Special Meeting June 2, 2014

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:03 P.M.

Present: Berman, Burt, Holman arrived at 6:10 P.M., Klein, Kniss, Price,

Scharff, Schmid, Shepherd

Absent: None

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations(James Keene, Lalo Perez, Joe Saccio, Kathryn Shen, Dania Torres Wong, Eric Nickel, Catherine Capriles, Geo Blackshire, Melissa Tronquet, Mark Gregerson, Nancy Nagel, Molly Stump, Walter Rossmann)

Employee Organization: International Association of Fire Fighters (IAFF), Local 1319

Authority: Government Code Section 54957.6(a)

2. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Lalo Perez, Melissa Tronquet, Joe Saccio, Molly Stump, Walter Rossmann, Nancy Nagel, Dennis Burns, Mark Gregerson, Kathryn Shen, Dania Torres Wong)

Employee Organization: Palo Alto Police Officers Association (PAPOA)

Authority: Government Code Section 54957.6(a)

The City Council returned from the Closed Session at 6:55 P.M.

Mayor Shepherd reported no reportable action.

AGENDA CHANGES, ADDITIONS AND DELETIONS

Mayor Shepherd noted Council Members were provided a list of action items for the final three meetings prior to the Council's summer break. A meeting would not be held on June 30, 2014. She requested Council Members

comment at the end of the meeting regarding their preferences for beginning meetings at 5:00 P.M. or scheduling a meeting on June 18, 2014.

CITY MANAGER COMMENTS

James Keene, City Manager, reported he and Council Member Scharff and Vice Mayor Kniss would travel to Oaxaca, Mexico, to celebrate 50 years of the Sister City relationship with Palo Alto. The community was invited to visit the Palo Alto Art Center June 3-29, 2014 to view the Places to Play in Palo Alto exhibit. Council Members Klein and Schmid attended the first of three planning workshops related to the Comprehensive Plan Update. The remaining two workshops were scheduled for June 10, 2014 and June 24, Applications for the leadership group for community engagement would be accepted through June 15, 2014. The Palo Alto Fire Department was playing a leadership role in the regional wildfire training. camps and aquatics programs began June 2, 2014 with weeklong training. Agenda Item Number 4 concerned funding of improvements between downstream Highway 101 and the Bay Highway 101 project and potential bridge improvements at Newell Road and Pope-Chaucer Street. related to upstream alternatives were evaluated separately in the Joint Powers Authority Environmental Impact Report. The League of California Cities opposed the wording of Proposition 42, because it would place additional costs on cities. The City had not taken a position on Proposition 42, because City policies and practices aligned with it.

ORAL COMMUNICATIONS

Herb Borock did not believe the *Daily Post* had been adjudicated as a newspaper of general circulation and, therefore, was not an appropriate publication for legal notices. The *Palo Alto Weekly* was the appropriate publication for legal notices.

Rainer Pithair indicated traffic from California Avenue and El Camino Real parked in neighborhoods and utilized bicycles to travel from the neighborhoods. Evergreen Park was over parked and should have a permit parking program.

Sally Lieber urged the Council to consider additional efforts regarding gun violence prevention and reviewed Sunnyvale's recent ballot measure. She provided materials to the City Clerk.

Dana St. George suggested the Council consider banning or issuing a statement against fracking.

Lois Salo added that fracking used an incredible amount of water and could cause earthquakes. The City should join other cities and counties in stating that fracking was ecologically indefensible.

William Landgraf recalled Carl Guardino did not respond to Council Member Burt's question regarding funds allocated to Caltrain from the 2000 tax measure. He later learned that only 4 percent of \$1.4 billion was allocated to Caltrain. Council Members should receive finance and accounting training in order to analyze such budgetary items.

Sven, Sophia and Genevieve Theissen suggested the Council send a letter to the Obama Administration supporting and encouraging regulations for coalburning power plants. Genevieve wanted strong power plant regulations. Sophia hoped Mr. Obama would oppose the pipeline.

Roberta Ahlquist advised that fracking utilized large amounts of water and toxic chemicals and was an environmentally unsound practice. She advocated for a ban on fracking.

Shani Kleinhaus, Santa Clara Valley Audubon Society, reported solutions were now available to prevent birds from colliding with glass structures. Other cities had incorporated bird-safe building design into their review processes.

CONSENT CALENDAR

Maria Makela spoke regarding Agenda Item Four. She was worried that the proposed Pope-Chaucer Bridge would change the character of the neighborhood. She did not want huge flood walls or trees removed. Other solutions were retention ponds and diversion by culverts.

Fred Balin spoke regarding Agenda Item Seven. He indicated his appeal of the Mayfield project concerned the Director's decision, and the scope of the appeal extended beyond the Architectural Review Board (ARB) hearing. At a recent Planning and Transportation Commission (PTC) meeting, comments indicated residents and the neighborhood association were satisfied with the project. That was not the case. He trusted the Council would not allow any parties to lobby it during the pendency of the appeal.

Sheri Furman spoke regarding Agenda Item Seven. She felt appeals should be heard by the Council rather than placed on the Consent Calendar. She suggested the Council refer the issue to the Policy and Services Committee.

William Ross spoke regarding Agenda Item Seven. He supported Mr. Balin's comments. Numerous residents had received inconsistent indications from Staff that they were not entitled to notice. On that basis, the Council should hear the appeal in total.

Lois Salo spoke regarding Agenda Item Eight. She wanted the City to buy the Buena Vista Mobile Home Park property so that those residents could remain in their homes. The City needed to obtain more funds to build lowincome housing.

Stephanie Munoz spoke regarding Agenda Item Eight. She believed the City had a duty to provide shelter for homeless people. The City did not fully utilize funds or assets it possessed.

