenants, pedestrians and visitors. True mitigations in building size and mass are absolutely necessary. That's what the ARB said in their

# TRANSCRIPT

final statements. This appeal is not about the applicant's right to develop her property. We have never said that they can't develop this property. This appeal is about maintaining proper mass and size and ensuring proper transitions. As was mentioned here, TDRs—the ARB mentioned this as well. Chairman Lew said TDRs don't get to automatically override these concerns whenever the applicant wants to apply them. This would normally be a 2.0 FAR. They can take it up to a 3.0 FAR maximally. That's what they've tried to do. They are pushing every square foot for the maximum rent that they possibly can get. There's greed here, folks. That's what's motivating all of this. If we had an opportunity to scale this back a little bit, we would not have been here. Palo Alto is slowly facing a death by a thousand cuts. Each one of these types of projects is being evaluated individually so that the resulting building is now compared to a future building. When we have no small buildings and historic with which to look at, you won't be having any more of these conversations. That's what's really sad here. It's death by a thousand cuts. We're not looking at the totality and the comparative aspects. Go back and listen to the ARB hearings; they've mentioned that as well as the HRB Members as well. Thank you so much. I really encourage you to have the strength to deny this application please.

Public Hearing closed at 6:02 P.M.

Mayor Holman: Thank you very much. Council Members, given that we have a number of people—we talked about this at pre-Council—waiting for also Item Number 2, the Special Orders of the Day, we're going to do that right now and go through that quickly, and then come back to Item Number 19. Those folks should be coming into the chambers right now. While we're doing that, I'd like to remind Council Members that, also in front of you, you have the ballots for Parks and Rec Commission tally. If you would turn those in right now too, Staff can be compiling those ballots while we are making presentation to the award winners.

James Keene, City Manager: Thanks, Madam Mayor. If I just might add for folks watching at home, since the agenda's a little confusing, Item Number 19 is 429 University which was the first item on your agenda item, because we moved it forward. Just so there's no confusion. Thanks.

Mayor Holman: Thank you very much for that.

At this time Council heard Agenda Item Number 2.

## Special Orders of the Day

2. Proclamation Honoring Winners of the 2015 Architectural Review Board Awards.

# TRANSCRIPT

Mayor Holman: We do have a number of people who have joined us this evening. Thank you all. Each year the ARB awards—actually it's not each year. The ARB does periodically, every five years, designate award winners for specific projects. I'll read the Proclamation and then the Vice Mayor will assist on the Proclamations as we deliver those. This is the Proclamation for the 2015 Architectural Review Board Design Awards. Mayor Holman read the Proclamation into the record. We have six awards to be given, and we have quite a representation here. The first presentation will be made to Tom Eliot Fish, Page and Turnbull, BFSLA for the Stanford Hoover Pavilion at 211 Quarry Road for preservation. I'll join you down here and present the award. A representative for Tom Eliot Fish will be receiving the framed Proclamation. Vice Mayor Schmid will be announcing the subsequent awardees. Amy would you like to receive this for that project? Okay.

Vice Mayor Schmid: The second award of the evening goes to Group 4 Architects, Garavaglia Architecture and Gates and Associates for Rinconada Library, 1213 Newell, for preservation, addition and site design, Dawn Merkes. The third award goes to Bohlin Cywinski Jackson Architect for Apple store, 340 University Avenue, remodel, representatives Laing Chung and Priya Mara. The fourth award goes to Verde Design, Barbara Butler, RHAA, Magical Bridge Playground at Mitchell Park, 600 East Meadow Drive, special award for innovative-inclusive playground, representatives Derek McKee and Corbin Schneider. Award Number 6 again to Group 4 Architects for the Mitchell Park Library, 3700 Middlefield Award, special award for sustainable design, representative Dawn Merkes. Award Number 4 to Jimmy Chang for Paris Baguette, 383 University Avenue, small project and renovation, representative Jimmy Chang.

Mayor Holman: Thank you all for your indulgence while we do that.

At this time Council heard Agenda Item Number 3.

## 3. Appointment of Three Candidates to the Parks and Recreation Commission to Terms Ending December 15, 2018.

Mayor Holman: Perhaps the City Clerk has a tally on the Parks and Rec Commission appointments.

Beth Minor, City Clerk: I do.

First Round of voting for three positions on the Parks and Recreation Commission with terms ending December 15, 2018:

Voting For Jim Cowie:

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

# TRANSCRIPT

Wolbach

Voting For Anne Cribbs:

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

Voting For Judith Fields:

Voting For Cybele LoVuolo-Bhushan:

Burt

Voting For David Moss:

DuBois, Filseth, Kniss, Scharff,  
Schmid

Voting For Victoria Thorp:

Berman, Holman, Wolbach

Ms. Minor: Jim Cowie and Anne Cribbs, each with nine votes, have been appointed to the Board. David Moss with five is also appointed.

Mayor Holman: Thank you and congratulations. Congratulations to everyone who applied. The comments after those interviews were "we have a lot of good candidates. This is going to be difficult." I think you can tell that by the vote. Thank you to all the applicants, and congratulations to those who have been appointed.

At this time Council returned to Agenda Item Number 19.

19. PUBLIC HEARING: To Consider a Continued Appeal of the Director of Planning and Community Environment's Architectural Review Approval of a 31,407 Square-Foot, Four Story, Mixed Use Building With Parking Facilities on two Subterranean Levels on an 11,000 Square-Foot Site in the Downtown Commercial (CD-C (GF)(P)) Zone District Located at 429 University Avenue; and Approval of a Mitigated Negative Declaration. Environmental Assessment: A Mitigated Negative Declaration has Been Prepared. This Hearing is Continued From May 4, 2015 \*Quasi Judicial.

Mayor Holman: We now return to our first item which is Item Number 19. Council Members, if we could, let's try to do—we might have to do more than one round here. Can we do combined questions and comments in three-minute rounds and let's see how far we can get.

Male: (inaudible) motions?

Mayor Holman: Questions and comments. Three-minute rounds. Let's see if we can get through this quickly. Council Members, lights. We're done

# TRANSCRIPT

with questions and comments. No one wants to go first. Council Member Burt.

Council Member Burt: Not because I wanted to go first. First, I want to thank Staff for putting at our places in the last few minutes the findings and the Context Based Design Criteria. That's what we really need most of all to be focusing on, whether a project, any project, meets these criteria. The additional requests that the Council had for more review and study were in response to certain concerns that were articulated about basically the ability of the project to meet those criteria at our last Council meeting. My first real question I guess I'll ask of Staff. I need to ask you to be as succinct as possible because we're limited in time. We had concerns about University Avenue and Kipling. The project as the changes have been made have responded to those concerns. I won't say that it makes those street faces ideal in terms of how this project responds, but I think it's a significant response to those concerns as our Zoning Code is currently written around them. What appears to be the case is that we have now created greater problems in terms of how this project interacts with the alleyway. We still have an entire wall that appears to be a solid wall—I'll call it the west, but it's probably the southwest side of the building—that is clearly visible from throughout University looking that way, because the buildings next door, I think, one's even one-story right next door. Has Staff looked at solving one problem and creating another by these design changes? I really didn't see that addressed in a significant way in the Staff Report. I saw that the ARB kind of did some hand-wringing over it but, as Chair Gooyer stated, the TDRs and the zoning prevent in this case removing a fourth floor. Whether that's setting back or removing or whatever, I was confused by that comment and that sentiment that seemed to pervade the ARB feeling that they didn't like it but were constrained that they were actually obligated to allow a design that they might have found had certain incompatibilities because they thought zoning would not allow them to insist upon another change. That's a combination of both—boy, I can't even get that far—a question and a comment. Can you provide any insight on your thinking on that?

Mr. Lait: Sure, and I'll try to be brief. I think there's a couple of different points there. One, the Architectural Review Board certainly in its initial first three reviews did feel constrained by the Zoning Code as what it sets forth, the standards. I think perhaps that continued over into its re-review just a few weeks ago or a couple of months ago. One thing that I thought was interesting is that when they looked at the project in the context of the vicinity, I'll say, they found that when you looked at a broader area that it achieved a compatibility. When you looked more narrowly at the structures and mostly from Kipling, they were troubled by that. At least two of the

# TRANSCRIPT

members I recall expressing some concern about the building and its compatibility. With respect to the alley and the wall that you would see on the western elevation, those would be artifacts of the design as proposed. There wasn't a lot of opportunity in the conversation with the applicant and the ARB to develop that design scheme further. It was a one-time meeting. The applicant's response to the Council is reflected in the plans that you have before you. There wasn't really this give and take of design analysis.

Council Member Burt: In addressing and reducing the impacts on University and Kipling, did the project exacerbate them on the alley?

Mr. Lait: Some of the mass of the building was pushed more toward the corner. The overall setback and height remain the same from the alley. Let me just glance over to my colleague if that's a correct statement. Yeah, okay.

Mayor Holman: Vice Mayor Schmid. If any other Council Members have questions or comments ...

Vice Mayor Schmid: I'm concerned with the Council making decisions on architectural review to issues of a special attention or context and compatibility. A quick review of our Comp Plan. Our Comp Plan that was approved in 1998 has a lot of terminology in there about consistency and compatibility. I found three explicit mentions of the characterization of this. Downtown buildings of two to three stories was the goal and setting of the defining characteristic of the Downtown. Under the existing conditions report we got of the Downtown, the FAR of that area is actually 1:1. It's only through bonuses and incentives, discretion of the Council, that greater density can arise. I think the issues brought up of massing and scale are important to look at and to be compatible with our Comp Plan, that two to three stories statement in the Land Use Element are very strong. Parking has been identified by many people as an issue. This proposal states that 37 places are grandfathered. If you look at the Downtown Parking Assessment District, you do find the 37 places. The assessments were made to build parking garages that added about 700 parking spaces. The total number of grandfathered assessments are 9,000. Parking is a real problem. Where do they park? Traffic flow is another issue. We've had three recent traffic studies, and each one have come out by saying the cumulative model shows on some of our key intersections grades of "F." I think it is appropriate that we look clearly at the intersections surrounding the Downtown and see what the current flow of traffic is and what we're facing. I would note that the first building of Stanford Medical Center opens this week.

# TRANSCRIPT

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: Actually I'm not sure if he's still here. Earlier I saw a member of our Historic Resources Board in the audience. I was hoping he might weigh in if he had additional comments. I just wanted to give him a chance to add any other color if he had any, but it looks like he's ... I see we do. We do have a member of the Historic Resources Board here. I don't know if Board Member Bunnenberg would be interested in sharing any additional comments about the project. Just wanted to offer that opportunity, if that's allowable.

Mayor Holman: It's allowable, but given Staff's comments about the purview of the HRB on this one ...

Beth Bunnenberg, Historic Resources Board Member: It's very, very hard to hear you tonight. I'm not sure what—maybe my ears are stopped up from flying. Can you repeat the question?

Council Member Wolbach: Yes. I just wanted to invite any members of the HRB to offer any additional comments or thoughts about the project beyond what we've already heard, if there's anything to add.

Ms. Bunnenberg: That's the building at the corner of University and Kipling?

Council Member Wolbach: Correct.

Ms. Bunnenberg: There were several comments. I found the historic structures report defective because it did not pay attention to the fact that this building adjoins a number of small but treasured Birge Clarke buildings. There's the little one to the left of it which is either one story or one story with a mezzanine. It has a very unique façade but is small. Across the street you have that grouping of buildings that are near the Varsity Theatre. Again, they are small buildings. The part of the thing that makes University Avenue unique, our Downtown doesn't look like every other downtown around. I felt and the rest of the Board also felt that the building was out of scale to these adjoining buildings and also the historic buildings down Kipling. It appears to me that that defective information went to the ARB as well. Other questions?

Council Member Wolbach: I would actually just offer the same invitation to Board Member Bernstein, if there's anything else to this conversation that you'd like to add that hasn't already been mentioned this evening during Oral Comments. I would love to hear from your perspective as well. Thank you very much, Board Member Bunnenberg.

# TRANSCRIPT

Martin Bernstein, Architectural Review Board Member: Thank you, Council Member Wolbach and Mayor Holman and Council. I did not participate in this project. Thank you.

Mr. Lait: Mayor, if I may? Just to bring to the Council's attention, we do have the draft verbatim Minutes from the HRB meeting in Attachment F of your report. There's also the Carey and Co. report on Attachment B which details the analysis as it relates to the Birge Clark structures, the adjacent buildings and so forth. We're prepared to answer any questions you may have about that report.

Mayor Holman: Council Member Scharff.

Council Member Scharff: Thank you. A couple of things. I guess my first concern is that the ARB didn't really have a ringing endorsement of this. Maybe you could explain. I'll give all my questions, then you can maybe answer them. I'm thinking there was a number of members of the ARB that said that the articulation wasn't as good as the adjacent properties, that the project just didn't look as good as it should have, basically is the sense I took from it. I'm sort of wondering on the design stuff why the ARB then didn't say make these design changes, forget massing, forget that. There seemed to be other stuff that would make this building better. That's the way I read our Staff Report. I want you to tell me if that's true, if this could be a better designed project. My concern in all of this is we want high quality as a Council. I mean, I'm not on the Council as a design expert. It's really hard for me to go through this project and say it's going to look great, it's not going to look, it needs a little more articulation here. I don't really feel that's my role. I have some concerns about that. I guess I also want to know whether or not the revisions to the project made it tougher on Michaela's Flower Shop, for example, and whether or not that'll have an impact on her business. I was concerned that she came here and said to us that she's worried that her business won't survive this. I mean, I thought that was the important point. I assume the concern is that she won't be able to park her trucks there. I wanted to sort of flesh that out a little bit and understand what that is. I didn't feel that the circulation study in here dealt with that issue in the Staff Report, if we could address that. I also wasn't quite clear why the letter from the Hohbach-Lewin Group, the structural engineers, were in the packet, that talked about how this was on the edge of seismic safety. I assume what they're saying is that they don't want us to make changes to it because of the sheer wall components. I wasn't sure what I was supposed to take out of that. I didn't want to take the wrong idea out of that either. Let's see. Those were my basic questions, if you could just sort of give a brief response to those.



# TRANSCRIPT

Mr. Lait: Sure. Thank you. If I forget anything, please let me know. First of all on the Board Members, there was only three Board Members there. It's a five-member Board; there was an absence, there was a vacancy on the Board.

Council Member Scharff: Was that no quorum if there was ...

Mr. Lait: No, it was a quorum; they had three of the five. There was a vacancy that was unfilled and a recusal. We were already dealing with three members, and that's all we were going to get. Recall that the Board, when they reviewed the project, unanimously approved it, 4-0, when they considered it earlier this year. What was different about this most recent review is that the applicant submitted a project based on their interpretation of how to address the Council's concerns. It was presented once to the Architectural Review Board. They had that one opportunity to review it, offer their comments and perspective, and then the matter was going to return to the City Council. What was missing in the most recent review was what you get sometimes in other ARB reviews, a back-and-forth. You've made some changes, great. They noticed some things that they thought were positive, but they also noticed some things that they thought made the design look a little more bland or less articulated. I think had it been another meeting some of those things might have been worked out.

Council Member Scharff: Why didn't we follow—I'm not going to say our usual process, because I know. Why wasn't that back-and-forth—why didn't we have that process of back-and-forth and having a design that I can feel that the ARB thinks it's a good design? I may not always agree with the ARB, but at least professionals have looked at it.

Mr. Lait: Right. I guess the way I'd answer that is the applicant has an appeal before this Council and felt that the decision ultimately would be with this Council and the findings would be evaluated by the City Council and, I guess, didn't want to spend as much time in a back-and-forth effort that may or may not yield to a better result in the end.

Mayor Holman: With that response, if you can hold the responses, we'll come back to them.

Mr. Lait: Sure.

Mayor Holman: Council Member Scharff had some other questions. Thank you for those. Council Member Berman.

Council Member Berman: I just wanted to ask Staff—different speakers made comments about the shade study and other kind of third-party

# TRANSCRIPT

professional studies that were done. I don't know if Staff had any responses to some of the concerns that were brought up.

Mr. Lait: Thank you for that question. The shade study, just to be clear, Staff did not say that there would not be no impact, that there would not be any shadows. We acknowledge that there would be shadows on Lane 30 and also the building across Lane 30 as well as on Kipling and the façade of the building across the street on Kipling. What we said was that there would not be a significant impact to public spaces, which is the criterion used to assess the CEQA impact. Under that threshold, we're not seeing it rise to a level of significance. There will be shadows. I think our Staff Report also acknowledges the distinction between filtered light from trees as opposed to a solid shadow from a building. I think we acknowledged all those points in our Staff Report. There was nothing new about the public testimony that would cause us to change our perspective.

Council Member Berman: Thank you.

Mayor Holman: Council Member DuBois.

Council Member DuBois: The shadow reports were a little bit difficult to see. I mean, they're 2-D projections obviously. It's hard to see elevation changes. I'm concerned about impacts on Kipling, particularly the first Victorian which is actually a residence where people live. I mean, it looked like the whole front of their house would be in shade for several months a year. The yoga studio on the Staff Report on page 33 looks like will be entirely in shade. I think this comes down to the context and compatibility criteria. I did attend the most recent ARB and HRB meetings, and I looked at all the Minutes for the several ARB meetings as well as our Council meeting that we had several months ago. Shifting the mass back on the property, I think it just makes the narrow Kipling Street actually worse, not better. Again, when you look at this building in context on these images from the various streets, it's all kind of one and 1 1/2-story buildings, and then it jumps to four stories. The scale just seems really out of place. While some revisions were made, I don't think it addresses the fundamental issues that we brought up last time we talked about this. I heard multiple comments in the ARB meeting that the building's just too big. I agree with our HRB that found it out of context. At the last ARB meeting, one of the ARB Members said it just doesn't meet the standards set by other buildings Downtown. I think we're starting to hear kind of quality concerns about the building as well. I'm not relying on this, but I agree with one of the letters from the public that stated our ordinance for seismic TDRs says rehabilitation of buildings. I don't think that would cover demolition. It's also clear from the new traffic study that there's regular, illegal use of the

# TRANSCRIPT

alley. I think that just indicates that the alley is heavily used and critical for businesses, and there's no other place for people to go, so they're illegally parking. I am concerned about kind of the use of the alley. One other comment I'd make is there's kind of this mantra that this building follows all the rules. We heard that last time. Again, I don't think it does. It does follow 18.18.100, and that's exactly what we're here to talk about. I think it falls short on mass, scale and actually the quality of the building. I'll stop there.

Mayor Holman: Council Member Kniss.

Council Member Kniss: Thank you. Jonathan, could we go back to the beginning here, when you first introduced this item? Would you just repeat your first couple of sentences? Do you remember where you were at that point? You talked about whether or not the building was in compliance essentially.

Mr. Lait: I was going off the cuff, so I don't have my written words with me.

Council Member Kniss: You can go off the cuff again.

Mr. Lait: Sure. I believe I was reflecting that it was a mixed use project of approximately some 31,000 square feet, that it was a Code-compliant project with height and floor area and parking. It is a Code-compliant project, and that's based on policies that were in place at the time that the project was being processed and deemed complete.

Council Member Kniss: I think it's important to repeat that. Thank you for just doing that. I want to just push back on the TDRs for a minute. Why don't you give us how you believe TDRs can be used? We've just heard from Tom. We've heard from others. I have my own perception of how they're used. I might mention that last year, almost in this same month, five of us sitting up here approved TDRs for the museum so that they could be transferred to the building at the corner of Cowper and University, which made that building four stories high. It's interesting that just a year ago we were willing to allow a building to be denser on University Avenue. Yet now we're having a discussion about the TDRs. Why don't we just review that? The building on University that's the new Thoits Building was demolished. There was no question they are using the TDRs.

Mr. Lait: Just in a very conceptual level, the TDR program, the Code does set forth a set of criteria where TDRs may be transferred to eligible receiver sites. There's a whole list of what those are or are not. I think what part of the conversation is with the subject project is the fact that one of the buildings that is transferring development rights to this subject property was

# TRANSCRIPT

the result of a building that was demolished. We believe that there are probably a handful of examples in the City where we have allowed the demolition of buildings to occur and those TDRs to be transferred to other sites. The reason we have had that policy in the past is that it was Staff's perspective or understanding that the objective of the seismic upgrade ordinance was to remove seismically vulnerable buildings. Carrying it down and establishing it with a new building would achieve that goal. Now, we've heard the last time this item was before the City Council in May that it didn't appear that the entire Council shared that perspective. There hasn't been another case like this one processed, and we're coming back to you next week with a possible amendment to clarify that understanding.

Council Member Kniss: Currently, though, as you're viewing it, this applicant qualifies for the TDRs as we are defining them currently?

Mr. Lait: I believe that this project did meet the obligations of the Code as they have been applied to other projects in the past.

Council Member Kniss: Good. Thanks.

Mayor Holman: Council Member Filseth. Questions and comments.

Council Member Filseth: Comments. (inaudible) more of a comment. I hate subjective Codes, and this is why. A subjective Code is still a Code. To me, the Code issue comes down, as I think Tom mentioned before, to the issue of compatibility, particularly with respect to, in this case, scale, massing and to some extent transitions. I know that the applicant has spent a lot of time on this as has the ARB and the City. I can't look at this and say it's compatible. Yeah, it varies a little bit by angle. If you look at this project in the context of its surroundings, it's outside the envelope, at least to me. If it's not compatible, then it doesn't meet Code. I think we have to be really careful on compatibility issues, because once you approve one compatibility issue, you've got sort of implications for the building next door to that, for example. I hate subjective Codes, but subjective Codes are still Codes. To my view, this doesn't meet Code.

Mayor Holman: Just a couple of things, and then I'm thinking Council Member Burt and then I think Council Member Scharff's questions weren't all answered. Just a couple of things. Whether this project—Staff will correct me if I'm wrong here. I just don't want us to go down some kind of side path here. Whether this project is entitled TDRs and they've been granted TDRs is not at question, because this project wouldn't have gotten this far if the owner didn't already have accredited, delivered TDRs. Is that correct? Okay. How the TDRs are applied is a wholly other matter. I just don't want us to go down the track of "should these have been issued, should these

# TRANSCRIPT

not." I just want to have us keep that clear. There's some things to appreciate here, and still a good amount of concern which I think you're hearing from my colleagues. It is appreciated that there's been a scale down to the adjacent building next door on University Avenue. That does transition better. What hasn't changed, though, is the bulkiness of the elements. If you look at the streetscape whether it's on University, both sides of University or along Kipling, the elements of the buildings are much more refined. This building is—I mean this not in a crude manner. The elements of this building are rather crude, if you will. They are much larger than the refined, delicate nature of most of the elements on the adjacent buildings. One of the context-based criteria, if I can find it, is to not interrupt those streetscape pattern. I'm not going to find it right this second; I was reading it earlier. Those for me are really the issues. It's exacerbated on the Kipling side because of the mass being shifted back. I will stop with those comments. Hopefully helping about the TDRs. Council Member Burt, back to you. You had additional questions, I believe.

Council Member Burt: First, a quick comment following up on yours on TDRs. I think this is worth making sure that everybody, the Council and the public, understands this properly. We have a TDR program. The TDR program does not guarantee that an applicant can then max out the use of whatever TDRs they buy. They still have to meet the findings of architectural review, the other height and floor area requirements of the zone, and the context-based criteria. We've had this misconception—someone even characterized, one of the papers, saying it meets Code. We had Stephen Levy who said the same thing; it meets Code. I think pretty clearly what they're referring to is the height and floor area portion of the Code. I would say it meets a fraction of the Code in that regard. The rest become these more subjective but clearly Code-based requirements. That's the discussion that we are essentially having. There wasn't dispute previously whether it was meeting in any substantial way the height Code requirement or the floor area requirement. The first time we heard it and now, it's about these other two. We received those summaries at our places, and that's what we ought to be focusing on. I still have significant concerns over meeting a number of the findings. Let me ask one quick question of Staff. Finding D4 on architectural review is about a unified design character or historical character in areas that have that. Whether or not we determine that Kipling has a defined historic character, because some of those buildings have been modified to significant degrees, I didn't hear an adequate addressing of whether that group of buildings on that street still constitutes essentially a unified design character, which doesn't mean that this building would have to mimic that. Our Code is clear on that. We are not asking for a new building to imitate what is there. We're asking for it to be compatible with that. Compatible doesn't mean starkly

# TRANSCRIPT

contrasting either. It doesn't mean mimic; it doesn't mean starkly contrasting. Compatibility is a nuanced but important element. Jonathan, can you tell me to what degree we looked at whether Kipling has some form of unity in its design?

Mr. Lait: For that answer, I'm looking to the Carey and Co. report from August 14. Toward the end of the document on packet page 318, it talks about Kipling Street as a street that imparts character as described in the Downtown Urban Design Plan, but that it does not appear to constitute a potential historic district, which is not the level that you're trying to achieve. It does note that the parking structure at Lytton and Kipling was very disruptive to the character of Kipling, and that a lot of other additions to some of the buildings out there have lessened it. The specific question of does—I would say that Kipling does have some historic elements because it's got the buildings that are there and it's got the single-story type of residential structures. The historic report talks about it having character, and that's as far as it goes to answering that question.

Council Member Burt: I guess my interpretation of that is that it really didn't address this particular part of the findings. I'll add that, if you look at essentially the preamble sentence under "D," it's a little bit convoluted in its language. It says neither the Director nor the City Council on appeal shall grant architectural review approval unless it is found that, and then it lists all of what is below. That means that legally per our Code, we have to make a determination that a project has complied with everything below there on the findings. Correct?

Mr. Lait: Yes.

Council Member Burt: Thank you.

Mayor Holman: Council Member Scharff. If any other Council Members have questions or comments, this is the time to put your light on. Council Member Scharff.

Council Member Scharff: I had a bunch of other questions too. Do you remember what they were?

Mr. Lait: There was two that I recall.

Council Member Scharff: No, three.

Mr. Lait: One had to do with the flower shop and the concerns expressed. I think the question was is there anything about the redesigned project that would cause that to be a worsened condition. No, that would not be the

# TRANSCRIPT

case. The study of the alley found that there is not a huge volume of traffic that can be accommodated and can still continue to be accommodated with the project. The other question was a report, I think, submitted by the applicant about the seismic or the structural aspects of it. I think that was simply a letter stating that the way that the building was designed, there wasn't the ability to make further refinements to the building without having to wholly redesign the project from a different structural mindset.

Council Member Scharff: Getting back to the alley then, just so I understand. The thought is that will the cars come down the alley to park in the parking garage. They will, right?

Mr. Lait: Yes.

Council Member Scharff: That's the idea. The concern right now is that some of the merchants like Michaela's Flower Shop have their flowers on the side of the alley there. They unload stuff. That's the way it's traditionally been. Have we looked at whether or not that's a concern that's going to make it difficult for the flower shop to conduct business?

Mr. Lait: The report did not find that there would be any impact to that. There was one recommendation that perhaps the loading zone be moved from one side of the alley to the other side. That's something that our Transportation Staff will be looking at to see, regardless of this project, if that even just makes sense operationally.

Council Member Scharff: I guess I also wanted to ask on the findings, since we're talking about the findings. The Planning Staff embodied by the Director approve all of these findings. Do you still believe that the revised project meets all of these findings?

Mr. Lait: We did support the project as it was first submitted to the Council in May. I think there are elements of the revised project that respond to the Council's comments. Staff has identified a couple of items that were reflected by the ARB such as the reduced modulation and some of the elements making it a little bit more bland.

Council Member Scharff: My question is much more—Council Member Burt, for instance, mentioned Item Number 4. I guess I assume that Staff is supporting that. Staff disagrees with that or does Staff not disagree?

Mr. Lait: I'm going to turn to our original finding.

# TRANSCRIPT

Council Member Scharff: When Staff went through this, did it look at each one of these then and comes up with a conclusion. Take Number 4, for instance. What was Staff's rationale then on that issue?

Mr. Lait: Reading from the approval findings letter, Staff had originally found that the finding could be made because it was consistent with the applicable Downtown Urban Design Guidelines, that the project reinforced University Avenue as the retail core of Downtown Palo Alto, maintaining the ground-floor retail and preserving the general pattern of storefronts, continuing the retail vitality onto Kipling Street were some of the items that were identified under that finding.

Council Member Scharff: Thanks. I think I just wanted to make a general comment. I do have some concerns with this building. My concerns are that the ARB hasn't really come forward and said that they had an opportunity to look at the redesign and be comfortable with it. That's probably my primary concern with this. I have less concern, frankly, on scale and mass. I mean, I look at University Avenue, I look at the four-story building across the street, I look at the President's Hotel, and I don't really have concerns with the height and the mass on University. I do have some concerns with the height and mass on Kipling. I think that is probably a more realistic concern. I have some concerns with the use of the alleyway, because I'm not sure we've really looked at that issue with the full. I guess one options, I assume, is to send it back to the ARB to address those specific concerns and give direction to have a back-and-forth and be able to give a recommendation that they like the building, that they're happy with the design. I guess I wanted to ask if that's one of the options we have tonight.

Ms. Silver: Yes, you could certainly do that. The applicant would have to agree to that process, however.

Council Member Scharff: Why does the applicant have to agree to the process?

Ms. Silver: I think what happened in the past is that the ARB wanted to engage in that back-and-forth and the applicant didn't engage. If you want the process to be productive, there has to be a willing party on the other side.

