

Special Meeting
March 19, 2012

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:33 P.M.

Present: Burt, Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

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, David Ramberg, Sandra Blanch, Marcie Scott, Darrell Murray)
Employee Organization: Service Employees International Union, (SEIU) Local 521
Authority: Government Code Section 54957.6(a)
2. CONFERENCE WITH LABOR NEGOTIATORS
City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Pamela Antil, Dennis Burns, Lalo Perez, Joe Saccio, Sandra Blanch, Marcie Scott, Darrell Murray)
Employee Organization: Palo Alto Police Manager's Association (PAPMA)
Authority: Government Code Section 54957.6(a)

The City Council reconvened from the Closed Session at 7:19 P.M. and Mayor Yeh advised no reportable action.

03/19/2012

SPECIAL ORDERS OF THE DAY

3. Proclamation Honoring the Palo Alto Kiwanis.

Chris Torres, President Palo Alto Kiwanis reported the Kiwanis supported various projects and community events, such as the Sojourner Truth Child Development Center, Taste of Palo Alto, March Madness Race, Stanford Circle K Club, Juana Run at Juana Briones Elementary School, Canopy, bar-b-ques at the Stevenson House, Palo Alto Duck Pond, Art Center Holiday Art Day, Special Games, Rinconada Park gardening, and Tour to Cure. He stated the Kiwanis' emphasis was helping the children of the world, as evidenced by sponsorship of three Circle K clubs and two Key Clubs at area high schools. He indicated the Kiwanis Club in Palo Alto began 86 years ago by donating milk and cookie money for Palo Alto school children, and today donated over \$60,000 annually to support local community organizations. He said meetings were held every Thursday at the Palo Alto Sheraton, 12:10 p.m.

Council Member Price acknowledged their exemplary work and appreciated their giving to Palo Alto and the region.

Vice Mayor Scharff thanked the Kiwanis for their community service. He knew the Lions Club focused on glasses and eye care, and Rotary had an international focus. He asked if Kiwanis had a particular focus.

Mr. Torres answered that the Kiwanis focused on serving the children of the world by providing labor and hands-on service rather than awarding grants only. He stated their international committee had recently helped an elementary school in the Philippines with a water system, library and computer lab.

Council Member Shepherd inquired about the procedure for attending Kiwanis' meetings.

Mr. Torres replied it was an open invitation to attend any meeting, no reservation necessary.

Council Member Shepherd asked about the method for sharing information.

Mr. Torres replied meeting attendees gave funds to share either happy or sad news, and this fundraising supported the operations of the Club.

Council Member Schmid read the Proclamation into the record.

Mayor Yeh congratulated the Kiwanis for their work.

STUDY SESSION

4. City of Palo Alto Service Efforts and Accomplishments (SEA) Report for Fiscal Year 2011 Annual Report on Government Performance.

Jim Pelletier, City Auditor provided a brief summary of selected data, introduced the National Citizens Survey and its key driver analysis, and an overview of the Citizens Centric Report. He indicated the Service Efforts and Accomplishments (SEA) Report was unique in that it was compilation of vast amounts of data obtained from inside and outside the City. He reported his office compiled the data in coordination with all Departments in the City and complemented that data with outside sources. He noted some of those sources included the National Citizens Survey, which was such a large component that it was included as an appendix in the Report, the State Controller's Cities Report, various U.S. Census Bureau reports, FBI crime statistics, and various reports from the Association of Bay Area Governments (ABAG). He indicated the audit team reviewed all this data and pulled out what they believed best represented the overall performance of the City and its individual Departments. The SEA Report was meant to be a tool for elected officials, city management and the public to support effective decision making. The Report was driven by performance data and was intended to supplement information in the City's audited financial statements. The Report was prepared annually to summarize the prior fiscal year. Due to the large volume of data in the Report, he indicated his office performed limited testing on a sample of data to verify the accuracy and completeness of the data. He reported the Government Accounting Standards Board provided recommended guidance for SEA reporting, and the Association of Government Accountants had adopted this guidance and developed an award program for jurisdictions effectively implementing the guidance. He noted the Office of the City Auditor had received the Gold Award for reporting excellence for the last six years. He explained the National Citizens Survey was a collaborative effort between the National Research Center and the International City/County Management Association, was a standardized survey conducted annually, and had about 500 participating jurisdictions across the country. This year, he indicated the survey was sent to 1,200 households in Palo Alto with 427 completed surveys returned. He said this put Palo Alto at the high end of the typical response rates among the 500 participating jurisdictions. He reported the overall margin of error was generally +/- 5 percent for the current survey. He stated the survey focused on eight broad categories including community quality, community design, public safety, environmental sustainability, recreation and wellness, community inclusiveness, civic engagement and public trust. The key driver analysis looked specifically at Palo Alto's results through a statistical analysis and identified the services within the City that most impact the residents' perceptions of the overall quality of the City. The key drivers from this year's survey were public library services, police services, public schools, preservation of natural areas, traffic signal timing, and city parks.

