

Special Meeting  
July 11, 2011

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:05 p.m.

Present: Burt, Espinosa, Holman, Klein, Scharff, Schmid, Shepherd, Yeh arrived @ 6:37 P.M.

Utilities Advisory Commission Members: Eglash, Keller, Berry, Foster, Melton, Waldfogel

Absent: Price

Utilities Advisory Commission Member Cook

#### STUDY SESSION

1. Joint Meeting With the Utilities Advisory Commission (UAC) Regarding Policy Issues Coming Before the UAC and City Council in Fiscal Year 2012 and Other Potential Issues for UAC Review.

Council Members expressed their interest in the Utilities Advisory Commission's (UAC's) work plan for Fiscal Year (FY) 2012. In addition to the work already identified, several Council Members stated they would like the UAC to review the possibility of developing a carbon neutral goal for the electric utility. Several also indicated strong support for a second transmission interconnection to Palo Alto as a high priority work item for the UAC. The Council discussed some of the items not planned at this time for UAC review including mandating energy and water efficiency upgrades upon sale of a building.

2. Study Session for Update of the Palo Alto Rail Corridor Study.

The consultant, BMS Design Group, presented an introduction and update of the Rail Corridor Study. The Rail Corridor Study was initiated by the City Council in 2010 to evaluate land use, transportation and urban design

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elements of the rail corridor, particularly in response to the potential improvements to fixed rail services along the Caltrain tracks. The Rail Corridor Study was a three phase project: Phase 1- Context and Vision, Phase 2 – Alternatives and Evaluation, and Phase 3 – Plan Preparation. Following eight Rail Corridor Task Force meetings, the first community workshop held on May 19th, and input from the Planning and Transportation Commission June 8<sup>th</sup> hearing, work was beginning to form the vision for the study as the project transitions to Phase 2. Several common themes have been identified through the process, including the importance of protecting existing single family neighborhoods, improving connectivity and improving pedestrian and bicycle circulation. Further discussion will be necessary to determine the implications of the rail alternatives, appropriate land use mix and circulation improvements. Specific attention will also be focused on evaluating additional outreach methods to encourage more public involvement. The Council discussed the importance of connectivity and pedestrian connectivity specifically. The study should acknowledge the importance of the Pedestrian Transit Oriented Development (PTOD) zoning district's role in the corridor. The Council also agreed that the Bus Rapid Transit project, as well as the Caltrain and High Speed Rail projects, should be included in the analysis of the context. The Council emphasized it was important to connect this Study to the City's other efforts, especially the Comprehensive Plan update and its components, such as the Housing Element and California Avenue Concept Plan. The Council affirmed that it was important to increase outreach to get better public involvement. Two members of the Task Force and three members of the public spoke at the hearing.

3. Community Partners Non-Profit Presentation: Friends of the Palo Alto Library.

James Schmidt, President of the Friends of the Palo Alto Library (FOPAL), said the organization began in 1938 and was one of the first Friend's groups in California. FOPAL held monthly book sales and had become one of the most successful sales in the State. The sales were held at the Cubberley Community Center and the Mitchell Park Library and had an inventory of approximately 50,000 books. Over 100 volunteers organized the sales, inventoried the books, and found new homes or donated books to other non-profit organizations. FOPAL had contributed over \$2 million to the Palo Alto library system in the past 10 years. The organization's future goal was to supplement but not substitute or replace City funding for the library. FOPAL helped enriched the library's services by adding books, electronic media, and other services that otherwise would not be available to the patrons.

Pat Worthington said the Children's Bookroom was located at the Cubberley site. She said hundreds of toys and books were donated to the library annually, and volunteers inventoried and categorized the items. The Bookroom sold approximately 6,000 books each month and a few thousand or more were sold or given away in the bargain room.

Council Member Shepherd spoke of the library's portable module's vibrant setting in providing its service. She said the Friends' had an aggressive plan for furnishings and equipment for the reopening of the libraries. FOPAL's contribution to the Link Plus Program allowed community members to navigate hundreds of libraries to gain access to information too difficult or expensive to get.

Mayor Espinosa spoke on behalf of the City and thanked the Friends of the Palo Alto Library for the informative presentation, their partnership, and hard work.

PaloAltoFreePress.com spoke of the library's technology becoming obsolete and replaced with electronic technology such as E-books to obtain information.

#### CITY MANAGER COMMENTS

City Manager, James Keene, announced Palo Alto remained in the top 10 list of the Solar Electric Power Association's (SEPA) 4<sup>th</sup> annual nationwide review of solar electric systems installation. The Twilight Concert Series kicked off their concert series on July 2, 2011 at Rinconada Park. The reopening of the Downtown Library and the Art Center was scheduled to reopen on July 16, 2011.

#### ORAL COMMUNICATIONS

John Brooke Hulgrem spoke regarding Palo Alto's accomplishments and recited a message from Dr. Martin Luther King, Jr. regarding social progress.

Marilu Lopez-Serrano spoke in support of Stephanie Stakes retaining her position as Community Outreach Specialist with the Ravenswood Pre-school Child Development Center.

Mark Petersen-Perez advised the Council that he would be addressing false allegations brought against him by the Palo Alto Police Department's (PAPD) in the upcoming City Council meetings.

Rita Morgin spoke regarding the Main Library's construction and the paving of the Community Gardens. She said 13 annex gardens and four parking spaces would be lost by putting in a driveway. She asked the Council to not approve Group 4's contract.

Mary Holzer spoke regarding the proposed construction at the Main Library and community garden. She said the connecting road for cars between the parking lots would have an adverse affect on the community garden.

#### CONSENT CALENDAR

Mayor Espinosa noted the Staff had requested that Agenda Item No. 6 be pulled and heard in September.

Council Member Shepherd asked for a response to 3 questions she had submitted regarding Agenda Item No. 5.

Deputy City Manager, Steve Emslie said Staff was prepared to answer the questions. Community Services Recreation Manager Robert De Geus would respond to the Magical Bridge question, City Manager James Keene to the Fire Study questions, and he would respond to the Project Safety Net and Stanford questions.

**MOTION:** Council Member Shepherd moved, seconded by Council Member Burt to pull Agenda Item No. 5 to become Agenda Item No. 8a.

Mayor Espinosa said members of the public would now speak to Agenda Item No. 7.

Andrew Vought spoke against the expansion of the Newell Bridge from 18-foot wide by 44-feet long to 46-feet wide by 75-feet long. He said construction of the bridge would threaten the creek bed and cutting the trees would damage Palo Alto's tree canopy and permanently destroy habitat of the long existing wild life in the area. Scaling the project back to normal size would minimize environmental damage.

