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April 14, 2008

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ADJOURNMENT: The meeting was adjourned at 10:40 p.m.	17

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

Present: Barton, Burt, Drekmeier, Espinosa, Kishimoto, Klein, Morton arrived at 7:00 p.m., Schmid, Yeh

STUDY SESSION

1. Joint Meeting with the Library Advisory Commission (LAC) Regarding Library Matters.

The LAC gave a brief presentation on the Commission's accomplishments last year and their priorities for 2008, which include an outreach plan to communicate library needs and plans for facility improvements, participation in Library's technology planning process, and refining priorities for service and facility improvements according to budget availability and evolving community needs.

Discussion between Council Members and the LAC Commissioners included such topics as: how libraries are evolving to meet diverse needs and technology, progress in the community outreach campaign, engaging the Youth Council to support the library, and the work of the Library Citizens' Technology Advisory Group.

No action required

The Study Session adjourned at 6:50 p.m. with the Council taking a break until 7:00 p.m.

SPECIAL ORDERS OF THE DAY

2. Proclamation for the Volunteer Center of Silicon Valley.

ORAL COMMUNICATIONS

Dan Rehor, 652 Glenbrook Dr., spoke regarding the Children's Theatre.

Andrew Litt, 2454 West Bayshore #9, spoke regarding the Children's Theatre.

Cy Webb, West Bayshore, spoke regarding the Children's Theatre.

Donald Freiberg, 523 Sullivan Dr. Mt. View, spoke regarding the Children's Theatre.

Beth Broderson, spoke regarding the Children's Theatre.

Donna Baranski-Walker, Rebuilding Alliance, spoke regarding rebuilding houses and temporarily placing a tent in the City Hall plaza area.

Andy Hayes, 10460 Madera Drive, Cupertino, spoke regarding the Children's Theatre.

Brandon Savage, 1472 Magnolia Avenue, San Carlos, spoke regarding the Children's Theatre.

Lynn Krug, Palo Alto, spoke regarding diversity and women in the workplace.

Robert Moss, 4010 Orme Street, spoke regarding civic engagement.

Jeremy Erman, Cowper Street, spoke regarding the Children's Theatre.

Paula Collins, 110 Ely, spoke regarding the Children's Theatre.

John Abraham, 736 Ellsworth Place, spoke regarding police demographic statistics.

Paul Freiberg, 842 Clara Drive, spoke regarding the Children's Theatre.

Yolanda Gonzalez, spoke regarding the Children's Theatre.

CONSENT CALENDAR

Vice Mayor Drekmeier advised he would not be participating on item number 7 as he is on the Acterra Board of Directors.

Assistant City Manager Emily Harrison advised that Staff wanted item number 9 to be pulled from the Consent Calendar to be heard at a later date.

MOTION: Vice Mayor Drekmeier moved, seconded by Council Member Espinosa to pull item number 9 from the Consent Calendar to be heard at a later Council meeting.

MOTION: Council Member Morton moved, seconded by Council Member Espinosa to approve Consent Calendar item numbers 3-8.

3. Resolution 8811 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Marilyn Gillespie Upon Her Retirement".

4. Approval of an Enterprise Fund Contract with Water Works Engineers in an Amount Not to Exceed \$130,870 for Design and Services During Construction of the Recycled Water Contact Chamber Retrofit at the Regional Water Quality Control Plant, Capital Improvement Program Project WQ-80021.
5. Preliminary Approval of the Report of the Advisory Board for Fiscal Year 2008-09 in Connection with the Palo Alto Downtown Business Improvement District and Resolution 8809 entitled "Resolution of the Council of the City Of Palo Alto to Levy an Assessment Against Businesses within the Downtown Palo Alto Business Improvement District for 2008-09" and Setting a Time and Place for a Public Hearing on May 12, 2008 at 7:00 PM or Thereafter.
6. Approval of a Contract with Rodan Builders, Inc., in the Amount of \$211,900 for the Renovation of the Open Space Maintenance Building at Foothills Park, Capital Improvement Program Project OS-07003; and Ordinance 5001 entitled "Ordinance of the Council of the City of Palo Alto for the Fiscal Year 2007-08 to Provide an Additional Appropriation of \$40,137 to Capital Improvement Program (CIP) Project OS-07003, Open Space Maintenance Shop Rehabilitation".
7. Approval of an Access Agreement with Acterra to Permit the Use of Real Property in Order to Implement a Habitat Restoration Project at the Enid Pearson Arastradero Preserve.
8. Preservation of the Below Market Rate Unit (BMR) at 502 Thain Way: 1) Approval of the City's Acquisition of the Unit for the Purpose of Renovation and Resale to a Qualified BMR Buyer; and 2) Approval of the Method for Setting the Resale Price.
- ~~9. Adoption of a Resolution Opposing Proposition 98 on the June 2008 Ballot.~~