From a statistical basis, he said residents' feelings towards these six key drivers most influenced their overall feelings toward the City. He noted that analysis was performed by the survey provider, not the City Auditor's office. He presented a chart which plotted Palo Alto's benchmark survey results that Staff felt most closely aligned with the key drivers identified by the survey provider. For each of the survey questions, Staff plotted where the question fell in comparison to survey results from the other surveyed jurisdictions, also known as the benchmark results. He reported the ratings ranged from much above other jurisdictions through much below. He stated another aspect of the survey was Staff's ability to identify geographic subgroups within Palo Alto, and to analyze the results of the survey by these subgroups. He reported this year Staff chose north/south as the geographic subgroups, with the dividing line being Oregon Expressway and Page Mill Road. He noted there were very few questions on the survey where the results were statistically different. He reported breaking down a sample of 427 survey responses into two almost equal subgroups impacted the margin of error for the results; in this case the margin of error went from +/- 5 percent for the overall survey to +/- 7 percent for the geographic subgroups. He noted the data in the SEA was not adjusted for inflation, so readers of the report needed to keep that in mind as they reviewed the Report. He reported inflation for the Bay Area, based on the San Francisco Area Consumer Price Index for Urban Consumers, increased by 2.4 percent from last year and 8.1 percent from 2007. The last thing he wanted to discuss was the Citizen Centric Report, which was intended to be a brief, easy-to-read document that provided a quick snapshot of the City's progress over the year. He noted it was a four-page report, which covered City organization and basic information, summarized City revenue and expenditure information, and provided an economic outlook for the future. For those who were interested, he noted copies of the SEA Report and the Citizen Centric Report were available online at the City Auditor's web site, or member of the public could also stop by the City Auditor's office for hard copies. He acknowledged and thanked everyone involved in the process of preparing this comprehensive report. He stated Staff from all of the Departments had responded to detailed requests and answered questions throughout the process. Staff from the City Auditor's office had worked incredibly hard to complete the Report and performed the bulk of the work while his position was vacant.

Mayor Yeh thanked Staff for their work and the presentation.

Council Member Shepherd noted information was reported as per capita rather than per household, and inquired what the difference would be if it were reported as per household.

Mr. Pelletier did not think Staff had the household information with them, but stated that was something they could look into and should be fairly easy information to gather.

Council Member Shepherd thought per household would be more informative. She noted the non-departmental category included the Cubberley expense of \$6.8 million paid to the School District. She asked what comprised the remaining amount.

Mr. Pelletier indicated some of that information was footnoted.

David Ramberg, Assistant Director for Administrative Services stated \$6.8 million for the Palo Alto Unified School District usually comprised 98 percent of the non-departmental category; however, the increase for 2010 and 2011 was the City Manager's loan.

Council Member Shepherd suggested Staff separate Cubberley as its own line item and have a miscellaneous non-departmental category.

Mr. Ramberg responded Staff could look into that.

Council Member Shepherd stated separating Cubberley would allow the public to see that movement of funds. She noted on page 12 benefits were \$34 million and pay was \$56 million for miscellaneous workers. She thought the workers were valuable, but the amounts were much heavier than in the past. She noticed camp attendance had decreased significantly. She felt this could be attributable to closing the libraries and the Art Center, but asked Staff for an explanation.

