

CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Regular Meeting June 1, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:07 P.M.

Present: Berman, Burt, DuBois arrived at 9:23 P.M., Filseth, Holman,

Kniss, Scharff, Schmid, Wolbach

Absent:

Study Session

1. Discussion of the City of Palo Alto 2014 Performance Report, National Citizen Survey™, and Citizen Centric Report.

Harriet Richardson, City Auditor: Good evening, Madam Mayor and Members of the Council. Harriet Richardson, City Auditor, here to present the results of the 2014 Performance Report, the National Citizen Survey and the Citizen Centric Report. With me is Senior Performance Auditor Houman Boussina, who will be doing a demonstration of some of the results later in this presentation. In the audience are the Staff from my office who will be available to answer questions if necessary. I believe most of the department directors are in the audience also available to answer questions if necessary. In addition to the reports that you received in your packet, my staff prepared several documents in response to requests and questions from various Council Members. Those are in an at-places memo, and I'll refer to those attachments throughout the presentation. I'll begin the presentation by discussing the results of the 2014 Performance Report. This is the 13th annual Performance Report. This year it was a collaborative effort with the City Manager's Office to streamline the report as requested by Council. It continues to provide spending, staffing workload and performance The new simplified format that we developed has three information. The first chapter is background. Then there is a chapter on themes and subthemes. The last chapter is the department data tables. This year we expanded those data tables. In the past, they included six years of data, the current year plus five previous years. This year we have included ten full years of data wherever that data was available. simplified format reduced the size of the report from 130 pages to 57 pages

while including that more comprehensive historical data. By having the department data tables, it allows users to continue to see performance on a department-by-department basis, but the themes and subthemes provide a Citywide picture of programs or activities that are interrelated or have some overlap. In collaboration with the City Manager's Office, we categorized performance into three themes and ten subthemes, as shown on this slide. Those are the main chapter of the report, Chapter 2. The report covers July 1, 2013 through June 30, 2014, which is Fiscal Year '14. performance data and comments regarding significant changes in data that the departments provided to us. We compared those performance measures with those in the Operating Budget. This is a transition year from the old format to the new format. As the City Manager is working towards aligning departments' work plans with performance, we will get more in sync with what we are including in the report. so it's measuring the performance that's important to the activities they're performing. We compared the performance measures with the Operating Budget. We identified some interesting things that helped us realize the need to align those measures Forty-nine of the measures that were previously in the report departments used to manage performance and were in the budget. One hundred eighty were used to manage performance, but they weren't in the budget book. There were 24 in the budget book that aren't being used to More significant, 129 of the measures we were manage performance. reporting in the Performance Report each year were not in the budget, and they weren't used to manage performance. It was a helpful exercise to help us figure out where to streamline the report and pull out measures that weren't being used by anyone to manage performance. However, the data tables still include that information. It's just not in the graphs. We collected financial data primarily from the Office of Management and Budget and City That financial data is not adjusted for inflation. budget documents. anyone wants to do that, we do include a CPI index for the San Francisco-Oakland-San Jose area on page 3 of the report. As a point of reference, for the ten years of data the CPI would have been measured at 202 as of June 2005, but had climbed to 253.3 as of June 2014. We collected benchmarking data from various external sources, such as the State, the FBI and the Metropolitan Transportation Commission. Before we produced the report, we sent the drafts to the departments, and they reviewed them for accuracy. The Performance Report is designed to meet the needs of multiple For you, the City Council, it bridges the financial and operating performance to support the policy decisions that you make. For City management, it helps them assess the efficiency and effectiveness of their operations, and it supports performance management which is a key goal that the City Manager is working towards. For residents, it provides transparency and accountability regarding City operations. It helps residents determine if the City is spending its money responsibly. Moving

onto the Citizen Survey. This was the 12th annual National Citizen Survey. The National Research Center in collaboration with the International City/County Management Association, commonly known as ICMA, conducts the survey on our behalf. The survey gathers resident opinions across a range of community issues including services provided, governance, planning, environment and quality of life. In the past, we issued 1,200 This year we increased the number to 3,000, hoping to get a better response and also it allowed us to distribute the surveys by geographic areas in an attempt to learn more about how citizens respond. Seven hundred ninety-six households returned the survey. That was a 27 percent response rate. The National Research Center weights the responses in the end to reflect the community population. When they weight a response, it's trying to take into account a variety of demographics, such as the male/female population, the age population. It will give an answer a little bit less or more weight to make it more reflective of the general That's a pretty typical survey technique. It helps make the margin of error more reliable. Of the 3,000 surveys, we had a north-south distribution similar to what we did last year. There were 1,391 surveys distributed in north Palo Alto with a 25 percent response rate. South Palo Alto had a 30 percent response rate with 466 of the 1,609 surveys being returned. The neighborhood groups included in each of those are on page 4 of the survey report. In addition by increasing the number of surveys to 3,000, we were able to divide the City into six geographic areas. That's the maximum that the NRC, the National Research Center, can manage with the way their software works. We did them more in geographic, adjacent communities, trying to keep them as even as we could. We had six areas. The neighborhoods in those areas are shown on page 4 of the report. The response rates for those areas ranged from a low of 20 percent in Area 5 to a high of 38 percent in Area 1. We also received two responses that the area could not be identified, and we're not guite sure how that happened. The NRC could not identify which neighborhood it came from. handout, the second handout is a margin of error report. calculated margins of error for each of the areas overall, which is shown on this slide. In the report that you have at your desks, we calculated the margin of error for each question and each area within each question. It's a comprehensive report that shows the low, the high and the median overall for each of those results. You can see that those results do vary. Overall we have a pretty good margin of error, 3.8 percent overall. That means if we redid the survey, the responses would be similar plus or minus 3.8 percent of the original responses. This next chart shows some of the key results for the livability questions. These are the residents who responded by rating the quality of service or the quality of life in Palo Alto as excellent or good. I ranked in order of higher to lower when I put them on this chart. One of the things I also did was I put what the benchmark was.

National Research Center compares our responses to other jurisdictions who do some sort of a survey that asks a similar question to the questions in the National Citizen Survey. If our percentage says higher, it means our responses are generally 6 percent higher than cities who had comparable questions. One of the key things to note about this is if you look at the last two items on that list, quality of services and Palo Alto as a place to retire. Although the response rate of excellent and good was not as high, it was similar to benchmarked cities. That means that sometimes, even though we might have a lower rating, it doesn't necessarily mean we're doing worse than other cities. If you go and look at what other cities answered, they're going to have a similar response rate to that type of question. It may mean that overall people don't have as high of a perspective of those types of questions. This year, the National Research Center changed the format for the report. In the past, they compiled the questions in general in the way they were presented in the survey. This year, they put the report into three separate categories, which they referred to as pillars. They were community characteristics, governance and participation. Within each of those pillars, they had nine facets. They put the questions in one of those pillars and a facet within those pillars. One thing about that is sometimes the questions felt a little bit forced into a category, where they didn't necessarily seem like they fit very well. Because of this format, that was the choice that they had. It's our understanding that they plan to continue this format in the future. We'll probably be talking to them about ways to help it suit our needs a little bit better, where some of the questions felt a little bit too forced. This next slide, I put several questions where citizens generally rated the questions high regardless of what geographic subgroup they were in. either overall north or south or one of the six geographic areas. I've listed those here; I'm not going to read them all to you. I wanted to point out that there were some general areas that regardless of where citizens live they rated it high. Conversely the same thing. There were some areas where citizens generally rated the questions low. Overall you might notice the mobility. Some of the things that people are well aware of typically got lower ratings: feeling of safety after dark, overall built environment Some things we typically hear; so I don't think there's any surprises with those questions. This year we asked six multiple choice, custom questions. We worked with the City Manager's Office and the Planning Department to identify questions that might help with some of the future planning for the City of Palo Alto. Of those six questions, one was regarding where might multifamily housing be located. Another one was what kind of support would residents have for transportation-related investments. Another one was how easy is it to travel during the workday through Palo Alto. Availability of public parking in Palo Alto during the week. The speed of growth in Palo Alto. Overall for locations of multifamily housing, there wasn't a single area that received high overall support; although, the area

east of Highway 101 received the most overall response rate at 69 percent, which still isn't very high. Many of the residents supported transportationrelated investments related to bicycle and pedestrian improvements and shuttle service improvements as well as incentives to use transit. As you can see, the ease of travel through Palo Alto and parking availability both rated low as did speed of growth in Palo Alto, meaning that residents are not happy with the way Palo Alto is growing commercially. We also asked a custom open-ended question. The first handout with your at-places memo has all the responses sorted into categories. The question we asked was what one change could the City make that would make Palo Alto residents The National Research Center categorized those questions into several categories, development, governance, housing, parks, recreation, library, safety and crime, transportation and traffic, utilities and other. We went into those and added some other categories that would make them a little bit more descriptive. For example with development, we saw that most of the concerns were with design and density. With housing, most of the concerns are with affordability. Interestingly, the concerns regarding density were very mixed. It was about equal for the people who said less dense housing and the people who said more dense housing. Transportation and traffic, again, no surprises there. Most people mentioned that they were concerned with traffic flow and parking. They also addressed bike and pedestrian issues, but those were addressed in a positive way where they were wanting to see some improvements that made it safer for bikes and pedestrians to travel through Palo Alto. What do all of these results mean? It's a little bit difficult to draw clearly defined results, because the demographic factors are too varied. We were hoping that we'd be able to figure out a little bit more by having the geographic areas, but that wasn't the case. The third handout is a correlation analysis where we took a couple of questions and tried to relate them to others to see if there was any correlation between how people responded to one question and how they might respond to another question. Generally a correlation of one is a perfect correlation. As it moves away from one, the correlation becomes less related. You'll see that there's not some strong correlations for the most part with some of those answers. The other thing we did was we took one question, Palo Alto as a place to retire, and we looked at all the demographics for the respondents. Your fourth handout shows those responses by north and south and then by the areas. As you can see, there's not a high percentage in one area that says this is clearly how we can determine that people decided it's a good place to retire or not. However, a little bit later when Houman does the demonstration, you will see that we do have some other ways to try and help draw some conclusions from some of these results. One of my Staff also went through and looked at some factors that are known in Palo Alto that may have affected some of the responses, but again we can't draw definitive conclusions because we

don't ask the respondents to say why they're responding the way they are. They just give us the answers. For example, the question of ease of travel by car, Area 4 rated it fairly high, 58 percent, compared to the other areas. One of the reasons we thought that might be is because Area 4 was near the Foothill Expressway where there's less traffic. Area 1 rated it pretty low, 41 percent, and that's the area over by Highway 101 where there's more traffic getting in and out of Palo Alto during rush hour. The guestion of guality of natural environment, Area 3 rated that really high, 96 percent as excellent We thought that might be because there's such a natural environment over there with Baylands Park. Shopping opportunities, Area 6 rated high, 88 percent, and that's where a lot of the shopping areas are, Cal. Ave., Downtown, Stanford Shopping Center. There's easy access to all of those from Area 6. Area 2, 69 percent, there were no major shopping areas nearby and people have to travel to other areas. These next two slides show similar results. I won't go into details on all of them. I wanted to spend a little time explaining how we did some analysis on some of that. A little bit more about what the results mean. One of the things that we've done this year that's different is we are using Tableau software, which allows you to interactively visualize the responses. You can select multiple variables to interpret what the results of questions relevant to you might be. One of the things that's good about that is it allows you to see what works and what doesn't work for you. You can focus on the questions that are most important to you. Houman put this together, and he's going to give a short demo in just a minute. He compiled the data from all the old Citizen Surveys, 2003 through 2014 with about 6,000 responses. When you're in there, you can also look at some of the underlying supporting data, so you can see all the details. I'm going to turn it over to Houman briefly, so that he can do a little bit of a demonstration for you.

Houman Boussina, Senior Performance Auditor: Houman Boussina, Senior Performance Auditor. The Tableau visualization is comprised currently of six tabs. They're going to range from minimally interactive to more interactive. The first one is labeled background maps and provides a static introduction to the survey, mainly showing the relevant geographic areas and neighborhoods and a link to where more comprehensive information on our methodology is available. Moving over to the next tab, we have trends dating from 2003 to 2014. On the screen above, it's a little bit cutoff. Hopefully on your screens you can see it better. What you can see here is a heat map of the survey results dating back to 2003. Values in the heat map represent the weighted average scores. The color scale corresponds to the score. The darker the green is, the more positive the response. The darker the red, the more negative the response. The user can quickly scroll through the survey questions and identify trends, high and low scores. Users can also sort the questions by score in ascending or descending order

and hover over the scores in order to display the number of respondents and also the margin of error. There's a layered strategy. When you look at it at a high level, you can avoid a lot of details. If you want more details, you can hover. For example, you see in 2014 we had, in this particular question, 669 responses, because we had a much higher sample. In prior years, we had a lower number of responses and the margin of error is going to be reflective. If I click on the 2014 sort button, if I click twice, you can see the lowest scoring question, availability of affordable quality housing. The red questions that are fairly consistently red dating back to 2003. If I click it again, it'll sort by question order. If I click again, it'll sort in descending order by score. You can do that for all years the survey was administered. Moving to the third tab which is labeled City services, we see weighted average scores for City services in descending order. Users can filter the visualization by any combination of survey year, geographic area and/or neighborhood group. Color-coded bars show the percent of residents rating each service excellent, good, fair and poor. As you can see as I hover. The circles show the weighted average score. Hovering over each bar segment and circle will display the number of responses and the margin of error, as you can see here. I'm just going to do a quick example of selecting north Palo Alto, pressing apply. As you see, the visualization updated and everything is recalculated. It's also possible to sort in descending order by question, again in descending order here. Moving to the fourth tab, we have geographic subgroups. We see weighted average scores for each question in each geographic area. Color coding as before. Functionality similar to what I showed you. We see two maps here. The one on the left shows Palo Alto broken down by the six neighborhood groupings. On the right, you see the breakdown by north and south Palo Alto. I have selected one question here, availability of affordable quality healthcare as an example. You can see the different shades corresponding to the different scores. Up top, you see the trend for Palo Alto overall dating back to 2006, the first year this particular question was available, and an ascending, increasing score up through 2014. Again, hovering will show you the details in each area. Moving to the fifth tab, demographics one. This is more of a true dashboard. The user can select a question, survey year, geographic area, and the graph updates to show the survey results overall and for each demographic attribute. The bar up here is the overall result for Palo Alto, and then you can see the breakdown for each of the demographic characteristics. Functionality is similar with hovering providing more details. I selected, as an example, the question ease of public parking. With this question, if you look at the age category bars, you can see higher scores that were given by age ranges 35-44 up through 45 to 54 years of age. We see a significantly lower score in the older age ranges, 55 to 64, 75 and above. This would be one example of how you can use this. Moving down to years lived in Palo Alto for this particular question, we can also see that those who lived in Palo Alto fewer

years gave higher scores, and those who lived more than 20 years in Palo Alto as you see here. Just another example of how this can be used. You can go question by question. Individualization will take a moment, because there's a lot of data that's being parsed, but all the graphics are going to update. Moving to the last tab, demographics two. In this one, the user can filter the results by any combination of demographic attributes. The pie charts are going to show the demographic makeup of the results. I have selected the very first question, Palo Alto as a place to live. I'll select north Palo Alto, click apply, and it'll take a second for all the bar charts to update. I have previously selected males. I'll select both male and female and press apply again. You'll see an update once more. Now we can see both male and female are included. Again, hovering will show you the number of respondents and any other details including margin of error are going to be included in the little circle. That concludes the brief presentation on Tableau.

Ms. Richardson: We will be working with IT to put this on the open data website. Once it's on the website, it's published as a webpage and you don't need to have the Tableau reader to work with it. You'll be able to manipulate the data as Houman did here. Anyone who goes on the open data website would be able to do that. The last piece of our project is the Citizen Centric report, which is a four-page foldout document, that provides City organization, general community information such as population, median price of home, that sort of information. When you open the cover, to the left of page 2 you'll get key performance measures that we've pulled out of the annual Performance Report. On the right side of that open page, page 3, you get some revenues and expenditures broken down by The back page, the City Manager's report gives some information on the economic outlook and key accomplishments. Again, I'd like to thank the City Manager and his Staff for their collaboration with us on ways to streamline the report, and also the department directors and department liaisons for their support and responsiveness to our requests for information for producing the report. That concludes our presentation. We will now take any questions.

Council Member Kniss: The one that really jumps out is the one about retirement. Tell us, how do you think that must have been interpreted? Is this a good place to retire if you came from someplace else? Is it a good place to retire if you've always lived here? So many people have taken advantage of Prop 13 and have substantially lower taxes and sometimes say that they feel like they're trapped in their own home, because the taxes are so inexpensive. I'm interested in knowing if you read that into this in some way.

Ms. Richardson: If you'll recall Slide Number 10, that was one of the questions that we looked at, where I commented that—you can see on the bottom there—even though it rates fairly low, we're actually similar to other cities. Overall, as people approach retirement, their perceptions may change about where they live. It may be things such as they're on a fixed income, and it becomes more expensive. As prices increase wherever you live, if you're on a fixed income, you're going to have that issue. If you consider what Houman was showing, because he looked at that same question, older people had a different perception, for example, of parking, ease of parking in Palo Alto. They were typically people who had lived here a long time. When you've lived somewhere a long time and change occurs, you're more likely to notice that change and say, "This isn't the same place where I lived when I moved here 20 years ago." Some of that is maybe perception as things change.

Council Member Kniss: One of the observations I would make is the National Citizen Survey—call it page 5. I don't know what it is—maintains that Area 6 is where they rank it the most highly, which was interesting because that's the closest to University Avenue, therefore, the easiest to walk and get to places easily. There was one time when people didn't like to live in north Palo Alto. Now, it has become one of the most desirable places to live in town. There's a lot more going on in that area than there was many years ago. That may have changed it. People often say, "We would love to sell our house and move to north Palo Alto, to move north of University, but we can't afford it."

Council Member Berman: Thank you, guys, for all of this information plus the Tableau information online. I'd be lying if I said I've gone through it all with a fine-tooth comb, but I will during our Council break in July. I'll spend a week going through it all and look forward to asking some more detailed questions then. A couple of general questions and comments. First of all, thank you for the work that you guys are doing on performance measures. On Finance Committee over the past couple of years, that's always an area that I've wanted to ask lots of questions. I'll ask a couple of questions, and then I feel bad for continuing to go back to them, and so I'll stop as the meetings go on. Clearly they're an area that needed a lot of improvement. It's great that you guys are keying in on that. I'm going to have a couple of questions in the different documents you've provided. On page 1 of the report to our citizens, for the median price of a single-family home from Fiscal Year 2013 to Fiscal Year 2014, it seems like the cost of homes went down 5 percent, which seems odd based on everything that I hear in the community.

Ms. Richardson: In Fiscal Year '12 and Fiscal Year '13, we took the figures from the American Community Survey data at a certain point in time. This here, the City Manager's Office put together a data sheet. It also collects the data from the American Community Survey. Going forward, we're going to be using that data sheet. It's a source of information to allow us to provide consistency whichever department is reporting information. Depending on what point in time that was collected, we know it reflects Fiscal Year '14, but we don't know the exact date. That may be driving a little bit of the difference. Going forward, it will be consistent throughout as far as all coming from the City Manager's data sheet.

Council Member Berman: A couple of questions about a couple of the questions that were asked. What's the difference between Palo Alto as a place to live and quality of life in Palo Alto? When people are getting surveyed, is there more context or detail to the questions or is it as we're reading them in the report?

Ms. Richardson: There isn't more context, and that's ...

Council Member Berman: I'm sorry. There is not?

Ms. Richardson: There is not. That's part of why it makes it sometimes difficult to interpret why people rate one question one way and another one that sounds pretty similar another. If you look at page 94 of the Citizen Survey Report, the questionnaire is there with the exact questions as they were sent to the citizens. You can see that there isn't a lot of context, and it depends on how each person who receives the survey interprets what they're asking.

Council Member Berman: I noticed that one of the new questions is place to visit. We're asking residents what Palo Alto is like as a place to visit. What are we hoping to get out of that question? That seems like a strange question for me. I don't visit Palo Alto; I live here, so I don't look at it through that prism. What caused the inclusion of that new question?

Ms. Richardson: The National Research Center, these are pretty much standardized questions. They added that question. We didn't ask them specifically why they added that question. I could ask them what their reasoning was.

Council Member Berman: I feel like we should be asking visitors that question.

Ms. Richardson: We can ask them.

Council Member Berman: We'd probably get a much more useful bit of information. It's the bottom of page 7 of the National Citizen Survey. We have the combined excellent and good responses improved in several areas by 6 or more percentage points, which is considered to be significant. It was to great see. I'm sure there were some areas where it didn't, but across the board a lot of our scores, a lot of our ratings, went up. A lot of the ratings were more positive in south Palo Alto than they were in north Palo Alto. Maybe I missed it, but is there a graph in here that shows where it's down and calls out and summarizes the areas where we should be honing in and trying to improve?

Ms. Richardson: There's arrows to show that. If you start where it says trends over time, it's page 3 of the part that the National Research Center put together. It looks like this. When you look at the right side of the page, you see arrows up or down. That tells you the trend over time. A single arrow means it's improved. Double arrows means it's much improved. A line horizontal means it's similar as the earlier years. If the arrow's going down, it means that you've declined. Double arrows down means you've declined a lot.

Council Member Berman: That's great to have it there. It was helpful to have it pulled out, the areas where we've improved a lot. Jim will get mad at me for saying this, but it would be helpful to have pulled out the areas where we've declined. That helps us focus on those areas or at least draw attention to them. Maybe next year that's something we can consider. Thank you, guys, very much. This is a massive amount of information and helpful for everybody.

Vice Mayor Schmid: Thank you. I am a fan of this report. I try and use it as often as possible over the course of the year. I urge my colleagues to do so; I urge the public to do so. It balances out on one hand the survey of what's on the minds of residents, what they're thinking about, with measures of City performance on the other side. Each is valuable as we deal with each issue during the year. There are two little disappointments I'd like to bring out. Number one is the timing. All the data goes up through '14, and it reports on the survey done in 2014. We usually get this around the end of the year. It becomes an important document in our budget, as we look at each department. Both the survey results, but more specifically the measures of performance of each department becomes an essential way to ask the question is it appropriate to change the budget and in what Specifically, what can we spend money on that would make a difference? Budget hearings at the Finance Committee were closed last week. It was very hard to get the information from this into that. Two days ago we had the Summit to look at our Comp Plan Update. It would have

been terrific to have your summary sheets available to every attendee at the Summit to ask questions. Where are we going? Where are we coming from? June 1st is late. I would urge you to set a date of January 1st, late December or early January, so that these cycles of planning and thinking of our budget and our future, this becomes an essential ingredient, one of the first ingredients in that process. The second thing I did immediately on getting this was to look through your performance measures for each of the departments, and then look at the survey and say how are those connected. It's quite obvious from the survey that three issues have come up as identified problems for the residents: traffic, parking, land use. I looked through the indicators you have, and there's a dearth of indicators on those. How do we measure them? What departments or what non-departments should be looking at them? There's only one place I could find an indicator, and that's on page 37 of the Performance Report. The indicator there is number of monitored intersections. I said, "Good. Here's a trend on how traffic has been in the City." All of a sudden, you have in Fiscal Year '14 a dramatically different number. The question is what does that number mean. Is that a consistent series? Are they measuring something different? Did they all of a sudden respond to the popular discontent? Where did that number come from and how is it part of a series? What's going to come next year?

Ms. Richardson: There's a footnote with that number that says it came from the draft Comprehensive Plan Existing Conditions Report. I don't know if there's someone here from Planning who can address that a little bit better.

Vice Mayor Schmid: Is that consistent with all the past reports we have or is that something new? Will that be a bedrock for our future surveys?

Hillary Gitelman, Planning and Community Environment Director: Thank you, Vice Mayor Schmid. Hillary Gitelman, the Planning Director. Let me respond to that if I can. We have over time as a department tried to collect data to reflect the performance at key intersections. Just looking back at this ten years of data, we've never been terribly consistent about which intersections. What you see in the last year is for the Comprehensive Plan Update, we chose 13 of the most potentially impacted intersections to monitor. You're seeing 6 out of 13 that were deficient as opposed to the year before when we monitored more intersections because we were collecting data to try and calibrate a Citywide model. In that instance, we found that a smaller percentage were deficient. These things are going to fluctuate each year. What my Staff and I would like to do is in future get consistent, maybe not on an annual basis—this is costly and time consuming to collect this data—but certainly on a biannual basis to monitor this same set of intersections so we can track these changes over time.

Vice Mayor Schmid: That's very helpful. It indicates the value of doing this is we learn things. It becomes important to try and put together what's going on with the public survey and what's going on in the way we monitor and look at things. That can be a very valuable tool as we move forward. I urge you to try and use the performance measures to look at the concerns that people have expressed and see if we can find an indicator that captures what it is out there that the public is responding to. I look forward to working with Tableau and learning, see what we can do in utilizing it over the course of the year.

Council Member Wolbach: Thank you very much for the hard work. I apologize I don't have the Citizen Survey in front of me right now. What I want to do is check whether there are a couple of things in there. Do we have distinct breakdowns for renters versus homeowners?

Ms. Richardson: There's a demographic question that asks that.

Council Member Wolbach: As we're looking at our responses and the satisfaction and concerns, is that easy to identify, the distinct responses from renters versus homeowners?

Ms. Richardson: It would be one of the choices you could select, if they're a renter or a homeowner, in the demographics when you're working in Tableau.

Council Member Wolbach: I'm looking forward to going through that. As Vice Mayor Schmid mentioned, I will be doing the same. Is there also a distinct breakdown for type of housing, whether it's an apartment, condo, single-family house?