MOTION PASSED FOR ITEM NOS. 3-6, & 8: 9-0

MOTION PASSED FOR ITEM NO. 7: 8-0, Drekmeier not participating

Herb Borock, P.O. Box 632, spoke regarding legal signatures on contracts as referred to in item number 6.

REPORTS OF COMMITTEES AND COMMISSIONS

10. Finance Committee Recommendation Regarding the Update on General Fund Infrastructure Backlog.

Council Member Morton, as the Chairperson of the Finance Committee, felt the Council needed to hear the issues that face the City in the coming years.

Assistant Public Works Director Mike Sartor reviewed the presentation previously given to the Finance Committee regarding the update on the General Fund Infrastructure Backlog.

Council Member Kishimoto asked whether Palo Alto had more buildings on a per capita basis than surrounding Cities.

Mr. Sartor stated there had not been an analysis done per capita. There had been a comparison of surrounding cities where Palo Alto had considerably more facilities.

City Manager Frank Benest stated for a community of sixty-five thousand to have four thousand acres of Open Space, thirty-four parks and the specialized facilities was remarkable and financially challenging.

Council Member Kishimoto asked whether the seven and a half million dollars under bridges and culverts located on Attachment A of Table 1 covered flood control.

Mr. Sartor stated no, the funds were to maintain the existing structures not the flood control projects.

Council Member Kishimoto asked whether the San Francisquito Creek flood control project had been added to the General Fund Infrastructure Backlog.

Mr. Sartor stated yes, however the expenses would be shared with the San Francisquito Creek Joint Powers Authority (JPA).

Mayor Klein asked what buildings had been added to the General Fund Infrastructure Management Plan (IMP) aside from the Roth Building.

Mr. Sartor stated the additions were the current Civic and the Cubberley Community Centers.

Mayor Klein asked why the Civic Center had not been previously added to the list when it was opened in 1970.

Mr. Sartor stated until recently, the maintenance level had not changed since prior to the Civic Center being built.

MOTION: Council Member Morton moved, seconded by Council Member Burt to direct Staff to return to the Finance Committee with an implementation plan to address the General Fund Infrastructure Backlog.

Council Member Burt stated the need to incorporate the shared obligation of the JPA into the General Fund Infrastructure Backlog.

Council Member Morton stated there was no quantified obligation at the present time, however adding them to the backlog would maintain a placeholder.

INCORPORATED INTO MOTION WITH CONSENT OF MAKER AND SECONDER to add a placeholder for San Francisquito Creek JPA liability.

Council Member Yeh stated his support for the Motion.

Vice Mayor Drekmeier noted the San Francisquito Creek JPA was having a study session on early implementation involving capital projects associated with the San Francisquito Creek on Thursday, April 24, 2008.

Council Member Kishimoto asked whether the Natural Resource Management of Open Space was included in the General Fund Infrastructure Backlog.

Mr. Sartor stated no.

Council Member Kishimoto asked whether staff was returning with recommendations for increased funding for future maintenance cost increases.

Mr. Sartor stated yes, those figures would be included in the implementation plan.

Council Member Espinosa asked how realistic it was to spread out the state of necessary funding over a timeframe of twenty years without adding in the additional costs not yet anticipated.