Vanessa Belland spoke against the expansion of the Newell Bridge. She said widening the bridge would promote more traffic and change the scope of the neighborhood. She suggested making the bridge pedestrian-friendly with emergency vehicle access only.

Jeff Reese spoke against the expansion of the Newell Bridge. He said he traveled the bridge almost daily since 1984 and not had a traffic incident, but noted that people used excessive speed on the bridge and side-swiped

parked cars near the bridge. Expanding the bridge would increase traffic, cause harmful impacts to the neighborhood and devalue the properties.

Elsbeth Farmer said she was in favor of replacing the bridge to address seismic and flooding issues. She said people often ran the stop sign and asked that traffic calming be added to the project specifically at the intersection before the bridge and both sides of the bridge. Widening the bridge would increase the traffic on the bridge.

**MOTION:** Council Member Holman moved, seconded by Council Member Klein to pull Agenda Item No. 7 to become Agenda Item No. 8b.

**MOTION:** Vice Mayor Yeh moved, seconded by Council Member Shepherd to approve Agenda Item Nos. 4, 8.

4. Approval of a Gas Enterprise Fund Contract with Hydromax USA, LLC in the Total Amount of \$3,523,950 for Professional Services for the Cross-bore Investigation by CCTVing Sanitary Sewer Laterals and Adoption of Resolution 9184 entitled "Resolution of the Council of the City of Palo Alto Approving an Amendment to Utilities Rule and Regulation 23 (B and C) Pertaining to Special Wastewater Utility Regulations."
- ~~5. City Council Strategic Priorities Quarterly Report for the Period Ending June 30, 2011.~~
- ~~6. Approval of a Renewed Public/Private Partnership Agreement with West Bay Opera for the Cooperative use of the Lucie Stern Community Theatre.~~
- ~~7. Adoption of a 1) Budget Amendment Ordinance—Creating a New General Fund Capital Improvement Program Project for Replacement of the Newell Road Bridge over San Francisquito Creek; Adoption of Resolution Authorizing the City Manager to Execute a Program Supplement with the California Department of Transportation to Receive Highway Bridge Program Grant Funds for the Replacement of the Newell Road Bridge over San Francisquito Creek; Acceptance of Local Matching Funds in Approximate Amount of \$42,000 from the Francisquito Creek Joint Powers Authority for the Replacement of the Newell Road Bridge over San Francisquito Creek; and Approval of the Scope of Work for Engineering Design/Environmental Planning Consultant for Newell Road Bridge Replacement Project.~~

8. Approval of Amendment No. 4 to Service Order S07121018 with Invers Mobility Systems for the Purchase of an Automated Pool Vehicle Reservation/Key Manager System in the Amount of \$86,665.

**MOTION PASSED for Agenda Item Nos. 4 and 8:** 8-0 Price absent

AGENDA CHANGES, ADDITIONS, AND DELETIONS

- 8a. (Former No. 5.) City Council Strategic Priorities Quarterly Report for the Period Ending June 30, 2011.

Council Member Shepherd said the City allocated \$300,000 towards the Magical Bridge project and \$100,000 was raised through fundraisers. She said the project needed an additional \$1 million and asked how the Council could help make the project be a win-win situation.

Community Services Recreation Manager, Robert De Geus, said Staff would be generating a Letter of Intent to partner with the Friends of the Magical Bridge and would include the responsibilities between the City and the Friends. The project was being promoted through fundraisers, options for grants and through newspaper ads.

Council Member Shepherd said one of the Council's goals was to monitor the project. She wanted to make sure it got off to a good start.

Council Member Burt recommended the project be forwarded to the Policy and Services Committee (P&S) for an in-depth review. He felt monitoring the project should not be a Council goal since Staff had indicated they were still in the process of identifying the responsibilities for the project. He confirmed the project was the Magical Bridge Playground and not the Magical Street Bridge.

Mr. De Geus said that was correct.

Council Member Shepherd spoke regarding the Fire Department's Study and said there was angst in the Open Space District community and had concerns regarding the possible closure of Fire Station 8. She asked if Staff had given the community any information regarding the evaluation study and a method on how the community could weigh in with their concerns.

City Manager, James Keene, said no information had been provided at this point. He felt it would be best to confirm recommendations and options prior to moving forward with community outreach.

Council Member Shepherd asked Staff to provide the community with an update of the process.

Mr. Keene said Staff would do that.

Council Member Shepherd spoke regarding Project Safety Net and asked if the Development Agreement (DA) with Stanford had been signed.

Mr. Keene said a Second Reading of the Ordinance was on this evening's Agenda. A tentative session was scheduled for July 25<sup>th</sup> to discuss with the Council the community benefits portion of the Agreement.

Council Member Shepherd asked what the status was in filling a Staff member position by January 2012 and moving the funds to the Project Safety Net project.

Mr. Emslie said \$4 million was part of the Stanford University Medical Center Community Benefits package. The Council had designated \$2 million towards the Project Safety Net program. Staff had started the process of creating the job description for the Staff member's position. Additionally, on July 25, Staff would be coming forward to recommend the Council appoint two Council Members to the Joint Stanford/City Committee for Community Health and Safety Programs and provide Staff direction regarding the recommended process for expending the community benefit funds.

Council Member Shepherd asked if the Staff member would be onboard by January 2012.

Mr. Emslie said he thought that was doable.

Council Member Burt clarified the Joint Committee Mr. Emslie was referring to would not oversee the \$2 million designated to Project Safety Net. He spoke of a matrix that related to the Council priorities that was produced during the Policy & Services Committee meetings and asked why it was not included in the Staff Report. The multi-dimensional matrix cross-referenced goal impacts, and how one goal could impact more than one of the priorities which included civic participation goals. He spoke of the importance of the matrix and the concept to permeate City initiatives not included in the list of priorities. It was a mechanism Staff could use to see if initiatives were being fulfilled. He asked City Manager Keene to comment on his concerns.

Mr. Keene said the reports were quarterly and felt that a recommendation to bring the item back to Policy & Services Committee for further discussions would be a good idea. Continued discussions between quarterly reports

would allow opportunities to enhance the report. He said Council's priorities were carried-over from the previous year and through that process the Council identified the progress on the initiatives. Tracking and reporting on the initiatives was an evolving process in accountability and transparency with the Council and the public. He concurred with Council Member Burt that it was a way to see how initiatives were progressing.

**MOTION:** Council Member Burt moved, seconded by Council Member Klein to return the City Council Strategic Priorities Quarterly Report for the Period Ending June 30, 2011 to the Policy & Services Committee.

Council Member Burt expressed the importance of the multi-dimensional matrix that should have been included in the report.

Council Member Scharff asked what matrix Council Member Burt was referring to.