Ms. Richardson: Yes. There's a question for one family house detached from any other houses; building with two or more homes which would include duplexes, townhomes, apartments or condos; mobile home and other. I'm not quite sure what people would live in for other.

Council Member Burt: Thank you for the report. It's always informative and provocative. I had a few questions on things that stood out to me. First, I'm on the Performance Report. On page 10, there's one table of potholes repaired. Like a few other questions, I'm not sure that the way this is framed necessarily tells that what looks like a good trend might actually be a bad trend line and vice versa. As we look at the table below it, street lane miles resurfaced, and to the right, pavement condition index, we're paving more streets which possibly would mean that over time we'd have fewer potholes and more well-paved streets.

Ms. Richardson: It should mean that.

Council Member Burt: The way this is framed is almost as if it's a question of it's good if we are paving a lot of potholes. Is that the way it's normally taken? Is it viewed in these reports as a good measure that a city repairs potholes or a bad measure?

Ms. Richardson: It's good if you repair them quickly, if you have them. It's better to be maintaining your streets to prevent them. Again, there might be someone from Public Works who might want to address that.

Council Member Burt: The percentage repaired within 15 days, that's a good metric. The number of potholes to be repaired, that might be a countermetric.

Mike Sartor, Public Works Director: Mike Sartor, Public Works Director. Thank you, Council Member Burt and the rest of Council. These performance measures are for two separate groups of the Public Works Department. The potholes performance measure is a measure of our maintenance activities in our Public Services Group. The lane miles resurfaced is a measure of how we're doing in our capital program for street maintenance overall. Your comment about if you're repairing less potholes, does that mean our streets are getting better, that's accurate. It's probably a good way of putting it.

Council Member Burt: Our goal is to largely put the first group out of business.

Mr. Sartor: Yes.

Council Member Burt: My next question on this is related, but it's maybe more for Hillary in how it's presented. By the numbers, it says that percent of the City's total lane miles resurfaced from 2014, similar to. It says 2014. That's probably a typo, meaning 2013. An increase by 4 percent from Fiscal Year 2005. That's 4 percentage points. It's increased by 100 percent, which is a big deal. If we put millions of dollars each year of an increase in our street paving to increase our streets from where they were a half dozen years ago to where they are now and where they're going to be in the next few years, and we only saw a 4 percent increase, that would be money poorly spent. We've actually seen 100 percent increase in lane miles paved per year, and that is one of the most important metrics to the community. It takes a while with successive years of investing more in street paving before it starts becoming visible to the community. We're finally getting to that point. This tells a different story from the reality. On the next page, page 11, the trees maintained and serviced, this year for whatever reason

we're showing a very significant decline in number of tree-related services completed. I don't know if we know what that means. It raised a little alarm for me. Are we investing less in our tree maintenance? Is there some explanation for that?

Ms. Richardson: On page 45, where the data table is that corresponds with this, footnote number 2 said in 2011 it was the first year since 1989 that trees were officially counted. Prior to that, the numbers were estimated. What you're probably seeing is the difference between actual and estimated amounts showing up there.

Council Member Burt: That's an interesting comparison in itself. estimates were apparently higher than the reality, not surprising if they were unchecked estimates. Good explanation. On page 13, the percentage who visited a neighborhood park or City park had a statistically very significant jump from 2013 to 2014, from 46 percent to 62 percent who did it once a month, more than once a month. That's a good number, but I don't know what to make of it and what caused it. I don't know whether Rob or anybody has any idea. It's not when the Mitchell Park Community Center reopened and drew people to Mitchell Park perhaps, or any other major investments. If you don't have an explanation, I will leave that as an open question and look for what it does next year. There are a couple of things. We had swings that were beyond what is the margin of error, but don't quite I've got a lookout on whether that margin of error has something wrong with it in some circumstances. On page 14, in the lower left there's a green building with mandatory regulations. The valuation of new green buildings dropped significantly. I saw that also was on a different graph, maybe it's the new permits dropped drastically, so maybe that's what tracked there. If that's the explanation, then I'm okay with that. Although, I was surprised by the dollar value of permits dropping significantly from 2013 to 2014. I don't know if that's Stanford Hospital or Lucile Packard Hospital related. Peter has some insights.

Peter Pirnejad, Development Services Director: Peter Pirnejad, Development Services Director. In short, we had some very large projects in the last few years that completed. VMWare was one. Stanford Hospital was another. We had some other large projects that came to a close. With that, the total square footage of value of projects went down. That's what you're seeing here. You do see a similar trend in the valuation of projects. The total number of permits is pretty stable. It's just some permits are valued much higher than others.

Council Member Burt: That would explain the green permit numbers.

Mr. Pirnejad: Correct.

Council Member Burt: On page 15, the upper right table. It was interesting that the gas energy efficiency program, the expenditures have dropped a little bit in the last couple of years. They had risen from 2008 through 2013 and then dropped in '14. The percentage savings improved. I don't know if Val might have some insight on this. We also had less gas usage. I was assuming that that's most of all related to warm winters. On the surface, this number looked great to me. Are we getting a much better return for the investment we're making in trying to help people have gas energy efficiency or is this a byproduct of a couple of warm seasons?

Valerie Fong, Utilities Director: Valerie Fong, Utilities Director. Thank you, Council Member Burt. In terms of the reduction, you're seeing some benefits from our home energy reports. We find those to be fairly effective. You can't not continue them because these are behavioral programs that people forget. Other than that, while we keep them current, we seem to be getting good response.

Council Member Burt: If we see those trends continue especially—Val, if you might wait. I've got questions for you on the next page. If we get a colder winter, I should say a normal winter this coming year, yet we see that almost 1 1/3 percent efficiency savings, that will be nice. On the following page, page 17, or two pages later, we have the responsive and interruptions and disruptions on electricity, gas and water. We see that gas has stayed, we'll call it roughly the same in recent years in terms of total customers affected. We had electricity at its lowest number of both minutes affected and number of interruptions within a ten-year period, and water the last two years at their highest. Are there any first-cut explanations of why those patterns exist?

Ms. Fong: Particularly, you're focusing on the water?

Council Member Burt: No, I'm looking at all three. Why is the water higher and why is the electricity lower? Those two, I should say.

Ms. Fong: We'll address the water first. We have Dave Yuan, our Senior Management Analyst here. It has to do with how we counted things for the water.

David Yuan, Senior Management Analyst: Dave Yuan. For the water side, we started using Topobase, our GIS system, to track water leaks. Now they're tracking every little leak that comes out. Before, it was all paper trail. It was only major leaks.

Council Member Burt: Is that noted somewhere in the report? That causes these bars to be a ten-X increase from one year to another.

Mr. Yuan: We'll note that next year.

Council Member Burt: My next question is for Rob. On page 19, the lower left graph shows from roughly the 2012 timeframe, '12-'13, a cut in half in the number of participants in teen programs. Do we know what to attribute that to?

Rob de Geus, Community Services Director: Good evening, Council Members. Rob de Geus, Director of Community Services. This relates to Mitchell Park, not having Mitchell Park Center open. We'll see that trend go significantly the other way going forward.

Council Member Burt: When we say teen programs, are these the ongoing programs that are a continuation over weeks or months of a given program?

Mr. de Geus: That's correct.

Council Member Burt: My next question is on page 24, transportation. One is on the upper left graph. It compares City shuttle boardings. The left vertical column appears to be boardings per year. On the right is Caltrain boardings per day. They're both accurate, but it would be more meaningful for us to have a sense of comparing daily boardings or annual boardings of these two methods, rather than one annual and the other daily. It compares a number of around 300 on the shuttle to 60-something hundred per day on Caltrain. The other thing is on the Citizen Survey. I'm on page 8. This is another one where just a note that the changes in responses looked to be greater than the statistical margin of error. I'm looking at availability of affordable quality healthcare and preventative healthcare services. They both changed around 10 percentage points. I would suspect that we haven't had much at all of a change in the community on what was actually available.

Ms. Richardson: Part of that might be because we surveyed more respondents. Depending on the areas where we had a higher response in the south, that would affect part of that this year. I would guess it might. I can't explain completely why it would be larger than the margin of error. You would expect it generally to be within that statistic.

Council Member Burt: I put that as a heads-up. There are a few places where something's looking like it's not likely, but hard to tell for sure. Overall, thank you very much. It's very informative and we'll keep using it throughout the year.

Thank you, and thanks again for the report. Council Member Scharff: Overall, when I look at the Citizen Survey, I'm struck that virtually everything is up. In fact, I was looking for things that were down. They're almost nonexistent if you go within the margin of error. The biggest things that were down were interesting. They were volunteer your time to some group or activity in Palo Alto. That went from 50 to 40. I thought that was significant. If you look at attended a local public meeting, 28 to 22. Church attendance is way down; I saw that somewhere. Watched us on online or television or local public meeting, that was down significantly as well. Everything else was up or stayed the same. That was probably the most significant thing to take out of the report, at least for me. Nothing dramatic happened in a negative between 2013 and 2014, and that everything seems positive. Then some of the interesting things was the overall quality of new development in Palo Alto, since this is such a hot button. From 2013 to 2014, went back up to roughly the 2012 level, if you put in the margin of error. It's interesting because it had fallen dramatically to 44 percent from 56 and then it went back up to 51 percent. I'm not sure the quality of development changed at all in Palo Alto between 2013 and 2014. interesting that the perception changed so much from 2013 to 2014. always have these metrics. Availability of affordable quality housing and variety of housing options, I don't think that tells us anything. Those are the wrong questions. They're always low. If you ask me, what's the availability of affordable, quality housing in Palo Alto, I would say there isn't any, unless you're at a certain income level and you get into low-income housing and you meet those income requirements. There's a long waiting list. I'm not sure that that is that helpful. We know the answer to that. significant thing is that the number of people that think there's quality affordable housing in Palo Alto is 11 percent. It was 13 percent last year. I'm amazed anyone thinks that there's availability of quality affordable housing in Palo Alto. That's up from 6 percent, so it's doubled since 2003. I'm not sure what people think we're getting at. I'm not sure what do to with that. The more interesting questions would be things like should we build more apartments, should we build more condominiums; do you feel there's enough available single-family homes. That would then get to the variety of housing options. I don't know what people mean by this. Are they feeling there's not enough apartments? Is there not enough condos? Is there not enough smaller, one-bedrooms? Is there not enough twobedrooms. I don't think it tell us anything, except that between '08 and '09 39 to 37 percent of the people thought there was available a variety of housing options. We're now down to 27 percent, which is a big drop. I don't know what people mean by that. Do you have any sense or not?

Ms. Richardson: I don't have a specific sense about what they means for those particular questions. As I mentioned earlier, these are standardized

questions that the National Research Center puts in their report. We have the ability each year to add some customized. The number of questions we add will drive costs. If there are some specific areas that you want to know that level of detail, send me those questions and we can put them in our survey. It would be like the ones we asked this year about where should we locate multifamily housing if we have to buy it, what do you think about traffic during these particular hours. We can add those types of questions. I'd be interested in knowing what kinds of questions are important to you. Also this was the first time that we've done an open-ended question that was so broad. Was that helpful? That would be helpful.

Council Member Scharff: Since you've brought that up, was the answer to that people want housing in the Baylands?

Ms. Richardson: Pardon me?

Council Member Scharff: Was that the answer, that people want housing in the Baylands? Where do we have east of 101 in Palo Alto?

Ms. Richardson: Those were the choices that were given to me. I worked with the City Manager's Office and Planning Staff. We identified some areas. You can't build in the Baylands, but you can maybe do some other construction nearby. If you have specific questions, that would be helpful. I would like to know, again, if the open-ended question was helpful, the way we did it.

Council Member Scharff: I also thought the preventive healthcare stuff was Going from 73 to 82, people were much happier with the off clearly. availability of preventive health services and availability of affordable healthcare and quality of healthcare. People were much happier with that. I thought that was interesting. When you get to page 8, it was really interesting. When you look at land use, planning and zoning, it's up to 43, as I mentioned. Code enforcement is also interesting. People are happy with that at an historically high level. We're at 62 percent. It's never been 62; it's gotten to 61 in 2012. It has never been as high as 62, but that may not be statistically significant. The lowest it's gone is 55 back in 2003. It seems to be about the same. The most interesting thing is look at the huge increase in 2013 to 2014 on economic development, from 61 to 73. Are there value judgments in there that this is a good thing or this is a bad When people say this, are they saying they're satisfied with it? They're happy with the economic development?

Ms. Richardson: Let me look at the question real quick. How the question was worded might help with that. It's under the category please rate the

quality of each of the following services in Palo Alto, and then it just says economic development.

Council Member Scharff: I assume that means people are dramatically happier with that, if that's meaningful.

Ms. Richardson: One of the things to note, when we talked with the project manager at the National Research Center, she has told us that sometimes the economy and if people are feeling good, they're coming out of having to be as tight with their budgets, it gives them a better sense overall of being satisfied with things, even though things may not have changed that much. During better economic times, you do tend to notice more positive responses than you do in less economic times, even if things haven't changed that much.

Council Member Scharff: Finally, I did notice that we had a precipitous drop in people that used the Palo Alto public libraries or their services between 2013 and 2014. Rob, I assume that that's because of the closing of the libraries and reopening. Do you think that will change back?

Mr. de Geus: (inaudible)

Council Member Scharff: I'll send you some of those questions.

Mayor Holman: As others have said, thank you for the report. It is informative, and it is a reference point throughout the year. In the interest of time, I'm going to do three or four things. One is the online tool. I look forward to being able to use that. I would say the colorations need to be more discrete. On our screens here, they were way too subtle, so make them more discrete. I was very happy that you had the open-end questions. They're not very surprising, but it gives us a better intonation, if you will, of what people's thinking is than sometimes the survey questions themselves. On page 18, a clarification on something there. In the by the numbers, it says 28 percent of information technology security incidents remediated within one day in Fiscal Year 2014 which decreased 22 percent from Fiscal Year 2013. I'm not clear whether that means that the incidents decreased or the numbers that were remediated within one day decreased 22 percent.

Ms. Richardson: It was the numbers that were remediated within one day decreased, the percentage decreased. We did ask for an explanation on that. One of the reasons that has happened is that IT has implemented more technological tools to help them identify incidents, so they're identifying more incidents and more severe incidents. Sometimes it's taking them longer to remediate those. It's making us more secure in the long run.

Mayor Holman: That's helpful and reassuring to know. My last one is a comment. It's a punctuation point on something I've mentioned a number of times. That is on packet page 14. Harriet, this isn't pointing a finger at you. It's an ongoing issue for me. The upper left where it talks about tons of waste land-filled and tons of materials recycled or composted. Again, we have a C&D Ordinance that very discretely talks about salvage. There needs to be three categories there. By the numbers, if you look at the lower right, 26 percent of commercial accounts with compostable service—oops, I'm sorry. That's the wrong number. It's the 49,594 that talks about recycled or composted. There's no reference to salvage. One way or the other, I'm determined to get salvage enforced in this community. It's been in our C&D Ordinance for 12 years, and we aren't doing it. We can talk further about that if you want to. I'm going to end there in the interest of time.

Neilson Buchanan: Neilson Buchanan, Downtown north. I have one short comment, and that is the cycle for the National Survey. At one time not too far in the past, it was being presented to the public a few months before the election for City Council. Now that the Council elections have been moved to November, essentially the electorate does not have the benefit of more timely National Survey results as part of the whole deliberation, campaigns, issue development. I would ask you to consider the timing of the National Survey relative to the election cycle for City Council. Thank you.

Rita Vrhel: I wanted to make a comment on the fact that there's 55,000 people living in Palo Alto now. I heard that 1,800 surveys were sent out, and that 27 percent responded. 27 percent response is very subpar. The amount of data that has been generated and the conclusions that are being reached based on this percentage of response, I find interesting. I don't know why the survey was reduced from 3,000 to the current number. I don't know why the response is so terrible. I don't know if the surveys were sent to the number of houses that are being remodeled, so someone wasn't in those houses. It would be good if the researchers could reach out to more people so that the overall response might be more representative of the people that live in Palo Alto. Thank you.

Ms. Richardson: We increased the number of surveys this year. In the past, it was 1,200. This year, it was 3,000. The response rate is pretty typical of a response rate of this type of survey. Increasing it to 3,000 was an attempt to get more responses, and we did. We had a similar response rate, but more responses based on the number of surveys sent.

James Keene, City Manager: The National Citizen Survey is done to how many different jurisdictions now? Close to 400 or something?

Ms. Richardson: About that.

Mr. Keene: Four hundred across the country. When Harriet's been citing the relevance of some of these statistics as being typical or normal, they don't just apply to our City but to the performance in other jurisdictions.

Special Orders of the Day

2. Presentation by Matt Schlegel Regarding His Running in the Tsuchiura, Japan Marathon.

Jennifer Buenrostro, Neighbors Abroad: Good evening, Mayor Holman, City Council Members, and ladies and gentlemen. I'm Jennifer Buenrostro from Neighbors Abroad, and I co-chair the position of vice president of our Sister City Tsuchiura, Japan. Tsuchiura and Palo Alto have an active middle school exchange program that has taken place over the past 19 years. In addition to our incredible student exchange program, Tsuchiura is also well known for their famous Kasumigaura marathon, which hosts 27,000 runners along the scenic shores of Lake Kasumigaura. The marathon is significant not only because of its size, but also because blind and visually-impaired runners are invited to join this race alongside Olympic athletes and medalists. marathon is one of the biggest events for the City of Tsuchiura, second only to the fireworks competition which takes place in the fall. Tsuchiura has generously invited a Palo Alto runner to participate in the Kasumigaura marathon. Tonight I would like to introduce Matt Schlegel who was chosen this year to participate. He is here this evening to tell us about his experience.

Matt Schlegel: Thank you, Jennifer. I appreciate the opportunity to give this presentation tonight and to express my gratitude for the opportunity to go to Tsuchiura and participate in the Kasumigaura marathon. I'm going to tell a little story about how I ended up going to Tsuchiura for this. I turned 50 last year, and I wanted to do something memorable this year. My sister suggested that we run in the Paris marathon in April. This was April 2014 when we came up with this idea. We both entered the lottery, and we both got accepted, so we both started making plans. Two months later, I was in Tsuchiura as a parent chaperone for the Neighbors Abroad student exchange program. I told the folks there that I was planning on running in the Paris marathon, and they said, "Why don't you run in our marathon?" I took that under advisement. I had a problem though, because the Paris marathon was on Sunday, April 12th, and the Kasumigaura marathon was on Sunday, April 19th, one week apart. There was no way I could run two marathons one week apart. At that point, I resolved to run the Kasumigaura marathon if I were selected. In January of this year, we received the kind invitation

from the City of Tsuchiura. Barbara and Joe Evans of Neighbors Abroad nominated me to participate, and Mayor Holman agreed to allow me to I want to thank everybody for that. I started training in earnest, and you can see maps of Palo Alto where I trekked around the City. There's one in the lower left where I went up and visited my sister in We ran along Lake Washington as well. In February, I received an email from Watasan of the City of Tsuchiura. She was very worried, and she said this, "I'm a little worried about your health, because you'll join the Paris marathon one week before." I assured Watasan that I wasn't going to run the entire Paris marathon. I appreciated her concern. We get to April. I did go to Paris per plan, and I did run with my sister. I started; I finished with her. I met her at the 30 kilometer rest point. In between, you can see I was enjoying some Starbucks coffee in Paris. I flew directly from Paris to Tsuchiura. It was a whirlwind trip. It was packed with events. The first full day was a city tour. I also had a reunion with the family who hosted my son last year. It was great to see them as well. On the second day, we had a soba making event that was put on by the Tsuchiura International Association. We made lots of friends with the folks of that association. You can see in this slide there was another runner from Germany, Friedrichshafen. That's also a Sister City of Tsuchiura. Marathon eve party; there was a party before the marathon. This is where you can see Mayor Nakagawa giving his remarks. I also read the letter from Mayor Holman to Mayor Nakagawa. You can see him there intently listening to what I'm saying. I presented it to him afterwards. Day of the race; it was a little bit overwhelming how many people came out to cheer us on. Just coming down from the hotel, there was at least a dozen, probably more, people, well wishers, that came down, walked us over to the race. They set up a big tarp on the grass where they all sat and watched the race and cheered us on. It was an incredible amount of support from the city. Nakajima sensei, Keiko Nakajima, who was the former vice president of the Neighbors Abroad for the Tsuchiura relationship, was in Japan and she came out to cheer me on as well. It was great to see everybody. You can see all of the folks there with their Palo Alto shirts on. This is me finishing the race. The upper left there is my view from the starting line. These are shots taken of me after I've crossed. Just a couple of things. This is a really big deal for them to invite us over. In Paris, I was one of 40,000 people. If you look at the chart in the upper right, this is the list of the people that are participating in the marathon. I was number one on the list. That's how much importance they put on this. I was overwhelmed by that. This is the certificate of completion. I did complete it. My goal was to do 10-minute miles. I'm definitely a turtle, not a hare. I did finish within two minutes of that target. I was very happy with that. On the last day, we did a day of sightseeing. The Tsuchiura International Association held a farewell party for us. It was a wonderful day and nice way to spend the last day in Japan.

With that, I want to thank Mayor Holman and the people of Palo Alto for nominating me. I want to thank Mayor Nakagawa and the kind people of Tsuchiura for inviting us each year and showing us so much warmth, to Mr. Sakazawa and the Tsuchiura International Association and finally Neighbors Abroad, especially Barbara and Joe Evans and Jennifer Buenrostro and Diana Nimit who are the co-vice presidents of the relationship now. Thank you, everybody. I understand that folks from Tsuchiura are listening right now on the stream, so I'd like to say a couple of words in Japanese for them. [foreign language] The folks in Tsuchiura put together this beautiful photo album of different pictures of Tsuchiura that they wanted Mayor Holman to have. I'd like to hand this over to you as well. Thank you very much.

Mayor Holman: Obviously we were most ably represented by you, Mr. Schlegel and most ably both physically, because you ran the marathon. I'm very impressed by your ability to speak Japanese as well. Thank you so very much for that. The photo album, of course, will be shared with the entire Council and the City. Thank you to the people of Tsuchiura for that. It's a very kind gesture. Thank you to the people of that community for hosting you.

Agenda Changes, Additions and Deletions

Mayor Holman: I know of none.

City Manager Comments

James Keene, City Manager: Thank you, Madam Mayor, Members of the Council. First of all, a thanks to everyone who participated in the Palo Alto 2030 Summit last weekend, this past weekend, Saturday, at Mitchell Park Library and Community Center. We had, as you know, more than 300 members of our community spend the good part of their day Saturday at the 2030 Comp Plan Summit. I've heard from many of you and many of our citizens about good discussions that were had and the sharing of many ideas. It seems you can always judge a good party or summit by how many people stay until the end. Judging from the almost-filled room 7 1/2 hours later, people were enjoying themselves. Big thanks again especially to our Planning Staff and Planning Director Hillary Gitelman for the design and execution of the event. Also thanks to the City Clerk's Staff and Office, to Claudia Keith and the communications team, and all the various Staff people and other not-for-profit folks who manned all the tables we had set up in the courtyard about all the range of different plans and services around the City. Everything went smoothly, which is not always the case with large events that involve technology and food. For those folks who were not able to attend or even if you were and still have more ideas, you can still

participate, watch the videos and answer the questions that were involved in the breakout sessions by going to the website paloaltocompplan.org, where we'll have all that information posted for the next few days. Once again, we are accepting applications until June 15th for the Comp Plan Citizen Advisory Committee who will assist with the completion of the Comp Plan and assist the Council as we move to the next phase. The applications are also available online at that Comp Plan website. In the spirit of great visits related to Sister Cities, last week in a very quickly assembled trip we had a visit from Oaxaca's Fire Chief Manuel Maza who met with some Members of the Council and the Mayor in what sounded like a whirlwind, several-day visit to our area. Our Staff had sent a letter to Chief Maza about a fire engine and ambulance that were being taken out of service and were available as surplus vehicles for our Sister City community of Oaxaca. In a tradition started by Neighbors Abroad, over the years we have sent nine vehicles from Palo Alto to Oaxaca over the past decade and last year together celebrated our 50th anniversary as Sister Cities. In the past, we've done private fundraising to cover the cost of transferring the vehicles and getting them down to Oaxaca. This year in record time Neighbors Abroad organized a fundraising event at Tacolicious Friday evening with initial funds of \$4,000 coming in to help with getting that rescue vehicle to Oaxaca. Bob Wenslaw and Marian Mandel from Neighbors Abroad did a great job organizing the event with very little time. We certainly appreciate their efforts on behalf of our Sister City Oaxaca. A Business Registry update. As of this afternoon, we have 1,466 businesses who have completed online Business Registry, accounting for approximately 32,000 employees. have made some revisions to our estimates of the number of businesses and think at this point this represents about 30 percent of the estimated number of companies in Palo Alto subject to the Registry. Staff is preparing an information report to Council regarding our efforts during the first 90 days. It will be available in the packet this Thursday for your meeting that will be held on Monday, June 15th. Our City is participating with 12 other communities to offer our residents a new solar group-buy program, Peninsula SunShares, which pools the buying power of participants who volunteer allowing the solar industry to offer more competitive pricing for those wanting to install solar. Enrollment is available for a limited time only, but the deadline was recently extended to the end of July. We are pleased to announce that Palo Alto is leading the region in the number of enrollments, 187 households so far, accounting for 45 percent of the total participation in this program in the region. For more information on the interested residents can to the City's website go cityofpaloalto.org/solar. Two other notices. Last Thursday with the Mayor's assistance, we accepted Acterra's prestigious Sustainability Award on behalf of the City Council, Staff and our community. As you recall, the City of Palo Alto is recognized for our large number of leading-edge programs on the

path to sustainability. This is the most prestigious annual award presented by Acterra. I wanted to acknowledge also we probably had about 12 to 14 Staff people from different departments in attendance at that meeting. Lastly today we're deeply saddened to learn that one of our long-serving City employees and team members, Ewing Bettles, passed away suddenly. Ewing was a member of our Information Technology Department, an exceptional City team player and who, for 17 years, was instrumental in both designing and implementing many of the technologies we use at the City today. He worked with every department visibly or behind the scenes and was universally liked by everyone who was fortunate enough to know him. We'll be sharing details on arrangements with the family. That's all I have to report.

