



CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting
December 12, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:08 P.M.

Present: Burt, DuBois arrived at 5:50 P.M., Filseth, Holman, Kniss, Scharff, Schmid, Wolbach

Absent:

Study Session

1. Discussion of the Challenges and Accomplishments of the City Council.

Special Orders of the Day

2. This item has been removed and will not be heard.

Agenda Changes, Additions and Deletions

Agenda Item Number 8- 450 Bryant Street [16PLN-92]... removed from the Agenda due to the withdrawal of the Appeal by the Appellant.

Minutes Approval

3. Approval of Action Minutes for the November 21 and 28, 2016 Council Meetings.

MOTION: Council Member DuBois moved, seconded by Council Vice Mayor Scharff to approve the Action Minutes for the November 21 and 28, 2016 Council Meetings.

MOTION PASSED: 8-0

Consent Calendar

MOTION: Council Member DuBois moved, seconded by Vice Mayor Scharff to approve Agenda Item Numbers 4-7, 9-20.

ACTION MINUTES

4. Resolution 9650 Entitled, "Resolution of the Council of the City of Palo Alto Declaring the Results of the Consolidated Municipal Election Held on November 8, 2016."
5. Approval of Site Finalization of Lot D, Located at Hamilton Avenue and Waverley Street, for the new Downtown Parking Garage, and Approval of a Contract With Watry Design, Inc. in the Amount of \$1,899,591 to Provide Design and Environmental Assessment Services for the new Downtown Parking Garage, Capital Improvement Program Project, PE-15007.
6. Approval of a Contract With RossDrulisCusenbery Architecture, Inc. in the Amount of \$7,007,992 to Provide Design and Environmental Assessment Services for the new Public Safety Building, Capital Improvement Program Project, PE-15001 and new California Avenue Area Parking Garage Capital Improvement Program Project, PE-18000.
7. Resolution 9651 Entitled, "Resolution of the Council of the City of Palo Alto Amending Utilities Rule and Regulation 27, Generating Facility Interconnections."
8. ~~450 Bryant Street [16PLN-92]: Consideration of an Appeal and Adoption of Findings of Approval by the Director of Planning and Community Environment for Architectural Review of an Expansion to a Category 2 Historic Resource (Avenidas) and Associated Approval of a Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Plan.~~
9. Resolution 9652 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Standard Form Edison Electric Institute Master Power Purchase and Sale Agreement, With Special Terms and Conditions ("Standard Form Electric Master Agreement"), and the Standard Form Master Renewable Energy Certificate Purchase and Sale Agreement ("Standard Form Master REC Agreement")."
10. Review and Approve the Process to Solicit Applications for a Stakeholder Committee to Advise the Council Regarding a Potential Tax and Other Funding Options for Transportation Programs and Projects.
11. Approval of a Contract With Pierce Manufacturing Inc. in the Amount of \$399,915 for the Purchase of a Type III Wildland Fire Engine; and Approval of Budget Appropriation Amendments in the General Fund and the Vehicle Replacement and Maintenance Fund.

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12. Approval of a Contract With Pierce Manufacturing Inc. in the Amount of \$680,666 for the Purchase of a Triple Combination 1500 GPM Fire Pumper.
13. Adoption of Annual Amendments to the Employment Agreements Between the City of Palo Alto and Council Appointed Officers (City Manager, City Attorney, City Auditor and City Clerk).
14. Approval of Amendment Number Nine to the Agreement With the County of Santa Clara for Abatement of Weeds to Change the Method for Setting Abatement Fees and Costs.
15. Approve and Authorize the City Manager to Execute Contract Amendment Number One to Contract Number C14150749 in the Amount of \$138,719 for Project Consultant MIG for Additional Services; and Approve a Budget Amendment in the Capital Improvement Fund (Project PE-13003).
16. Approval of Contract Number C17166591 With Artist Susan Zoccola, LLC in the Not-to-Exceed Amount of \$90,000 for the Design Development, Fabrication and Installation of Artwork Associated With the Charleston-Arastradero Corridor Project.
17. Ordinance 5403 Entitled, "Ordinance of the Council of the City of Palo Alto Approving Revisions to the Architectural Review Findings in Palo Alto Municipal Code Chapter 18.76 and Approval of an Exemption Under Sections 15061 and 15305 of the California Environmental Quality Act (CEQA) Guidelines (FIRST READING: November 14, 2016 PASSED: 7-0 Berman, Kniss absent)."
18. Approval of a Contract With Anderson Pacific Engineering Construction, Inc. in the Amount of \$5,992,000 for the Matadero Storm Water Pump Station Upgrade Project, Capital Improvement Program Project SD-13003, and Adoption of a Categorical Exemption Under Sections 15302 and 15303 of the California Environmental Quality Act Guidelines (CEQA).
19. Approval of Amendment Number Four to the Palo Alto-Stanford Fire Protection Agreement With the Board of Trustees of the Leland Stanford Junior University Extending the Term to June 30, 2017 for an Additional Fee of \$4,841,415, and Approval of a Related Budget Amendment Reducing the General Fund Budget Stabilization Reserve to Offset a Reduction in FY 2016 Fire Department Revenues.

