

Special Meeting
June 7, 2010

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:00 p.m.

Present: Burt, Espinosa, Holman, Klein, Price arrived at 6:12 p.m.,
Scharff, Schmid, Shepherd, Yeh arrived at 6:20 p.m.

Absent:

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Pamela Antil, Lalo Perez, Joe Saccio, Russ Carlsen, Sandra Blanch, Marcie Scott, Darrell Murray, Greg Betts)

Employee Organization: Local 521 Service Employees International Union

Authority: Government Code Section 54957.6(a)

CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit Rules and Regulations (James Keene, Pamela Antil, Lalo Perez, Russ Carlsen, Sandra Blanch, Marcie Scott, Darrell Murray, Joe Saccio)

Employee Organization: Local 521, Service Employees International Union (SEIU) - SEIU Hourly Unit

Authority: Government Code Section 54957.6(a)

CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Pamela Antil, Dennis Burns, Lalo Perez, Joe Saccio, Russ Carlsen, Sandra Blanch, Marcie Scott, Darrell Murray)

Employee Organization: Palo Alto Peace Officers' Association

Authority: Government Code Section 54957.6(a)

CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Pamela Antil, Dennis Burns, Lalo Perez, Joe Saccio, Russ Carlsen, Sandra Blanch, Marcie Scott, Darrell Murray)

Employee Organization: Palo Alto Police Managers' Association (Sworn)

Authority: Government Code Section 54957.6(a)

Vic Farisato, Service Employees International Union (SEIU), Palo Alto Chapter, Chief Stewart, spoke of working together with the Council in trying to avoid layoffs. Recommendations had been made to the Finance Committee and solutions offered to the City's negotiations team in an effort to avoid future layoffs. He asked the Council to consider the Union's offer which would alleviate employees having to face hardships and to support the continuance of providing good services to the residents of Palo Alto.

Brian Ward, SEIU, said the Union's focus was on collaboration and offering new solutions to avoid cutbacks and layoffs. He summarized the proposed contract which included a 90/10 percent split in medical premiums, structural changes to a two-tier, 2 percent at 60 retirement plan, Public Employee Retirement System (PERS) contribution increases with reductions, structural changes to help the City's current and future funding, two floating holidays and tuition reimbursement benefits. He spoke of clearing the table of all Unfair Labor Practices (ULP) and to move forward on negotiations with the understanding in having to deal with a difficult economy.

Kristi Sermersheim, SEIU, spoke of the City and the Union moving forward in reaching and signing a contract agreement. She suggested the possibility of a one-year joint contract with neighboring cities in solving the golf course problem and suggested equal pay cuts among City managers and SEIU members alike. She said the Union was presenting their best contract proposal and asked the Council's support in signing the agreement.

The City Council convened into the Closed Sessions at 6:10 p.m.

The City Council reconvened from the Closed Sessions at 7:55 p.m., and Mayor Burt advised no reportable action on the first two items and the second two items were not heard.

STUDY SESSION

2. Public Safety Building Feasibility Study of Facility Alternatives.

The City Council reviewed various options and costs to construct a new public safety facility at the Civic Center as compared to constructing a new facility off-site on vacant land. The Council comments of an upgraded facility ranged from pursuing to build a new facility off-site, downsizing the facility, building an off-site emergency operations center only, exploring alternatives to regionalize police services, and setting priorities on a phased project over time in an effort to reduce project costs. The Council agreed that the public safety building is one of the highest infrastructure priorities and would like to consider these ideas further for possible Council action.

Council Member Klein left the Council meeting at 9:45 p.m.

CITY MANAGER COMMENTS

City Manager, James Keene said on June 8, a public meeting would be held at Lucie Stern Community Center, to discuss the next stage of the Eleanor Pardee Park Tree Removal and Replacement Plans. The City Arborist Report could be viewed on the City's website or by calling (650) 463-4951. On June 12, the public was invited to a ground breaking ceremony for the new Mitchell Park Library and Community Center. The event was to be held at the current Library and Community Center, 3700 Middlefield Road. The current Mitchell Park Library closed to allow Staff to set up operations at the temporary Mitchell Park Library, located in the former auditorium, Cubberley Community Center, and scheduled to open on Monday, June 28, 2010. The Palo Alto's Ordinance restricting expanded polystyrene and non-recyclable containers became effective on April 22, 2010.

ORAL COMMUNICATIONS

John K. Abraham, 736 Ellsworth Place, spoke regarding demographic data.

William Landgraf, 762 Stone Lane, spoke regarding public servant jobs.

Mark Petersen-Perez, spoke regarding prosecution costs and public records requests.

Dr. Myerson, spoke regarding security issues in Palo Alto.

APPROVAL OF MINUTES

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Shepherd to approve the minutes of May 10, 2010 and May 12, 2010.

MOTION PASSED: 8-0 Klein absent

CONSENT CALENDAR

MOTION: Council Member Shepherd moved, seconded by Council Member XXXX to pull Agenda Item No. 6

MOTION FAILED FOR LACK OF A SECOND

Council Member Holman advised she would not be participating in Agenda Item No. 6 as she has a conflict due to her contract with the Palo Alto Historical Museum.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Scharff to approve Agenda Item Nos. 3-8.

3. Ordinance 5082 entitled "Ordinance of the Council of the City of Palo Alto to Amend the Contract Between the Board of Administration of the California Public Employees Retirement System (CALPERS) and the City of Palo Alto" to Implement California Government Code Section 20475 (2.0% @ 60 Full Formula) Providing a Second Tier of Different Level of Benefits for New Miscellaneous Employees.
(First reading May 17, 2010 – Passed 7-0 Price, Yeh absent)
4. Adoption of an Ordinance Repealing Chapter 16.09 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a New Chapter 16.09 (Sewer Use Ordinance) Establishing Regulations to Reduce Discharges of Pollutants to the Sanitary Sewer and Storm Drainage Systems.
5. Approval of a Letter Opposing the Amendment to the Joint Powers Agreement for the Administration of the Santa Clara County Congestion Management Program related to Governance of the Santa Clara Valley Transportation Authority.
6. Approval of Amendment No. 1 to the Option Agreement Between the City of Palo Alto and the Palo Alto History Museum for the Roth

Building, 300 Homer Avenue, Providing for a One-Year Extension of the Option Term.

7. Approval of a Contract With Spenco Construction, Inc. in the Amount of \$297,825 for the 2010 Street Maintenance Program Alma Street Concrete Restoration Capital Improvement Program Project (CIP) PE-86070.
8. Park Improvement Ordinance 5083 for a New Greenhouse and Shed Located in the Baylands at 2500 Embarcadero Road. *(First reading May 10, 2010 – Passed 9-0).*

MOTION PASSED for Item Nos. 3-5, 7-8: 8-0 Klein absent

MOTION PASSED for Item No. 6: 7-0 Holman not participating, Klein absent

ACTION ITEMS

By Council direction the Stanford University DEIR is typed verbatim.

9. Public Hearing: Stanford University Medical Center Facilities Renewal and Replacement Project-Meeting to Receive Comments on the Stanford University Medical Center Facilities Renewal and Replacement Project Draft Environmental Impact Report (DEIR), Including Comments Focused on the Project Description, Land Use, Population & Housing, and Public Services Chapters of the DEIR.

Mr. Curtis Williams, Director of Planning and Community Environment: Thank you Mayor and Council Members. I am Curtis William, the Director of Planning and Community Environment. I would like to make a few remarks before I turnover the presentation to Rod Jeung, our environmental consultant from PBS&J. Then also Cara Silver from the City Attorney's Office would like to make some comments. Eduardo Martinez from our Planning and Transportation Commission is here to report on the Commission's meeting last week.

The recommendation for tonight's item is that you accept any public comments and provide your own Council comments regarding the adequacy of the environmental review document, being the Draft Environmental Impact Report for the Stanford University Medical Center Renewal and Replacement Project. All the comments and questions provided tonight will be responded to in the Final EIR, which the Council must feel is satisfactory prior to entertaining any actions on the entitlements for the project that are scheduled to occur near the end of the year.

The discussion about the merits of the project, what public benefits are appropriate to request, how the Comprehensive Plan or the zoning are changed or amended are not the subject of this hearing, but will be discussed as outlined at a later date. We have provided you with a flowchart last time, and I think we have given you a larger size one that you might be able to read better this time. It is 11 by 17 I think. It shows generally the relationship of the Environmental Impact Report to the other project reviews and actions. We will be having a series of meetings, not just through the environmental review process and the architecture review, but the Development Agreement discussions, and then the final entitlement discussions later in the year.

So there have been some questions asked about the process that I would like to address briefly. One of the questions that have come up has to do with the Council's discussions particularly of the community benefits, and the fact that there is a number of menu kind of options that you are looking at now, mitigation measures, benefits, conditions of approval perhaps, zoning, etc. These are key policy decisions obviously the Council is going to need to deal with and there are concerns. I know that the EIR might box you in or not allow the kind of flexibility that you need to look at those items as well. We don't think that should be a concern for several reasons. One is that the mitigation measures that we do provide in the document in some cases themselves are a menu of options for the Council to choose from.