Mayor Holman: Our condolences go out to Ewing Bettles' family and friends.

Oral Communications

Terry Godfrey: Good evening. My name is Terry Godfrey. I live on Oxford Avenue. Let me say first thank you for the work you do. I appreciate the time you spend at this. I know the decisions you make are difficult, and you give them a lot of consideration. I'm here on behalf of the current School Board and many former School Board Members. I'm here to speak in support of Buena Vista. Like you, we've been concerned about the proposed closure of Buena Vista Mobile Home Park, concerned about the eviction of the 400 residents and the loss to the community of a scarce source of Recent actions, however, provide cause for some affordable housing. optimism. We're encouraged by the potential for collaboration between the City of Palo Alto, the County of Santa Clara and a qualified nonprofit known The understanding that a market rate offer could be pulled together using affordable housing funds set aside by the City and the County in combination with the issuance of a tax-exempt revenue bond make keeping Buena Vista open as a mobile home park and permanent source of affordable housing a real possibility. As current and former Members of the Palo Alto Unified School District Board, we understand that there are always more needs than there are resources. Still we feel like this opportunity is too important to let it pass without taking every reasonable step to prevent the closure. Based on our years of service, we know preserving Palo Alto's economic diversity is a value shared by both the Council and the community. As development pressure increases, it only becomes more difficult to find suitable sites for affordable housing projects. If the park closes and its residents are forced to relocate, Palo Alto will not only be poorer for the loss of those 400 residents, but finding a way to replace close to 120 housing units will pose a daunting challenge for years to come. The most practical solution in our eyes is simply to preserve the units in place at Buena Vista.

We urge you to make every effort to make that happen. Sincerely, signed by our current Palo Alto Unified School District Board Members Melissa Baten Caswell, Heidi Emberling, Ken Dauber, Camille Townsend and myself and former School Board Members John Barton, Alan Davis, Julie Jerome, Barbara Klausner, Cathy Kroymann, Hank Levin, Amado Padilla, Gail Price, Diane Reklis, Susie Richardson, Dana Tom, Carolyn Tucher and Don Way. Thanks.

Nigel Jones: Good evening. My name is Nigel Jones, and my family and I have lived on Metro Circle for over 20 years in the Midtown area. Metro has 23 homes, 21 in the mid-century modern Eichler style. Recently an attempt was made to raze one of these houses and to build a home completely out of style and proportion to that neighborhood, in fact, twice the size with two stories and 4,500 square feet. After appeals by the neighbors to the Council, the permit was postponed and the new owners have decided to build a home more suited to Metro Circle which we have welcomed and is a very successful conclusion for all parties. Our question became what is the most effective way of preventing homes like this from being built in our neighborhood in the future and not just on an incremental basis. decided the best answer was to apply for a single-story overlay, an SSO. We broadened our conversation to include all of the adjacent homes on Moffett Circle, Amarillo and Greer to form Greer Park North as a group. We distributed a petition, and as a result we have already received over 70 percent positive, signed responses in favor of an SSO for our area. other adjacent street, Van Aucken Circle, has already successfully implemented an SSO, so this would complete the segment of Midtown. The benefit to us is that we can take care of our neighborhood with one single zone change. The benefit to the City, we believe, in terms of Staff time spent on these requests, particularly with its current busy agenda, is that an SSO will take this discussion off the table in one fell swoop for the neighborhood, potentially saving them time and money and make all of your constituents very happy. A major problem for us is the fee associated with the SSO. It's an expensive proposition and will cause a definite financial barrier for some of the people to participate. It also complicates the whole process for us and presumably for the Planning Department as well. As a result, we were all positively encouraged when Councilman DuBois suggested a temporary waiver of the SSO fee and Mayor Holman seconded that. There is a precedent in that Allen Court's SSO fee was waived in 2004. I would like to request that the Council approve a temporary waiver of the I believe a waiver will significantly improve the ability of a grassroots movement to make its wishes heard and that the results of an SSO will not only benefit specific neighborhoods, but Palo Alto as a whole by maintaining one of its signature architectural styles. I hope you'll be able to support this. Thank you.

Rebecca Thompson: Good evening. I'm Rebecca Thompson, and I live in the Los Arboles neighborhood, which is near Loma Verde and Middlefield. We are also an all Eichler neighborhood. We would like to apply for a second-story overlay zone change. I have in my hand signatures from more than 70 percent of our homeowners, and we expect to receive several more due to people being on vacation and so on. These are citizens that want protection for our original and increasingly rare Eichler neighborhood. large majority of homeowners in my neighborhood do support this singlestory overlay, but not the application fee. The roughly \$9,000 fee, which is what has been explained to us it will cost, is truly cumbersome and time consuming to collect. Many of our longtime residents balked at the fee when they heard about it, because they thought they were already protected from an effort that had happened in the 1990s where over 85 percent of our neighborhood signed on to support a single-story overlay. At that time, I understand from the gentleman who collected the signatures that the City stopped granting single-story overlays, and so the project ended. Many of our residents are original Eichler owners. They've lived in the neighborhood since 1960. They're on fixed incomes, and for them the fee is burdensome. Asking them to pay or asking the others in our neighborhood who have more resources to cover the shortfall has become a very uncomfortable topic among our neighborhood. In essence, the fee is the only barrier to our moving forward with this single-story overlay. It's broadly supported. There's a significant community benefit in preserving the character and privacy in neighborhoods, several of who are represented here tonight, where the vast majority of residents are in favor of this change. Thoughtfully planned Eichler neighborhoods are a very important part of the California modern architectural legacy. This is being protected elsewhere in the state. We respectfully ask the City to recognize this legacy and the will of the people in our neighborhoods and waive the single-story overlay fee. In weighing this request among your other priorities, please consider that the fee was waived for the Allen Court single-story overlay zone change in 2004, so there is a history of waiving the fee for this particular issue. We also do think it will save Staff resources, because it would eliminate lengthy appeals of pending second-story homes. Thank you for your consideration. We're looking to go forward and looking to our leadership on the City Council and in the Planning Department to remove our obstacles to move forward.

Ben Lerner: Good evening. I'm Ben Lerner from the Palo Verde neighborhood in south Palo Alto. I've come to address you tonight about what you've already heard, about an urgent need to protect Palo Alto's Eichler homes and other homes in the mid-century modern architectural style from demolition and replacement. Eichler homes were designed to create a neighborhood with community feeling and backyard privacy. Through our front doors, we have easy access to our neighbors while our

backyards are a private extension of our indoor living space. achieved through a one-story design with floor-to-ceiling glass windows and doors facing our yards. The intense development pressures facing Palo Alto put these aspects of our mid-century modern neighborhoods at risk. When Eichlers are replaced, it's often with a larger, two-story home in an incompatible architectural style that looks down on the indoor/outdoor living spaces of neighboring Eichler homes, diminishing greatly valued privacy. Some of us owners of Eichler and other mid-century modern homes are looking for ways to protect our neighborhoods from these development pressures. We'd like to ask the City of Palo Alto to recognize that there is a community value in preserving the City's mid-century modern heritage. Where a neighborhood is willing and interested, please work with us to achieve that protection. The only provision that Palo Alto has today to protect neighborhoods like these is the single-story overlay zone. Several Eichler neighborhoods are currently preparing petitions to the City to apply for this zoning change which would prevent two-story houses. The process involves a lot of volunteer time and legwork as we talk to neighbors to explain the issues and ask for their support. In addition, the City charges fairly high fees to apply for this zoning change, starting at around \$8,000 or more I hear. These fees are a significant impediment to neighborhoods who want single-story protection. As our mid-century modern neighborhoods are an important part of our City's heritage, preserving them is in the City's interest. Thus, we would like to ask the City to either waive or significantly reduce the fees charged for a single-story overlay application. considering this request, please also consider that due to the intense development pressure the City is facing, we see this as an emergency response, not unlike the recent ruling to protect ground-floor retail. Thank you for your consideration, and we hope to gain your support.

Herb Borock: Mayor Holman and Council Members. Last month you took an action regarding your meetings minutes. In the past you had sense minutes which were then placed on the Council's agenda for approval. One of the arguments made was that you had action minutes being prepared while the In fact, I believe you may actually receive action meeting's going on. minutes of meetings. Since that time, there's been no minutes approval on your agenda; although, I don't recall any changes being made to your procedures removing minutes approval. Some of the information you received at that time were that other legislative bodies only produced action minutes. I had some time this afternoon to look at the internet sites for the various bodies in this County that were easy to access in terms of their agendas. They all approve their minutes on their agendas. They don't have them just disappear or just be sent to Council Members. I would hope that you would correct this. What happens when you approve minutes at a meeting which are then verified and attested to by the presiding officer and

the clerk is that there is then a reliable record for anybody to rely upon in the future as to what actions you took at the meeting. I hope that this was just an oversight. The Municipal Code still has language about preparation of minutes. Perhaps there's some clean-up work that needs to be done with both that and with your procedures. I believe that it's appropriate and desirable to continue the practice that this Council has had in the past and that all legislative bodies, that I'm aware of, have which is that there is a place on your agenda for approving the minutes of previous meetings, so that there is an accurate, historical record of what actions you have taken. Thank you.

Consent Calendar

Mayor Holman: Council Members, we have an at-places memo from City Attorney making a minor correction to Attachment C of Number 5. A motion should incorporate that change.

MOTION: Council Member Kniss moved, seconded by Council Member Berman to approve Agenda Item Numbers 3-7 with inclusion of At-Place Memorandum changes to Agenda Item Number 5- Approval of a Settlement Agreement With Palo Alto Police Officers' Association (PAPOA) Regarding Retirement Medical Benefits; Adoption of Resolution Amending the Memorandum of Understanding Between the City and PAPOA; Adoption of Resolution Fixing the Employer Contribution Under the Public Employees Medical and Hospital Care Act.

- 3. Approval of First Amendment to Contract No. S15157589, With Khalid Salman A Mohammed for the Support and Maintenance of SAP Payroll and Human Capital Management (HCM) Modules to Add \$116,000 for a Total Amount Not to Exceed \$200,000.
- 4. Request Approval of Authorization of Indemnity Agreement With Santa Clara Stadium Authority to Allow Provision of Requested Law Enforcement Services to Levi's Stadium Relating to Super Bowl 50 to be Held at Levi's Stadium on February 7, 2016.
- 5. Approval of a Settlement Agreement With Palo Alto Police Officers' Association (PAPOA) Regarding Retirement Medical Benefits; Adoption of Resolution 9513 Entitled, "Resolution of the Council of the City of Palo Alto Amending the Memorandum of Understanding Between the City and PAPOA;" and Adoption of Resolution 9514 Entitled, "Resolution of the Council of the City of Palo Alto Fixing the Employer Contribution Under the Public Employees Medical and Hospital Care Act."

- 6. Approval of an Amendment to Contract No. C12141854 With the City of Inglewood for Handling, Processing, and Collections of Parking Citations and Fees.
- 7. Resolution 9515 Entitled, "Resolution of the Council of the City of Palo Alto Fixing the Employer's Contribution Under the Public Employees Medical and Hospital Care Act (PEMHCA) With Respect to Non-CalPERS Elected Council Members."

Mayor Holman: Moved by Council Member Kniss, second by Council Member Berman to approve the Consent Calendar with the inclusion of the at-places revision to Attachment C of Item Number 5. Vote on the board please. That passes unanimously with Council Member DuBois not present.

MOTION PASSED: 8-0 DuBois absent

Action Items

8. PUBLIC HEARING: Approval of a Record of Land Use Action (RLUA) to Allow the Demolition of an Existing 10,800 sq. ft. Two-Story Mid-Century Modern Office Building and Construction of a New 24,466 sq. ft. Three-Story Office Building for an Increase of 13,666 Net New sq. ft. The New Building Would Have One Level of Below Grade Parking and a Roof Terrace and is Located in the Community Commercial (CC(2)) Zone District at 2555 Park Boulevard. The Requested Action Includes Approval of Architectural Review and Approval of a Design Enhancement Exception Request to Allow Two Stair Towers and a Roof Top Canopy Structure to Exceed the Height Limit by Ten and Thirteen Feet Respectively; Adoption of a Resolution 9516 Entitled, "Resolution of the Council of the City of Palo Alto Certifying the Final Environmental Impact Report (EIR) and a Statement of Overriding The Planning and Transportation Commission Has Considerations. Environmental Recommended Approval of the EIR. Certification of an Environmental Impact Report and Assessment: Statement of Overriding Considerations.

Mayor Holman: We have disclosures to make as this is a quasi judicial item. Council Members, if you have disclosures to make, please turn on your lights.

Council Member Wolbach: I met with a small group of residents and toured the site. I did not learn anything in that meeting which substantially changes my views of the project.

Council Member Burt: I had a brief conversation with a couple of the residents and did not receive any substantial information that's not part of the record.

Council Member Filseth: I met with a group of residents and received no particular information.

Mayor Holman: We've all read, I'm sure, a voluminous number of emails on this item. I also had conversation with a number of neighbors and residents about the project.

Russ Reich, Senior Planner: Good evening, Mayor Holman and Council Members. Russ Reich, Senior Planner, City of Palo Alto. To my right I have Katherine Waugh of Dudek who prepared the environmental report that's also before you this evening. The project before you this evening is for a new three-story, 37-foot tall office building. This office building replaces an existing office building that's on this site. The square footage for the building is 24,466 square feet, for a net gain of 13,666. The project components include architectural review and a Design Enhancement Exception as well as an Environmental Impact Report. The Environmental Impact Report is required because the existing building was found to be a historic resource under CEQA. The demolition of the structure is a significant and unavoidable impact under CEQA and requires that the Council adopt a Statement of Overriding Considerations. This next slide includes the context for the project site. You'll notice the red square in the center is the project site. To orient you a little bit, you've got the Caltrain Station as the red star in the top of the page. The Palo Alto Central Condominium Complex basically surrounds the site to the northeast and south of the site. Directly adjacent are single-story office buildings to the east and south with a twostory office building and two-story single-family residence to the north. Directly across the street to the west is the County Courthouse building. This image is an image of the existing building. You can see the adjacent two-story building and the four-story Palo Alto Central building beyond. This image shows the existing building and the current curb cut that is on Park. This curb cut will be removed as part of the project. The removal of this curb cut provides additional parking as well as improves pedestrian and bicycle safety by eliminating the interaction between vehicles and cars crossing over Park. This next slide, just to the left of the existing building, shows the two-story building to the left as well as the existing single-family residence. You'll see the corrugated metal siding building in the center of the page. This next view is looking north, down Park Boulevard, with the project site to the right and the much larger County building off to the left. The next slide is the opposite direction, looking south on Park with the fourstory condo building to the left. This final contextual slide is showing from

left to right the existing four-story Palo Alto Central Condominiums, a twostory building adjacent to the project, the project site itself, and then further to the right the four-story condominiums, and then just off the page another four-story office building. This is a Park Boulevard elevation image of what was recommended for approval by the Architectural Review Board. You will notice on the top is a large tensile structure. This is the element that necessitated the DEE for the project. In the approval, the Architectural Review Board required that the tensile structure size be reduced by approximately one-third. Prior to the Council meeting, the applicant has submitted a revised version of the rooftop canopy in a series of umbrellas that are hanging over the site. This version was approved by the subcommittee of the Architectural Review Board just prior to the packet going out. These images are in your packet. This is a version of the Grant Avenue elevation. You can see those hanging canopy umbrellas at the top. In the ARB review, there's a number of findings, a total of 16 findings, required for ARB review approval. A couple of them are highlighted for you in this slide. In addition to those are the context-based design findings which are also provided in the Record of Land Use Action provided in Attachment A. For the Design Enhancement Exception, the ARB did recommend approval of that. The purpose of that Design Enhancement Exception is to enhance the design of the project. A few of the findings are highlighted here. In red you can see the elements of the project that necessitated the exceptions, the two stair towers and the canopy structures. In addition, one of the stair towers includes the elevator over-run which you see on the left on the upper image. It does not require the exception, but the stair towers are 10 feet taller than the 37-foot height limit, and the canopy structures are 13 feet taller, for a total of 50 feet. environmental review document, there were a total of three items that the environmental review document focused on. This was a focused EIR. Those key items were traffic and circulation, hazards and hazardous materials and There were no impacts identified under traffic and cultural resources. There were impacts identified under hazards and hazardous materials, because the project site is located over the California-Olive-Emerson Groundwater Plume. There are some standard mitigation measures including a vapor barrier, active ventilation and annual testing in order to mitigate those impacts. Under cultural resources, the demolition of the historic building cannot be mitigated; therefore, the Statement of Overriding Considerations is required. For the Statement of Overriding Considerations, the Council has to adopt a series of findings. The City must find that the 2555 Park Boulevard project meets the following stated project objectives, which have substantial social, economic, policy and other public benefits justifying its approval and implementation. Those are listed in Attachment D. There are a number of public comments associated with the You had a number of comments listed at places as well as

comments were provided throughout the review process and the multiple public hearings. The final EIR has a number of those comments as well as responses to those comments. They were generally related to traffic, parking, bike and pedestrian safety, solar impacts, building height and the Design Enhancement Exception. This concludes Staff's report on the project. I would also like to note that Architectural Review Board Member Alexander Lew is here as well to speak to the ARB's recommendation for approval. Thank you.

Alexander Lew, Architectural Review Board Member: The Board voted 4-0 in support of the project. There were two Members that had reservations about the size of the roof canopy. As Russ mentioned, that was incorporated into the approval. I was on the subcommittee and reviewed the drawings that were shown on the wall today with the substantially reduced roof canopy. I want to mention there are a couple of other things that are very desirable about the project. There are some Comp Plan policies, like L-22 enhanced sidewalks, L-28 maintain existing scale and character, L-31 pedestrian oriented streets from Ventura to California Avenue, Policy L-49 design buildings to revitalize streets, and Policy B-17 encourage owners to upgrade commercial properties. There are numerous things in this project, like street bulb-outs for street trees. The building is set back greater than the existing and neighboring buildings to provide a wider sidewalk. We do have other property owners who have testified that that's actually a taking of private property for public sidewalks, but they provided it. There are benches, planters along the street on both sides, on both corners. You don't see it in the elevation, but there's a variety of setbacks and balconies to provide depth to the façade and break down the scale of a very long frontage on Park Boulevard into three separate smaller The height limit of this particular parcel is 37 feet. properties adjacent to it potentially have a height limit of 50 feet, because they're next to Palo Alto Central which is RM-40. Palo Alto Central has a 40foot height limit. It's a varied site; the context is varied. It's two stories on two of the properties on Sherman, but also we do have PCs in the neighborhood. I'm not sure how tall the buildings are, but they're four-story commercial buildings. For those of you who have been around Palo Alto a long time, if you go back into the '60s, there was a ten-story building proposed on one of Holbach's properties which is the Courthouse Square. That was approved at the time. In 1974, the height limit was reduced to 50 feet. There are a number of issues, one of which is the driveway location. I know that a lot of the Palo Alto Central owners wanted it on Park. Zoning Ordinance recommends it to be on the side streets to improve pedestrian and bicycle safety on Park Boulevard. I do understand the neighbors are concerned about sun shading on their properties. We did review the sun diagrams. I would point out that our zoning points it out as a

context-based criteria, but we don't have any standards of how much shading could be put on the adjacent properties. That's all that I have. With regard to the DEE, it's two things. The roof deck, in our Downtown Design Guidelines which don't apply necessarily to Cal. Avenue, but it does encourage roof decks. That was a factor in my mind. The other thing is, which you can see in the minutes, that the elevator and both stair towers are required for the roof deck. The elevator is mostly Building Code related issues and accessibility related issues. They have to serve the roof level. If you don't want a roof deck, we would have mechanical requirements. One stair tower would need to go up to the roof, but you wouldn't have to have them serve the floor. If you have any questions, I'm here. Thank you.

Mayor Holman: Do note that we have an Item Number 9, which time would push out to allow at least two hours for this item. We will need to, at some point in time, decide, unless we dispatch this item in a hurry, whether we are going to continue this item or continue the next item. We should do that by at least 10:30, but sooner if possible.

Council Member Burt: I had a couple of questions. They're for Commissioner Lew, would be the best starting point to ask. Alex, can you explain why there's a need for two towers to access the roof rather than one?

Mr. Lew: That is a Building Code issue. They'll look at the square footage of the roof deck. The Building Code does what they call an occupant load. They're going to take that square footage and divide it by 7 or 15. That's theoretically the maximum number of occupants that could be there. It's usually conservative, assuming you're having a party packed with people. They derive the number of exits based on that. It's typical for roof decks to have two exit stairs.

Council Member Burt: Do you know at what point we trigger a second tower need? There must be a certain ...

Mr. Lew: It's my experience you almost always are going to have to have the second stair tower.

Council Member Burt: I'll ask Staff if we can (crosstalk).

Mr. Lew: I don't know the exact. It would be a very, very small roof deck to have just one stair.

Council Member Burt: You said that the adjacent properties have an effective 50-foot height limit.

Mr. Lew: If they're mixed use. They're all CC(2) zoning. If you read the zoning carefully, there's a little footnote. The CC(2) zones that are next to RM-40 get a 50-foot height limit.

Council Member Filseth: I have a question for Mr. Lew. Actually I have two questions. Maybe you can elaborate a little bit. I'm looking at the Code, and it says neither the Director nor the City Council on appeal shall grant a Design Enhancement Exception unless it is found that there are exceptional or extraordinary circumstances or conditions applicable to the property or site improvements involved that do not apply generally to property in the same zone district. Can you explain what those exceptional or extraordinary circumstances or conditions are?

Mr. Lew: This particular site is different than the adjacent properties, because of what I just mentioned before, the zoning. It has a 37-foot height limit, and then the adjacent properties have a 50-foot height limit if they're mixed use. If they're commercial, then it would be the same. That's the same 37-foot height limit. That's, to me, the distinguishing thing that was discussed at the ARB meeting.

Council Member Filseth: The exceptional or extraordinary circumstance is that theoretically the adjacent buildings might be able to go above 37 feet.

Mr. Lew: Right. If you read the minutes, I did second guess that. If it's mixed use, there's no extra floor area. I know you've seen some of the other projects recently. If they're mixed use, they get an extra 1.0 floor area, like in the Downtown area. In this particular zone, there's no extra floor area for mixed-use buildings. The neighboring buildings would have a setback to the Palo Alto Central. There are different things going on on this property than there would be on the adjacent properties. It's confusing.

Council Member Filseth: In your mind, the fact that they are different constitutes an exceptional or extraordinary circumstance.

Mr. Lew: Yeah. It's a judgment call.

Council Member Filseth: The second one I wanted to ask was normally there's a description here of what Design Enhancement Exceptions should be, and it says eave lines, bay windows, arcades, fountains, arts, trellises. If they don't see elevator towers and things like that on here, does that fit within the context?

Mr. Lew: It does say stairs.

Council Member Filseth: It does say stairs.

Mr. Lew: Also it doesn't say that that's exclusive. Those are examples of. If you look in our ...

Council Member Filseth: It does say limited to minor changes to setback, daylight plane, etc.

Mr. Lew: I would agree. When it came in as a preliminary, the elevator tower was bigger than it is now. It was a pretty unanimous opinion on the Board that it was too big. They did scale it back. It's a judgment call now, if you think it's still too big.

Council Member Filseth: You took into account the fact that it was originally larger and had been reduced in size by the applicant?

Mr. Lew: Yeah. We do have something unusual in Palo Alto which is we have a larger elevator requirement for emergency reasons. Not all cities have that requirement. That's another (crosstalk).

Council Member Filseth: The requirement for the elevator is predicated on having the roof top terrace. That would be some circularity.

Mr. Lew: Circular logic, yeah.

Council Member Wolbach: If we have a requirement for two stairways to access the roof, clearly for safety reasons if the roof is in use, was it considered at any point to move the stairwells closer to the center of the roof, so that there would be less of a daylight plane impact from those stairwells on adjacent properties?

Mayor Holman: It would be good if you asked that question of Board Member Lew; otherwise, we'd drift into questions for Staff which we're not ready for. If that makes sense.

Mr. Lew: I don't think it was specifically asked. There is a Code requirement that the stairs have to be separated by half the diagonal length of the building. There is a minimum requirement for that. Just in general, though, to me ideally, because it's a corner site, if there's some sort of higher, taller element, it would be on the corner. That where they have vehicular access. As somebody said, that's unfortunate. Our context-based criteria would normally encourage something taller at the corner and not next to the adjacent property owners.

Council Member Filseth: I wanted to ask a follow on. On the issue of exceptional or extraordinary circumstances, if I understand what you said correctly, the extraordinary circumstance is it's a 37-foot zone. However,

the building next to it could theoretically, if it were developed as a mixed-used building and there was some FAR relief and so forth, go to 50 feet. The exceptional circumstance is because of that, this one could theoretically go to 50 feet. My question is how about the next one in line. If this one can theoretically go to 50 feet, then is there an extraordinary or unusual circumstance to the next building over, because ...

Mr. Lew: No. The next building over, the two properties down to the right, if you're looking straight at the building, would also get the 50-foot height limit, because they're next to Palo Alto Central.