Herb Borock spoke regarding Agenda Item 12. He noted the City Clerk recommended eliminating the requirement from the Charter that the order of candidates' names be determined by lot. The Council could not eliminate an item from the Charter. The Council should direct the City Attorney to present an Ordinance utilizing the Secretary of State's process.

Shani Kleinhaus, Santa Clara Valley Audubon Society spoke regarding Agenda Item Three. She supported the Power Purchase Agreement in Agenda Item Number 3. The project did not damage wildlife habitats.

Council Member Klein recused himself from Item Number 7 as his wife was a faculty member at Stanford University.

MOTION: Council Member Price moved, seconded by Vice Mayor Kniss to approve Agenda Item Numbers 3-17.

- 3. Resolution 9416 entitled "Resolution of the Council of the City of Palo Alto Approving a Power Purchase Agreement with 65HK 8me LLC for up to 60,000 Megawatt-Hours Per Year of Energy Over 34 Years for a Total Amount Not to Exceed \$130 Million."
- 4. Approval of Two Agreements: (a) 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, and (b) Memorandum of Understanding between the San Francisquito Creek Joint Powers Authority and the City of Palo Alto Concerning the Mitigation of Impacts to the Palo Alto Municipal Golf Course Due to the San Francisquito Creek Flood Reduction, Ecosystem Restoration, and Recreation Project, San Francisco Bay to Highway 101; and Adoption of a Resolution 9417 entitled "Resolution of the

Council of the City of Palo Alto Making Findings of Fact and Adopting a Mitigation Monitoring and Reporting Program in Accordance with the California Environmental Quality Act in the Context of Approval of the Construction Funding Agreement of the San Francisquito Creek Flood Reduction, Ecosystem Restoration, and Recreation Project, San Francisco Bay to Highway 101."

- 5. Recommendation for Council Approval to Amend the Current Regional Animal Care and Control Services Contracts with the City of Los Altos and Town of Los Altos Hills, and to Extend Term for Five Additional Years.
- 6. Resolution 9418 entitled "Resolution of the Council of the City of Palo Alto Approving a Power Management and Administrative Services Agreement, Amended and Restated Facilities Agreement, Amended and Restated Scheduling Coordination Program Agreement and the Second Amended and Restated Pooling Agreement with the Northern California Power Agency (NCPA)."
- 7. Council Review of an Appealed Architectural Review Approval of the Demolition of Approximately 290,220 s.f. of Existing R&D/Office Space and Construction of 180 Dwelling Units which Includes 68 Detached Single-Family Units and 112 Multi-Family Units Located at 1451-1601 California Avenue, as part of the 2005 Mayfield Development Agreement. Environmental Assessment: City of Palo Alto/Stanford Development Agreement and Lease Project Environmental Impact Report (State Clearinghouse No. 2003082103) (STAFF REQUESTS THIS ITEM BE CONTINUED TO JUNE 9, 2014).
- 8. Resolution 9419 entitled "Resolution of the Council of the City of Palo Alto Approving the City's Participation in the Santa Clara County Home Consortium ("SCCHC") for Purposes of Securing Federal Home Funding for Affordable Housing."
- 9. Policy and Services Committee Recommendation to the City Council Approval of the Expenditure of up to \$84,000 for FY 2015 for Teen Programs Using Net Revenue Collected from 455 Bryant Street Rent.
- 10. Ordinance 5249 entitled "Ordinance of the Council of the City of Palo Alto Approving the Use of Online or Electronic Filing of Campaign Statements" (First Reading May 12, 2014, PASSED 9-0).
- 11. Resolution 9420 entitled "Resolution of the Council of the City of Palo Alto Determining Zero Property Tax Exchange on the Annexation of Lands of Bower and Shaw at 830 Los Trancos Road to the West Bay Sanitary District."

- 12. <u>Resolution 9421</u> entitled "Resolution of the Council of the City of Palo Alto Calling a General Municipal Election Tuesday, November 4, 2014."
- 13. Park Improvement Ordinance Adopting a Plan of Improvements for the Magical Bridge Playground Project at Mitchell Park.
- 14. Ordinance 5250 entitled "Ordinance of the Council of the City of Palo Alto Amending the Municipal Code to Change the Regular Meeting Start Time from 7:00 p.m. to 6:00 p.m.; Amend the Council's Procedures to Reflect the 6:00 p.m. Meeting Start Time."
- 15. Approval of Funding of \$50,000 Per Year for Years Two Through Five, for a Total Amount Not to Exceed \$250,000 for Contract Number S13147834 with the Fire Safe Council for Stewardship Services to Fulfill the Treatment Work Indicated in the Foothills Fire Management Plan.
- 16. Approval of Amendment No. 2 to Contract No. C09127935 in the Amount of \$543,744 With Utility Tree Service Inc. for Power Line Clearing Services for a Total Contract Compensation Not to Exceed \$6,646,774.
- 17. Approval of Sister City Reaffirmation Agreement with Oaxaca, Mexico.

MOTION PASSED for Agenda Item Numbers 3-6, 8-17: 9-0

MOTION PASSED for Agenda Item Number 7: 8-0 Klein not participating

ACTION ITEMS

18. Public Hearing - Council Adoption of an Ordinance Modifying: (1) Chapter 18.16 of the Palo Alto Municipal Code (PAMC) to: (a) Address Sidewalk Width and Building Setbacks (Setback and "Build-to" Line Standards, and Context Based Design Criteria) Along El Camino Real, and (b) Reduce the Allowable Floor Area Ratio on CN Zoned Sites Where Dwelling Units are Permitted at 20 Units Per Acre; and (2) PAMC Chapter 18.04 to Adjust the Definition of Lot Area and Add a Definition for "Effective Sidewalk". Environmental Assessment: Exempt from the Provisions of CEQA per Section 15305 (Minor Alterations in Land Use Limitations) (THIS ITEM WAS CONTINUED BY COUNCIL MOTION ON APRIL 21, 2014 TO JUNE 2, 2014).