Greg Betts, Director of Community Services reported there was a two-fold reason for a decrease in camp registration. He explained over the last five years there had been a virtual explosion in competition in camps in Palo Alto. He indicated competitors for children were churches, Stanford and Camp Galileo. He stated cost recovery efforts had driven the cost of City camps above the price point of the YMCA and Jewish Community Center, two of the City's biggest competitors. He felt parents were much more selective about which sessions they registered their children for, and were taking advantage of summer school programs.

Council Member Price thought it was compelling to point out that the issues of cost methodology and program design were so different among the cities that the Council had to keep in mind the cities' programs were not necessarily comparable. She inquired whether significant differences year-over-year raised concerns which Departments would address, especially in terms of examining work plans.

Mr. Pelletier reported his office utilized the SEA Report as part of the annual audit planning, and would analyze information like that for their own purposes. He encouraged the Departments to review the Report to develop

plans, because the Report represented the citizens' perceptions and needs to be addressed. Staff did not provide any specific action items to the Departments as a result of the Report; it was a tool for the Council and the City's management team to use at their discretion. He stated it was another source of information similar to the financial reports and other reports that the City had to make decisions.

Council Member Price said the timing of this presentation and the distribution of this document was very useful in terms of the budgeting cycle. She thought these results could inform the public and the Departments in terms of making a case for services and performance. She inquired how the social media question was expressed and what type of information Staff used to assess the utilization of social media to provide information about City services.

Mr. Pelletier responded that was one of the custom questions that Staff was able to provide in the survey. He noted the majority of the survey was standardized; Staff did not have any input into the questions. He reported the questions were presented to the public exactly as they were stated in the appendix.

Council Member Price asked what operating transfers out entailed.

Mr. Ramberg stated he was looking at non-departmental on page 9 of the SEA Report. He reported there was \$11 million in Fiscal Year 2011 for operating transfers out. He stated operating transfers out primarily consisted of the transfer to the Capital Projects Fund. He explained every year there was a \$9 million to \$10 million transfer that was budgeted and expended to fund the General Fund share of the City's Infrastructure program, as well as a small transfer for the General Fund's share of debt service.

Mr. Pelletier responded to Council Member Price's previous question regarding social networking. He said the survey question could be found on Attachment 1 of the SEA Report, page 51, and read please rate each of the following characteristics as they relate to Palo Alto as a whole, opportunities to learn about City services through social networking web sites such as Twitter or Facebook.

Council Member Schmid found there was something in the Report that helped provide a context to the decisions the Council made each week. He noted in the health and wellness section on page 31 people of Palo Alto rated as extremely important the availability of local, affordable quality food, which related to the issue of a neighborhood grocery on the Agenda tonight. He stated little tidbits like that each week shed light on the types of decisions the Council made.

Council Member Holman noted on Packet page 25 the cost per resident for Planning and Community Environment exceeded the cost for larger cities. She asked if that was a matter of economy of scale, and what did that encompass.

Mr. Pelletier did not know whether Staff could answer that specifically. He indicated these charts provided some reference, but Staff did not know the level of services provided by the different cities and was not able to compare at that level. The State Controller's office tried to standardize information across different jurisdictions, but there was no guarantee of a full picture of the level of services provided. He suggested Palo Alto could provide a much higher level of service than other cities; however, Staff did not have any information to be that specific.

Council Member Holman understood it might not be specific, but thought Staff might have some comparative rather than statistical information as they were familiar with other communities.

Mayor Yeh noted on Packet page 53, capital spending fluctuated over the fiscal years, ranging from as low as \$13 million to the most recent fiscal year of approximately \$40 million. He was interested in comparison points to other cities as it related to Infrastructure investment, and how that translated to actual expenditures. He anticipated that would be an issue the Council would work through over multiple years.

Mr. Pelletier replied Staff had not historically reported that data. He stated Staff would review data to determine if there was anything they could pull out. He suggested Staff could compare cities in that way for next year's Report.

Mayor Yeh stated Packet page 94 focused on the Metropolitan Transportation Commission (MTC) report of the Pavement Condition Index (PCI) for all streets. He noted Palo Alto was ranked in the middle of the PCI comparison. He wanted to know how other jurisdictions were funding maintenance and repair to improve the quality of streets over the years. He wanted greater opportunities for comparison of Infrastructure investments across cities, even if it was in raw data format.

Mr. Pelletier answered he would look into that for next year and would let the Council know what Staff would be able to pull together.