Council Member Filseth: How about the one on the other side of that? I'm asking how far the chain extends. If the theoretical extraordinary circumstance is this building might go above the limit, then how about the next one? Theoretically it might go above the limit, so the next one might theoretically go above the limit, and so the third one might theoretically go above the limit. The extraordinary or exceptional circumstance would extend all the way down the street.

Mr. Lew: My understanding is this is the only one. I could maybe ask Staff to correct me. I did look at the zoning map.

Council Member Filseth: You understand what I'm asking, right?

Mr. Lew: Yeah, I understand where you're going. The issue is any parcel in CC(2) that's next to Palo Alto Central, which is RM-40 zoning, could go up. This is the only one in my mind that is not directly adjacent to Palo Alto Central.

Council Member Filseth: As long as you run out of buildings on the street, then it's not an issue.

Mr. Lew: Yes, I see what you're getting at. Another consideration too, all the buildings across the street are PCs and PFs. That's also another factor too, and they've all been built at four stories.

Council Member Scharff: Just following up on this exceptional/extraordinary circumstances. In general, do we treat exceptional and extraordinary circumstances as different things in the past? Do you know?

Mr. Lew: I don't. I'm not prepared to answer that.

Council Member Scharff: We're not asking Staff right now, right? We're just asking Board Member Lew. I was curious if the ARB had—you've been on the Board a while, right?

Mr. Lew: A long time, yes.

Council Member Scharff: That's what I thought. You've been on the Board a long time. I was wondering when you've looked at this before, if people have said, "This is an exceptional circumstance and this is an extraordinary circumstance," or whether it's been lumped together. That was my first question. The second question was in the past DEEs have come before you before, a number of times. I remember that on Council. When we've granted them, what I've tended to understand us to do is to say if it doesn't apply to the properties in the same zone district, then it is an exceptional circumstance. That's the way I've understood it. I think what you're saying here is that as long as it doesn't apply to the surrounding buildings in the zone. I think Council Member Filseth was asking you how long that extends in the zone. Have we done stuff in the past? What's the history on this? Do you have a sense of that?

Mr. Lew: I don't know where to start. As you know, there's so many DEEs on projects. I'm not sure where to start with that. I don't recall any distinction between extraordinary and circumstances. I'm going to have to get back to you on this one. This is trickier, because there's so many projects. I'm trying to think of ...

Council Member Scharff: Give me an example of when you haven't granted a DEE. When someone's asked for it, and you've said no, because it's not exceptional or extraordinary. This applies to everyone. Can you think of that off the top of your head? I know I'm putting you on the spot. If you can't, that's fine.

Mr. Lew: I'll just put on my thinking cap and try to make a list of projects for you.

Council Member Scharff: My next question, changing tack a little bit. Let's assume the ARB said no to the DEE. That would mean that the tower comes down, right, to the roof level at 37 1/2 feet. Because there would be no roof access, then there would be no roof deck. Is that correct?

Mr. Lew: That's correct.

Council Member Scharff: The project could look exactly the same; it just wouldn't have those two elements. Is that ...

Mr. Lew: It would be like flat, yeah.

Council Member Scharff: It would be a flat roof. There would be no element jutting up, and there would be no roof except for the mechanical. Right?

Mr. Lew: The mechanical screens can exceed the height limit by 15 feet, as long as there's no usable floor area. If it's not habitable space, they're allowed to go 15 feet above 37 feet.

Council Member Scharff: The 37 and 15 would be 53 or 54. On this, are they having mechanical that's going above the 50-foot height limit on top of this?

Mr. Lew: I would defer to the applicant. I don't recall offhand. There is mechanical space. I don't have the plans right in front of me at the moment. I do have them here.

Council Member Scharff: Did you guys look at the parking exemptions, the two different parking plans or was that the PTC that talked about that? There was the other parking option where they reduced it by 9.2 percent and gave GoPasses. Do you guys not look at that at all?

Mr. Lew: That was mentioned as an option, but we do not generally review that.

Council Member Scharff: If that option was accepted by the Council as opposed to the fully parked option, would the building have to change in the architecture much or not? Would it come back to you on that issue or no?

Mr. Lew: My understanding is not. I do want to follow up with you. There is a project where an applicant requested a DEE, and the Board was not supportive of it. I can only think of one at the moment. It's on Middlefield Road; it's the old ARCO station. They wanted to provide wider parking spots than normal for families with minivans, so they have extra unloading room. They wanted to put that in the front setback, which we generally don't like. We normally want that to be all planted. That was a case where there was a pretty unanimous reaction against a DEE.

Council Member Scharff: Mayor Holman, I have a question for you. You raised the issue of possibly putting off the cap discussion tonight if we go too late.

Mayor Holman: I raised the possibility of either continuing this item or continuing Item 9.

Council Member Scharff: Is it the same Staff for both items or is it different Staff?

Mayor Holman: It is essentially the same Staff, is it not?

Jonathan Lait, Planning and Community Environment Assistant Director: Russ will be here. Hillary will replace us, and I'll be sitting back there.

Council Member Scharff: It's roughly the same Staff.

Mr. Lait: Russ is the project planner, and so he's not here for the cap necessarily.

Mayor Holman: We can decide as we get into the item, which was the intention anyway. Didn't want anybody in the public to get concerned we're not going to hear from you tonight.

Public Hearing opened at 8:34 P.M.

Heather Young, Fergus Garber Young Architects,-representing Applicant: Thank you, Mayor Holman and City Council Members. We would like to make a brief presentation about 2555 Park. Thank you, Russ and Staffthey've done an excellent job describing the local context—and also to Board Member Lew for bringing forward some of the comments that came from the Architectural Review Board. My name is Heather Young, and I'm representing the applicant. In fact, the applicant and his family are here this evening. They are longtime residents of Palo Alto. What I'd like to do is start very briefly looking at the Comprehensive Plan map. You'll notice a vast majority of the map is yellow or also green. Those are areas specifically for single-family residential or for open space or for public green space. You'll notice four zones that are in a dark red. Those zones are specifically established to be community and regional centers of commercial activity. Two of those zones are Stanford Shopping Center and Town and Country Village. Those are specifically retail focus. The remaining two zones are the University Avenue District and the California Avenue District. Those are designated in the Comprehensive Plan specifically for increased density and to support the public transit in those areas. If we zoom into that, this area that comes up pink on the screen is that same red zone. That's the CC(2) zone that you've been hearing discussion about, that has different height limits based on whether or not you are doing a nonresidential project, a mixed-use project or if you're adjacent to a PC or adjacent to an RM-40 site. 2555 Park is this bright red zone here, which again is this highlighted area. It is surrounded by additional CC(2) areas. Again, areas specifically zoned for density. Across the street from it is the Public Facility zone which, as of right, has the 50-foot height limit that you've heard about before. The area behind the site, that's this pale orange, is the Palo Alto Central RM-40 zone. As was discussed earlier, the areas to the right of the site and the left of the site on Park, because they're contiguous, they share a property line, those are areas that could be 50 feet.

In other words, this site that we're looking at is surrounded by other project zones that could be 50 feet. This is the existing building. It's a two-story As you heard before, because it just turned 50 years old, California CEQA law does require that it go under a historic review. Although it is an example of mid-century modern, I do have a hard time expressing a desire to retain it as an example of mid-century modern. We heard some very nice statements from residents of the Eichler neighborhoods where it's a consistent pattern that they would like to maintain. This is a one-off that's surrounded by other stucco and stucco clay tile and then the Santa Clara County Courthouse building which is predominantly concrete across the street. This view on the right is also part of the 2555 Park existing building. You're seeing the soft story structurally. All of you are aware that in a seismic event of any real significance that this is not a safe condition. Granted, it was completely Code compliant when it was built 50 years ago. Frankly, we can do better, and we are proposing to put in a building that is seismically safe, environmentally sensitive, and will be LEED Silver certified. This other image on the left is a view of the single-family residence that's at the back corner of our site. It has a short contiguous property line. You're seeing the existing home itself. I believe it's set about 9-foot-4 back from the property line. There is a silver dollar eucalyptus tree that's a foot or two off of their property line that, during most of the year, provides either a lot of shade or protection to the house. This is a site plan of the project. What you're seeing here is the proposed rooftop set against the adjacent conditions. Park Boulevard, we've talked about. Grant Avenue, the public street on the right of the site. Sherman Avenue here. This is 150 Grant. This again is a site adjacent to the RM-40 Palo Alto Central that could easily What you're seeing here are the proposed be developed as 50 feet. collapsible umbrellas on the roof terrace. You're seeing one stair tower here, a second one on Park. This smaller dark rectangle is the elevator This zone is the mechanical enclosure. The answer to your earlier question is it's a 6-foot wall surrounding the mechanical equipment. The roof terrace is set back 15 feet from the perimeter on the north, 15 feet from Park, 25 feet from Grant, and over 50 feet from this property line on You're also seeing the new crosswalks and the new bike lane improvements with the bulb-outs along Park. I'd like to run through a video of the project. Again, the crosswalks. You're seeing here the enhanced width of the sidewalk. It's an 11-foot-9 effective width. The seat bench, the green planted wall, the bulb-outs, the enhanced safety for bicyclists and pedestrians as they travel down Park Boulevard. Here we have the main entry to the building with the bicycle parking adjacent to the front door. There's a generous covered zone again promoting pedestrian safety and As we come around, there's the stair tower with the feature As we swing further, you notice the two exterior balconies here. Only now are we starting to see the roof terrace, because it is so far set

back from the perimeter of the building. This is the elevator enclosure, and it is also pulled away from the perimeter of the building. This is a concrete wall with vine plantings. Here, at the adjacent single-family neighbor, our building is set back 12 1/2 feet from the property line with a planting bed at the lowest level. These are partially obscured windows to break rooms for the office. Only the upper portion of the glass is clear to allow vision to the The lower pane of the glass is obscured so that there's no visual transparency down to the neighbor. Here you're seeing a 12 1/2 foot setback from the property line, 2 feet at grade, and the neighbor house at 9foot-4 setback from the property line. As we swing around, you're seeing another planter bed inset with a stucco wall treatment and windows to bring light into the second and third floors. You're also seeing the rear of the roof terrace with the plantings on the back facade. As we swing around to Grant, you're seeing the second stair tower, additional balconies and terraces, new street trees. This is the primary entrance for the parking of the facility. It's got double-stack parking machines on the ground floor. You go down a ramp to triple-stack parking machines below. Our traffic consultant is here, and he can answer questions that you may have about that. As you can see, there's ample width in the garage for two cars to move freely back and forth. This is the access for trash and recycling. Again, a nice view down that vista for the broad sidewalk. You're seeing the two-story zone at the perimeter here. The bottom ground floor is pulled back as are the trees to improve view lines for pedestrians, bicyclists and motorists as they come to You're also seeing the glazing treatment and the that intersection. sunscreen walls at the perimeter. Thank you all very much. If you have any questions, we'd be happy to answer them.

Council Member Wolbach: I do have a question for the applicant. I'm sure we'll have more later, but one currently. The planter beds that are raised off of ground level at the northeast and northwest of the property, adjacent to other properties, how will those be accessed for maintenance of the trees and greenery there?

Ms. Young: The planter beds that are facing the train line, I'll call it project north for this. There are ladders interior to the building that you climb up to access. The current configuration for access to the planter bed at the northeast corner would have access. There's a 2-foot setback that you walk through to climb up to get into those. If that's not a sufficient approach, we can easily modify the break room on the second floor to allow direct access out to the planter there.

Council Member Burt: Two questions related to the stair towers. First, what drives the need for the footprint size of those towers? What square footage of the terrace triggers the need for the second tower?

Ms. Young: The stair tower on Grant, I believe, is 288 square feet. That's all Code driven. There are very specific requirements for the rise and run of a stair. There are very specific requirements for its width and the size of the landings. There are specific requirements for the door swings and the clearances to allow for egress as you're leaving the building. Additionally, the fire requirement is that there is a fire sprinkler stand pipe that must be in that location. There are additional requirements for it as well. Believe me, if we could make it smaller, we would make it smaller. Your second question about the roof terrace. The roof terrace, as I said, has substantial setbacks from the perimeter on all four sides. It's designed as an employee amenity. It's not open to the public. It could be as small as 750 square feet and not trigger the need for the second stair tower.

Council Member Burt: That's how many square feet now?

Ms. Young: It's a little over 3,000. The footprint of the site is, I believe, 12,518, so the roof terrace is roughly a quarter of the footprint.

Council Member Burt: The max you could have with a single stair tower is 750.

Ms. Young: 750, yes, which is very small.

Council Member Scharff: You've changed it now to be collapsible umbrellas, is that correct?

Ms. Young: That's correct.

Council Member Scharff: With that change, the reason you need a DEE is clearly for the towers. Let's do a thought experiment for a second. If you didn't have to have the towers, would you need the DEE for collapsible umbrellas?

Ms. Young: I don't believe you need the DEE for the collapsible umbrellas. Staff should jump in. I believe that that is a holdover from when it was a permanent tensile roof structure.

Council Member Scharff: That was really my question. That's what I figured. It seems more like furniture at this point, to be honest.

Ms. Young: It is furniture, yes.

Council Member Scharff: I know that on another building that came before us there was a railing up on the roof, like 5 feet or something. I know that didn't trigger a DEE or something like that. I guess the only part of this that requires the DEE then is the towers.

Ms. Young: I believe that's correct, but Staff should confirm.

Council Member Scharff: If you are not granted the DEE tonight, if the Council turns you down for that, I want to confirm that the building would look the same; it would have no roof terrace because you can't get access legally by Code. There would be no architectural element. It would just be a flat roof without it. Right?

Ms. Young: You'd still have the elevator overrun, because it's a physical requirement of the piece of the equipment, and it's something that's allowed in the Zoning Ordinance. You'd also still have ...

Council Member Scharff: How high would the elevator overrun be?

Ms. Young: Approximately 5 feet.

Council Member Scharff: It would be 5 feet rather than 10 feet, because you're going from 37 to 47.

Ms. Young: The elevator extends beyond the stairs. The stairs are 10 feet above the 37 feet, and then the elevator is approximately 5 feet beyond that. You would still have the mechanical roof screens for the mechanical equipment that is located on the roof. That would become a negotiation with the Fire Department as to whether or not they would accept not having a full stair access to the roof. This is something that's new in the Building Code. Any time you have a floor that's at 30 feet or higher, you're now required to have a full stair access as per California Building Code. That may be something that, as part of our continuing review of our Zoning Ordinance, we may want to make allowances for, similar to the way that the elevator overrun and the mechanical enclosure is already acknowledged as a fact in buildings today.

Council Member Scharff: If you got rid of the rooftop terrace, you wouldn't need a DEE. Is that correct or you would?

Ms. Young: Would not.

Council Member Scharff: You'd still be going at least 5 feet above, or 10 feet with the stairway overrun. I was confused. I'm trying to figure out if you'd be at the same height with the tower, just no rooftop terrace.

Ms. Young: It would reduce the need for the DEE, yes.

Council Member Scharff: You're still building the stairway out, right, because it extends the roof. I'm trying to figure out if that's 5 feet above or the same height, 10 feet above.

Ms. Young: It's the same height.

Council Member Scharff: What I'm trying to figure out is if we don't grant the DEE, does the two towers for the two stairways look the same, because you have to build that anyway and you don't need a DEE for it or is it shorter?

Ms. Young: It's shorter. The elevator right now is serving the roof. Again, this is a Building Code requirement. When you have people, you have to have elevator access for accessibility. That would drop dramatically. Potentially only one stair would need to come up. Again, that would be a negotiation with the Fire Department.

Council Member Kniss: What I'm hearing, and I'm not hearing it exactly which is why I'm asking. How far over the limit are you actually with the stairwell and with the mechanical device? Where does it actually end up? I can see it on your drawings, but I can't tell exactly what it is.

Ms. Young: No worries. The building height is 37 feet. The roof screen is allowed to go 15 feet, and it's proposed to be 6. The requirement for the roof screen is that it be at the height of the largest piece of mechanical equipment. We've tried very hard to keep that low, so that height is 6 feet. That's allowed. The stairs, we've tried very aggressively to find ways to reduce the minimum building height, clearances, the structural requirements for the roof and the parapet and waterproofing, all part of responsible sustainable design. The minimum that we can make it is 10 feet. I'm sorry. The elevator, in addition to it serving the roof terrace, the mechanical equipment for it is a hoist beam, and it's located above the elevator. This is the smallest, shortest elevator that meets the requirements that we could find. That's an additional 4 feet, I believe.

Council Member Kniss: Where does it end up though, at the very end? You have the ability to add 15 feet of mechanical onto the 37 to begin with. You're over that, correct? I think that's the amount that Greg mentioned as 53 or 54.

Ms. Young: Actually no. I do apologize. We discovered today that the elevator towers that's modeled in the view that you just saw was modeled at 53 feet 9 inches. We realized that that was wrong, that it should have been modeled closer to 51 feet. That would be under the 15-foot addition that is allowed for mechanical equipment that you're referring to.

Council Member Kniss: That is a change from what we might assume before.

Ms. Young: Yes, that could drop from that.

Council Member Kniss: You're saying you're now right within that limit.

Ms. Young: The stairs and the elevator overrun could easily fit under that 15-foot allowable.

Jason Chang: Hi, Council Members. My name is Jason Chang. I'm a resident in Palo Alto on Bryant Street. I wanted to speak in favor of this project on Park Boulevard. The conversations that you guys have been having with regards to the height and the type of project that is being proposed here is something that Palo Alto is looking forward to. This type of building is something that tenants are interested in moving into. In terms of the stairs, the extra 10 feet and 15 feet that is being asked, the terrace on the roof is something that Palo Alto as a City in terms of attracting tenants, that's something that would be beneficial. In terms of Caltrain and being very close to California Avenue, that's something that would—I think there's 92 parking stalls that you guys were discussing earlier—I believe that that is going to be more than what is necessary. Thank you very much.

Zoe Liang: Hi, good evening. My name's Zoe Liang. I'm a resident in Palo Alto Central. I'm probably one of the very few people who are in favor of this project in Palo Alto Central. The reason why I'm not opposing this project is because the site is identified as a major commercial center in the Comprehensive Plan with a new office building coming in. I feel that most of the staff will be Millennials. They will be taking Caltrain to work, and then they will be utilizing the bicycle and the pedestrian path that will be improved along with this site. Not only that, they will be walking to California Avenue, and they will dine there; they will shop there. They will support the community on California Avenue as well as the economics over there. What I'm trying to say I know I'm one of the very few, but there are people like me out there. Thank you.

Jamie Beckett: Hi. I hope at least some of you have read my letter. I live in Palo Alto Central. It's a community of 140 families. We live almost next door to the proposed project. I believe that the project and its parking are out of scale for the location and the neighborhood. You saw a lot of pictures to see the context of the project and where it stands on the street. Nothing says that this is one of five projects proposed for Park Boulevard. That includes the 150,000 square feet proposed or in construction. That includes the 150,000-square-foot building at 2865. I ask the Council, not just considering this project, but in all the projects that are lined up for approval on Park Boulevard, to take this into consideration. The street's already a mess. There's already people speeding down the street. We have no

crosswalk. We have no stop sign. There's no posted speed limit. With regard to this structure, every one of the 90-some cars entering and exiting the garage will do so not onto a side street, as Mr. Liu says, but onto a 50foot stub of Grant Avenue that is my driveway. It's not just my driveway, but it's a driveway for 90 other cars that park in the garage at the stub-end of Grant. Can you imagine putting a 90-car parking garage at the only exit for a residential community of 90 homes? I can't. I mean a community of 90 single-family homes. It's also the only entry for emergency vehicles entering the complex. It's triple the number of vehicles that are parked in the structure now. The EIR didn't do any actual studies of real traffic or real impact on congestion. Everything was a projection, and many of those projections were in essence wishful thinking and contained factual errors. We took these to the Planning Commission. They were all disregarded. In fact, the Planning Commission Members told us from the dais or one-on-one that they had no power to address these issues, and that we needed to take them up with the Council. I'm asking the Council to consider this. I don't expect to stop any project.

Alice Jacobs: Hi. My name is Alice Jacobs, and I'm the owner of 123 Sherman Ave. My husband, Jared Jacobs, will speak later. This is a *Sunset* magazine article that featured our home in June 1995. Just to show you it's a cool house. That's one of the reasons why it drew us to it, and also its central location to everything because of pedestrian and bike friendly. We're doing our part to have little impact on the environment. My husband bikes to work every day of the year. We bike, walk or take the train as much as possible. We own one car and put half the average miles on it per year. We haven't watered our lawn and let it die in the last year in an effort to use less water. We use an average of 5 ccf a month. When we moved in, we installed LED lights throughout the house and purchased new appliances that are efficient with energy and water. This house is set up so that it keeps us cool in the summer with a cross breeze—we won't be able to open our windows during construction, because of chemicals and everything—and warm in the winter, because we all sleep on the second floor. In the winter during lunch time, my children love to sit in the sun-warmed window sill or floor in the kitchen and eat their lunch. If this project is approved, we won't have that sunlight coming in during lunch in the fall and winter. I'll be forced to blast the heater. They love to paint and create in our sunlit art corner, which this project would put in shadow for half the year in the afternoon while my youngest naps. Ben and Sylvia, my older two, love to play and lay on my bed with me and read stories in the afternoon. The sun comes in until 3:00 in the afternoon. There have been many nights of teething and nightmares, where we take our children down to the kitchen to grab a glass of water or medicine. We find the moonlight flooding in, which has helped calm them. I spent many hours and time designing this kitchen

myself, which is an artistic expression for me. I understand that Tarlton Properties has rights, and we want to come to a fair decision. Please don't take these experiences away from me. As a stay-at-home mom, I spend so much time creating a cheerful environment for my family. The kitchen is our command center where we listen to music and my children and I bake and dance together. We have an entire chalkboard wall on the back porch where the children like to play. This project will shadow it all in darkness. We've done our part to be environmentally friendly. Please do not allow this development to block my family's sunlight and extinguish some of our cheer. Thank you.

Peter Brewer, speaking for five people: Good evening; thank you. I'm Peter I'm a business owner in Palo Alto and the owner of the office building that's immediately adjacent to the proposed project to its north. I heard a lot of misinformation up here about the zoning. The zoning is 37 None of us is immediately next to Palo Alto Central. It's CC(2). There's a property between us and Palo Alto Central. My building is under 37 feet. The elevator tower as currently configured, if you add up the plans, it goes to 54 feet, in answer to your question Council Member Kniss, 54 feet. It could be cut down considerably. The stair towers are somewhere between 47 and 50 feet. I want to say before I go on, I'm aware of the concerns of other people here about parking, traffic congestion, bicycle safety. I agree with those concerns as well. I'm going to limit my time to talking about the DEE, but that doesn't mean that I'm not cognizant of those other issues. I do agree with and support those. A Design Enhancement Exception is to permit a minor exception when doing so will enhance the design of a proposed project without altering its impact on surrounding properties. That's the starting place. It shall not be granted—the shall is in the Code shall not be granted unless it's found that, there's three conditions that it has to meet. The first one is that there are exceptional or extraordinary circumstances or conditions applicable to the property that do not apply generally to properties in the same zone district. The second one—these are in the conjunctive. It's "and" not "or"—it shall not be granted unless it's found that it'll improve the neighborhood character and preserve an existing or proposed architectural style, and it shall not be granted unless it's related to a minor architectural feature that will not be detrimental or injurious to the property or improvements in the vicinity. Projecting this building 17 additional feet high is not a minor exception. It's 45 percent of the height limit, to go from 37 to 54 feet. It's not a minor exception. It does impact the surrounding properties, as you just heard Ms. Jacobs saying. It puts the Jacobs' residence and my office building in significant shade. It blocks the view from my office and the entire window line of my second story. blocks the view of the trees and the hills. It interferes with the privacy to the residents of Palo Alto Central. It imposes a monolithic wall soaring 50

feet into the air only inches from our common property line. It creates a massive structure that's out of proportion to anything else in the vicinity except the Courthouse. The Courthouse is, first of all, on County property and not subject to the City. It's also surrounded by a great deal of surface parking, which sets it back from anything around it. It does not cast a shadow. Let's take a look at what the Staff came up with to justify these exceptions. Bear in mind the ARB did not discuss any of these criteria at the ARB meeting. I was there. It was not discussed. What are the exceptional and extraordinary circumstances applicable to the site that are unique within the zoning district? Listen carefully here, because this is a little bit of journalistic legerdemain or sleight of hand. The Staff says the finding can be supported in the alternative. The project site and the adjacent property to the north are the only two properties along this stretch of Park Boulevard that are not permitted to reach 50 feet in height. The subject property is one parcel away from the RM-40 zone district, which limits its ability to reach the height that the other parcels along Park Avenue can. There are also other taller buildings in the direct vicinity of the project along Park Boulevard, such as the County Courthouse building and the multifamily building at the corner of Park Boulevard. Translating that, what does that say the exceptional circumstances, the exceptional and extraordinary circumstances are? Council Member Filseth, this answers your question. They're saying the extraordinary circumstances that do not apply generally to property in the same zone district are that nearby properties in different zone districts are allowed to be built higher. It's absolutely contrary to the statute. It says if it's in the same zone district. Is it exceptional if it's in the same zone district? They're saying its exceptional because nearby zone districts are different. Totally inappropriate. How do they justify the massive stair tower and elevator tower that protrude as much as 17 feet above the legal height limit? How does that improve the neighborhood character or preserve an existing or proposed architectural style? answer to that in the Staff Report is that the additional height would provide the stair tower elements the ability to break the roof plane, adding architectural interest. The exiting 37-foot height limit provides little if any ability for such architectural expression. The structure would add a softening aspect to the building that is visually playful and functionally useful. Nowhere in our Municipal Code is deference given to violating zoning in order to avoid restraining architectural expression. Call me crazy, but I don't find a 54-foot monolithic wall to be playful. I find it to be obnoxious and immediately next to my property. I don't care to have it in my How is it that this minor architectural feature will not be detrimental or injurious to other properties in the vicinity? That question is answered saying it'll provide architectural interest without impacting adjacent properties. The majority of the building is within the limits. This is circular. It doesn't impact because it doesn't impact. It's not a problem,

because not all of it violates the zoning law. This is wrong. The shadow cast by the elevator tower is acknowledged in the report to impact the Jacobs' property; although, it says it's minimal. It's still an impact. It's obvious that it impacts the privacy of the Palo Alto Central people. Here's my suggestion. That does not result in denying the developer what he Deny the DEE. He bought a property in the CC(2) district; he gets to bargained for. develop it in accordance with all the rules and regulations of the CC(2) district. It will have less of an impact on everyone around him. It stays within the zoning law. If you deny the DEE, all he loses is a whimsical amenity for rooftop patio and observation deck. That's not a right that he's entitled to have. I also would suggest, when you hear all the stuff about the parking and the density and the traffic and all that, you might consider shrinking the third story back by about 10 feet on each side or at least on the side that faces the Jacobs' building and my building, because we're the only ones that are immediately next to it and not separated by any street or driveway. Set it back so that you terrace it back, and it has less of an overwhelming impact on everything, and it's a less massive project. One last comment. I also agree with the citizen who spoke about the cumulative Mr. Holbach's property up the street is going to be something approaching 100 residential units. The police station is supposed to go in immediately catty-corner from us. There's an enormous amount of development that is proposed for this area. This project cannot be considered in isolation. Thank you very much for your time.