MOTION: Council Member Klein moved, seconded by Council Member Scharff to limit the discussion of Council Members to seven minutes each to have this agenda item move expeditiously.

Council Member Klein felt the item was technical and would be referred for further evaluation; therefore, Council Members' comments should be limited in the current discussion.

Council Member Schmid indicated the item was first raised by the Council in 2010 and had been discussed by the Architectural Review Board (ARB) and the Planning and Transportation Commission (PTC). It was an extremely important item and relevant to the Housing Element. A constraint on discussion was not appropriate.

Council Member Holman concurred with Council Member Schmid's comments. The item deserved a thorough vetting by the Council. To curtail Council Member comments was to presume an unknown outcome.

Council Member Burt was concerned that one item addressed both sidewalks and Floor Area Ratio (FAR). The two issues should be agendized separately. He could support the Motion if the Council was willing to continue the item should it not be willing to take any of the recommended actions. He inquired whether the maker and seconder of the Motion intended for the Council to act on the item in the current discussion.

Council Member Klein responded no. The Council could continue the item after discussion.

Council Member Scharff believed the Council could take action, postpone or table the item.

Council Member Burt clarified that he questioned whether the maker and seconder intended for the Council to necessarily take action.

Council Member Scharff replied no. Council Members could utilize their seven minutes and then speak to a Motion or Substitute Motion once it was made. Limiting the initial round of Council Member comments to seven minutes was logical.

Mayor Shepherd agreed that the Council would need a later substantive discussion of the issues.

Vice Mayor Kniss inquired whether Council Member Burt was suggesting or including in the Motion to separate the issues of sidewalks and FAR.

Council Member Burt wanted the two issues to return to the Council as separate action items. Under the current action item, Council Members could discuss both issues.

Vice Mayor Kniss asked if Council Member Burt was proposing for the two issues to return as two separate topics should the Council not take action on them.

Council Member Burt answered yes.

MOTION PASSED: 7-2 Holman, Schmid no

Council Member Holman was concerned about reducing the time for public comment for such a large topic.

Mayor Shepherd would allow the standard three minutes for each public speaker.

Hillary Gitelman, Director of Planning and Community Environment, advised that written responses to Council Member Holman's questions were provided at-places.

Amy French, Chief Planning Official, reported the Grand Boulevard vision sought an integrated pedestrian environment with wide, continuous sidewalks, landscaping, lighting, and signage, all with human-scale details. Because the California Department of Transportation (Caltrans) sidewalk right-of-way was 8 feet in width, the City would need a 10 foot building setback in order to achieve a continuous 18 foot sidewalk setback without encroaching into the roadway. Staff and the ARB had followed the South El Camino Design Guidelines (Guidelines) since 2002 and utilized the build-to line and effective sidewalk-width language. The 2005 Zoning Code incorporated the Guidelines extensively. The 2005 Zoning Code had a setback range that began at 0 feet and did not require a 4 foot minimum setback. The Code contained an effective sidewalk, but did not include a definition for effective sidewalk. The Zoning Code definition of lot area did not allow an owner to include the area of the front setback in the FAR calculation if there was an easement across the setback to provide a public The 1998 Zoning Code required a 10 foot setback in the Neighborhood Commercial (CN) Zone and required a landscape screen in the setback. The Community Commercial (CC) and Services Commercial (CS) Zones did not require a 10 foot setback and screening. The Council provided direction regarding sidewalks and building setbacks in 2013 and FAR in 2014. Staff conducted a joint meeting with the PTC and the ARB in July 2013 and held several public hearings regarding a draft concept and

sidewalk Ordinance. The Ordinance deleted the build-to line for roadways in CS, CN, and CC Zones, except for El Camino Real properties. The Ordinance required a 4 foot minimum setback at the ground floor to achieve a 12 foot effective sidewalk and up to 10 foot setback to achieve an 18 foot sidewalk width. The setback depended on context and allowed the ARB to have a role in the decision. The Ordinance allowed upper floors and columns to be placed closer to the street. The Ordinance contained a proposed definition of effective sidewalk width. Part of the Ordinance included a definition for lot area that addressed the easement across private property for a public sidewalk. The Ordinance referenced Context-Based Design Criteria. FAR for 32 CN-zoned housing sites was different from items concerning sidewalks. The FAR ranged from 1:1 to 0.8:1 inclusive of 0.4 residential if a developer chose to increase density up to 20 units per acre. recommended the Council adopt the Ordinance, defer adoption until issues were reviewed during the Comprehensive Plan Update, or adopt a modified Ordinance to delete the FAR change and to permit a 9 foot wide sidewalk where appropriate for retail storefronts.

Randy Popp, Vice Chair of the Architectural Review Board, advised that the Ordinance would make the experience of El Camino Real more enjoyable and attractive for both vehicles and pedestrians. The ARB recommended a minimum setback with a range. The ARB reviewed each project based on context. El Camino Real contained a wide range of uses and conditions. No one solution would fit all. The impacts and improvements the Ordinance provided would be amplified at critical nodes and less so at connectors. The Ordinance would help clarify and resolve the need for many exceptions. The ARB hoped the regulations would make El Camino Real more of a boulevard. On a project-by-project basis, the ARB anticipated a different design approach for the street and upper levels. The entire concept was based on maintaining all current development rights. This would improve the street level and tree canopy as well. There was a subtle but added benefit of additional sidewalk area. The ARB did not support reducing FAR when providing 20 dwelling units per acre. Within the current boundaries of FAR, unit size would be self-regulated. Reduced FAR would erase the benefit for increased density by the nature of the demands imposed by parking requirements. The ARB urged the Council not to include the limitation.