Mayor Yeh knew that throughout the year the SEA Report was a great reference in almost any policy discussion the Council had since it cut across every single Department. He appreciated in particular the four-page report, which presented some of the highlights that were most accessible to the public. He asked if the Report was available on the web site.

Mr. Pelletier replied both reports were on the web site. He reported the City missed out on the opportunity to put out a press release to make sure the information was available; however, the local papers did pick it up. He indicated in the future Staff would definitely make stronger efforts to get the word out that the Report was available.

Mayor Yeh suggested contacting each neighborhood association to further reach out to the public. He thought the City had a list of all the different neighborhood associations and could facilitate the dissemination of the information.

Council Member Burt noted capital spending on page 53 showed a spike for Fiscal Year 2011. He inquired whether that was due to the General Obligation Bond increase for the libraries. If that was the case, he suggested more effective reporting would be revenues out of operating income or a shaded zone to indicate both of those. He wanted to know how much the City was funding on the underlying versus how much the voters decided to tax themselves for a major new project.

Mr. Pelletier answered Staff would look into that and make sure to clarify that for the future.

Vice Mayor Scharff noticed on Packet page 102 total miles traveled for light duty vehicles was 1.8 million in 2007, 1.6 million for 2008 and 2009, and 1.4 million in 2010/2011. He asked why the amount of mileage had decreased by 200,000 from 2007 to 2009, and did Staff expect that trend to continue.

Mr. Pelletier did not have the specifics on that, but Staff would attempt to obtain more information.

Vice Mayor Scharff thought there was a City Auditor's push to reduce the City's fleet; yet the maintenance cost per light duty vehicle was \$1,836, and the percent of scheduled preventative maintenance performed within 5 business days was 93 percent. He noted there was a 24 percent increase in 2011, with 98 percent of scheduled preventative maintenance. He felt this might not be cost effective as he was not sure what the numbers meant. He noticed the City supposedly had fewer vehicles, but the Report did not state how many vehicles the City had before and how many now. He was concerned that the number of vehicles and number of miles had decreased; however, FTE and costs had increased. He wanted to understand what was happening.

Mr. Pelletier answered Staff would follow-up.

Vice Mayor Scharff was surprised only 89 percent of residents recycled more than 12 times during the year, as indicated in the Citizens Survey, Packet page 101. He thought most people recycled at least once per week, and asked if that was a good metric.

Mr. Pelletier stated that was one of the standard questions Staff did not customize for the survey and would not necessarily be able to change. He reported Staff could potentially use one of the customizable questions if they needed to ask for more details. He reported the City had very few customizable questions, so Staff wanted to use them as effectively as possible. He said Staff could consider identifying a better way of asking that question on next year's survey.

Vice Mayor Scharff asked if Staff found anything in the data that seemed anomalous or unexpected.

Mr. Pelletier explained he found nothing unexpected because he was not familiar with past City operations.

CITY MANAGER COMMENTS

Pamela Antil, Assistant City Manager, noted Mr. Keene would return the following week. She reported the replacement of George the oak tree was organized by landscape architect Peter Jenson, and thanked those who participated. She indicated an artist was using wood from old George the oak tree to make bowls in an effort to reuse natural elements. She reported the Palo Alto Police Department invited residents and community members to a special meeting called Lock It or Lose It Thursday evening in response to an increase in the number of daytime residential burglaries. She stated information would be posted on the City's web site and Facebook page. She reported the Mayor's Challenge community-wide table tennis event would be held Sunday, March 25, from 2:00 p.m. to 5:00 p.m., at five different community locations. She indicated co-sponsors of the event were the Palo Alto Family YMCA, the Palo Alto Table Tennis Club, the Palo Alto Unified School District and the City. She stated this event was open to City of Palo Alto residents only.

Mayor Yeh added the event was open to all PAUSD students regardless of their residence and all employees in Palo Alto.

Ms. Antil stated pre-registration was required, and more information could be found at www.ymcamayorchallenge.org. She reported the City Council would hold a Special Meeting on Monday, March 26, beginning at 5:00 p.m., in the Council Chambers to continue their discussions on the Infrastructure Blue Ribbon Commission recommendations, and the public was invited.