Jared Jacobs, speaking for five people: Thank you, Mayor Holman and City Council. I'll limit my remarks to less than ten. You've already done a great job of covering a lot of the main issues. First of all, you've seen my wife and our family. We live right next door. I've been in Palo Alto 13 years now. My wife is a third generation Palo Altan. We have a lot of little concerns. I'm going to focus on our two primary concerns. I represent not just my house's perspective, but also some of the others surrounding, like people in Palo Alto Central and other nearby neighborhoods, Evergreen Park. going to be speaking about first our house and secondly the parking impacts. I'd also like to second what Peter and what the Council has already said about the Design Enhancement Exception. We don't feel that it's First of all about my house. When it was built in 1990, it conformed to the CC(2) zone district. It was allowed by the City. Shortly after it was built, the regulations changed. That's why today it's considered a nonconforming use. It wasn't somehow snuck in or something. It was allowed when it was built. I got this directly from the builder, Tom Taylor, who we bought the property from. This is one shot of the house from the interior courtyard. You can see it has an industrial style. It was built to fit in with the surroundings of this commercial district. You've seen from the flyover that there is a lot of adequate spacing. There's no shading

happening between the existing building and the house. This is the architect's rendering of the project before they changed the top structure to the umbrellas, but everything else here is the same. They have very generously cut away this corner. We acknowledge that and thank them for taking us into consideration. We feel that it's not quite enough. Part of our house is facing this wall. This corner cut is not the full length of our property line. The rest of it is still going to be shaded by this. They did some shading studies; however, these weren't presented before any of the Councils before us. The shading studies were done after the PTC hearing, after the ARB recommendation. This is the shadow at noon in winter from the existing building. You can see it doesn't reach our property line. For a comparison, this is how it will look after at noon on the winter solstice. You may have read in the Staff Report that there are minimal and insignificant impacts of the shading. I don't know how they arrived at this conclusion. I think what they were trying to say is that this little part right here is from the elevator shaft or the stair tower; I don't know which. This part is insignificant. That's probably true, unless we had solar panels. Clearly, you can see the entire façade, the windows are all shaded. This is representative of a third of the year; summer for a third, winter for a third, and the equinox is for a third combined because of the elliptic orbit. I have prepared remarks; let me just jump down to these. In the City Code, there are regulations about the shading impact. This was not discussed before the ARB. I would like to bring it to your attention here, because I would like you to discuss it. Clearly, you're the decision-making body. This is part of the commercial district Zoning Code. You can't see the yellow highlighting here, but it says you need to be sensitive to surrounding land uses. This is irrespective of the zoning. We know we aren't protected by residential Zoning Codes, because we're not zoned residentially. However, we are protected by these context-based design criteria, which are written in terms of surrounding land uses. This is a residential use. Here you can see there need to be transitions from higher density development down to lower intensity surrounding uses. Care shall be taken to respect scale and privacy of neighboring properties. The most important one for us at this point is limiting sun and shade impacts on abutting properties. This is not very specific. It's written to be up to your interpretation. You're the decisionmaking body. I would like you to consider this today, what it means in this specific situation. The applicant has claimed that, because their initial proposal had a worse shadowing effect than this current one, they have therefore limited the impact. I would argue that reducing is not the same as limiting. Limiting is a term that's used when, for example, you're trying to pass a smog check. There's a predefined limit of what's acceptable. I would like you to discuss and consider what's acceptable. For example, you might find that maybe neither level of the house should be completely shaded for any entire day of the year, or maybe not for an entire month contiguously of

the year. Maybe that would be unacceptable, and that's the limit, and then give the architects the flexibility to meet your limit. If you'd like, if you have a concrete suggestion that you want to make, maybe you can step back the If that's what's causing the problem, the third level, then maybe you could say a 10-foot further step back on just the third level. Maybe that would solve the bulk of the problem. I would like you guys to define the limit, is what I'm asking. I'd like to move on from this shading The applicant has proposed two different parking issue to parking. alternatives. The first one is fully parked according to—I don't know exactly what the square footage per employee is, but it's an outdated estimate from what I've heard. You guys would know this better than I would, but I think it should be considered. These are the parking stalls at the entrance. We have a concern that at the entrance and exit there's not very much room for a car to come in. If one car is waiting for this spot, first of all they're not going to be able to be next to this wall, because they're not going to be able to make this greater-than-90-degree turn to fit into this parking space with these walls and cases around it. They're going to have to be way out here toward the middle in order to make this. They're going to be blocking both lanes for one to two minutes, which is what's estimated to park in each of these stalls. There's been a concern from the community that there's going to be a queuing effect when somebody is trying to park near this entryway. Cars will be queuing on Grant Avenue. If there's just two cars waiting here, then soon cars will be backing up onto Park. There was a study done, and I believe the traffic analyst is here tonight that did the study. The conclusion of the study was that this is a remote possibility. It's not likely to occur. There were some significant problems with the study. First of all, they used the incorrect number of arrivals during the peak morning hour of traffic. The study used this number, which is the net new vehicle trips compared to the existing building. The total number of arrivals during the a.m. peak hour is projected to be 55, which is much larger and will result in many more cars arriving close together. The queuing problem will be much worse with that higher number. Secondly, anybody who lives or spends any time in this area knows that cars come into the area in waves off of Oregon Expressway or El Camino, because of the lights that are nearby. I went out one morning just for kicks, observed for an hour cars coming specifically into the Courthouse, which is right across the street. There were 39 arrivals during this period. I have a histogram showing what would be expected with random arrivals. This larger number is what I actually observed. There are many more cars coming at very short intervals, in less than a minute. I wanted you to know that some of the assumptions made for this study were incorrect. If we're going to go with this first parking option, we need to have this resolved. I would recommend the second parking option which is reduced, but then we have spill out onto the area streets which again is unacceptable for the residents and businesses nearby. In conclusion, we do

recognize the right of the developer to build on this property. We would like it to be more commensurate with the surrounding properties which are one-story and two-stories today, and respectful of our property. Thank you very much for listening, for your time today and for your consideration.

Rauer Pitthon, speaking for five people: I got into looking into this because I live next door. It was my interest but then I noticed the City's objectives in the City's final Environmental Impact Report. The objective is to develop a new office building on the site that generates increased rental income and increases the useable square footage by increasing the building height. read about the stacked parking scheme. I was taken aback that the highest profit for the developer is the highest calling for City of Palo Alto. People said, "Yeah, we know that in the long time. That's what they do." I cannot show you because unfortunately the laser pointer doesn't work. I live on the left side, and I go to my parking garage in the middle. I come out of the parking garage on the ramp, which is very steep, on Grant Avenue. It is so steep that sometimes when the top is blocked by a service vehicle, they put rubber on the road to get up again. The critical point I come to is the intersection for Park and Grant. During rush hour there are already 400 cars in one direction. If I use the diagrams of traffic, then I scale up what you have there, taking into account the different maximum speeds and bicycles. That is equivalent to 2,200 cars on El Camino. It leads to a lot of problems with people trying to get back into the garage crossing Park. I want to tell you this. These things are already measured. The important parameter and therefore anybody even without a stopwatch can do that, you count how many cars are packed up on a piece of road. That basically defines speed and (inaudible) flow. These are thousands and thousands of measurements, and they all lie on one line. The line may change a little bit from place to place, but it's always just one line. It's like a law. Does this get better? No. As somebody said earlier, all these buildings have gone up. It's 154,000 square feet. The total cars which are used, parked or not, is 1,136. The values (inaudible) which are in the Environmental Impact Report. It's over 10,000 trips. That is all around Park and two side streets. When I first read this, I was taken aback a little bit. It sounded like I was reading the instructions for Dungeons and Dragons 30 years ago. An office building is next to it. A warehouse is behind it. There is a 50-foot high apartment house. A 50-foot office is close by. There are residential buildings further northwest. All traffic affects (inaudible). Our 94 neighbors with cars in Palo Alto Central will leave before 8:00 a.m., and there will be no interference. This is a picture they showed. It really looks like a nondescript residential building next to a manufacturing plant which has fallen on hard times. In reality, Palo Alto Central is around 2555 and it's more like a planned unit development with townhouses with an underground garage. It has 104 residential and 30 commercial units. Grant Avenue is the driveway.

means 94 cars are using the same drive down here (inaudible) the developers used for staging; that doesn't sound good, staging and driving. The complex is laid out like a Spanish village. This photo is taken from Sherman, and it shows two things. On the right side, there is this thing which the developer called a warehouse. It was a warehouse or may be a warehouse. They have (inaudible) to the style of Palo Alto Central, and they have put awnings on. From here, I don't think you really can say what's warehouse and what is condominium. The roofline. In the small sketch, there are seven changes or renovations unlike the corporate, in-your-face look of 2555 Park Central. That has been mentioned before. What has been built is (inaudible). This was a (inaudible) architecture what Peter Brewer built. This is the building in the front, and what Palo Alto Central built 30 years ago is guite nice, fits to each other. The reason that this building in the back is four stories high is that it was laid out to have retail on the bottom, offices in the first floor, and then residences on top. The whole thing was zoned C(2)RP, and that was removed by the City Council in 2001 and 2002. Admittedly, because it did not enforce that zoning from Birch down to the end of the road, and so there were no window shoppers who would go down and frequent the retail or go to the Plantation Café. Even the existing Park building is light and airy, and it seems to float. though the Historic Resources Board had strong opinions about preserving it and even though the developer came out and made a strong case to keep it, the City Planning Department shut it down. (inaudible) is in the historic resource report. They told us early on that that wouldn't work before any research was done. Neither the PT or the zoning will be relevant for the City was contemplated by (inaudible) no historic or preservation, more than contemplated by the HRB. A (inaudible) went through, because it does not make as much money as a new office building. Somehow these citizens have to pay for it. Furthermore, the parking. As it was mentioned before, they used the wrong numbers. They completely neglected the 94 units from Palo Alto Central. If you put this together, you have more than twice as many trips. In fact, during rush hour you have about three hours in the exits going both in a.m. and in p.m. The physical constraints where no more than two cars can be waiting in the gueue. Instead of the calculations (inaudible) for 33, and they could have been for 36.

Rita Vrhel: Thank you. Council Member Filseth said a couple of weeks ago—at least it was quoted in the paper—that, to paraphrase it, some developers are designing buildings that do not meet the Codes. They are reducing the size of the buildings, and then asking for credit for reducing the size of the building when the building still does not meet Code. I hope I'm getting that fairly close. We saw this a little bit ago with the house in the south Palo Alto area that was being built into the Eichler neighborhood, and the building was allowed because the people had made some concessions and had greatly

reduced the size of the building. I wanted to bring that up here, because when the second picture was shown of the elevator stair tower, it really is overwhelming. I don't live in this area; I live over on Channing Avenue. I have friends in the area who do live in the condominium complex. Even without this building, there is never any parking on Grant Avenue. Usually when we meet in the evening, we have to go a block or so up Grant Avenue for parking, and that is in the evening. The California Avenue area has had a tremendous amount of development, and considerable development is on the books to occur. There's no parking. To have 92 cars going in and having to wait to enter into a mechanical lift system when the other residents are trying to exit or come in or park, I can't even imagine it. Parking, traffic, congestion on Park Avenue is only going to increase when these new buildings come into effect. I'm also not aware why they need a roof recreational area. That's something that is occurring recently. haven't been aware of it before three or four years ago. I'd like you to listen to the residents and take all their concerns into consideration. Thank you.

William Ross: Good evening. My name is William Ross. I've submitted written comments for the record on this. I also testified before the Planning and Transportation Commission. I'd like to focus on some environmental issues, because they are critical to your determination on certification of the FEIR for this project. Everything must be supported by substantial evidence. been suggested, certainly at the Planning and Transportation Commission, that the baseline for that determination should be at the time and the Notice of Preparation. I respectfully suggest it's now, based among other things for water and recycled water, on the emergency order issued by the Governor on April 1st, implementing regulations from the State Water Quality Control Board that became effective today. That has to be joined with your own draft Environmental Impact Report for your recycled water system which was released in the third week of April. It's based on a Notice of Preparation from June 2011. Why there is a four-year gap I can only guess is driven by the emergency regulations dealing with water supply. In any event, the determinations in those two areas of the EIR are not supported by substantial evidence. They are not based on any of those criteria. Chapter 7 references of the current Environmental Impact Report does not reference any of those documents for purposes of review. Curiously, the actual DEIR for the recycled water system contemplates over 900 acre feet of water that would be used in conjunction with potable water demands to reduce potable water demands. In Volume 2 of that document, under Appendix A, it lists potential users. At cite 81, it specifically lists Cal. and Birch Street, a little over 500 feet from the subject property. I would suggest that that affords a basis for a different review. I also suggest a Statement of Overriding Considerations, particularly the first one which is misstated in the Staff Report from the one you would adopt in the

resolution. It omits private return for rental income. That's not a basis for an overriding consideration. You'll ask yourself why is there the difference between what you're going to adopt and what's in the Staff Report. That is not a principle of CEQA. That's for a private benefit of a private party. That's an inappropriate overriding consideration. I also address your attention to the other issues raised in writing concerning whether or not there was a fair hearing before the Planning Commission. Thank you.

Kristen Hughes: Good evening, Mayor Holman, Council Members. My name is Kristen Hughes. My family and I are residents of Downtown North, and we're investors in 255 Park. The existing building, we feel, is neither an historic asset nor, in its current state, an asset to Palo Alto. It had the seismic issues that we saw and contains asbestos and lead. We're proposing to replace it with a building that we feel will be an asset to the City. The proposed building is a modern, green, LEED Silver building, as you heard earlier. I live in Downtown North, so parking is a huge concern for our family and very important to me as well. We've talked a lot about parking and it being fully parked at 92 spaces. You can consider the option of 82 spaces with a Caltrain GoPass program. My son is now a daily GoPass user, because the building he's in has the program. He uses it every weekday, so we know firsthand as a family the benefits of that program. As to the roof feature, we feel the proposed building is designed for the next generation of workers, both with the roof access and within walking distance of California Avenue and hopefully with the use of Caltrain as a major factor. building at 37 feet is within the height restriction rules, as have been discussed, except for the stair towers and the elevator tower. The roof terrace is a real asset to the workers and to this building. I hope you'll follow the recommendations of the ARB and the Planning Commission and approve the project. Thank you.

Bob Moss: Thank you, Mayor Holman and Council Members. I agree with the complaints of a number of the people who have objected to this project. I want to make a few points. I don't think you can make the three findings to justify the Design Enhancement Exception. There's nothing exceptional about this site or this building that would allow converting the roof to an office space. That's what they're proposing to do. The canopy on there and the extensive area, where they're talking about having office workers go onto the roof, effectively is going to create a place during 300-320 days a year when the weather is nice, the office workers will take their laptops up on the roof and do their work there. It's just going to be office space. Second, it would be detrimental to the general welfare because it would allow design exceptions which will open the door for others in the same area and throughout the commercial areas all over the City. I want to talk about some specific issues related to hazards that haven't been talked about. The

aquifer at this site is less than 10 feet below grade. The underground garage is going to penetrate that aguifer. On page 301 of the packet, Mitigation 7 talks about a dewatering plan and pumping and treating the water and dumping it. That's not a good idea when we have a problem with water due to our drought. You don't want to put a building in which requires removing water and dumping it from the aguifer. Second, it talks about how we have to have a vapor barrier, waterproof and vapor barrier underneath, and only sample in the garage for one year. EPA requires sampling in the occupied area for at least five years. That's what we should be doing here. In addition to sampling for the OC contamination in the garage, we should require sampling in the first and second floors for at least five years. That's where people could be exposed to toxic materials. There are some real problems that haven't been adequately addressed on this site. One other thing. Referring to what could be built in nearby sites is irrelevant. What could be isn't pertinent. What's there is. Scale the project back, put in adequate parking, and put in adequate protections against the potential hazards from the groundwater.

Robin Leiman: Hi, thank you. My name is Robin Leiman. I'm a commercial real estate professional. Tarlton Properties is a client of mine. Properties is also my landlord, because I am in 2555 Park. I'm a resident of Palo Alto. I live in an Eichler. I support all the rules that everyone talks about, not putting a second story above Eichlers in a residential neighborhood. What we're talking about here is a commercial building that's been designed to Code, and it is more than adequately parked as designed. I work in the building, and I have no problem getting a parking space every time I go, because there are always some available. I don't drive; I usually bike. Because the building now, as I understand, is actually per Code underparked. The new building is going to provide even more parking spaces that probably aren't even needed at this building. Again, because Tarlton Properties has gone to great lengths to meet all of the requirements, they're providing all the parking spaces as required. What I've found very interesting about this discussion, which I didn't understand and Council asked many questions about, is the height. I found it very interesting that what was discovered is that the developer's allowed to build the building to 37 feet, add any kind of roof screen on top of it, adding 15 feet. What they're asking for is, rather than do that, we just want to pop up the elevators to serve the roof and we're being very considerate of minimizing the impact of electrical equipment and roof screens to the neighborhood. That's expensive to do. The cheaper way is to build a 15-foot screen, toss stuff back there, and have it go. I wanted to say that I'm in support of the project even though I'm probably going to lose my office space. One other thing. There are many beautiful historic buildings in Palo Alto that thankfully are being preserved, including many Eichlers. I live in an Eichler.

building—I work in it—it's not anything that's historic to be preserved in terms of what it looks like on the outside, what it feels like on the inside of the office space that I occupy or moving through the building. It's something that happened to be built at that time. Thank you for your time.

Elka MacGregor: Good evening. My name is Elka MacGregor. resident of south Palo Alto. I work with John Tarlton on different projects in Here to support this project. This is a progressive, environmentally friendly and safe building that is exactly what Palo Alto should be promoting. It's replacing a building that is not safe. You've heard all of that. It is not environmentally friendly, and it doesn't have any sort of significance historically that is worth keeping. What John's proposing is something that is giving you a pleasing building to look at, a great building to work in and something that is designed for the next generation that's looking for progressive-type spaces to move into. Regarding the parking in the building, this building has been well parked. Somebody mentioned that there was an aguifer that was 10 feet below; I believe it's 20 feet below. I don't think there's any pumping required to build this. The parking is sufficient for the building, but it's also supported by the train which is right next to this place. It's supported by bicycle traffic. You're reducing the safety of the street by keeping what's there right now. Right now there are two entrances to this site. If we only have one entrance to this site off a minor street as opposed to a major street, you're reducing a number of traffic coming onto that big street, and you're putting the traffic onto a secondary street that is built just for that. You're also getting improved crosswalks in this area, which one of the ladies mentioned that she was concerned about getting. I'd like to encourage the City to support this type of construction in Palo Alto. Thank you.

Craig Milroy: Hi. Thank you for taking the time to listen to me. I live in Palo Alto Central. The concern I have is about traffic in the area. It was brought up many times, but a couple of things that haven't been mentioned too much is pedestrian traffic. The number of buildings that's being built on Park Boulevard increases the traffic. If you look at the foot traffic pouring out of the AOL building a little further down Park, it pours down the middle of the street on Sheridan to get to the train station. That's a hazard and causes traffic problems that back up all the way up the street. The recent remodel of California Avenue hasn't cleaned up the bike traffic that flows through there. I travel that way from Stanford. When I come, I see people flying through that intersection on bikes, ignoring the stop signs. It's a danger. The traffic all the way along Park Boulevard is my concern. Particularly, I've heard suggestions that they're going to build a police station there. That's going to add traffic. That's my main concern, traffic. Thank you.

Terry Holzemer speaking for five people: I'll try to use as much brevity as possible. I understand it's late. I would like to take a moment though to recognize the more than 65 people that came tonight wearing our badges to stop 255 Park. I would be remiss if I didn't mention those people that came tonight. I'm sure many of the Council Members saw them, and I hope you would recognize that they came here because they believe that this project is not right for this site. I have a petition here of over 70 people who live in Palo Alto. We did this over the internet just over the last few days. I'd like to submit this as a record showing that all of these people were also against the project but could not attend tonight's meeting. First of all, I'm very glad to be here tonight, to be in front of you. I'm representing not only myself as a Palo Altan for more than 20 years, but I'm representing our residential association board at Palo Alto Central, which is the largest condominium complex in the California Avenue area with over 300 concerned citizens. We came here tonight to stand and to strongly voice our deep concerns and objections to this proposed project. If left unaltered, this project not only demolishes a significant historical structure as stated by your own HRB, it's going to replace it with another glass and steel office building which will double the amount of office space and triple the amount of parking in one small site. Specifically, we want to object to these things. objection is to the DEE, which the City should reject outright because of what it is proposed to do. It violates the DEE's own standard of a minor architectural feature. There is nothing minor about this feature. This is an extension of the building. It goes from three stories to four stories. There's no doubt about that. It's only for the benefit of the tenants themselves. It has no benefit to the community at all. There's a picture on the wall up there; I hope everybody can see it. Our second objection is in regards to this. It's about inadequate parking and the queuing of vehicles on Grant Avenue. The proposed building claims that they'll be fully parked for their employees, but there is almost no room at all for visitor parking. Where will these visitors go? They will come; they'll go into our streets, the same streets our residents use. If you look at this picture closely, you'll also see a car coming out of the only entrance to the building. We're very concerned that this, we think, narrow entrance will cause issues with queuing of cars as they enter and come into the mechanical lift system. The City says there's only room for two vehicles, two vehicles at a time until it backs into Grant. Two vehicles is inadequate, because there's going to be more than two vehicles showing up at the same time, guaranteed, whether they're coming in or they're going out. There's no doubt going to be a queuing problem that's going to affect Grant. It's no doubt about it. Please remember that Grant Avenue is the only entrance, the only one, and exit for many of our Palo Alto Central residents. Hundreds of residents use this street daily to get to and from work, school and other activities. Often we have to drive around the service vehicles that are already parked, many times double

parked, on this street. Our third objection is the increased traffic congestion in our neighborhood, which the City, I believe, needs to study in a cumulative way. All of the recent new developments in our area, including the possible new police headquarters less than one block away from 255 Park, will impact our lives, the quality of our lives. More than just adding a simple crosswalk which the developer says will relieve the problem, the City needs to find ways to reduce the speeds on Park Boulevard, where some cars travel much faster than the posted speed limit, because they're anxious to get to Oregon Expressway. What are the solutions to this problem? I have some, believe it or not. First of all, reject the DEE, pure, simple and direct. It violates the Code; it needs to be withdrawn. Second, review the real historical significance of the original building before approving its demolition. It is clear in the City's own Historical Resources Board; there was a struggle over its own mandate when 255 Park came before it last November. I urge the Council Members, if they haven't read the minutes of the Historical Resources Board, please do. A number of those members of that Board wanted to vote, which they couldn't, to have the restore option of the building being put back. They were told by City Staff at that time that they only had the power to comment on the EIR, not to change the options. We think the HRB should be given a total review of this building again, this time with the handcuffs off. If it is a significant building, then we should work to save it. Number 3, solution. If a new building is finally warranted, then have the developer and architect rework the design to have the building's garage entrance on Park and not Grant. The developer's claim that they have used Grant Avenue because of bicycle safety reasons is not true; it's false. The truth is the building's vehicles, whether they enter or exit from Grant or from Park, either one, they'll both cross the exact same amounts of the bicycle path boulevard on Park. Either way, whether they come out of Park or whether they come out of Grant, they're still going to cross the bicycle boulevard the same amount. No difference. Because Grant is a major critical entry point for our 300 residents, we think the potential of having a blocked situation, because of gueued cars at 255 Park, is very real, very real, and could lead to delayed emergency care response. If someone has a heart attack or there's a major fire, this is the only entrance way to our complex. It could be blocked by cars queuing into 2555 Park. Next one. I hope the City will study in more detail the cumulative effects of all this new development being finished or almost finished or even on the future pipeline for California Avenue. Not enough community input, and I mean our neighborhood, our neighborhood, Palo Alto Central, is being done by the City or these developers. I'll give you a perfect example. I hope everyone's listening. For 2555 Park, we had one single community meeting, just one. That's not enough. At no time did the developer or architect reach out to our community to seek our suggestions or make any attempt to meet with our board, never. This should not be the Palo Alto way. Our thoughts about

our neighborhood should be foremost in the minds of City officials and Staff. I would also like to quickly mention the EIR errors. First of all, stating that Palo Alto Central residents leave before 8:00 in the morning, that was mentioned at least four or five times in the final EIR report. It's based on what evidence, what truth? As far as I know, it's based on no truth.