Mr. Benest stated the enhanced level of services the City provided required most of the General Fund resources.

Council Member Espinosa stated the question was how to budget the costs already identified.

Assistant City Manager Emily Harrison stated each Department had been requested to project out ten to twenty years all of their facilities maintenance, general upkeep and requests for new facilities. She stated although the list was outdated, it could be provided to Council.

Council Member Espinosa stated the requested amount was unrealistic due to allocations for new projects each year plus funds needed for the City's basic maintenance not on the list.

Mr. Benest stated the original Council policy clearly stated existing General Fund revenues were not to be used for new infrastructure or City work projects. That policy is no longer in place.

Council Member Schmid stated the Comprehensive Plan update was a great opportunity to bring together the aspects of financial and residential possibilities for creating this new community.

Ms. Harrison stated a number of years ago the Council saw the need to add impact fees for community centers, parks, open space and other areas of the community. The Council may need to look again at a public safety impact fee in order to address the ongoing infrastructure needs.

Mayor Klein asked why the storm drain projects were not reflected in the backlog data.

Council Member Morton stated there had been Council discussion but it was not voted on.

Mayor Klein stated during the discussion, staff committed to doing it.

Council Member Morton stated the question was asked how it would be handled but not necessarily imposed on the General Fund.

Mr. Benest asked for time to research what occurred during the 2007-08 budget hearings and return with a response.

Mayor Klein stated concern over cutting back on infrastructure. He hoped the Council would be strong enough to not cut back on infrastructure.

Council Member Kishimoto stated the mindframe necessary to overcome the large funding issues were to consider options of renovating facilities as opposed to building new ones.

Council Member Yeh stated in order to make an informed decision, the Council needed to see the expense side prioritized and tied to the revenues.

Council Member Schmid stated the revenues and expenses should be categorized by the infrastructure projects.

Mayor Klein stated his support for the Motion.

Director of Public Works Glenn Roberts stated staff chose not to include the San Francisquito Creek in this inventory because residents currently pay the Santa Clara County Water District through the benefit zone assessment. San Francisquito Creek funding currently has approximately fourteen million set aside in the Water District budget reserves.

MOTION PASSED: 9-0

11. Finance Committee Recommendation to Issue Request for Proposals for Destination Palo Alto.

Council Member Morton, as the Chairperson of the Finance Committee, stated in developing future and existing revenue sources there would be an initial investment for a contractor. The contractor would assist a designated staff member with the development of events to enhance the revenues for Palo Alto.

City Manager Frank Benest stated Destination Palo Alto was created to enhance the visitorship to Palo Alto. There were multiple events occurring in the City throughout 2008 and 2009.

Council Member Kishimoto asked who would be managing and marketing the upcoming events.

Mr. Benest stated staff envisioned three essential components to the success of Destination Palo Alto; 1) local, regional, statewide, 2) national coordination and 3) media coverage.

Council Member Kishimoto asked whether the consultant selected would continue to bring ideas to further the visitorship once the current planned events had passed.

Mr. Benest stated yes, the entity chosen to further the visitorship efforts would coordinate, instigate, and organize new events that would compliment the City's visitorship.

Council Member Espinosa asked for clarification on the timeframe to begin the process.

Mr. Benest stated there was an election that determined funding availability in November of 2007. The Finance Committee needed to review the process and feasibility. Council would need to approve the project. Staff would put out a Request for Proposal (RFP), which had its own timeframe.

Council Member Espinosa stated with the timeframe explained and completed in July of 2008, why would the process not begin until the fall.

Mr. Benest stated the entity awarded the project would need time to complete their proposed intentions. He stated he was avoiding the creation of unrealistic expectations.

Council Member Espinosa stated the workplan did not seem broad enough to expand out past the current events already in place for the upcoming years. He asked how the consultant would know their position was to expand on what was already given to them.

Mr. Benest stated the object was to get the consultant to take the current and upcoming events and connect the visitors to the amenities of the City.

Mayor Klein asked what the criteria was for selection of the consultant and who was going to select them.