Council Member Burt asked if the requirement for pre-registration for the Mayor's Challenge could be modified to allow registration at the event if slots were available.

Ms. Antil explained pre-registration was required to avoid turning people away, and slots were still available.

Mayor Yeh understood from the YMCA that the public could come to any of the sites and participate.

Council Member Burt suggested putting that information on the web site to make sure people knew they were not guaranteed a spot without pre-registration, but they were welcome to attend.

Mayor Yeh reported no public funds were being used for this series of events; therefore, there was a \$5 participation fee.

ORAL COMMUNICATIONS

Winter Dellenbach spoke about the Gateway Project at Lytton and Alma since she was out of town last week. Regarding the changing of retail space to subsidized office space for non-profits, she felt she was watching a hidden agenda of orchestration. She noted housing was eliminated because there was not enough benefit to the wider community. She indicated this change would narrow precious public benefits and provide them to neighborhood-serving non-profit organizations exclusively. She reported non-profit organizations would receive incredibly valuable public benefits in exchange for zoning changes so that they could reap more profits.

William Landgraf reviewed the recent release for Palo Alto salaries in The Post, and felt the Council faced an enormous challenge. He said the Council needed to get salaries and benefits under control. He thought the Council must consider outsourcing and replacing EMT personnel with an alternate group, such as those from Palo Alto Medical Foundation or Stanford nurses. He stated the Council must initiate some realistic and constructive actions for EMT services.

Rita Morgin stated she was a community gardener at the Palo Alto Main community garden and a dancer. She stated all the Palo Alto community gardens were lovely green spaces that needed to be maintained. She reported many people enjoyed these spaces including Mad Molly, who would perform English morris dances on Saturday, April 21. She said it was a bad idea to replace open space with roadways, it was not green, and it was not an idea that supported Palo Alto's plan to be a green city. She noted other Mad Molly performances in Palo Alto would occur on Tuesday, May 1, 2012, 5:30 a.m. at the Palo Alto Baylands, and at Bowl Park May Fit on Sunday, May 20.

Mark Hager stated he spoke the last time the connectivity item was on the Agenda, and he was sorry to see it continued once again. As a long-time community gardener, he encouraged the Council not to make a decision that would have an impact to reduce or move community garden spaces. He thought proposal A for the connector ramp would actually put transit and a roadway dangerously close to what was actually a parkland space. He encouraged the Council, if it had to construct a connector, to consider plan B. He stated the pedestrian and bicycle path provided the safest intersection between the Art Center and the library, and it created additional parking.

Leland Levy stated he spoke on behalf of the Friends of the Palo Alto Parks, and expressed appreciation for the Kiwanis and their work on behalf of the parks and open spaces in Palo Alto. He indicated Palo Alto had thousands of acres of open space and over 30 individual parks. He stated the Kiwanis had played a significant role in helping the City maintain those parks. He thanked the Council for its Proclamation, and stated the Kiwanis had earned it.

Bob Moss was interested in the meeting Senator Simitian held regarding High Speed Rail (HSR). He said funding was the main issue. He had spoken to a few people and understood the HSR Authority had found private investors to fund significant portions of development, between \$5 billion and \$10 billion this year and next year.

APPROVAL OF MINUTES

Council Member Holman believed the minutes were incorrect.

Donna Grider, City Clerk indicated she would review the minutes and place the approval on the Council Agenda for April 9th.

MOTION: Council Member Holman moved, seconded by Council Member Schmid to have the City Clerk review the minutes and return for approval on April 9, 2012.

MOTION PASSED: 9-0

CONSENT CALENDAR

MOTION: Council Member Espinosa moved, seconded by Council Member Price to approve Agenda Item Nos. 5-12.

5. Adoption of a Budget Amendment Ordinance 5146 in the Amount of \$900,000 to Capital Improvement Program Project PE-86070 to be used in the San Antonio Highway Safety Improvement Program (HSIP) Project; and Approval of a Contract with Granite Construction in an

Amount Not to Exceed \$1,302,963 for the San Antonio Highway Safety Improvement Program Capital Improvement Program Project PE-86070.