Council Member Burt said it was a matrix that was produced when the Strategic Priorities Report went to the Policy & Services Committee this past spring. The matrix listed all priorities for each goal. Each goal was cross-referenced to show a multi-dimensional view on how one goal could impact other priorities along with a portion that showed civic participation.

Council Member Schmid spoke of the Economic Development Strategic Plan and asked if the item would be discussed by the Council as a whole.

Mr. Keene said it would come back to the Council after Policy & Services Committee discussions.

Vice Mayor Yeh thanked Staff for their work on the report and asked if discussions would be incorporated into the See-It site or was Staff moving away from that process. He supported the Motion.

Council Member Shepherd needed clarification of what was being sent back to the Policy & Services Committee.

Council Member Burt said the Second Quarterly Report was being forwarded to feed into the First Quarterly Report.

Council Member Shepherd asked if the Second Quarterly Report was going to be realigned with the matrix.

Council Member Burt said it was realignment along with any comments the Council had on the listed goals.



Council Member Shepherd felt the report could have been moved forward into the third quarter. She supported the Motion.

Mr. Keene clarified the report was going back to the P&S Committee to review structure, format, verbiage, and how the report could be used in documents. Staff would continue to follow the identified timelines in the report.

Council Member Shepherd commended and thanked the Policy & Services Committee for their hard work on the matrix. She looked forward to seeing the Council Priorities and matrix combined into the report. She said the See-It site was outdated and would require a massive amount of Staff's time to update and maintain.

Council Member Klein commented that the Quarterly Report was being sent back to the Policy & Services Committee but not the matrix.

Council Member Burt said the Motion was to refer the report to P&S Committee for review and to ensure the matrix was included in the report.

Council Member Scharff said he concurred with Council Member Shepherd's comment regarding the See-It site. He suggested dropping the site.

Mr. Keene said the site had not been updated because the vendor for the See-It site was out-of-business and the inability to get Staff support to do the updates. He said he would look into dropping the site.

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

8b. (Former No. 7) Adoption of a: 1) Budget Amendment Ordinance 5122 Creating a New General Fund Capital Improvement Program Project for Replacement of the Newell Road Bridge over San Francisquito Creek; 2) Resolution 9185 Authorizing the City Manager to Execute a Program Supplement with the California Department of Transportation to Receive Highway Bridge Program Grant Funds for the Replacement of the Newell Road Bridge over San Francisquito Creek; 3) Acceptance of Local Matching Funds in Approximate Amount of \$42,000 from the Francisquito Creek Joint Powers Authority for the Replacement of the Newell Road Bridge over San Francisquito Creek; and 4) Approval of the Scope of Work for Engineering Design/Environmental Planning Consultant for Newell Road Bridge Replacement Project.

Council Member Holman asked if the document prepared by Mr. Teresi was sent to all the Council Members.

Public Works Senior Engineer, Joe Teresi, confirmed that he had sent the "frequently asked question" document to all the Council Members.

Council Member Holman said the Staff Report indicated the City would need to return grant funds to the Highway Bridge Program (HBP) if the proposed bridge replacement was not constructed within ten years. She raised concerns regarding the width measurement of the bridge stated in the Staff Report.

Mr. Teresi said the measures in the Staff Report were placeholders since the bridge design had not yet been done. The grant application required a cost estimate of the project and needed to be based on square footage. The 46-foot width was used to get the maximum square footage for the project and to allow for any design adjustments and the environmental assessment process.

Council Member Holman asked if there was a minimum width that would satisfy the criteria to qualify for the grant.

Mr. Teresi said he could not give an exact minimum width at this time. The existing lanes on Newell Road were 11-feet wide and could not be narrower than 10-feet. Bicycle lanes were 5-feet on one side and 9-feet on the other to accommodate parking. Parking allowance could be eliminated since parking was not permitted on the bridge. Walk-ways were not required on both sides of the bridge and a single walk-way would suffice.

Council Member Holman suggested conducting a preliminary evaluation on the measurements prior to applying for the grant.

Acting Assistant Director of Public Works, Phil Bobel, said the City was faced with an opportunity to apply for federal funds to solve two problems. 1) to replace a bridge to withstand the 100-year storm, and 2) to address Caltans traffic issues outlined in the Staff Report. The application period was short and there was not enough time to do an evaluation. The goal was to use a design process to satisfy the multi-objective problems and to have a bridge with the correct width.

Council Member Holman asked what the cost would be to do an evaluation.

Mr. Bobel said it was more of a timing issue at this point. Staying on track in trying to get the grant did not allow the time to get a consultant on board to make that determination.

Council Member Holman said she appreciated Staff wanting to take advantage of the opportunity but did not want to create a hardship.

Council Member Klein said perhaps Council Member Holman's concerns could be answered with a different approach. He asked if the design was for planning purposes.

Mr. Bobel said yes.

Council Member Klein said the process was for Staff to return with a design to be reviewed by the Planning and Transportation Commission (P&TC) and the Architectural Review Board (ARB). Staff may be asked by the Council to make changes to the plan. He asked if it was a fair statement to say that if Staff was asked to determine the minimum size, what Staff was really being asked to do was to plan for the planning.

Mr. Bobel said that was a fair statement.

Council Member Klein asked if the following guidelines would help with the plans: a) must fit into flood control program, b) must not increase traffic in the neighborhood, and c) must not increase traffic on cut-through streets in the area and d) must be traffic neutral in the neighborhood. He asked if that would be workable.

Mr. Bobel said the guidelines would be helpful during the design process. He said there could be other standards that may come into play and could not be violated in accepting federal funds and Staff would be hesitant to stipulate the absolute minimum.

**MOTION:** Council Member Klein moved, seconded by Council Member Shepherd to; 1) Adopt the Budget Amendment Ordinance Creating a New General Fund Capital Improvement Program Project for Replacement of the Newell Road Bridge over San Francisquito Creek; 2) Adopt the Resolution Authorizing the City Manager to Execute a Program Supplement with the California Department of Transportation to Receive Highway Bridge Program Grant Funds for the Replacement of the Newell Road Bridge over San Francisquito Creek; 3) Accept the Local Matching Funds in Approximate Amount of \$42,000 from the Francisquito Creek Joint Powers Authority for the Replacement of the Newell Road Bridge over San Francisquito Creek; and 4) Approve the Scope of Work for Engineering Design/Environmental

Planning Consultant for Newell Road Bridge Replacement Project to move forward with the grant, take into account the flood control program, and be traffic neutral.

Council Member Shepherd said the project would be a long process but would relieve the community's angst in replacing the bridge to address flooding issues.

Council Member Scharff said Mr. Teresi's letter noted agreement issues between Caltrans and the cities. He needed clarification on how the process worked between the Cities of East Palo Alto (EPA) and Palo Alto. He supported the Motion.