Mr. Benest stated the workplan for the RFP presented to the Finance Committee clarified the basic criteria. He stated the proposals would be reviewed and evaluated then staff would make recommendations to Council for selection.

Mayor Klein asked whether there would be community involvement.

Mr. Benest stated yes, the business community and neighborhood associations had been involved with Destination Palo Alto.

Mayor Klein asked whether conflicts of interest had been considered.

Mr. Benest stated yes, the proposals would be reviewed for affiliations and conflicts.

Mayor Klein clarified the funding was to be from the General Fund and not provided by the Transient Occupancy Tax (TOT).

Mr. Benest stated yes, the funding was coming from the General Fund.

Anne Cribbs, 2450 Agnes, spoke regarding the 2009 Senior Games. She stated there would be an expected economic impact of thirty-five million dollars into the City and requested the Council support the funding for Destination Palo Alto.

Deborah Pappas, Chair of the Chambers of Commerce, supported Destination Palo Alto. She stated there needed to be national and international outreach to draw people who come to the Bay Area and Palo Alto.

Bob Carruesco, 120 E. Creek Drive, Menlo Park, stated Destination Palo Alto gave a contact point for new businesses. It also gives the ability to capitalize on the businesses currently going elsewhere knowing what the City has to offer.

Herb Borock, P.O. Box 632, stated the hotels, restaurants and retail businesses were the beneficiaries of Destination Palo Alto. He stated in other counties they funded such programs and not the government body.

MOTION: Council Member Morton moved, seconded by Council Member Barton to; 1) Direct Staff to issue an RFP for visitorship services through Destination Palo Alto to enhance the Palo Alto economy, 2) Authorize Staff to describe and link Destination Palo Alto website to the City of Palo Alto website, 3) Direct Staff to include \$240,000 per year for the Destination Palo Alto program in 2008-09 and 2009-10 proposed budgets, 4) Identify a single point of contact within the City for Destination Palo Alto efforts.

Council Member Morton stated the intent of the Finance Committee was to select a point person who was central to the hotels, restaurants and businesses for all of the events.

Council Member Barton encouraged staff to return with a clear analysis of how they came to their recommendations, the different approaches from the RFP's, and the pros and cons for the potential alliances through the RFP's.

Council Member Kishimoto stated her support for the project. She mentioned from experience with the Tour de California the difficulty working with the hotels without there being a centralized contact person. She asked the attendance numbers from the Tour.

Mr. Benest estimated twenty thousand people attended the Tour de California event.

Council Member Kishimoto stated how important it was for the events to maintain the City's green, eco-friendly direction of sustainability.

Vice Mayor Drekmeier stated a flaw in the economic system was encouraging travel and consumption to gain revenue was in direct conflict with the priority to reduce the consumption of waste and carbon fuels. He stated he supported the Motion.

Council Member Schmid stated he supported the project and encouraged staff in reviewing the RFP's to draw in someone who could take in the widest view of growth leverage and ask them what that might mean to the community.

Council Member Yeh asked whether the ninety-five to one hundred and twenty-five thousand dollars estimated revenue generated by the AMGEN Tour was net revenue or total revenue.

Mr. Benest stated the amount was the gross increase of the TOT revenue from those associated with the Tour. There were costs to staff time at approximately sixty-seven thousand dollars.

Council Member Yeh asked whether this was seen as an investment and asked what the return on investment would be or was it seed money to support the local businesses.

Mr. Benest stated there could be language added to the RFP asking the provider what metric system they would be using and how they would track it.

Council Member Burt stated this was the most targeted and cost effective investment that could be made in the arena of trying to increase the City's revenue. He stated the Tour numbers were not the biggest measure of success rather the Public Relations (PR) during and following the event.

AMENDMENT: Council Member Kishimoto moved, seconded by XXX to incorporate environmental sustainability into the design of the Destination Palo Alto program.

AMENDMENT FAILED FOR LACK OF SECOND.

Mayor Klein stated concern with past events that have occurred in the City and not knowing whether revenue had been generated. He stated the consultant needed to return true data to the Council in order to determine the events' future potential.

