



CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting
June 6, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:00 P.M.

Present: Berman arrived at 5:05 P.M., Burt, DuBois, Filseth, Holman, Kniss, Scharff, Schmid, Wolbach arrived at 5:14 P.M.

Absent:

Closed Session

1. CONFERENCE WITH CITY ATTORNEY

Existing Litigation - 1 Matter

Authority: Government Code Section 54956.9(d)(1)

Buena Vista MHP Residents Association v. City of Palo Alto, et al.

Santa Clara County Superior Court, Case No. 115CV284763

Existing Litigation - 1 Matter

Authority: Government Code Section 54956.9(d)(1)

Toufic and Eva Jisser, and the Toufic and Eva Jisser Revocable Trust v. City of Palo Alto, et al.

United States District Court for the Northern District of California – San Jose Division, Case No.5:15-CV-05295 EJD.

MOTION: Council Member Kniss moved, seconded by Council Member Holman to go into Closed Session.

MOTION PASSED: 7-0 Berman, Wolbach absent

Council went into Closed Session at 5:02 P.M.

Council returned from Closed Session at 6:14 P.M.

Mayor Burt announced no reportable action.

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Agenda Changes, Additions and Deletions

Staff requests Agenda Item Number 18 (New Agenda Item Number 14a)- Authorization for the Mayor to Sign a Letter... be heard after Agenda Item Number 14- PUBLIC HEARING: to Hear Objections to the Levy of Proposed Assessments...

Staff requested Agenda Item Number 15- Review of Recommendations From the Storm Drain Blue Ribbon... be continued to June 27, 2016.

Minutes Approval

2. Approval of Action Minutes for the May 9 and May 16, 2016 Council Meetings.

MOTION: Vice Mayor Scharff moved, seconded Council Member Berman to approve the Action Minutes for the May 9 and May 16, 2016 Council Meetings.

MOTION PASSED: 9-0

Consent Calendar

MOTION: Council Member Kniss moved, seconded by Council Member Holman to approve Agenda Item Numbers 3-13 including changes to Agenda Item Number 10- Approval of the First Amended Agreement With the San Francisquito... as outlined in the At Place Memorandum and Agenda Item Number 13- Approval and Authorization for the Mayor to Sign... as outlined during City Manager Comments.

3. Resolution 9590 Entitled, "Resolution of the Council of the City of Palo Alto Approving two Escrow Deposit and Deposit Agreements, Authorizing the Deposit of \$6.1 Million Into Escrow Funds Related to two Series of Library and Community Center General Obligation Bonds and \$2 Million for the University Avenue Parking Assessment District Bonds for the Purpose of Early Redemption of Such Bonds, and Authorizing Related Actions."
4. Approval of Contract Number C16163554 for \$206,056 With Trafficware for San Antonio Road SynchroGreen Adaptive Timing

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System Implementation and an Associated Amendment of the Budget Appropriation for the General Fund and Capital Fund.

5. Resolution 9591 Entitled, "Resolution of the Council of the City of Palo Alto Summarily Vacating a Public Utility Easement at 3276 Kipling Avenue."
6. Acceptance of the Palo Alto Fire Department Quarterly Performance Report for Third Quarter Fiscal Year 2016.
7. Approval of Four Contracts for On-Call Inspection and Plan Review Services in a Combined Amount Not-to-Exceed \$7,700,000 Over a Three Year Term Ending June 30, 2019 With: (1) 4Leaf, Inc.; (2) Kutzmann and Associates, Inc.; (3) SAFEbuilt; and (4) Shums Coda Associates.
8. Approval of a Contract With Airport Management Consulting Group in the Amount of \$183,008 for Planning and Consulting Services at Palo Alto Airport, Including Evaluation of Options in Managing the Office Spaces and Hangars, Development of Primary Management and Compliance Documents Including the Airport Rules and Regulations, Minimum Business Standards and Leasing/Rents and Fees Policies, and Related Matters; and Approval of Budget Amendments in the General Fund and Airport Fund.
9. Approval to Amend the Current Purchase Order to Include Equipment for new Ambulance Purchase.
10. Approval of the First Amended Agreement With the San Francisquito Creek Joint Powers Authority and its Member Agencies for Funding of Construction of the San Francisquito Creek Flood Reduction, Ecosystem Restoration, and Recreation Project, San Francisco Bay to Highway 101.
11. Ordinance 5384 Entitled, "Ordinance of the Council of the City of Palo Alto Repealing Ordinance Number 4936, the Council's Prior Authorization for Natural Gas Purchases (FIRST READING: May 16, 2016 PASSED: 9-0)."
12. Ordinance 5385 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Municipal Code Sections 12.32.010 (Water Use

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Restrictions) and 12.32.020 (Enforcement) (FIRST READING: May 16, 2016 PASSED: 9-0)."

13. Approval and Authorization for the Mayor to Sign a Letter Responding to the California High Speed Rail Authority's Notice of Intent/Notice of Preparation.