Secondly, we have provided Alternatives in the document that allow for a number of the issues that you have discussed in terms of Development Agreement and other requirements, alternative mitigation measures to be implemented such as housing being considered with the Village Concept Alternative, or preservation of the Stone Building as part of the Preservation Alternative in the EIR. So there are a number of ways to address these issues.

There are other potential benefits and conditions that you have been talking about that don't really have a physical environmental impact such as funding for healthcare programs, for instance. So there are some things that we don't really have to address as part of the EIR that are sort of out of that scope.

So in summary, the EIR itself is basically the disclosure of the potential physical impacts of the project and of these Alternatives. It is not in any way an acquiescence or approval by the Council of the project as it is proposed.

We have scheduled, as you know, a series of meetings for the Council and Planning and Transportation Commission to consider this Environmental Impact Report. We have focused those meetings on the various topics and chapters in the Environmental Impact Report, given the scope of it that seems to be a much more manageable way to address the document. So overall we have a lengthy 69-day review period. We have meetings scheduled with the Planning Commission, one of them has occurred already. Again, broken down by topic and chapter, so last week we had the Project Description, Land Use, Housing, and Public Services Chapters. Those are the ones that are before you tonight.

This Wednesday we will be talking about Visual Quality, Biological Resources, and Cultural Resources with the Commission, and you will be looking at that next week, and so forth with Transportation, Climate Change, and Air Quality. All those subjects are addressed in a series of six meetings with the Commission and then subsequently with the Council as well in a series of five meetings. We have combined two of the subject categories into one for the Council. So there will be many opportunities to comment on these things. We would just encourage that tonight we focus on those chapters that are outlined for you, and that Rod will briefly touch on. Then these other ones will come along in their sequence.

There have also been questions at the Commission last week, and I know the Council had these questions a couple of weeks ago about the possibility of having additional meetings, or an additional meeting to try to coalesce the topics that have come up, the discussions that have been made over the period of several meetings. We don't have something like that scheduled at this point in time. We can either entertain doing that, which would mean that we would have to compress our schedule and get a meeting setup quickly, or we can as you move along through the series of meetings, you may gauge better later on whether that is necessary or beneficial, or else we would need to extend the comment period.

One issue that came up at the Planning Commission last week was the discussion of the relationship to the Comprehensive Plan, and concerns that things were out of sequence. That we are looking at a project that involves Comprehensive Plan changes, and at the same time we are doing our Comprehensive Plan Update. We certainly understand that dilemma. That really, to us, is not an EIR issue as much as it is a project issue, and sequencing the project with the Comprehensive Plan. However the environmental impacts such as traffic, and visual impacts, and that of that Comprehensive Plan change are addressed as part of the EIR. Project consistency with the Comprehensive Plan will ultimately be one of your gauges as to whether or not to approve the various entitlements associated

with this project, which community benefits are appropriate, etc. I don't know the extent to which Commissioner Martinez will be discussing this. Then lastly, just frankly, the consideration of delaying in some way while the Comprehensive Plan Update moves along would be highly detrimental to the schedule for this project.

Council Member Holman provided some questions today, and we distributed at places some responses. I just want to touch on a couple of those in particular. One was a concern about the lack of visual aids in the Environmental Impact Report. We acknowledge there are not detailed plans as you might receive on other projects. However, there are visuals in the EIR site plans and simulations, and shadow studies that relate specifically to addressing the significant impact criteria in the EIR, such as view obstruction, scenic qualities, shadow studies, etc. So we will be discussing the Visual Resources section of the EIR next week with you, this week with the Commission. I can address those in more detail. The applicant is also presenting a fly-through model of the site to the Commission this week and to you next week. We are hoping that will help address that concern.

Secondly, there was a question about whether Council comments would be provided or could be provided at after the close of the comment period. If I didn't understand this, Council Member Holman, let me know. Generally, the answer is no, comments are not provided after the comment period but you could certainly extend the comment period if you had a meeting scheduled to provide additional comments at a follow up meeting. If the concern was specifically about like tonight or next week's meeting being busy and you might not be able to get completely through those items, certainly those comments can continue to be made either at subsequent meetings, or even offline as individuals to Staff and the consultants, and they will be passed along before the timeframe is up on July 27.

Then finally questions about the review process, specifically the ARB review and the HRB review process, and the lack of HRB review. We do acknowledge the need for an HRB review and we are trying to schedule an HRB review of the Cultural Resources section prior to the July 27 deadline. We will move on that. The ARB's reviews continue to be preliminary in nature and we think they provide a useful forum for initiating some of the design discussions. We do also plan that the Commission and Council will have opportunities to look at those designs in the fall after we get through this Draft EIR comment period.

So with that I think first we want to go to the City Attorney, and then maybe Commissioner Martinez, and then come back to Rod Jeung. Thank you.

Cara Silver, Senior Assistant City Attorney: Thank you Curtis, Mr. Mayor and members of the Council, Cara Silver, Senior Assistant City Attorney. I want to provide you some framework for your decision tonight and moving forward through the entitlement process.

As we have discussed in the past there are three major aspects of the entitlement process. The first major aspect that we are dealing with of course is the environmental review under the California Environmental Quality Act. The review process itself has several different phases. The first phase is the preparation of the Draft EIR by the consultant, which has now been prepared. The second phase that we are currently in the process of completing is receiving comments by members of the public, by the City Council, and by Boards and Commissions. Then the third phase will be that those comments will be assembled and the consultant will provide written responses to all of those comments. Fourth, once the Response to Comments document is finalized there may be some additional revisions to the Draft EIR that will need to be compiled. Then the Draft EIR, the Response to Comments, and the Final EIR, which contains some textual changes, are all compiled and that creates the Final EIR, which is then certified by the Council.

In conjunction with certifying the EIR the Council will need to make certain findings regarding the EIR. Those findings basically require the Council to decide whether there are any feasible mitigation measures that would reduce impacts identified in the EIR. The Council must also make a finding as to whether there are feasible alternatives that would reduce impact. Third, the Council must adopt a Mitigation Monitoring Plan. Finally, if the Council were to approve the project it must adopt a Statement of Overriding Considerations. This part of the EIR process is typically done at the tail end after all the Response to Comments are compiled of course.

As Curtis mentioned there are some mitigation measures that are listed in the Alternatives sort of as a menu. During the tail end of the EIR process is the time for you to make the policy decisions about whether one or several of these mitigation measures should be adopted and are in fact feasible.

The second major aspect of the Stanford Project is the zoning and entitlement process. This involves the zoning amendments, the Comprehensive Plan Amendments, and then also the discretionary entitlements. Of course, as we discussed in the past, the discretionary entitlements will involve some Conditions of Approval. Again, there are some overlap between mitigation measures and Conditions of Approval and we will sort that out as we go through the development process.

Finally, the final aspect of the entitlement process is the Development Agreement, which as we have discussed in the past locks in the zoning entitlements as of the date of the execution of the Agreement. In return for the City's locking in the zoning regulations the applicant typically grants the City a package of community benefits. Again, there is some overlap between community benefits and the Conditions of Approval, but the intent of the community benefits is that they are supplemental to the existing Conditions of Approval in the entitlement process. So with that I will turn it over to Commissioner Martinez, who can report on the Planning and Transportation Commission comments on the three chapters that we are discussing tonight.

Eduardo Martinez, Planning and Transportation Commissioner: Good evening Council Members and Mayor. Curtis touched on one of the most significant aspects of our discussion last Wednesday. That is really the appropriateness of amending the Comprehensive Plan for this project when we are in a state of early review, and suggestions on what the Comprehensive Plan should be over the next ten years. We are unfortunately at the end of a Comprehensive Plan that was probably begun in the early 1990s. There are some things in it that really don't fit any more. It sort of reflected as we reviewed the DEIR and tried to make sense of some of the suggested mitigations.

We saw two types, and we discussed this at length. One is if the Comprehensive Plan didn't fit specifically Land Use Policy L-8 then you change it. There was some consternation about specifically that Comprehensive Plan Policy. The second was to suggest or describe the way in which the mitigation would be solved would be to utilize the ARB to make sure that the land use correct. I think we had some issue with that because the ARB, I think it was put fairly succinctly, reviews the use of land but not the land use. So there were some suggestions about mixed uses, and other items that could be considered to limit trips for example that would not be an appropriate discussion by ARB.

The second major issue was really the environmental impacts discussion itself, and the sort of marginal mitigations that were suggested. Specifically the school impact, it was suggested for example the school has over 600 spaces to increase capacity where other studies suggested that there is going to be an increase in the school population of over 1,100. So several members of the Commission really questioned things like that and felt that the DEIR could be a little more stringent in really reviewing sort of a tougher line for what these impacts are.

I raised a similar kind of thing in the Housing impacts and really suggested there might be greater impacts if, in the new Comprehensive Plan, we are trying to reduce trips, and use of cars, and such like that. When the DEIR would suggest for example that only eight percent of the people who work at Stanford live in Palo Alto, therefore housing isn't such a big deal. Well, when we are trying to reduce the carbon footprint it is a big deal. So we had issues like that that we raised in our discussions. Staff offered to really come back with some useful suggestions on how we go forth on that.