David Van Atta, Applicant Attorney: Madam Mayor, Council Members. I'm David Van Atta, attorney for Tarlton Properties and the developer of the site. As legal counsel, I'd like to respond to some of the comments that were made as well as some of the written correspondence that was delivered to you, and set the record straight on a few of these items. First of all, there was comments made about the process and due process and whether or not there was adequate or due process. As was set out in the Staff Report, not only were there community meetings, there were over five or six public hearings at various venues for over 21 months for this project. almost a two-year public process. It seems disingenuous to me for someone to say due process has not been afforded for people to make their statements clear as to this project. We've heard a lot over many, many meetings. With regards to the zoning, it should be recognized, as stated in the Staff Reports and as determined by various public hearings, this project is designed to be zoning compliant with the Design Enhancement Exception as set forth in the Staff Report. The DEE is a legal component within the Zoning Ordinance, and references that state otherwise are simply not correct. The DEE is a legal component within the Zoning Ordinance, and we think that that needs to be taken in the context of what is the process. We're not cheating. We're not creating something that's off the page. It's in the documentation that we have for how you zone and deal with zoning in the City of Palo Alto. I would like to make that record straight. Regarding Grant Avenue, it needs to be noted for the public record that this is a public street. It is not a driveway to a particular adjacent condominium project. It happens to be a public street that serves the condominium project. It is maintained at the public expense; it is not a private road. The fact that it is being used as one of the driveway accesses is a true statement. When we get to talking about traffic and traffic engineers, I'll like to have the traffic engineer come up and give you some thoughts on why that access is used, rather than on Park. This project is located within an area designated for higher densities. The development is designed to support the vision of that Comprehensive Plan. If I could just take a few minutes on a couple of other points. Because of this building being a rather derelict, 50-year-old building, which frankly, even though there is some potential significant historical impact, is really not a significantly historical building. I don't know how many of you people have gone and actually looked at this building and walked through it. Yes, it's 50 years old. To me, 50 years old is getting younger and younger. It's 50 years old; that does not in and of itself make

it significant from a historical viewpoint. There are many other things, and I think your ARB has made that determination appropriately. We'd like to comment more specifically on some points raised, if I can have a few minutes. Madam Mayor?

Mayor Holman: We have asked everyone to respect the time. Your architect will have three minutes to wrap up with any concluding points.

Mr. Van Atta: I just one to make one point. I just want to make this point. We have our traffic engineer here, who can ...

Mayor Holman: Excuse me, sir. Sir, you were given three minutes just like everyone else. I would appreciate it if you would sit down, please. The people who had more time were representing five different speakers. I'm sorry, but it is our rules and we try to abide by that for everyone, so it's an even playing field.

Good evening, Mayor Holman and Council Members. Jeff Levinsky: Municipal Code has so many exemptions it's like a vast candy shop. Projects grab all that they can, but sometimes they get carried away and start grabbing exemptions that they're not eligible for. In this case, I want to bring your attention to the break room exemption. This is from the Staff Report. The project is claiming exemption from 1,346 square feet, and that gets it out of six parking spaces that it's not providing. If you look through the Municipal Code, you will not find an exemption for break rooms. The closest thing is for onsite employee amenities and, specifically, it mentions onsite cafeteria. Is this building going to have a cafeteria? Cafeterias are regulated by the State Code. You have to have different sinks for food preparation and employee hand washing. You have to have separate janitorial facilities. Food disposal is regulated. Ventilation is regulated, and a lot of other things. The proposed break room has none of those features. It's got one sink; I believe each one of them has a sink, but it doesn't seem to have all the other things that would be required to turn it into a cafeteria. They're also rather tiny. Each one averages about the size of a three-car garage. If you're going to run a cafeteria in that, where would you put all the food preparation, serving, the cashier, the seating? It would be a rather tight space. There's another problem. If you give an exemption for break rooms, how do you know it's going to remain a break room? These buildings are going to last for 50 or more years. The conditions of approval, I looked through them; I couldn't find anything that requires this room remain in use as a break room. The City has no enforcement I know of to keep rooms like these from being used as offices. Once a tenant moves in, they can put people at tables there, and there's no more break room. It's regular office I don't believe the EIR considered the impact on parking in the

surrounding community if the break room did become office. I'm going to recommend that you require the building to actually be fully parked, not fully parked but we call it fully parked that you've heard. They would need 98 spaces, not 92 spaces. Also, I was looking at the building today, and the parking lot was rather full even though much of the building is vacant right now. This notion that these parking lots aren't going to be used because there's transit nearby and everybody bikes now and walks, it doesn't seem to be working right now for the building. I don't think you can rely upon that in the future either. Thanks very much.

Judith Fields: Good evening. My name is Judith Fields, and I have lived in Palo Alto Central since the beginning, some 20-something years. I do not dispute the right of the developer to develop his property, but I do dispute his right to get the maximum valuation on the proposed building at harm to the neighbors. I'm big on safety, and right now we have a very unsafe intersection. First, you sit up real tall because you want to be as tall as you can, and you inch out into the street. You have no sight lines neither to the right nor to the left. Seeing vehicles is hard, but seeing bicycles is almost impossible. You inch out into the street, and by the time you get out far enough, you've already been through the bike lane. It's a bad intersection. It was there before the proposed project, but it's going to be worse once we have additional traffic. Someone mentioned there's no traffic calming devices. The potential of all these extra people coming and going, making right and left turns with no guidance is going to be pretty hard. I suggest further study on Park, because right now it's neither safe for pedestrians, bicycles or vehicles. I noticed on the plan tonight that there's a bulb in front of the proposed building. That should certainly help with sight lines. The entrance on Grant is the source of many issues from parking and congestion. I request that this project not be approved unless the parking on Park, that that be an entrance. Right now there is no community benefit for the neighborhood. Please do not approve this project as designed. Thank you much.

Ms. Young: Thank you, Council Members. As many of the speakers tonight have mentioned, no one's disputing the property owner's right to develop the project. There are some specific things that they have challenged. We have people here who can answer questions that you might have around that. The biggest issue that I'm hearing is resistance to change. It's true. The community members who live in the vicinity have had an existing condition for a number of years. They may not share the same vision for the development of the area that the Comprehensive Plan does or that other parts of the community do. We have been working in good faith with both the City and—you may not feel like it—we have had a number of conversations with Peter, with Jared, with Terry, with Judith on different

aspects that have been brought up. Significant changes have been made over the project. That doesn't take it from 1 to 100, but significant changes have been made during the course of the project. We respectfully request that you approve the project, that you accept the recommendation of Staff for the Design Enhancement Exception, and accept the Statement of Overriding Considerations. I'd like to ask our traffic consultant to address a few points specifically about traffic.

Luke Schwartz, Kimley-Horn and Associates: My name is Luke Schwartz. I'm with Kimley-Horn and Associates. I was the traffic consultant on the There were a couple of statements through the hearing that represent a little bit of a misunderstanding of some of the technical analysis. The major one I'll hit on is the concerns regarding ingress into the parking garage and potential queuing onto Grant. We did analyze the full inbound demand at the garage access. There was a number of reasons why this analysis was conservative. I want to mention that the parking machines can take a different amount of time to load, depending on which stall needs to be accessed. It could be as short as 20 seconds, if the right stall is in line. The maximum loading time could be 80 seconds. In our analysis, we assume that the full 80 seconds would occur for every car that needs to load at those entering machines. Also, only about a quarter of the parking stalls in the garage are accessed from the machines at the entry. The remaining three-quarters of the stalls would be further in the garage and wouldn't add to any loading time at that entry point. In the analysis, we assume that double that, 50 percent of the cars that need to access the garage are going to wait and have to load at that entry point. There's a couple of other factors in this analysis that are intended to be overly conservative. The project traffic estimates that we use in the study assume no reductions for transit, bicycle or pedestrian mode split; although, the project's within two blocks of Caltrain.

Public Hearing closed at 10:19 P.M.

Mayor Holman: It is 10:20. We have three options. We can continue this item, preferably to a date certain. We can continue Item Number 9, which is the Office and R&D annual growth limit, hopefully also to a date certain, June 22 or June 29. We do have full agendas coming up. We can power through both of these items. I look to my colleagues for opinions.

Council Member Scharff: I'll move we continue Item Number 9 to whatever dates we're talking about or to a date uncertain.

Mayor Holman: That would be June 22 or 29.

Council Member Kniss: I would second that and urge us to finish this tonight.

MOTION: Council Member Scharff moved, seconded by Council Member Kniss to continue Agenda Item Number 9- Discussion and Direction to Staff Regarding Establishment of an Office/R&D Annual Growth Limit Applicable to Downtown, the California Avenue Area, and the El Camino Corridor on an Interim Basis to a date certain.

James Keene, City Manager: Just a reminder. I might restate the Council's policy which is that your procedures say you'll make every effort to end your meetings before 11:00 P.M. The Council generally does not take up new matters after 10:30 P.M. Before 10:00 P.M., the Council will decide and announce whether it will begin consideration of any agenda items after 10:30. We're already a little bit late in that regard. Item Number 9 on your agenda is programmed for roughly an hour and 45 minutes.

Council Member Burt: Regretfully I have prior plans and will be out of the country on June 22nd and 29th. That's a very important item for the Council. I have been very committed to that item. I'd find it regretful if we had to have it on one of those dates. I don't know what the alternatives are.

Council Member Scharff: Council Member Burt, I actually made it to a date uncertain, my motion. I then assumed the Mayor could work that out. For instance if we choose a special Council meeting or something and I couldn't make it, I would hate not to be in attendance either. I made it to a date uncertain, because I wanted to make sure the Mayor and the City Manager could work out that date. I'm glad you mentioned that.

Mayor Holman: The issue here, Council Members, is that June 29th is our last meeting until August 17, which is quite a long delay. We would do our best for the 22nd or 29th. On the 22nd, we have eight Council Members. On the 29th, we have seven Council Members. We would hopefully try for the 22nd for one of these items. The other possibility is to continue this item to the 22nd or the 29th. I put that also before the Council.

Council Member DuBois: Could we just clarify? Does that item require eight votes? Item 9.

Mayor Holman: No, it does not.

Council Member DuBois: Just to remind you, I'll be recusing myself from that item, so you'll be down to seven.

Mayor Holman: This is true on both dates.

Council Member Burt: Mayor, I'm not sure that that's correct. I thought it's only if we elect to not do it as an Urgency Ordinance. It had been directed to Staff to be an Urgency Ordinance. Staff has made a recommendation that we do so otherwise, I thought in the Staff Report. It's as yet not determined whether it would require eight votes.

Molly Stump, City Attorney: Thank you, Council Member Burt. The FPPC has advised that Council Member DuBois needs to recuse himself from the growth meter item however the item is structured. The recusal would apply regardless of the mechanism that the Council chooses to adopt the ordinance.

Mayor Holman: I think Council Member Burt's questions is does it require or have we determined yet if it would require a majority or eight votes.

Ms. Stump: A regular ordinance requires five votes. An Urgency Ordinance would require eight votes.

Council Member Burt: That's right. As the Council sent it to Staff, our direction at that time was for an Urgency Ordinance which would require eight votes. If I recall my reading of the Staff Report correctly, they have come back and recommended that we change that guidance or change that direction so that it not be an Urgency Ordinance. To my knowledge, the Council has not yet changed their direction. As of now, it would require eight votes. Is that correct?

Ms. Stump: Staff, please correct me. We're not actually bringing ordinance language for adoption on that date. What's being requested is direction to the Staff to come back. It would be when the ordinance is back before you that you will absolutely need eight votes if you choose to adopt it as an Urgency Ordinance.

Council Member Filseth: Briefly, should we consider the possibility, since this is a pretty important one, that maybe we reshuffle between the June 15th and the June 22nd some other item, so we could treat this on the 15th?

Mayor Holman: The Clerk and the Staff and I can do that. The June 15th agenda goes out this Thursday.

Mr. Keene: Given the band of all the issues that have been coming before the Council and prospectively will and the amount of time you have to spend on them, we're probably going to be pretty limited on what can be moved. For example, on the 15th we've got the budget. We've got the Fry's plan

and the relationship to the concept plan on Cal. Ave. I know we're talking about Urgency Ordinances. You also have to consider whether or not something defaults until August 17th also. We can take a look at the other dates.

Vice Mayor Schmid: We've spent three hours tonight talking about a single application. The limit that we're not going to have time to talk about tonight is an overriding strategic element that would help with applications as they come through. I would support Council Member Filseth's notion of looking seriously whether we can find time within existing meetings or setting up a special meeting before the break.

Mayor Holman: We do have full agendas, as indicated. If Council Members are open to polling for a special meeting to take up one of these items, we can do that. We do have very full agendas, so our options are limited. The motion on the board is to continue Item Number 9 to a date uncertain.

Council Member Filseth: I want to suggest a friendly amendment. Instead of being a date uncertain, we schedule for the 15th and delay the Fry's discussion.

Mr. Keene: I stand corrected. The Fry's item is on the 8th. Let me put it to you this way. Even on any of the prospective meetings we have on the 8th or the 15th, then we start to lose some Council Members a bit on the 22nd and the 29th. As bad as things are at this stage, those dates are better than tonight is with where we are. You need to bite the bullet and move Item Number 9 forward to the best possible time. The Mayor and I will have to take a look at it tomorrow morning.

Council Member Scharff: The friendly amendment was to do it for the 15th?

Council Member Filseth: To target it for the 15th and move something off the 15th agenda.

Council Member Scharff: I would accept that, but it should be first on that agenda.

Mayor Holman: Would Council Members give Staff and the Mayor the leeway to do the best we can do agendize this?

Council Member Scharff: That doesn't seem to be working so far. I would accept the friendly amendment which is for the 15th and that we make it first on the agenda.

Council Member Kniss: That's acceptable. I would strongly support first on the agenda, because we need some bandwidth on that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "to a date certain" with "June 15, 2015 as the first Action Agenda Item."

Mayor Holman: We do have the budget on that night, for sure.

Mr. Keene: I'm just trying to ...

Mayor Holman: The amendment is for the 15th.

Mr. Keene: Why the 15th rather than the 8th? This was with a reason for the Mayor and I to be able to look. Right now on the 8th, you have the budget and the Fry's item. The Fry's item is not necessarily time sensitive.

Council Member Scharff: We have Fry's on the 8th.

Mr. Keene: On the 8th, yes.

Council Member Filseth: Madam Mayor, I'm not available on the 8th.

Mayor Holman: I'm not looking at the agenda, the upcoming agenda. Is the 8th better?

Mr. Keene: The 8th has the first hearings on the budget and utility rates and Fry's.

Council Member Scharff: It doesn't matter. Council Member Filseth said he's not available on the 8th, and Council Member Burt said he's not available on the 22nd or the 29th. My goal here was to allow all Council Members on a sensitive item like this to participate. Therefore, the 15th is the date in the motion, and I'm sticking with that. If anyone wants to override, override it. That's what I'm putting in the motion.

Mayor Holman: Council Member Filseth, you're not available on the 8th, but you were suggesting the 8th.

Council Member Filseth: No, I'm suggesting the 15th.

Council Member Scharff: No, he suggested the 15th.

Mayor Holman: I thought you switched it to the 8th. We are at the 15th.

Mr. Keene: The 15th, that's fine. We will do the second budget hearing and hopefully it could be expeditious. Right now you also have 441 Page Mill on the agenda for the 15th, which should probably sail through very quickly.

Mayor Holman: The motion in front of us is to continue Item Number 9 to a date certain of June 15th. Did Council Member Kniss ...

Council Member Kniss: And first on the agenda.

Mayor Holman: And first on the agenda. Did Council Member Kniss accept that date as the seconder?

Council Member Kniss: Yeah. I think I suggested it.

Mayor Holman: Vote on the board please. That passes unanimously with all Members participating.

MOTION AS AMENDED PASSED: 9-0

Mayor Holman: We return now to Item Number 8. It is 10:31. Council Members, why don't we combine questions and comments, and let's try at least a first round of five minutes apiece.

Council Member Scharff: Why are we breaking it up for motions separate from questions and comments? We used to do questions and then we'd do comments and motions.

Mayor Holman: Council Member Scharff, we can do questions and comments together, which we sometimes do.

Council Member Scharff: We've never done that before this year.

Mayor Holman: Sometimes, not often. It doesn't matter that much. Questions and comments combined, five minutes and watch the speaker light for the one-minute notice.

Council Member DuBois: Unfortunately I missed the start of this item. There was a wonderful award ceremony at Gunn tonight fortunately for my son. Unfortunately for me, he was at the end. I did hear some of the public testimony on the radio, but I didn't hear the entire item. I will be listening tonight but not participating. I will watch the part I missed. If it comes back to Council in the future, I'll participate then.

Council Member Burt: I'll start off with a few comments. I'm not sure whether I have more questions. First, it's not an issue before us tonight on whether there is a right to build a new structure per Code here, nor a

question on, in my mind, whether the overall architectural design of this building is good. It has many positive elements to it. It's sustainable design. It has, to my subjective mind, better aesthetic appeal than some of the other buildings that we've been having that are modernist style going in. It also will have a significant use of transit and biking at this location. There are a number of questions that I still have on how the findings can be made for the Design Enhancement Exception. Conceptually, rooftop uses are generally desirable. I don't have some sort of basic objection to that sort of design, but I don't understand how we are able to make these findings. Let me turn this into a question for Staff. In that finding, there's a requirement that it's a set of extraordinary circumstances that don't apply generally to properties in the same zone district. I don't understand how that gets construed to mean because there are nearby or adjacent zonings that are different, therefore, the advantages of those other zones should be granted as an exception to this project. Second, how minor exceptions can extend to such significant elements. Let me ask those two things as questions of Staff.

Cara Silver, Senior Assistant City Attorney: Cara Silver, Senior Assistant City Attorney. I'll take a stab at this, and then Planning Staff may want to add in as well. This is one of the first times that the Council in the recent past has focused on the findings for DEEs. That's a legitimate question. In the past, DEEs have been looked at as equivalent to variances, where it is common to have this type of finding where you look at the particular project in relation to other nearby properties. In this case, what the Architectural Review Board did is look at the development potential of this particular site with respect to the development potential of other sites in the immediate vicinity. The other sites in the immediate vicinity are also zoned CC(2), but because of a particular section of our Zoning Code which states that properties in the CC(2) district that abut an RM-40 development or a PC, if they are developing as a mixed use, they can go up to 50 feet. The ARB saw that as a distinction between this property and other properties in the immediate vicinity. The Council has the ability to interpret that differently, if it so chooses.

Council Member Burt: I would go so far as, whether or not I might think that that's a fair rule, we might want to change it in the future. I don't understand how the language that says in the same zone district can apply to a different zoning, even if it's adjacent to other zoning that might allow a taller building. I haven't heard any arguments that convince me how a DEE applies here. A number of us have been trying to convey to the ARB a concern over how liberally they've been granting Design Enhancement Exceptions. Variances are intended to be for more significant changes from what's permitted by zoning. That is generally a higher threshold. A DEE is,

as the wording states, supposed to be for minor changes that don't have significant impacts on the surroundings. That's something that I'm having difficulty finding a basis for. I did become concerned about the queuing into the parking, but the traffic consultant provided the clarification that three-quarters of the loading stations are recessed. That does seem to address that concern that I have. I do have one more question for Staff. Based upon what our purview is tonight, if we found other minor design changes that we think are needed for public safety or general welfare, can we exercise that discretion and give direction back to have those changes made?

Ms. Silver: You can certainly impose them as conditions of approval if they affect the overall design of the exterior of the building. We would have to assess whether that would then have to go back through the ARB process.

Council Member Burt: I'll say what they are. One, I do have a concern on sight lines exiting from—I'm trying to remember is it Grant or Sherman—Grant. I re-looked at that based on the drawings, and it is a pretty limited sight line for someone exiting there who would be making a left turn and looking to the right for oncoming cars, albeit they be across the street. I'm not so concerned with the bike lane, because that has a greater visibility to the left. It's exiting and making a left turn out of Grant, I am concerned about. That difficulty of seeing those cars creates a complication for being able to look for the bikes at the same time. You can see the bikes if you aren't having that difficulty being able to see a car coming from the other direction. I do have that concern. I don't think that's a major design change. I appreciate that the applicants have made some modifications to address the shading that occurs on the one single-family home nearby. More needs to be done there. Let me see.

Mayor Holman: That's more than five minutes. We can do more than one round, but perhaps somebody else will ask some of your other questions.

Council Member Burt: I'm good enough for now.

Vice Mayor Schmid: I agree with Council Member Burt that the DEE needs a careful looking at. I want to take the opportunity to raise a different issue. I note that we are being asked to approve the EIR, which says on the traffic side potential impacts of project activities are limited to site-specific conditions that would not result in any cumulatively considerable contributions to cumulative impacts. I've been on the Council for seven years. I have seen that statement a number of times, starting with the Stanford project. Nothing we approve has cumulative impacts. Yet, if you look at the existing conditions report, it states clearly between 1998 and

2014 traffic congestion or delay has grown between 33 and 55 percent on the main intersections in Palo Alto. People in the survey earlier this evening said traffic is an issue. Yet, repeatedly we have these EIRs where it says the City Council votes that there is no measurable impact. You look at the traffic analysis, and you expect there to be maybe a technical document, but a document that is transparent to your average Council Member. I pick up the data that comes from that, and it comes from the ITE manual. It doesn't come from local conditions. The ITE manual has interpreted through the VTA model. The VTA model does a projection of cumulative impacts out to When you look at the Kimley-Horn document about cumulative impacts, it has a very dramatic statement that says the Page Mill/El Camino intersection in 2035 will deteriorate substantially from today where it already is at a "F" level. The El Camino/Grant will have double the amount of traffic and will be an "F" intersection. The cumulative impacts have this, but then they look at this particular thing and say compared to that cumulative amount, this isn't big enough to change that. Yet, to change that is just each of these applications we approve. Someone pointed out it's like smoking a cigarette. One cigarette isn't going to give you cancer. Eventually you'll go to the doctor and he'll say, "You have cancer." The question we have to confront here or somewhere is there is cumulative impact. It's obviously beginning to show up on Park Avenue and will get dramatically worse on Park. This is contributing to it. There's one very specific number that's striking here. On page 3.3-9, there is an estimate of the increased number of cars expected entering into Park Avenue from Grant. It says the impact of almost tripling the square footage of office space is 0.2 percent increase in the number of trips coming out. doesn't make any sense. One of the letters says this doesn't make sense, and I agree. Where does that number come from? How does it get there? 3.3-10 says the impact of increasing office space from 8.6 thousand square feet to 24.5 thousand square feet is a net increase of 18 new trips. That's 0.2 percent, while the increase in square footage is almost three times 300. I don't get it. I don't think I can vote to say the City Council accepts that there is no cumulative impacts on traffic without better numbers, more transparent, explicit numbers on this and each major project that we deal with. Any comment?

Katherine Waugh, Dudek: Good evening. I'm Katherine Waugh with Dudek. We prepared the EIR. The numbers that Vice Mayor Schmid is looking at on page 3.3-10, those are only for during the P.M. peak hour. If you look at the total daily trips, it was the 246 number that's on the prior page. In terms of the way that the cumulative analysis is approached, you're correct that the analysis shows that there would be a significant impact in the cumulative scenario. That's just considering all of the development that's anticipated in the City. We apply the specific standards that the City has

adopted in terms of how to define when an individual project has a significant contribution. The project's increase in delay does not meet those standards. That is why under CEQA we conclude that the project's contribution to the cumulative impact is not cumulatively considerable or not significant.

Vice Mayor Schmid: It seems to me there's a few assumptions in there. One, the P.M. does not have people leaving the office. Maybe the people working there are going to work until 8:00 at night.

Mr. Keene: Just for this and the ongoing conversation. I'm not taking anything away from the point you're making. There's a tendency for us to overlook the fact that the calculation of the cumulative impact is being driven by growth in regional traffic. I'm not saying that there aren't impacts. When you look at what's happening between Redwood City, for example, and Mountain View and the Google projects, there's the potential for significant cumulative impacts to continue to take place outside of our borders. I'm not saying that that gives us a pass, but we do need to remember that a lot of this is being driven by decisions outside our boundaries.

Vice Mayor Schmid: That assumption being made on a regional basis means that no single application is going to have a significant impact, because the cumulative impact is the total of all these separate items. It's us who are making the decision. We can't blame anyone else. No one in Sunnyvale who works in Redwood City is going to drive down El Camino through Palo Alto to get there.

Mr. Lait: The other part that provides guidance for us, when we're looking at these environmental documents is that the City itself has established a local threshold of significance to evaluate the cumulative impact of a particular project to traffic. In this case, when you go from an "E" to an "F," what we're looking at is—presently this intersection is an "E"—cumulatively it'll be an "F" as we look forward. The local threshold for what constitutes an impact is if this project adds four seconds delay to the intersection. That's our local standard for assessing whether there's an impact. That's our standard; that's what we look at. That's how we've applied this standard to not only this project, but all the other projects. That's the consistency that we have when we look at this issue.

Vice Mayor Schmid: I can understand that, but I have a very hard time understanding how tripling the square footage of office space at the P.M. getting out of work time does not have a four-second impact on the corner of Grant and Park.