Mr. Bobel said it would be no different from other multi-jurisdictional issues that come about and Staff would try to resolve those issues. The project would cease to move forward if issues could not be resolved.

Council Member Scharff asked what would happen if the project ceased to move forward.

Mr. Teresi said one of the stipulations was that the funds would need to be returned if the structure was not completed in 10 years.

Council Member Holman asked if environmental sensitivity would be taken into consideration when looking for an engineering firm, given the creek was a natural creek and in a neighborhood setting.

Mr. Bobel said that was a good suggestion and would be taken into consideration for an eco-friendly design and consistent with the local environment.

Herb Borock said the project was subject to the California Environment Quality Act (CEQA). Issues such as Council Member Holman's concerns would be taken into account in an Environmental Impact Review (EIR). He said an EIR should be considered prior to approval of the full project.

Carlos Romero, East Palo Alto Mayor, said East Palo Alto and Palo Alto were inextricably linked as far as traffic moving in and out of University Avenue. East Palo Alto was a member of the San Francisquito Creek Joint Powers Authority (JPA) and viewed the bridge as a project that would address the regional flooding issues with a design to satisfy all aspects such as traffic, pedestrians, eco-friendliness, safety and seamless travel between communities. The project was an opportunity to parlay government funds into a bridge that would deal with flooding issues. He said the City of East

Palo Alto was in favor of moving forward and working with Palo Alto and engineers in constructing the bridge. He urged the Council to approve the item.

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

#### ACTION ITEMS

Council Member Holman said there were three items remaining on the agenda. Discussion on Agenda Item No. 9 would be lengthy.

City Manager, James Keene, said Staff was in agreement with Council Member Holman's prioritization of the remaining items.

**MOTION:** Mayor Espinosa moved, seconded by Council Member Scharff to pull Agenda Item No. 9 to become Agenda Item No. 11a.

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

- ~~9. Update of SB 375/Initial Vision Scenario (IVS) for a Sustainable Communities Strategy (SCS) and Direction on City's Preliminary Response to Regional Agencies, and Update of Regional Housing Needs Assessment (RHNA) Process.~~
10. Resolution 9186 entitled "Resolution of the Council of the City of Palo Alto Approving the Reorganization of an Approximately .65 Acre Territory Designated "Major Institution/University Lands" Located in the County of Santa Clara", and Second Reading for the Adoption of Two Ordinances: (1) Ordinance 5123 Amendment of Title 18 of the PAMC to add a new Chapter 18.36 (Hospital District), adding Section 8.10.95 (Tree Removal in HD Zone) to Chapter 8.10 (Tree Preservation and Management Regulations) of Title 8 (Trees and Vegetation) and amending Section 16.20.160(a)(1) (Special Purpose Signs) of Chapter 16.20 (Signs) of Title 16 (Building Regulations) and amending Section 18.08.010 (Designation of General Districts) and Section 18.08.040 to Chapter 18.08 (Designation and Establishment of Districts) and (2) Ordinance 5124 Approval of a Development Agreement Between the City of Palo Alto and Stanford Hospital and Clinics; Lucile Salter Packard Children's Hospital at Stanford; and the Board of Trustees of the Leland Stanford Junior University.

Council Member Klein advised he would not be participating in Agenda Item No. 10 due to his wife was a faculty member at Stanford University.

City Manager, James Keene, said the item was presented in June for a Second Reading and Action was deferred by the Council due to a relocation issue of the Arboretum Childcare Center.

Deputy City Manager, Steve Emslie, referred the Council to Attachment E of the Staff Report, regarding a letter dated July 7, 2011 that outlined the steps that Stanford University took in dealing with the transition of the Arboretum Childcare Center to a temporary location. He said a Construction Improvement Mitigation Plan (CIMP) at the Stanford University Medical Center (SUMC) was required in the Conditions of Approval. Staff would insure there was consistency between SUMC and issues in the letter presented to the Council. The Childcare Center would be subjected to the City's building inspections since the Center was being relocated in Palo Alto. There would be a final inspection and a Certificate of Occupancy prior to returning the Childcare Center back to its location post construction of the Hoover Pavilion Historic Restoration and the parking structure.

Jeff Shrager said he was speaking on behalf of the Parents of Stanford Arboretum Children's Center Board and thanked the Stanford University, the hospitals, and the Lucille Packer Children's Hospital for their commitment in relocating the Childcare Center and Palo Alto's Staff and Committees who were involved in relocating the facility. He raised concerns regarding the CIMP on mercury and lead paint issues of the project and asbestos issues in neighboring buildings of the Children Center. He said he would be monitoring the issues in moving forward into the facility.

**MOTION:** Vice Mayor Yeh moved, seconded by Council Member Scharff to: 1) Adopt the Resolution Approving the Reorganization of an Approximately .65 Acre Territory Designated "Major Institution/University Lands" Located in the County of Santa Clara and Second Reading for the Adoption of Two Ordinances: (1) Amendment of Title 18 of the PAMC to add a new Chapter 18.36 (Hospital District), adding Section 8.10.95 (Tree Removal in HD Zone) to Chapter 8.10 (Tree Preservation and Management Regulations) of Title 8 (Trees and Vegetation) and amending Section 16.20.160(a)(1) (Special Purpose Signs) of Chapter 16.20 (Signs) of Title 16 (Building Regulations) and amending Section 18.08.010 (Designation of General Districts) and Section 18.08.040 to Chapter 18.08 (Designation and Establishment of Districts), and 2) Approval of a Development Agreement Between the City of Palo Alto and Stanford Hospital and Clinics; Lucile Salter Packard Children's Hospital at Stanford; and the Board of Trustees of the Leland Stanford Junior University.

Vice Mayor Yeh expressed his appreciation to parents who were active in discussions with Stanford University, the hospitals and clinics and acknowledged Stanford's work in addressing the parents' major concerns.

Council Member Scharff thanked City Staff and Stanford for working together. The process was long and he was pleased the item had finally come to the Second Reading and approval of the project.

Council Member Holman needed clarification regarding a three-page, unsigned document included in Attachment E.

Mr. Emslie said the attachment explained the details of the construction modification to the schedule and the measures in dealing with the parents' concerns. It was intended to bear the full force of the letter that was signed by the University's Chief Executive Officers (CEO).

Council Member Holman asked to make an Amendment to the Motion to add clarity that the mitigations and conditions in the Stanford documents be included in the CIMP referred to by Mr. Emslie.

Mayor Espinosa needed clarification regarding Council Member Holman's request for an Amendment.

Mr. Emslie said some were operational issues between Stanford and parents and should not be included in the CIMP.

**AMENDMENT:** Council Member Holman moved, seconded by Council Member Schmid to include in the Construction Improvement Mitigation Plan (CIMP) the applicable construction mitigations listed in Attachment E of the Staff Report.