MOTION PASSED: 9-0

12. Policy and Services Committee Recommendation Regarding Approval of Proposed Revisions to City Facility Naming Policy.

Council Member Kishimoto, Chairperson for the Policy and Services Committee, reviewed the updated Naming Policy and asked whether there had been a vote for withholding logos.

Assistant to the City Manager Kelly Morariu stated there was a Motion from the Policy and Services Committee regarding logos. However, there was not an appropriate location in the Policy for placing the determination.

MOTION: Council Member Kishimoto moved, seconded by Council Member Barton to approve; 1) Policies that allow for naming of an entire building in recognition of individuals or families making financial contributions but to not allow naming of an entire building in recognition of corporate or commercial donations, 2) City Council accept corporate donations to name individual rooms within buildings or other sub-facilities, 3) Streamlining the review and approval process for naming recognition associated with capital fundraising campaigns as outlined on page 7 of the revised draft policy, 4) Acceptance of the proposed revisions to Policy and Procedure 1-15CMGR.

Council Member Barton stated the compromise was to accept donations for naming rooms within buildings in order to generate revenue.

Susie Thom, 753 Maplewood Place, recommended the adoption of the naming policy. She stated the changes could raise significant funding and provided companies to have a history of being closely tied to the community.

Herb Borock, P.O. Box 432, stated the Policy needed to state no logos if it in fact did not accept logos. He stated the plaque on Centennial walk which listed donors arranged by donation amount was another way to accept donations and distribute recognition.

Robert Moss, 4010 Orme Street, spoke regarding the naming policy not addressing the plausibility of removing the name in the future and noted there was not a policy statement for naming facilities for national figures.

Council Member Espinosa stated he would be voting against the Motion.

Council Member Morton stated corporate sponsors would be making an investment in the local community and not donating for advertisement purposes.

Council Member Burt asked for clarification on streamlining the review process.

Assistant to the City Manager Kelly Morariu stated Section III had been added to the Policy and Procedures 1-15/MGR manual and explained a capital fundraising group would go to Council with a proposed schedule of naming opportunities and recognition for a facility. If the Council approved it, the group would complete the fundraising effort without going through the Boards and Commissions process.

Council Member Burt stated his concerns for the Policy lacking a mechanism in place to decline disreputable names whether corporate or individual.

Council Member Yeh stated donations from a corporate sponsor usually involved marketing but from an individual it was more of a philanthropic effort.

Mayor Klein stated he would separate the Motion for voting.

Council Member Schmid asked whether there was a specific recommendation on how Stanford would fit in as a donor since they wouldn't fit in either category of corporate or family.

Ms. Morariu stated the issue of Stanford was not directly addressed.

Senior City Attorney Cara Silver stated there were multiple aspects to Stanford and each one would need to be approached in a different manner.

Council Member Schmid stated the Council should be prepared for Stanford to donate.

Mayor Klein stated there needed to be consistency in both processes; the acceptance of donations and the naming of facilities or rooms.

AMENDMENT: Council Member Espinosa moved, seconded by Council Member Yeh to not allow corporate names at all in our facilities.

Council Member Burt stated his support for the Amendment in favor of banning corporate naming.

Council Member Morton stated he would be voting no on the Amendment.

Council Member Kishimoto stated she supported receiving donations and would vote no.

Council Member Espinosa discussed how corporations change their names and the complications that accompany the name change on the facility.

Mayor Klein noted there should be a provision stating any naming after corporations or an individual will be revoked when either entity is involved with bankruptcy, a criminal act or an act of moral turpitude.

AMENDMENT FAILED: 3-6, Burt, Espinosa, Yeh, yes

AMENDMENT: Mayor Klein moved, seconded by Council Member Morton to allow corporate names on the outside of the building.

AMENDMENT FAILED: 3-6, Barton, Klein, Morton, yes

AMENDMENT: Council Member Barton moved, seconded by Council Member Kishimoto that the use of corporate logos on buildings would not be allowed.

Council Member Barton asked whether the maker of the Motion would accept additional language regarding the provisions for removal of names or logos.