Arthur Keller, Vice Chair of Planning and Transportation Commission, indicated the PTC suggested the Ordinance be deferred to the Our Palo Alto process for the Comprehensive Plan Update. Some Commissioners felt changes were needed for larger issues, such as consideration of taller heights. Also Commissioners were concerned about the rights of property owners. The minority view was that the Ordinance made simplifications and improvements. For example, the current sidewalk width was a minimum of

12 feet. The minimum sidewalk width would remain 12 feet but there would be ARB discretion to increase that.

Public Hearing opened at 8:08 P.M.

Andrew Pierce, spokesperson for a group of at least five members, stated his law firm had been retained by 14 South El Camino Real landowners who were concerned about the proposal to widen sidewalks. The proposal in its current form could be an unconstitutional taking of land. The proposal was really a right-of-way, for which the City had to pay. Case law had not been friendly to cities. The PTC voted not to recommend the proposal. The proposal would negatively affect the value of his clients' properties. He urged the Council to think carefully before acting, because the proposal amounted to taking a right-of-way without paying for it.

Julie Handley concurred with Mr. Pierce in that the sidewalk proposal appeared to be a taking of property. Three projects along El Camino Real were not in compliance with the proposal and precluded that portion of El Camino Real from being a real boulevard. The Council should not adopt the proposal individually.

Tracy May understood the City wanted to change El Camino Real by converting two-story buildings into four-story buildings. This was not feasible for many properties along El Camino Real, because they were small and lacked depth for this type of project. The sidewalk proposal would leave little useable property for landowners.

Kumaran Santhanam believed the Grand Boulevard vision seemed to be a one-size-fits-all plan that was not consistent within Palo Alto. The initiative needed more thought. There could be disproportionate devaluation of property. He urged the Council to consider the rights of property owners.

Brian Knudson believed the visibility of small businesses could be decreased by trees and landscaping along the sidewalk. Small parcels could be impossible to develop or sell under the proposed Ordinance. There should be further study on the items.

Peter Eng stated the photograph of the Grand Boulevard vision was not realistic. Staff should analyze the foot traffic along El Camino Real and consider the economic impact of the proposals.

Yatin Patel felt the concept of El Camino Real as a vibrant, pedestrianfriendly thoroughfare was misguided. Inconsistent sidewalk widths would be

a problem. Perhaps landowners would not redevelop their properties if they were subject to an 18 foot sidewalk.

Ken Weng advised that the planning process had not considered incentives for property owners or the impact on property owners. Piecemeal changes to zoning were not logical.

Sal had not redeveloped his properties along El Camino Real because of poor zoning. Now the Council wanted to make the zoning even worse. The Council should allow higher density and taller buildings.

Joseph Rezza asked the Council to reject the proposals regarding sidewalks and FAR. At the meetings he attended, no neighborhood residents had supported the proposed changes. Reduced FAR, restricted heights, limited parking access, and a 10 foot setback did not allow property owners to improve their properties.

Robert Yee advised that widening the sidewalk to 18 feet would make it more difficult for him to locate a tenant for his building. He requested the City study parking and building height requirements and the possibility of utilizing the alleyway.

Ben Cintz believed the proposed Ordinance adversely impacted small property owners by replacing the build-to line with a setback requirement. The City could simply remove the build-to-line requirement.

Robert Moss stated the Council should review the entire aspect of the El Camino Real Design Guidelines. Everyone involved with El Camino Real should form a committee to prepare a vision for El Camino Real. The Council should reduce the intensity of use in CN Zones.

Herb Borock questioned whether sidewalks would be widened for public or private use. Changing CN Zones would affect the State's review of the updated Housing Element.

Stephanie Munoz did not believe people would ever walk along El Camino Real.

Simon Cintz indicated the Grand Boulevard plan would hurt small, independent businesses along much of El Camino Real. Proposed changes would make small businesses less visible to vehicle traffic. Small businesses could not depend on foot traffic for success.

Adina Levin, Friends of Caltrain and Peninsula Transportation Alternatives, supported the Grand Boulevard Initiative. Given the numerous design and economic concerns, proposed changes should be a part of the Comprehensive Plan Update. Perhaps the City should study whether pedestrians would harm or aid businesses.

Shani Kleinhaus felt the proximity of buildings to the road encroached on the sense of space. People did not drive around looking for stores; they searched online and then drove to the location.

Public Hearing closed at 8:46 P.M.

Ms. Gitelman referred the Council to page 4 of the Staff Report which stated the Ordinance did not require dedication of land for sidewalk purposes. The purpose of the Ordinance was to legislate building setbacks which was entirely within the City's purview. The bullet at the bottom of Packet Page 537, "Minimum of 33 percent of side street built to setback" should be deleted.

James Keene, City Manager, suggested the Council take up additional polling and the ballot language in Item Number 21 and reschedule the infrastructure funding plan for the following week. The Council could schedule a Special Meeting for remaining Agenda Items. Item Number 20 could be postponed.

Mayor Shepherd wanted to take up Item Numbers 19 and 20 at least. Discussion of Item Number 18 would proceed with a limit on Council Member comments of seven minutes.

Vice Mayor Kniss inquired whether the Mayor wished to discuss a Special Meeting for either June 4 or 18, 2014 at the current time or at the end of the meeting.

Mayor Shepherd advised that the Council could notice a Special Meeting for June 4 to continue the current agenda. A quorum of Council Members would not be available for a meeting on June 11, 2014. Council Members could discuss scheduling a Special Meeting at the end of the meeting.

Council Member Scharff heard the City Manager indicate that the Council should postpone discussion of the infrastructure funding plan. Perhaps the Council could agree to that.

Mayor Shepherd understood the City Manager wanted the Council to provide direction regarding polling.

Mr. Keene could respond to Council questions and comments regarding polling with Staff present at the meeting.

Mayor Shepherd announced the Council would take up ballot language and polling from Item Number 21 at the appropriate time.