Council Member Holman said the reason for the Amendment was to provide clarity that mitigations would happen and the means and way in which they would be enforced.

Council Member Schmid said he supported the Amendment to make it easier for Staff to transfer the language.

Council Member Burt needed a clear understanding if Staff perceived impacts to the Amendment would be problematic to the City or Stanford.

Mr. Emslie said as long as the Amendment included the understanding that some items are not the City's authority terms of construction staging and

scheduling. Anything that relates to city concerns such as truck routes and hours of operation are typically within the CIMP.

Bill Phillips, Stanford University School of Medicine and Hospitals Representative, clarified the items set forth by the CEO's and Provost to the Childcare Center was considered as an employer-employee relations document regarding the hours of operation and truck routes. He felt the intent of Council Member Holman's Amendment was to push forth into the City document the potential items in the attachment, as opposed to the employer-employee relations document. He was not in favor of the Amendment.

Barbara Smith, Stanford University Attorney, clarified the Agenda item before the Council was not an opportunity to impose new conditions. Stanford representatives were present for the Second Reading of the Zoning Ordinance and the Development Agreement Ordinance, and the Action on annexation. The CIMP was to implement conditions that already have been imposed. Stanford Hospitals would work with City Staff to prepare the document and implement the existing Conditions of Approval. This was not the opportunity to impose new conditions to the project.

Council Member Holman stated the intent of the Amendment was to give clear guidance to Staff to include Attachment E mitigations in the Conditions of Approval.

Council Member Shepherd said it was her understanding that work identified in the Second Reading could not be altered. She did not support the Amendment.

Council Member Scharff said he was in agreement with Stanford's Counsel. He did not support the Amendment.

Council Member Schmid asked if the Palo Alto City Attorney had a comment.

Senior Assistant City Attorney, Cara Silver, said it was important to distinguish the importance between the Conditions of Approval that were approved by the Council on the June 6<sup>th</sup> and the administrative document referred to as the Construction Improvement Mitigation Plan (CIMP). The administrative document was a plan submittal by the applicant once the permits were granted and approved at the Staff level. It would be appropriate for the Council to give direction on big picture items that should be included in the CIMP but detailed issues would not be brought to the Council.



Council Member Holman clarified the Amendment did not provide any more guidance to Staff.

Ms. Silver said that was correct because it would be done at the Staff level.

### **AMENDMENT WITHDRAWN BY MAKER**

**MOTION PASSED:** 7-0 Klein not participating, Price absent

11. Council Consideration of Draft Letter of Interest to Foothill De Anza Community College Including Options to Sell or Long Term Lease and a Request to Palo Alto Unified School District (PAUDS) Support and Possible Collaboration of Partnerships With Foothill College.

City Manager, James Keene, provided a brief presentation as outlined in Staff Report ID#1907.

Ken Horowitz said he was in favor of sending the Letter of Interest to the College. He said having a Community College in South Palo Alto would be a good opportunity.

Nancy Krop said middle and high school enrollments were already impacted and expressed the need to retain the 35 acres for future secondary school facilities. She was not in favor of sending the Letter of Interest.

Makala Presti expressed the need for expansion of secondary schools in Palo Alto and urged the Council to not give away with the Cubberley site. She was not in favor of sending the Letter of Interest.

Herb Borock said the School District would like the City to hold the 8 acres for their future needs and for the City to continue funding its operations. He raised concerns regarding Foothill's parking needs and advised Staff to look at the City's zoning codes on parking.

Bob Moss said the School District was an important organization in the community and the Cubberley site should not be offered for sale. A long-term lease would preempt School District use and Foothill would not be interested in a short-term lease. He said Onizuka Air Force Base was on Federal land and was offering free land. He was not in favor of sending the Letter of Interest.

Diane Reklis said the Foothill-DeAnza Community College District had served Palo Alto well for several years. Many would be inconvenienced if this item was mishandled forcing Foothill to withdraw all of all of its programs. The

School District would need a middle school in five years and a high school in ten years. She was not in favor of sending the Letter of Interest.

Former Mayor Mike Cobb said the School District needed the land for secondary school expansion within the next five to ten years and advised not to sell the site. The site did not have enough land to support parking for the College and the neighborhood would feel the brunt in dealing with parking overflow. It was inconceivable the Cubberley site could serve both schools, the College, and public services at the same time. The least-liked combination to function was the College and the School District. The mixture of middle school and a junior college transient population would be a toxic mixture for students. He advised the City and the Palo Alto Unified School District (PAUSD) to do some visionary planning for future generation. Selling a needed and irreplaceable public asset was the wrong way to deal with financial issues. He advised not to sell the site.

Penny Ellson said the School District did not see the partnership working for them. PAUSD would need Cubberley for a school site and needed to find a funding solution for maintaining the site. There was a need for a long-term fiscal plan to preserve or create community space to provide homes for the arts, childcare, and other community programs that were important to the fabric of the community. She urged the Council to not sell the site.

Claire Kirer presented a petition that contained 342 in-person signatures and over 500 on-line signatures from the community to not sell or lease the Cubberley Community Center site. The School District would need all 35 acres for future middle and high school growths.

Former Mayor Lanie Wheeler said it was clear that the School District would need the entire Cubberley site for a secondary school projected enrollment. She asked the Council not to sell or lease the Cubberley site to Foothill. Cubberley was the last site remaining in the community suitable for reuse as a secondary school. She urged the Council and the School District to immediately initiate an open dialogue. Adding members from the public or from the existing Cubberley Advisory Committee in a form of a Task Force would be a benefit to both parties.

Evan Lurie said the Cubberley site was a public asset being used for disparate kinds of needs that were heartfelt in the community. This facility needed a vision and determination from the Council, School District, and the community to find a solution that would work for all. Leasing was not a viable option.

John Huffgren raised concerns regarding asbestos issues in the Cubberley site buildings that needed to be addressed and removed.

Carolyn Tucher spoke of the agreement signed in 1989 that benefited the community. The work of Council Member Klein, who was Mayor at the time, and Former Mayor Cobb and the School Board's work made the agreement a win-win situation. It was the community's commitment and generosity to public education. The voters had passed the Utility's User Tax (UUT) in order to finance the entire project. She felt this could be done again. Finding land for public education was a responsibility for the future of the children in the community.

Elizabeth Alexis said not all community services offered at Cubberley were advertised and needed to be addressed in the Comprehensive Plan.