Council Member Scharff: I understand the willing party but, I mean, why would I have to deny the project? I think on the whole it's a good project. I just think it needs some massaging. If I didn't want to deny the project, which I don't want to do—I mean, my colleagues may feel differently—I want to send it back to the ARB to deal with particular issues. Maybe through that process the building becomes smaller, maybe it doesn't. I



# TRANSCRIPT

mean, from a design criteria, maybe we get there. If the applicant didn't want to do that and said, "No, I just want to be denied," for instance, why would we have to do that? Why wouldn't we say go to the ARB, and if they don't engage, they never come back to Council, they never finish the process, the project goes nowhere. I don't understand why the applicant would have to engage. They don't; they could just have their project in limbo forever if they don't engage. Why would we have to deny it? Why couldn't I just send it back to the ARB?

Ms. Silver: That would be fine too. I think that there's then an expectation that if the applicant doesn't engage, then it would not come back to the Council.

Council Member Scharff: Right, but the project's not denied. It just becomes in limbo or whatever happens to projects where the applicant doesn't complete a process.

Mayor Holman: Council Member Berman. We're still at questions and comments, final questions and comments.

Council Member Berman: Yep, yep. I've been spending some time on Google maps on the Kipling side and across the street at the old Apple building. I probably should have emailed you this question over the weekend. Do you have any idea—it seems like it's approximately—I don't know—15, 18 feet tall at the corner, but then there's an addition down Kipling that seems to add a good 8 or 10 feet. Do you guys have any idea what the height is of what looks like the majority of that building or half of that building along Kipling, across the street from where this project would be?

Mr. Lait: We'll look. Not off the top of our heads. It's a mechanical, I believe a mechanical enclosure.

Council Member Berman: Yeah. I mean, it's just a flat wall, pretty low. It looks like an aluminum kind of enclosure with no (inaudible).

Mr. Lait: I don't have any detail on that.

Council Member Berman: On the project site on Kipling, the—I mean, it's two stories, and then the third story steps back a bit. Correct? On the Kipling side.

Mr. Lait: On the subject property?

# TRANSCRIPT

Council Member Berman: No, no, no, on the—yeah, on the subject property, on 429 University. It's two stories up pretty much along the street, and then the third story steps back. Could you remind me how far the setback is there? Do you guys have any—I don't know if the applicant happens to know or the architect knows off the top of their head. As Council Member Scharff was mentioning earlier, I'm not an architect. Quickly deciphering all this stuff isn't my forte.

Mr. Lait: You're talking about the proposed project?

Council Member Berman: The proposed project.

MR. Lait: I think it's 4 feet; it's roughly 4 or 4 1/2 feet.

Council Member Berman: It steps back 4 to 4 1/2 feet?

Mr. Lait: Yeah.

Council Member Berman: With the Mayor's permission, I think the applicant has some clarification.

Mayor Holman: Yes.

Council Member Berman: This is just to the setback of the third floor on Kipling. Thank you.

Elizabeth Wong, Applicant: The setback on Kipling is 7 feet 9 inches.

Council Member Berman: 7 feet 9 inches.

Ms. Wong: The Apple building is 36 1/2 feet tall.

Council Member Berman: It's 36 1/2 feet.

Ms. Wong: In the back.

Council Member Berman: With the mechanical addition in the back which is about for half of that ...

Ms. Wong: The Apple building.

Council Member Berman: Yes, the Apple building. Which is about half of the span of that Apple building on Kipling. Is that about right? That's what it seems like on Google maps. Thank you. I disagree with—I'm curious I guess with Staff kind of suggesting that the applicant wasn't playing ball with the ARB. We had somewhere in all this paper comparisons of the initial

# TRANSCRIPT

project, the first iteration, the second iteration, the third iteration. There seems to have been a lot of changes that have been made. I might agree with Council Member Scharff that maybe the ARB needs to weigh in on this, but it seems like the applicant has made a lot of changes to the project. Right?

Mr. Lait: Yeah. I would say that's for the formal ARB application. On appeal, now ...

Council Member Berman: Got it. Got it. I'll save comments for that until later. Thanks.

Mayor Holman: Seeing that there aren't any other questions and comments, everyone's got their questions and comments addressed, then we will go to motions. Council Member Scharff, you're quick.

Council Member Scharff: I'd like to move that we refer this project back to the ARB to address the concerns that have been raised by Council during the question and comment period, and that the ARB have a back-and-forth, several meetings, and takes a vote on whether or not to recommend it to Council.

Council Member Berman: Second.

Mayor Holman: Second by Council Member Berman.

**MOTION:** Council Member Scharff moved, seconded by Council Member Berman to:

- A. Refer this project back to Architectural Review Board (ARB) to address concerns raised by the City Council; and
- B. Direct the ARB to vote whether to recommend project approval to the City Council.

Mayor Holman: Council Member Scharff, do you care to speak to your motion?

Council Member Scharff: Yes, I do. I'm not doing this to delay the project. I want to make that clear to the applicant. This was the most tepid endorsement I've seen from the ARB. I didn't feel comfortable that we have a good endorsement. I think a number of Council Members have raised concerns about compatibility and have raised concerns about the project. I think you need to look at the project and address the concerns raised by Council Members and get the ARB endorsement. I think that's really the path forward on this. I think that would be the appropriate approach.

# TRANSCRIPT

Mayor Holman: Council Member Berman, speak to your second.

Council Member Berman: Thank you. I think Council Member Scharff's absolutely right. One of the reasons I supported the project initially was because of the ARB support by a larger number of ARB Members than this time when only three members were present at the meeting where this was discussed. I could understand the applicant's frustration if we're saying there's too much massing and it's too imposing on University, so they pushed that back. Now, we're saying there's too much massing on the backend. If Council Members are saying you need to take a floor off, I'd encourage them to actually be explicit and do that. I'm not saying I'd agree with that, but if that's their opinion, I think we owe it to the applicant to be a little bit more clear in our instruction to her, so that she can get her project completed. This is a really tricky corner, because Kipling does have a smaller scale off of the corner. I mean, if you look at the Apple building that's right across the street from this project, it's far from a cute, two-story home. This is right across the street from this project. It really is this kind of interesting juxtaposition between University, which is an area where we want to incentivize density—that's the purpose of University—and Kipling, and Kipling in between University and Lytton. It's something that we need to try to accomplish as carefully as possible. I think this could use—I think this project would benefit a lot from a couple of rounds at ARB. I'd encourage the ARB to be cognizant of the fact that right across the street on Kipling from this property is something that's 36 feet tall and kind of a straight wall. I think the applicant did a pretty good job of trying to step back those third and fourth floors. I have serious concerns that if we eliminate the fourth floor, all we're doing is eliminating housing. I'm an unabashed supporter of the fact that I think we need more housing especially in transit-oriented areas including Downtown. I think we need to be very cognizant about what we lose depending on what our instructions are to the applicant. I think this project's come a long way from the initial proposals. It is tough, and I think this has taken quite a while to complete. I think a couple of rounds at ARB hopefully will lead to a project that we can all support.

Mayor Holman: Council Member Burt.

Council Member Burt: If we're going to send this back to ARB, I think it needs to be in a more focused way so that it will be a more productive outcome. I'm real concerned that we aren't doing too much more than we did last time, which is saying we have some concerns. We've expressed them as individuals, what they are. We hope that the applicant will have listened to the things we meant for them to listen to, and that they will then respond to those things. I want to offer some amendments that give greater

# TRANSCRIPT

clarity to some of our concerns. I would recommend that we request that the ARB reconsider the project in its entirety as it complies with context and architectural review findings.

Council Member Scharff: That's fine.

Council Member Burt: I want to add some specific ones. Specifically ...

Mayor Holman: Council Member Berman, is that okay with you?

Council Member Berman: Yes.

Council Member Burt: Specifically, these first two are under Code Section 18.76.020—that's the architectural review—Section (d) and (d)(4) and (d)(12). When I speak to this, I'll just briefly say what those (crosstalk).

Council Member Scharff: I'm good with both of those.

Mayor Holman: Council Member Berman?

Council Member Berman: Let me just read (d)(12) real quick.

Council Member Burt: Then ...

Mayor Holman: Just wait for a second. Council Member Berman wants to ...

Council Member Burt: Let me lay the rest out while he's reading it.

Council Member Berman: I'm okay with it.

Mayor Holman: Good.

Council Member Burt: Section 18.18.110, which is the Context Based Design Criteria, and specifically—let's get this right—Section (1)(B) which has to do with appropriate transitions. You don't have to put this language in there. We'll say (1)(B).

Council Member Berman: That's (a)(1)(B).

Mayor Holman: (a)(1)(B), is that your intention?

Council Member Burt: Yes.

Mayor Holman: (a)(1)(B), Council Member Scharff?

Council Member Scharff: I'm just taking a look at it. Yeah, that's fine.

# TRANSCRIPT

Council Member Berman: Yep.

Council Member Burt: Then (a)(2)(B)(i) and (iii).

Mayor Holman: Council Member Scharff?

Council Member Scharff: (a)(2), numerals what?

Council Member Burt: (i) and (iii).

Council Member Berman: (a)(2)(B).

Council Member Burt: (a)(2)(B).

Mayor Holman: (a)(2)(B).

Council Member Berman: (i) and (iii).

Mayor Holman: (i) and (iii).

Council Member Burt: That's compatibility goals.

Council Member Scharff: Yeah, that's fine.

Council Member Berman: Yep.

Council Member Burt: Then I have one other that I want them to consider. These are not stipulative; these are focuses, foci. I want to make sure I get this right or maybe Staff can help. It's on the third page of the context-based design, at the bottom. It's a "B," and it's under a Section 2 but ...

Council Member Scharff: Sorry. Which page are you on?

Council Member Burt: The third page of the context ...

Council Member Scharff: Right, that's page 3.

Council Member Burt: At the bottom. It talks kind of the street face facades and eaves and awnings and overhangs and porches. That section as well.

Mayor Holman: Council Member Scharff?

Council Member Scharff: I'm just trying to follow this. Maybe I'm on the wrong—it's page 3. It looks like this?

Council Member Berman: Is it the one below Figure 2.1?

# TRANSCRIPT

Mayor Holman: It's the final ...

Council Member Scharff: The one below Figure 2.1.

Mayor Holman: It's the final "B" on that page.

Council Member Scharff: Yeah, that's fine.

Council Member Burt: Thank you.

Mayor Holman: And Berman? Okay.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "request that the ARB reconsider the project in its entirety as it complies with Context and Architectural Review Findings, specifically Municipal Code Sections:

- A. 18.76.020 Architectural Review (d)(4); and
- B. 18.76.020 Architectural Review (d)(12); and
- C. 18.18.110 Context Based Design Criteria (a)(1)(B); and
- D. 18.18.110 Context Based Design Criteria (a)(2)(B)(i); and
- E. 18.18.110 Context Based Design Criteria (a)(2)(B)(iii); and
- F. 18.18.110 Context Based Design Criteria (b)(2)(B)."

Mayor Holman: I think—Council Member Kniss.

Council Member Kniss: A couple of things. I will support the motion. I think we're getting pretty complicated, though, and here is the reason. We are between a rock and a hard place on compatibility. Compatibility is very difficult to define. Eric mentioned it earlier; we are subjective or we're objective. We're becoming very subjective. My request on this would be—Greg, if you're okay with this—I want a full ARB, at least four members to be there. If we have another situation where only three were there, there's not a quorum. I don't think we end up with anything more worthwhile than what we've gotten tonight. I don't know how soon that will happen, that this will be a full complement. I have no idea. That would be my request, it doesn't go back to the ARB without having a quorum.

Council Member Scharff: I did have a question. Why did ...

Council Member Kniss: They said there were three, and it wasn't a quorum.

# TRANSCRIPT

Council Member Scharff: Why did the fifth ARB Member recuse themselves?

Mayor Holman: Council Members, I think we're looking for an answer here from Staff. Jonathan, do you have an answer?

James Keene, City Manager: They're discussing it right now.

Mr. Lait: There's five Board Members. One of them recused herself from the last proceeding. We would suspect that she would recuse herself again for comments previously made on the project.

Council Member Scharff: Why did she recuse herself?

Mr. Lait: For comments that were previously made, before she was a Board Member, about the project, comment letters.

Council Member Kniss: How many voted?

Mr. Lait: When the project was approved, there were four members.

Council Member Kniss: First time.

Mr. Lait: When the project went back more recently, only three members participated. There was a vacancy, and then the recusal. There is a new member now that's been appointed to the Board. I believe, I'm not certain about this, that he may have an office in one of the buildings that's scheduled to be demolished. I don't know what the tenancy is of that, if it's a short-term or a term-long or what the implications would be.

Molly Stump, City Attorney: Madam Mayor, we can ...

Council Member Scharff: Liz, I'm going to have to say no, because we may not be able to do this.

Council Member Berman: It's impossible.

Council Member Kniss: We may never have an ARB that can fully vote.

Council Member Berman: It's a quorum. It's (crosstalk).

Mayor Holman: I think City Attorney would like ...

Ms. Stump: The rules are detailed and complex. We'll take a close look at them and we will, as we always do, endeavor to have participation from every member who's able to participate. That may be three. We may be



# TRANSCRIPT

able to get a fourth, but we don't have all the facts. We're not able to give you detailed advice on that today.

Mayor Holman: Thank you. Council Member Wolbach. Liz, were you through?

Council Member Kniss: Yes, thank you.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: I'd like to be clear about—this is maybe a question for Staff but also for the maker of the motion and the seconder. What's the process after this, when this comes back to us after it's been to ARB? Give me a couple of like if they say "A," here's what we do; if it's "B," here's what we do. Are we going to be at a final point of making a decision when it comes back to us? For our sake, for the applicant, for the appellants, for everybody, I'd like to have a clear sense of what the path forward is post-this. If either Staff or the maker of the motion could really articulate does this help us establish a light at the end of the tunnel for resolution of this project, again for us, for the applicant and for the appellants.

Council Member Scharff: Are you asking (inaudible)?

Council Member Wolbach: Yes.

Council Member Scharff: I absolutely believe so. I absolutely believe the process will hopefully create a project that Council can support.

Mayor Holman: Can I ask a clarifying question, though, of Staff? Pardon me for interjecting here. When this project went back to the ARB this time, it came back to the Council on a continued appeal. A clarification please. This goes back to the ARB for whatever, one, two, whatever hearings. Is the appeal considered to be continuing or would there have to be a new appeal filed or would the appellant have to comment? What is that piece? Could that piece be clarified please?

Ms. Silver: My understanding of the motion is that the appeal would still be pending, and that the direction of the Council is to go back to the ARB and have a real give-and-take. Then the ARB will make a recommendation and the item will come back to the Council, and you will have the same three options that you had in the original appeal. Mr. Lait just mentioned that he thinks it might be helpful for the Council to perhaps ask the applicant whether they are willing to engage in this process, so that you can assess whether this process would be productive. Of course, it's up to the Council.

# TRANSCRIPT

Mayor Holman: Thank you for that lead. If the Council's indulgence, shall we ask the applicant ...

Council Member Scharff: I think applicant should move forward with our direction as opposed to asking the applicant.

Mayor Holman: Asking what their preference is?

Council Member Scharff: Yes. I don't really see this as about what the applicant wants. I see this as about moving forward and procedures that produce the best project.

Male: (inaudible)

Mayor Holman: The applicant does have the option of withdrawing their project. This is true.

Council Member Scharff: They can always withdraw it. I mean, they don't have to. They could just let it go in limbo and withdraw it and let it die.

Mayor Holman: This is very true. The applicant does have options. Council Member Wolbach, did you have your questions completed?

Council Member Wolbach: No. And actually my comments on the motion. Just following up on this question. Just an encouragement to my colleagues that when this does come back and as we're studying what comes back and we're finishing crafting and voting on this motion, I hope that we're preparing ourselves to make some final determinations, just so that we can see a light at the end of the tunnel for everybody involved.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: I'd like to add one element to "C," that the findings specifically include 18.76.020(d)(1).

Council Member Scharff: Could you repeat that, Greg?

Vice Mayor Schmid: (d)(1). The design is consistent and compatible with applicable Elements of the Palo Alto Comprehensive Plan.

Council Member Scharff: Sure.

Council Member Berman: Sure.

Mayor Holman: That's accepted.

# TRANSCRIPT

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "18.76.020 Architectural Review (d)(1)."

Mayor Holman: Council Member DuBois.

Council Member DuBois: I just wanted to say that I think we were pretty clear the last time the applicant was here. If you do resubmit, please listen to what we're saying. I think we're trying to give you some feedback in terms of scale and compatibility. I think what we're stuck in right now is kind of very small revisions to find out exactly where the line is. In my experience, projects go to the ARB. If they go too many times, they grudgingly get approved. The ARB may have denied a project; I don't know of one that they've denied. I think ultimately it'll come back to us, and we're going to have to make a decision. I'd encourage you to listen and engage with the ARB. I'll support this motion and the process to continue.

Mayor Holman: Council Member Burt, you had something additional?

Council Member Burt: Yes, just as a follow-on to that. We want to make sure that the ARB also understands, which I think has been pretty clear tonight, that we think that the ARB's authority goes beyond saying pretty please. They are empowered and responsible for making findings that a project is compliant per our Code. If a project isn't compliant, then they should not recommend approval to us. It's not a question of "we tried, and look we improved it here, here and here and, therefore, implicitly that equates to compliance." It doesn't. We want to make sure the ARB understands that.

Mayor Holman: I have just a couple of things. I think for us to be consistent with other things that we've added to this motion—thank you for all the additions—I think we have to add 18.76.020(d)(2). That is the design is compatible with the immediate environment of the site. So much of the other things that we're referencing actually point back to that one. If the maker and seconder would approve that.

Council Member Scharff: That's fine.

Mayor Holman: And seconder?

Council Member Berman: Yep.

Mayor Holman: For the Clerk, that is (d)(2) under findings.

# TRANSCRIPT

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "18.76.020 Architectural Review (d)(2)."

Mayor Holman: One other one which is under 18.18.110. It is (a)(2)(B)(ii), the rhythmic pattern of the street established by the general width of buildings and the spacing between them. The reason that one's important is because it's not to say this will be different buildings, but it's that it will have the appearance of different buildings. Whereas, now it has the appearance of one large mass. That's part of the challenge, I think, that this project faces. Council Member Scharff?

Council Member Scharff: (inaudible)

Mayor Holman: Council Member Berman?

Council Member Berman: Yep.

Mayor Holman: Thank you. Thank you to the Clerk.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "18.18.110 Context Based Design Criteria (a)(2)(B)(ii)."

Mayor Holman: Just a couple of comments on this. I appreciate the efforts that everyone has made on this. There are a couple of, or maybe a few, misperceptions or apprehensions on the part of applicant, ARB, perhaps Staff, and public for that matter too. A lot of the comments have been that this project satisfies Code. If a project could satisfy Code and be a good project by satisfying FAR, height and setbacks, we wouldn't need an ARB. That's why we have the Context Based Design Criteria and the ARB findings. Those are in our Code as well. To say it's Code-compliant because it satisfies the basic numerical aspects of Code is just not a complete look at the Code. Also, I'd suggest that—I mean, Council Member Burt alluded to this too. We've had this conversation before with ARB that sometimes we're poking around the edges. This is a project that stands to be a really good project, given its location, but we can't be poking around the edges of this design and expect it to be something that's really a wonderful project. We can't do that. We need to really take a look at this and apply the findings and the criteria for this to be a good and acceptable project. Lastly, I guess I would say the member of the public mentioned some drawings that actually weren't here. That is a drawing looking at the project coming down Kipling toward University. I think that would be a very helpful drawing to have for everyone to consider. I do have one other. I know that all of the Boards and Commissions and, for that matter, pretty much the Council

# TRANSCRIPT

volunteer their time and effort. I think that time and effort can be respected even if at times we disagree. I would suggest that Staff in respecting the ARB doesn't necessarily have to always agree with the ARB, especially in a project like this that comes to the Council. You can bring dual recommendations. There's a project later that Staff does, a Planning Commission recommendation and a Staff recommendation. I personally find that to be helpful and more illuminating of the issues. With that, I see no other lights. If I tried to repeat this motion, it would be a listing of a lot of numbers and Code, so I think I won't do that. Basically, the motion is to refer this project back to the Architectural Review Board to address concerns raised by the City Council, and those are listed in the Code enumerations, and that the ARB is to vote whether to recommend project approval to the City Council, and request that the ARB reconsider the project in its entirety as it complies with the context and architectural findings, and then the list of findings that are enumerated there. Vote on the board please. That motion passes unanimously. Thank you, colleagues and Staff, applicant, appellant and members of the public.

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

### Study Session

4. Joint Study Session of the City Council and Planning and Transportation Commission.

Mayor Holman: With that then, we move to our joint Study Session with the Planning and Transportation Commission. It might take us a couple of minutes here to rearrange the chairs here on the deck, so to speak. Why don't we take just a couple minute break here while we get the chairs set up and such. Thank you.

Mayor Holman: I think we are all here and at our places. We wanted to spend the first ten minutes giving the Chair and perhaps Chair and Vice Chair an opportunity to address the PTC annual report to Council. We will, just because we do have a large agenda in front of us, limit that to ten minutes. Chair Tanaka, welcome.

Greg Tanaka, Planning and Transportation Commission Chair: Thank you, Mayor. I think all the Council Members have the report. Rather than diving into details, because we only have about ten minutes, what I want to do is I want to talk a little bit about the process, how this report was created. Also I'll give some of my ten minutes to my fellow Commissioners should they want to speak about any of the sections that they wrote. The way we did this report was essentially we kind of divvied it up into certain sections. We kind of followed the format of previous years. Each Commissioner wrote a

# TRANSCRIPT

section. We talked about it as a team. Throughout the year, each Commissioner tried to be diligent. They thoroughly were trying to vet issues, make sure that things were thoroughly analyzed, and the Council and community were not blindsided. That kind of spirit was also captured in this report. I know later on we're going to talk a little bit more about how does the PTC and Council efficiently work together. But before I open up to the rest of my Commission Members, what I want to do is I think the Mayor just spoke last night about how the Commission, the Board, even the Council themselves are volunteers. I definitely want to thank my fellow Commission Members in terms of the time that they spent away from families, evaluating these issues, trying to do their best and diligently making sure that we had fully analyzed issues. Beyond that, I'm actually quite impressed with my fellow Commission Members in terms of their caliber and their backgrounds. A lot of these are leaders in the tech community. I think the Council and Staff did a great job in recruiting them. At this point, I want to open it up to my fellow Commission Members, should there be any comments, don't feel obligated, to any of the sections that you guys created.

Mayor Holman: Are there any Commissioners who want to speak to the annual report? Commissioner Fine, Vice Chair Fine.

Adrian Fine, Planning and Transportation Commission Vice Chair: I just want to thank you, Mayor and Council Members, for this opportunity. We all work really hard on the Commission to do the best service for the City and for you as Council. We do serve at your pleasure. To that end, we want to do the best job that we can. In the coming year, I think we would really appreciate any opportunity or feedback that you have in how we could improve our process. Specifically, at least in my opinion, I think we could always use instruction and guidance on specific operations that we can use as a Commission to make better Minutes, to make better recommendations, and to serve the Council and City better. Finally, I just want to echo Chair Tanaka's sentiment that we all are volunteers. I also really appreciate serving with all my fellow Commissioners. Thank you.

Mayor Holman: Seeing no other hands, I think we'll get in then to the meat of this evening's joint Study Session. I think we've all read and seen and experienced some comments that have been made, and maybe some interactions between Council Members and Commissioners also about clarification of process, expectations, what the purview is of the Commission and what the role is of the Commission and the way it can best be supportive of the community and how it can be the best vetting arm for the City Council. I think that is what we'll spend our time on this evening. As far as how we conduct this, I think this is an opportunity to be very open in our dialog and certainly talk about process and procedure. If there are

# TRANSCRIPT

specific examples that are requested, that's fine. Let's do keep this on the highest level of interpersonal relations and interactions. Hopefully we will all learn and grow from this process. Who would care to start? Council Member Wolbach.

Council Member Wolbach: First, I just wanted to say thank you to all the Commission Members for lots of hard work, for not a lot of compensation and unfortunately not always a lot of gratitude for the work that you do. I certainly appreciate it. I know a lot of my colleagues and members of the public do as well. Despite disagreements about process or about conclusions or about particular policies or even particular projects, there's a deep appreciation. I want to make sure that's directly noticed. I've had a couple of conversations recently with a former Planning Commissioner from the 1990s who then later served on Council and served as Mayor. He shared with me an interesting bit of context, which I think is useful for all of us to consider. He said there were definitely times where something went from the Planning Commission to the Council and Council sent it back to the Planning Commission in the '90s, and said, "We want you on the Planning Commission to take another look at this. We think you got it wrong essentially. We want to make sure you give it another look." There were at least a couple of times when Planning Commission sent it back to Council and said, "We've thought about it. We stand by our original position. We think we made the right call. We're just an advisory body. We don't set the policy." I think that's an important, again, context to remember. I don't always agree with everything that the Planning Commission decides, and certainly there's disagreement among Planning Commissioners, and there's often disagreement among Council Members about large-scale issues and small-scale issues. I certainly enjoy when people, as I've said before, burst my ideological bubble or my cognitive bubble, when they provide advice that I hadn't considered previously. This really goes back to the question of what's the purpose of having an advisory body. I don't think that we're just looking for a body that says yes all the time. If we just wanted to hear people repeat what we wanted to hear, we could just play back the recordings of our Council meetings and listen to ourselves. I think it's important that all of our Boards and Commissions, all of our advisory bodies feel empowered to continue to do their best work, to make their best reasoned judgments and offer their best opinions and advice to the Council, to be clear about their reasoning and to let that stand and then also understand that the Council may or may not agree. It's important for us on the Council and the community to recognize that that's the role of a good adviser. It's to sometimes tell you what you don't want to hear. It's important for the advisers to know that sometimes the advice won't be taken, but it's still appreciated.

# TRANSCRIPT

Mayor Holman: I don't see any other—Vice Mayor Schmid.

Vice Mayor Schmid: I want to start by saying I'm a big fan of the PTC. I think the verbatim Minutes are must reading before every Council that has them. I find them enlightening and not looking for answers, but ideas, challenges to Staff, things that might be missing, questions I might have. Having gone through the process, you make it much easier for a Council Member to say, "Three of my four questions have been asked. Here's the responses." Either I can go deeper in it or I can concentrate on the one that wasn't there. It's a very valuable input and always has been through my seven years on the Council. There is, though, one aspect that I would note that is important. When you look at the verbatim Minutes, you end up with a result. The result might be 6-0 with one abstention. As a matter of fact, that's what we have tonight when we get to our single-story overlay. The flow of the meeting was very interesting. It started out by two or three people saying, "This is easy. This is very straightforward. What could we disagree with?" As the conversation went on, ideas came up that maybe there are some things we should be looking at. The result was just a statement that the vote on the motion to exclude Amarillo and Greer was 6-0 with one abstention. There was no minority opinion stated. There was no clear majority opinion except the fact that some of those people with two stories had a vote and they shouldn't have, so let's exclude them. You take out a voter for some reason. Then you said, "The smaller tracts weren't quite as high in support as the others. They're going to be the big losers, so let's protect them." The discussion went on to talk of right and long-term value of property. This was presented to a Council Member who's sensitive to the voters. When you set up the rules for voting, you've got to respect every single voter. You can disagree with them and explain why but it's hard, especially for a Council Member, to override a 70 percent majority which is the rule for passage. It was well over 72. I look for clear statements at the end of the meeting, a vote where you can express your opinion. It's not important to have a unanimous outcome, but if you disagree with something, to so state it. If you're in agreement with something, it would be helpful to say, "Here are the two or three reasons why I think I'm voting for this, I'm supporting it." A reference back to something in the Staff Report or something that you came up with yourself. Those clear messages at the end, it's not just the process of getting there, but it's the clear messages to the Council, a Council who is sensitive to voters and wants to be responsive to the public. My recommendation is just make sure when you come to a conclusion and have a vote, you don't just take the vote. If there's a dissent or something particular you found important, to so state it.



# TRANSCRIPT

Mayor Holman: Thank you. Council Member Berman is next, but I did want to point out that I'm sure everyone's looked at this. Certainly the Commissioners are aware of it. I'm certain all the Council Members are as well. On the City's website and part of the Planning Commission application that talks about what the purview is and what the responsibilities are of the Planning and Transportation Commission. There are five bullets; it references, of course, the Comprehensive Plan, Planned Community zones and making recommendations on zoning for instance. I'm not going to read all of those; we're all certainly aware of those. I just wanted to point us to those. Council Member Berman.