If you have any questions during your discussion I would be happy to try to answer them.

Mayor Burt: Thank you. Now we are ready for additional Staff Report. Consultant.

Rod Jeung, Project Director, PBS&J: Good evening Mr. Mayor, members of the Council, and members of the public. My name is Rod Jeung. As Curtis said earlier I am with PBS&J, serve as the Project Director. I am pleased to have Trixie Martelino with me tonight who served as the Project Manager.

Tonight I am going to give a very high-level overview to the four topics that were mentioned by Curtis and are shown on the slide. That is to go over the Project Description and to highlight three of the first topical impact assessments regarding Land Use, Population & Housing, and Public Services.

Regarding the Project Description it is fundamental to the Environmental Impact Report because it simply describes what is being proposed by the applicant. It describes the location, the physical envelope, the intensity, activities, and reasons for pursuing the project. These characteristics are intended to enable a determination of potential environmental effects of implementing the project.

In order to give you a context for how that proposed project is going to change things you do have to have some appreciation for what is on the ground today, what is the existing development. Well, there are two development sites the main Stanford University Medical Center site and a smaller Hoover Pavilion site as you can see on the slide, it is in the upper right corner. Combined, these two sites house about 2.37 million square feet of hospital, clinic, and research space. It is spread among buildings that reach 50 feet on the main site, and 65 feet at the Hoover Pavilion. The main SUMC site contains the Stanford Hospital and Clinics, the Lucile Packard Children's Hospital, the School of Medicine, and clinic and medical office space along Welch Road. The other key features that exist at the site now

include, as shown on the slide, a heliport, an existing emergency department that accommodates about 9,900 employees and over 710 beds.

So what is proposed? First off that there is major expansion at both sites, both the SUMC and the Hoover Pavilion sites. They result in a net increase of 1.3 million square feet mostly on the main SUMC site. Two-thirds of that increase is for expansion. It is for new additional facilities. One-third is for right sizing, a term you heard earlier that refers to modifying the facilities to conform to modern healthcare standards. The maximum building height would increase from 50 to 65 feet on the two sites to 130 feet on the main site. The tallest proposed structures would be the seven-story Stanford Hospital and Clinics hospital modules. In addition to those main building components there would be an additional helipad that will be constructed, as well as a replacement and expanded emergency department.

In order to accommodate the growth and the expansion that is projected there are a number of additional circulation changes that are envisioned. One of these includes a new connection to the Stanford University Medical Center from Sand Hill Road. These plans would result in nearly 250 more beds, an additional 2,240 employees, and about 3,000 more parking spaces at the site.

With that as an overview of the project why don't we go ahead and turn to the first of the topical impact assessments. That is Land Use. So this is a table that you might recall from your earlier workshop. The significance criteria that addressed land use considerations are shown on the far left column. Then as you subsequently move to the right it identifies those issues that are considered to have no impacts, less than significant impacts, significant impacts but can be reduced to less than significant with the recommended mitigation measures, and then those impacts that are considered significant and unavoidable even with the adoption of the recommended mitigation measures. As seen in this chart most of the impacts related to Land Use are considered to be those having no impact. There is one with less than significant.

The ones I want to focus on tonight because of our short time in the overview are the two impacts that were identified as significant. The first is, as mentioned earlier by the Commissioner, the project would conflict with the Comprehensive Plan policies and the Zoning Ordinance regulations regarding floor area ratio and height limits. Because of the size and scale of the project there would be a significant impact on the onsite character and the development pattern of the Stanford Medical Center.

There are mitigation measures as required, and they are detailed in the Environmental Impact Report and in the Staff Report. These mitigation measures are believed to reduce the effects to less than significant. In particular, there are a number of mitigation measures that are recommended to address very specific environmental issues as noted on the slide, and collectively would result in project modifications that would enable the project to be consistent with the Comprehensive Plan policies that are adopted to reduce environmental effects.

In addition, there is compliance as mentioned earlier, with the City's ARB review process. Recommendations from that body would reduce the project's effects on the character of the proposed improvements to less than significant.

With respect to Population and Housing the SUMC Project would not induce substantial population growth that exceeds projected levels for the City that are projected by the Association of Bay Area Governments. It would not displace housing or residents such that replacement housing would be needed.

However, for informational purposes the Environmental Impact Report does look at another issue, and that is how the project would change the ratio of jobs to employed residences within the community. This ratio is an indicator of a community's balance between employment opportunities or job and employees. A high ratio would suggest a job surplus or a housing shortage, and as a result commuters coming in from other areas. Those commuters would then trigger air emissions, greenhouse gas emissions, etc. So the actual change in the ratio in and of itself is not the environmental impact but it is kind of a spin-off effect. It is the effect of the additional travel. The analysis shows that the Stanford University Medical Center would increase the employees but not the housing and result in a ratio that goes from 2.61 in 2025 without the project to 2.66 with the project.

Mitigation measures that have been proposed in the Environmental Impact Report would be to reduce the impact on the jobs to employed residents ratio by looking a range or a menu of different options to increase the number of housing units to help offset that growth in jobs.

With regard to Public Services, which is our last topic, the criteria here show that Public Services considers a range of different issues ranging from police, fire, recreational, and school facilities. The project would result in increased demand for all of these services. However there would not be an increased demand such that the facilities that house those different types of services would result in expanded facilities that would result in significant impacts.

So as a result, in summary, the Public Services result in less than significant impacts. That concludes our overview for tonight. Thank you.

Mayor Burt: Thank you. Before hearing from the applicant I just wanted to speak to the fact that we have 15 comment cards and we are nearing eleven o'clock. This is one of nine remaining meetings on just the Draft Environmental Impact Report between five that are coming forward before the Planning Commission and four more before the Council. So the public will have additional opportunities to speak to it. In addition, the appropriate comments tonight are on the Draft Environmental Impact Report not one whether you are in favor or against the project in general. So we would like everyone to focus on that. Finally, because of the late hour, and the number of comments, and the nine additional opportunities we are going to need to limit each speaker to two minutes tonight, but it does not limit you from speaking in the future at either the Planning Commission or the City Council as we go through.

Now we have these three topic areas of Land Use, Population and Housing, and Public Service. That is the primary focus tonight but the public is not limited to speak on those areas of the Draft Environmental Impact Report. You can speak to other aspects of the Draft Environmental Impact Report either tonight or in the subsequent meetings. Of course would like to ask you to in future meetings to only comment once on a given aspect.

The way the process works is that all comments on the Draft Environmental Impact Report are recorded and it is the obligation of the CEQA process to respond to all of those comments. So you won't get neglected. I just want everybody to know that so they can kind of prepare for after the applicant speaks.

I would like to welcome the applicant forward. You have up to ten minutes at the beginning of the comment period, and five minutes at the end. Welcome.

Mike Peterson, Vice President Special Projects, Stanford University Hospital & Clinics: Thank you Mayor Burt and members of the Council. It is a real pleasure to be here. This has been a long road to get to this point. We know we have a ways to go but certainly the release of the Draft EIR is really an important milestone on this very important project.

I am Mike Peterson. I am Vice President of Stanford Hospital and Clinics. My role is to represent both Stanford Hospital and Clinics and Lucile Packard Children's Hospital in terms of the work with the City on this project. I will

be followed by Bill Philips from the University who will add a few comments after mine.

What I would want to do tonight is just highlight this project in terms of what we are trying to do and some of the major features of it. We are going to be getting into a lot of detail about the project but I would like to just step back from it and talk about some of the general issues of it. From a Project Objective standpoint first and foremost what we are doing here is providing modern, state-of-the-art facilities to deliver high quality healthcare and related teaching and research. There are two components to this. One is to delivering healthcare as any community hospital does. The second is as a teaching and research facility. That has been the role that we have assumed since 1959 when the medical school moved from San Francisco to Palo Alto.

Second, as I think you all know, in the State of California there is legislation and regulations requiring all hospitals to comply with seismic requirements for public safety both from a structural standpoint and from a nonstructural standpoint. Lucile Packard opened in 1990 and for the most part is fine with the structural but they do have nonstructural areas to address. Stanford Hospital and Clinics was built from 1959 through 1989 and has buildings, which will need replacing. We are currently proceeding with following a course of action under SB 1661 to replace our facilities and meet the standards. So we do have a time issue here. We do have a state law issue that we are dealing with regarding particularly Stanford Hospital and Clinics.

Third is to meet existing and projected future demand for patient care. We have had the unfortunate situation of turning people away at both hospitals because we have not had adequate facilities to respond to all the requests for transfer or admission of patients.

Next is to meet emergencies and disaster preparedness. You were spending a lot of time talking about an emergency operations center just now. There are three issues here. One is the size of the emergency department. It is very, very undersized to meet the current demand and what is going to be expected over time. Two is the lack of surge space. That is when you have a disaster the influx of patients and the ability to meet those needs is very difficult for us to respond to handle an influx during a disaster. Then third is really the basic structure of the buildings themselves. If we can't stand a shake and continue operations we can't take care of anyone. So those three conditions are really important for those two points.

Then finally is meeting the needs of the community physicians. We do have a large number of community physicians on the medical staff and we serve

their inpatient requirements as well. Then we have a sustainable design in our facility.