6. Approval of a Mitigated Negative Declaration and Record of Land Use Action for the Construction of a New Two-Story Single Family Residence and Associated Site Improvements at 830 Los Trancos Road. * Quasi-Judicial
7. Resolution 9237 to Modify the Long-term Electric Acquisition Plan Implementation Tasks Related to the City's Study of Energy Storage Systems to Conform to Requirements Under the Public Utilities Code.
8. Approval of an Additional \$108,730 for the Consolidated Maintenance Contract between the City of Palo Alto and Public Safety Systems, Inc. For Computer Aided Dispatch, Police Records Management, Fire Records Management, Mobile Data, and Geovalidation and an Additional Six Months of Maintenance for Calendar Year 2013.
9. Ordinance 5147 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: Different level of Benefits Provided for New Employees, Section 21363.1: 3.0% @ 55 Full Formula, Section 20037: Three Year Final Compensation, and Without Section 20692: Employer Paid Member Contributions for Safety Fire Employees". (1st Reading 3-5-12 Passed 8-0, Yeh absent)
10. Ordinance 5148 entitled "Ordinance of the Council of the City of Palo Alto Amending Two Sections of Chapter 2.30 of the Municipal Code Relating Facilitation of the Clean Local Energy Accessible Now Program". (1st Reading 3-5-12 Passed 8-0, Yeh absent)
11. Resolution 9238 entitled "Resolution of the Council of the City of Palo Alto Amending 2011-2014 Memorandum of Agreement (MOA) with the Local 1319, International Association of Fire Fighters to Add One Additional Classification of Fire Fighter Trainee".
12. Confirmation of Appointment of Kathryn Shen as Chief People Officer/Director of Human Resources and Approval of At-Will Employment Contract.

MOTION PASSED: 9-0

Kathryn Shen, Director of Human Resources had learned in the interview process that the City's goal was to be the best high performing city in the

United States. She stated a transformative vision for both City residents and City employees was to expect and to provide exceptional service experience in an environment of innovation, collaboration and shared accountability. She indicated her challenge would be to achieve such a vision with fiscal stewardship and with a highly skilled and motivated workforce.

AGENDA CHANGES, ADDITIONS, AND DELETIONS

Mayor Yeh asked if Staff needed a Motion to continue Item 15 to a date uncertain.

MOTION: Council Member Klein moved, seconded by Council Member Espinosa to move Agenda Item No. 15; Selection of Option for Connectivity Between the Art Center and the Main Library (CIPs PE-11000, PF-07000), to a date uncertain.

MOTION PASSED: 9-0

ACTION ITEMS

13. PUBLIC HEARING: Edgewood Plaza Shopping Center - Consideration of Approval of a Resolution 9239 Certifying a Final Environmental Impact Report and Adoption of An Ordinance (1) Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Approve a Planned Community Zone District Allowing Renovation of Three Retail Structures, Relocation of One Retail Structure, Construction of Ten Single Family Homes and Creation of a 0.2 Acre Park and Associated Site Improvements, and (2) Approving a Tentative Map to Merge Three Parcels into One Parcel for Re-subdivision into Eleven Parcels (One Commercial Parcel and Ten Residential Parcels) and Off-Site Improvements, for a 3.58 Acre Site Located at 2080 Channing Avenue.
* Quasi-Judicial

Curtis Williams, Director of Planning & Community Environment noted various iterations of this Project had been presented over the past decade, and stated a majority of the community, the Design Review Committee for the surrounding neighborhood and the applicants had reached a consensus. He stated Staff was pleased to present this Project.

Amy French, Acting Assistant Director of Planning & Community Environment reported the Edgewood Plaza Project was a planned community rezoning and associated tentative map to add ten homes to the 1950s shopping center site, along with a new park on the commercial parcel. She noted rehabilitation was planned for the vacant grocery store and two other retail buildings. She indicated adjustments would be made to the location of one of those buildings and to the existing parking lots and historic sign in order to create a