Council Member Berman: Thank you, Madam Mayor. I too want to thank the members of the Planning and Transportation Commission for all the time that you guys put in. It's incredibly complicated and controversial. There's been a lot on your plate recently. Even if I might not agree with you every time, I appreciate the work that you guys do. I agree with Vice Mayor Schmid that the Minutes. I don't read them every time unfortunately, but when I do, I always find a lot of value out of that and really appreciate the questions that you guys raise and the deliberative kind of process that you guys have as exhibited by tonight's conversation on the single-story overlay, where you could tell that you guys were really having a good conversation and bringing up new points and deliberating and changing your mind mid-debate. That's healthy. That's how this process should work. I have some process questions, some things. What I want the goal of tonight to be is for you guys to get any questions that you have clarified, for Council Members to have an opportunity to kind of say what, I guess, how we think you could best be utilized. It's good that we're having an opportunity for everybody to kind of get on the same page with the new Council which that hasn't happened yet. I think in hindsight maybe we could have done it a little earlier; although, I know that we just had this in October of last year. I understand that. Some questions that I have that I'll just kind of throw out. I haven't fully formulated opinions on all of them. We don't have a Council liaison to the Planning and Transportation Commission. At some point soon after I joined Council, I was told the reason for that; I don't recall exactly what it is. Regardless of what it is, I don't know if it's still applicable, or I wonder if maybe the benefits of having a liaison might outweigh some of the concerns. I think it's something that we should consider, and I'd love to get your thoughts on if you think that would be beneficial from your perspective. I also want to find—right after I thank you for all the work that you do, I'd love to give you more. I'd love to get your guys' input and help. I can't speak for all my colleagues, but I feel pretty overloaded with what we have on the Council's plate. I think we've probably had a record number of meetings this year, and there's never any shortage of issues to deal with. Some things that we haven't dealt with are—we haven't dealt with a lot of

# TRANSCRIPT

issues around housing. When we passed our Housing Element a year ago or ten months ago or whenever it was, we said that we wanted to pass it because for statutory reasons we had to, but we'd love to come back to it and move some of the parcels from certain areas to other areas. We haven't had that conversation at Council. I wonder if that might be a conversation that PTC could have first to kind of tee something up for us to make it a little easier and less onerous on us. I think that's an area where it makes a lot of sense for the PTC to get involved. Other issues are transportation issues. We approved a Transportation Management Authority, and I haven't done anything with it since then. I'm not really that familiar with what kind of oversight we have from Council or Council-appointed bodies. Maybe that's an area where you guys could kind of get involved and weigh in and help make sure that that process is moving along in an expeditious manner. We see on the liaison to the Human Relations Commission, and they've taken on certain things. A couple of Commissioners here, a couple of Commissioners there, that they really care about homelessness or—I think there's a couple of other conferences that have occurred, veterans' homelessness and, I think, senior issues. It'd be great to see the PTC kind of take some things that you guys are really passionate about and maybe dig your teeth in a little bit more. I'll keep my comments brief for now. If I get another turn, I'll expand upon that. I'd love to find ways that we can utilize you guys that you'd be comfortable with, that could benefit us.

Mayor Holman: Commissioner Alcheck, did you have a question about something that's already been said or I'd like to otherwise go through the whole Council and then come back to Commissioners.

Michael Alcheck, Planning and Transportation Commissioner: I just had a question. Is it okay to respond to comments on the SSO in this meeting ahead of the SSO discussion?

Mayor Holman: I think what we're here tonight to do is talk about—we might use that as an example, but I think first it'd be helpful for us to go through ...

Mr. Alcheck: I don't mean to respond now. I'm just curious. Should we prepare responses to that in this session or should we wait for that meeting to happen?

Mayor Holman: If it's helpful to understand how you came to that conclusion, yes. Council Member Kniss, and then Council Member Burt.

Council Member Kniss: I can't pull it out quite far enough, so I'll try to talk loudly. We are so grateful to Planning and Transportation, seriously. I think in so many way you're unsung. I'm not sure the public knows how much

# TRANSCRIPT

time, energy, effort you put into this. Just know that we are all grateful and appreciate what you do. I want to reflect on two other things. Your Minutes are extraordinarily helpful. Have you noticed that our Minutes have changed? Probably if you've heard us or talked to us or anything, you know that Tom and I have had trouble going to action Minutes, because you will not see what we have said unless you request the verbatim Minutes. I'll probably continue to ride this theme, because going without sense Minutes has really troubled me. It's very hard for us to go back. I think it must be very hard for you to go back as well. One more thing that may sound flip, but it isn't. I think you will notice there's a gender problem up here. It looks to me as though I'm seeing a lot of guys, and I'm seeing about three women. I think that's too bad. I think women really do bring a very different perspective to serving in government. Not that the men don't do a great job; that's not the question. I think one of the things you look for in government and governance is some kind of diversity. We're not seeing much of that. For anyone who's listening, watching or whatever, when we have another opening, it would be certainly advantageous, I think, to have another woman. I don't have any more comments than that, other than I enjoy watching what you do. Marc, you talked a little about being on the same page; I don't always want Planning and Transportation to be on the same page. Your goal, I hope, is to come to conclusions that make sense for you, pass them on to us, and we're the ones who get to vote in the end. You're the advisory board. We have to vote, and we have to take the heat for whatever that vote is. I really appreciate your being frank and straightforward with what you tell us. Thanks. Thanks again for all your service.

Mayor Holman: Council Member Burt.

Council Member Burt: Let me try to give a little bit more historical context to this. Council Member Wolbach said he has spoken with someone who'd been a former Council Member and Planning Commissioner. I've dealt with Planning Commission as a neighborhood leader, as nine years as a Planning Commissioner, as eight years as a Council Member, on a real regular basis for over 20 years. I've observed the different make-ups of Commissions, the ways in which they function, when they function well, when they function less well, but that hasn't been very common. Over that course of time both as a Council Member in who I helped appoint to the Commission and as a Commissioner where I served and as a member of the public, I've thought that it is very valuable for the Commission to represent a range of perspectives in the community. I've supported one or more of the Commissioners here because I wanted an additional perspective on the Commission even if I didn't necessarily agree with the bulk of that. That is really different from what we've been experiencing as of late through the

# TRANSCRIPT

Planning Commission in a very serious way. We've now seen the Commission all too frequently feeling or expressing a real frustration with the policies and values of a majority of the Council and taking very much an oppositional role even when policy direction has been provided to the Commission. The role of the Commission and the request of the Council and the direction of the Council is to support and provide additional depth of analysis and recommendations within the parameters of what has been adopted as a policy position by the elected body of this City. The only elected body of the City. We've seen a whole series of really problematic examples. When you've come back with the PC reform that we requested, we wasted a great deal of time and Staff time and Commission time, and consequently the Council and public time. The direction that was adopted by a majority of the Council was not responded to. Instead a very different direction was taken. We've seen that with the office cap, where we could have very much benefited from depth on looking at how to make that unanimous policy direction of the Council work more effectively. I'll just say that that policy was not adopted because all nine Council Members went into that and saw things exactly the same way. It was a consensus approach and a compromise and a balance, but then it was unanimous direction of the Council. The Commission didn't provide any beneficial input except to be essentially what I would characterize as conceiving of themselves as an opposing political body to the Council. Not as the advisory body appointed by the Council to help support and add value to the Staff and the Council, but instead taking a role as opponents. We even had one of the most disconcerting and, I'll say, outrageous things that I've ever seen out of any Board, Commission or Council that I'd been witness to. We had an issue about whether to allow parking variances for seismic bonuses when a building was torn down. We had a Commissioner accuse the City Council of essentially reckless disregard for the public health and safety. Four Commissioners supported her position. I can't tell you how offensive and wrong that was. It didn't understand the direction of the Council. It seemed to be oblivious to the fact that the Council had actually taken a very substantial action that's going on right now through the Development Center to enhance our whole seismic upgrade program through both mandates and incentives that will be coming back to the Council soon. In either event, if you disagree with a recommendation, make rational arguments that you think may be persuasive. I can't imagine under what possible scenario that kind of statement would be viewed as constructive or of value not only to this Council, but to the governance of the City. I'm also concerned that recently—I want to ask for clarification, maybe from the Chair. I wasn't aware that we have actually now—it wasn't a case when one was appointed—we have two Commissioners who have significant financial relationships with the largest employer in Downtown. I would like to know whether those Commissioners have been recusing themselves from a series

# TRANSCRIPT

of issues affecting Downtown office development. I don't yet know whether those conflicts constitute a legal conflict, but I certainly would have real concern about whether the public can view that as an objective analysis where those conflicts do exist, and that these were not conflicts that either didn't exist or the Council was not aware of when we made such appointments. I'll leave it there for the moment. These are as strong of comments as I've ever made about a body that serves the City. I regret that I feel obliged to make them.

Mayor Holman: At the moment, I don't see other lights, so I will make a few of my own. I think it's important at the end of this evening that we send the Planning Commission away with some clear guidance about what is expected. As Council Member Burt and my experience with the Planning and Transportation Commission has been pretty long, basically to mirror what he was saying, I was a long time as a member of the public and part of a neighborhood association, then also for 8 1/2 years as a member of the Planning and Transportation Commission itself, and now for six years as a Council Member. I don't want anyone to think that the expectation is that the Planning Commission always agree with each other or that you necessarily agree with the Council or the Council always agree with you. What I have found over the years to be most helpful in Council Members appointing Commissioners is that there are balanced perspectives represented on the Commission. What any Board or Commission does to benefit the Council is to vet the issues. To vet the issues fully, there has to be a difference of perspective among the Commissioners and Board Members. I have some concern that we don't have a balance of perspective on the Commission right now. I'm also concerned along with the regard I have for the amount of time and effort that is put into the work that you do and that you deliver, because it is a time commitment. It is something that obviously all the Board and Commission Members feel about or you wouldn't be doing this. My concern, along with that passion, is that the recommendations are based on the foundational documents of the City, whether it's the Comprehensive Plan, the Zoning Code, City Charter. Those all need to be the foundation of the discussions and recommendations. A simple example. If there's a project that comes before the Commission and they're asking for a variance—I'll just make this up; don't take it as being specific to any project. The way that the Commission can be really helpful to the Staff and the Council and the public is to weigh the findings that are required for a variance based on Code and what the findings have to be, not whether one thinks that the Code is wrong or whether one thinks that something should or shouldn't be the way it is. Again, basing recommendations and comments on foundational documents, that's what is helpful. If the Commission has other things and other perspectives that it wishes to forward to the Council, there are other avenues to do that.

# TRANSCRIPT

Altering what the role is of the Commission during the review of a project is not the venue for doing that. Another one that I've seen and have been given comments to and I've read some is understanding what the role of the public is. We are all here to serve the public. That means listen to the public. The public is absolutely vested in everything this City does, whether it's what the Staff does, what the Commission does, what the Council does. We are all serving at the pleasure of the public for that matter. As such, we are beholden to the public, if you will. It is the foundational documents that we are required to uphold because they are the public's documents. Those are why those foundational documents are so important. It is why the procedures and processes we have in place support a democracy and support those foundational documents. I have sometimes wished that in watching some piece or some portions of Commission Members that we have a Staff that has long experience and a lot of expertise. I would wish that the Commissioners would rely more on Staff. By that I don't mean necessarily agreeing with. There's not a Staff member here that would say Karen Holman always agrees with the Staff. There's not a Staff member that would say that. Do ask for the input and respect the Staff and their expertise and experience, because they will add content and breadth and depth to a consideration that otherwise is just not available, because we don't all have that. I think I will leave it there; I think I've said all I need to say right now. Council Member DuBois.

Council Member DuBois: I'd like to add my thanks for volunteering on the Commission. I know it's a lot of reading and a lot of work. Sincerely appreciate it. I think it would be valuable if a member of the PTC tried to attend Council meetings. I think you guys do that sometimes, but I think there's a lot of discussions we have and nobody is here. Just to follow up on Council Member Burt's and Mayor Holman's comments. I think my concern primarily is about getting the City's work done efficiently and correctly. We need to strike a balance. Again, it's not about agreeing with Council. I think it's about understanding our respective rules and our ordinances and interpreting them. I think Council Member Burt said this. A lot of past PTCs might not necessarily agree. I think they would kind of first do the work requested and then they might separately submit a letter, but at least the work would get done. I think PC zoning was a good example. I think the community spoke pretty loudly. I think before I was on Council, Council put a moratorium in place. You guys spent a lot of time on it, and when it came back, we weren't really able to use all the work you did because it didn't really meet the Council direction or the community direction. That's just not efficient governance. A lot of people have said things I was going to say. Council Member Schmid talked a little bit about the SSO. Again, there's nothing in the ordinance about dropping votes from people. It was an interesting discussion, but again I would say it started off kind of the

# TRANSCRIPT

neighbors came, they met the ordinance, met a pretty high threshold. I would just be careful about if you disagree with the ordinance, maybe come back, maybe propose a change to ordinances rather than just start making things up. Mayor Holman touched on this one too about basically, I think, going back to those foundational documents. One other issue that I've had a concern with is really vetting issues from kind of 360 degrees from a legal perspective. I think Council Member Schmid touched on that in that hearing the reasoning for the final vote is important as well as hearing minority opinions. It's really important to get those multiple views. As a Commission, I kind of caution you guys about kind of coming to a unanimous decision too much. I think it's a lot more useful to us to hear kind of views from all perspectives. I'll leave it there. Thank you, guys.

Mayor Holman: I don't see any other Council Members' lights on at the moment. It's a lot to chew on that we've thrown out there. Commissioner Alcheck, did you want to comment? Any others too, just let me know.

Mr. Alcheck: I'll start by saying that it's an honor to serve on this Commission. It is with great respect that I approach the work that we do. Maybe all of you know I'm a licensed real estate attorney. I focused on land use policy and land use law in graduate school. I'd like to think that it's with that expertise that I was appointed to this position and to provide that perspective. I want to quickly comment on the SSO discussion. I think during our discussion—I think this is relevant—it occurred to us that our Code doesn't provide neighborhoods a pathway to zone themselves. As we were discussing that, it became clearer and clearer that the majority or a significant majority required for an overlay process entitled that community, that neighborhood to a discussion about an overlay, but not to an overlay. In fact, as we were discussing the process, it occurred to us that City Council could decide tomorrow to remove all single-story overlay districts in the entire City without any public input. It's probably not a popular move, but they could. The process for a single-story overlay essentially did not entitle a majority of the community just to have it, so we had a discussion about—I agree it could have been more coherent and it could have been more articulate. That is sometimes difficult because of the time constraints that we're under. That's what led to a greater discussion of how do we review this zoning change and what is the right advice to give Council as it moves forward. That said, I want to make a separate comment which is to say that I joined the Commission in 2012. In the first six months of my being on the Commission, I coauthored a memo on the problematic PC zoning process. This is 2012. That memo identified the challenges we face not only in defining a public benefit but measuring it. If you're familiar with the intrinsic/extrinsic discussion, you know what I'm talking about. A year later, the Maybell Senior Affordable Housing Development Project, which was

# TRANSCRIPT

unanimously supported by our Commission, unanimously supported by the City Council, and was probably arguably the most defensible PC zone in memory was overturned by 6,500 over 66,000 residents. I want to say that following that regrettable result, we then placed a moratorium on PC zones which made sense. I bring this up because in the wake of that moratorium, I think there's concern, at least from me, that we are not doing enough to encourage development of additional housing, especially affordable housing, in the City. To be clear, I don't think this Commission is blind to the data or deaf to the anecdotal evidence regarding the traffic congestion and parking problems that have affected many in our community. From my perspective, we've basically spearheaded providing a forum for the Downtown parking permit process to take place, and we were continually suggesting that that process move forward. As a City, we operate within a legal framework imposed on us by the State. We have an obligation both legal and, I would argue, moral to encourage development of affordable housing. That's the very reason and motivation for the State's requirement that our Housing Element be certified and why this Element must be updated more frequently than any of the other Elements. We sit in the middle of a very rapidly and ever changing Bay Area. I think that the impact of this growth is not welcomed by many of our residents. That unfortunately doesn't mean that we can ignore it and we can't turn our back on this change. One of the things that keeps coming up tonight is that, while this Council is subject to the popular whims of this community, this Commission isn't. The distinction is so fundamental to our work, because much of the framework within which we operate requires us to provide you often with guidance that's not going to be popular. It's not surprising to me that in the last year you've experienced a very significant change in the way you feel about the Commission, because in the last year this Council has changed dramatically politically. This is the Council that unanimously supported Maybell. This is also the Council that is now made up of the wave that has changed since the Maybell referendum. We didn't change that much. I think that there is going to be a lot of discord with respect to the way you work with the guidance that we provide in the political forum that you're in. I don't want to suggest even for one minute that every meeting of ours is eloquent, articulate or coherent. That said, in the three years that I've been on this Commission—I am the second longest standing Commission Member—I really believe that this year we experienced a significant raising of the bar in our process. Chair Tanaka has demonstrably enhanced the way that we have our meetings. If you were to read the Minutes of—I have a lot of respect for Chair Martinez and a lot of respect for Chair Michael. It was totally different. Now, we're pushed hard to make a point, to be concise. We are constantly trying to identify what is it in this issue that we're not working with. I think from our perspective, when that PC process came back to us, we were looking for direction from you as to how do we move forward



# TRANSCRIPT

with these definitions, how is there a process in this City for the sort of growth that needs to happen in our Code. One of the challenges we had with reviewing the PC that you sent to us was that we were reviewing it within the context of our current Comp Plan which is being dramatically changed. We can't revise the PC process because there is no avenue within our Comp Plan to achieve any of the goals that the PC process was created to allow for. When we sent it back to you, we were suggesting that we're constricted here. I really appreciate the direction that you provide. I think sometimes—like tonight, tonight you had a meeting on a project. Council Member DuBois said, "I really hope you hear very clearly what we're telling you." I'm sitting in the audience, and I'm not exactly sure if what you said was very clear. As a body, there was a lot of disagreement on a lot of very subtle issues. At some point, someone said this project may comply with all the Code requirements, but it doesn't, and then the X factor. Tonight at one point, you mentioned we need to rely on our Code documents and on our ordinances and on our Comprehensive Plan with respect to the ordinance that I think you're referring to which is the one we reviewed maybe 1 1/2 months ago or 2 months ago which had to do with the setback.

Mayor Holman: I was specifically not referring to any. I was not referring to anything in particular.

Mr. Alcheck: I only mention that because that's pretty much the only variance we've reviewed in the last eight months. We did rely on the documents, but there's always vague and subtle discrepancies that require people to have a sort of discussion that it isn't always clear. I'll end by saying that I really hope that the perception isn't that we are a politically opposing body. None of us approach it like that. I for sure don't. I review the documents and the Code. I go so far in-depth on the zoning when we were reviewing Zoning Code. We treat this like a graduate seminar. We have tremendous respect for each other. Not everything that we say on the Commission—I'm sure Commissioners don't necessarily agree with that I'm saying tonight. We do try very hard, and it's not intended to thwart your political process.

Mayor Holman: Commissioner Gardias.

Przemek Gardias, Planning and Transportation Commissioner: Thank you very much. Madam Mayor, Mr. Vice Mayor and Council Members, thank you very much for having us here. Fellow Commissioners. There's a couple of things that I would like to address. First of all, thanks very much for the honest and sincere critique. We heard it from various sources, from various persons. I think this is very concrete. We discussed it among ourselves. I'm sure that we're going to take it very seriously, and we will address it

# TRANSCRIPT

because it's a very critical aspect to remove it because it is an obstacle toward the better relationship and better planning and transportation issues that we can address. Personally, I just think that those items—I will speak in a moment about good things that we've done. I think that we've done lots of them. Once we remove those issues that were perceived to be an obstacle between the Council and the Commission, they were putting a haze on the good items that Vice Mayor Schmid addressed at the beginning of this conversation. Although we were making some comments that I don't really think that were responsible, I would even say that they were silly comments, because they pretty much departed us from addressing the core issues of the planning and transportations that we should have been addressing all time together. Once you remove those items, when you really focus on the meeting Minutes, maybe we should be articulating better our observations, those pros and cons. I really think that the discussion among ourselves that we have biweekly really provides lots of interesting findings and observations that can contribute to work of the Council. Some of the comments that I hear from the colleagues like Mike Alcheck, like Vice Chairman Fine or others, they're really findings that I can hear first time that were never expressed before, so I really wish that we maybe change our way of interaction. As opposed to just focusing on one item, we pretty much operate within some strategy guidance that we receive from the Council and within that guidance we pretty much generate number of the top level options that we return to the Council, and then we focus on addressing the best option. If you read again our Minutes from the Planned Community zoning or from any other meeting, you may find very interesting number of comments that should have been returned to the Staff or returned to the Council for another round of consideration, that maybe would sway their opinion or just generate a different approach. In this letter of Chair Tanaka which all of us contributed to, I put a bullet point about some opportunity and that was in regards to the retail ordinance that we passed recently under the Council's guidance. Although I voted for the ordinance, I wish that we approached it differently. For example, if you think about our unusual City as the place where we can provide opportunity to the retailers, to the young people, to the designers, to the planners, we could have approached retail issue as an opportunity aspect as opposed to regulating and then creating constraint on certain group of the retail stores. We could have approached this as an option to open opportunity for larger and greater commerce within Palo Alto, the commerce which has always been a core of any city throughout the history. I'm just giving this example to say that as opposed to looking and addressing and maybe copying one approach that somebody else proposed, we have here number of the splendid brains—I really appreciate every meeting that I have with colleagues from our Commissions, because they truly open my eyes. I hope that I also open their eyes. That we can generate many other opportunities and options for

# TRANSCRIPT

the Council to consider. Maybe if we can just accept this comment as changing the cadence, whereas opposed to just jumping on one solution, maybe we can spend more time on brainstorming that would maybe return better results. Thank you very much.

Mayor Holman: Commissioner Rosenblum.

Eric Rosenblum, Planning and Transportation Commissioner: First, thank you for this opportunity and thank you for the feedback. I heard a bunch of different things. There's obviously some Council Members here who expressed the view that they're very supportive of the current deliberation and process and others that are really dismayed. As you said, the strongest opinions you've voiced about a Board in the time that you've been serving. Two of the examples that have been brought up by a number of people, I think, are pretty revealing. By the way, this is my first time serving on a Commission or Board. I've been executive management from a corporate sense and I've served on boards from a corporate sense. Getting used to this different style, I have my own criticisms. I look at myself sometimes in our Minutes, and I shudder sometimes. I really want to do better. The two examples that were brought up, first SSO. It was one of those meetings that I think is instructive. Mayor Holman, you said that this can be brought up as an example. I think it's a good example. I brought up the first point, where I said, "I think this will be two minutes. It's clear. They've passed the hurdle. What is there to discuss?" Our Chairman then brought it further. Of course, we all want to go home. If it's easy, we should just go home. He said, "This is interesting. It seems like the definition of these tracts is very different. Is this one tract? You have some of these houses that are larger and facing the street and seem to come from a completely different style. They seem to support this much less. This other group has smaller homes, and they're internally faced. They seem to support this with great numbers. Are we talking about two different tracts? Can one tract with a supermajority drag in another tract that may be less supportive and subject them to these rules?" Mayor Holman, as you said earlier today, if it were just about the quantitative numbers, we wouldn't have a hearing about this. I even thought I would go home finally, said "You're probably right about this. This is interesting. These are probably two different tracts." My simplistic analysis of saying they've clearly met the (inaudible) rate may be more complex. It went on like that. It's interesting to me. Again, from a logical standpoint, I probably favor things that generally increase the housing stock. Whenever we've had a single-story overlay come forward to the Commission, I've been very supportive because, to me, it seemed very clear. I'm a numbers guy. If they meet the numbers, I'm supportive. It was one of those instances where my fellow Commissioners made me really think about this and change my mind. I view this as instructive in many

# TRANSCRIPT

ways. I didn't love the process; I was frustrated, but I actually did end up changing my view. I think that's part of what a Commission does. I came into this feeling like I had a simplistic analysis that was correct and came away with a more nuanced discussion, whether or not the process of making the sausage was pretty. The second was the PC process. This one I spent a lot of time doing homework. I entered in a spreadsheet every PC project from 1990, tagged it by type, what the variance was, whether or not that would still be counted as PC, and came away with a fairly interesting and, to me, unexpected conclusion that actually it's used very rarely. By far, the most common use is for BMR. Many of the reasons that PC zones had been used in the past had been written into the Zoning Code. When we came away to discuss this, my impression was I do wish Council had crunched these numbers or instructed Staff to crunch these numbers. I think the conversation would have been a lot less volatile in the public, and also there could have been a more (inaudible) discussion at the Council level. Now having said that, many of the meetings that I've observed have gone haywire. I also agree that Commissioner Tanaka has put in a lot of reforms to make us more efficient. Despite that, I think you have people that are citizen volunteers, that are operating under a different set of procedures. The thing that I would give feedback on—I've taken a lot of feedback and I'll take it to heart. The feedback I would give is when I've served on boards of companies, when board meetings go badly, it's sometimes because the board and staff haven't got the vision right that they're trying to measure their success against. We have a Comp Plan, but that Comp Plan can obviously be interpreted in a lot of different ways. There's some big vision areas around. I think in Palo Alto it has to do with housing availability and affordability, transportation options, the pace of office growth, retail preservation. This Council has made a couple of these crystal clear. This Council supports very slow growth of office through means of a cap; has supported retail preservation on the ground floor. On some other critical issues around how to make housing more available, the right mechanism for controlling transportation, I think it's been somewhat less clear. Things that come in front of us, I think, are often meandering discussions because the touchstone which should be the Comprehensive Plan can be interpreted in a number of ways. Each of us is putting our own lens against it. I think Council could serve a really useful role in giving more of a guiding light around a couple of these issues that come up again and again. That's it for me. I think, again, this is very useful to me. Thank you for your advice.

Mayor Holman: Council Member Filseth.

Council Member Filseth: I pass.

Mayor Holman: Council Member Filseth passes. Yes.

# TRANSCRIPT

Kate Downing, Planning and Transportation Commissioner: Thank you very much for having us here tonight. We appreciate the dialog. I'm taking notes on your feedback and hope to improve our sessions going forward. I also wanted to respond to some of the comments that we've received tonight. I think one of the comments that I'd like to share is there's—I often see Council giving very specific advice or suggestions to ARB or PTC. We want you to look at this aspect of this project, or we want you to consider this aspect of this ordinance. That's great. I think that we as PTC really try to do that and try to look at those kind of specifics that we're asked to give feedback on. The problem is that we're required to approve an ordinance in its totality. When the Staff gives us our report and the Staff asks what's required of us, we are required to either approve or disapprove the ordinance in totality, even if you ask us to only examine something in part, which means we can't ignore the rest of it, which means we can't not talk about the rest of it. I think that's part of the discord that is happening between us and the Council. I think that needs to be taken into account. I would also like to respond to comments made about my own statements personally. I'm really sorry that it's led to this level of miscommunication. I will say that I'd like to give context to those comments since they've been brought up on this Council several times at this point. The comments that I made were during a meeting where we were discussing administrative cleanup of the Code, basically simple things where we were making clarifications within the Code to make it easier to read and easier to follow. We were looking at a list provided to Staff of such clarifications. The Staff had asked us to pick out the parts that we thought were not just clarifications, but were actual policy decisions and required more conversation and more discussion. When I saw on the list that part of what we were trying to do as a matter of simple administrative cleanup was actually changing the incentives for retrofitting buildings to be more seismically secure, when I saw us making those changes, that didn't seem like an administrative decision to me. That seemed very much like a policy decision. Palo Alto is still filled with buildings that are not seismically safe. Lots of our buildings were constructed long before we had the technology to build safe buildings. Most of our Downtown is not seismically safe to this day. To remove policies which increase our safety seems to me like a policy decision; it's not an administrative cleanup. That's exactly the comment I meant. The comment that I, in fact, made was surely Council doesn't mean it that way. We should in fact have a discussion about this. We should have transparency here, and we should have community input. I'm sorry my comments were taken the wrong way about that. I think that there are lots of things that need to be taken into account, and that wasn't the only one. (inaudible). No, thanks.

# TRANSCRIPT

Mayor Holman: Thank you, Commissioner Downing. Council Member Filseth.

Council Member Filseth: I think I will make a comment here. We the Council, we report to the residents. When you describe elections as popular whims, that's our boss you're talking about here. I think our priority, as Tom said, is to execute the community's business as fast and efficiently as we possibly can. That's really all of us as a larger group, because we're all the Council. We're the Council and you're a Council Commission and so forth, so it's all our responsibility to work together to get this done. There's sort of this whole mantra that's sort of picked up by everybody in Silicon Valley about discussion is good and so forth, but at some point you've got to make a decision and choose a direction. At that point, there's this whole mantra of we've got to agree and commit and disagree and commit and all that kind of stuff. We have direction. We're trying to do what we think we, as best we can as what we've been told by the residents that we want to do. I think not everybody agrees with that direction. We're talking about—I mean, I think it's pretty clear we're moving on a slow growth path. Not a zero growth path, but a managed growth path. Not everybody agrees with that direction, and that's okay. There are a variety of ways to act when that's the case. For us as this group, the larger Council here, I mean, the top priority is we've got to get the community's business done. I think we need to figure out once we choose a direction, that we need to go down that and do it the best we can. I think that's the responsibility of all of us.

Mayor Holman: Chair Tanaka.

Chair Tanaka: I wanted to first thank everyone for their feedback and thoughts. I think this is actually quite helpful. I actually like all the earlier comments which is I think this should have happened a lot earlier, a lot sooner. That said, I think it's better late than never. I do also kind of want to reiterate what I said earlier. I think all the Commission Members have really tried best efforts. I think as you hear all the Commission Members talk, I think everyone has the best intentions. It's really kind of channeling those best intentions and efforts and time commitments that people have been making to improve the process, making things more effective. I think the best way for the Commission to serve the Council—we do serve the Council; we're appointed by the Council—is to make sure that it's clear as to what we're supposed to be doing in terms of what is our charter, what we're trying to do. Of course, we all have read what's on the web page. There's a part of—I've heard several different voices. One is "you should not go beyond the parameters that are given to you by Council." I've heard also that it's good to hear opposing viewpoints. It's kind of a delicate thing to figure out sometimes. I think getting more clarity on that would be good.