Next slide. This has been commented on already but the project is broken into these components. The adult hospital, SHC, is looking at an 824,000 square foot net addition adding 144 beds. The Packard Children's Hospital 141,000 square feet, adding 101 beds. The School of Medicine is really staying the same in terms of the square footage. For the research at the Hoover Pavilion there is a net increase of 46,000 square feet for community physicians as well as faculty clinics. There is a net of 2,000 parking places. I think the total is 3,000 as previously mentioned. Again the right sizing issue here is about one-third of the project as you have heard already, to basically provide the adequate space for certain services without necessarily any increase in either staff or patients. The examples are private rooms, an appropriately sized emergency department, and appropriately sized operating rooms.

Next slide. There are a couple of other hospital projects in the Bay Area of comparable size such as UCSF, Mission Bay is looking at about 1.8 million square feet, and Cal Pacific a little under a million square feet. I will just move along in the interest of time.

The City engaged Marlene Burkhoff as a peer reviewer on the project. She reported her findings in November of 2007. A couple of points under single patient rooms, what she identified as pretty much all hospital projects today, not only in California but in the United States, are looking at private rooms. The size of the private rooms is pretty close in size to what we are seeing with Kaiser and other facilities in the State of California. Then finally, the overall space being considered for other services is pretty much on the line as you see in other facilities.

Height is an important issue. You can see the two hospitals are going up to 85 and 130 feet. We are looking at several features here. One is the floor to ceiling height of an existing hospital building has increased significantly over the past decade. We have a lot more infrastructure built into the building than we ever had before. It requires more height just for even a single floor. Second is from an efficiency of operations standpoint hospitals work better on a vertical rather than a horizontal design. Third is just the amount of land we have available to us tends to drive to a higher rather than a broader base. Then there are some comparisons to other building in the City of Palo Alto. That is not a comprehensive list just a selective list of building heights that currently exist in the city.

Next slide. Okay, Bill.

Mr. Bill Philips, Stanford University: Mayor Burt and Council Members, just quickly I will sum this up. Important factual information results. We have 9,800 current employees, eight percent, which you have heard before live in Palo Alto currently. We expect the demographics to be about the same for the additional employees of 2,200, a number you heard earlier. This net new employment results in a net regional demand for 1,300 housing units. Using the eight percent equates to a demand for 140 housing units in Palo Alto that is both affordable and market housing. As Rod mentioned earlier, the DEIR shows that the housing demand would be less than significant.

Next slide. The average daily trips from the project are a little of 10,000, a number that the media has caught. With the Go Pass, which is a program of Caltrain Go Pass for all employees, not just the project employees, you would have about 8,000 net new daily trips. Just by way of comparison to a recent project in Menlo Park of about 900,000 square feet at the Menlo Gateway project has an ADT of a little over 11,000.

The peak hour trips, which are the ones that are susceptible to producing congestion, the maximum number there is the 766 AM peak hour trips. With the Go Pass that comes down to 261 AM trips, and basically eliminates all the employee trips from the new project as a result of the Go Pass for all employees. Again, by way of comparison Menlo Gateway, similarly sized, was 1,146 AM and a little over 1,200 PM. Thank you.

Public Hearing opened at 10:49 p.m.

Mayor Burt: Thank you. So at this time we will open the public hearing for members of the public to speak. Each member will have two minutes to speak. Our first speaker is Larry Taylor, followed by Dr. Bruce Baker, followed by Crystal Gamage. Welcome.

Larry Taylor, Palo Alto: Good evening Mayor and Council Members. While reviewing the Draft EIR I became a little bit alarmed at how many alternatives were in it. One alternative, the Historic Preservation Alternative, seems to be a bit unrealistic and doesn't really address or meet the Project Objectives. It is on page 5-45 and 47, and it clearly shows where the EIR clearly shows that in the School of Medicine research labs could not be updated properly under this alternative. Another, Reduced Intensity Alternative, right sizes the hospitals without adding any new beds. The current demand and future demand of hospitals shows that there is a need for more patient beds.

I have lived here for 60 years and consider the Medical Center as the crown jewel of our area. The Draft EIR identifies many, many mitigation measures that will address environmental impacts. So our focus should be on improving the project as proposed, and not all of these other alternatives. Thank you.

Mayor Burt: Thank you. Dr. Bruce Baker followed by Crystal Gamage followed by Tom Jordan. I don't see Bruce Baker here. Welcome Ms. Gamage.

Crystal Gamage, Palo Alto: Good evening. It was so refreshing to hear Mr. Peterson say patient care. That is what this project is all about. I think the objectives of the Stanford Medical Center Project are admirable and I do think what they have done with their land use and the kinds of buildings they are going to build for patient care is what we should be concentrating on. I like the design. I like the layout. I like the open space. I have no qualms at all about the height of the towers. I think visually it is going to be attractive. It is dynamic. It is going to brighten up Welch Road that has a lot of uninteresting monolithic buildings over there. I would like to refer to what John Northway said, form follows function. The function of the project and the buildings is patient care. I hope you will keep that in mind.

Palo Alto has been so fortunate in having very good hospital care. I don't know whether you know that the first hospital was open in 1895 followed by one in 1920, which Palo Alto acquired, followed by one in 1931, followed by the one that is currently being in 1959. This is nothing new for a Council to approach. So remember two-thirds of the people in Palo Alto need good hospital care. We want continuous hospital care. Please keep in mind that I think this land use and the objectives are very well meshed, and people in Palo Alto are looking forward to your support. So keep on schedule and get this project underway. Thank you.

Mayor Burt: Thank you. Tom Jordan followed by Stephen Player followed by Stephanie Munoz. I don't see Mr. Jordan. Welcome Mr. Player, you have not been ceded his time.

Stephen W. Player, Palo Alto: Thank you very much. I don't want his time but thank you. I am an employee of Stanford but they don't pay me to stay up as late as you are asking to stay up. I just would like to say a few brief words about this.

I have not read the EIR word for word, but what I have read about it seems to make a lot of sense and gives a good framework to develop this project. I was particularly intrigued by some of the issues that were raised by the

Planning Commission. Then seeing how I felt that within the EIR itself and within the proposals, especially the hospital zone, which would be very specific to this particular site, is a very good way to deal with the kind of issues that have to be dealt with in order to really make this the kind of project we want to make to make it a showplace for Palo Alto. A place we can all be proud of. So I think the hospital zone, as you get into discussions, is going to address a lot of the issues that were raised by the Planning Commission.

I also like the idea of the ARB's review as being one who is looking at the mitigation issues to tie together the Comprehensive Plan and the particular uses of this particular space. Ultimately the buck is going to stop with you all. I think within the framework of the City and within the framework of the plan there are good, good criteria, good reasons for why this should go forward. I urge you to go forward on a timely schedule so that we can comply with state law. So at the end of this whole thing we can all say this is a benefit to this community, a medical center that is going to be there for us, for our children, and our grandchildren for the years to come. Thank you.

Mayor Burt: Thank you. Stephanie Munoz followed by Mark Lawrence followed by Diane Churchill.

Stephanie Munoz, Palo Alto: Good evening again. Council, Mayor you can make a lot of changes to what you thought was optimum with no harm done. You can get a lot of community benefits in exchange, but if you let Stanford build a million new feet of workspace without commensurate low-income housing you are going to be sorry.

Stanford's Industrial Park used to be in the County, and when it was it was planned residential with the industrial down by the bay accessed from 101. When the industrial park was built Palo Alto annexed it and it was a huge addition to the tax base. As time went by and ownership never changed the proportion of property tax paid by the commercial vis-à-vis residential shank from 50-50 to 25-75.

However, meanwhile San Jose annexed a lot of land and developed it as residential, and the inequality this produced in school funding led to the state's seemingly absurd demand that every town allow for low-income housing, and the unbearable impact on Palo Alto's neighbors of the commuter traffic. You couldn't get out of your driveway in Los Altos. Now, the new development is not going to be to the south of the campus impacting the neighbors to the south. It is going to be spang in the middle

of Palo Alto. It is Palo Altoans who are not going to be able to get out of their driveways. You are not going to like it.

Furthermore, the County's solution when Stanford built this destination was to take away the branch line. We lost the branch line access to Los Gatos, Saratoga, Los Altos, and west San Jose, but there isn't any branch line next time. I don't think you can in good conscience allow the largest landowner in the County to build all commercial and no worker housing. Thank you.

Mayor Burt: Thank you. Mark Lawrence followed by Diane Churchill followed by Brian Steen.

Mark Lawrence, Palo Alto: Good evening. I wrote a bunch of stuff up here and now it seems to mostly be irrelevant so I am going to try to condense it a lot for you. I have heard a lot of talk over the last few meetings about the community benefits that Stanford needs to be contributing to somehow make up for the impacts of this project. Never quite as strongly stated as the last speaker, I guess. I would just like to point out that the hospital is the community benefit that we are all looking for, and that many communities go out of their way to try and get a hospital built there. So I hope we don't run this one out of town.