Council Member Wolbach: First, I'd like to say thank you to a lot of people who stayed with us for a very long evening, from the Staff, the applicant and those working with the applicant. I am using part of my five minutes to say this; it's worth saying. A tremendous amount of comment from the community representing a range of views about this project. I want to say thank you for your patience, and thank you for your involvement. I've a couple of concerns and thoughts about the project. Some of the key items. the safety of the intersection at Grant is a concern to me as well, as was raised by Council Member Burt. The queuing going into the building, I can't say I'm 100 percent convinced that it won't be an issue. It is reduced particularly by the parking alternative which has been offered. On the two parking options, I definitely hesitated about saying we should allow somebody to have less than the required amount of parking. making permanently available free Caltrain GoPasses for everybody working in the building, with that close proximity to the Caltrain Station, with the expected numbers of employees in the building. If we are looking at a higher number of employees because of higher intensity of use than what's expected, there's even more likelihood that at least ten people will be taking Caltrain on an average daily basis. That's a pretty good trade to make. have some trepidation about it, but that is a good trade to make. parking alternative increases visitor parking. It means GoPasses for all the employees or everybody working in the building for the life of the building, not just for a couple of years. It also alleviates the queuing issue somewhat, maybe not entirely but somewhat. That's a good trade. In general, moving towards encouraging or even requiring developers and employers to get their employees out of their single occupancy vehicle cars is something the City needs to keep doing. I want to find ways to encourage that here. The DEE, I'm not sold that it's necessary. I'll leave it at that. impact on the neighbor, we had some testimony from the public including the resident who lives in the adjacent single-family home, citing parts of our Code, saying that the daylight impact is an issue. I'd like to hear whether there's any reason we can't require that the applicant maybe set back the third story adjacent to that property to improve the daylight impact. The planter access of 2 feet. I'm a pretty limber guy with good reach. Even I'd have a tough time carrying gardening equipment to get access to those planters with only 2 feet of space. That's a legitimate concern. On traffic in general, this might be more of a comment for all of us moving forward. We should be moving away from level of service towards vehicle miles traveled as our metric. I don't know why we're still using level of service. We should be a little bit more forward thinking than that. I understand there are arguments on both sides. I'm still open to the idea of inquiring whether we could have access to the parking garage from Park rather than Grant. This whole project has clarified the importance of traffic calming initiatives by the City on Park. I do like the fact that this would add bulb-outs, that this adds

a crosswalk where it's desperately needed. There's a lot more that we as a City need to do in that area. That's it for now.

Council Member Berman: My first question is for Staff. I'm trying to wrap my head around the DEE and understanding the Commission's explanation for granting it. If I own a property that's between the site at issue and Palo Alto Central—it's adjacent to Palo Alto Central—and I want to build a mixed-use project, I can go up to 50 feet. Is that what I'm getting? I should be asking you guys.

Ms. Silver: Yes, that's correct. Those other properties are also zoned CC(2).

Council Member Berman: If I own a property between Palo Alto Central and 2555 Park and I want to build a commercial property, how high can I go?

Mr. Reich: 37 feet.

That's what I thought. Council Member Berman: I'm not seeing Item Number 1 under granting a DEE, I don't think it's met. exceptional or extraordinary circumstances or conditions applicable to the property or site improvements involved that do not apply generally to property in the same zone district. I love the idea of rooftop; that's a great Here the applicant is offering to build a 100 percent commercial property. They get to go to 37 feet. Next door, if they build a 100 percent commercial property, they get to go to 37 feet. Is that correct? It seems like the same situation applies to both sites. Therefore, for me, Item Number 1 under granting a DEE isn't met. Maybe somebody will point out how that's wrong. That seems to be the case in this instance. addressing the DEE issue, as much as I might like the idea of a rooftop patio. I'm not too concerned, to be honest, about the parking lifts. The explanation is there are seven different parking lift units that are going to be in the parking garage. Three are on the first floor and four are on the second floor. A question that I have for somebody who knows more about parking lifts than I do is, is there one designated spot that is used to park in and then the rest shuffle. If there are two spots open at grade, can two people park in those spots at the same time? Let me know if that question doesn't make sense.

Mr. Reich: It's my understanding it's one vehicle per machine at a time. If the applicant has a different ... That's correct.

Council Member Berman: A bunch of my colleagues have mentioned concerns about the intersections at Grant and at Sherman. That's absolutely right. We've been getting emails about that. I've been getting emails about that for 2 1/2 years. This project does a good job of addressing some of

those concerns with the crosswalk, with bulb-outs. Has there been any conversation about having a stop sign at one of those intersections?

Mr. Reich: There's been quite a bit of discussion about that. Our traffic and transportation Staff has looked at that, and it doesn't meet the warrant to require the stop sign.

Council Member Berman: There's meeting the warrant and then there's a stop sign possibly being a detriment. Would a stop sign be a detriment to ...

Ms. Waugh: The transportation Staff felt that the stop sign would slow down traffic on Park, which would overall bring down the level of service of that intersection. You've got most of the cars on Park. If you slow them down, you adversely affect the level of service for the overall intersection.

Council Member Berman: Level of service being ...

Ms. Waugh: The amount of delay that people are experiencing.

Council Member Berman: Some could argue in some places it might be a good thing. I'll just throw that out there. Speaking of which, the idea of the parking coming off of Park, I have concerns about that because of Park being a bike boulevard and having a cut out that would be heavily traveled with cars crossing at an area that's not the same as an intersection. Could you guys give some sort of feedback as to why it being on Grant is more appropriate than being on Park?

Mr. Reich: The reason you stated was precisely the main reason for that. When you are a cyclist, you have an expectation at an intersection; whereas, you wouldn't necessarily have that expectation in the middle of the street where there might be a driveway. It's those driveway conflicts that we're trying to avoid and have the traffic on the slower moving and less traveled street, which is Grant.

Council Member Scharff: A couple of questions. First of all, you've asked us to do two things tonight. One would be to approve the DEE, and the other one would be to certify the Environmental Impact Report and adopt the Resolution of Statement of Overriding Considerations, project specific mitigation. If we do the first and not the second, what happens?

Ms. Silver: Presumably you'd have to take some kind of action on the second piece of it.

Council Member Scharff: Assume we deny the second.

Ms. Silver: If you deny the DEE, then the project applicants can move forward with the project, but without the two DEEs for the stairwells. It would be a flat contour.

Council Member Scharff: Are we convinced they need a DEE for the two stairwells? What's confusing me a little bit in this whole thing is when I read the EIR and I read in terms of the DEE, we're talking about a different structure. We've gotten rid of that structure; we now have pop-up furniture as far as I can tell. I want to make sure you would need a DEE for those stairwells or we don't know? For the elevator is the answer, because you need the elevator if you service that.

Ms. Silver: Right. It's not entirely clear at this point. The project could be modified to, number one, bring down the rooftop deck to 750 square feet, in which case you wouldn't need one of those DEEs. The stairwells also might be modified in a way to eliminate the height protrusion and one of the DEEs might be eliminated that way as well. There could be some design modifications to get rid of the DEEs altogether.

Council Member Scharff: This is an interesting issue. For me, it's a better The side things, the elevator shafts or project with the rooftop deck. whatever they are, add some architectural interest. When I listened to all of the speakers, I heard some people say don't pass the DEE. All of the impacts that people talked about for the most part were on the building itself as opposed to whether or not those little pop-up structures should be there. I didn't see the impacts for that. I see us approving the building. approve the building without the rooftop, and the community is worse off. That's how I think of it. However, I am having a hard time with the language of exceptional or extraordinary circumstances or conditions. that part wasn't here, it would be easy to say we could do this. I have to go back and say, "What have we been doing in the past?" I asked Mr. Lew that question. Staff's recommending this. The Architectural Review Board did this. Is this a case of first impression on this, where we're stretching this, or have we been historically always going along and saying these are the kinds of things we do with DEEs. Do we know the answer to that? Why was Staff okay with this? That's the question. Is there a historical basis or not?

Mr. Lait: As best as I have been able to put together, there has been generally a little bit more support for these exceptions. Part of that goes back to the purpose of the Design Enhancement Exception, which is to enhance the design of a project without altering the function or use of the site or its impact to surrounding properties. There are those findings that need to be made. That first finding is like a variance finding, almost out of State law where there are these hardships. It almost reads on that level.

Perhaps we were a little more flexible in the past about how we applied that section of the Code. We need to understand, and we're hearing, that perhaps we need to look more closely at the precise language there. If that standard of Finding 1 that we're talking about here is the standard, then it's going to make it difficult for Design Enhancement Exceptions that it would achieve the purpose, at least, as it's stated in the Code.

Council Member Scharff: My question was slightly different than that. I agree we could change the historical context. That's what I was hearing you say, that in the past we've either ignored that or we've interpreted it differently. I assume you mean we've interpreted it differently and we're changing the interpretation of the way we're looking at it. That's what you're saying?

Mr. Lait: Yeah. I don't know if it's a change of interpretation or a more liberal way of looking at the standard. It's somewhere in that area.

Council Member Scharff: We're looking at this stuff minutely When I'm looking at our Code, it says that neither the Director nor the City Council on appeal shall grant a Design Exception unless it finds that. I doesn't seem to me that under our Code that the City Council can grant the Design Exception unless it's on appeal. The first question is we don't have the authority to grant it under our Code, the way it is right now, since we're reading these things very literally.

Ms. Silver: What we did with this particular project is typically the Director makes the entitlement decision. However, since this project required an EIR and the Council ...

Council Member Scharff: I understand what we did. I'm saying we didn't follow our rules. Since our rules seem to absolutely require that this Council can only do this on an appeal. You disagree, but it seems black and white to me.

Ms. Silver: The Council always retains land use authority. It can substitute its discretion for the Directors' decision.

Council Member Scharff: Can it do that on a DEE?

Ms. Silver: Yes, yes. That's why we brought it to you in this first instance.

Council Member Scharff: Does that mean that on any of these Code items, we can substitute our discretion for what it says in our Code?

Ms. Silver: If the Director brings it to you in a logical sequence and is essentially relinquishing that authority, and the Council agrees to take on the decision. The Council also has the ability to certify the EIR and send the decision back down to the Director to make the decision. We thought that would be an inefficient process. You have the authority to do that as well.

Council Member Scharff: If we agree to certify the EIR, I also agree with Cory, that we should do the TDM exception, the parking exemption option. I wanted to understand that I'm correct on this. The time that we say that we want the planning exemption option is when we approve or disapprove the EIR because that's where that option is. If we made a motion to certify the final environmental impact, that's where that would go.

Ms. Silver: It can go in either place. It seems more appropriate to put it in connection with the entitlements.

Council Member Scharff: Where are the entitlements?

Ms. Silver: The entitlements are approval of the project and approval of the DEEs. Say we're not going to approve the DEE. That's what I'm hearing. If we're not going to approve the DEE, they either go standalone or it goes with the EIR, one or the other.

Mr. Lait: The parking alternative, I agree with Cara Silver that the entitlement is the appropriate way for the Council to express its interest on that alternative, if that is what carries the day. The parking alternative, the Director has the authority to reduce parking by not more than ten spaces. That's the action that the Council would take. As you heard just a moment ago, the Council is making decisions for the Director in this case, because of it being brought along with the EIR. You would be making decisions on the ARB findings, the Design Enhancement Exception. If you supported the parking alternative, you would simply note that in your motion as well, that you're supporting that alternative with the parking reduction of, I think, six spaces or something. Ten spaces.

Council Member Kniss: I'm going to take it out of being quite so specific and ask a couple of things that are in here. What we're asked to do is certify the EIR and adopt the Resolution of the Statement of Overriding Considerations. Agreed? We have to do those two things. Just so we know where we're heading, I don't think I can do those two things. Let me talk for a minute about the DEE which talks about exceptions that enhance the design. We've all been talking about this as an enhancement, but it's very subjective. I'm not quite sure how we decide whether that's it or not. I realize the applicant in this case can be regardless. As soon as they meet the height limit, they can build. Right now, though, according to this—I realize we've heard some

different things tonight—this has exceeded the height limit. Agreed? According to your report, this has exceeded the height limit. The height limit is 37 feet, somewhere—we're not sure where—we're somewhere north of 51 feet. It has exceeded the height limit. We've played around with it, but there's really no question. Whether or not those towers add visual interest, as I said it's very subjective. There's another aspect of this too, which talks about us being able to find aspects of this that are of benefit to the community. Are there some benefits to the community that I'm not seeing right upfront? You have that included in this. Several people have mentioned it tonight. The applicant in this case has the ability at any point to put in something that is within the zoning. Right now this is getting into this murky DEE area. As Council Member Burt said earlier, the DEE is very interpretable. Am I wrong on that assumption?

Mr. Lait: There's broad discretion for the City Council to determine whether the design enhancements that are being sought meet the objectives of the Code, be it a minor deviation from the standards or enhancing the design in some way. I want to distinguish the design enhancement from what you're talking about with the Statement of Overriding Considerations and the benefits conversation. If you take the DEE ...

Council Member Kniss: They're two different things, agreed.

Mr. Lait: Right.

Council Member Kniss: I wondered what had been found as these community benefits that could or could not be there.

Mr. Lait: The benefits that are provided for the Council for its consideration—this relates to the removal of the historic resources only, not the DEE—are provided for in the CEQA findings. That's why I wanted to make the distinction. You talked about the property owner being able to build a Code-compliant project. We would still be here before the City Council with the EIR and the need to adopt the Statement of Overriding Considerations to demolish the building that's there.

Council Member Kniss: I hear that clearly, right.

Mr. Lait: On packet page 351 are some draft benefits that have been identified. They relate to—do you want me to go over them?

Council Member Kniss: No, I don't think you need to. In the interest of time at this point, we can see which of us are heading in a certain direction and why. I appreciate those answers.

Council Member Filseth: I'll move to deny the DEE.

Council Member Kniss: Second.

MOTION: Council Member Filseth moved, seconded by Council Member Kniss to deny the Design Enhancement Exception (DEE).

Mayor Holman: Hopefully, we're not at motions quite yet.

Council Member Filseth: I'm sorry. I thought both questions and discussion (crosstalk).

Mayor Holman: Questions and comments you could.

Council Member Filseth: I haven't seen a compelling reason to grant the DEE. Pat used the word liberal. It takes a contortionistic argument to argue that the DEE proposed meets even the letter of the Code, let alone the spirit. Codes are supposed to define what we as a community want in our community. It almost seems like we're jumping through hoops to use the Code to justify something that we want that isn't consistent with what the Code is, which is 37 feet. It also seems like we've seen a number of projects over the last several months that are Code-plus, if I could say that. They go to the limit of the Code, and then they say, "By the way, if you give us a variance, we'll put this other thing on top of it that's nice." It feels a little bit like we're being gamed, almost. I don't think it's a good process. The DEE doesn't meet Code; it's 35 percent too high. If we don't follow our Codes, then we don't have Codes. I haven't seen a compelling reason for the DEE, so I'm not going to support that one either.

Mayor Holman: Is your motion at this point in time just to deny the DEE? Is that all there is to your motion?

Council Member Filseth: Yes.

Council Member Scharff: I raised the issue earlier, and you said we were just doing comments.

Council Member Filseth: If I may (crosstalk).

Council Member Scharff: I'm just saying that we need to do one or the other. It's not right to change it in the middle. We either have to set a process and follow it, which is what this meeting is all about.

Mayor Holman: Comments and questions and motions oftentimes come with comments.

Council Member Filseth: I await your guidance (inaudible).

Mayor Holman: Do you have other questions and comments?

Council Member Filseth: No (inaudible).

Mayor Holman: On anything.

Council Member Filseth: I'll say a word on the EIR. My inclination is, outside the DEE, the building meets Code. We should be guided by our Codes, but I share Council Member Schmid's concern about the EIR. I'm not sure exactly how to do it. I haven't made up my mind on it. A couple of other things that have only been mentioned briefly. This comes in the Staff Report on the next item. There are 120,000 square feet of office space in the pipeline for the California Avenue area today. Plus, there's a real possibility we're going to have a 44,000-square-foot police building across the street from this location. The question is, is that considered in the traffic The answer has been—if I read what I've got back here—not analysis. specifically but we have a model. I assume the model assumes that that space across the street is a parking lot and not a 44,000-square-foot building. If we build this and then later there's a traffic problem or the traffic report comes up then, either those impacts would have to be mitigated or a Statement of Overriding Considerations adopted or fees from new developments to implement future roadway improvements would have to be done. What kind of roadway improvements are we talking about? We're not going to widen them, because there's no space there. I'm not sure what recourse we have if we get it wrong on the traffic analysis. That's what I'm trying to grapple with right now. Like Council Member Schmid, I'm still asking the question how do we certify the EIR, but that's a separate discussion. That's why I moved to do the DEE thing, so we get that out of the way and maybe we can keep talking about the EIR.

Mayor Holman: Council Member Filseth, would you in deference to Council Member Scharff for the time being withdraw your motion for the DEE? Then we'll get to motions after we finish questions and comments.

Council Member Filseth: Okay.

MOTION WITHDRAWN BY THE MAKER

Council Member Kniss: Can we do something?

Council Member Filseth: I wanted to say one more thing about the traffic report. The 120,000 square feet of office space in the queue, it would make a difference to our thinking if we had the office cap in place. That would

give us some predictability about how much more office space would be going up in that area. I don't know where that fits in the next two because the timing is different. That's a consideration.

Mayor Holman: I have some comments to make as well, maybe a couple of questions. I have some procedural issues with this and Staff Report issues with this. Even in the title, it references having to make a Statement of Overriding Considerations, but it doesn't even say for what. The building that's currently there has been determined by Staff and a consultant with a listing of—I didn't count them—quite a number of characteristics as being eligible for the California Register. It's not been altered since construction, which is pretty darn rare for a building that's over 50 years old. Just want to get that out there. The State Historic Building Code can be utilized. I didn't find it referenced. I asked the question of Staff, who said it was considered. I recognize that it's a soft-story building. I recognize that. It makes the point a couple or three times about removing hazardous materials. If you don't disturb asbestos or lead-based paint, there's not an issue. giving credit for something that's not an issue unless you disturb it. I'm having trouble with the language and some of the, it almost seems to be advocacy that's in the Staff Report, or taking situations and making them different than what they are. I'll give you a chance in just a second, I'm having trouble with how some of these things were addressed. It seems to imply that this building would fully park an underparked situation now. I didn't find—maybe it was buried in some of the ARB language—how many parking places the current building has. Is the current building under-parked? That's another question I want to come to, Jonathan or Russ, one of you guys. The DEE, I absolutely agree with everything that's been said. Also saying that a replacement building would be more energy efficient disregards the fact that using an existing building-I'm not necessarily lobbying for keeping the existing building. I want us to be factual—is a green, LEED recognized, points rated aspect. It's not given any consideration here whatsoever. I agree a fair amount with the comments of a prior speaker about the Statement of Overriding Considerations. I object to using a draft plan as part of a Statement of Overriding Considerations. It's not an adopted plan; it's a draft plan. Increasing the size of an office building that generates increased rental income, how is that an overriding consideration? Doubling the useable square footage of a transit-accessible site by increasing the building height to three stories and providing parking at grade and underground, there's a lot of language here that needs to be improved. The last one was increasing onsite parking to reduce offsite parking demands associated with the office use of this site. I don't know what it is currently. I didn't find it anywhere. I also had issue with—I'm sorry to do this, but we need to be factual-8-K which has the list of the Comprehensive Plan table. There's not one single reference to the multiple

references in the Comprehensive Plan having to do with historic preservation. It's stacking the deck. I will stop there. If you can answer the questions that are raised there, I'd appreciate it.

Mr. Lait: Thank you, Mayor Holman, for those comments. I was almost reading your mind as you were saying that about the attachment. I know this has been a comment expressed by the Council before, about making sure that we're including all policies whether they support the project or don't. I'll make sure that we double our efforts on that. With respect to the parking, there's 28 existing, onsite parking spaces; 43 are required by Code. With respect to the historic upgrades, our consultant can speak in greater detail to this if you want. My understanding was that it wasn't the disturbance of the lead or the asbestos so much as being a factor for not supporting it, but the actual structural undertaking that would be necessary that would result in the loss of the key character-defining features. That's not to say it couldn't be done.

Mayor Holman: With due respect, that isn't how I read the language in here. It sounds like this would be an improvement, because it would be getting rid of asbestos and lead-based paint.

Mr. Lait: That's identified as one of the benefits of the project. Yes, that's one of the purported benefits of the project. The Council decides whether or not that is relevant versus retaining the existing structure. We're trying to provide, I would say, a menu of options that could support that effort. At the end of the day, if the loss of the historic resource is more important than any gains provided by the new project, that's what we're trying to weigh out.

Mayor Holman: My last question and then we'll go to our last round, if it takes a round, that would include motions. My last question is it seems as though—it's not the way it's stated—any building that was proposed for this site, if it eliminated the soft-story building—I'm not 100 percent convinced that couldn't be done without destroying the integrity of the building. Quickly, the stairs were mentioned also, and that's a very common thing that the State Historic Building Code is used for. It seems like any building that is proposed for this site would eliminate the soft-story situation. If we're going to make a Statement of Overriding Considerations, is that enough, eliminating a soft-story building? It seems like if we're making a Statement of Overriding Considerations, we ought to be requiring something of the project that is a little above and beyond what any old building could do at this site.

Mr. Lait: That's a great policy conversation for the Council. We could explore with the applicant what other options might be available in terms of enhancing that component of the project, if that was felt necessary, if the benefits that we've identified are not sufficient and the overall policy of the City of how we address older buildings. If this is one that is valuable and worth retaining in some way, there needs to be some effort to go about putting it on our inventory as that mechanism or vehicle exists. I would imagine the property owner might be a little bit unclear if we're not taking the proactive effort of listing it, yet we also don't want to issue a Statement of Overriding Considerations to get rid of it. We're trying to figure out how to balance those two issues. One thing I'm hearing is there might be some other public considerations that could be considered as well.

Mayor Holman: Quickly, just as a response to your point. If we're not listing, but listing it has not never come forward. We've never had the opportunity to list it. It was taken to the HRB as a discussion item, not as an action they could take. We've never had the opportunity to list it.

Mr. Lait: I would want to look to the Code to see who has the authority to list. Certainly the property owner can initiate, and perhaps the City Council could initiate a designation onto the inventory as a Category 3 or 4.

Mayor Holman: HRB can recommend to Council or Council can initiate. We've not had that opportunity. I don't want to take any more time.

Council Member Scharff: Council Member Filseth made the motion. wanted to make a comment briefly. I've been sitting here thinking, and it's I'm probably going to say things I'll regret later. Council Member Burt said something that struck me. He also likes the rooftop aspect to this, but it's not in our Code. I'm thinking historical since I've been on the Council. We've tended to use or allow things like these DEEs to go through. Now that we've decided we are all fundamentalists and our Code is our bible—that was the part I was going to regret later. I'm most interested in letting the development community and the business community know what they can expect up here and to have some consistency. Right now we're going through a transition in the way we're thinking about it. We'll get there. One of the things about it, if we're all fundamentalists, is we need to go through our Code and then have all these discussions. Do we want to have policy where we allow rooftop terraces? We do Downtown. In the past, what we've done is said if it's better for the community, we go ahead and approve and ignore the process question as much. Now we've decided that the process question trumps what's better for the community. That means we're going to get a lot of things that are worse for the community, because we're going to tie ourselves up in

process. We need more Planners or somebody to go through our Code and come to Council and say, "This is unclear. Do you really want it to say exceptional or extraordinary circumstances or do you want to get rid of that section and say if it'll enhance the appearance of the structure? Do you want to do that? Or do you want to say there's some mechanism to do this or do you want to say rooftops are great?" Do we want to think through everything possible that could make it a better community and put that in the Code, to say that's good? I don't know the answers to these questions. It's important that the development community realizes this is in flux right now and that it's going to be difficult and that it's best to take a conservative view of what you're going to get approved and what kind of exceptions. If it's Code compliant, you'll get it approved. If it's not Code compliant, it's going to be a struggle. I wanted to get that out there. I've been sitting here thinking, tongue in cheek a little bit, to myself, "When Council Member Filseth makes the motion to deny the Design Enhancement Exception, which I would normally vote for at this point." But then I'm thinking to myself, "Clearly the Director says that we can't grant an exception, so maybe I should abstain," which I don't think I'm going to do. I am thinking a little bit about how we transition out of this to get certainty for people who are spending all the money on their plans, thinking about it when the world has changed. That's what I'm interested in seeing us do, coming to a consensus up here a little bit about how Staff can work through, how the ARB can work through this. I don't know the best way to get there, but I would like us to get there. I'd like Staff to think about it and come to us. Maybe it's a—even though I'm sick of them—another special meeting where we work through a committee of the whole, so we can give guidance to Staff, so the ARB isn't out granting things, so we're not here to midnight saying no for the fourth or fifth time on a project. That's my comments.

Council Member Wolbach: Before we move onto motions, just a quick question looping back to something I raised earlier. Can we require a stop sign on Park either of the developer or can we include in our motion a direction to Staff to at least look at traffic calming on Park around the intersection to address some of the safety concerns around the intersection of Park and Grant? Is it necessary or appropriate for us to include some kind of general direction about addressing traffic calming? I know I said it before, but I'll say it again. This is a good example of why level of service is a bad metric. We need to move towards getting away from that as our metric, because it's just terrible.

Mr. Lait: Maybe.

Mr. Keene: Maybe. It would have to be clarified.

Mayor Holman: You'd need to make the findings for it.

Council Member Wolbach: Was that maybe on we should move away from LOS or maybe we can provide direction on calming on Park or maybe we can require that the developer pay for a stop sign? What was the maybe on?

Mr. Lait: Regarding LOS, there is work underway now. There is some State law that we're still waiting for some guidance on how that's going to be implemented. When that does, we'll be before the Council.

Council Member Wolbach: That was my general comment. We've had other comments about how this informs our broader discussions. Specifically for our motions tonight and to inform our motions when we get to them shortly, can we require—I turn to colleagues—should we require or encourage Staff to look at traffic calming on Park around the intersection with Grant? That might help alleviate some of the concerns about this project.