MOTION PASSED: 9-0

Action Items

14. PUBLIC HEARING: to Hear Objections to the Levy of Proposed Assessments on the Palo Alto Downtown Business Improvement District and Adoption of a Resolution Confirming the Report of the Advisory Board and Levying Assessment for Fiscal Year 2017 on the Downtown Palo Alto Business Improvement District.

Public Hearing opened at 7:04 P.M.

Public Hearing continued to the June 27, 2016 Council meeting.

MOTION: Mayor Burt moved, seconded by Vice Mayor Scharf to direct Staff to:

- A. Review mechanisms for modifying the fee structure to require larger companies to pay a larger portion of the District costs; and
- B. Review mechanisms for modifying the contract with the Downtown Business Association so that activities are not construed to include lobbying.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "investigate other structures for the Business Improvement District (BID) that may provide a more efficient use of the funds that minimizes staff and administrative overhead and focuses more on direct services." (new Part C)

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "evaluate the boundaries of the BID to align with other Downtown boundaries." (new Part D)

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MOTION RESTATED: Mayor Burt moved, seconded by Vice Mayor Scharf to direct Staff to:

- A. Review mechanisms for modifying the Fee Structure to require larger companies to pay a larger portion of the district costs; and
- B. Review mechanisms for modifying the contract with the Downtown Business and Professional Association so that activities are not construed to include lobbying; and
- C. Investigating other structures for the Business Improvement District (BID) that may provide a more efficient use of the funds that minimizes staff and administrative overhead and focuses more on direct services; and
- D. Evaluate the boundaries of the BID to align with other Downtown boundaries.

MOTION AS AMENDED PASSED: 8-1 Schmid no

- 14a. (Former Agenda Item Number 18) Authorization for the Mayor to Sign a Letter Regarding the Governor's By Right Housing Proposal.

MOTION: Vice Mayor Scharff moved, seconded by Council Member DuBois to authorize the Mayor to sign a letter regarding the Governor's By Right Housing Proposal including the first five paragraphs of proposed language in the Staff Report and the text of the language included in the At Place Memorandum beginning with "Amendments, published as recently..." and;

Direct Staff to include the following concepts in the letter:

- A. The City is opposed to this bill being part of the budget process as opposed to the regular legislative process; and
- B. The City intends to work with the League of California Cities concerning this bill; and
- C. The proposed amendments would be at a minimum of modifications to the bill.

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AMENDMENT: Council Member Holman moved, seconded by Council Member XX to add to the Motion, "more thoughtful legislation should address the potential loss of housing units."

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "new development would provide preference for residents, if any, displaced from the former development." (new Part D)

AMENDMENT: Council Member Wolbach moved, seconded by Mayor Burt to add to the Motion, "include language so that a new project would not, as a whole exacerbate the jobs housing imbalance.

AMENDMENT RESTATED: Council Member Wolbach moved, seconded by Mayor Burt to add to the Motion, "include language so that a new project would not, as a whole exacerbate the jobs housing imbalance, where such exists. (new Part E)

AMENDMENT PASSED: 7-2 Berman, Scharff no

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part B, "our lobbyists, and legislators" after "California Cities."

MOTION RESTATED: Vice Mayor Scharff moved, seconded by Council Member DuBois to authorize the Mayor to sign a letter regarding the Governor's By Right Housing Proposal including the first five paragraphs of proposed language in the Staff Report and the text of the language included in the At Place Memorandum beginning with "Amendments, published as recently..." and;

Direct Staff to include the following concepts in the letter:

- A. The City is opposed to this bill being part of the budget process as opposed to the regular legislative process; and
- B. The City intends to work with the League of California Cities, our lobbyists, and legislators concerning this bill; and

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- C. The proposed amendments would be at a minimum of modifications to the bill; and
- D. New development would provide preference for residents, if any, displaced from the former development; and
- E. Include language so that a new project would not, as a whole exacerbate the jobs housing imbalance, where such exists.

MOTION AS AMENDED PASSED: 9-0

Council took a break from 8:33 P.M. to 8:39 P.M.

- 15. ~~Review of Recommendations From the Storm Drain Blue Ribbon Committee Regarding Future Storm Water Management Funding and Request for Council Direction on Whether to Proceed With a Proposition 218 Hearing and Property Owner Ballot by Mail to Approve Future Storm Water Management Rates.~~
- 16. PUBLIC HEARING: Request for City Council and Public Comments on the Draft Environmental Impact Report (DEIR) and Fiscal Study Prepared for the Comprehensive Plan Update. The Draft Environmental Impact Report was Published on February 5, 2016 for a Public Comment Period That Will end on June 8, 2016.

Public Hearing opened at 8:56 P.M.

Public Hearing closed at 9:18 P.M.

MOTION: Council Member Holman moved, seconded by Vice Mayor Scharff to reopen the public comment period for the Comprehensive Plan Draft Environmental Impact Report (DEIR) to run concurrently with the public comment period for Scenarios 5 and 6.

MOTION RESTATED: Council Member Holman moved, seconded by Vice Mayor Scharff to reopen the public comment period for the Comprehensive Plan Draft Environmental Impact Report (DEIR) for Scenarios 1-4, to run concurrently with the public comment period for Scenarios 5 and 6.