**MOTION:** Vice Mayor Yeh moved, seconded by Council Member Shepherd to: 1) Direct the City Manager to return to the City Council by October 3, 2011, with a process, defined with PAUSD, that addresses each others interests in the Cubberley site and adjacent properties, 2) Include the costs for this process will be shared by both entities, 3) Include the issues to include at a minimum will address when and how PAUSD will reopen Cubberley as an active school, 4) Options for a portion of the City owned 8 acres to be committed to community services, 5) Cubberley Lease and Covenant option for 2013/14 to include an exploration of the feasibility of redirecting Cubberley Lease Covenant payments to a dedicated fund for community services, 6) Direct Staff to explore community use of the Cubberley playing fields when not used by PAUSD, and 7) Include the implications that all this will have on the Cubberley Lease and Covenant Option.

Vice Mayor Yeh said the intent of the Motion was to create a formal process with the School District. He expressed the need to begin discussions immediately since the covenant expired in 2014 and required a 12-month notice to change which was due in December 2013.

Council Member Shepherd said a Colleagues Memo was brought forward to the City-School Liaison Committee in February 2011 for the purpose of identifying seven different areas for discussions. The first two were the public facility inventory and sites for possible community and school use, and the third was Cubberley which included the concept of a K-12, a Community College, life-long learners, in addition to community programs and classes. The Council's intent was to have a smooth conversation going forward so they took the approach of drafting a Letter of Interest to Foothill-DeAnza Community College. The College was the largest tenant at

Cubberley and offered programs the community benefited from which would be a great loss to the community. The College will remain at the Cubberley site during the course of their build. She asked the City Attorney to comment on the Naylor Act in terms of land use.

City Attorney, Molly Stump, said the Naylor Act protected a school district-owned playing fields and open space when a school district sold them for development. If the fields met certain criteria identified by the law, the district would need to offer them first to public agencies including the city where the land was located. The city was given the opportunity to acquire them at a favorable rate. The city would be obligated to retain the open space and athletic character. The district could reacquire the land at anytime. The Naylor Act did not speak to the district's own land use when operating a school facility. The district could have its own constraints and requirements in their education code.

Council Member Shepherd asked if the fields would be subject to school use which could include the buildings when the 27 acres were taken by the School District.

Ms. Stump asked if the 27 acres were still School District-owned.

Council Member Shepherd said they were, but the lease prohibited the City from building on the fields. She asked if the fields would be protected as fields if the School District took back the 12 acres of fields.

Ms. Stump said it would necessitate having to look at each parcel and the rules that applied since the site had different types of facilities including playing fields and tennis courts.

Council Member Shepherd said the community had worked on difficult issues in the mid-80's and, through the covenant, secured the school sites and prohibited building homes on the site. She said the original plan for the Terman school site was to reopen with a 3-story building at 25 Churchill to house the Jewish Community Center (JCC) and District offices. The public objected to having a public-private partnership on public school site. The JCC was relocated to the Mayfield site a week prior to the purchase of the former Sun campus site where the JCC now resides. She said the ideal enrollment for a middle school was 600 students. The school enrollment in September 2010 was 2,636 students which meant there should be 4.4 middle schools. The build out for students were 700 at Terman, and 1100 each at Jordan and JLS Middle Schools. The schools would be at their maximum enrollment level by 2021 with 180 students too many for the three sites. She looked for the school trustee's leadership to provide the

information needed to collaborate a partnership between the School District and the community college. She supported the framework of the City Schools relationship to revise the covenant to take place between the School District, the City, and community to reopen the 27 acres for a school site.

Council Member Holman asked about the timeline for this to return to the Council.

Mr. Keene said it was difficult to be precise because the School District was on recess during the month of July, the Council in August. Staff could possibly get the process to the Council by early October.

Council Member Holman asked when the 12-month notice was due.

Mr. Keene said the due date was December 2013 and the agreement's expiration date was at the end of 2014.

Council Member Holman said she was interested in knowing what the collective needs and opportunities were for the nonprofits and understood there was a group that represented them. She suggested getting the information and using the site to their advantage. She suggested the Planning and Transportation Commission (P&TC) look at the site from a land use perspective. It appeared the 8 acres were carved out to make an arrangement. She raised concerns regarding the 8-acre limitations. She wanted to get away from the 8 acres and to look at the site as a whole to determine the needs of those involved and what the community wanted to do in going forward.

Council Member Klein asked to make an Amendment to the Motion to send a letter to Foothill declining the Letter of Interest and to let them know the City would not be going forward with them.

Council Member Shepherd raised concerns about sites that the College was looking at which could mean the loss of the Bond money. There were opportunities for the college to partner with Palo Alto at other sites and Foothill could always come back and talk to the City if they needed to build in Palo Alto.

Council Member Scharff said a letter needed to be sent to Foothill and questioned if the content of the letter should focus on Council Member Klein's comments or Council Member Shepherd's comments regarding opportunities at other sites in Palo Alto.

**AMENDMENT:** Council Member Klein moved, seconded by Council Member Shepherd to: 1) Direct Staff to send Foothill/De Anza College District a letter stating the Council would not be forwarding a letter of interest and that the 8 acres are not available, and 2) Thanking them for their interest.

Council Member Klein said he was a strong advocate for Foothill and explained his reason for the Amendment. He expressed the need to be realistic and to acknowledge the fact that the plan would not happen on the 8 acres or any portion thereof. He felt five years down the road the community would regret the relocation of Foothill and realize that building a campus in Palo Alto was possible back in 2011. He said the School District was intransigent and Foothill was not interested in splitting the land. He was open to adding a comment to explore other sites in Palo Alto.

Council Member Shepherd asked to add a comment that the City was interested in partnering with Foothill in looking at other sites in Palo Alto and did not want to turn them away entirely.

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER** to include in the letter to Foothill-DeAnza that the City is interested in exploring other sites within Palo Alto with them.

Council Member Burt said he was more inclined to indicate the possibility of exploring more limited uses with Foothill at the Cubberley site or other sites in the Palo Alto as they come available.

**AMENDMENT TO AMENDMENT:** Council Member Burt moved, seconded by Council Member Scharff to authorize the City Manager to send a letter to Foothill/De Anza to convey a willingness to explore, within more limited uses, a portion of the City's 8 acres at Cubberley or other sites in the City should they be available.

Council Member Burt said he did not feel the City could offer the full 8 acres to Foothill even for combined use but would be willing to listen to any proposed collaborative uses Foothill may have that would serve the community. He said Foothill had expressed an interest in retaining some presence at Cubberley even if they moved to another city. He wanted to be straightforward and honest with Foothill and to have ongoing conversations regarding much more limited possibilities.

Council Member Scharff concurred with Council Member Burt's comments. He did not think Foothill was being lead down a path with illusions. It was about keeping the options open. He wanted to explore initiating a discussion regarding the 2.6 acres.

Council Member Schmid said he felt the Amendment was incompatible with the original Motion and questioned the portion that would remain for the School District.