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20. Approval of: 1) a Professional Services Agreement With RMC Water and Environment for Development of a Recycled Water Strategic Plan in a Total Amount Not-to-Exceed \$2,000,000; and 2) a Cost Sharing Agreement With the Santa Clara Valley Water District Under Which the District Will Fund 90 Percent of Strategic Plan Consultant Costs; and 3) an Amendment to the Fiscal Year 2017 Budget Appropriation for the Wastewater Treatment Fund.

MOTION PASSED: 8-0

Action Items

21. PUBLIC HEARING: Adoption of two Ordinances to Update the City's Below Market Rate (BMR) Housing Program as Recommended by the Finance Committee: (1) Repealing Municipal Code Section 16.47 (Non-residential Projects) and 18.14 (Residential Projects) and Adding a new Section 16.65 (Citywide Affordable Housing Requirements) and; (2) Establishing Housing Impact Fees and Housing In-Lieu Fees for Residential, Nonresidential, and Mixed Use Developments. The Proposed Ordinances are Exempt From the California Environmental Quality Act (CEQA) per Sections 15378(b)(4), 15305 and 15601(b)(3) of the State CEQA Guidelines. The BMR Ordinance and Fees Were Recommended for Adoption by the Planning and Transportation Commission on November 30, 2016.

Public Hearing opened at 7:58 P.M.

Public Hearing closed at 8:25 P.M.

MOTION: Council Member DuBois moved, seconded by Council Member Holman to:

- A. Adopt an Ordinance updating the City's Below Market Rate (BMR) Housing Program by repealing Municipal Code Section 16.47 (non-residential projects) and 18.14 (residential projects) and adding a new Section 16.65 (Citywide Affordable Housing Requirements); and
- B. Adopt an Ordinance establishing housing impact fees and housing in-lieu fees for residential, nonresidential, and mixed use developments; and
- C. Find these actions exempt from the California Environmental Quality Act (CEQA) per Sections 15378(b)(4), 15305 and 15601(b)(3) of the State CEQA Guidelines.

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AMENDMENT: Council Member Schmid moved, seconded by Vice Mayor Scharff to add to the Motion, "accept the Planning and Transportation Commissions' recommendation that Market Rate Rental Housing be charged a fee of \$20 per square foot."

AMENDMENT PASSED: 6-2 Filseth, Holman no

AMENDMENT: Vice Mayor Scharff moved, seconded by Council Member Kniss to add to the Motion, "retain Hotel fee at \$20.37 per square foot."

AMENDMENT FAILED: 4-4 Burt, DuBois, Holman, Schmid no

AMENDMENT: Council Member Wolbach moved, seconded by Vice Mayor Scharff to add to the Motion, "lower the fee for Office/R&D to \$40 per square foot."

AMENDMENT FAILED: 3-5 Kniss, Scharff, Wolbach yes

AMENDMENT: Council Member Wolbach moved, seconded by Vice Mayor Scharff to add to the Motion, "set the fee for market rate single family attached to \$35 per square foot with a reevaluation after one year."

AMENDMENT FAILED: 2-6 Scharff, Wolbach yes

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Kniss to add to the Motion, "retain the fee for market rate single family attached and market rate single family detached."

AMENDMENT FAILED: 2-6 Kniss, Wolbach yes

MOTION AS AMENDED RESTATED: Council Member DuBois moved, seconded by Council Member Holman to:

- A. Adopt an Ordinance updating the City's Below Market Rate (BMR) Housing Program by repealing Municipal Code Section 16.47 (non-residential projects) and 18.14 (residential projects) and adding a new Section 16.65 (Citywide Affordable Housing Requirements); and
- B. Adopt an Ordinance establishing housing impact fees and housing in-lieu fees for residential, nonresidential, and mixed use developments; and
- C. Find these actions exempt from the California Environmental Quality Act (CEQA) per Sections 15378(b)(4), 15305 and 15601(b)(3) of the State CEQA Guidelines; and

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- D. Accept the Planning and Transportation Commissions' recommendation that Market Rate Rental Housing be charged a fee of \$20 per square foot.

MOTION AS AMENDED PASSED: 5-3 Kniss, Scharff, Wolbach no

22. PUBLIC HEARING: Adoption of an Ordinance Amending the FY 2017 Municipal Fee Schedule to Reflect Development Services Cost of Services Study and FY 2017 Annual Adjustment.

Public Hearing opened at 9:35 P.M.

Public Hearing closed at 9:41 P.M.

MOTION: Vice Mayor Scharff moved, seconded by Mayor Burt to adopt an Ordinance to update the Fiscal Year 2017 Municipal Fee Schedule to adjust Development Services Municipal Fees, based on the completion of a Cost of Services Study and adjusted by the annual inflator applied to Municipal Fees from Fiscal Year 2016 to Fiscal Year 2017 with the exception of Fees that could impact community events.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff to return to the Finance Committee with a definition of a 'Project' versus maintenance."