I actually kind of focused on the Transportation part of the environmental impact statement. I guess I am here the wrong week to really cover that. I would like to comment on some suggestions I heard recently that Stanford instead of buying Go Passes for people should be subsidizing bus lines. The Go Pass is of course a mitigation of documented environmental impact. Specifically it is for trip reduction. If you take that away then you are taking away a mitigation for one of the environmental impacts.

I do hope we can keep this thing moving forward. I know the state's deadline is only a few years off but we don't know when nature's deadline is because we are after all worried about what happens when the earthquake hits. Thank you.

Mayor Burt: Thank you. Diane Churchill followed by Brian Steen followed by Joseph Hopkins. I don't see Diane Churchill. So Brian Steen followed by Joseph Hopkins followed by Jim Rebosio. Welcome.

Brian Steen, Palo Alto: Mayor Burt, Council Members, and Staff I am a land use consultant. I was very pleased to see your consultant put up his conclusions about the various different aspects of the Draft EIR, and basically all the different impacts can be mitigated. To me that is a very important turning point in terms of seeing that the various different things

that are being proposed by Stanford can be dealt with within our community on a reasonable basis. That was my feeling from reading the plan from the start and I was glad to see a professional assessment that came to the same conclusion.

Because of that I really want to urge the Council and the City to move forward as quickly as possible to adopt the Draft EIR. I was glad to see the procedural process that was presented tonight. It seems to be very logical and hopefully one that the community will support.

I would like to present an idea that just occurred to me tonight, and maybe it is not entirely practical, but it seems appropriate given the discussion for the Emergency Operation Center for the City of Palo Alto Police Department and the need for one with hospital. It seems there might be a good discussion there in terms of whether there could be a joint EOC. I have no idea if that is practical or not, but I would like to bring that up as a suggestion.

I have no problem with the height being proposed by Stanford with the new hospital. After all City Hall apparently now is within three feet of the same height. So both buildings I think would be public service buildings at the same height. Overall I think rebuilding SUMC right now is an important thing that needs to happen. It is a regional hospital that will really establish a regional level of healthcare that I think is very important for Palo Alto and our region here in the Bay Area. Thank you.

Mayor Burt: Thank you. Joseph Hopkins followed by Jim Rebosio followed by Allison Cormack.

Joseph Hopkins, 3264 Murray Way, Palo Alto: My thanks to the Council for the opportunity to speak briefly with you. I am a physician at Stanford. I am the Senior Medical Director for Quality there so I worry about quality of care, patient safety, effectiveness of care along with a lot of other people. I am mostly a family physician and geriatrician and an over 40-year resident of Palo Alto, and have had the honor to provide medical care for hundreds of Palo Alto citizens in my career.

I just want to use some time to keep I hope top in your mind the needs of patients and the strong need the physicians are experiencing for the improvements that are part of this plan. I came to Stanford first as a medical student in 1969 when the practice of medicine was dramatically different than it is today, and the needs of the facility have changed accordingly. The size of rooms, and single rooms, is not just a nice thing but it has to do with the number of things that have to be around patients now

to care for them. EKG machine, EEG machines, dialysis machines and so forth. Because the hospital is so full all the time patients cannot always be in the areas of the hospital where the nurse is most skilled in providing their care are available. We have the CCU at one extreme end of the hospital and the coronary thoracic ICU at the other end of the hospital. We have the need for controlling infections, which didn't exist, some of which are untreatable today. We have the need to provide for the care of the elderly which is an over-represented demographic in Palo Alto, as you know, who are particularly at risk for infections, are at risk for sleep disturbance which add to delirium which in combination with pain medications can cause falls, aspiration, pneumonia, and other things which actually have fatal outcomes. So I want to urge you to be as expeditious as you possibly can so that we can bring better care to our citizens. Thank you.

Mayor Burt: Thank you. Jim Rebosio followed by Alison Cormack followed by Craig Thom. Welcome.

Jim Rebosio, San Carlos: Good evening, thank you. I am the General Manager of the Sheraton Hotel here in Palo Alto. Our company also owns the Westin Hotel in Palo Alto. While I appreciate all the concerns about the added employees to Palo Alto I also think that we are in a time right now where our local economy has seen a lot of our companies' right here contract. So a lot of what we currently have is actually getting smaller. We have companies such as Sun Microsystems quickly going away, HP getting smaller, Roche, and so forth.

Last year was really a difficult time for our hotels. What I think we do see in hotels is kind of the vibe of the local economy. Of our biggest groups that we deal with Stanford Hospital was the only one that didn't actually go backwards. They were the only one that actually provided us with more hotel rooms and more business than the previous year. All of our corporate clients, all the corporate business in the area actually went backwards. They have been a great partner, not just somebody that we work with. It has been a great relationship with them over the years, and it is not one of just pure business. It is something that we see every day what they bring to the area. We see every day where people come from to come to this hospital. We always have people here from Hawaii because they don't have the medical facilities there in Hawaii. It has been an outstanding relationship and I see it every day. We see it every day with people around the hotel with children, with adults it has been a terrific relationship. So thank you for the time. Good night.

Mayor Burt: Thank you. Alison Cormack followed by Craig Thom followed by Susie Thom. Welcome.

Ms. Alison Cormack, Palo Alto: Good evening. I have been coming here for five years without addressing Council on any subject except the library, but I have made an exception tonight because this project is too important to my family not to come and ask for your approval.

The 2007 peer review study that was mentioned tonight is basically incontrovertible. It is very clear and reasonable that the size of the project is appropriate for all the reasons that have been outlined before, and the need in my mind is incontrovertible. I have been in that emergency room with a patient who was literally waiting in a closet. I have shared a room after having a C-section with a baby. I have waited for an operating room because my husband needed emergency brain surgery.

I don't want our community to have these substandard facilities any longer. They were designed and built before technology changed medicine. I am really pleased to see the Draft EIR identifies very few significant impacts in the three areas you are discussing this evening. I do feel compelled to mention that some of the City's requests on pages 12 and 13 I consider unreasonable.

Finally, it is clear that the Draft EIR suggests that both the zoning change and a Statement of Overriding Considerations will be necessary for approval. I ask that when the time comes you support these so this essential project can proceed. Staff looking for pages 12 and 13, it is in the Staff one, the City one that says Draft May 2010. Thank you.

Mayor Burt: Thank you. Craig Thom followed by Susie Thom followed our final speaker, Bob Moss. Welcome.

Craig Thom, 753 Maplewood Place, Palo Alto: Apologize for the late hour. I am here to lend my voice to the support of this project. I was very pleased to see in the schedule that came out that the Draft EIR came out with very few issues. I want to urge that you maintain focus on this project to meet the schedule that was proposed this evening, and pause when you see the loud voices come up to try to change course late in the game. Thank you.

Mayor Burt: Thank you. Susie Thom followed by Bob Moss.

Susie Thom, 753 Maplewood Place, Palo Alto: In 1990 the median age in the city was 35. In 2000 the median age in the city was 40. In 2010 those numbers will be coming to us soon, but the important point is that our demographics are changing. The community's population is aging and with that comes a critical need for current and up-to-date medical care.

The Draft EIR has been a long time coming and is very complete. It meets the needs of the City's Comprehensive Plan. I am concerned about the Planning Commission's recent discussions to delay the hospital project while the Comprehensive Plan is under review. I would like to encourage you to keep these facilities moving along for completion by the end of the year. I want to thank you for your consideration of this critical project and your leadership in keeping it on schedule.

Mayor Burt: Thank you. Bob Moss.

Robert Moss, Palo Alto: Thank you Mayor Burt and Council Members. I have a different viewpoint than almost all the other speakers. I would like to remind you this is the biggest project that has ever been proposed for Palo Alto in the 116 years we have been a city. The EIR is full of errors, omissions, and incorrect assumptions and statements. The Planning Commission in just a few hours did an excellent job of starting to tear it apart and show the errors and the problems. I think that in a couple of more weeks, after they have had more time to go into it in detail, they will examine and identify even more problems with the EIR. Basically it is garbage.

I also was kind of appalled that the ARB is being identified as the body to oversee compliance with the process, the project, the Comprehensive Plan, and the Zoning Ordinance. That is not what the ARB is in business for, but I guess Stanford figured if they asked to have the park rangers handle it that they wouldn't be able to get that approved, so they went with the ARB. That was their second choice.

This project is going to have very significant impacts, very significant negative impacts, on the City of Palo Alto and the City of Menlo Park. The mitigations that have been proposed so far are inadequate, and the ongoing oversight is totally inadequate. So before the project is approved it needs to be corrected. I thought for an example saying it doesn't comply with the Zoning Ordinance, Comprehensive Plan, and City policies therefore change the City policies and everything is going to be wonderful. No. Make Stanford comply with what we need in our community. This is a regional facility and we are being asked to make major sacrifices. So let's try to trim things down so that it fits in our community and works right for all of us.

Public Hearing closed at 11:11 p.m.

Mayor Burt: Thank you. Now we can return to the Council. Council Member Schmid, did you mean to have your light on? No? Okay. Who has first comments or it can be questions. Council Member Holman.