# TRANSCRIPT

For me, when I look at these issues—just wanted to actually make one correction. Not everyone voted yes on Maybell; I for one did not vote for it. I voted for it not because of my personal beliefs. It wasn't because I'm pro housing or anti housing. It wasn't because I didn't want more senior housing, because really the City needs it. That's not why. The reason why I voted against it was because there wasn't proper notice. I didn't believe Staff gave proper notice. I believed that if this went to Council, it would have been blindsided, it would have caused a firestorm. No one could build something like that in a neighborhood without proper notice. That's why I voted against it. I kind of believe that besides what's written on the web page for PTC, what's important for PTC to do is to actually make sure that the Council's never blindsided, that we take the time to fully vet issues to make sure that all these kind of issues kind of come to the surface. I think as a Council Member said earlier—I was looking at the agenda earlier. There's like 40 items on the agenda. I mean, it's just insane. The PTC focus is just on planning and transportation issues. We can spend time to really dive in and make sure that there aren't skeletons in the closet. I think for the community's sake, for the Council's sake it's important for us to do that. That said, we serve at the pleasure of Council. We are here to help Council. I think all the Commission Members have certainly heard the feedback from Council. We're going to try our best to make sure that we are able to serve in the best way possible. Thank you for everyone's feedback.

Mayor Holman: Thank you. Council Member Scharff.

Council Member Scharff: Thank you. I just wanted to first of all say I do actually appreciate all of your service. I do know how hard you all work at it. I was struck by Commissioner Rosenblum going through all the PCs, making a spreadsheet, looking at it. I know that's the kind of level of detail you do. Then I was struck by Chair Tanaka's comment that we don't get blindsided as a Council. I think that's really what we're looking for, that you vet things on a deeper level. I know you do all this work. I've heard other Council Members say things like, "We'd like to see if there's a minority opinion. We'd like to see it clearly spelled out in the Minutes. We'd like to see your reasoning for things." I know you do all this work, and I think it's transferring that reasoning and all that work and that thought behind it, the bases. I don't think we need to be on the same page at all. I don't think that's necessary. What I do think we need to be is in the same book. That's really, I think, the distinction that we're looking at. If I had to put it succinctly, that's what I would say. Let's all be reading the same book. We can be on completely different pages; that's completely fine. I just wanted to sort of say that and say that I really do appreciate all of your work. I think each and every one of you actually adds a lot to it. I read the Minutes.

# TRANSCRIPT

I think you're all thoughtful, really intelligent and do a really good job. I think that's great.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: Having heard the discussion, there were just a couple of other things that I'd like to add particularly thinking about what I heard from my colleague, Council Member Filseth. He has a good point absolutely, that our bosses are the approximately 65,000 people in Palo Alto. That's absolutely true. Both the Council and the Commission also operate in the context of the rule of law. This was alluded to earlier. If hypothetically all 65,000 people in Palo Alto asked us to do something that was, in our view, blatantly unconstitutionally, we would not have an obligation to simply obey it. That's an extreme hypothetical just to prove the concept. If the Planning and Transportation Commission feels that direction offered by Council doesn't fully take into account obligations under State law, I think they should recognize that and should consider that very carefully. Their job is to consider our Code, consider our Comprehensive Plan and consider the direction that they've received from us in that context, also again including the State law obligations. I agree that we do have a legal and a moral obligation to provide housing. As far as being on the same page and all that, there's not just especially on one of the issues that we haven't had a lot of clarity on and that is housing. I think that we don't have a lot of clarity on that, not just because PTC and Council are on different pages, but because the Council has not really clearly identified how pro housing we are. We've said we're pro housing. We've taken some steps to initiate more discussion of that with the Comprehensive Plan Community Advisory Committee, giving them clear direction to at least retain the existing pro housing elements of the existing Comp Plan. We still haven't given or decided amongst ourselves how we really feel about housing, how pro housing we are. I think that there's a division on the Council on that that probably breaks down three ways, very pro, moderately pro, not very pro. I think that's also reflected in the community. You see reflected in our National Citizens Survey, when it asks our residents, "how do you feel about the pace of housing growth over the last couple of years?" Around a third, a little over a third say it's been too fast. A little over a third say it's been too slow. The rest say it's been about right. I don't want to throw my hands up and say there's no right answer. I want all of us to just recognize that there's going to be tension because we haven't as a community yet come to a final conclusion. There will probably be lingering disagreement on the Council and in the community about that issue.

Mayor Holman: I don't see any other hands or lights, so just a couple of wrap-up comments here. I think one of the things that I've heard here that



# TRANSCRIPT

would be—this came up actually in our pre-Study Session meeting as well. When an item is concluded at the Commission, that if the motion could be repeated, that way there's clarity, everybody knows what they're voting on. It's also very concise at the end of the Minutes of that item. Also, if those who are voting nay or who are in the minority, if they could state their rationale for why that also provides good clarity on rationale and guidance to the Council and rationale to the Council and to the public and perhaps to the body itself. In the past what we've done is when something has come to the Council that had a minority and majority view from the Commission, both perspectives were presented. Not just a one-person minority, but if there were two or more Commissioners who had a minority opinion, then that was also reflected in the Staff Report to the Council. That way no voices are lost. Again, not a one-person minority, but at least a two-person minority. We have issues that we're grappling with, whether they're transportation or housing or office. We've not given specifically clear guidance on that yet, because we're grappling with those issues and we're undertaking the update of the Comprehensive Plan. That said, what I think would be most helpful to us as Council Members and the public and to each of the Commissioners together is when talking about housing, talk about the pros and the cons of housing. In other words, what are the impacts of housing? What are the likelihood that housing would be occupied by X, Y or Z populations? What traffic is that likely to create? What kind of demand on parks and open space is that going to create? It isn't just a housing only issue in a silo. Likewise office, it isn't for the sake of restricting office that the Council took that step. It was because—I'm sure Council Members will correct me if I'm not understanding the whole intention of the Council. It's while we are undertaking the update of the Comprehensive Plan, we did not want to be exacerbating conditions, so that we could understand those in an Environmental Impact Report and so that we wouldn't be chasing our tails while we were also updating the Comprehensive Plan. It wasn't for the sake of limiting office itself or per se. I hope those are helpful comments. I see Council Member Burt has his light on.

Council Member Burt: Yes.

Mayor Holman: Then Council Member DuBois.

Council Member Burt: I'd just like to ask as a follow-up to this meeting for the City Attorney to provide with greater clarity to the Planning Commission their proper purview and responsibilities as it relates to review of zoning. It doesn't have to occur here at this time. If you have (inaudible) because I heard a repetition of something that I've heard stated in public previously by Commissioners that is different from my understanding and different from what I understood from the City Attorney. I think there was a

# TRANSCRIPT

misunderstanding that came out of a previous Planning Commission review. They misconstrued some guidance from the Legal Staff.

Molly Stump, City Attorney: Thank you, Council Member Burt. We will do that. We will go ahead and do that in writing so that we can be thoughtful about it and issue it to both the Council and to the Commission. Thank you for that invitation.

Mayor Holman: Thank you. Council Member DuBois.

Council Member DuBois: I just wanted to say to Commissioner Waldfogel, welcome to the PTC.

Male: (inaudible)

Mayor Holman: My final comment. I'm sorry. Commissioner Rosenblum.

Mr. Rosenblum: Sorry. I wanted to add to Council Member Burt's statement also for the attorney. He brought up an issue around are employees of large Downtown-based companies, should we be recused from issues impacting Downtown.

Ms. Stump: Thank you. We appreciate that invitation as well. We do watch those issues, and we will work with you on that as well. Thank you.

Mayor Holman: Thank you for that. I do want to thank each and every one of you, Council Members and certainly Commissioners alike. This has not in its totality been an easy conversation to have. It's one that we have to have in this venue because of the Brown Act. We have to have these discussions in public. There have been some questions that have arisen among a variety of Council Members, certainly members of the public and expressed by Commissioners as well. I appreciate everyone's indulgence and attitude in addressing these difficult and easy issues combined. Thank you all very much. If you have further questions or issues, please do channel those through Staff or through your Chair to the Council and to the Staff, so we can help address this and help us all move forward in a productive manner. Thank you all so very much.

## Agenda Changes, Additions and Deletions

Mayor Holman: While we don't have any changes—excuse me. Thank you very much. If we don't have any changes, but do know that we will do the best we can to get through our entire agenda this evening. Hang in there with us, and we'll do the best we can. There is a possibility, depending on how long some of these items take, that we might have to continue

# TRANSCRIPT

something to another night. Apologies if we do have to do that. We'll do the best we can.

## City Manager Comments

Mayor Holman: Our next item on the agenda is City Manager Comments. Jim.

James Keene, City Manager: Thank you, Madam Mayor and members of the Council. I'll try to move through this pretty quickly, but I do have a number of items to report. First of all, in the realm of community meetings actually this week, I did want to remind folks that PG&E will be hosting a community open house this Wednesday, December 2nd, from 7:00 to 9:00 p.m. That'll be in the large El Palo Alto Room at the Mitchell Park Community Center. That's in relation to some of the upcoming gas safety work they are anticipating in Palo Alto and other communities. It really is including efforts to work with the City and local residents to check areas above natural gas transmission pipeline for items that could pose a safety concern. This really was generated about contact from PG&E to potentially hundreds of our residents relating to the possible need for tree removal related to these safety concerns. We had the chance to have some initial conversations with PG&E, and looks like they've dialed back the number of trees from 600 to maybe under about 300, but that does have some significant impact. Most of them are on private property, so it is the sort of thing that a lot of our public will be interested in. Again, that's Wednesday, December 2nd, from 7:00 to 9:00 p.m. We have more information posted on the home page of the City's website for folks who are interested. Secondly, the Council will be hosting the second of your neighborhood Town Hall meetings this Thursday, December 3rd, from 7:00 to 9:00 p.m. That'll be held at the Cubberley Community Center Auditorium. Each of the Town Halls that you've asked to set up are to focus on a group of different neighborhoods throughout the City. That really is focused in south Palo Alto including the neighborhoods of Adobe Meadow, Green Meadow and a few other adjacent neighborhoods in the very far south of Palo Alto. Next up, we did just want to put out a reminder that in the area of the minimum wage that the minimum wage of \$11 an hour that the Council has set for Palo Alto will go into effect on January 1st. The City mailed an outreach piece to all businesses in town that includes an official notice for posting. We're planning additional outreach efforts through December via email as well as on the City's website and via social media. More information, frequently asked questions and a know your rights poster and a City contact is available at the City's website, [cityofpaloalto.org/minimum wage](http://cityofpaloalto.org/minimum-wage). As it relates to the Business Registry which will be discussed soon at Committee or before the Council, as of mid-November 2,533 businesses or an estimate of about 87 percent out of a

# TRANSCRIPT

total subject less of just under 2,900 have registered for the Business Registry. The complete list of those registered will be available soon on our Open Data page which is [data.cityofpaloalto.org](http://data.cityofpaloalto.org). As I started to mention earlier, Staff will be returning to Policy and Services Committee on December 15th to discuss next steps on the Business Registry as we gear up for Year 2 which will begin officially in March 2016. An update on the Transportation Management Association initiative directed by Council. The Transportation Management Association Steering Committee—TMA consists primarily of local employers—including the City has been busy this year working on the formation of a Downtown TMA with a goal of reducing single occupant vehicle use in the Downtown. In addition to the commute survey undertaken in May, the group has discussed potential funding sources, a variety of rideshare pilot programs and a preferred structure for formation of the TMA. The group voted in November to incorporate as a 501(c)(3) and to have the Silicon Valley Community Foundation act as a fiscal sponsor to collect monies on behalf of the organization. At the December meeting, the Steering Committee will be considering the Board Member structure for the TMA and potential funding sources. Several Downtown employers have already unofficially committed funds to support programs that will provide transportation alternatives for employees, particularly lower-wage employees. Our City Staff will be reviewing the proposed Bylaws and Articles of Incorporation for the TMA and will be requesting that the TMA submit an annual report to the City each fiscal year. The TMA will be official essentially upon filing the Articles of Incorporation with the State. Currently our Staff anticipates this will happen in January or February of the new year. In the first quarter of 2016, we'll be returning to City Council with an update on the TMA's formation activities and with actions related to use of funds budgeted in FY '16 for TMA pilots and other potential directives from the Council as it applies directly to the City. The Council has received a lot of correspondence of late after the tragic accident at I280 and Page Mill interchange area. I did want to report that on November 16th, our Staff attended a meeting hosted by the County of Santa Clara Roads and Airports Department to discuss interim and long-range plans for safety and operational improvements at 280 at Page Mill interchange. The meeting was also attended by staff from CalTrans and the town of Los Altos Hills. The group reviewed the long-range plan which is in the project development phase and a set of interim signing and striping improvements which the County is looking at installing within the next year. Since that meeting, our Staff has reviewed plans for those interim improvements and has put together a set of comments for submittal to the County. Once a final concept or a draft final concept is developed, it's anticipated the County may seek small financial contribution from potentially our City and Los Altos Hills in order to make interim improvements in a timely fashion. I'm not obligating us by mentioning that. I did want to let you know that was just

# TRANSCRIPT

part of the conversations to date. Santa Clara County has submitted the long-range project and the Page Mill Road quarter widening project for consideration in the Envision Silicon Valley sales tax measure which is scheduled for a vote in 2016. Both of those projects are listed as Tier 1 high priority projects in the Expressway Plan 2014 study, and 7.7 million is programmed for Oregon Expressway, Page Mill Road, I280-Page Mill Road modification in the adopted Valley Transportation Plan of 2040. Two more items. As most of you are aware, this week in Paris representatives of 194 nations are gathering to discuss and negotiate potential new climate agreements that can drive long-term solutions to obviously one of the greatest threats facing humanity at the Paris COP 21 Conference. Officially, I think, the President was there today. The US is focusing on three major areas all of which we're familiar with ourselves and, of course, have been demonstrating national and in many ways international leadership. Long-term climate actions with targets ratcheting up over time with a long-term goal to reduce carbon pollution over the course of the century, rigorous transparency to ensure that countries are following through on their commitments and climate financing for low carbon technology development and adaptation from public and private donors for those most in need. Here in Palo Alto, we're continuing to work on our own updates to our Sustainability and Climate Action Plan. We do have a community summit planned for January 24th from noon to 5:00 p.m.; that is a Sunday. Registration and details for the summit can be found at the City's website right now, [cityofpaloalto.org/services/sustainability](http://cityofpaloalto.org/services/sustainability). I would report that we are fortunate that Council Member Burt happens to be needing to be in Europe for some business and is able to attend the COP 21 Conference and actually has been invited to the Climate Summit for Local Leaders sessions being held later this week in Paris. We're appreciative that we're able to have a representative there fortuitously just given the coincidence of your visit. Lastly, for the third year in a row our City was named among the top digital cities in the country for its size, a long time digital leader with a first place win in 2016 and second in 2014. We're not happy with our fourth place digital finish, but it's the result of initiatives still acknowledging our Apps Challenge Playbook, use of social media, cloud-based technology and our civic technologies center. That's all I have to report. Thank you.

Mayor Holman: Thank you.

## Oral Communications

Mayor Holman: With that, our next item on the agenda is Oral Communications. We have something a little bit different that we're going to do in this regard. We will do Oral Communications, and we have five speakers to that. Because our labor negotiations were moved from Item 1

# TRANSCRIPT

to our last item on tonight's agenda, we're also going to offer that people who are here from SEIU, who had intended to come and speak early, the opportunity to speak to Item Number 1 as well. We will do that first. We have also six speakers from SEIU who would like to speak to Item Number 1 which still is conference with labor negotiators, employee organizations. I won't read the whole title but it includes Service Employees International Union, SEIU, Local 521. That is the item that—my understanding is that the six members of the SEIU would care to speak. If you would come to the front when you hear your name called, that would be most helpful. You'll have up to three minutes. Joseph Duran to be followed by Lynn Krug. Again, if you'd come to the front when you hear your name called, that will help us move through this. Thank you.

Joseph Duran, SEIU: Good evening, Council. Thank you. Hopefully (crosstalk).

Mayor Holman: I believe you need to pull the mike up a little bit. Thank you.

Mr. Duran: My name is Joseph Duran. I'm a facilities mechanic at the Municipal Service Center. I moved to Palo Alto in 1990 with my mom and my brother. We lived in a two-bedroom apartment in affordable housing on Park Boulevard. My mom worked on the street at Say Ray Foreign Auto shop, where she still works today. I went to Nixon Elementary as a sixth grader, then to JLS and Jordan and Paly. Moving to Palo Alto provided me with an opportunity to see a new way in life. It's amazing how crossing a bridge can change everything. My family moved from Palo Alto to Fremont in 1997. After completing a heating and air conditioning program and working for some time, the City of Palo Alto called and offered me a facilities mechanic position. My excitement in that moment was unreal. The prospect of working in Palo Alto was exciting to say the least. Fast forward five years, and here we are. I'm still excited to come to work every day. I've come to learn that Palo Altans expect the best from their public services and facilities, and we strive to meet those expectations. In my five years, I have also seen many experienced employees leave for better opportunities and compensation, which makes it increasingly difficult for operations to meet the residents' expectations. In order to recruit and retain quality employees who meet the City's high standards, compensation needs to reflect the competition and the living reality. Living in the Bay Area has become increasingly more difficult. Rent alone takes nearly half of my monthly income. Mix in food for five and all other necessities and daily living brings new meaning to living on a shoestring. As a City worker who has invested in the City and on behalf of my colleagues, I appeal to you to reinvest into your City employees. Thank you for your attention tonight. Let us bridge the gap

# TRANSCRIPT

that is causing Palo Alto to lose its competitive edge. Together let's preserve Palo Alto's premier City services. Thank you.

Mayor Holman: Thank you. Lynn Krug to be followed by Matt Johnson. Again, if folks would move to the front, that's really helpful. Thank you.

Lynn Krug, SEIU: Good evening, City Council Members. I'm Lynn Krug, Chapter Chair of SEIU employees for the City of Palo Alto. I've worked for the City of Palo Alto for 15 years and lived here for 12 of those years. I love Palo Alto, and I take great pride in my work and dedication to serving the residents of Palo Alto. When you talk about being a residentialist, I think that includes all the people in the face of Palo Alto which are the frontline employees which are the SEIU employees. We are extremely dedicated, we carry the institutional knowledge, and we have a personal investment in our City and all its services. We believe in quality service and dedicate ourselves to ever improving the lives of Palo Alto residents. It is the residents of Palo Alto that gain from the institutional knowledge of our Enterprise Fund utilities. We are about the maintenance, best practice and performance of our utilities. We consider the long-term function and sustainability of our utilities. As Palo Alto employees, we have an investment in making sure the residents get the best service possible, and we will continue to do so. Thank you very much.

Mayor Holman: Thank you. Matt Johnson to be followed by Raymond Herrera.

Matt Johnson, SEIU: Thank you for your time, Mayor and Council Members. I appreciate you giving us the opportunity here. I'm currently in the wastewater industry. I've been in it for—thank you. I've been in the industry now for 23 years. The past 15 years, I have worked at the Water Quality Control Plant here in the City of Palo Alto. At 15 years, I'm just about the longest term operator there right now. The high rate of turnover in operations is causing a constant training of new Staff. It takes about four years for a competent, Grade 2 worker as far as the Grade 2 operations goes. In my opinion, the advanced treatment that we do there, a Grade 2 operation is about our minimum requirement. In general, we are having a major attraction and retention issue for all jobs at the plant. In the past years, many operators who would normally have 5, 10, 15 years with us recently have gone. Now the norm is three to four years before people are jumping ship and leaving the City. We need to have better compensation, better pay as well as being able to afford to live closer. The reason they are leaving is for better pay, better compensation, and they can afford to live closer to where they live, which is often an hour, two hours away. In the last few years, we have had a difficult time attracting State-certified Grade 2

# TRANSCRIPT

operators and have only been hiring trainees and Grade 1's. The difference between a Grade 1 as far as the State's concerned, you have to work at the wastewater plant for a year before they allow you to take your Grade 1 certificate. After two years of holding a Grade 1, they allow you to take a Grade 2 certificate. At that point in time, you're starting to be trained up to a competent operator. The problem with short-term employees, as many of you know, is the quality of training and workmanship since a large part of the job is on-the-job training, for example, knowing where the shutoff valves and where to turn on and off pumps in emergency situations. Keep in mind many of these valves are buried and in the ground in other locations in areas that you wouldn't even think a valve should be there to control water on the other side of the plant. Some examples of local cities that have had high turnover and experienced problems in their operations we all know is San Jose, a lot of turnovers lately. In the past year, they have discharged over 85,000 gallons of untreated sewage into the waterways. Oakland has a hard time retaining operation personnel. They've also had discharges into the Bay. Palo Alto recently has had discharges into the Bay. Of course, we all remember Mill Valley, 2 million gallons. People lost their jobs over that from the State; the City was fined. We are constantly on the ragged edge at water quality in my opinion, for the high turnover of employees to find better compensation and better working conditions. We have spent many long hours—excuse me. I have given you this list of compensation in other districts.

Mayor Holman: You can provide that to the Clerk, and she'll make copies, if you would. Thank you. Raymond Herrera to be followed by Mary Sekator.

Raymond Herrera, SEIU: Hello. How are you doing? I'm Raymond Herrera. I'm a journeyman electric distribution system operator. I came here from San Diego; seven years experience working for Sempra. Coming up here was the best career move I ever made. The City's been good to me, really good. Everyone's talked about shorthandedness and contract negotiations. I'll keep it short. Electricity is 24 hours, doesn't stop, 24/7/365. When the public, some of these people if they have a partial outage or no power, they call in. When the public calls in, they talk to Jesse, our senior guy, or myself. A 24-hour system run by two guys. If we could physically do it with just us two, we would. We rotate on-call every opposite week. For me, it's okay but when you get a call at 2:00 a.m. from police and fire on-scene and they've got a tree in the wire it's tearing up and they call us in. I'm driving into work and I get the call from dispatch saying, "They're worried. What's your ETA? What's your ETA?" That's what motivates me; that's what frustrates me. I can't drive any faster than I am. When I see the public, I see the police and fire kind of waiting for it to be energized, and it may take us up to an hour, when I get in there. I'll switch over the phone systems, do



# TRANSCRIPT

what I have to do to isolate it, whether to get a crew or by the SCADA system, we can make it safe. Now, doing this for seven years, I have not been in a position to where I take the phone home and there may be a call. For me, sometimes the anxiety kicks in, but you know you care. If you don't care or don't respect electricity, you're in the wrong career. We need help. We need operators. Before I came, four operators got poached to Santa Clara. More recently, two weeks ago, a guy we were training left to Santa Clara. That was devastating for me because I thought he would stay. When I got there, Jesse thought I would leave. He wouldn't even talk to me. He was like "You're going to go." The other thing is what we do, which is key. If PG&E—we communicate with them from about 101. If they cut us off or if something happens and we have a rolling blackout, etc., it's up to us to redirect the power starting with our critical customers, Stanford Hospital, police, fire, customers and probably City Hall last. That's what we do. Apart from talking to customers at 101, from a larger scale we control basically all electricity goes through this office, goes through our little 12 x 20 SCADA screen. We can't do it by ourselves. I like working for the City. Again, you guys—I put on 20 pounds; you guys are taking care of me here. We just can't do it alone. I don't have time for a haircut. We just need the help. You guys hear our voices. They're going to negotiate what they have to negotiate, but we need operators. Two guys running a 24-hour system, we just need help. Thank you.

Mayor Holman: Thank you. Come back any time. Mary Sekator to be followed by Peggy Quillman.

Mary Sekator, SEIU: Hello, Council. My name is Mary Sekator. I've worked for the City for 25 years, one of the many longest employees. This is on behalf of my colleagues and the Palo Alto regional wastewater treatment plant and my fellow City employees and SEIU Local 521. At the wastewater treatment plant, we prevent public health crises, protect marine life and assure water quality for this City and its residents. Palo Alto is a premier city, large in part to its professional, skilled and knowledgeable City employees. To keep the City great, we ask you to thoughtfully consider our union proposals and carefully evaluate the challenges ahead. We have lost many dedicated wastewater treatment plant operators and employees, because they understandably left for higher wages and better benefits. We are losing skilled and professional City workers every day from all departments. Even Valerie Fong, the City's Utilities Director, has acknowledged that staffing turnover is a critical issue. She told the *Palo Alto Weekly* in the November 19th issue that she fears institutional knowledge is leaving the City and that the focus has to be making sure that we have in place folks who can carry on. As we already face uphill battles in maintaining our deteriorating wastewater treatment plant—I know we've had

# TRANSCRIPT

tours; many Council Members have come—we have to stop the revolving door of new employees at the treatment plant and in all departments. They come, they train, they leave. It's an ongoing battle. We ask that you think of the future of Palo Alto when you consider our proposals. Our proposals will help recruit and retain valuable employees so we can preserve Palo Alto's premier City services. Thank you.

Mayor Holman: Thank you, and thank you for your service. Our final member of SEIU to speak to us this evening is Peggy Quillman.

Peggy Quillman, SEIU: Good evening, and thank you for letting us speak a little bit earlier than we otherwise would. Some of us have long commutes and have to be at work pretty early in the morning. I'm Peggy Quillman; I've worked at the Palo Alto Library since 1989. When I was waiting in the lobby, I saw the pictures of some of the iconic buildings here in Palo Alto. I noticed that two of them are libraries. Palo Alto is proud of its libraries, and we should be proud of them. The residents very much appreciate the libraries. In fact, all of the services provided by the City are considered important and part of the Palo Alto way. Experienced employees are dedicated to providing quality services for Palo Alto residents. Thank you.

Mayor Holman: Thank you. Thank you all for indulging us while we reshuffled our agenda this evening for necessary reasons. Our real Oral Communications speakers then, those having spoken to Item Number 1. The first speaker is Ken Horowitz, to be followed by Subhash Narang, I believe.

Ken Horowitz: Good evening. My name is Ken Horowitz; I live at 525 Homer Avenue. I really enjoy coming to your Council meetings. I've learned about the City I've lived in for 35 years. I'm going to take a four-month sabbatical. I have three issues that I'd like to address tonight that hopefully will be on your radar for the next number of months. Number one is Project Safety Net. The money that was allocated, the \$2 million, by the end of this year is going to be all dried up. Mental health is still a big issue, and hospitalizations of our 15 to 19-year-olds is still increasing. Go to [kidsdata.org](http://kidsdata.org) and look at the mental health issues. Make sure that Project Safety Net is on your agenda for the next couple of months. As I said, the \$2 million, once the Traffic Watch money is spent, is all dried up. There is still \$2 million, but hopefully you'll make it used for mental health. The second item—this all relates to Healthy Cities, Healthy Communities—is about bicycle safety. I've lived here a long time, and I support alternatives to the car, the automobile. I'm just not sure that bicycle safety is important to Palo Alto right now. I live on Homer Avenue. Unfortunately, bicycles are not safe. Many of them don't have the proper gear, the proper lights. Most

# TRANSCRIPT

of them don't stop for stop signs. Then we have the cars that are driven by a lot of seniors. I don't think the Council at this point should be encouraging bicyclists unless there is a dramatic change. Right now, the City streets are too narrow for bicyclists. I'm fearful that there's going to be some terrible, terrible accident. I think the City should be addressing, maybe making a more walkable City rather than a bicycle City. Lastly, healthy aging. I've addressed the Council before. 755 Page Mill Road is still a vacant site. I'm hopeful that if it ever comes before the Council, the landlord wants to convert it to office, that you deny that. He was granted a PUC back in the '70s. I'd like to still see it kept as a facility for recreational for seniors. Lastly, since I had a few more minutes, keep an eye out on the Old Pro. I go there on Saturday nights and Friday nights. Make sure that they're adhering to the Fire Codes, because it gets really, really crowded there. Thank you.

Mayor Holman: Thank you. Subhash Narang to be followed Keith Bennett.

Subhash Narang: Good evening. I'm here to request the Council's help.

Mayor Holman: If you could speak into the microphone, that'd be perfect. Thank you.

Mr. Narang: Is that better?

Mayor Holman: Yes.

Mr. Narang: Request the Council's help in addressing the dewatering issues we have in Palo Alto. Mainly we understand from the Staff that they're looking at this issue. They're going to be studying it further next year. You'll keep the same policies as we have now in place for construction of basements, dewatering, those issues. What I would like to request is your help in making sure that the dewatering is done in a responsible fashion. One particular issue we have right now that I would like your help is that there are two houses right next to each other—you have a handout of those—on Garland Drive which are going to be dewatered, I'm assuming, starting next spring. One of the houses has already been dewatered for a short period of time in rather not a comprehensive way. They had to stop dewatering, and they'll start all over again in spring. There's a house right next door to it that is also going to be constructing a basement. They're adjoining properties. It will affect about ten houses around this area of dewatering. I want to make sure that when the City gives the permits to these people that they stagger this dewatering at least for now, do one at a time. Do one house for about three months or four months or whatever it takes, and then start the next one. Otherwise, we'll be taking out too much

# TRANSCRIPT

water, and it will endanger the neighboring properties even more than dewatering of a single house. Thank you.

Mayor Holman: Thank you. Our next speaker is Keith Bennett, to be followed by Rita Vrhel.