Vice Mayor Yeh understood the intention of the limited use on the 8 acres or other available sites in Palo Alto. He was in favor of using other sites and creating other options. He looked forward to discussions with the School District and letting Foothill know they were valued and the City was open to other alternatives.

Council Member Klein said he had moved an Amendment and was seconded by Council Member Shepherd. Council Member Burt moved an Amendment to the Amendment to add to the letter to Foothill that the City would be open to talking to Foothill regarding the use of a portion of unspecified amount of the 8 acres.

Council Member Burt said he believed he included a minority portion of the 8 acres.

Council Member Klein said his proposed Amendment included other provisions about the letter to include that the City was open to talking to Foothill about other sites in Palo Alto. Council Member Burt's Amendment would only add language that the City would be open to Foothill to discuss a minority portion of the 8 acres.

Council Member Schmid needed clarity of what was being voted on.

Council Member Klein clarified the Council was voting on Council Member Burt's Amendment to the Amendment.

Council Member Shepherd said she would not support the Amendment to the Amendment because of the angst in the community. She said it would not be possible to fit everything on the 8 acres in addition to an entire high school, middle school, and elementary school as it now sits. She hoped this option was not being communicated to Foothill.

Mayor Espinosa said he would support the Amendment to the Amendment because the language added did not close the door completely and gave an opportunity for a comprehensive conversation. The City would be sending a message to decline a Letter of Interest and the language helped to keep the door open.

**AMENDMENT TO THE AMENDMENT PASSED:** 6-2 Klein, Shepherd no, Price absent

Mayor Espinosa said the Council would return to Council Member Klein's Amendment regarding the language declining the Letter of Intent and the willingness to explore other options within the City should they become available.

**AMENDMENT AS AMENDED PASSED:** 8-0 Price absent

Council Member Klein said he supported the Motion consistent with a number of public speakers and to move forward in having serious conversations between the City the School District. The City no longer was in the position of having the same resources or revenues as in the past. Negotiations would be difficult and would recognize the School District was short of money. There was the need to resolve the use of the 8 acres and take into account the buildings on the site needed \$10 million in infrastructure improvements and repairs. He said School Board Members had indicated the 8 acres may not be needed until 2030s which would put the City in an awkward position. There were other potential uses for the 8 acres and he was not certain that the School District would need every last acre. Discussions needed to move forward regarding the School District's needs and suggested the discussion begin with the School District no later than October 15<sup>th</sup>.

Vice Mayor Yeh said the Council would need to first apply the date of when Staff would come back to Council with the defined process.

Council Member Shepherd said there were ways to allow Staff to come back with the process and meet with the School District.

Council Member Klein said he hoped the discussion would be fruitful. There were several issues that needed to be worked out for the good of the community. He hoped the decision made in 2013 was one that everyone would be proud of.

Council Member Scharff asked Vice Mayor Yeh to clarify retaining a portion of the 8 acres for community services.

Vice Mayor Yeh said the intent of his Motion was to identify options for portions of the 8 acres to remain committed for community services.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to include options for a portion of the Cubberley site be committed to Community Services Department programs.



Council Member Scharff said he heard the School District say that they needed all 35 acres. He thought the School District, in partnership with the City, should start planning the Cubberley site to determine how many acres would be required for school sites and developing a long-term plan for the site.

**AMENDMENT:** Council Member Scharff moved, seconded by Vice Mayor Yeh to direct Staff to work with PAUSD to identify options for the Cubberley site with no firm number of acres.

Council Member Scharff asked Vice Mayor Yeh what his thoughts were in partnering with the School District and through a process with the City's Planning Department, identify options for a long-term plan to support decision-making when the item returns to the Council.

Vice Mayor Yeh said first a determination would need to be made regarding when and how the School District would need to open Cubberley as an active school on the Cubberley site.

Council Member Scharff asked if that was meant to incorporate what the School District needed.

Vice Mayor Yeh said he heard at the School Board meeting that the rollout phase approach would be used at the Cubberley site depending on the acreage the School District needed. They expressed a desire to conduct Study Sessions. The School Board had conducted a Study Session for an elementary school and contemplated a Study Session for a middle school and high school. He said he would not want the City to absorb the process because of the associated Staff time and cost but there was the process to define between the City and the School Board.

Council Member Scharff said there were School Board Members present and could perhaps address their Study Sessions with the number of acreage and get to the level of detail.

Mayor Espinosa asked if there was clarification on Council Member Scharff's comment.

Council Member Shepherd clarified Council Member Scharff's concerns and said the Trustees were interested in having comparable and compatible options going forward for the Cubberley site and its entirety of 34 acres would still be undersized compared to Gunn High School and Palo Alto Senior High School (PALY) which were between 40 and 50 acres.

Council Member Scharff confirmed he heard the School Board needed all 35 acres.

Council Member Shepherd said the Motion gave enough allowance for Council Member Scharff's intent.

Council Member Scharff said his intent was to determine how many acres the School District would need and what portion of the site the community services were leaving. He expressed an interest to include a financial plan regarding maintenance as mentioned by Council Member Klein that the buildings were deteriorating.

Vice Mayor Yeh said the Infrastructure Blue Ribbon Committee (IBRC) was looking at the Cubberley site to identify costs associated with maintenance. It was not long-ranged but he believed that was how the \$16 million figure was determined for infrastructure. He was comfortable with the IBRC and the process instituted. He addressed Council Member Holman's concerns of what portion of the site was being referred to as the 8 acres. He said he had specified 8 acres and clarified the first part of the Motion for the Council to direct the City Manager to return to the City Council by October 1<sup>st</sup> with the process defined with the School District that addressed each others interest in the Cubberely site and adjacent properties. Community services were directly related to what the City controlled.

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER** to explore the option of purchasing the adjacent 2.6 acres at the Greendell property at fair market value.

Mayor Espinosa said he needed clarification form the City Attorney whether discussions to purchase adjacent property could be initiated this evening since it was not on this evening's agenda. It was his understanding that the IBRC was not looking at Cubberley in a limited way.

Mr. Keene confirmed that the IBRC was looking in a general sense.

Council Member Scharff said it was noted in the Staff Report.

Council Member Burt suggested rather than initiate, it would be to explore.

Council Member Scharff said that would be fine.

Ms. Stump clarified the issue was not called out in the Agenda title, but included in the Staff Report and could be included in this evening's discussion.

Council Member Scharff said the Amendment would be to explore the 2.6 acres.

Council Member Burt asked to add "at fair market value" to the Amendment

Mr. Keene said the Motion seemed to direct Staff to have collaborative conversations between the City and the School District and the addition would be folded into bi-lateral work. He asked if the City could look into it on its own.

Council Member Scharff said for the City to look on its own.