successful shopping center. The Edgewood Plaza Project was recommended by the Planning & Transportation Commission (PTC), Architectural Review Board (ARB) and Historic Resources Board (HRB). She noted representatives from those Commissions and Boards were present to summarize their reviews. The Project included renovation of and adjustment to the Eichler Shopping Center, the provision of ten detached homes and a small park. The park would be made public via public access easements, and would be maintained by the commercial property owner. Building 1 would be relocated and rehabilitated and Building 2 would be rehabilitated in place. The Project's public benefits included preservation and rehabilitation, reopening of the 20,000-square-foot grocery store, electric vehicle charging stations and the park. The public benefits were detailed in the Ordinance, Attachment B to the Report, and were recommended for Council approval. The Ordinance addressed both the rezone and the tentative map as recommended by Staff and the PTC. The Conditions of Approval, Exhibit B, were inadvertently omitted from the Packet. There were 174 Conditions of Approval, 170 of which were presented to the PTC, and they were located on pages 530 to 557 of the Packet. She noted three additional Conditions on page 3 of Staff Report 2262, and a condition requiring HRB review of the modified historic sign for the center. The Final Environmental Impact Report (FEIR) was forwarded to Council more than three weeks ago on February 21 for consideration, and the first amendment was sent to Council about two weeks ago on March 5. There were no overriding considerations needed for Project approval, including the approval of modifications to the historic resources. She indicated Council approval of the attached Resolution, Attachment A to the Report, would certify both the FEIR and the amendment to the FEIR, which were also recommended by the PTC and HRB. She reported the Council had a memo from Staff regarding a March 14 memo from the State Department of Toxic Substances Control (DTSC) on the FEIR regarding soil removal and soil, gas and groundwater remediation associated with the dry cleaner in Building 1. She said no new impacts had been identified by the DTSC. She indicated mitigation measures from the Environmental Impact Report (EIR) were included as approval conditions in attachments to the PTC Report; Conditions 53 through 57 were specifically related to soil removal and soil, gas and groundwater remediation. The at-places memo contained two additional approval conditions (Conditions 173 and 174) to refine Conditions 53 through 57, and the DTSC supported inclusion of these approval conditions as they address their concerns. Condition 173 required removal of contaminated soil to be undertaken in coordination with appropriate state and federal agencies, and required the site to be treated in conformance with the standards of the Regional Water Quality Control Board. Condition 174 required the underground utility plan to be reviewed by Staff of Fire, Utilities and Public Works along with professional geologists or civil engineers to ensure the undergrounding of utilities would not cause soil vapor migration. She noted the shopping center was eligible for listing on local, state and federal historic registers. She indicated rehabilitation of the two buildings having historic

integrity would be monitored by a qualified historic preservation architect per the EIR. The shopping center's sign would also be maintained and updated. Mr. Charlie Duncan of Kerry and Company, the City's environmental consultants Nora Monnett and Judy Finerty of David J. Powers Associates, and Rick Jarvis the California Environmental Quality Act (CEQA) consulting attorney, were present. She indicated at places were emails from three Palo Alto residents and one East Palo Alto resident representing West Bayshore Road residents. The City's Pedestrian and Bicycle Master Plan would include bike and pedestrian improvement plans, as described in the PTC hearing. Chief Transportation Official Jaime Rodriguez and the Project traffic consultant Gary Black of Hexagon were present to answer traffic questions and address resident concerns about pedestrian safety along West Bayshore Road. Senior Planner, Elena Lee, the Project planner, Martin Bernstein of HRB, Susan Fineberg of the PTC and Judith Wasserman of the ARB had presentations.

Susan Fineberg, Planning & Transportation Commission Vice Chair, reported on February 29th the PTC reviewed the proposed Project at the Edgewood Shopping Center, and voted to certify the FEIR including the first amendment to the FEIR. She noted she and Commissioner Keller voted no on the adequacy of the FEIR, and Commissioner Tanaka was absent. She stated the PTC voted to adopt the Planned Community (PC) Ordinance and the tentative map to subdivide the parcels. She indicated findings for the Resolution certifying the FEIR and amendments to the final draft EIR were located in the Packet at Attachment A; findings for the PC Ordinance in the Packet were located on page 435, Attachment B; and the list of public benefits was located on page 438 and the tentative map on page 439. The majority of the PTC supported the overall Project including the construction of the ten homes. She stated the PTC discussion on February 29 began with a discussion about the late release of the amendment to the FEIR, and whether or not the Commission and the public had adequate time to review and comment before the public hearing. Members of the public spoke in favor of the Project, and some asked questions or voiced concerns which triggered subsequent discussion by the PTC. She indicated that discussion raised concerns about conducting an analysis of the traffic impacts, about provisions for the adequate parking of the adjacent office building, about air quality, about bike/pedestrian safety, and about the adequacy of the environmental review, though the PTC did not discuss that the draft EIR would also be amended. She reported at the previous PTC meeting on the draft EIR on October 26, 2011, comments and concerns were related to the historic impacts, parking at the office building, size of residences, arrangements and circulation patterns between the residences and the commercial buildings, traffic and bicycle and pedestrian safety.