Keith Bennett: I have a presentation that I wanted to show you. I'm trying to figure out how to ... While we're—there we go. I'd like to thank people for listening to my comments on this dewatering issue. What I'd like to discuss tonight is some information that I found very recently, that is to say in the last few days. There is a detailed study that has been made on the San Francisquito sub-basin groundwater budget. My degree is in physics, but what I'm going to talk about tonight is accounting. The storage change, that is the amount of change of the water in the reservoir, is equal to the inflow minus the outflow. I have the reference on this presentation which has also been sent to all the Council Members along with the detailed, full study that was done in East Palo Alto. What this shows is that the inflow for the entire San Francisquito Creek sub-basin which covers Palo Alto, Menlo Park, Atherton and Stanford and East Palo Alto—Palo Alto's part is about half of that—is on the order of 7,000 acre feet a year. However, if the inflow is not constant, it depends on whether or not we have a drought, so there's three categories there, irrigation inflow, irrigation percolation and San Francisquito Creek, that are highly sensitive to local rainfall and water supplies. The other point I'd like to make is that almost 90 percent of the inflow to the groundwater is local here; it doesn't come from somewhere else. It's right here, local, the ground under our feet. For the outflows, approximately 77 percent are through human use. Almost none of the water flows to the Bay, despite statements from the City to the contrary. In this report, an average year is 33 acre feet flow to the Bay. In contrast, Palo Alto pumped roughly 400 acre feet of water for basement dewatering this year and dumped all of that water to the Bay. This outflow does not include future demands. It does not include other cities. It does not include nonresidential construction, and it does not include the emergency water supply. I should mention that most of the water in the sub-basin goes to the deeper aquifer. Taking it out from the input means it's not available for the deeper aquifer on which our emergency wells are based. That's it.

Mayor Holman: Thank you. Rita Vrhel to be followed by Stephanie Munoz. Welcome.

Rita Vrhel: The next slide is a comparison of what 112 to 140 million gallons of water which was pumped by the 14 residential basement construction projects last year. This is a football field including the goal posts which would be 270 feet high. Hoover Tower, in comparison, is 280 feet high.

# TRANSCRIPT

This equals 40 gallons of water every day for every Palo Alto household for 100 days or it is more groundwater than Stanford used for irrigation last year or it is the water provided annually from Hetch Hetchy for 4,000 Palo Alto households or it is 20 percent of East Palo Alto's total annual water consumption. This is not a small amount of water. We are asking the City that you implement an immediate moratorium on the issuing of new dewatering permits for residential basements until State and locally mandated drought restrictions are lifted and Palo Alto includes a sustainable groundwater management plan in its Urban Water Master Plan. The bottom line for us is Palo Alto's policies must respect our groundwater as a valuable resource, not merely as an inconvenient construction byproduct to be discarded. That finished up part of Keith's. I also have a presentation, but I know my time is short. I'm going to give the City Clerk a copy. Tomorrow is the important City Policy and Services Committee meeting on the topic of groundwater. I would like to encourage everyone, whether you agree with my opinion or not, to attend this important meeting at 6:00 tomorrow in this chamber to discuss your feelings about groundwater. Reviewing the Staff Report recommendations which we find unacceptable, we'll provide a rebut statement. Most of their assumptions are based on the EIP Associates report which has two false premises. One is based on page 2 of the 9/24/2008 report, states that shallow water is not potable as it does not meet the drinking water standards in Palo Alto. Technically, this is true but many cities, as we know, are treating wastewater. This groundwater could in an emergency be treated and become potable water. The other false statement is that deep aquifers are separated from shallow aquifers by impermeable sediment layers like clay and rock that prevent shallow aquifer water from reaching the deep aquifer. Therefore, dewatering basement evacuations have no effect on the deep water aquifers. Our website, [savepaloaltogroundwater.org](http://savepaloaltogroundwater.org), has scientific studies that contradict the EIP statements. We request that the City review those prior to tomorrow's meeting. Thank you.

Mayor Holman: Thank you. Our final speaker this evening on Oral Communications is Stephanie Munoz.

Stephanie Munoz: Good evening, Mayor Holman and Council Members. Thank you for letting me speak. This is the time of the year when we remember that we are put on Earth to help each other. As a humanist would say, we are here in this room at this time considering all these questions because of a propensity of the human race for thousands of years to operate on the principal of helping each other. This trait is mightiest in the mightiest. It becomes the throned monarch better than his crown. That's you. You're the throned monarchs. His scepter shows the threat of armed power. Now, you don't have any scepters, but you have these big

# TRANSCRIPT

buildings. You have a police force, and you have power. You have the power to tell people whether they may buy land and where and what they may build on it and, having built on it, whether they may live in the house that they have built. I don't know many kings with that kind of power. His scepter shows the threat of armed power. Mercy is above this sceptered sway. It is enthroned in the hearts of men, and earthly power doth then show liketh gods when mercy seasons justice. I've asked you throughout the year of some things that I think are good. I think you'd agree that they're good. I've asked you to help me get the School Board not to destroy the gym so you could put homeless women in it, because homeless women have to be sheltered. They do. They do. I've asked you for teacher housing because we have to have teachers; they have to be put some place. By the way, all those people that just talked to you, if you had a place where they could live for as much as they could live over in Stockton or Fremont, then you wouldn't have to pay them so much. I've asked you about Buena Vista. Many years ago, the County of Santa Clara invited those people, the Buena Vista class, to people the area which is now in Palo Alto. Palo Alto invited them to become members of Palo Alto. Then, a few more years passed, and you unsubscribed them. You disinvited them. I think you should down-zone Buena Vista again. Thank you.

Mayor Holman: Thank you. That concludes Oral Communications.

## Minutes Approval

5. Approval of Action Minutes for the November 9 and 16, 2015 Council Meetings.

Mayor Holman: We go now to Minutes Approval. We have action Minutes from November 9 and 16.

Council Member Scharff: So moved.

Vice Mayor Schmid: Second.

Mayor Holman: Motion by Council Member Scharff and second by Vice Mayor Schmid to approve the Minutes of November 9 and 16.

**MOTION:** Council Member Scharff moved, seconded by Vice Mayor Schmid to approve the Action Minutes for the November 9 and November 16, 2015 Council Meetings.

Mayor Holman: Vote on the board please. We need to vote again please. There we go. That passes unanimously.

# TRANSCRIPT

**MOTION PASSED:** 9-0

## Consent Calendar

Mayor Holman: We have the Consent Calendar. Looking for a Motion on that please.

Council Member Scharff: So moved.

Council Member Wolbach: Second.

Mayor Holman: Motion by Council Member Schmid, second by Council Member Wolbach, to approve the Consent Calendar.

Council Member Wolbach: It was actually Council Member Scharff.

Mayor Holman: I'm sorry, Council Member Scharff. It was your voice.

Council Member Scharff: Any Greg will (inaudible).

Mayor Holman: Yeah. The Gregs. Council Member Scharff, second by Council Member Wolbach, to approve the Consent Calendar as presented.

**MOTION:** Council Member Scharff moved, seconded by Council Member Wolbach to approve Agenda Item Numbers 6-18.

6. Approval of Transformer Supplier Pre-Qualification Process and Authorization to Spend up to \$1,000,000 per Year With any of the Qualified Vendor(s) Over the Next Five Years, Total of not to Exceed \$5,000,000 for the Purchase of Electric Distribution Transformers Required to Provide Service to Customers.
7. Resolution 9562 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Complete Streets Policy to Maintain the City's Eligibility for Regional Transportation Funding."
8. Review and Approval of Proposed Bicycle and Pedestrian Improvements Along Bryant Street, Redwood Circle, Carlson Court, Ely Place, Duncan Place, Creekside Drive, Nelson Drive, Shasta Drive and MacKay Drive.
9. Policy and Services Committee Recommendation to Accept the Auditor's Office Quarterly Report as of June 30, 2015.

# TRANSCRIPT

10. Approval of a Contract Amendment With VOX Network Solutions, Contract Number C12144216 for Additional Phone Equipment and Maintenance in the Amount of \$159,899.
11. Approval of Contract Number C16159083 With Cleary Brothers Landscape in the Amount of \$831,781 for the Mayfield Soccer Complex Synthetic Turf Replacement Project (Stanford Palo Alto Playing Field, Capital Improvement Project PG-13001).
12. Approval of a Contract With California Land Management Corporation in the Amount of \$127,434 for the First Year of Service for Park Ranger Patrol Services in Palo Alto's Urban Parks, Byxbee Park and Baylands Nature Preserve.
13. Approval of Blanket Purchase Order With Hill Brothers Chemical Company in an Amount not to Exceed \$536,461 for the Purchase of Bulk Magnesium Hydroxide for the Water Quality Control Plant and Approval of Two One Year Extensions.
14. Authorization to Amend the Legal Services Agreement With the Law Offices of Renne Sloan Holtzman & Sakai LLP to add \$45,000 for a Total Not to Exceed Amount of \$95,000 for Litigation Defense Services.
15. Request for Pre-Screening of a Proposed Hotel Development at 744-750 San Antonio Road (to be Scheduled for December 7, 2015).
16. Approval of a Contract With Peninsula Corridor Joint Powers Board in the Amount of \$89,490 for 2016 Caltrain Go Pass Program.
17. Approval of Amendment Number Four to Contract Number S13149754 to add \$120,000 for a Total Amount not to Exceed \$336,000 and Amendment Number Two to Contract Number S15155809 to add \$25,000 for a Total Amount not to Exceed \$50,000 With Renne Sloan Holtzman & Sakai LLP Public Law Group for Labor Negotiations Services and to Extend Both Contract Terms to June 30, 2016.
18. Ordinance 5363 Entitled, "Ordinance of the Council of the City of Palo Alto Establishing a Single Story Overlay District for 83 Homes Within the Los Arboles Tract by Amending the Zoning Map to Rezone the Area From R-1 Single Family Residential and R-1 (7,000) to R-1(S) and R-1(7,000)(S) Single Family Residential With Single Story Overlay. Environmental Assessment: Exempt From the California Environmental Quality Act per Section 15305 (FIRST READING: November 9, 2015 PASSED 9-0)."



# TRANSCRIPT

Mayor Holman: Vote on the board please. That also passes unanimously.

**MOTION PASSED: 9-0**

Mayor Holman: With that, it has been brought to my attention that we've had a lot of people with us this evening. It's been brought to my attention that probably most of the people here are here for the single-story overlay. If you're here for the single-story overlay, would you stand for a moment? If you would sit, please. If you're here to speak to the fiber matter, would you stand? It looks as though we'll be taking these items in order, because we have a number of people to speak to both of these items. Again, bear with us. For Council Members' information, the Closed Session tonight, while it's slated for an hour, looks like it's going to take 15, maybe 20, minutes. Keep that in mind.

20. Approval of Staff's Plan to Simultaneously Pursue Response to Council's Motion on Fiber-to-the-Premises Master Plan and Wireless Network Plan and Continuation of Negotiations With Google Fiber, AT&T; Approval and Authorization for the City Manager to Execute Amendments to two Contracts With Columbia Telecommunications Corporation dba CTC Technology & Energy Extending Each Contract Term Through June 30, 2016 and Increasing Compensation Under: (1) Contract Number C15152568 by \$94,490 for a Total not to Exceed Amount of \$226,140; and (2) Contract Number C15152569 by \$58,850 for a Total not to Exceed Amount of \$203,794; Approval of a Temporary Fiber and Wireless Senior Program Manager Position for Three Years at \$228,000/Year; and Budget Amendment Ordinance 5364 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto for Fiscal Year 2016 to Provide Appropriation in the Amount of \$172,850."

Mayor Holman: Item Number 20, approval of Staff's plan to simultaneously pursue response to the Council's motion on Fiber to the Premises Master Plan and Wireless Network Plan and continuation of negotiations with Google Fiber, AT&T; approval and authorization for the City Manager to execute amendments to two contracts with Columbia Telecommunications Corporation d/b/a CTC Technology and Energy, extending each contract term through June 30, 2016 and increasing compensation under, one, Contract Number C—I won't read all the numbers—by \$94,490 and a total not to exceed \$226,140 and, two, another contract for a \$58,850 for a total not to exceed \$203,000; and approval of a temporary Fiber and Wireless Senior Program Manager position for three years at \$228,000 a year; and adoption of a related Budget Amendment Ordinance for Fiscal Year 2016 to

# TRANSCRIPT

provide appropriation in the amount of \$172,850. It's a very long title. Jim, would you care to follow that up?

James Keene, City Manager: Thank you, Madam Mayor. Obviously as you can see, it's a very simple subject. If I could lead in before the Staff does a presentation. I think it's safe to say when I saw a preview late this afternoon and what we were looking at doing, the Staff presentation is primarily focused on responding and updating the Council on the various aspects of the motion that you essentially kind of read there and that the Council passed at your meeting on September 28th. That being said, this is an evolving dialog and conversation. I know we've got some interest by Council Members on where we are, different ways of looking at this. We have a very intelligent and passionate and engaged Citizens Advisory Committee. The Council has received a letter, a memorandum, this weekend from the CAC related to this issue. I don't think that we want to look at the Staff presentation as encompassing all of the conversation that will take place tonight. I've asked the Staff if we could move pretty quickly through the presentation, understanding that we would expect that there will probably be a lot of back-and-forth and interaction between the Council and the Staff. I think you'll also want to benefit from hearing from the public speakers who may be here also, before we get into lots and lots of the details of this item. Did that undermine you, Jonathan?

Jonathan Reichental, Chief Information Officer: No, that's perfect. Thank you so much, City Manager Jim Keene. I'm Jonathan Reichental, the City's Chief Information Officer. Thank you, Mayor Holman, Vice Mayor Schmid, all Council Members. It's always one of the greatest privileges of my life to do this type of thing, so thank you for the opportunity. I also want to thank the Citizens Advisory Committee who are out in force here this evening, in the audience, for the terrific and continued passion and work they're doing. I want to thank my colleagues from across Utilities and IT and actually from almost every part of the City for the important contributions they're making as we work through this complicated topic. Thank you. I'm here this evening to bring forward three Staff recommendations to continue progress on the motion from the end of September as well as to give you an update on our progress since that time. I'll just sort of walk through this slide and add any color I can to the work items. The motion items are under tasks, and then Staff has made an intelligent estimation of the time in which things will be completed. Those dates are up to that date, so there are areas we anticipate things could happen faster, but we wanted to give the top end of where things are. The first motion item, quick update. We had talked about having the Community Advisory Committee have a discussion with our consultants to determine if there was agreement on the costs that were put forward for the cost of building and operating a fiber to the premise network

# TRANSCRIPT

and, if there were documents, to document those. That work is well underway. We've had one formal meeting, and we have another formal meeting between the CAC and the CTC this week as well as a high volume of both email and telephone exchanges responding to questions from the CAC. We anticipate that work will be done before the end of this year, so within the next few weeks. We were instructed by Council to begin discussions with particularly two third-parties on the idea of a co-build, Google Fiber and AT&T. The detail here is that we did want to determine clarification on the word "co-build." Initially the Council motion talks about a co-build being putting conduit in the ground. We've recently had a memo from the CAC, the Citizens Advisory Committee, with a very different definition which they've submitted and probably will talk to this evening. Once we've established an agreement on what the co-build is, we have identified the person, the leader, at Google to have the discussion with within just a few days, once we coordinate that with the appropriate City Staff. We have not yet engaged with AT&T, but we'll have progress on that within also a few days. I'll try to make some pace here. The City Council instructed us to immediately start to work on a dig-once ordinance, and the City Attorney may speak to this a little later in the presentation. There's some depth to that as well as really a lot of strategy to be determined. This possibly is a strategy determination effort initially. We will talk to the RFI request. This is to look to the marketplace to see who may partner with the City under different models; I'll talk to that later. Here's some updates on the wireless plan. You'll see the first item here, we have to update the forecasts. Those have been completed. The remaining items, you'll see, are for additional costs to be determined. Then moving forward once we get approval on the funds to develop the RFP, we will begin moving forward with that unless we get a reprioritization guidance from Council this evening. That is a status quickly of all the motion items. Here's some supporting data. I do want to let you know that discussions with Google Fiber has taken again additional intensity over the last few days and weeks as they prepare for a Bay Area announcement, what looks like now January of 2016. I'll let Google make their own—sort of use their own words around this, but everything indicates their inclination towards moving forward in the five Bay Area cities including Palo Alto. You'll see that the needs in order to move forward with them are considerable. Documents like the master license agreement for utility poles is a document which requires input from Public Works, from Planning, from the Attorney's Office. These are detailed documents that will be coming to the Council very soon as a matter of public record, the documentation and needs of Google for San Jose on their docket for December 1st. We don't have anything yet in the public record around the other three cities. Toward giving you a quick update on AT&T and their efforts to come to Palo Alto. Just to confirm once again, they are coming to Palo Alto to bring their service called GigaPower which is a gigabit fiber service. They've submitted

# TRANSCRIPT

their first permit. It just so happened to be on top of a gas line, so we're working through that. More to come. It's AT&T's intention to provide the first houses access to gigabit broadband during the calendar of 2016. One other thing I wanted to say, if I could just quickly go to Google, because it reminded me when I looked at the AT&T area, was since we last spoke I had talked to you about Google strategy which is a fiberhood strategy; they only deploy fiber where there's interest. They're now communicating to us they've changed that strategy, and their intent is to bring fiber in front of every home in Palo Alto with some very small exceptions possibly in the Foothills area, but it would be rare. In terms of AT&T, their initial proposal that they're going to go forward with is about half of Palo Alto. Their model is to basically build wherever people are prepared to pay. If they get a very good uptake on the upgrades and buy-in, they will go further than 50 percent. 50 percent is their first commitment, and it's across Palo Alto. The next area is when I first was asked to engage in this project—it's now coming up on a little less than three years—the City Council ask was relatively narrow in terms of our own pursuit of municipal broadband, at least to get some engineering studies completed. We think we staffed it appropriate, but 2 1/2, almost three years later the extent of the complexity of what we're doing now is notably different. Not only has the motion and City Council asks gotten more complicated, but we are engaged with Google and AT&T. What we've discovered is the capacity and skill sets of Staff have peaked. In order to make rapid progress and really give this 1,000 percent, we need a very talented expert telecommunications person to lead the technical pieces of this and the rallying of department Staff in order that we can deliver on these complex areas. What we're asking for is some temporary help up to three years. We phrase that that way because if 1 1/2 years from now we don't need the help, we don't have to continue it. We anticipate, based on what we know today, that there will be quite a lot of activities in that sort of time horizon. Finally, based on our analysis and planning for the response to the motion items, it became clear that we needed additional help from our consultants that did the planning work, the engineering studies, specifically to issue the appropriate RFI to the marketplace, be able to vet vendors, respond to vendors. In addition, there are multiple RFPs that were requested for wireless, and we need some assistance with that. We're also looking for some strategic assistance with the dig-once request, which again has some complexity to it. There are two amounts that we're asking for tonight to help with that. One is on the fiber to the home contract of \$58,850. You can see what it involves there. Finally, there are a lot of pieces to the wireless work that you asked us to do based on the September 28th motion that amounts to \$94,490. If I could just summarize. I wanted to do this very brief so we could hear and have the most amount of dialog tonight. What we're asking for tonight is support to further the goals of the motion which Staff enthusiastically support and

# TRANSCRIPT

want to move forward rapidly with. We do need some guidance on the detailed memo that the Citizens Advisory Committee have put together, which proposes a revised definition of a co-build. Through the dialog this evening, if we can get some clarity around the prioritization, we will know exactly what to be working on concurrently and in sequence, so that we can make the type of progress that we all know that we want.

Mr. Keene: Thank you. Madam Mayor, if I just might add something? Thanks, Jonathan. I kind of want to talk to the Council just a little bit differently than we typically do here. I would imagine that a number of you ought to be pretty well confused about what it is we're bringing to you right now. Once you start to hear from the CAC and some of the other comments and questions, some of you may be like completely on point with what we're talking about, and others of you may still say, "There's a lot of moving pieces here. What are we talking about?" What Jonathan and the Staff have done with their report is what sort of automatically we'd typically have to do with our process, which is the Council has publicly and formally issued a directive and we're coming back and responding to that directive. The fact is that there was lack of clarity in the directive even identified as the CAC looked at it. There are implications to almost how we prioritize or triage the recommendations that we've been given. I don't think we can ignore the fact that there are time factors more at play in some parts of the recommendation than others. The fact that, say, a Google or something may make an announcement in January has a different bearing on some of the choices we make perhaps than even, say, completing the criticism or the analysis of the consultant's methodology and dollars and those sorts of things. We've sort of reported on things almost as if they should all be proceeding apace, but I think one of the things we really need to do is get the glossary straight tonight, so when we're talking about some basic terms, all of us know what we're talking about; that we get clear about really what the real objective is and how that relates to time; and that we understand roughly what the sequence and the priorities of things are. That being said, it's all real theoretical right now. My sense is, having read the CAC's memo, the great meeting we had with the Committee just before the holidays in mid-November, I don't think it is all that complicated. I think it does require we stay focused. Just for fun, later I'll show you, I'll see whether I was right. I've taken the Staff Report, the CAC's memos and everything else and I've boiled it down to this one little diagram right here that ties it all together potentially. I'll wait on that to just sort of see how well our understanding has been about where we are. We will want to have an interactive discussion, I think, here to best facilitate where things are. I would say this—I don't mean this as a criticism at all. I wasn't here at the meeting on the 28th. We had been proceeding on a directive over at least an 18-month period that was well established by the Council. The direction you took on

# TRANSCRIPT

the 28th was, I would say, a significant departure from that prior direction, obviously driven by a sense of opportunities, concern about opportunities that could even be lost if we didn't sort of add these additional directives. We're in a very interesting moment right now of just trying to get really clear about what those are and how we quickly proceed and get those answers to it. I would hope by the time we're done with this item, where we started out will be noticeably clearer and all on the same page. I would imagine that there will be some changes of a sort to the directives that you've already given us by the end of tonight. Some of these things will be fine tuned or adjusted in some way. Thanks.

Mayor Holman: Thank you very much. Did you have anything else, Jonathan?

Mr. Reichental: I don't. Thank you so much.

Mayor Holman: Great. We have a few speakers to speak to this item. You'll have up to three minutes. What I'd like to suggest, if you could do it in two and you'll know when you've come to two minutes because the yellow light will come on. If you can do it in two, that would be great. It's one of those evenings where we're very fortunate how involved and engaged this community is, and it's an evening where we've had a great number of people who have shown up to speak to a lot of the items this evening. Thank you all for coming. That's no disrespect to that; it's just we have a full agenda. With that, our first speaker is Robert Smith, to be followed by Jeff Hoel.

Robert Smith: Good evening, Mayor and Council. I'm afraid I'm going to have to say something rather different than what I've prepared based on the excellent presentation from the City Staff. My basic message was that I see no reason for the City of Palo Alto to expend any funds or any control or ownership to build or operate municipal fiber. That was the argument I was going to make and some specific reasons to that. I would presume with Google and AT&T moving forward apparently that you would be less inclined to do any of those things than you otherwise might have been. Please let's keep that in mind. As far as the specific proposals, I'm only learning a little bit about this dig-once rule, and I'm beginning to be a bit nervous about it. It sounds excellent to say, "Let's not tear up the streets over and over again." We've all seen this happen. It's a tragedy; it's stupid. If that rule were used to alter or manipulate the competitive landscape, I think that would be a mistake. We want competition here. We want different vendors coming in and trying to satisfy us. I think that's what we're looking to have. I hope that's great. I just would like you to make things continue in that competitive way and not become too interested in too much control or

# TRANSCRIPT

manipulation over it. As far as the expenditures you're considering to make, I can't really evaluate them. From one sense, it sounds like a lot. From one sense, it doesn't sound like much. You might consider waiting. I mean, if you're within a few weeks here of getting major announcements that might alter what you'd be spending and how you'd be spending it, you might consider waiting until that happens. It does seem after 17 years of discussing this, since 1998, to let a few weeks force you to make a decision. Be a little careful about that. What's \$1 million between friends, I suppose? Anyway, congratulations; you've been able to get some progress with Google and AT&T. Let's get Comcast to join the party too, and we'll be in business. Thank you.

Mayor Holman: Thank you very much. Jeff Hoel to be followed by Peter Allen.

Jeff Hoel: I'll take sort of the opposite point of view. I'm talking right into it now. When you heard the CTC report on October 28th, I think you discovered [audio break] reported real data, so you told Staff, "Go away and come back with the real data that supports this report," which I think is still necessary. I was expecting to see some of that data tonight, but I don't see any of it. At a couple of the CA [audio break] the CTC report says it's \$1,357, but Longmont, Colorado is able to do that for \$596 instead per premises. It would be really important to get the data to figure out why CTC thinks it costs so much more. At the November 12th meeting, somebody on Staff actually confessed, "We can't give you some of this information because CTC says it's proprietary." Now, that's a pretty revolting development, that you can't even look in to find out whether the report says the right information because the consultant that wrote the report says it's proprietary. I think that's really unsatisfactory. Regarding the recent CAC memo, I would urge Council not to put all your eggs in the basket of building the muni system as a co-build. I think that's still an experimental idea that we haven't received any substantiation from Google about. My feeling is we would be much better off to build our own municipal system and tell Google to take a walk. I'm glad that Vice Mayor Schmid put into the public record that if Council says Google shouldn't come, then Google has promised not to come. Thanks very much.

Mayor Holman: Thank you. Peter Allen to be followed by—I apologize here—Per Hjartoy.

Peter Allen: Good evening. Are we on? Good evening, Honorable Council Members. I'm Peter Allen. I've been a resident of Palo Alto for about 30 years. We are on the threshold perhaps of being able to repeat something that happened a little over 100 years ago; we created a utility. This time we

# TRANSCRIPT

could possibly create our seventh utility, information. I've leased dark fiber from the City from at least three companies that I've been with here in Palo Alto. I was a member of our fiber to the home trial. I know what it's like to have fiber service to your house. It's fantastic. Everyone in this town deserves it. I have actually been involved with this fiber to the premises or fiber to the home effort for over 15 years here, well over half of my 30-year stewardship here. For some reason, I feel like I'm qualified to tell you that your Citizens Advisory Committee knows what they're talking about. They're good people. I'd like to set in your minds a simple framework for the creation of a seventh utility this evening. Do you have more than one electric line coming to your house? Do you have more than one water line coming to your house? Is there more than one street in front of your house? This is a utility, folks. You're not going to have AT&T and Comcast and Google coming to each home. The first one who gets fiber to your house wins. You're done. What I'm asking you tonight in the words of one of our citizens in the audience, Bryan Reed, whom you may know from some of his career here in town. I'm asking you to not let the taxi company own the road. We need to own this utility. You can own the streets, but have the lights operated by another company. You can own the physical infrastructure, and you can have someone else actually operate it. We should build it. We should make sure everyone gets a connection. Those that want it can have it lit up. If FedEx owned 101 or the streets in our last mile here, do you think the United States Post Office would be competitive? Do you think Emery or all the other delivery companies would have a competitive advantage? I don't think so. Would PG&E—do you think they can be part of our last mile here? No, we own that. We deserve to own our own information utility. Please make this a partnership for us to own and someone else to operate it. Let's build our seventh utility and not let the taxi company own the road. Thank you.

Mayor Holman: Thank you. Per Hjartoy to be followed by Bob Moss.

Per Hjartoy: Good evening, Council. This is my first time in a Council meeting. I frankly thought I would never be here. I lived in the City for 11 years. I run a small business. Like many other here, I obviously deeply involved in technology. One of the things that I do do is I am often called upon as an expert witness in federal court as an expert. Obviously I'm used to dealing with bureaucracy and the legal side of things. I was like many others very enamored when I heard that while Google is going to come here because then that will hopefully shake up the landscape in Palo Alto. Most of my time here, the 11 years, I've been basically arguing and fighting with both AT&T and Comcast. I have ended up actually even being visited by one of the vice presidents of Comcast and could prove to them that they have a broken network. Why is this so important to me? I make my living out of



# TRANSCRIPT

relying upon a good network. Where my daughter lives, she has a very simple fiber with 100 megabits per second Ethernet which is not much on the fiber. Because it's a symmetrical job, the quality and what we can do on that little thing in her apartment at \$30 a month is just astonishing. What I work on today is what you will work and use tomorrow. We are in desperate need of getting a better network infrastructure. Unfortunately Google, which I thought would provide that, when you start to dig into the details of what actually they are going to deploy, that would not be sufficient. That is not adequate for the work that I do. It would not be adequate for what you want to do tomorrow. They have very different motives for why they want to put in the network. It does not jive with those of us who live in this City and create technology. We are really, really dependent upon that you are giving a neutral network that we can take on and deliver further. It's just like the speaker said, we need something. We need a single provider. We need the single into our house. I do not want that to be controlled by either AT&T, Google or anyone else. I want my public utility delivered, because this is my livelihood. This is my entertainment. This is what I do in this City. I hope you will consider taking charge of the network and provide us something that is neutral, that all of us can use for the best for the community. Thank you.

Mayor Holman: Thank you. Our next speaker is Bob Moss. If you want to speak to this item, if you could turn your card in by the time Mr. Moss is complete. Our next speaker will be Bob Harrington.