Council Member Holman: Yes, to follow up on the questions that I had submitted earlier regarding the visuals. I guess my concern still remains that when I am looking through the Index for some visuals that are going to inform me about visual effects for instance I just don't find enough visuals there to inform me of it. I used the Hoover Pavilion as an example because it is kind of an obvious one. So there are visuals in here, and we don't need a whole plan set, but I do recall that prior to the DEIR preparation when we were just looking at the scoping of the EIR that we had visuals that told a much better story than what we have provided now. Those drawings are inadequate at this point in time, and many people up here don't have them anyway, including Planning Commissioners, but the project has changed since then. So I am really concerned about how analysis is going to be made and comments are going to be made without adequate imagery, same with the scale model.

The response at the ARB has been getting images at the meetings is also a little troubling because are they making decisions, having to respond in real time to what they are being presented with. It takes often times a little time to digest these sorts of things. So I don't know if Staff can comment on that any further but I am troubled by that.

Mr. Williams: Yes, thank you Council Member Holman. I think we have some concern about that too, and we are trying to move forward. The ARB is starting to see actual plan sets in front of them too. Again, there are site plans in here. There are simulations that do accurately portray at least the massing and scale of buildings as they are required to for the purposes of the EIR, which are primarily what are the scenic views that are impacted, what are some of the other values that are specifically impacted. It doesn't require the level of a detailed site plan, or detailed architecture to make those determinations other than there are some criteria that relate to Visual Quality.

I think there has been some confusion about the reference to ARB that some folks have mentioned. One primarily that the comment that appears in several locations here is that the ARB will recommend as part of the architectural review process to the Council, and the Commission on the way, relative to design issues. That process is what is in place to try to address what the specific design components are. It doesn't affect the land use per se. It is not changing land uses. It is the visual quality and character issues that are addressed through that process. So there is nothing in here that

says ARB will subsequently be making the decisions on what that design is. That is not the intent and it sounds like we may need to go back in and reword that so that is clear.

We will carry that back, as far as the plans go, to the applicant and see if we can't get more. Obviously we are scheduled next week to talk to you about Visual Quality but it is something we could also revisit later if we can get more information for you.

Council Member Holman: Thank you, I would appreciate that. The schedule, just quickly, I raised a question about next week's meeting. We started this meeting tonight I think it was a little bit after ten o'clock and we lost some speakers. Now I know we are going to have several opportunities at this, but the next meeting I know there is no way we are going to start the next meeting on this before 10:30. I just can't imagine that we would. So I just want us all to keep in mind that we are really precluding opportunities for people to participate and not providing ourselves our own best opportunity to be our sharpest when we are looking that this. So that is another thing.

The other question I had asked was about the Hoover Pavilion site. I had been in the Chambers for a meeting late last Thursday when I picked up the Staff Report, because an ARB meeting had been held that day. I guess the response to my question didn't make me feel confident that there was a clear understanding of what the requirements of CEQA were in regards to review of historic standards, the Secretary of the Interior's Standards because the Staff Report that went to the ARB didn't mention the Secretary of the Interior's Standards, didn't mention context, both of which are required as a part of CEQA. So I guess it didn't instill confidence in me that there was a good understanding of what was required to satisfy CEQA.

The response came back that yes, this is going to go to the HRB. Is there clear understanding of, I know there is in City Hall a clear understanding of what is required, but the Staff Report did not convey that to me whatsoever.

Mr. Williams: Yes, thank you Council Member Holman. I don't know if we just didn't get down to that level of detail in the Staff Report, and Rod may be looking at it. I believe that the EIR itself does and will require that determination to be made. I recall seeing language in there to that effect. It is there, and I do think it is appropriate for us on that score to get HRB's input as to whether they believe this is addressing it adequately or not relative to the Secretary's Standards.

Council Member Holman: Just a last question about that and then I will pass to others. Will HRB be having a regular review of this? Typically their role is to be recommending to the ARB, but because the Secretary of the Interior's Standards are a requirement for satisfaction of CEQA what is HRB's role going to be in this process?

Mr. Williams: HRB will be commenting on the Cultural Resource section I would anticipate, and those will go to basically the consultant who will respond in the Final EIR to those comments. Then we will share them also with ARB, and with the Commission, and the Council. That would be the appropriate response. I think they should also be looking at the Preservation Alternative as part of that consideration.

Council Member Holman: Thank you very much.

Mayor Burt: Council Member Shepherd, do you want to go next?

Council Member Shepherd: Thanks. This is a big document. I have some numbers here that are large and I wanted to just ask if I am interpreting them correctly. In the Summary it talks about Policy L-8 limit of 3,257,000 square feet of new nonresidential development of which there is 1,944,000 square feet remaining under the Comprehensive Plan that can be developed. Yet in the Medical Center area it has already exceeded its square footage. So this new hospital zone is going to intensify that exceeding of square footage. My question is does that mean that some of the other square footage that could be built will not get built? Did I ask that correctly? Thanks.

Mr. Williams: Yes, Council Member Shepherd, thank you. I don't know if the City Attorney wants to maybe comment that, but I think the short answer is no.

Ms. Silver: Yes, Council Member Shepherd. The EIR as a mitigation does propose a clarification to the Comprehensive Plan. Currently the Comprehensive Plan designates the different planning areas and has specific caps in those specific planning areas. There is a recognition in the Comprehensive Plan that Public Facilities are exempt from the overall cap. Because of the specific drawings and mapping contained in the Comprehensive Plan there is some ambiguity about whether the entire Stanford Project as built out would be exempt as a Public Facility. So the recommendation in the EIR is to clarify that so that it is clear that the entire hospital project with the exception of the clinics would be exempt from the cap. So it would not affect overall development in the city.

Council Member Shepherd: So does that mean then that they are exempt from the cap in the hospital zone, the eventual use of the hospital zone? So that means that the remaining 1.9 million square feet is allowed to be built elsewhere in the other zones? Is that how I am supposed to understand that?

Ms. Silver: That is correct.

Council Member Shepherd: Okay. Then I have another question. In the 2000 GUP there is an allowable a little over 3,000 new housing units that can go onto the academic campus and another about 2.0 million square feet of academic building. I am assuming the 3,000 net new housing units is their allocation on their County campus zoning and would be in addition to the amount that ABAG is asking us to do. So in our particular region we have a potential of about 6,000 units that could get put into play. Okay.

Then in addition to this there is another 2.0 million of academic building that can get built. Am I reading this right? Okay.

Mr. Williams: It is actually down. I think it is 1.0 million or so now because they have already built a lot of that.

Council Member Shepherd: Okay. Right. I am just going by what is in here.

Mr. Williams: All that was incorporated into the cumulative impact type of analysis.

Council Member Shepherd: I guess I am just kind of intrigued by the cumulative effect of all of this because looking at the net trips, and I know we are not on Transportation tonight of 10,000 per day. Already I am just curious as to what kind of the plan is because I know there are a number of bottlenecks. I also know that in a corridor study that we are going to be doing we are going to be answering some questions about whether or not some of the streets might get closed down going across the tracks if the train stays at grade. At least, that is the way I understand it. So there is a lot going on right now.

Raised concerns regarding the 10,000 net trips per day and the numerous bottlenecks noted in the High Speed Rail (HSR) corridor study with possibilities of street closure interfering with the tracks. She asked whether additional firefighters would be needed to staff the new 100-foot ladder fire truck.

James Keene, City Manager: That would be the corridor study related to High-Speed Rail.

Council Member Shepherd: Yes, exactly. I am sorry I don't mean to confuse anybody. It is just there is a lot in play and we don't know how it is going to end up.

Then I have one very simple question. The new 100-foot ladder truck, will we have to have like four firefighters on that? Does that increase our staffing at all or do we know?

Mr. Keene: I don't know the answer. We will get you the answer.

Council Member Shepherd: I was just curious. Okay, thank you.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Thanks for all the information and the very rich sources of material. I guess my role tonight is just to play the role of a representative of Palo Alto and try and understand the information in front of us. We are going to be making important decisions over the next month and it is important that we have data that helps us make that decision.

I am struck by the numbers in the housing population and Housing Chapter, one in particular when it tries to answer the question stated on the first page. Will this project foster population growth that exceeds the City's and ABAG's regional forecast? The answer is no, it will have an impact less than two percent. That number struck me because last year when we talked about traffic we also said or the report also concluded that oh yes, it would be less than two percent impact on traffic. This is startling because, as someone mentioned already, this is the largest project in the history of Palo Alto. So how can the largest in the history of Palo Alto have a trivial effect on housing and traffic?

I think there is a fundamental misunderstanding of the jobs and housing models that ABAG, the City, and the VTA uses. Their models are derived from ABAG. ABAG's model in turn is derived from the demographic research unit of the State of California, the Department of Finance, and the Department of Finance does an extrapolative projection of population in California. Those numbers are passed to the Department of Housing and Community Development who translates them into housing. Since the model is a long-term model they say California has grown between 1950 and 2010 by this amount. The next 30 years it is grow by the same amount. We are going to have all these people. They distribute all those new people

to the various regions, to ABAG. It is ABAG's job to distribute the burden of that growth within the Bay Area. It is not growth that comes anywhere except under the assumption that future population growth is going to be more or less like it has been in the past.