Senior Assistant City Attorney, Cara Silver, said the Motion was acceptable in terms to explore. She believed there was the option to purchase the property already pending but had to determine who the appropriate party would be to explore those options and not interfere with existing contracts.

Council Member Burt asked if the Council was voting on the primary Motion.

Mayor Espinosa said nothing was being voted on at this point. He was requesting the Maker of the Motion to reread the Motion for clarity.

Council Member Burt raised concerns regarding the Amendment. He said his understanding of the contract was to deal with the party that had the option and would preclude potential interference between the property owner and whoever had the option at the time. He felt the clarification muddled the Motion.

Ms. Stump said the Motion was general and gave overall direction to Staff. The situation was complex and she recommended the Council keep it general. She believed that Staff understood what they were asked to do. She said they were not in the position to provide more specificity at this evening's discussion.

Council Member Burt said Vice Mayor Yeh spoke of a dedicated fund for community services but did not clarify if funds would be used for operations or for land and facilities.

Vice Mayor Yeh said he would be open to Council Member Burt's preference and turned to the City Attorney to see if Council Member Burt's issue should remain general.

Council Member Burt felt it was a policy issue.

Mayor Espinosa asked Council Member Burt to state the specific language he would like added.

Council Member Burt said, "that the dedicated fund for community services would be for use of land acquisition and facilities capital expenditures."

Council Member Scharff said many of the daycare services were being lost in the process and expressed the importance having them addressed.

Vice Mayor Yeh said he supported Council Member Burt's intent. He felt daycare was partly feasible in Palo Alto because of subsidized rates and did not did not know whether subsidized rates were operating costs.

Council Member Scharff said lowering the payments and giving subsidized lease rates would not be an operating cost.

Mr. Keene said the Motion provided detailed direction for Staff to have exploratory conversations with the School District and to return to the Council with a defined process by October 1<sup>st</sup>. He said the Motion contained enough general direction to get started and Staff could come back to the Council for more clarification or redirection within a few weeks if needed. He felt the addition to explore the acquisition of the 2.6 acres needed to be addressed immediately and not wait until October 1<sup>st</sup>.

Council Member Shepherd raised concerns that the funds were being dedicated only to land, facilities, and perpetuity. She needed clarification on what portion of the UUT was the Motion referring to.

Council Member Burt clarified there was a misstatement in the Motion and UUT was referred to as the lease covenant. There was a large portion of the UUT that was beyond the lease covenant. His understanding was that it was a lease plus a covenant and the Motion should reflect the lease with the School District and the Covenant Not to Develop.

Council Member Shepherd said she thought the original Motion was to bring forward and sunset the covenant in a clear manner to the Council, the School District, and Staff and to manage portions of the funds that were dedicated to the covenant and the lease.

Mayor Espinosa needed clarification from the City Attorney.

Ms. Stump said she understood the Motion to be a general Motion for the City Manager to come back with a process with certain topics the Council

wanted to hear. She clarified the various restrictions on funds was not on tonight's Agenda. What was agendaized was consideration of the Letter of Interest and to collaborate with the School District with respect to Foothill De Anza College.

**AMENDMENT:** Council Member Burt moved, seconded by Council Member Scharff to: 1) include a dedicated fund in the Community Services Department that would be for the use of land acquisition and facilities capital expenditures, and 2) request Staff come back with an alternative proposal to allow redirection of the lease and covenant revenue to capital expenditures.

Council Member Klein said he found it unreasonable to introduce new ideas prior to Staff working on the issues.

**AMENDMENT TO THE AMENDMENT:** Council Member Klein moved, seconded by Council Member Holman to delete the language proposed by Council Member Burt.

Council Member Klein said his understanding of the original Motion was to begin a negotiation process with topics the Council wanted discussed. He raised concerns that the issues being discussed assumed getting large amounts of money. There was no guarantee that would happen. He said funds cannot be spent when negotiations had not even started. He suggested returning to the original Motion to provide Staff with general direction in getting the negotiations started.

Council Member Holman supported Council Members Klein's Amendment. She agreed the original Motion was to provide general direction and was confident that Staff would return prior to October 1<sup>st</sup> if they needed additional direction from the Council.

Council Member Schmid said redirecting funds could add up to \$7 million per year and should be negotiated and not permanently determined.

**AMENDMENT BY COUNCIL MEMBER BURT WITHDRAWN**

**AMENDMENT TO THE AMENDMENT WITHDRAWN**

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to include the exploration of options for up to the 8 acres at the Cubberley site.

Mayor Espinosa noted the maker of the Motion accepted the appropriate changes on the language that related to lease and covenant.

Council Member Schmid said the purpose of the Motion was to work with the School District and collaborate on mutual needs. He was in favor of looking at other properties starting with the 2.6 acres to help find community services at the Cubberley site. He addressed the openness to look at a financial aspect and to move forward in making this work. He supported the Motion.

Mayor Espinosa needed clarification from Vice Mayor Yeh regarding looking into options for community services on the 8 acres at Cubberley site.

#### **AMENDMENT BY COUNCIL MEMBER SCHARFF WITHDRAWN**

Mayor Espinosa raised concerns regarding this evening's conversation as it related to the Motion. He said the conversation had been characterized that the Council did not want to have a broader conversation with the community and School District and was forced by Foothill College. The Council had wanted to have this conversation for quite awhile. Last year, the Council brought together all parties involved with a plea to have a master-planning conversation and to provide specificity on the goals and long-term opportunities. He said the Council was committed to moving forward and to have transparent public conversations with no delays and was ready to take a leadership role in answering questions and to craft a long-term plan.

#### **MOTION AS AMENDED PASSED: 8-0 Price absent**

Mr. Keene said it was clear that Staff was directed to start work on the main Motion as it related to the two Amendments 1) to decline the Letter of Intent and to express that the City was open to working with Foothill-DeAnza College at looking at other sites as they come available, and 2) to explore the possible use of a minority portion of the City-owned 8 acres.

Mayor Espinosa said both options are to be incorporated into the Letter of Intent.

- 11a. (Former No. 9) Update of SB 375/Initial Vision Scenario (IVS) for a Sustainable Communities Strategy (SCS) and Direction on City's Preliminary Response to Regional Agencies, and Update of Regional Housing Needs Assessment (RHNA) Process.

**MOTION:** Council Member Klein moved, seconded by Vice Mayor Yeh to postpone Agenda Item No. 9 to the next available Council meeting.

#### **MOTION PASSED: 7-1 Schmid no, Price absent**

#### COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Vice Mayor Yeh thanked the Community Services Department for their hard work putting together the annual Chili Cook-off.

Council Member Shepherd spoke regarding her attendance at the Peninsula League of Cities dinner held on June 30, 2011.

ADJOURNMENT: The meeting was adjourned at 12:24 a.m.