MOTION RESTATED: Vice Mayor Scharff moved, seconded by Mayor Burt to adopt an Ordinance to update the Fiscal Year 2017 Municipal Fee Schedule to adjust Development Services Municipal Fees, based on the completion of a Cost of Services Study and adjusted by the annual inflator applied to Municipal Fees from Fiscal Year 2016 to Fiscal Year 2017 with the exception of Fees that could impact community events. Direct Staff to return to the Finance Committee with a definition of a "Project" versus maintenance.

MOTION AS AMENDED PASSED: 8-0

23. Resolution 9653 Entitled, "Resolution of the Council of the City of Palo Alto, Colleagues' Memo Reaffirming Palo Alto's Commitment to a Diverse, Supportive, Inclusive, and Protective Community."

MOTION: Council Member Holman moved, seconded by Council Member Wolbach to adopt a Resolution affirming Palo Alto's commitment to a diverse, supportive, inclusive and protective community including the addition to Section 1, Paragraph Four, "living, working, and visiting" after "privileges of everyone."

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "refer the subject matter of this Memorandum to the Human Relations Commission, for recommendation of implementation measures and additional elements that should be considered by the Council in the future." (New Part B)

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part A, "and" with "or."

MOTION AS AMENDED RESTATED: Council Member Holman moved, seconded by Council Member Wolbach to:

- A. Adopt a Resolution affirming Palo Alto's commitment to a diverse, supportive, inclusive and protective community including the addition to Section 1, Paragraph Four, "living, working, or visiting" after "privileges of everyone;" and
- B. Refer the subject matter of this Memorandum to the Human Relations Commission, for recommendation of implementation measures and additional elements that should be considered by the Council in the future.

MOTION AS AMENDED PASSED: 8-0

- 24. Colleagues' Memo Regarding Support Funding for the Barron Park Donkey Project.

MOTION: Council Member Holman moved, seconded by Council Member Kniss to:

- A. Direct and authorize the City Manager to prepare and execute a Memorandum of Agreement with Acterra to make an initial grant of \$10,000 for donkey-related expenses, and, upon successful private fundraising by the Barron Park Donkey Project of \$10,000, provide an additional City grant of \$5,000; and
- B. Amend the Fiscal Year 2017 Budget Appropriation Ordinance for the General Fund budget by:
 - i. Increasing the Community Services Department appropriation for grants and subsidies in the amount of \$15,000; and
 - ii. Decreasing the Non-Departmental City Council Contingency appropriation in the amount of \$15,000.

MOTION PASSED: 8-0

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Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Burt announced that the City received a Certificate of Recognition from the Silicon Valley Council of Nonprofits recognizing Palo Alto as the 2016 Change Maker of the Year for the City's advocacy regarding Buena Vista Mobile Home Park.

Council Member DuBois reported his attendance as well as the attendance of Council Members Filseth and Wolbach at the Council Town Hall meeting last week in the College Terrace neighborhood. The event was well attended. He announced another Council Town Hall meeting, taking place on Wednesday night in the Barron Park neighborhood.

Mayor Burt reported his participation in a panel at the American Water Summit in Florida. Other panelists included the Mayor of Flint, Michigan. Summit participants were shocked by the high price of water in Palo Alto, but also impressed by the numerous initiatives funded by the revenue generated by this price. He reported his attendance at the East Palo Alto Reorganization. The East Palo Alto City Council expressed its sincere appreciation for Palo Alto's efforts to transfer a portion of Palo Alto's Individual Supply Guarantee (water) to East Palo Alto.

James Keene, City Manager expressed his appreciation to the Council for their countless hours dedicated to the City and their efforts to care for both the current and future Palo Alto community.

Closed Session

25. CONFERENCE WITH CITY ATTORNEY- EXISTING LITIGATION

Subject: City of Palo Alto v. Public Employee Relations Board (PERB) (International Association of Fire Fighters, Local 1319, Real Party), Cal Court of Appeal No. H041407, on Appeal From PERB

Case No. SF-CE-869-M

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

CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees

Pursuant to Merit System Rules and Regulations (James Keene, Molly Stump, Rumi Portillo, Eric Nickel, Dennis Burns)

Employee Organizations: Palo Alto Fire Chiefs' Association; International Association of Fire Fighters (IAFF), Local 1319; Palo Alto

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Police Officers' Association (PAPOA); Palo Alto Police Managers' Association (PAPMA)
Government Code Section 54957.6(a).

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

MOTION PASSED: 8-0

Council went into Closed Session at 11:06 P.M.

Council returned from Closed Session at 11:44 P.M.

Mayor Burt announced that the Council voted 8-0 to authorize the City Attorney to file a Petition for Review with the California Supreme Court in the matter of City of Palo Alto v. Public Employee Relations Board (PERB)(International Association of Fire Fighters, Local 1319, Real Party), Cal Court of Appeal No. H041407, on Appeal From PERB Case No. SF-CE-869-M.

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