Council Member Holman felt as though the review bodies had not understood that the South El Camino Design Guidelines and the Grand Boulevard Initiative had been studied extensively and considered many different things. She expressed concerns about the vagary of the language in the Ordinance. For example, packet page 531, section 250, did not set limits on the extent to which furniture could encroach. It did not state that the columns were to create a pedestrian arcade. That appeared to be left to interpretation. She questioned the meaning of land use and adjacency in the footnote on packet page 535. ARB recommendations were not reflected clearly in the Ordinance. The ARB recommended a 9 foot effective sidewalk where appropriate, which was 3 feet less than the existing requirement. The Guidelines discussed a pedestrian-oriented 12 foot sidewalk rather than an effective sidewalk. She thanked Staff for clarifying that the setback was meant as an amenity space for the property owner. Number 5 under Guiding Principles A.1.A discussed encouraging two- and three-story buildings. Four-story buildings were the reality. Building facades should be articulated with clearly expressed bases, bodies, and roofs or parapets. Part of the problem was that the City had guidelines rather than standards. Some of the Guidelines should be adopted as standards. Alma Plaza was covered by signage; however, the Guidelines were often referenced in The City should prohibit reflective glass at the approving that project. ground level. Details and features should be architecturally valid and not Street frontage should have continuous ground-floor commercial uses characterized by display windows, recessed entries, and amenities. Staff was not utilizing the Guidelines.

Council Member Scharff indicated the ARB's suggestion was unclear and inquired about the process to incorporate the ARB's suggestion to modify the Ordinance.

Ms. Gitelman advised that the Council could adopt the Ordinance, defer the Ordinance to a later date to allow a larger discussion or, the ARB's suggestion, adopt a modified Ordinance. The ARB suggested a couple of modifications. The Council could make modifications to the Ordinance as long as the issues had been discussed by the ARB and the PTC. That type of modification would not have to be referred to the ARB and PTC.

Council Member Scharff inquired about the time required to have a discussion within the Our Palo Alto initiative, which was the PTC's suggestion.

Ms. Gitelman would have to give that some thought based on Council direction. The Comprehensive Plan schedule projected a completed Comprehensive Plan by the end of 2015. Staff was limited by the amount of work they could perform concurrently.

Council Member Scharff expressed concern that an Our Palo Alto discussion could require a lengthy time period.

Ms. Gitelman could certainly perform some work on a collective vision for the corridor and some of the qualitative goals and policies for the corridor. Staff might need to delay an actual Ordinance until after the Comprehensive Plan was complete. The PTC suggested a more comprehensive review in the context of the Comprehensive Plan. That review might first consider goals and policies, and secondly zoning once the Comprehensive Plan was adopted.

Council Member Scharff was concerned about the build-to-line requirement and the length of time required to implement it. The Council could defer the discussion to the context of the Comprehensive Plan while directing Staff to return quickly with recommendations to eliminate the build-to-line requirement. He requested Staff address whether that was possible or logical.

Ms. Gitelman indicated that the complexity resulted from the build-to line having some good aspects. The build-to line helped to ensure there was no gap between the sidewalk and the building face.

Council Member Scharff asked if Staff could draft a rule that developers did not have to build to the line, but had to extend the sidewalk.

Ms. Gitelman could certainly consider that.

Council Member Scharff added that the rule could require developers to build to the allowed sidewalk width, but not to the build-to line. That would allow plazas and seating areas without design review. He inquired whether that approach was feasible.

Ms. Gitelman could do that. The current rule was that only 50 percent of the building had to be constructed to the build-to line which encouraged plazas and seating areas in the building footprint.

Council Member Scharff did not want any additional buildings that loomed over the street and did not want to wait two years to institute a new rule to that effect. He inquired about a Motion to achieve that result.

Ms. French explained that the current Ordinance eliminated the build-to line for every other thoroughfare in the City. The build-to line would only apply to El Camino Real.

Council Member Scharff asked if a Motion to defer the conversation and to eliminate the build-to line outside of El Camino Real would be a logical and targeted approach.

Ms. Gitelman commented that any small change resulted in a complicated conversation. Staff could make only the change to the build-to line.

Council Member Scharff stated the Council could determine whether a new rule was logical when Staff made a recommendation.

Council Member Burt referred to the bottom of packet page 528 regarding a minimum 9 foot effective sidewalk and packet page 531 regarding columns 9 feet from the curb. He was confused by the 12 foot sidewalk and columns 9 feet from the curb.

Ms. French reported that the ARB discussed a retail storefront having a 9 foot setback from the curb as not the worst possible outcome. That was not in the Ordinance.

Council Member Burt indicated the Staff Report did not make the distinction of retail.

Ms. French advised that the discussion about the 9 foot distance from the curb to the columns was to allow something like an arcade.

Council Member Burt understood the arcade concept included 18 feet.

Ms. French explained that the distance from curb to column was 9 feet and then the ground floor was set back approximately 9 feet from columns. The upper floor would protrude forward and be 9 feet from the curb.

Council Member Burt inquired whether the additional setback beyond 12 feet was mandated as a sidewalk for pedestrians or for other purposes.

Ms. French reported the 10 foot setback from the property line to the building front wall at the ground floor would provide the 18 foot effective sidewalk. Included within the effective sidewalk were tree wells and other amenities and seating. The City could not require property owners to dedicate a sidewalk right-of-way across the front of a property.

Council Member Burt asked if Ms. French stated 10 feet.

Ms. French indicated the 8 foot right-of-way from curb to property line plus the 10 foot setback totaled 18 feet.

Council Member Burt recalled Mr. Popp mentioning that the ARB was looking at the range of 12 to 18 feet. He asked if the distance would be 18 feet at critical nodes and less at connectors.

Mr. Popp advised that dimensions were not given for specific places as the distance would be based on context.