Council Member Filseth: Move to deny the DEE exemption.

Council Member Kniss: Second. Weren't we here about a half an hour ago?

MOTION: Council Member Filseth moved, seconded by Council Member Kniss to deny the Design Enhancement Exception applications.

Council Member Filseth: To comment on Council Member Scharff's discussion of a minute ago, I wholeheartedly agree. That is exactly right. It is incumbent on us to give the development community a good sense of where it is we're going, so that they have confidence that if they submit a project, they'll know whether it's going to get accepted or rejected. Frankly, the current process that we've been going through between all the moving parts, it's hasn't done that. The question of are we all fundamentalists now, the community wants us to be more fundamental in our interpretation of the Codes. A place that we have gone wrong is we have been too liberal in our interpretations of some of these things in the last few years. That has sent a mixed—not a bad—message to the development community that it's not clear what they're going to get. If we can be clearer and if we can be more fundamental, I agree with Council Member Scharff that we should tighten up our Codes and make them crisper and clearer, so there aren't 17 ways to interpret this. Everybody will benefit. The community will have a better expectation of what they're going to get. The development community will have a clearer understanding of what they can build and what they can't. Frankly, we'll save Staff time. I'm going to agree with Council Member Scharff's call for increased clarity and some scrubbing of our Codes.

Council Member Kniss: As do I, without going into great detail about that. I was somewhat surprised tonight, because I thought, "I know how this is going to be viewed." If anyone's been watching us in the last several months, this seemed to be somewhat evident. Let me look down at Staff for a minute and ask. We're denying the DEE, do we also need to address the FEIR?

Mr. Lait: To the extent that you're going to approve the AR application, you would need to act on the FEIR and adopt the SOC first.

Council Member Kniss: Do we need to add that into the motion?

Mr. Lait: I don't know how you're doing this, with multiple motions or one motion. I've heard (crosstalk).

Council Member Kniss: Why don't we get this one out of the way first?

Council Member Filseth: My intent was to get this one out of the way.

Council Member Kniss: Let's do this one first, and then we can come back to that. We've spoken sufficiently to this. As I've mentioned several times, there's too much subjectivity here, which made me very concerned. In particular, following the direction that Council Member Scharff has laid out tonight, so that we're sending a clearer message to the community, is really important. I thought we'd been sending one, so perhaps we need to send it more clearly. Perhaps we need to have a way to deal with it, whether it's that council of the whole or whatever it may be, that allows us to send it. That's an important one to put out there.

I want to respond to Council Member Scharff's Council Member Burt: comment. That probably is a comment that is more appropriate to his own shift than necessarily everybody else's shift in thinking. That's welcome. A number of these things have been getting discussed by a number of us for some time. One of the things that came up tonight was this 15-foot allowance for mechanical. One of the speakers said this is a right of developers to have 15 feet for mechanical. That's another example of something I've brought up before, that we ought to get fixed. It shouldn't be something that far exceeds a need, and then we start having an intimation that that's a right for a project to have that much. That's another example. We also need to tighten up what we have as allowances for towers and where they are permissible or necessary. For example, extensions on elevators, we have the public that also has been construing that somehow that's violating our Code, to allow that kind of necessity. It's always been the sort of thing that has been not only permissible, but needed by design. We're misleading the public into them thinking that that's some form of a

Code violation. It cuts both ways. We need greater clarity in both directions. I want to see us address some of those things. Frankly, we now have a majority of the Council who is not willing to go through contortions to try to rationalize something that is not justifiable on a literal basis. I'll be supporting the motion.

Mayor Holman: We have a motion on the floor. The motion is to deny the Design Enhancement Exception. Vote on the board please. That passes with an 8-0-1 vote with Council Member DuBois abstaining.

MOTION PASSED: 8-0-1 DuBois abstaining

Council Member Scharff: I'll move that we certify the Final Environmental Impact Report and adopt the Resolution of Statement of Overriding Considerations, a project specific Mitigation Monitoring and Reporting Program, Attachments C and D.

Council Member Berman: Second.

Mayor Holman: Motion by Council Member Scharff, second by Council Member Berman.

MOTION: Council Member Scharff moved, seconded by Council Member Berman to certify the Final Environmental Impact Report and adopt the Resolution of Statement of Overriding Considerations, a project specific Mitigation Monitoring and Reporting Program.

Council Member Scharff: I know there's been a lot of issues raised with traffic and other issues, but they're addressed in the EIR, at least all those questions seem to be addressed as far as I can tell. The one issue is whether or not we should allow the building to be torn down and make a finding of overriding concern on that. I've got to say I've had my office on California Avenue for 16 years. This is one of the ugliest buildings I see. I've always wondered how buildings like this get preserved. understand, from sitting up here, that someone says this is an historical building even though it is such an ugly building. I don't think we should be preserving this building. I don't think we should be kidding ourselves. A new building there would be a lot better; therefore, I'm going to support this. One other thing I wanted to say about the environmental impact stuff. We have consultants who say this is the result of the traffic analysis. I don't disagree with Cory on that's a better approach, but that's not the State law and the way we're looking at the approach right now. We can't do that as far as I understand. If I'm wrong, step in. That's what I heard; we couldn't say we want a different traffic model. That would be a problem.

Mr. Lait: The main thing is that we want to be consistent. We have our local thresholds, and we want to apply a professional standard that is accepted by many jurisdictions. If we were to propose a different model, we would want to have a conversation about that to make sure that it met the professional standards test and how we're doing this.

Council Member Scharff: If we did, we would have to change the way we're looking at them. Under our current process, that's the rules, and we should be following the rules.

Mr. Lait: We would have to change it and probably update our local CEQA guidelines.

Council Member Berman: A question I have for Council Member Scharff is did you want to distinguish in there which of the parking plans?

Council Member Scharff: I thought this is where it should go, but I thought I was told that I should put it separately. I'm happy to put it in here, if it was. If that's going to cause a problem with other Council Members, I'm happy to do it separately.

Council Member Berman: I missed that part.

Council Member Scharff: If no one made it, I was going to make it separately.

Council Member Berman: I agree with what Council Member Scharff just said. All things considered, the proximity to Caltrain, this is where we want office space if we're going to have office space in Palo Alto. The current Code says that a certain amount of office space can be here. I agree with Council Member Wolbach that policy is shifting, and that's a good thing. That's happening in Sacramento, and we should move quickly once that does. I don't think we should be doing that for this project as a one-off at this stage. I'm looking forward to having that conversation when we do. We should encourage Staff to think outside the box in terms of different measures that we can take in terms of addressing the community's concerns about traffic and the rate of development, especially on Park, and try to get ahead of that. I'm satisfied that the FEIR is sufficient.

Council Member Wolbach: I'll be supporting the motion. I'd like to propose two friendly amendments. If they are not accepted, we can maybe pick them up in separate motions. One is to stipulate the parking alternative.

Council Member Scharff: I want that in there, but I thought we would do that separate. I don't want to see the DEIR go down, because different

Council Members have different views on that. I don't know how they feel about that. I was going to make that as a separate motion, and that was the direction I got from Staff.

Council Member Wolbach: We can do that one as a separate motion. This other one might go the same direction. To direct Staff to install stop signs on Park Avenue at Grant.

Council Member Scharff: I would prefer that be a separate motion too.

Amendment Wolbach: We'll come back to them.

Ms. Silver: Mayor Holman, I want to point out on the stop sign issue that Staff needs to research that issue. We have two legal concerns. One is that if placing a stop sign on Grant could impact the EIR findings because it could increase delay on Park, there may be legal vulnerability with the EIR. Second, there may be some legal implications associated with putting a stop sign at a location where there is not a warrant for it. We need to research that issue. If the majority of the Council wants to pursue it, I would recommend that you impose a condition for Staff to explore the viability of a stop sign.

Mayor Holman: We don't know yet if there would be a second to that recommendation.

Vice Mayor Schmid: You would recommend that being made with this motion?

Council Member Wolbach: With my motion.

Ms. Silver: In a later motion.

Vice Mayor Schmid: I would have a hard time certifying the EIR if there is not concrete indications that there'll be a dealing with the traffic issue. Postponing it makes it difficult for me to vote for this.

Council Member Kniss: I'm going to be supporting the motion. One of the important things that I'd like to reflect is that we're hearing what the public has said. The public has said pretty substantially, "Deny the DEE." One of the things that I also wanted to mention, I certainly have watched this for a long time. I noticed tonight that our yeses ran 3:1. For every yes that I got, I got two nos. That was interesting that the public took such an interest in this and responded so strongly. Whether this is a one-time thing or not, I don't know. We have been listening, and we have been responding. That is

a pretty important direction for us to be going in, aside from following Council Member Scharff's fundamentalist flag that he's been flying.

Council Member Burt: First I feel obliged to respond to the last comments. The public's comments on all sides of this have been valuable, but we as a Council are not supposed to simply do a tally of how many speakers speak at a Council meeting. We make our decisions on listening and hearing the public and reviewing the facts. In this case, I happen to agree with many of the speakers tonight, but I have to make my decision based upon looking at the facts and interpreting them as best I can, not just doing a head count. In the interest of maybe getting us out a few minutes earlier, I want to concur with Staff. The stop sign concept is premature. There are a lot of pros and cons as to whether that's a good idea or a bad idea. I wouldn't support it, and I hope we're not going to spend time debating whether to direct Staff on something as specific as that tonight. I do want to ask Staff on two issues that are directly related to the project and whether they should be considered in the EIR or not. It's a late hour, and I should be more clear on this. One is the issue of the daylight plane on the singlefamily home. Should that be considered outside of the EIR consideration?

Ms. Silver: Yes. The EIR found no shade and shadow impacts, but there are some zoning considerations. I would lump that with entitlements.

Council Member Burt: The safety issue that I brought up earlier on the sight line exiting from Sherman. Should that also be outside the EIR?

Ms. Silver: The Grant issue?

Council Member Burt: I'm sorry. Yes, Grant.

Ms. Silver: Yes. That can also be a condition of approval.

Mayor Holman: I mentioned previously, members of the public also mentioned previously, that there are some things in the Statement of Overriding Considerations that are not applicable. I also have concerns about precedents. There is a good amount of language that I would like to eliminate from the Statement of Overriding Considerations.

Council Member Scharff: Which packet page is that (inaudible).

Mayor Holman: Packet page 351. Right now it says development of a new office building on this site generates increased rental, blah blah blah. It talks about the draft California Avenue Concept Plan, blah blah blah. To me, it should be edited to say "development of a new office building on the site," and then skip down to the third from last line, "supports related planning

initiatives" and the rest of that sentence. That's all that applies. Staff seemed to be shaking their heads in acknowledgement when I mentioned that earlier, as the City Attorney and Jonathan are now. That's the first bullet. The second bullet would be—it currently reads "replacement of the existing office building at 2555 Park Boulevard site with a modern building that meets current building standards for structural design." It may be site and building accessibility, but it's certainly not hazardous materials.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "Amend the Statement of Overriding Considerations to include:

- 1. First bullet: 'Development of a new office building on the site supports related planning initiative such as Pedestrian Transit-Oriented Development overlay and Bicycle and Pedestrian Transportation Plan'; and
- 2. Second bullet: 'Replace the existing office building at the 2555 Park Boulevard site with a modern building that meets current standards for structural design'; and
- 3. Fifth bullet: 'Creating a pedestrian and bicycle friendly street frontage with wide sidewalks and amenities.'"

Council Member Burt: Mayor, do you want to see if each of these are accepted separately? Would that be the most efficient way?

Mayor Holman: I wondered about that. Are these so far acceptable, Council Member Scharff?

Council Member Scharff: I'm not sure it matters that much, but maybe it does. My concern would be ...

Mayor Holman: It does. Making a Statement of Overriding Considerations is serious business.

Council Member Scharff: It is serious business. My concern is that we do it so we don't create legal challenges and create lawsuits unnecessarily. The first thing you want to do, take the first one again. You want to eliminate which language?

Mayor Holman: It's on the board.

Council Member Berman: She wants to change it to "B."

Council Member Scharff: Does the City Attorney have any concerns?

Council Member Burt: It's just to eliminate discussion of the draft plan.

Council Member Scharff: It's fine then.

Council Member Berman: I'm fine with the first one.

Council Member Scharff: The second one's fine too.

Mayor Holman: I'm a little iffy about the third one, so I'll leave it alone. The same with Number 4. I'm a little iffy on that one, but I'll leave it alone. The fourth bullet on packet page 351 says "creating a pedestrian and bicycle friendly street frontage with wide sidewalks and amenities and street trees." Street trees are required to be provided by Code. Correct? How can that be part of an overriding consideration?

Mr. Reich: Street trees are typically asked for. They're not a Code-specific requirement. They are in our policies and guidelines that we want street trees. It wouldn't be inaccurate to say that the project providing them is not a benefit. It is a benefit to the community that they're providing them. That's not to say that we wouldn't otherwise ask for them in the process.

Mayor Holman: Do we ever approve a project that doesn't provide street trees?

Mr. Reich: Sometimes, but not often.

Mayor Holman: Council Member Scharff, would you want to remove street trees or not?

Council Member Scharff: I'm happy to remove street trees.

Mayor Holman: Let's take street trees out. I'm okay with the last bullet. My other comment about this is an overarching comment to Fergus Garber Young. This is the best looking new building design that has come before the Council in a very long time. It's unfortunate you've run up against some obstacles, but it is a well-designed building. You've done a lot of things that I personally and you've heard the Council and the public talk about wanting. You've broken up the front façade. You've made it look like more than one building in a number of ways. There's some other things you didn't carry out so well, but generally speaking is it by far the best looking building that's come to us in a very long time. I'm struggling to support this because I have real concerns again about the Statement of Overriding Considerations. We're removing an historic building, and I'm not sure that any old building could replace this building and that's enough. I'm worried about precedents. Is that enough to be a Statement of Overriding Considerations or to qualify

for a Statement of Overriding Considerations? I'm struggling with that. I don't know if the applicant would want to offer something else. We'll see where the comments come down if there are any. That's my struggle with this, precedent setting with the statement. We'll vote on the board. That motion passes on a 6-2-1 vote with Vice Mayor Schmid and Council Member Holman voting no, Council Member DuBois abstaining.

MOTION AS AMENDED PASSED: 6-2 Schmid, Holman no, DuBois abstaining

Council Member Wolbach: First I'd like to say thank you to Council Member Burt. I had mentioned the idea of a stop sign or traffic calming a couple of times earlier in the discussion. Nobody picked up on it at all. Thank you for offering your thoughts on that. Directing Staff to install a stop sign is premature, but I wanted to make sure we had a conversation about it. I would like to call for a condition of approval stipulating adoption of the parking alternative.

Council Member Scharff: Second.

MOTION: Council Member Wolbach moved, seconded by Council Member Scharff to:

- A. Adopt a Record of Land Use Action approving the Architectural Review application for a new office building for the property located at 2555 Park Boulevard, with the following amendment:
 - 1. Add a condition of approval Selecting Parking Option Number Two the applicant shall be required to submit a Transportation Demand Management (TDM) plan including the provision of Caltrain Go Passes to all building occupants annually for the life of the building/occupancy.

Council Member Wolbach: As I stated before, this helps alleviate a number of concerns. It improves parking at the site by providing visitor parking. It diminishes the queuing problem; it probably doesn't eliminate it completely, but it improves that. It is certainly part of the direction that we should move, of getting developers and employers to get their employees out of their single occupancy vehicles. I am confident that on an average day of employees coming to that building, given the proximity to Caltrain, that it will more than make or at least compensate for the reduction of ten spaces.

Council Member Scharff: It does two things. It goes with our policy of getting people out of their cars. It reduces the traffic trips in the EIR, which is what we want. It has better guest parking. That will make a much better

flow, and you'll have less problems with people parking in the neighborhoods, because there will be easy and convenient guest parking that people can use. This is the right approach to do this.

Council Member Burt: I agree with the motion. I had two other possible ones. I don't want to add contentious amendments. If they're non-contentious, it would be expeditious. If they are, I'll peel them off separately. The first is a condition of approval that there be an improved sight line from the corner of Grant and Park.

Council Member Scharff: Why don't we peel that off. I might support it.

Mayor Holman: It's Council Member Wolbach's motion.

Council Member Wolbach: I was going to say the same thing. Let's do them all separately.

Council Member Burt: It would be expeditious. If it's not acceptable, that's fine. The other one is consideration of the reduced daylight impact.

Council Member Wolbach: I'll probably support it, but we should do them as separate motions.

Council Member Burt: All right, I'll hold off.

Council Member Filseth: This is a reasonable way to go. There will be a parking impact on the neighborhoods. People in this building will park there. I've heard the argument that it's a long way away, people won't park in the neighborhoods. The experience in the Downtown neighborhood is that people will walk a long way. It is under-parked. The member of the public who spoke to the argument about the six parking spaces and the break room is accurate. It underscores the need to hurry up and get the Parking Permit Program in place, not only in Downtown but in the California Avenue are as well.

Ms. Silver: Just as a clarification. You need to approve the Record of Land Use that incorporates the Architectural Review and the context-based findings which is essentially the rest of the project other than the DEEs. In order to attach this supplemental conditional of approval, you might want to incorporate the main motion which is approval of the Record of Land Use Action.

Council Member Scharff: That's on page what? What is that?

Council Member Wolbach: She's right.

Council Member Scharff: I know she's right. I want to know what page it's on.

Ms. Silver: It's Staff Report page 1.

Mayor Holman: Number 2.

Council Member Wolbach: Let's amend the motion to begin with adopt a Record of Land Use Action for a new office building for the property located at 2555 Park Boulevard.

Mayor Holman: You need to also include "an Architectural Review." All we're eliminating is "and Design Enhancement Exception."

Council Member Wolbach: Would we want the word "application?" It would approving an Architectural Review application for a new office building.

Mayor Holman: You would need to add "with the following amendments." City Attorney, would it be with the following conditions of approval or the following amendments?

Ms. Silver: It should be "with the following amendments". Number 1 should be "add a condition of approval selecting Parking Option Number 2."

Council Member Wolbach: Just as a matter of procedure, is it okay for us to do this and then add a second or third condition of approval in a separate motion following this?

Mayor Holman: Yes. What we have in front of us right now is add a condition of approval selecting Parking Option Number 2. The applicant shall be required to submit a Transportation Demand Management plan including the provision of Caltrain GoPasses to all building occupants annually for the life of the building occupancy. Vote on the board please. That passes on an 8-0-1, Council Member DuBois abstaining.

MOTION PASSED: 8-0 DuBois abstaining

Council Member Burt: I want to make sure that I'm going to frame this in a way that's appropriate. Let me ask Staff. I was thinking that the best way to direct it on the sight line would be to give a direction to assure that there is adequate sight line at the building at the corner of Grant to assure bike and vehicular safety for left turns exiting Grant.

Ms. Silver: Do you want it to be direction to Staff to review that issue and require project modifications?

Council Member Burt: Yeah. Let's go ahead and say "direct Staff to review the sight line exiting Grant with left turns onto Park to assure adequate bike and vehicular safety."

Council Member Scharff: I'll second that.

MOTION: Council Member Burt moved, seconded by Council Member Scharff to add a condition of approval: Direct Staff to review the site line exiting Grant Avenue onto Park Boulevard to ensure adequate bicycle and vehicular safety.

Mayor Holman: This is Number 2. When it gets approved, this is another condition of approval. The motion before us to vote on is direct Staff to review the sight line exiting Grant Avenue onto Park Boulevard to ensure adequate bicycle and vehicular safety. Vote on the board please.

Mr. Lait: I'm sorry, I don't want to extend this more than we need to. I was wondering if, as part of that motion, removing on-street parking spaces on Park ought to be part of that consideration.

Council Member Burt: This is open enough that we're asking Staff to take another look at it and come back with ...

Mr. Lait: If parking spaces were removed, that would not cause ...

Council Member Burt: I'm not saying that's adequate. I don't think any of us can determine that tonight. This motion doesn't rule that out.

Mr. Lait: Thank you. That's what I need to know.

Council Member Burt: It is to address the sight line period.

Mayor Holman: I would hope that would be a last alternative, because it's eliminating parking spaces in an under-parked area.

Council Member Burt: I'm not sure whether you're talking spaces plural if you're talking a sight line. It's at most a full space.

Mayor Holman: That motion passed on a 8-0-1 vote, Council Member DuBois abstaining.

MOTION PASSED: 8-0 DuBois abstaining

Mayor Holman: That's the second condition.

Council Member Burt: Jonathan, I'm not saying that I'm agreeing that that's adequate to address the issue. It's within the realm of possibilities. The second one is around this daylight impact on the single-family home. Cara, what would be the best way to direct that?

Ms. Silver: That would probably be a Staff-level review, but it might require another trip to ARB for that step back. Again, it would be direct a Staff-level or Architectural Review Board review of ...

Council Member Burt: That's what I was trying to figure out. Is it an ARB direction? Is it a Staff direction? If it was a direction to Staff, would Staff have discretion to go to ARB? How would that work?

Mr. Lait: You could write it either way. Another alternative you might consider is that it's to the Director and the Director may consult with a subcommittee of the ARB or the full Board at the Director's discretion. There's broad latitude in how you want to address that.

Council Member Wolbach: I'll second that.

MOTION: Council Member Burt moved, seconded by Council Member Wolbach to add a condition of approval: Direct Staff to Review the daylight impact on the single family home adjacent to 2555 Park Boulevard with the Planning and Community Environment Director, who will have discretion to consult with a subcommittee of the Architectural Review Board or the Architectural Review Board for review.

Mayor Holman: I have a question. Because this impacts specific neighbors, if its Staff-level or if it's an ARB subcommittee, how do those neighbors know what the determination is and what the change is and how it might affect them? Do they only learn that with the project approval? We're approving it with these conditions. What's the public process for neighbors to know what's happening?

Mr. Lait: If it's a Staff-level or subcommittee, there's no noticing as part of that effort. If it goes to the Board, it would require notification.

Mayor Holman: If it goes to the Board, it would require notification. Does an ARB subcommittee or Staff-level?

Mr. Lait: No. We would post it on the agenda. It wouldn't be noticed to the neighbors per se, but it would be on the agenda.

Mayor Holman: Council Member Burt, are you satisfied with that being public enough?

Council Member Burt: I'm trying to think what the alternative is.

Council Member Wolbach: Perhaps we should amend it to say direct Staff to review the daylight impact on the single-family home adjacent to 2555 Park Boulevard with the Planning Director to have discretion to consult with a subcommittee of the Architectural Review Board or the entire ARB.

Mayor Holman: That doesn't get us there.

Council Member Burt: That doesn't address the concern that the Mayor raised.

Council Member Scharff: You could have a Director hearing on that issue, at which point they could have that issue. My only concern is I don't want to see this project again on that issue and have an appeal on it. That's the risk we run.

Council Member Burt: Let me ask Staff on that. If we include a Director's hearing, is that too little or too much?

Ms. Silver: It's appealable to the Council in that case.

Council Member Burt: I'd like to ... That's appealable too. I'd like to go with the wording that's here.

Mayor Holman: The motion in front of us is to direct Staff to review the daylight impact on the single-family home adjacent to 2555 Park Boulevard with the Planning Director to have discretion to consult with a subcommittee of the Architectural Review Board or the Architectural Review Board. Vote on the board please. That passes on an 8-0-1 vote with Council Member DuBois abstaining.

MOTION PASSED: 8-0 DuBois abstaining

Council Member Wolbach: If we would like Staff to look at traffic calming on Park beyond the sight plane, what's the best way to do that? Either tonight or in the future.

Ms. Silver: In connection with this project or on Park overall?

Council Member Wolbach: Whether tonight or in the future, what's the best way to offer that direction that's appropriate to our process?

Mr. Lait: I would offer in the future, in consideration of the department's work program and the different endeavors that we have underway. We might be able to accomplish the task, a multitude of tasks.

Council Member Wolbach: Fair enough. I've made my preferences clear.

Mayor Holman: I have one potential amendment. I look to Staff to see about this. The question was raised about the break rooms being exempt from parking, but there's nothing in the conditions of approval that require them to stay in the use of a break room. Is there any issue you can anticipate in the future about requiring them to stay in—is there better language than break room?

Mr. Lait: That it shall stay as amenity space. We reference it in the Code as amenity space. We've included break room to be a part of that amenity space.

Mayor Holman: My amendment would be to require the two break rooms to be conditioned in the conditions of approval to stay as amenity space for the life of the project. I need a second for that please.

Council Member Burt: I will second that.

Mayor Holman: Council Member Burt seconded.

MOTION: Mayor Holman moved, seconded by Council Member Burt to add a condition of approval: Require the two break rooms combined square footage to remain as amenity space for the life of the project.

Ms. Silver: The applicant has requested that this be reworded to require the break room square footage remain in place, given that there may be a change in tenancy.

Mayor Holman: To require that the two break rooms' combined square footage remain as amenity space for the life of the project. Is that clear? Okay. Vote on the board please. That also passes on an 8-0-1 vote, Council Member DuBois abstaining.

MOTION PASSED: 8-0 DuBois abstaining

9. Discussion and Direction to Staff Regarding Establishment of an Office/R&D Annual Growth Limit Applicable to Downtown, the California Avenue Area, and the El Camino Corridor on an Interim Basis.

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Council Member Burt: I have a report out of the Caltrain Local Policymaker Group. In lieu of taking time tonight, I've asked Staff to distribute the presentation to the Council. If there are follow-ups subsequently, we can discuss that.

Council Member Kniss: If any of you ever want any of the extensive Air Board reports that deal with wood smoke among other things including tar sands and so forth, I'd be delighted to chat with you.

<u>Adjournment</u>: The meeting was adjourned in memory of Palo Alto City employee Ewing Bettles at 12:25 P.M.