Council Member Kishimoto stated yes.

Council Member Morton mentioned some corporate logos were the initials of the corporation as in IBM or HP, which was the trademark for that company.

Council Member Burt asked whether the Amendment would include the procedure of the naming revocation.

Council Member Espinosa requested there be no logos on buildings.

AMENDMENT PASSED: 7-2, Klein, Morton, no

INCORPORATED INTO MOTION WITH CONSENT OF MAKER AND SECONDER that if any donor name, corporate or individual goes bankrupt and out of business, convicted of a felony or is otherwise guilty of moral turpitude the name would be removed without giving the monies back.

Council Member Burt asked for clarification on the revocation of a corporation between bankruptcy or close of business. He suggested that if the corporation files for Chapter 7 the revocation take place.

Mayor Klein agreed.

Council Member Morton stated the Motion seemed unnecessarily restrictive.

Council Member Schmid asked whether the Motion included or excluded Stanford.

Council Member Kishimoto stated Stanford was not a corporate foundation.

Ms. Silver stated additional language would need to be included such as educational institutions or non-profit organizations.

Ms. Morariu stated the Policy was written to read if the entire exterior of the facility was being named, the Council would review the possibility and make a decision.

Council Member Burt stated not all businesses were corporations and asked why that term was being used.

Mayor Klein stated the Motion read corporations. He asked whether Council Member Burt wanted to Amend the Motion to include LLC's or LLP's.

Council Member Burt stated no, he thought the intent had been businesses without distinction of the necessity to be a corporation.

Council Member Kishimoto stated the Policy stated corporations or corporate entities.

MOTION PASSED: 7-2, Espinosa, Yeh no

Council Member Morton left the meeting at 10:26 p.m.

PUBLIC HEARINGS

13. TEFRA Hearing Regarding Conduit Financing for the Gideon Hausner Jewish Day School Facilities Located at 450, 470, 490 and 560 San Antonio Road, Palo Alto, and Resolution 8810 stating the City Council of the City of Palo Alto Approving, Authorizing and Directing Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, and Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority for the Purpose of Financing or Refinancing the Acquisition, Construction and Improvement of Certain Facilities for the Benefit of Gideon Hausner Jewish Day School.

Deputy Director of Administrative Services Joe Saccio read the Resolution regarding how the TEFRA worked.

Senior City Attorney Cara Silver stated the City's role in this process was to provide a public forum and there was no financial liability connected with the issuance of the bonds.

Council Member Schmid asked for clarification on Section II.

Ms. Silver stated the Council approved the issuance of the bonds but the bonds were issued by the Authority.

Mr. Saccio stated Section III of the Resolution and Section VIII of the CMFA Membership Agreement indicated neither the City nor CMFA held any liability for the bonds.

Public Hearing opened and closed at 10:33 p.m. with no speakers.

MOTION: Council Member Espinosa moved, seconded by Vide Mayor Drekmeier to; 1) Conduct a public hearing under the requirements of the Tax Equity and Fiscal Responsibility Act of 1983 (TEFRA) and the Internal Revenue Code of 1986, as amended, 2) Adopt a resolution approving the issuance of the bonds by the California Municipal Finance Authority (CMFA) for the benefit of Gideon Hausner Jewish Day School (Borrower) in financing its project and authorizing the Mayor, City Manager, or such other designated signatory to execute the Joint Exercise of Powers of Agreement with the CMFA.

MOTION PASSED: 8-0, Morton absent

COUNCIL COMMENTS, ANNOUNCEMENTS, AND REPORTS FROM CONFERENCES

Council Member Burt spoke regarding attending the City/School Liaison Committee meeting which included discussions on the City environmental and climate protection programs. They are looking into ways to coordinate with the City and school's program.

Mayor Klein spoke regarding attending the Tri-Cities meeting with the City Manager and the two main items discussed were the summer youth job program and San Francisquito Creek flooding. He advised that the County City Association reappointed Council Member Morton to the Airport Land Use Committee.

ADJOURNMENT: The meeting was adjourned at 10:40 p.m.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.