Robert Moss: Thank you, Mayor Holman and Council Members. Fiber to the premises is not a new concept in Palo Alto. The cable co-op was actively working on it 20 years ago. In 1999, we funded a study by Media Connections Group in San Francisco. They gave a cost estimate to put fiber to 100-home nodes, saying 100-home nodes is ridiculous. The industry standard is 1,000-home nodes. That's what AT&T, by the way, is talking about doing today. We wouldn't go for that. Doing 100-home nodes to the entire franchise area, Palo Alto, East Palo Alto, Menlo Park, Atherton, San Mateo County, would cost \$25 million. The bandwidths, download and upload speeds, would be far greater than anything AT&T or Comcast or Google is likely to offer you. Having high capacity internet connections is extremely valuable. It will make it much more attractive in Palo Alto for corporations to move here, especially those that are internet dependent where they provide internet services. It will allow an awful lot of people to do telecommuting from home instead of driving to work. It'll make government actions much more efficient. You'll be able to tie very high speed internet connections from City Hall to every government facility, fire stations, police stations, so on. There's a lot of benefits to getting it done and getting it done right. If you go out to talk to AT&T and Google and any

# TRANSCRIPT

of the other organizations, here are the questions you should ask them. How many properties will be serviced per node? Are you going to stick with the old-fashioned 1,000 units or will you be willing to go down to 100? What will the bandwidth be that's offered? What will the download speeds be? What will the upload speeds be? What speeds will you guarantee? A lot of these organizations say, "We'll give you 1 gigabit." If 12 people log on at the same time, the speed drops to a couple of megabits. When you talk to these organizations, find out in detail what they will offer and do they have real experience in providing it or are they just pulling things out of the air. Don't be afraid to debate with them. Don't be afraid to argue with them. Don't be afraid to ask for the finest, highest quality system you can possibly get. Also, we have a City-owned fiber ring. How will that integrate and what will that do to benefit the system that's set up? We need a lot of information from these organizations. Don't be shy asking for it.

Mayor Holman: Thank you very much. Bob Harrington—Bob, are you speaking for the CAC or for yourself?

Bob Harrington: Just for myself. We haven't really had any votes as a CAC in total. We have a memo that we've sent to Council that five of the six of us signed along with the Utility Advisory Commissioner. These are individual comments, individual thoughts.

Mayor Holman: If you're going to be here, there may be some questions for you later, too.

Mr. Harrington: Sure, that'd be great.

Mayor Holman: Great. Bob, carry on. The next speaker is Herb Borock.

Mr. Harrington: I'm Bob Harrington. I've lived in Palo Alto for 46 years and been involved with the fiber initiative for 16 along with Peter. The time has come for Palo Alto to choose a fiber network strategy for our City that will materially impact our community's communication opportunities for at least decades to come. Do we go with just the closed network guys or do we welcome them to town at the same time as we seek a cooperative agreement with one of them that results in an open, Citywide dark fiber network that our City can afford? The investment to expand our existing and very successful dark fiber network could come from just a \$20 million Fiber Fund Reserve which in turn has come from fiber user fees. There's no taxpayer money involved. The time is exactly right for a cooperative discussion leading to a framework of an agreement with one of the fiber network builders coming to town. Ideally this will be accomplished before your December 14th Council meeting. We suggest Council direct Staff to seek a cooperative discussion with Google and AT&T leading to a dig-once,

# TRANSCRIPT

pull-once agreement with one of them. I could either come up or you could ask questions at any point. Thanks.

Mayor Holman: Thank you very much. Herb Borock to be followed by Donn Lee.

Herb Borock: Mayor Holman and Council Members, a couple of speakers have said that it should just be a single fiber connection and that it should be owned by the City, that it's essentially an actual monopoly. The Citizens Advisory Committee Members are telling you that there should be such a single connection and it should be Google. I tend to see the memo from the CAC as Google negotiating with itself. That is what the memo suggests; although, it points out maybe it could be AT&T if not Google that the City should pay to enable Google to connect everybody. Not just residences which is what their \$300 sort of lifeline amount is, but connect that to everyone including businesses and have Google light up its fiber, but have the City not light up its fiber. Maybe it would use some of this fiber in the same way it's using the dark fiber for businesses who want more than the 1 gigabit that Google would be offering. I don't see the sense of that. A dig-once, pull-once idea works well if you pay directly for that rather than giving Google millions of dollars to connect everybody when it wouldn't have done that on its own. There are two things that you would need. First, I don't think you should have any more contracts with CTC unless they're willing to provide all the data that we've paid for. That includes the detailed numbers that would enable members of the Citizens Advisory Committee to evaluate the answers that CTC is giving us. In my letter to you on September 28th, I pointed out that some of their things don't make sense if you actually go down to find the original basis of their data. The second thing you would need is, if you're going to want to have someone else pull the fiber, you need a design of the City's network. I think that would be the first step. In the limited time I have left, I would point out that there may be a problem with Proposition 218 for having us to connect fiber to all the residences rather than just build out a dark fiber backbone that a contractor would then connect and light up the homes. That would be that if you're connecting to residences or businesses, you would have identifiable parcels that would be receiving a service. Even though the equipment might be coming from a contractor, I think you might be in a situation where it would be claimed that it be treated just like the other utilities where it would be subject to Proposition 218. Thank you.

Mayor Holman: Thank you. Donn Lee to be followed by Andy Poggio.

Donn Lee: Hi, I'm Donn Lee. I'm a member of the CAC, speaking as an individual about the dig-once, pull-once. The message is simple. You want

# TRANSCRIPT

to be an ISP? Let Google in Palo Alto. You want fiber conduit in our streets? That's fine. Just know that when the streets are dug up, the City will lay down its own fiber conduit opportunistically while the trench is open. If the City and the ISP can share in the installation fee and pay the installation crew, then everyone can save a lot of money. This is low-hanging fruit that we're going for, an incremental cost that significantly augments our fiber assets, like the City's existing small but mighty fiber ring which has been coined an economic success and continues to be a shining example of foresight and investment. To draw an analogy, when the patient is undergoing surgery, it make sense for one surgeon to perform two or three identical tasks. Not three surgeons and certainly not three trips to the operating room. This is just common sense. I urge you and other City leaders to take a firm stance with any third-party builder to spend the extra cost and calories to drop an additional City-owned fiber conduit with these next generation builds. Thank you.

Mayor Holman: Thank you. Andy Poggio to be followed by Stephanie Munoz, our final speaker.

Andy Poggio: Hi, I'm Andy Poggio. I'm on the CAC. Palo Alto is effectively currently served by a duopoly for internet services. That duopoly has not served us well. If we do nothing, we will be served by a new, slightly different duopoly. It'll be faster, and it'll be cost effective, but it won't always seem fast. In the '90s, 100 kilobits to your house was outstanding; now, it's sad. It won't always necessarily be cost effective. Commercial companies put a priority on their profit as they have to for their shareholders. The idea of a cooperative co-build done with presumably one of the future gigabit providers seems very attractive. It's mostly a negotiation. I think the right team from Palo Alto meeting with the right team from Google or AT&T can come up with something that's attractive to both the private company and the City of Palo Alto. Having that fiber in the ground ready to go gives us choices and opportunities and options in the future. Thank you.

Mayor Holman: Thank you. Our final speaker on this item is Stephanie Munoz.

Stephanie Munoz: Good evening, Mayor Holman and Council Members. I'm certainly no expert on any kind of technology. I walked into a place where I don't have a landline and asked my friend, "How do I position myself to use the Wi-Fi?" He looked at my computer and he said, "You're not wired for wireless." It completely blew my mind. I do have something to offer. I pay utility bills in several other municipalities around here. I have noticed that the PG&E has explosions in the lines, and they expect the ratepayers to pay

# TRANSCRIPT

for the damages of the lines. The water company gets water from the Santa Clara County water people, so we have to pay for two water delivery systems. The water company is making a lot of money on it. The phone company is worst of all. They took away popcorn; I really objected to that. Then they took away information service. Now, they don't even have information in the telephone book. Not on residences, only on moneymaking commerce that they charge extra for. I once had a town require that I get a garbage service that I did not need because I wasn't—that I didn't need. If I didn't pay it, the bill went on the tax bill as a lien against my house. I would say for goodness' sakes don't accept a private company's control over something that's necessary or going to be necessary to everybody. Don't go into some kind of public and private partnership. It's not so much that they're smarter than you are, but they have infinite resources to spend on getting a better deal than you think they're getting. I would say control it please. It's something we're all going to need. Please do it whatever way that these intelligent people have suggested that you do it to retain control for the members of this community. Thank you very much.

Mayor Holman: Thank you all. A time check here. I think the Council indicated earlier by its lack of objection, I would say, to complete tonight's agenda. It is 10:27, and we do have a great number of people here to speak to the next item. Let's do try to be efficient. Council Members, I see no lights. I think why don't we do questions, comments and motions.

Mr. Keene: Madam Mayor, could I just say something again, just for a second? I feel that there's a sense of urgency here. The Staff feels that also. If we could focus on being strategic and clear about which direction you want to go in and where you want us to put the priorities and try to ask questions as much as possible designed to say this is direction we want to go in, I think that would be helpful, I mean be the most efficient use of time. Even just with the speakers here, you've heard a continuum of potential options. I would like us to know that we're walking away knowing that this is the direction we really want to go in first, and there may be some tertiary or secondary components of that. That would be really helpful.

Mayor Holman: Thank you. We will try to do three-minute rounds here, again, to try to be efficient.

Council Member Scharff: What are we (inaudible).

Mayor Holman: Questions, comments and motions, all combined. You're first.

# TRANSCRIPT

Council Member Scharff: First question. Is there anything in the Staff recommendation that doesn't address your issues? What exactly do you need direction that's not in the Staff recommendation?

Mr. Keene: What is in the Staff recommendation are some assumptions responding to the original motion, but then things have sort of shifted a little bit since then, so there's some missing components. I think our perspective is that we are charged with keeping alive the opportunity to respond to Google on their potential to provide service when they proceed with their sort of formal announcement and request. At the same time, the option that Bob Harrington was talking about, I think, is a clarification or a refinement from the Council motion. If we want to proceed on that which, I think, we think has value, we need to get some specific directive. One, on these immediate conversations with Google to clarify the potential to run fiber essentially concurrently with Google as they deploy with a goal, as I understand it, of us actually providing 100 percent or ubiquitous access and coverage in the City. We can get into that more detailed, but I think unless we're off base that's the main focus of where the Staff's thinking is right now.

Council Member Scharff: What I heard you to say ...

Mr. Keene: If you were to just say—one other thing. If we were to say let's just forget Google and proceed with a City utility, that would be going further than the Council had already directed us and the potential that we need to own up to the fact that we're letting go of other options we'd want to get really clear from the Council.

Council Member Scharff: If we went ahead and went with the Staff recommendation, which would be to prioritize getting the agreements done with Google, making that happen. You'd be concurrently working on that and the Staff motion. The only clarification then you'd need is that we want you to go ahead and work with Google to pull the fiber at the same time? (crosstalk)

Mr. Keene: Restate it this way. The concept that CAC Members were addressing, as best that I can understand it, is Google is saying that they're interested in coming here. We have all signals to say that they are coming. They won't probably provide 100 percent coverage. We've gotten estimates of 80 to 85 percent. Their recommendation is we need to reach an agreement with Google as quickly as possible to be able to lay—to have them help lay dark fiber essentially, ultimately to 100 percent of the City. We can get into that in more detail. They've got some different

# TRANSCRIPT

recommendations in their letter, but they are all doable potentially within the funding we have. It's a question of being able to reach the agreement.

Council Member Scharff: Then I'll move the Staff recommendation and add in that we clarify that we want to move forward with—it's either Google or AT&T; it's not just Google. Either Google or AT&T, and lay our fiber at the same time. Have discussions ...

Council Member Kniss: Did you get a second?

Council Member DuBois: Second.

Mayor Holman: I think Liz was offering a second, were you not?

Council Member Kniss: I offered a second.

**MOTION:** Council Member Scharff moved, seconded by Council Member Kniss to:

A. Approve Staff's plans to pursue the following work concurrently:

i. Response to Council Motion on Municipal Fiber and Wireless:

Staff has developed the Work Plan set forth below to address, by the third quarter of 2016, the Council's September 28, 2015 Motion (the "Council Motion") requesting clarification and additional work in connection with the City's Fiber to the Premises ("FTTP") Master Plan and Wireless Network Plan; and

ii. Third Party Provider (Google Fiber, AT&T) Negotiations: Staff is continuing discussions and negotiations with third parties considering new service deployments in Palo Alto, including both Google Fiber (potential citywide FTTP network) and AT&T (GigaPower service), and is currently targeting the end of 2015 through Q1, 2016 for Council consideration of necessary agreements and approvals; and

B. Approve a temporary contract position for a Fiber and Wireless Senior Program Manager, dedicated to Fiber-to-the-Premises and wireless initiatives, in the amount of \$228,000 annually, \$684,000 for a period up to three (3) years; and

C. Approve and authorize the City Manager or his designee to execute amendments to two contracts with Columbia Telecommunications Corporation dba CTC Technology & Energy ("CTC") as follows:

# TRANSCRIPT

- i. Increasing the not-to-exceed amount for Contract No. C15152568 (Wireless Network Plan) by \$94,490 from \$131,650 to \$226,140 (includes a 10% contingency for the provision of related additional, but unforeseen consulting services) and extend the contract to June 30, 2016 to develop a Request for Proposal for dedicated wireless communications for Public Safety and Utilities, in addition to evaluating the expansion of wireless access in retail areas; and
  - ii. Increasing the not-to-exceed amount for Contract No. C15152569 (FTTP Master Plan) by \$58,850 from \$144,944 to \$203,794 (includes a 10% contingency for the provision of related additional, but unforeseen consulting services) and extend the contract to June 30, 2016 to provide technical analysis of the Request for Information (RFI) responses and any consulting services needed to help develop a "Dig Once" Ordinance for consideration by the Council; and
- D. Approve a related Budget Amendment Ordinance in the total amount of \$172,850 for Fiscal Year 2016 from the Fiber Fund Rate Stabilization Reserve; appropriate \$114,000 to fund the temporary Fiber and Wireless Senior Program Manager position for the second half of FY 2016 and \$58,850 to fund the CTC contract amendments for FTTP; and
- E. Move forward with either Google or AT&T to have discussions to concurrently lay City fiber.

Mayor Holman: Council Member Scharff, would you care to speak to your motion?

Council Member Scharff: I would. From my perspective, I think what this motion does is have Staff go ahead and do all this concurrently and have the funding to do what we need to do, to not foreclose any of these options. I think it's really important that we not be the Council that stops Google from coming to Palo Alto. I think that's—I do think we need to be a little careful of that and a little concerned about that, given that we are at the edge of where they are. It's easier to cut back from the edge for some reason. I just want to make sure that you now have the resources and the direction to go ahead, have those negotiations. I also think that laying a conduit as the CAC has said is a good idea and explore those with both AT&T and Google, and let's move forward on this. I really appreciate you bringing this forward to us for clarification. I mean, I think if in response to the Council motion, for instance, you'd interpreted it and not gotten the agreements ready with



# TRANSCRIPT

Google and not gotten that to move forward, I for one would have been very unhappy. I'm very glad that you did this and that you came for clarification and all that. I think that's great.

Mr. Keene: Can I just add something again to this? I think this is important. I'm glad that you didn't even get into the details of the Staff recommendation. I really think the issues of any budget amendments for capacity with the consultant or even our need to bring in on-Staff expertise are really secondary. I mean, they're just implementation or tools we need to have. We may not even need to proceed with them as we're asking to have the authority. The real question for you right now is to say what you said, that you don't want us to let Google, at least unconsciously, slip away from the City and for us to pursue this co-build kind of option as the CAC Members have put forward. That's where we need to put our energy. There were other directives about doing more detailed analysis and comparison of the consultant to CTC, a consultant's study about getting the RFI issued which is really a way to concurrently, as I understand it, sort of test the marketplace for the interests of different approaches that people might take. I think that that's secondary to this primary directive that you're giving us right now. Over the next month, next four to six weeks, that seems to be the most important thing that we ought to be doing.

Council Member Scharff: In terms of actually saying—if we could just bring up ... Would it make more sense to say—could you just bring it ... To move forward with Google—just leave it where it is. To move forward with either Google or AT&T to do a co-build, should we just say that or do you want to say to concurrently lay City fiber? What's the best language to get that right?

Mr. Keene: Maybe Jonathan and folks need to jump in. I'm going to get out of my expertise here at all. My understanding is that the approach and the scale of what Google is potentially thinking about and AT&T are thinking about are pretty significantly different really. I don't think they necessarily would apply to an either/or as if it's the same sort of thing. I mean, I think the option of a co-build reaching 100 percent of the City, as I understand it, is much more possible with Google than it is with AT&T, that they have their own sort of strategy about what they're going to (crosstalk).

Council Member Scharff: I just didn't want to limit your negotiations.

Mr. Keene: Good. I just wanted to be clear that we'd probably be tilting in one direction more than the other, unless we were surprised by AT&T.

Mayor Holman: Council Member Kniss, speak to your second?

# TRANSCRIPT

Council Member Kniss: Let me go backwards to speak to the second. It's now been almost 20 years since the fiber was put in, in Palo Alto. As I recall now, it's 41, 42 miles. Other people are making a lot of money on that, by the way, as you probably know. Given that and also, is Bob Moss still here? There he is. He brought up Comcast which was interesting. That's an even longer time ago and even then revisited again. Bob Harrington also and I have talked extensively about this. He actually was part of an experiment, I think—if Bob's still here—in about 2009, 2010. Am I right? Somewhere in there.

Male: (inaudible)

Council Member Kniss: Which was very successful at the time. Again, because of what happens in the market and because of what happened with the recession at that point, that also disappeared. This may not be perfect, what we're doing tonight, but at least it moves us forward. We know at this point that Google is at least interested. We don't know exactly what their commitment might be. I think it's important that we move forward with this. This has been a long time. We've discussed this many times. We had a technology committee three years ago which got disbanded. The time is right for this. I think that the timing is correct, especially as far as the economy at this point. I would urge—I'm sure there are going to be more suggestions, but I would urge us to vote yes on this.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: I just have a simple economic question. A couple members of the audience brought it up. If we co-build with Google, after a certain period of time we will have our dark fiber passing every premise, connected to 85 percent of premises, but it will be dark. Google will have a lit fiber. As soon as you light the fiber, you start income streams. Over the last ten years, every consultant that's come in, that we've asked to help us build out. They want the income stream. Our we allowing Google to preempt the most valuable thing, the income stream? Will be here five years from now saying, "We have a great dark fiber thing, but we're losing our small businesses. We're losing our telecommuters, and maybe even our big businesses." We'll be spending money each year and having fewer and fewer options for the future. Does a build-out with Google preempt our future?

Mr. Keene: We actually may want to have someone from the CAC also jump in now. Respectfully, the question presumes we have an alternative where we actually have built and provided as a utility the service ourselves directly

# TRANSCRIPT

to everybody in a way that we're the ones who ultimately light it. That's still a big jump at this moment from where we are right now.

Vice Mayor Schmid: Are we giving up that possibility by this vote tonight? That's my question.

Mr. Keene: I don't want to speak for the CAC's thinking on this. My understanding is that providing dark fiber allows for a range of possibilities for the City in the future.

Vice Mayor Schmid: Except there's no income stream to provide it. The customers, the providers are flocking to Google. What leverage points do we have?

Mr. Keene: Go ahead.

Mr. Reichental: I'm not sure I understand. As a homeowner, you'll have choices. You won't have both. If there is a City-provided service at some point, a person will have to choose that over Google fiber, thus having to pay for that service, so the Google service is no longer. They'll have multiple choices. The City will only get the revenue opportunity if we have a take rate with people actually buying the City service.

Vice Mayor Schmid: Are we competing with Google for providing services?

Mr. Reichental: We would be if ...

Vice Mayor Schmid: We would be?

Mr. Keene: I think that all depends. I think these are parts of the conversations that we would be having with Google on the timing. Obviously, they're not just going to lay dark fiber and not light it up and provide a service. We're talking, as I understand it, providing concurrently with them, them running dark fiber which it's unclear as to how long that would stay dark. Clearly we would want to have some potential for that not to be dark forever. Those are sort of details, I think, that we've got to be talking through with Google. Obviously, it's probably a different situation for them if they said, "We're going to lay fiber and we're going to light it up instantaneously when you do," would be a different conversation than if it's some point in the future.

Vice Mayor Schmid: Before we enter into any agreement with Google, we will have that discussion? Terms of a contract.

Mr. Keene: I think all of this is predicated on getting really clear with Google about what we could potentially jointly do together as soon as possible and

# TRANSCRIPT

knowing the boundaries of that. That's where the emphasis ought to be right now in the nearer term. Obviously depending upon how that goes—I mean, that has to come back to the Council anyway. If we reach an agreement, it's going to have to come back to you all. If for whatever reason we don't reach agreement, then that's other information that informs where we go from there.

Molly Stump, City Attorney: Thank you. City Attorney, Molly Stump. I think it's also important as a background information for Council to be aware that Google and AT&T don't need a contract with the City in order to come here and build their infrastructure in the public right-of-way. State and Federal law give them various rights to have access to that type of activity subject to time, place and manner restrictions, reasonable payment of fees that are limited by law, etc. There is not a requirement for them to reach a contractual agreement with the City in order to come to the City and provide service here.

Vice Mayor Schmid: The question is how much do we compromise in order to reach some agreement with them. What do we give up? I guess it's important that we know that upfront.

Mr. Keene: I think that the CAC memorandum lays out some basic approaches and concepts. I think actually the memo itself even mentions that the devil's in the details. There will be a lot of details that we've got to start to flesh out. That's, again, why I think from the triage perspective, our sense is that's where we ought to put our attention in the nearer term, just given the timing.

Mayor Holman: Thank you. Council Member DuBois.

Council Member DuBois: I did send in some questions to Staff late. I would appreciate responses to all the Council Members to those questions. I don't want to use up my time asking them all now, but I'll ask one. Is Google planning to use the City's communication space on the poles? If they are, how much would be left for the City? Are we charging them for that use?

Mr. Reichental: We talked about that question today at some length. Google would be using our space. As we talked through it, we realized we had some additional engineering questions to ask of Staff who were not available. We will write that up and send that to all Council Members in full detail.

Council Member DuBois: Thank you. On the consultant, I don't think it's secondary. I actually think it's really important that we get some in-house

# TRANSCRIPT

expertise as quickly as we can. Whether we go with Google or not with Google, I think it'll help.

Mr. Keene: I don't mean to interrupt. I didn't mean to make it secondary. I meant it's secondary as to what the Council talks about today, hoping you'd give us the authority.

Council Member DuBois: Who would the consultant report to? What ability to make decisions would they have?

Mr. Reichental: I think upon approval tonight, tomorrow we'll start talking about that. There are a number of different models for bringing on a person. It can be a consultant. It can be a contractor. There's varying levels of how we might do it. We'll determine those very quickly after today.

Council Member DuBois: I'd like to see us really hire an expert and unleash them, benefit from their expertise, however that works. The idea behind the dig-once ordinance was that it would apply to AT&T and Google. If it's not in place before these agreements are signed, can we include it in the agreements or do we need to have an urgency ordinance to make it apply? It wouldn't make sense to pass a dig-once ordinance and have them grandfathered in before those agreements were in place.

Ms. Stump: There are a couple of different options to accomplish various pieces of what the Council has as a goal here. Things can be done through agreement or they can be done through some combination of agreement and ordinance, which is a law passed using the City's police power that applies generally and is generally imposed unilaterally, not by consent, not by a mutual exchange of value. I think it makes sense for at least initial conversations to occur around potential agreement. Then we can look at whether there are pieces that are more appropriately put into place through ordinance.

Council Member DuBois: I did hear you just say that they have the right to the public right-of-way. It seems like if we had that ordinance in place, it would give us some rights as well. That's certainly the intent here, that it would apply to these providers.

Ms. Stump: Yes. I think at least in terms of a notice and right-of-way coordination type, if that's what you mean by dig-once, Council Member DuBois, that's fairly straightforward. There are other types of features that some municipalities are putting into ordinance form that have greater requirements. They may require actually installation of conduit, typically by developers developing green fields, but we're looking for examples of other types of provisions. The very simple baseline requirement of notice and

# TRANSCRIPT

coordination is something that can probably be done very quickly. It sounds like that might give the Council some comfort so we can run that piece in parallel with conversations about more substantive building activity. Does that make sense?

Council Member DuBois: Yeah, it does. I just want to underline how important I think this decision is. We have decisions on single buildings and have long debates, but this is something that will impact 31,000 premises for 30, 40, 50 years. I think it warrants some time and some rigorous kind of debate. Again, from my perspective, I think we have three high level policy decisions. Does the City want to ensure ubiquitous access? The last time we talked about this, we said yes. I still feel yes. I think we're talking about insurance that the City has some long-term input over this utility of the 21st century. When we talk about dark fiber to the premise, it's insurance. I think we should go into a collaborative discussion with Google and AT&T and see if they can understand that desire. Those conditions about when it would light, when it wouldn't light, I think are really based on an understanding of coverage and quality of service and pricing. I think the idea is to really not have a negotiation, but really have a collaborative discussion and make it clear what our concerns are. I think the third question we need to ask ourselves is do we want to make sure that the City's dark fiber service remains competitive. Again, while the road is being torn up for all this fiber construction, I think we should be laying in capacity for our own dark fiber. At the same time, if we have this expert—we haven't really talked about it—I think we should look at our pricing model for dark fiber, are we marketing it. We're in a boom economy right now, and revenue is kind of flat. I'd love to see it be growing. I think that'll address a concern about does that business go away. I think if we ignore it, it could go away. I kind of heard new information tonight. I mean, before we heard AT&T was going to do a Phase 1 to fiber 10,000 homes. Today was 50 percent and that Google was going to go to 85 percent. Now you're saying 100 percent. I was very concerned kind of before tonight that we had 5,000 homes in Palo Alto that weren't going to get broadband. Even with them saying 100 percent, I'd like to know how we ensure that happens. AT&T may be saying 50 percent; what if they come in and do 20 percent? Again, I think that's where this idea of dark fiber insurance comes into play. We're sitting here five years from now, and everybody's moving to 10 gigabit service. We'll have some insurance. I also have seen Google say that they'll build in two to three years, but I haven't seen any commitment to a start date. Again, there's several agreements that were mentioned in the Staff Report. I'm hoping we see those and we'll have an opportunity to discuss those. Some of San Jose's are public already. It seems like it's all moving very quickly, and those are going to be substantial agreements. Again, as part of this collaborative discussion, I think we should talk about what

# TRANSCRIPT

happens if we give them these agreements and they don't start construction for a year or for two years or for three years. What happens? They're committing to a lot of cities, but I think they only have three turned on at this point. I think it might be useful if we prioritized fiber and wireless, because I think we are trying to do a lot of things at the same time. The expansion of Wi-Fi to the parks and other buildings, a lot of cities have negotiated for free Wi-Fi with Google. I would not expend money on that with CTC until we get clarity from Google. We may find that we just get Wi-Fi in our parks for free working with Google. I don't think any of these comments really change the motion, but I think, Jim, you were kind of saying let's have kind of a discussion. That's kind of some of my feedback on things to focus on. If we move forward with this RFI, I hope it does come by March, and ideally quicker. I think, again, there's some time pressure here. We had some speakers say it's kind of the first one in the ground. There were also three months to evaluate responses to that RFI. Is that normal? Does it usually take that long when we issue an RFI?

Mr. Keene: I think so. The reason we put a range in there is the RFI scope had multiple aspects to it. I mean, it was a muni-owned and out source of public-private, Google in, Google out. To the sense that we're able to either simplify or streamline some of those things, we might be able to get some of it done faster.

Council Member DuBois: I think the original intent in September was that RFI would be out before we had these Google decisions. If it's coming March of next year, I think Google in or out will be decided at that point. I think that's it for my comments.

Mr. Reichental: Can I actually respond to a couple of items real quick?

Mayor Holman: Sure, of course.

Mr. Reichental: I'll do it real brief. Just because you asked the questions, I wanted to be able to answer them. Any discussion of Google coming and everything is clearly we are speculating, but they're giving positive signals. It's not 100 percent in terms of coverage. They said they would try to pass every home, maybe with the exception of some homes up in the Foothills that were hard to reach. It's a little less than 100 percent.

Council Member DuBois: That's news from even last week. That's like 500 homes, not 5,000 homes.

Mr. Reichental: Yes, it is. That's right. We're getting the information pretty real-time too. In terms of building, we'll wait for Google to make formal what their determination is. If things progress, they would want to be

# TRANSCRIPT

breaking ground mid-year of 2016. To complete the entire network, they project about a three-year building. I did want to clarify one thing about the build. I brought this up last time, but I don't think I made the point. I was poor in how I communicated. There are two potential gigabit providers and a third with Comcast potentially in the future. Their builds in the way they're going to do it are entirely different. It's material because it impacts the way and the outcome of a potential negotiation. With Google Fiber, they will build everything as in there's zero footprint in Palo Alto. Every single strand of fiber underground, on poles, every bit of equipment, everything. With AT&T, they already have a fiber network in Palo Alto. They provide an existing service to homes today. Their giga fiber—I think it's called giga fiber.

Council Member DuBois: Power.

Mr. Reichental: GigaPower, sorry. Their GigaPower service will simply be an upgrade to an existing installation. What we understand based on what they've presented to us is there are existing communication boxes in place all over Palo Alto, thousands of them. They will place a second box beside it. Their work will simply be those boxes and the wire into the house. Negotiating with AT&T, keep in mind we can't lay cable around the City with them, because they're just simply not doing it. We will come back obviously with the outcome of any discussions we have. They're going to be very different as you can imagine.

Council Member DuBois: Just one last comment. I think, again, hiring that network expert to design a City network so that if we lay this dark fiber, we know it will be a viable network in the future and kind of overlay it with those builds and see where, when they're doing construction would it make sense to pull Palo Alto fiber as part of this other design that's our own. Again, that's why I think we need an expert kind of as soon as possible.

Mayor Holman: Thank you. Council Member Wolbach.