Those are the numbers that the VTA uses for their traffic analysis and the City uses for their projections already imbed extrapolated growth, which is likely much higher than will actually take place. Now when ABAG gets the number they look around and say let's distribute this on the basis of what we know, existing relationships, and we will treat Palo Alto and Stanford as a single sphere of influence. As it turns out the imbalance, the jobs/housing imbalance, 90 percent of it is caused by Stanford-owned lands. So in essence Stanford creates the jobs and Palo Alto gets the housing. The ABAG allocation projects that into the future.

So of course, when you have a mode that already has included all the jobs and housing and population growth that takes place within this region both historically now and probably in the future what it shows is this tremendous imbalance. So ABAG says they can have a larger regional allocation than anywhere else in the Bay Area. Palo Alto ends up having a faster rate of population than the Bay Area as a whole, than California as a whole. It is not surprising under this model that when you look at it and you say does this project cause more growth than is already imbedded in ABAG of course the answer is no, because your growth is already there.

It is unfair and inequitable that Palo Alto be told by the State of California that you have to remediate the jobs/housing imbalance generated by Stanford/Stanford owned lands through a high housing allocation now and in the future. I think it is incumbent on Staff to cover in the base report that we get the material that we analyze and get, and get a clear and acceptable statement or roles and responsibilities for population, and job growth, and their impact on the future of housing and traffic in Palo Alto. I think until we have that statement it is very, very difficult to asses the key issue of population and housing, and two weeks from now to sit down and talk about traffic impacts. We need to have an agreed upon base of information that we can work from.

Mayor Burt: Council Member Scharff.

Council Member Scharff: Thank you. When I was looking at this a couple of things struck me. The first was that on Housing it says the DEIR found impact on population housing to be less than significant. However for informational purposes the DEIR also included a discussion of the secondary

environmental impacts relating to increasing the City's jobs/housing imbalance.

I have probably looked at 50 EIRs and it is really unusual I think to see something where we say 'for informational purposes' we are going to look at that. Usually, and my belief is what CEQA requires is once you decide that there is no significant impact you stop. You say, there is no significant impact, and we move on. So I guess my question is why do we have all this in here?

Ms. Silver: I think in providing the most legally defensible document it is important that all potential impacts are identified, and similarly all potential mitigation measures are identified. It actually is fairly common to see informational only analyses. They are typically in the appendixes.

Council Member Scharff: Maybe that is why I have not seen them. I don't get to appendixes usually.

Ms. Silver: Could be. They are not imbedded in the document itself. In this case, there was a decision to put this analysis up front because the issue has been very prevalent in the public discussions. Also, of course it is an alternative analysis in looking at ways to mitigate Transportation, Climate Change, and

Council Member Scharff: I guess that is what seemed inappropriate to me. Then it should be in the Climate Change and the Transportation sections, not here. I hate to take issue with our City Attorney, but I did look at the case law on this. The case law clearly said the opposite. It said you don't have to have mitigations. You don't have to have discussions of every possible mitigation. I think you agree with me, right? You don't have to have every possible mitigation in an EIR? There is a case tomorrow, I looked at it.

Ms. Silver: No, you should focus on feasible mitigations.

Council Member Scharff: But also you don't need to have mitigations at all, the case law says if it is less than significant. You just go look at the CUB book. I will send it to you tomorrow. It is black and white right there. So if you disagree with me I am willing to listen but I looked it up, read the case, and it seemed pretty straightforward that when it says there is less than a significant impact it doesn't need to be there. So that was my first part.

The second part is we have a bunch of possible mitigation measures here. If there is no significant impact and you impose that aren't you violating your nexus requirements? If you say there is no impact this project has and then

you go ahead and put in a bunch of mitigations based on no impact, aren't you violating the law? Aren't you saying there is no nexus and here you are imposing costs on the applicant?

Ms. Silver: Council Member Scharff, this was an issue that was well discussed, and we did consult with our outside CEQA attorney on this issue, Rick Jarvis, who actually is in the audience. I think it would be helpful for him to come to the podium and discuss that issue. It is an important one.

Mr. Jeung: Rick, just before you speak could I just offer something too? I am not going to argue with you.

Council Member Scharff: If I am wrong I am happy to be.

Mr. Jeung: I only wanted to mention that historically when we have done Environmental Impact Reports one of the conventional sort of land use related issues, population related issues, is the balance of your land use pattern. We have often looked at the jobs/housing as a surrogate measure for getting an indication of what the balance is and then by interpellation what the commute patterns are going to be like. So in a lot of the previous EIRs that we have done for other jurisdictions we do look at Population and Housing. As we say in this document it isn't in and of itself the significant impact, it is really sort of the indirect affects associated with having an imbalance. That is where the nexus comes in because with an imbalance comes additional commute patterns, additional travel, additional vehicle miles traveled, which results in the air quality and the greenhouse gas emissions.

So you are absolutely right that a lot of times this information is provided in another section. That is kind of why we explained in the document that the nexus occurs not so much because of a ratio and whether it is balanced or imbalanced. It is because it has some connection to the Air Quality and to the greenhouse gas emissions.

Council Member Scharff: So I am correct that it should be in the other sections then.

Mr. Jeung: Yes and what we do say here is that it provides further information that supports the significant conclusions that are reached in those other topics.

Council Member Scharff: Okay.

Mr. Jeung: Sorry, Rick.

Rick Jarvis, CEQA Consultant Partner, Jarvis, Fay & Doporto: I don't really have much more to add other than echo those points. There are significant and unavoidable impacts that the EIR identifies with respect to for example Air Quality and Climate Change impacts. Those impacts from the Air Quality perspective are analyzed in those other chapters of the EIR. This chapter looks at another way of both analyzing those impacts and different possible, conceptual approaches towards mitigating those impacts. This analysis that is here in the Population and Housing Chapter could have been put in Air Quality and/or it could have been put in the Climate Change Chapter. As a judgment call, since it related to population and housing issues it was included as part of the Population and Housing discussion with a cross-reference to those other issues. Really, it was a judgment call as to where to put it.

Council Member Scharff: Okay. I guess the other concern I had then is similar but it comes down to the Fire under Public Safety. We say a similar thing. We say there is no significant impact per the City's significance criteria. Again we suggest imposing costs on the project, buying a fire truck. Again, I ask, why is that there? What kind of a nexus is there if there is no significant impact? Shouldn't that belong in a Development Agreement if we are going to say to Stanford that is what we want from you then isn't that where that goes rather than in the EIR? Aren't we mixing these up?

Trixie Martelino, Project Manager, PBS&J Consultant: Good evening. I just want to address that question. The EIR does identify a provision of fire equipment as an improvement measure. That is distinguished from a mitigation measure. On page 3.14-14 the text acknowledges that the project would have a less than significant impact related to fire protection and emergency service, however there are measures the City could encourage the project sponsors to implement or consider imposing as Conditions of Approval. These are different from mitigation measures, which are required under CEQA to mitigate significant impacts.

Council Member Scharff: What does it mean and why do we put it in an EIR that we could encourage them? I guess I need a little understanding of why that is in there as opposed to a mitigation. It is clear to me there are a lot of significant impacts to this project. I think people have hit them right on the head. You have traffic issues, you have climate change issues, and you have air quality issues. That is what the significant impacts of this project are. That is why when I look at this and we are talking tonight about housing and public fire and police when there are no significant impacts, and there are no significant impacts and we have a whole bunch of proposed

mitigations it sort of strikes me that we are on the wrong track, and those shouldn't be in here. Explain to me also how a Condition of Approval meshes into this and how that is different than a mitigation, and what right you have to put Conditions of Approval on a property when there are no significant impacts.

Ms. Silver: Council Member Scharff, I will start with that and perhaps the consultant can fill in the gaps. The EIR certainly can just be limited to discussing impacts and environmental mitigations. This is a large project and we thought that it would be most beneficial to the public, and to the Council, and Boards and Commissions where if we see particular types of improvement measures that can be imposed as Conditions of Approval that logically relate to some of the topics that those be itemized. We very clearly delineated those additional measures as improvement measures, which is a standard nomenclature that is used in EIRs to distinguish from mitigation measures. It is possible to impose Conditions of Approval that don't have a nexus an environmental impact but do have a nexus to the other types of impacts such as social impacts, or other types of impacts that are not grounded in environmental consequences that you do typically do see issued as Conditions of Approval.

Council Member Scharff: So there legally would be a nexus between providing a 70-foot ladder truck on this?

Ms. Silver: It would be possible to require that as a Condition of Approval not through the environmental review process but through the entitlement process.

Council Member Scharff: Okay, but we are supposed to be discussing that in the EIR as opposed to do we have a separate discussion when we discuss Conditions of Approval?

Ms. Silver: The improvement measures that we have identified in the EIR do not legally need to be discussed in the EIR rubric. We have included them here to supplement the conversation.

Council Member Scharff: I guess since we are doing comments, my concern with going through and coming up with as many possible I guess I will call them 'exactions' that you can put in the EIR as possible is that all dollars in this project that we ask Stanford to pay for come out of patient care and come out of health care. I think that at some point you burden the project too much. I think that we have to be very careful on this because by identifying each of these when they are not environmental impacts I think we run a risk of doing that.