Council Member Burt shared Council Member Holman's concern that the Ordinance was too vague. He wanted to create context-based guidelines without those guidelines always being the minimum. Staff's recommendation discussed reducing the FAR in the CN Zone. Apparently Boards and Commissions discussed that only around housing. That needed to be reviewed. He could agree to modify the 18 feet to 15 feet; a setback of 12 feet with the additional 3 feet for other purposes.

Vice Mayor Kniss did not want to stroll along El Camino Real, because traffic speed was fast and fumes were unpleasant. Mr. Moss mentioned a comprehensive review of the area, which should be done. She had no idea how deep lots were or what the platting looked like. A number of property owners stated the lots were shallow. She questioned whether the Ordinance was a taking of property by ethical standards rather than legal standards. The Council needed to think through the end product. Perhaps El Camino Real was not wide enough for the vision. She inquired about the possibility of Staff providing a better picture of the vision for El Camino Real, including plat maps. She struggled with the practicality of the vision. She did not hear anyone support the Ordinance. Council Member Scharff's suggestion to alter the build-to-line requirement had merit.

Council Member Price asked if Staff could state the impact of density changes on sites identified for the Housing Element.

Ms. Gitelman did not have a definitive answer. Staff had to be concerned whether the State would view it as the City attempting to get around the

commitment it made when it increased the density on those sites to 20 units per acre.

Council Member Price felt the concepts of a Grand Boulevard were viable. The implementation of a Grand Boulevard depended on political decisions, the Comprehensive Plan and land-use decisions made by each individual city along the corridor. The vitality of economic development and economic activity on El Camino Real required a variety of uses including higher residential densities and office. She favored more study and aligned herself with the PTC. She liked many of the core elements of the draft Ordinance. She looked forward to a time when people wanted to utilize El Camino Real. The flexibility outlined in the Ordinance was good. She expressed concern regarding the amount of time needed to reach a final product. Council action on the draft Ordinance was premature at the current time. Eventually consolidation of smaller lots along El Camino Real would be logical. supported Council Member Burt's comments to separate FAR and to hold a focused discussion. The Council wanted to make El Camino Real safe and attractive for everyone, to constantly promote economic vitality, and to support property owners and businesses.

Council Member Schmid reported 43 percent of housing units over the next eight years would be located on South El Camino Real according to the Housing Element. In reviewing the PTC and ARB Minutes, he was shaken by the comments regarding the sidewalk issue and the build-to-line issue. The guidelines for El Camino Real were different from the reality of El Camino Real. He questioned whether additional study would overlook the livable neighborhood. The ARB indicated each property needed discretion; although, guidelines were important. Perhaps Staff should review South El Camino Real Design Guidelines and return to the Council with suggestions for livable guidelines.

Council Member Berman struggled with the Grand Boulevard concept. The concept was a long-term aspiration. Because the City would grow in the next 20 years, the Council should plan ahead and set in place regulations needed to encourage additional walkable retail and shopping areas in Palo Alto. Driverless cars would be a reality in the next 15-20 years and would change traffic and parking. Conversations regarding Grand Boulevards should be held in the context of change. Zoning changes should be planned for 45 years into the future. Changing the build-to-line rules was logical. Other issues belonged in the Comprehensive Plan Update conversation. Given the technological changes that would occur in the next 15 years, El Camino Real was ripe for improvement.

MOTION: Council Member Klein moved, seconded by Vice Mayor Kniss to defer adoption of the Ordinance until the issues it addresses can be reviewed in a broader context during the Comprehensive Plan Update, as recommended by the Planning and Transportation Commission (PTC), and direct Staff to return as soon as possible with fixes to the "build-to-line" and the FAR issue for CN Zone sites where dwelling units are permitted to 20 units per acre.

Council Member Klein did not believe the Council had analyzed the problem correctly. The Council attempted to establish uniform rules in a divergent neighborhood. The Grand Boulevard Initiative needed to be reexamined in that it did not apply to the City's portion of El Camino Real. Nobody walked on El Camino Real, but they did visit various forms of businesses. El Camino Real most likely would become the home of even more small businesses. One problem in trying to create a Grand Boulevard was the speed of traffic. The Council needed to analyze properties on an individual basis and determine a reasonable use of El Camino Real.

Vice Mayor Kniss wished to consider the eventual changes that would occur if the Council adopted the proposed Ordinance. The sizes and shapes of lots along El Camino Real varied greatly. Unless the Council had a realistic view of the lots, it would think of them as typical rectangular lots. The Council needed a good deal more study of the issue.

Mayor Shepherd did not like walking on El Camino Real. This was an opportunity to create space between shops and the street. Placing this into the Comprehensive Plan discussion to obtain community feedback was a good suggestion. She did not want land owners to feel as though the City was taking their property.

Council Member Holman stated the Guidelines contained some very strong, good criteria for building design. They were developed over a number of years with professional consultants and with a great deal of public outreach. The issue was building design.

AMENDMENT: Council Member Holman moved, seconded by Council Member Burt to direct Staff to return to Council with recommendations for incorporating building design, and articulation elements of South El Camino Design Guidelines, as design standards found in Section 1.A of the Guiding Principles, and 4.3 of Façade Design, and direct Staff to return to Council subsequent to the main Motion action.

Council Member Holman believed building design and articulation elements were not issues of property rights. They had been studied in the context of

the South El Camino Design Guidelines and in the context of the Grand Boulevard Initiative. These were design standards that the Council should incorporate.

Council Member Burt remarked that the Guidelines had been vetted. They were guidelines rather than standards. The Amendment requested Staff to convert the Guidelines into details. The Guidelines would address many of the concerns expressed by colleagues. This was probably the most valuable action the Council could take to address concerns.