Council Member Wolbach: Just, I guess, a couple of questions, comments. I think I will be supporting the motion. I just wanted to make sure I get clarity from Staff that things I'm going to mention are—make sure I'm clear on a couple of things and that the motion captures these. First, with the dig-once ordinance, I guess one of my questions is should we put the dig-once ordinance on hold while we're doing the negotiations or should we just leave it open to Staff to be flexible in how they consider what that might consist of for the time being so that we don't tie your hands around the dig-once ordinance.



# TRANSCRIPT

Ms. Stump: Council Member Wolbach, I don't think we'll be on hold with anything, but we have lots and lots to do. Council's last meeting for the year is on the 14th of December. We will not be bringing it then. That packet is published three days from now. We will be talking about January at the earliest. I think that initial discussions will have begun at that point, and we will be able to figure out what is an appropriate timing, I think. We may need to come back to you for clarification with respect to various possible features of an ordinance.

Council Member Wolbach: Obviously you'd mentioned before we can't really tell somebody you can't come in. It's going to be difficult for us to have a high level of requirement placed on them, I would imagine legally. As Council Member Scharff said, we don't want to be the City that stops Google Fiber from coming if they're able to come soon. This question of Google going to all but 5,000 homes or even all but 500 homes, hopefully that's getting higher, more ubiquitous access. Hopefully that's part of what the City can negotiate. Obviously, I think we all agree that having access for as many Palo Altans for whatever fiber system is out there, I think that we all agree that that's a goal. Hopefully that's open to negotiation based on the motion as it stands right now. Potential. Let me rephrase. The motion and the direction to Staff through this motion allows Staff to negotiate with Google for higher access and more ubiquitous access to broaden from 85 to 95 or even 100 percent of homes.

Mr. Keene: I haven't read it, but that was certainly the intention that we had. Obviously again, the CAC letter to you actually had some specific recommendations about being able to close the gap, if you're 100 percent, that actually might have some benefit to kind of incentivizing other aspects of the conversation with Google. We'll just double check, but I think we have that in there.

Council Member Wolbach: Just let me know if we need any amendments to give you more opportunity to negotiate on these priorities.

Mr. Keene: I think we're good. I think we're going to have to come back to you all for your approval of anything we put together.

Council Member Wolbach: I'd certainly encourage at least keeping that under consideration. Sorry. One other thing I guess I just want to make sure it's really clear and what we're giving you allows you to negotiate is the option—I think we were kind of hinting at this; I just want to be clear—potentially in exchange for helping us lay our fiber network, lay our own next to theirs, a third-party company like Google, we might potentially be able to negotiate that we would keep ours dark for X number of years while they

# TRANSCRIPT

make enough revenue that it's worthwhile for them working with us and helping us get our stuff out there, that that's the kind of thing that would be open to negotiation. Correct?

Mr. Keene: It's like any agreement; it takes two to tango. There will be a lot of back and forth.

Council Member Wolbach: Again, especially based on our last motion, I just want to make sure we're not tying your hands. Again, one of the reasons I think that's important is that our Utilities Department probably is not in a position right now to handle—as great as our Utilities Department is, they are pretty overworked, and we're going through some transition there. They're probably not in a position to handle setting up and running our own lit fiber network to all Palo Alto homes in the next few homes for sure. I think that's something also worth considering during those negotiations. I'll be supporting the motion. Thanks for clarifying that it doesn't tie your hands.

Mayor Holman: Thank you very much. With that, there is a very lengthy motion, so pardon me for not reading through the whole motion. It is the Staff recommendation moved by Council Member Scharff and seconded by Council Member Kniss to approve the Staff recommendations. With that, vote on the board please. That passes unanimously.

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

Mayor Holman: While we do have some shuffling probably of members of the public, I do want to thank everyone for coming and also for your patience as we work through a long agenda this evening. Thank you very much.

21. PUBLIC HEARING: Adoption of an Ordinance Establishing a Single Story Overlay District for 72 Homes Within the Greer Park Tract Number 796, by Amending the Zoning Map to Re-Zone the Area From R-1 Single Family Residential to R-1(S) Single Family Residential with Single Story Overlay. Environmental Assessment: Exempt From the California Environmental Quality Act Per Section 15305. The Planning and Transportation Commission Recommended Rezoning Only the 47 Parcels With Frontage on Metro Circle and Moffett Circle.

Mayor Holman: With that, we move to Item Number 21 which is the Greer Park single-story overlay. Adoption of an ordinance establishing a single-story overlay district for 72 homes within the Greer Park tract by amending the Zoning Map to rezone the area from R-1 single-family residential to R-1(S) single-family residential with single-story overlay. The Planning and

# TRANSCRIPT

Transportation Commission recommended rezoning only 47 parcels with frontage with Metro Circle and Moffett Circle. Does Staff have a presentation? I know there are members of the public who want to speak to this item, but I don't have the cards yet.

Hillary Gitelman, Planning and Community Environment Director: Mayor Holman, Hillary Gitelman, the Planning Director.

Mayor Holman: Excuse me just a second. If members of the public who are here for the last item, if you would move to the lobby, it would help us be able to move forward with the next item. Including City Manager Keene. Staff, thank you.

Ms. Gitelman: Thank you, Mayor Holman. Hillary Gitelman, the Planning Director. We're getting our presentation organized. We do have a brief PowerPoint, and then we'll turn it over to public comment. Mayor Holman, Council Members, I'm Hillary Gitelman, the Planning Director. I'm joined by Amy French who's been handling these single-story overlay applications for the department. I'm going to turn this over to her for a brief summary.

Amy French, Chief Planning Official: Good evening, Mayor and Council Members. This may not be as brief as the last time I spoke to you on the Los Arboles, simply because there is a bit more discussion for this one. The goal of single-story overlays, of course, is to preserve and maintain predominantly single-story neighborhood character. They end up with common home remodeling constraints. In this case, because it's a flood zone, the 17-foot height limit that is normally put in place for single-story overlays can go up commensurate with the amount of fill that is needed to get the finished first floor up above the base flood elevation, in this case 10.5 feet with a maximum of 20 feet above grade for those new homes.

Mayor Holman: Would you state that again please?

Amy French: Yes. It's a bit complex; there's a formula. New homes in a single-story overlay typically are limited to 17 feet in height. In a flood zone, because there's a base flood elevation of 10.5 feet in this case, in this neighborhood, they're able to go above 17 feet by half of the additional height needed to raise that finished floor of the first floor to the 10.5-foot base flood elevation level. They're getting their first floor above the floodplain. For that they get to go above the 17 feet incrementally based on the formula up to a maximum of 20 feet. It's that complex. I just wanted to make sure that point was made. I'm going to go ahead and forward this to the neighborhood. Greer Park North is part of the larger Greer Park tract which began with the Van Auken Circle single-story overlay back in 2002. This would be the other half of the tract completing that single-story overlay

# TRANSCRIPT

for the entire tract. As you can see here, the Van Auken single-story overlay does also include homes along Amarillo and Greer Road. The Greer Park North proposal has two circles, and these homes along Greer and Amarillo. Whereas, the Van Auken had one circle and those same types of arrangements there on Greer and Amarillo. In fact, they're similar lot sizes there along Amarillo. There are six two-story homes within this proposed boundary. You can see them in pink highlight there. Overall, the boundary contains a support level of 72 percent based on the initial application that came in, where a 60-percent support level is required. The reason only 60 percent is required is because there is a deed restriction for this neighborhood dating back to the 1950s that has an automatic clause after 25 years that goes consecutive ten-year terms into the future, unless a majority of the homeowners come forward and say, "We want to remove this limitation." That has not happened. One thing I might say, because this came up as a topic, is the support level within the circles, Metro and Moffett, are at 74 percent and 75 percent. This is higher than the support level outside the circles on Greer and Amarillo. Amarillo is 70 percent; Greer is 66 percent. The Planning and Transportation Commission was actually concerned about the support of two-story homeowners and mentioned that in the Minutes and the report. They recommended a single-story overlay for the 47 homes of the circles, excluding the Greer and Amarillo homes. They were also concerned about the limitations on the future homes in a flood zone on the smaller lots. They also stipulated that the building application on file for this home at 1066 Metro, which you may have remembered came through as an appeal sometime in the past year, that that should be allowed to go forward with its height which is currently proposed in a building permit application as a 23-foot tall home. This shows you—one of the things the Planning and Transportation Commission asked for was a map indicating the votes and the absentee owner properties. We prepared this after the Planning Commission to include with the CMR that's in your Staff Report. We did also receive a flurry of communication today as well as one that came in in time for the packet, concerned about this overlay. In conclusion, Staff does recommend that the Council support the original application which is to complete the tract. I wanted to make one note in that this PowerPoint does say 6,000 to 13,000. Further research showed that with the addition of the Seale Canal which was filled in sometime in the 1990s, this little strip along here was added to these homes. While the original properties on this side were more like 13,000, fairly large, they got even larger with the addition of this canal. This one here, I believe, is a 17,325-square-foot lot. That concludes Staff presentation. I know the applicant has some presentations as well as some other interested parties.

Mayor Holman: Thank you. David Hammond is the applicant, and you will have up to ten minutes. Can I suggest that because we have already 17

# TRANSCRIPT

speakers, if you want to speak to this item, that you do so in the next couple of minutes. Thank you very much. Welcome David.

Public Hearing opened at 11:13 P.M.

David Hammond, Applicant: Thank you, Mayor and Council. I'd like to get my—it's coming.

Mayor Holman: If you'd be sure you speak into the microphone, it's a little low for you. There you go.

Mr. Hammond: Again, good evening, Mayor and Council. I'll be as brief as I can. Things have changed a little bit. We still have the 72 homes, R-1. We are in the floodplain, and we do have the CC&R. Someone will tell you a little bit later in their presentation that has a ten, 25-year limitation. You have it in your packets from our original application, the actual CC&R. What it says is 25 years plus ten-year extensions until somebody turns it off, basically. It is in effect. We have had a couple of defections, and so now we have 51 yes for a total of 71 percent. The boundary was chosen—originally we thought about only Metro Circle or only Moffett Circle, but the boundary was chosen because it was indicated in the ordinance that it should be logical and it should be ... We saw it as filling out what had already been approved for the rest of the tract. Van Auken Circle was approved with 61 percent. What we've done. We did the letter of information. We got the petition which, as I understand it, is a contract. The people that signed that contract, signed a petition saying that all 72 homes would be in what they signed. I don't know if someone takes part of that out, whether that petition is still valid. I just don't know. That's something that someone else would have to comment on. Hopefully you will reinstate the thing. Sixteen of the owners are nonresidents, so if we want to look at the percentage of approval, it is over 80 percent of those who are resident. This sort of describes this. You'll see from the presentations that we're—first of all, most of our homes have been remodeled one way or the other. You start with a three-and-one, and you have kids, and the three-and-one doesn't work anymore. Most people have added bedrooms and bathrooms. We are multigenerational, multiethnic. We have young families with newborn, one this year. We have some of us that are like me, that are seniors. I'm probably the oldest. We have ownership longevity anywhere from one year to 50 years. That's what we looked like originally; those are the original homes. We understand what the limitations of an SSO are that it will allow us to maintain scale. It'll keep the homes within 20 feet high. If we don't have it, the homes could get 30 feet high, and they'd be two story. We also understand that it will not give us design compatibility. We hope maybe in the future it will do that. We disagree with what the, all in good faith,

# TRANSCRIPT

Planning Commission did. What could happen if this stands is that one would have two rows of tall houses that would be affecting the rest of the ones that are limited to two stories, er, one story. We disagree with three of the things that they assumed. One is that the lots on Greer and Amarillo are all small lots and the circles are all larger. That's not true. We disagree that you can take votes away from a two story; I think one could easily disagree with that. We also disagree that—we'll show with some presentation after mine—automatically when you get an R-1(S) zone, you're depreciating the value of the homes. I think history will show and we will show that that's really not the case. The small lots. First of all, on Greer all the lots were not small. The ones at the ends are—if you say a small lot is something between 6,000 and 7,000 square feet, the ones at the ends are greater than that. One's eight-plus and the other is seven-plus. Also, there are small lots within the circle, as many small lots in the circle as outside of the circle, roughly. 65 percent of the total lots in the project are small. Bounce it up a little bit if you want to play with numbers. 82 percent of the lots are within 9,000 square feet. The top one, we just disagree with taking the vote away from someone. Actually two of the people that have changed their votes are two stories, so now we only have three two-stories that are yes. Sorry, it's a little bit late, and my mind's failing me a little bit here. We'll show in a minute the study done by David Hanzel, who's here, that actually it isn't true that value goes down. In fact, it stays about the same. There are three owners that want to opt out, and they'll speak for themselves, I'm sure. They are listed there. The one at 1032 Amarillo and 2797 Greer, the lots are very small. I agree, but there are similar lots in Van Auken that I can show you which is an SSO on Greer, same orientation and so forth, that have been able to add to their homes as one story. By the way, the allowable building area for a one story is greater than for a two story. That's a little hard to achieve, however. Here's three examples. It also gives you some other information about value. 1002 Amarillo, which is right near—the arrow points to where the examples are. 1002, it's larger. It sold just a couple of months ago for \$2 million. 990 Amarillo is bigger, and it sold the next month for \$2.6 million. One is able to build a five-bedroom, two-bath house on a lot that's just a little bit greater than 6,000 square feet. There are alternatives for people in a one-story build. Lastly, sort of the king of all, 984 Amarillo, I found out today by going to the Development Center that it's actually 2,300 square feet, five bedrooms, three baths. It's just completing construction. The way they do this is they don't rebuild the whole thing. They build it in so-called minor additions. You build an addition that is 50 percent value of the total house value, then you can build it without going to the flood zone requirements. That's what people have done basically throughout that circle. Here is a very outstanding—this is in our SSO; it's on Greer. It's an outstanding, in my opinion, a really outstanding remodel. It's 2,100 square feet, five bedrooms, four baths,

# TRANSCRIPT

cathedral ceiling. It all comes down to good design can solve just about any kind of a problem. Lastly, please restore our full SSO as recommended by the Planning. Thank you very much.

Mayor Holman: Thank you. You'll have three minutes, should you want it, after the other speakers speak. We have 17 speakers. If I can suggest that each of you have two minutes. If it helps any of you, because it is late and we appreciate your staying. If it helps anyone whether you are pro or con, you can always ask people who are supporting your position to stand, if that helps.

David Hanzel: I'm David Hanzel. I'm not in Greer Park North, but I live on Loma Verde and was supporting the SSO there, which you'll get later. While collecting signatures for our SSO, I kept getting the question what happens to property values with SSOs. This being a data-driven policy group, we heard this earlier tonight. I thought that ought to be a really simple question to ask. Fortunately, Zillow has that information. There's links here. You can go to Zillow's website and download or use the API to collect information. What I have here is median home values starting from 1996. They have 18 defined neighborhoods in Palo Alto, California. Some of them don't start until '97, so I'll use that as a time-zero date. As you can see, they all follow the same general trend. Obviously some neighborhoods are more expensive than others. If we normalize them to January 1st, 1997, seven years after I got here, you can see a very common shape. Pretty much all of the neighborhoods are appreciating just about the same. Quite to our surprise, most of the appreciation was in the last five years. This doesn't address the question at all about single-story overlays. Another feature that Zillow provides is you can actually get a map—that's on the left on this slide—of the outlines of how they defined neighborhoods. On the right is the City of Palo Alto map which shows the area covered by single-story overlays. This part I did not do quantitatively. I looked at it, and this is Green Meadow. I looked in the area bounded by the definition in Zillow and said that looks like about 60 percent. It's actually significantly higher, but that will do because I'm going to divide all 18 neighborhoods into three groups. Twelve of the neighborhoods have no single-story overlays. Great control. Three have between—sorry, I didn't start.

Mayor Holman: We didn't start the clock until you started. If you want to just wrap up.

Mr. Hanzel: Yes, I can wrap up in 30 seconds. As you can see here, the red ones are those that have 30 to 60 percent single-story overlays. The greens are 5 to 10 percent overlays. The red and greens are near the top. For a quantitative metric, it's here. I don't believe you can say that having a

# TRANSCRIPT

single-story overlay improves value; it certainly doesn't cut it. It doesn't reduce it. Oddly enough having the word park—go ahead.

Mayor Holman: Thank you so very much. Our next speaker is Dorrit Billman, to be followed by Richard Billington. When you hear your name, if you'd come forward, that would be great.

Dorrit Billman: I'm Dorrit Billman. I'm speaking in favor of restoring the original larger area. We all knew about and accepted the covenant when we moved into the neighborhood. By our acceptance, we helped to create and maintain a shared, common resource of the space. The space shapes the neighborhood to the extent that houses agree not to impinge on each other's privacy and on each other's line of sight and sunlight. That creates a shared value for the neighborhood. I believe that's extremely valuable and should continue to be supported.

Mayor Holman: Thank you. Richard Billington to be followed by Nanci Howe.

Richard Billington: Hi, Richard Billington. Thanks for taking all this time this evening. We've lived at 1020 Amarillo for 15 years. We raised two children in that house, both of whom are adults now. The house has an additional bathroom that was added properly, etc., so we have a three-two. It's a small house. If we wanted to, we could add another 200-600 square feet as I can easily see how to extend the boundaries if we were to want to. I'm opposed to the addition of second stories to these homes as it destroys the character and intentional design of the entire neighborhood. I also think it is unnecessary as ample additions can be made without adding a second story. When we bought our house, we were given a copy of the covenant concerning the houses around us, and we were told it was still binding. The issue is that this neighborhood was designed in such a way that the houses and their properties are all private to each other, given the single story and the fencing. Anyone putting a second story on their house changes this for all their neighbors, any of them whose properties would be overseen by that second story. I love this neighborhood as it stands. The low '50s modern houses nestled into their surrounding trees and other plantings are a pleasure to walk amongst. The houses themselves are designed to be open to the gorgeous place where we live. Floor-to-ceiling window walls make our gardens an extension to our rooms. Having a neighbor's second floor become a part of that extension destroys one of the most appealing aspects of the neighborhood. I seriously wonder whether the real estate people who are coming into that neighborhood and selling are representing today what we were told 15 years ago about the character of the neighborhood. Thank you.



# TRANSCRIPT

Mayor Holman: Thank you. Nanci Howe. If you didn't know before, there are at least two Nanci Howes in Palo Alto.

Nanci Howe: We both work at Stanford too.

Mayor Holman: Yes, you do. The next speaker, you need to choose who's going to speak. There are two names on the same speaker card, Manoj and Rhea Tauiliani. One of you will speak. Thank you, Nanci.

Ms. Howe: I'm Nanci Howe. I live at 1094 Moffett Circle. I've lived there for 24 years. My background, I am an art major, an undergrad, so I have a real interest in aesthetics. I am very interested in the Eichler movement and have purchased my home and renovated it on my own lovingly and for the reason of preserving that character. In fact, my house was shown as the first picture as a house that has not been remodeled and enlarged. It has been remodeled and enlarged slightly. You can tell that even after the remodeling it still looks like one of the original homes. I'm also a pragmatist, and I understand that needs can change, particularly in the heated real estate market we exist and live in today in the Bay Area. My daughter who is now currently looking for housing in this area made me recently consider would I add on to my home and try to make it a multigenerational home. I figure that I can do that, and I think that would still preserve the quality and nature of the neighborhood. I have made that commitment to supporting the nature of the neighborhood. I believe that it's not mutually exclusive. I'm sorry, I am in favor of the broader 72-house—I forgot to say that in the beginning—proposal as initially proposed. I believe having the ability to remodel one's home even at a larger scale to accommodate some of these larger needs is not mutually exclusive from preserving the character of the neighborhood. I think there are some good examples there. I would be willing to do that for myself, and I believe that most others would as well. Thank you.

Mayor Holman: Thank you. Mr. Tauiliani, to be followed by DanDan Yu.

Manoj Tauiliani: While they are putting up the PowerPoint, I want to ...

Mayor Holman: You need to pull over the microphone please.

Mr. Tauiliani: While we are teeing up with the PowerPoint, I want to first bring out a slide that shows that the percentages in terms of yes and no have changed. Since the last PTC meeting, we have had two two-story homes that have switched from a yes to SSO to a no. On Greer, now you have just about 57 percent of people who are for a single-story overlay. I'm just going to build this slide. I'm in a 6,000-square-foot lot size, smallest lot size on Greer Park. I'm bounded by a two-story home and a very high

# TRANSCRIPT

single-story home on Metro. I've been living with homes which are kind of like any other American neighborhood with high-rise or taller homes. Privacy has never been an issue. I'm also on the perimeter of Greer, which is a busy street. Privacy should be of a prime concern for me rather than the Metro Circle and the Moffett Circle which is more on the secluded side. If this gets passed, what happens is, the implication is that there is a tradeoff between open space and indoor space. On a 6,000 lot size, if I have to expand to meet my growing needs, I have to expand basically take away a line from my side yard, backyard and basically the green space that I have to basically conform to my expanding needs. Additionally, there's been some concerns about lighting. The single-story overlay does allow a home to be at 20 feet. It's going to be closer to the fence. It's going to be more denser. Lighting is still going to be constrained. The homes are still going to be high. They're aren't going to be the usual size. They can go up to 20 feet. Our consideration from standpoint where we have folks who are no to SSO is that this is discriminatory to smaller lot sizes. If I had an 8,000 or 10,000 lot size, a single story is fine. I do not have the luxury of having a lot of open space, green space. The only option is if I have to expand in the future, I would have to go two story. That's my point.

Mayor Holman: There's a question for you, sir.

Council Member Burt: Can you tell me, do the lots on Greer have deed restrictions as well?

Mr. Tauiliani: (inaudible). Deed restrictions?

Council Member Burt: Yes.

Mr. Tauiliani: No, I don't know (crosstalk).

Council Member Burt: Covenants, CCRs on ...

Mr. Tauiliani: I don't have that data point.

Council Member Burt: Maybe later speakers if they know.

Mayor Holman: Wait, wait, wait. Wait, wait.

Council Member Burt: Perhaps later speakers can clarify. Thank you.

Mayor Holman: Yes, yes. Later. Thank you so much. The next speaker is DanDan Yu, to be followed by Andrew Vainshtein. I'm sorry, it's very hard writing to read.

# TRANSCRIPT

DanDan Yu: Good evening, Council Members. My name is DanDan Yu. I live on Amarillo Avenue, three houses down from Greer. I'm actually one of the smallest lots on that street or in the whole plan area. Me and my husband, we moved in about two years ago. We actually got married while we were living there. Now, as you can see, we're extending our family. The first baby is coming in less than two month. Both me and my husband, we were born in a single-child family. We know it's not ideal, so our plan is to have at least two kids, three if we can afford. Also because we're from single-child families, we have four parents to take care of between the two of us. All of them are retiring in two to four years. Conservatively speaking, we'll have two kids, two of us and at least two parents living under the same roof in about three years. Right now, I have a 1,400-square-foot house. The original design was only one bathroom. Imagine in three years this living standard will be even below average in China. I definitely need an upgrade for my house. Second, on the other side of Amarillo none of the house, I mean none of the house is Eichler. They look totally different from mine. Some of them are already two stories. If you want to be consistent with the neighborhood, at least I will be consistent with the people I am face-to-face with, not people on my backyard. The third thing is the other side of Oregon Expressway, where almost all the houses are second stories, there are Building Codes protecting about the privacy. They're all living happily with that. I think our neighborhood could very good user of the Building Codes and protect the privacy of other people's houses too when we do so on the second story. Thank you very much for your time.

Mayor Holman: Thank you. Our next speaker is Andrew Vainshtein, I think, to be followed by Kiran Joshi.

Andrew Vainshtein: Thank you for your time. I'm Andrew Vainshtein, 1082 Metro Circle. I'm here to express my opposition to a single-story overlay. I will try to be quick. I'll skip the personal reasons first; maybe I'll come back to them later. First of all, I want to say that there's never been in the—I looked at the history of the single-story overlays rezoning in the City. There has never been such a greater diversions, the differences between houses, between lots. We're talking about houses that are between 6,000 and 12,000 square feet, just on the Metro Circle. We're talking about 1,070 to 2,600 square feet. The houses have been rebuilt many, many times. They're very different from each other. They have no common remodeling constraints. We're talking about the Palo Alto Municipal Code. This Code says that the houses have to have common home remodeling constraints. They have uniform, similar neighborhood with clearly identified boundaries. Now, two circles, if you look at the map, they're not a boundary. They're not a neighborhood. There is no common street surrounding them. If you remove the Greer—I fully support people who remove the Greer, who don't

# TRANSCRIPT

want to be part of this nonsense. I would say that two circles are not a neighborhood. You cannot really say that they are and comply with your own Municipal Code. Finally, I want to say that their voting results in circles was pretty much invalid. If you consider that people voted for the fact that their neighbors from all sides will have the same restrictions, and now you have people from Greer, on Amarillo, they are building their houses. Finally, you—I'm running out of time. You have my presentation. Thank you.

Mayor Holman: Thank you. Kiran Joshi to be followed by Stella Marinos.

Kiran Joshi: Good evening, Council Members. I'm Kiran Joshi. I had a few points about why we believe it should be allowed to have a second story. The first is young, expanding families need more room. My husband and I purchased our home ten years ago, and we did this because we really love Palo Alto. We love the schools, the neighborhoods, the greenery and the sense of community. We also love Eichlers. The first time we saw our house, we just fell in love with the large windows, the sunlight and the layout and everything about it. Even though it wasn't the most practical house, we liked it so much that we very happy to be able to buy it. We've been very happy here. We now have two boys who are in elementary school. Although we still love the house, it's just not meeting our needs. We also have parents that often stay with us for extended periods of time. We just don't have the room that we need. The house was built in the 1950s, and times have changed. We need more storage. We need more room. If we are not allowed to build upwards, we have to expand. We also have a smaller lot. It comes down to having our children share a room that's barely 10 by 12 or having room outside to play in. We don't really want to have to pick one or the other. It would be wonderful to have both. That's really an important thing for us to have this option to build up. Secondly, most of the yards have trees that obstruct views and protect privacy. This was true for us. Our neighbors actually recently built a second story. They came and checked with us first about whether this would be okay, because they actually have several windows that are facing our home so privacy could be a concern. Just like us, we know they have three young children. We felt that them having a home that they could live in comfortably was more important than the minimal loss of privacy that we face, because we had the large trees. Thank you.

Mayor Holman: Thank you. Stella Marinos to be followed by Ci Chu.

Stella Marinos: Good evening. I've lived in Palo Alto since 1977 and my home since 1990 on Amarillo. I love Palo Alto, and I love my home. I also believe—what I loved about Palo Alto originally was the charm of different neighborhoods. I really think that some of these neighborhoods that are like

# TRANSCRIPT

cul de sacs or circles are unique and that they could preserve their look by keeping their single-story homes. As far as Amarillo goes, I really feel like it's already a mixed bag. I don't think Amarillo should be bundled into Metro or Moffett Circle. I'm adjacent to Greer Park, and I have one of the—it's a small lot as well. I'm not going to be building up, but I also don't feel like it's a unique neighborhood; whereas, the other neighborhoods are unique. Thank you.

Mayor Holman: Thank you. Ci Chu to be followed by Julia Li.

Ci Chu: Thank you, Mayor. Good evening, members of the Council. My name is Ci Chu. I'm DanDan's husband. Like she said, this is the city where—the City of Palo Alto is where we first met when I was a graduate student, where we fell in love and where we got married and where we live. This is literally where our life together started, and we love every minute of it here. I'm speaking tonight to dispute one report that was forwarded to us by the City Council and also presented on by the gentleman earlier. The report which he didn't have time to finish basically pointed to the fact that contrary to common belief houses, properties in the SSO zone in Palo Alto actually appreciate faster by percentage of its value than houses not in the SSO zone, indicated here by the red line which seems to be above the black line. I have a PhD in data analysis as well, but I don't think it takes a data scientist to see that there's really no statistically significant difference between the red line and the black lines. In fact there's no statistics at all, because all of these lines are plotted on single data points chosen from median house values from these neighborhoods. Some of the median houses can be 8,000 feet, where some others can be 4,000. It's not really an apple-to-apple comparison. Second of all, the time period is arbitrarily chosen from 1997 to 2015. 1997 is not the year within which most of these neighborhoods become single-story overlay, so it's really irrelevant. Second of all ... Percentage is really a mistaken concept here, because the actual dollar amount increase by the houses are really determined—I don't think anyone can dispute the fact that a land with a large house will appreciate in actual dollar amount than a land by itself over the same period. Thank you.

Mayor Holman: Thank you. I think there was one last card submitted, but I think at this time we won't be taking any more cards given the hour. Julia Li to be followed by Cynthia Webber.

Julia Li: Hi, good evening, Council Members. I'm Julia Li, living in Amarillo. I'm also opposing SSO rezoning. I have two points I want to make. I have no plan to build second story in the near future or maybe never going to rebuild. I do want to keep the option open, because the rebuilding second story, we entitled that right when we purchased the house. Also, we all

# TRANSCRIPT

have a small lot. We have a 6,000 square feet lot. It's pretty small. We also in the flood zone. If we want to have more living space, we have to sacrifice our open spaces. I think it's not really a fair decision for the people saying, "You cannot build the house you really like or your dream house," because of someone—I mean, we try to preserve some kind of character. Talking about character, Amarillo is really a mixing architecture neighborhood. There are like two-story houses across the street. There are ranch house styles; there are Eichlers and other style houses. We are in the character of a mixing architecture. As DanDan mentioned, it is more important to me to be blended in the street in front of us rather than in the back. That's my first point. I have a second point. Enforcing the SSO rezone is violating the equal protection clause, because we are creating two different classes residency of property rights. One class can build two-story houses, and the other group cannot build. This is not really equal to the property rights. Thank you.