I also am a little concerned that when we have 12 percent unemployment in Santa Clara County, at least last time I checked that was the number, that there is sort of an anti-jobs bias in this. In that the way it is written is that it makes jobs a negative thing. To provide good jobs when you have 12 percent unemployment seems like a positive thing that we should be doing, and something that we should be supporting.

We talk about how we would like to have an economic recovery, and how this is important to the City's future. Well, there is no recovery without jobs, and I think that is something we have to be cognizant of. It is something that concerns me a lot. We talk about having a great recession and we all want economic recovery. We have the person from the hotel come and speak about how Stanford supports out hotels, the hospitals do. Yet we talk about jobs as if they are a bad thing. I think that is something we have to be very careful about when we think about that and the future of California if that is the direction we are going to go as a community and as a state. Thanks.

Mayor Burt: Vice Mayor Espinosa.

Vice Mayor Espinosa: Well, I have spoken many times in favor of this project. I find myself needing to say that I think that we are not talking about exactions here, and that there is quite definitely an appropriateness to getting comprehensive information about the different aspects of what is on the table here even if they are not directly tied to the EIR process, other than what we are talking about right now, or that may come up in the future.

What I wanted to go back to was the Comprehensive Plan. Really when we look at this section and we look at significant impacts I think the Planning and Transportation Commission did a great job of diving right into those two areas where obviously we have problems. One is compliance with policy and the other is really impact there locally, and some discussion about height.

What I am hoping to get a better idea from Staff on is really the issue of timing. If this is really a significant impact that we are looking at in this section, and we are seeing some noncompliance, and sort of the broader conversation and the timeline that we have for that around the Comprehensive Plan, or what caused that conflict. Is this realistically something that we think we can resolve? Or is there an understanding here that exceptions may need to be made in this case? Or we need to go through a very different kind of process because we are not going to be able to have that broader conversation if we are going to stick to the timeline

that we are on for Stanford? I am just hoping to get a better sense from Staff on how you think those can fit together. Obviously some of that was answered at the Planning and Transportation Commission discussion, but I don't think really getting to the heart of what we need to have answered to be able to make sure we can move this forward and understand the context that it falls within.

Mr. Keene: Let me say something, Mr. Vice Mayor, and then let Curtis speak to this. In one sense this issue is not unusual particularly in a dynamic environment, which we are in, and we ought to be glad we are in a dynamic environment. We ought to be glad we have things happening I think. Yet the process for a lot of visioning and planning can be on a different timeframe. Part of the Council's job ultimately is to reconcile the fact that you want to review and make changes or amendments to our Comprehensive Plan. Yet at the same time you need to balance that with the fact that you have a major project that does have a schedule of its own in order to be really ultimately beneficial both to the project and to the community itself.

So I just know in my own career there have been many times when we have been in a big planning process and a project comes along that has a slightly different timeframe and dimension to it. In a lot of ways, typically you have to make an accommodation to the larger process through its own way of reconciling those things. I think that one of the things that the Council has laid out pretty clearly that we have tried to adhere to, and I think quite successfully so far this year, is really defining a schedule that could move towards action by the end of this year by the Council. I think that is a schedule that obviously at some places is going to move faster than where we are on all the aspects of the Comprehensive Plan. So I think it is ultimately going to be your job to help reconcile that.

Curtis, maybe you can speak to any of the specific pieces of that. Again, while I can appreciate the concern I just would restate we also ought to remember it is a good situation to be sort of faced with this dilemma too.

Mr. Williams: I would just add from a more specific standpoint that the guidance that you do have elsewhere in the Comprehensive Plan in terms of some of our policies and that are important components of that evaluation. You have Alternatives in front of you. You have mitigation measures that can help to address those policies that help mitigate a change in the Comprehensive Plan. So there are tools within this document and then there will be tools within our Community Benefits Package, and Conditions of Approval that will provide that opportunity.

Mayor Burt: Let me jump in here on a time check. We have a good number of additional questions and comments, but we are already closing in on midnight, and we have our High-Speed Rail item to go.

Our next week's meeting, Finance Committee runs until almost 7:30, so the general meeting starts at 7:30. We have a Study Session on San Francisquito Creek, and then two land use action items neither of which look to be really large, and then coming back to the Stanford EIR Project with focus on Design, Biological Resources, and Cultural Resources.

Mr. Williams: Was one of those the Open Space?

Mayor Burt: No, I deleted that or skipped over that.

Mr. Williams: Okay, because that has been postponed until October.

Mayor Burt: One of them is the California Avenue Parking project and the other is 420 Cambridge.

Mr. Williams: The parking project is a Public Works assessment issue.

Mayor Burt: Right, and probably not going to involve a lot of public input and a long hearing. So I wanted to frame that in that actually it looks to me that next week's meeting is not as heavy as this one. It is not light but it is not as heavy as this one. So the question I have is should we forego the balance of our discussion on these elements of the DEIR tonight, carry them over and combine them next week with Item 15? Otherwise it is looking like one o'clock before we get out of here.

Mr. Keene: I would also argue that there are some meetings starting at 8:30 tomorrow morning that are important to the Mayor and the Vice Mayor at least. So keep that in mind also.

Mayor Burt: Okay, so if that is okay why don't we do that? Alright? So we will continue the balance of this item and combine it with taking up the other elements of the DEIR on Visual Quality, Architectural Design, Biological Resources, and Cultural Resources next week. So thank you to everyone who is here on the Stanford Hospital Projects. We will see you again next week.

10. Approval of Recommendation From the High Speed Rail Committee to Endorse Peninsula Cities Consortium Revised Core Message and to Approve City Manager's Proposed High Speed Rail Staffing and Appropriating \$90,000 from the Council's 2010 Contingency Fund.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Scharff to endorse the Peninsula Cities Consortium Draft Revised Core Message.

Council Member Yeh needed Staff's clarification regarding the deletion of filling all positions on the Peer Review Committee noted in the Peninsula Cities Consortium Principles edits of June 4, 2010.

Deputy City Manager, Steve Emslie said it was a reorganizational issue and was moved to the legislative list at the end of the Principles.

MOTION PASSED: 8-0 Klein absent

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Shepherd to approve the City Manager's proposed High Speed Rail staffing and appropriating \$55,000 from the City Council's 2010 Contingency Fund and \$35,000 from the City Council's 2011 Contingency Fund, with funds to be expended in the 2011 Fiscal Year.

AMENDMENT: Council Member Schmid moved, seconded by Council Member XXXX that one-half of the \$90,000 be spent on economic and financial analysis of impacts on Palo Alto.

AMENDMENT FAILED FOR LACK OF A SECOND

City Manager, James Keene said there was not enough staffing to support the emergent demands to engage the community in sharing and distributing of information.

Council Member Schmid said his perception was that in order to engage people you would need to have discussions in terms they would understand. He felt the economic financial property value impact on Palo Alto was where the engagement would come.

Mayor Burt said the High Speed Rail (HSR) Subcommittee is submitting a follow up letter to the Rail Authority regarding documents we have not received. Another letter expressed concerns that the City Council had with the adequacy of the Alternatives Analysis. The Rail Authority provided the City with inadequate information that raised the question of, do we need to engage professionals to help support the City's initiatives on generating the information.

Council Member Price said she was in favor of the proposal and looked forward to upcoming discussions on the corridor study.

MOTION PASSED: 8-0 Klein absent

MOTION: Mayor Burt moved, seconded by Council Member Scharff that Staff come to the HSR Committee with a preliminary proposal on the financial impacts as they relate to private property valuation through eminent domain and property value diminishment or potential increases.

Council Member Price raised concerns on the appropriateness to have Staff come back to the Council and ask how these issues would be achieved. She discouraged adding a new set of studies. She said some of these items were part of the economic development land use implications. She asked if one of the issues in the study was phasing so that critical pieces could be dealt with early. She asked if June 30 was the deadline for the Alternatives Analysis.

Mr. Keene said June 30 was the deadline for the Alternative Analysis but it was not feasible in obtaining all the information on the Comp Plan and the project by that date.

Mayor Burt said there was a letter sent requesting to extend the time for submitting the Alternatives Analysis. Caltrain was receptive but did not have it in writing.

Council Member Scharff said he had concerns regarding the corridor study having impacts on the Alternative Analysis. He said the fiscal and financial analysis should come back to the Council as soon as possible once it was obtained.

Mayor Burt said there was a proposal to the Cities of Mountain View and Menlo Park to have two separate meetings in the next two weeks regarding transitions.

Council Member Yeh supported the corridor study. He raised concerns regarding phasing and was curious to see if a followup was going to occur for HSR Committee to discuss the corridor study and the timeframe.

Mr. Keene said the target was to comeback to the HSR Committee next week on the corridor study and to have a portion of the economic piece.

Council Member Shepherd raised concerns regarding eminent domain on homes along the corridor and whether Alma Street would be taken. She

asked what the least impact would be on the economic viability of homeowners along the corridor.

Mayor Burt said those concerns would begin meaningful discussions.

MOTION PASSED: 8-0 Klein absent

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Mayor Burt spoke regarding Congresswomen Eshoo and Speier both taking strong positions regarding High Speed Rail that are aligned with the City's position.

ADJOURNMENT: The meeting adjourned at 12:18 a.m.