Ms. Gitelman reported sections in the current Ordinance were derived from the South El Camino Design Guidelines. The Guidelines included "shall" and were interpretive. It would be helpful for Staff to understand how much farther they should go from the "shall" statements. She questioned whether Staff should quantify them in a table form or edit and refresh the existing diagrams and text.

Council Member Burt stated the Ordinance did not contain such statements.

Ms. Gitelman advised that the Code contained diagrams and concepts drawn from the South El Camino Design Guidelines. The Guidelines were recommended in 2002. In 2005 the Council incorporated quite a few of them into the Code.

Council Member Holman commented that the Ordinance was not nearly as specific as the Guidelines. The Ordinance was much more general and did not enforce design elements described in the Guidelines.

Ms. French referred to packet page 542 which contained the exact wording from the Guidelines. The issue appeared to be the manner in which the Ordinance incorporated Guidelines.

Council Member Holman agreed. Staff was not interpreting the Code in order to deliver buildings that reflected the Guidelines.

Ms. French remarked that sometimes interpretations had to consider land use.

Council Member Holman stated projects were approved without following the Guidelines because Staff indicated they were just guidelines.

Mayor Shepherd asked if Council Members had copies of Sections 1.A and 4.3.

Council Member Holman answered yes. Staff provided those sections in response to her questions.

Mayor Shepherd had not reviewed the Guidelines provided by Staff and was unsure whether other Council Members had reviewed the Guidelines.

Council Member Burt clarified that the Amendment directed Staff to return.

Mayor Shepherd inquired about the issue on which Staff was to return.

Council Member Burt advised that Staff would return with recommendations based on the sections. The Council was not voting to adopt the two sections but to have Staff return with a recommendation.

Mayor Shepherd expressed concern that Council Members may not have read the applicable Guidelines.

Council Member Scharff understood Staff's comments indicated the Guidelines were incorporated. There seemed to be a disconnect between Council Member Holman's comments and Staff's comments.

Ms. Gitelman reiterated that in 2005 the Council adopted some of the Guidelines into the Code. There were some changes which Staff highlighted in the Staff Report. The Amendment requested Staff take the original Guidelines and the existing Code and determine if there could be a further reconciliation between the two.

Council Member Scharff could support the Amendment as part of the Comprehensive Plan Update. He asked if the Amendment required a great deal of work on Staff's part.

Ms. Gitelman indicated the two pages referenced in the Amendment would not entail a great deal of work.

Council Member Scharff inquired whether Staff would review only two pages.

Council Member Holman answered three pages. The Code was not as clearly articulated as the Guidelines.

Council Member Scharff remarked that Staff would review the Guidelines and decide whether or not to incorporate additional Guidelines.

Council Member Schmid was concerned that the Amendment addressed only 2 of 54 pages and the Council did not have those pages before it. He

inquired whether the Amendment could include other pages, perhaps selected by Staff in order for the Council to hold a general discussion when Staff returned.

Council Member Holman noted the two pages referenced building design. Staff could identify other pages to bring forward.

Council Member Burt suggested the Amendment state "and any other Guidelines that Staff deems important to include." The Council was not directing Staff to review each Guideline.

Council Member Schmid felt some elements were questionable. It was important for Staff to have some discretion in reviewing the Guidelines. A number of other elements in the Design Guidelines were important. Staff should be able to identify those Guidelines to present to the Council.

Council Member Klein remarked that most of the Guidelines were in place. To the extent Staff thought it was necessary to have more standards, they would have brought that forth as part of the Comprehensive Plan process. Adopting the Amendment would set a bad precedent from process and workload standpoints.

Council Member Price concurred with Council Member Klein's comments. The issue was the added value of the Amendment. She assumed this type of discussion would occur in the Comprehensive Plan Update. Also she assumed Staff incorporated the South El Camino Design Guidelines in the analysis and review of projects. She would not support the Amendment.

Vice Mayor Kniss was convinced from Staff that Guidelines were incorporated in the Ordinance.

Council Member Berman was not inclined to support the Amendment. If the Amendment directed review of only the two sections, then he would support it. Staff should not place a high priority on the direction. He was not interested in Staff or the Council reviewing all the Guidelines.

Council Members Burt and Holman agreed to delete "and any other Guidelines that staff deems important to include."

Council Member Scharff concurred with Council Member Berman regarding priority for Staff. He suggested the Amendment direct Staff to return with recommendations prior to completion of the Comprehensive Plan Update.

Council Member Burt suggested the Amendment direct Staff to return to the Council subsequent to the action of the Motion.

Council Member Holman was not comfortable with that language and requested clarification.

Council Member Burt explained that Staff would return at a Council meeting subsequent to the meeting that addressed the Motion.

Mayor Shepherd asked if Council Member Holman accepted the proposed language.

Council Member Holman responded yes.

Mayor Shepherd inquired whether Staff utilized the Guidelines.

Ms. French reported Staff addressed them in Staff Reports for formal architectural review as well as site and design review. Staff also supplied them to applicants. Staff referred to context-based guidelines as well as the South El Camino Design Guidelines.

Mayor Shepherd would not support the Amendment.

Council Member Schmid requested clarification of the phrase "after the Motion." He questioned whether Staff would return with the item after the Comprehensive Plan Update was presented to the Council.

Council Member Burt clarified that if the Motion returned in a month, then the Amendment could return in a month. There was no set time.

AMENDMENT PASSED: 5-4 Klein, Kniss, Price, Shepherd no

AMENDMENT: Council Member Scharff moved, seconded by Council Member Berman that the FAR issue for CN Zone sites where dwelling units are permitted to 20 units per acre, come back as part of the Comprehensive Plan.

Council Member Scharff wanted the FAR issue to return to the Council as part of the discussion of the Comprehensive Plan. It was a broad issue that should be handled in the Comprehensive Plan. The FAR issue was complicated. Community outreach was needed.