Mayor Holman: Thank you. Cynthia Webber to be followed by Kurt Kuodt. Again, we'll take no more cards. Thank you

Cynthia Webber: I don't have a PowerPoint presentation, but I do have two things to consider. The first one is that as a supporter of keeping Amarillo and Greer inside the rezoning I'd like you to consider two things. The first one is have you seen a two-story home built in place of a one-story home that actually had a smaller footprint than the first one-story home. You don't see that, because everyone's dream home is much, much larger. Taking more of the green space and the yard is not really—it's going to happen anyway. The second thing I'd like you to consider is that the way I really consider Amarillo and Green are like they're the outside of a lovely book. That lovely book is the Eichler community. This is the cover of the book. Don't rip off the cover or allow someone to rip holes in it. I think Amarillo and Greer are a lovely edging around the Metro Circle and Moffett Circle, Van Auken and all the circles. Thank you.

Mayor Holman: Thank you very much. Kurt Kuodt to be followed by Monica Lynch.

Kurt Knodt: Hello, my name's Kurt Knodt. My wife and I purchased our house in May 2010 on (inaudible) in Metro Circle. It's a small lot of 6,100 square feet. We live there with my son who's in high school. One of the reasons we bought it was because we really wanted to have that Eichler design. We live in the center circle where all the houses are one story. Every so often, I go up and clean the leaves off the roof. I'm always surprised that I can look into the neighbors' back—into their houses there. There's really no privacy when you go up higher. I think that's the case for

# TRANSCRIPT

houses that are also in the row as well. It would be nice to have a second story, but I'd give up that right to preserve the privacy that we have. I hope that others would do that as well. I'm for the original single-story overlay.

Mayor Holman: Thank you. Monica Lynch to be followed Pradipta Ghosh.

Monica Lynch: Good evening. My name is Monica Lynch. I live on 1046 Metro Circle. I'm here with my family, my husband and two of my teenage boys. We're here to show our support of the single-story overlay zoning petition. Both my husband, Kevin, and I are school teachers in the Palo Alto Unified School District. I teach second or third grade little kids at Ohlone School, which is less than two blocks away from our house. Kevin teaches seventh grade science at JLS Middle School. We feel extremely lucky and proud to live and work in this wonderful town of Palo Alto. Before we purchased our house on Metro Circle, I used to take lunch walks around the Ohlone School neighborhood. Metro Circle was one of the streets I frequently visited and enjoyed. As a matter of fact, it was on one of those lunch walks when I spotted the house we ended up buying. I was eight months pregnant at that time with my second child, and I was giddy with the fantasy that our children might grow up here in this neighborhood that's calm, friendly and unpretentious. We live and work in Palo Alto. We plan on staying in Palo Alto Unified School District for another 15 years also, and we plan on retiring in our Metro Circle house. We like the character of our neighborhood the way it is, and we support a single-story overlay. Thank you.

Mayor Holman: Thank you. Pradipta Ghosh to be followed by Mike Murnane.

Pradipta Ghosh: Mayor Holman, esteemed members of the City Council, my name is Pradipta Ghosh. I live on 2743 Greer Road. We moved here in 2007, and we specifically chose a single-story, close-knit neighborhood to raise our two boys. Our house is a single-story Eichler; we recently remodeled it. We added another bedroom, and still it is 1,800-square-foot house. It feel much bigger than it ever was. We also have parents come to stay with us, but that doesn't pose a problem even though our lot size is 6,000 square feet. We are plenty comfortable in the small lot that we have. We have expanded our house and kept it single story like we always wanted to. My wife and I, we volunteer in several different ways in the community. Both of our boys are boy scouts, and I am a scout leader. My wife is a PTA chair at Palo Verde. As a family, we love our neighborhood's look and feel. We love the fact that we are predominantly single story. We love the fact that there are children in the neighborhood, and we share good times with our neighbors, and we are there for each other. One thing I would like to

# TRANSCRIPT

point out is that five of the homeowners on Greer Road that did not sign the petition, one household is uninhabited for ten years. One house has a tenant, and one house was recently sold. Overall the percentage of resident homeowners, like Dave pointed out, who consented to this petition is about 81 percent. We'd really love to preserve the atmosphere of this neighborhood. We'd like it to stay the way it is right now. We urge the Council to vote for approving the original motion which is to approve the SSO overlay for our neighborhood. Thank you.

Mayor Holman: Thank you, Mr. Ghosh. You know when the timer goes off prematurely, you have one lunch with the Vice Mayor. Mike Murnane to be followed by Don Becson.

Mike Murnane: Good evening, late evening. My name is Mike Murnane. My wife, Flo, and I live in Metro Circle. We've raised our four children here and love living in that neighborhood. Recently, long-time neighbors sold their house. The new owners had their architect design a huge, 4,500-square-foot, two-story, 29-foot high home, maxing out the lot and the neighborhood. We researched our options of how to protect ourselves against this kind of thing. We found two avenues of defense: the internal review process and the single-story overlay. The goals were similar, to preserve the character of Palo Alto neighborhoods. We further found that Palo Alto is a city of neighborhoods. The *Palo Alto Weekly* lists 34 neighborhoods, each with unique characteristics and personalities. Examples: Barron Park, rural but boasts sidewalks; Professorville, turn of the century architecture; Community Center, '20s and '30s architecture; Green Meadow, Eichler's distinctive mid-century modern architecture. I came to the conclusion that neighborhoods are the reason that most residents love living here in Palo Alto, and we're included in that. They are large enough to contain the important City features such as schools, parks, soccer fields, but small enough that people have a sense of belonging and identity. We chose to apply for SSO status. It was approved by the Planning Department. It was reviewed by the Planning and Transportation Commission.

Mayor Holman: I need you to wrap up, if you could please, sir.

Mr. Murnane: We'd like to ask you to approve this application with no exceptions. Their exceptions don't make any sense.

Mayor Holman: Thank you very much. Don Becson to be followed by Jay Perera.

Don Becson: Hello. My name's Don Becsom. I own 2889 Greer Road in Palo Alto. I'm right on the edge. I don't know if we can bring back that



# TRANSCRIPT

shot, but I'm right on the edge of the border which is—I live on Greer. It's 2889 Greer. I'm right at the end. I'm in favor of—you have a proposal here of leaving off Amarillo and Greer. Greer has many—if you go up Greer, it's a long street. It has many two-story homes in the section that I'm in; there's many on down the street. If you keep on going down, there's two-story houses all the way down. It doesn't make sense to me to just cut it off at that point. The homeowners will lose out. If they ever want to build or their family in the future ever wants to build, this doesn't make any sense to me at all. Property value isn't going to be the same. People with a large family aren't going to be interested in a house that they can't add onto, number one. Number two, if you end up doing this—I could see Metro Circle, if everybody in that area are interested in maintaining the height of their homes and without expanding them, that's fine because they're kind of in a separate little nook. Greer Road and Amarillo is two completely different areas. My backyard backs up to one of those big backyards in Metro Circle. I can't even see the house. I mean, it's massive. On either side, it's the same way. Let's see if there was anything else I wanted to make sure and mention. Right on time. Thank you very much.

Mayor Holman: Thank you. Jay Perera to be followed by Rhea Tauiliani.

Jay Perera: Hi, I'm Jay Perera. I live in 1049 Amarillo Avenue. I have lived in Midtown for past 25 years. What I have seen for the last 25 years, the people who are living in this area is changing. They're more educated and they need more space. Their needs are different from the people who live in the past. I look at my neighbors who lived for 50 years. I am actually opposing for any changes for the zoning because, like, technology, we cannot hang onto the past. Also, I heard the last conversation, like everybody's telling, we need options for when we're laying fiber optics we don't want to give to Google. The same way, the new residents like me who are coming here, that is the future. I think we should leave the options laid out for everybody to make their futures, because we have—anybody can build a nice house without blocking light and preserving privacy for others. I have experience. I have past three years bought and sold 30 houses. If somebody comes here and tell me that the single-story house is equal to two-story house, it's my personal experience buying and selling, I can tell you that it's not true. There's a big difference compared to my house to my neighbor's if you look at (inaudible). The only difference is mine is two-story. It's next door, and it's a huge difference. That is 1045, 47, and I'm 1049. It's at least a half million to a million. Whatever their presentation, what they did is not true. My personal experience buying and selling 30 houses, within the last 30 years there's a big difference. I think I would really appreciate it, leave it alone. If somebody wants to, let them make the

# TRANSCRIPT

decision whether they want to live with a single story or a double story. Thank you so much.

Mayor Holman: Thank you. Rhea Tauiliani to be followed by our final speaker, Kenneth Lui.

Rhea Tauiliani: Good evening, Council. I'm the homeowner of 2767, and my husband just spoke a while back. I'd like to add on to the points that he mentioned. As regards to the privacy considerations, in addition to the City Building Codes, if you look at the topography of the Greer North tract, we have circles and lines which in most cases provide a natural way of homes not facing each other. While this petition does not restrict the design of the redeveloped homes, single or double, we love the Eichler-like modern architecture. If we were to expand, we would do so such that it was designed to blend in with our neighbors and avoid invasion of privacy. Additionally, as you're aware, we are in the flood zone and, therefore, cannot have a basement. Lastly, I would like to read the extract of the email that I got from the homeowner at 2779 who is my neighbor with the two story, who switched from a yes SSO to a no. What she states is with a house that was barely 1,100 square feet and three children and about 25 years ago, I added a partial second story with an additional 750 square feet, trying to keep it as consistent as possible with the original Eichler look. Moving to a bigger house was just too expensive and not an option. I understand fully well the difficulties of trying to increase the living space on these small lots, and I'm sympathetic to anyone else in the same position. Therefore, I would like to change my original position on this proposal from supporting the ban to opposing the ban on two stories in order to allow for some expansion of homes on these small lots in this particular tract. This is also a good reflection of many of our constraints and considerations. Thank you.

Mayor Holman: Thank you. Our final speaker is Kenneth Lui. Thank you.

Kenneth Lui: Good evening, Council. My name is Kenneth Lui; I live on 2707 Greer Road. Myself and my wife, Rebecca here, are in favor of the single-story overlay. We are relatively new neighbors here; we only moved in here about seven years ago when we were having our second child. We just moved in before Conrad was delivered. We renovated the house and finished in 2012. It was actually used as an example of the outstanding remodel. I wanted to use this opportunity to address the concerns of expansion of a small family. We have a relatively small lot, 7,000 square foot. We expanded the house to 2,400 square foot. With some thoughtful architecture planning, we were able to have two master bedrooms with attached bathrooms, one with a walk-in closet. We have two kids' room with

# TRANSCRIPT

an adjoined, shared bathroom. We also have one extra bedroom for spare. Also, I wanted to mention that before we moved in to this neighbor, we looked at 79 houses. 2707 Greer was our 80th house that we looked out. Because we loved the architecture, we loved the neighborhood, and it was very important that we retain the look of the Eichler houses when we decided to renovate. This is why we spent a lot of time designing the house that we live in now. We're very much in support of keeping the character of the neighborhood with the single-story overlay. Thank you.

Mayor Holman: Thank you very much. At this time, David Hammond as applicant, you'll have three minutes, should you choose to use them. One question I would suggest that you respond to is whether—I've forgotten if it was Greer or Amarillo has C&CRs to your knowledge.

Mr. Hammond: I remember the question. The CC&R applies to the entire original Greer tract, Greer Park tract. It goes from the school all the way to the park. The answer is yes. The original CC&R goes with the Greer Park tract.

Mayor Holman: While you're looking for that, perhaps there's something else, comment you'd like to make. You found it?

Mr. Hammond: Yes. The original Greer Park tract is Van Auken Circle and all the houses on Amarillo on that side and so forth. It's outlined in red plus it's outlined in black. It goes from the park all the way to the school. That's what the CC&R was applied to. You have that from my original ... All I want to say is that the percentages that were quoted before, why this circle and Amarillo have totally different participation yes, that's not true. It's 70 percent on Amarillo right now. That means that there's three homes on Amarillo that said no, and seven that said yes. I think we have to protect the seven that said yes. Then 70 percent in the circle. As far as Greer goes, I think there were four or five no and eight or nine yes. Again, it's to protect those that are yes. Again, a one-story addition on a very small lot, if you have a good architect, can solve all sorts of problems. I think that Mr. Lui has already stated that. Thank you.

Public Hearing closed at 12:08 A.M.

Mayor Holman: Thank you very much. I'll bring this back, unless Staff has something to add. We'll bring this back to Council. Why don't we do the three minutes questions, comments, motions. Council Member Wolbach.

Council Member Wolbach: I'm not ready to make a motion yet, but I just wanted to acknowledge that—first, thank you to everybody who came. We heard a lot of really interesting, I think, very helpful comments and a range

# TRANSCRIPT

of perspectives. I really appreciate that. Thanks for staying up very late to be with us this evening, bearing with us. I am leaning towards supporting this in its original form. This is not as easy, not as cut and dry as the last single-story overlay that we considered. There is some clear opposition to this. That one was much closer to unanimous. I think it's important that we recognize that there really are strong arguments on both sides. There is the concern for protecting the privacy of neighbors from a second story popping up behind their backyard or next to them, looking into the side of the house or over the fence into the side of their house. There's the interest in protecting the feel of the neighborhood. There's also the interest of protecting property rights. We shouldn't kid ourselves that those aren't all at play, that there are serious values. We're going to have make a tradeoff one way or another. I do think that if we're going to do this, we should do all or nothing. I do think that it makes sense to extend the single-story overlay through the second half of the Greer Park neighborhood. We already have it on half of the neighborhood. It makes sense to do it across the street. Again, unlike the last time we considered one of these, I can't recommend that without some hesitation. I'd like to hear from my colleagues before I or somebody makes a motion on this one. I'd also say that I think we should be really open to considering—we will be discussing accessory dwelling units in a variety of forms in the coming months. I've heard some indication from some of the supporters of single-story overlays, and I'll look forward to having their support to make it easier for people to add accessory dwelling units. I think that's especially important in a neighborhood where you're constrained by a single-story overlay, because of the concern of having multiple generations, multiple retired parents, multiple children all in one house. Sometimes you can pull it off with really good architecture, but allowing an accessory dwelling unit or consideration of easing the lot coverage requirements for neighborhoods with single-story overlays is something that I think we should be open to considering in the future.

Mayor Holman: Council Member Burt, questions, comments, motions.

Council Member Burt: I just want to make sure I'm clear on one thing. There were among the letters to us assertions that the single-story overlay would reduce the permissible square footage that one could build on their lot. My recollection from having reviewed a number of these on Planning Commission before was that that's not the case. Is that correct?

Ms. French: That's correct. They get the full floor area ratio, and they get a lot coverage to go with it.

# TRANSCRIPT

Council Member Burt: They would potentially lose yard space, and that's the tradeoff. Second, I'm struggling somewhat on the boundary because I do believe that the natural and appropriate boundary is the center of the street, so that you don't have folks in one set of homes and a backyard with two stories overlooking others that are not. On the other hand, the lots on Greer and Amarillo are generally smaller. I went back and doubled checked, and the Planning Commission alternative motion didn't say all are smaller. It said generally—I forget the exact wording. I think that's a fair assessment. That goes back to the principle we're not going to deny them the ability to add a certain amount of house space. It would impact the size of their yards, but not the house per se. I did want to ask a question that the Planning Commission did bring up. I think it's a valid one that we've never addressed, which is what happens in the future if, say, a majority of folks want to opt out of their CC&R, 55 percent hypothetically. 55 percent want to remove themselves from a single-story overlay; what's our process?

Ms. French: Opting out of the CC&Rs with 55 percent, that sounds like a majority, a clear majority. That could be a legal instrument that is prepared and gone through the proper channels for that. As far as undoing a single-story overlay, they have to get the same percentage. Let's say they opt out and the CC&R now says two stories are okay, then—would it be 60 or 70 percent? In any case, it's 60 or 70 percent to undo the single-story overlay.

Council Member Burt: That's my recollection. I think that's a flaw in our process. It's not before us tonight, but if you think about the logic of it, we're saying that we believe that if 30 percent or more of the people in a neighborhood don't want their property restricted, then we won't restrict it. Once we've done that, we're saying that it takes 70 percent of the people in that neighborhood to not want the restriction in order for us to not have it restricted. I think that that's something that we have to address. We've never had that discussion. We haven't had any neighborhoods who have asked. Over the 20 years that we've had it, we've never had a neighborhood who has come back and asked to rescind that. It hasn't been an immediate issue, but I've felt for a long time that it's a real flaw. I don't agree with that rationale. I remember that we said we want to entitle neighborhoods if they have a clear supermajority to be able to do this. In particular, if they have their own deed restrictions to be able to do it. I don't think that the undoing method that we have now is rationally justifiable. I don't think we have to press it this year because we don't have any imminent neighborhoods who would like to have it removed. In fact, I haven't heard of anybody who's come there. I think it's something we need to recognize is a flaw in our process.

Mayor Holman: We were hoping for three-minute rounds.

# TRANSCRIPT

Council Member Burt: I'm good now.

Mayor Holman: Vice Mayor.

Vice Mayor Schmid: I want to thank everyone who came tonight, stayed late to participate and brought up important issues on this. It does seem clear though that we have the basic rules. A vast majority of people in the neighborhood do want the single-story overlay. I would move Staff recommendation reflecting the applicant-requested Greer Park North boundary for rezoning to R-1(S) single-story overlay.

Council Member Wolbach: Second.

Mayor Holman: Motion by Vice Mayor Schmid and second by Council Member Wolbach.

**MOTION:** Vice Mayor Schmid moved, seconded by Council Member Wolbach to adopt an Ordinance reflecting the Applicant-requested Greer Park North boundary for rezoning to R-1-S, Single Story Overlay (SSO) zone district.

Mayor Holman: Do you care to speak to your motion?

Vice Mayor Schmid: Just to repeat that these are people who are living in moderate-size, modest houses who love their neighborhood, have found the experience of bringing up families in the neighborhood rich and rewarding, and want to respect that value into the future. We have clear rules that allow them to do that, so I'm in support of it.

Mayor Holman: Council Member Wolbach, speak to your second.

Council Member Wolbach: In addition to what I said before, also in picking up on something that Council Member Burt had alluded to. Of the single-story overlays that we have in the City, we don't get a lot of people saying, "I won't to undo it." Generally people find that they really like it. Something else Council Member Burt alluded to—I just wanted actually a quick question for Staff. Maybe I had forgotten this. You can actually—when somebody imposes an SSO under our SSO ordinance, they can actually expand the size of their house more than they could have before. Right? Is there any change to the FAR or any change to the lot coverage?

Ms. French: Yes, there is a change to lot coverage. The lot ...

Council Member Wolbach: For everybody here, could you clarify again what that is?

# TRANSCRIPT

Ms. French: Sure. The lot coverage that is in a non-single-story overlay neighborhood is restricted to something like 30 percent. Whereas, in the single-story overlay the Codes specifically say that the maximum lot coverage is to be equal to the maximum floor area ratio, which is a formula. It's greater than 30 percent, so they get to put it all on the first floor.

Council Member Wolbach: Thank you, Council Member Burt, for reminding me of that. I'd suggested in my earlier comments that that's something we should explore doing. We've already done it. That's already a part of the SSO. For those who are concerned about finding space for additional family members through remodels of a home that's restricted to a single story, under the SSO there are some allowances for larger developments. Again, I'm seeing some shaking heads in the audience. If there are more tweaks we need to make to that, whether it's for expansion of the house or for an accessory dwelling unit, I think that that's something we definitely should be exploring. I do also like Council Member Burt's idea of exploring what it would take to reverse this in the future. I'm not sure what that number would be, but I think that's also a discussion worth having in the future. Given that the residents of this neighborhood have met the threshold, even in the streets where it was less popular, it's still overwhelmingly popular. I think that that's appropriate for this neighborhood to establish its future.

Mayor Holman: Council Member Scharff.

Council Member Scharff: Thanks. Just briefly. For the houses that become nonconforming, the two stories, there's some allusion in the Staff Report that then they're subject to—I mean, you named some Code section which I didn't look up. From a practical point of view, what does that mean? What does that say?

Ms. French: The two-story homes that exist and then become noncomplying facilities once a single-story overlay is placed on that property. If there was an act of God, let's say, as phrased in the Code, fire or what have you, they could replace the home. They can also do some changes to the home. They can put on additional square footage at the first floor. However, if they wanted to expand that second floor, that would be increasing the degree of noncompliance, is the term, and we would not allow that as a matter of right.

Council Member Scharff: You just can't expand the second story, is that ...

Ms. French: Correct.

# TRANSCRIPT

Council Member Scharff: If the house burns down, if it's flooded out, any of that, eaten by termites overnight, any of that kind of stuff, they can replace it.

Ms. French: We say that's the act of the Devil, but I don't know.

Council Member Scharff: I got that. I just wanted to support what Council Member Burt said earlier. I especially thought it didn't make sense when you were sort of hemming and hawing over if they remove the deed restrictions, it's actually harder because you'd then have to do 70 percent. Whereas, if you don't remove the deed restrictions, it would be 60 percent. That clearly told me that we have an issue there. I think at some point we should definitely take that issue up.

Mayor Holman: Council Member DuBois.

Council Member DuBois: Thanks everybody for staying so late. I think you've already said it, Amy. The other side of Greer is already in the single-story overlay, so we're talking about one side of the street.

Ms. French: Correct. In this map, you'll see it has an "S" here at the Van Auken Circle.

Council Member DuBois: To me, the only question is really what boundaries made sense. I don't think we want to kind of gerrymander a district. I think we got a letter from the public that said if we took out those two streets, we then have 14 other homes that are potentially behind two-story houses. I think the whole thing kind of falls apart. I'd support the Staff's motion. I think, again, this is basically an SSO connected to another SSO. It turns into kind of one large SSO, and I kind of see the logic of that. I think that makes a lot of sense. I would say that I know there's a minority here that's not happy with the majority. I think it's basically an exercise in shared neighborhood trust. You guys are basically putting constraints on yourself, and you're kind of all participating in that. I think hitting that threshold of 60 percent—you guys hit 72—I think we need to respect kind of the large number of people that are asking for this. I understand some people aren't happy, but I think it's the right thing to do. I support the motion.

Mayor Holman: Council Member Berman.

Council Member Berman: Thank you everybody for staying so late. This is not a happy moment for me. I understand that some folks in the neighborhood are going to be happy about the result, but I think a considerable amount of people are going to be very unhappy about the result. This is a serious thing. A lot of the folks who came and spoke in



# TRANSCRIPT

opposition are young people who are starting families. That's something that I'm sympathetic to. I did a new count based on the new numbers, and it seems like 70 percent of the homes on Amarillo are in support, 60 percent of the homes on Greer are in support, 69 1/2 percent in total are in support. Obviously 70/30, that's a strong majority, but this is a really, really serious issue. The neighborhood's deciding to put restrictions on people's homes so that they can't build second stories, which means that if they do want to expand, they're going to minimize the amount of open space they have. For the lots on Amarillo and Greer, those are predominantly smaller lots. I understand that a lot of the lots within the circles are much bigger, so that's not that big of an impact. For a 6,000-square-foot lot, that does have an impact. I just hope that everybody in the neighborhoods understands it's 70 percent and we have our rules. I think I'm going to end up voting to support it. I'm not happy about doing that, because this really is an unfortunate, I think, result for a lot of people. I just struggle with that decision. This isn't something that we should take lightly. I absolutely think that we need to look at the rules for undoing it. Obviously, those don't make sense with the way they're currently written. There's this concern that X many lots—by my count it's 12 lots. If we were to exempt Greer and Amarillo, 12 lots would possibly have two-story homes in their backyards. By my count, six of those twelve lots are against the single-story overlay anyhow. Really, only six lots would be impacted. Frankly, those are all—they seem to be quite large lots that, I'm sure, some shrubbery along the border could minimize any impact that a two-story house would have. I just hope that—I trust that this was a decision that wasn't taken lightly. This is only the second one that this Council has faced. We had zero people come and speak to us in opposition to that first one. I hope the whole neighborhood kind of realizes tonight that there are a lot of folks who have invested a lot of money in their home and their future who are now going to be in a place that they weren't expecting and they don't support. The supermajority rules, and we have this ordinance in place. I just hope that folks realize that while some folks are going to be very happy tonight, a lot of folks are going to be pretty bummed out.

Mayor Holman: Council Member Filseth.

Council Member Filseth: Just briefly on a procedural point here. There was some dialog that maybe some of the kinds of houses and owners shouldn't be counted in the poll. There was some dialog that maybe people with an existing two-story house shouldn't be counted. There was very briefly the idea that possibly absentee owners shouldn't be counted either or something or like that. I don't think either of those is right. The ordinance says that all homeowners get to vote on this. I think that's the right thing to do. Thanks.

# TRANSCRIPT

Mayor Holman: Council Member Burt.

Council Member Burt: I actually neglected to point something out that I think is quite important. Under existing rules where neighborhoods have deed restrictions, CC&Rs, as Amy French pointed out, without a single-story overlay owners of those properties are by the CC&R restricted to being one story and by our City Code restricted on the amount of lot coverage that they can have. With the single-story overlay, if you assume that CC&Rs are legally binding, you actually become allowed to build a bigger house than you would be able to do under the CC&Rs. Is that correct?

Ms. French: Greater lot coverage, not a bigger house. Bigger house is floor area. We're not saying bigger house.

Council Member Burt: Yes, but if currently the floor area is limited by lot coverage and not by FAR, which is the way it is right now, if they're only allowed to go one story under their CC&Rs, then it's lot coverage that limits the amount of floor area they can build. Once we have the single-story overlay, lot coverage no longer limits it. They're allowed to build as big of a house as we would allow under our floor area ratio limits, but they can do it all on a single story. Do you understand?

Ms. Gitelman: Amy can correct me if I'm wrong with this. I believe that you can have the greater lot coverage for a single-story home even if there's no SSO. With the CC&Rs ...

Council Member Burt: Is that correct? I thought you said otherwise (crosstalk), Amy.

Ms. Gitelman: Amy, can you handle that?

Mayor Holman: I believe it is correct. Individual review encourages people to build single-story homes. I can't say that it guarantees you the full FAR though.

Council Member Burt: I thought earlier Amy had said that only with the single-story overlay it allowed the larger lot coverage.

Ms. Gitelman: We'll confirm that and let the Council know subsequently.

Council Member Burt: Thank you.

Mayor Holman: I'll be supporting the motion. Just to be clear, though, the lot coverage and the house size, it is limited though by setbacks. You have to satisfy setbacks obviously. Just to be clear on that, you can't just totally build here, there and everywhere. It makes absolute sense to do the Greer

# TRANSCRIPT

portion. There are only two two-story homes on that whole section. As Council Member Burt alluded to—this is going to be sixes and sevens actually—you don't ideally change zoning in the middle of the street. It makes sense to put Greer in since it faces another single-story overlay. That doesn't actually follow along Amarillo, because across the street from that is not a single-story overlay. What's causing me to support this is because there are no two stories along Amarillo in this section and because the vast majority of owners want it. That's what is causing me to do that. It also is a good geography. The only negative to me is because it is a change of zoning in the middle of the street. Not a negatively impacting one, but it is a change. If it's any reassurance to people who were not thrilled when they came into this room in supporting this, somebody that I know who was part of one of the earlier single-story overlays, probably a good dozen years ago, I saw him maybe three years ago. I bumped into him someplace and he said, "It's the best thing we ever did. The neighbors are all so happy that we put a single-story overlay on our neighborhood." If that's any consolation. With that, the motion before us is to adopt an ordinance reflecting the applicant-requested Greer Park North boundary for rezoning to an R-1(S) single-story overlay or SSO zoned district. Vote on the board please. That motion passes unanimously.

**MOTION PASSED: 9-0**

Female: How many of you (inaudible).

Mayor Holman: Excuse me. We have ... Public comment is closed. This item is closed. Excuse me, excuse me. The item is closed.

## Inter-Governmental Legislative Affairs

None.

## Council Member Questions, Comments and Announcements

Mayor Holman: We will now move to Council Member Questions, Comments and Announcements. Do any Council Members have any? Seeing none.

Council Member Kniss left the meeting at 12:30 A.M.

## Closed Session

Mayor Holman: We will go then to our Closed Session. We need a motion to go into Closed Session.

Vice Mayor Schmid: So moved.

# TRANSCRIPT

Mayor Holman: Ma'am, ma'am, please, the item is closed. We have a Motion to go into Closed Session. I need a second.

Male: Second.

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

Mayor Holman: Could we vote on the board please. Marc, did you want to vote on this? Did you want to vote? That Motion passes on an 8-0 with Council Member Kniss not participating.

**MOTION PASSED:** 8-0 Kniss absent

Council went into Closed Session at 12:34 A.M.

1. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Molly Stump, Suzanne Mason, Kathy Shen, Dania Torres Wong, Alison Hauk)  
Employee Organizations: Palo Alto Police Officers Association (PAPOA); Palo Alto Police Managers' Association (PAPMA); Palo Alto Fire Chiefs' Association (FCA); International Association of Fire Fighters (IAFF), Local 1319; Service Employees International Union, (SEIU) Local 521; Management, Professional and Confidential Employees; Utilities Management and Professional Association of Palo Alto (UMPAPA)  
Authority: Government Code Section 54957.6(a).

Council returned from Closed Session at 12:52 A.M.

Mayor Holman announced no reportable action.

Adjournment: The meeting was adjourned at 12:52 A.M.