MOTION PASSED: 8-1 Schmid no

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MOTION: Council Member Scharff moved, seconded by Council Member Holman to continue this Agenda Item.

MOTION WITHDRAWN BY THE MAKER

MOTION: Council Member DuBois moved, seconded by Mayor Burt to add the following assumptions to Scenario 5 for purposes of greater contrast among scenarios:

- A. Conditional Use Permit (CUP) or another method to regulate employment densities; and
- B. County Expressway Plan 2040 implementation; and
- C. Community Commercial (2) subdistrict (CC2) Floor Area Ratio (FAR) reductions near California Avenue.

SUBSTITUTE MOTION: Council Member Holman moved, seconded by Vice Mayor Scharff to continue this Agenda Item to the soonest possible date.

CALL THE QUESTION: Vice Mayor Scharff moved, seconded by Mayor Burt to call the question.

CALL THE QUESTION PASSED: 8-1 Schmid no

SUSTITUTE MOTION PASSED: 9-0

17. PUBLIC HEARING: Adoption of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and Approval of a Site and Design Application to Demolish the Existing Approximately 18,000 Square Foot Building and Construct a new Approximately 62,000 Square Foot Building for an Automobile Dealership Located at 1700 Embarcadero Road. The Application Includes Design Enhancement Exception Request to Allow Deviation from the 10 Foot Build-to-Line From Embarcadero Road and Bayshore Road. There is Also a Request to Apply the Automobile Dealership (AD) Zoning Overlay. Environmental Assessment: An Initial Study and Mitigated Negative Declaration was Circulated. Zoning District: CS (D) Service Commercial and Site Design Review Combining District. The Planning and Transportation Commission Recommended Approval.

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Public Hearing opened at 11:25 P.M.

Public Hearing closed at 11:42 P.M.

MOTION: Council Member DuBois moved, seconded by Vice Mayor Scharff to:

- A. Adopt a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program; and
- B. Adopt an Ordinance adding the Automobile Dealership (AD) combining district to the subject property; and
- C. Approve an application for a Site and Design and Architectural Review for the construction of a new automobile dealership; and
- D. Approve an application for a Design Enhancement Exception for deviation from the 'build-to' setback along Embarcadero and Bayshore Roads; and
- E. Require the building be bird safe.

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Berman to replace Part E of the Motion with, "require that the building be bird safe in structure and that the Applicant work with Staff and the Audubon Society on lighting impacts on wildlife."

INCOPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Amendment, "as practical."

AMENDMENT RESTATED: Council Member Wolbach moved, seconded by Council Member Berman to replace Part E of the Motion with, "require that the building be bird safe in structure and that the Applicant work with Staff and the Audubon Society on lighting impacts on wildlife as practical."

AMENDMENT PASSED: 9-0

MOTION AS AMENDED FAILED: 3-5-1 Berman, DuBois, Scharff yes, Wolbach abstaining

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MOTION: Mayor Burt moved, seconded by Council Member Holman to refer this project to the Architectural Review Board (ARB) with guidance to:

- A. More carefully calculate the permissible Floor Area Ratio (FAR); and
- B. Adjust the building's height and mass to be more consistent with Compatibility Findings.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "incorporate bird safe design." (New Part C)

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "consider the Baylands Master Plant List in the landscape design." (New Part D)

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "include the Baylands General Design Principals in the project design and Record Of Land Use Action (ROLUA)." (New Part E)

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "include consideration of a Transportation Demand Management (TDM) program." (New Part F)

INCPORORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "include cost implications including fair share costs to Applicant of intersection improvements." (New Part G)

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part C, "and lighting."

MOTION RESTATED: Mayor Burt moved, seconded by Council Member Holman to refer this project to the Architectural Review Board (ARB) with guidance to:

- A. More carefully calculate the permissible Floor Area Ratio (FAR); and
- B. Adjust the building's height and mass to be more consistent with Compatibility Findings; and

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- C. Incorporate bird safe design and lighting; and
- D. Consider the Baylands Master Plant List in the landscape design; and
- E. Include the Baylands General Design Principals in the project design and Record Of Land Use Action (ROLUA); and
- F. Include consideration of a Transportation Demand Management (TDM) program; and
- G. Include cost implications including fair share costs to Applicant of intersection improvements.

MOTION AS AMENDED PASSED: 8-1 Scharff no

Inter-Governmental Legislative Affairs

~~18. Authorization for the Mayor to Sign a Letter Regarding the Governor's By Right Housing Proposal.~~

Council Member Questions, Comments and Announcements

Council Member Holman commented that Council Members make an effort, but are not always able to provide questions to Staff in advance of Council meetings.

Mayor Burt reported his participation on a panel at the Silicon Valley Energy Summit this past Friday. He noted that Palo Alto's sustainability and climate action efforts are viewed as models for other cities. He reported his attendance at the Mobility Hackathon at SAP. The City's Chief Information Officer, Jonathon Reichental led the event.

Council Member Wolbach reported his attendance at the Hackathon.

Council Member Kniss reported her attendance at the League of California Cities' Tax and Revenue meeting last Thursday.

Adjournment: The meeting was adjourned at 12:35 A.M.