Council Member Berman was convinced to support the Amendment by the PTC Minutes. FAR along El Camino Real was incredibly important and impacted many things. The build-to issue was less complicated.

Council Member Burt asked if the Council's consideration of FAR in the Motion would be restricted to the residential component.

Council Member Klein intended it to be neutral.

AMENDMENT PASSED: 5-4 Burt, Holman, Klein, Schmid no

Council Member Scharff noted the Council's original Motion mentioned the consideration of retail. The Council discussed the importance of small business to maintain the vibrancy of El Camino Real which was the intention of the Council Motion.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that as part of the Comprehensive Plan that Staff look at making El Camino Real more vibrant as retail.

Council Member Price felt the Council was reiterating items contained in the Economic Development Plan. In the interest of time, she would not comment further.

Council Member Holman pointed out that FAR was increased in CN sites along El Camino Real in 2005 from 0.9:1 to 1:1. That 0.1 increase was designated for retail.

MOTION AS AMENDED PASSED: 9-0

MOTION: Council Member Scharff moved, seconded by Vice Mayor Kniss to call a special meeting on Wednesday, June 4, 2014 at 6:00 P.M. to hear the letter regarding Santa Clara County Transportation Project Sales Tax increase, and Council direction to Staff on potential housing sites for inclusion in the 2015-2023 housing element update and on submittal of an administrative draft for the state's initial review.

Council Member Price would need to leave the meeting at 8:00 P.M. on June 4, 2014. She requested the letter regarding the tax measure be the first item on the agenda.

Council Member Holman requested the City Clerk poll Council Members for attendance on June 4 and June 18.

Mayor Shepherd reported the City Clerk had polled Council Members but received only partial information.

MOTION PASSED: 9-0

19. Approval of Letter Regarding Santa Clara County Transportation Project Sales Tax Increase.

Stephen Rosenblum was encouraged by the response to the sales tax measure. The City's letter emphasized the importance of Caltrain to the community. Funds should be applied to the undergrounding of Caltrain. He supported the guidelines, but was disturbed that the guidelines opposed High Speed Rail (HSR).

Richard C. Brand indicated a special interest group did not represent the citizens of the county. The Council should have invited the Bay Area Rail Alliance to speak. The Council should consider forming a citizen's advisory group for transit.

Adina Levin, Friends of Caltrain, thanked the Council for its strong support of funding for Caltrain. A study session would be held later in the month to include community input. The letter seemed to indicate Palo Alto wanted grade separations ahead of any capacity improvements.

Stephanie Munoz noted a renewed in interest in Caltrain. HSR from San Jose to San Francisco would negatively impact Caltrain.

20. Council Direction to Staff on Potential Housing Site for Inclusion in the 2015-2023 Housing Element Update and on Submittal of an Administrative Draft for the State's Initial Review.

Steve Pierce supported the designation of Arastradero sites as new housing sites within the Housing Element. They were excellent sites for multifamily housing. The sites would likely be occupied by people who worked nearby, which would reduce peak traffic flow. The group owning one of the parcels was willing to commit to building rental housing and to give preference to local workers.

Vice Mayor Kniss inquired whether the issue was discussed at a Regional Housing Mandate Committee meeting.

Mr. Pierce made the proposal to the Regional Housing Mandate Committee.

Stephanie Munoz believed workers needed housing close to jobs. The City should purchase the Buena Vista Mobile Home Park property to construct low-income housing.

21. Review and Approval of the Revised Draft Infrastructure Project Funding Proposal, Preliminary Approval of the Transient Occupancy Tax Ballot Language, and Authorization to do Final Polling on the Transient Occupancy Tax and Utilities User Tax Modernization Measures.

Richard Hackmann, Senior Management Analyst reported Staff sought Council approval of ballot language in order to perform polling. Staff would return with a comprehensive report of the polling.

Molly Stump, City Attorney, advised that Staff proposed to poll on the Utilities User Tax (UUT) modernization language as well.

MOTION: Council Member Klein moved, seconded by Council Member Scharff to direct Staff to do final polling on the Transient Occupancy Tax measure and Utilities User Tax Modernization Measure.

Council Member Scharff inquired whether the ballot language was legally appropriate.

Ms. Stump noted the Infrastructure Committee supported polling regarding modernization language with respect to the Transient Occupancy Tax (TOT) and to the rate increase. Staff recommended the Council consider language updates to ensure the TOT continued to apply to different forms of travel arrangements.

Council Member Schmid asked if the Council was approving modernization language to include Airbnb, VRBO, and residential neighborhood rentals.

Ms. Stump indicated the Council was voting to approve polling on the question.

Council Member Schmid inquired whether polling would be conducted on the question separately or as a unified question.

Ms. Stump understood pollsters would utilize a format to measure whether the addition of that element had any impact on support for the item.

Council Member Schmid did not believe the Council had discussed the issue.

Ms. Stump reiterated that the Council was not voting to place the item on the ballot. The ballot question and the Ordinance would return to the Council for approval.

Council Member Schmid asked if the Council would receive sufficient information to review the topics separately.

Ms. Stump responded yes.

MOTION PASSED: 9-0

COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Mayor Shepherd requested Council Member comment regarding beginning the next three Council meetings at 5:00 P.M.

Donna Grider, City Clerk, reported some of the public hearings could not be heard prior to 7:00 P.M. as they had been noticed.

Council Member Burt did not believe the June 23, 2014 meeting should begin at 5:00 P.M. unless additional items were placed on the agenda.

Mayor Shepherd indicated the meetings might not begin at 5:00 P.M.; however, she wanted the flexibility to begin meetings at 5:00 P.M. if necessary.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Kniss to give the Mayor flexibility to begin the meetings in June at 5:00 P.M. if necessary.

MOTION PASSED: 9-0

ADJOURNMENT: The meeting was adjourned at 10:45 P.M.