Judith Wasserman, Architectural Review Board Vice Chair, reported the ARB had reviewed this Project three times, although it had been through many changes and iterations prior to ARB review. It was a very important project in

the City, in that it revitalized a dead corner at one of the main entrances to town. She indicated the ARB felt it was successful in considering the viability of the retail component, which was achieved by moving one of the buildings so that all parking was contained in one place. She noted another ARB concern was crowding of the residences, and reported that was addressed to the ARB's satisfaction when the Project returned to ARB. She said the residences were interesting because they were a two-story version of Mr. Eichler's work, and made a good transition between the residential neighborhood zoning and the commercial aspect of the Project. She thought the park was cleverly designed so that sections were clearly marked for the use of retail and the rest was clearly marked for public use. She reported ARB conditions on the Project were minor, while the general aspect of the Project was excellent.

Martin Bernstein, Historic Resources Board Chair, reported the HRB was in favor of moving Building 1, because the Secretary of Interior Standards allowed for relocating a building on site if the relocation resulted in an easy and natural relationship to other site elements, and the California State Office of Preservation allowed for relocating a building on site if its historic character was conserved. He reported the HRB discussion focused on whether there would be a significant impact on this historic resource if a building was moved. He indicated the HRB concluded the shopping center would still have an Eichler feeling and the historicism would remain intact. He noted the Packets explained any renovation or repair work, which would be performed with these guidelines in mind. He stated these were the reasons the HRB supported the Motion that it was appropriate to relocate Building 1 as proposed.

Mayor Yeh noted the applicant's presentation was limited to 10 minutes.

Jim Baer stated Fresh Market had more than 100 stores in the United States, and Palo Alto would be the first location in northern California. He reported for over 25 years there were two separate parcels under separate ownership, and the two retail buildings were on a parcel separate from the grocery store. He indicated the first proposal of building as many as 37 homes on the parcel that did not include the grocery store site was not well received by neighbors. He said there was a City's Manager's proposal for a quite dense, mixed-use retail office and housing project on the site, which required demolition of all existing properties. There was a study and motion to declare it a blighted site so it could be the first redevelopment site in Palo Alto; however, resistance to the magnitude of the project prevented a vote from being taken. He indicated in 2010 the applicant in conjunction with the Edgewood Neighborhood Association amended Covenants, Conditions and Restrictions (CC&R); however, the Architectural Control Committee (ACC) filed a lawsuit stating the CC&Rs did not allow housing on this site. He noted this problem was solved by changing the site plan to 10 homes, the ACC's endorsement of the location

of buildings, and an amendment of a substantial majority of the CC&R holders. They were committed to creating and preserving a grocery store in perpetuity. He indicated if the PC Ordinance said for the useful life of the building rather than in perpetuity, he could resolve that formally with Staff. The project had been through the HRB with one no vote. He noted there had been a concern between the City's consultant and the applicant's consultant about whether the relocation of one of the buildings could be done consistent with the Secretary of the Department of the Interior's Standards. He stated the HRB and other boards had determined it could, and the FEIR and amendment were related to this. The grocery store was determined not to be historic, so the applicant was replacing windows, doors, siding and such to make a modern grocery store. The PTC unanimously approved the project in February 2012 with different votes on the PC Ordinance, the FEIR and amended EIR. He indicated the applicant had worked closely with the Architectural Control Committee to create a successful Project, and fewer than a dozen members of the public had spoken about the Project. He stated the applicant had tried to address the public's concerns of how the homes presented themselves on Channing to be part of the neighborhood, and how there were cushioning aspects of the building being moved near St. Francis. He said this was a fine Project due to renovation of the grocery store to the Secretary of Interior's Standards and construction of ten homes.

John Tze, Sand Hill Properties indicated his firm acquired the project in 2006. He reported the original Project was much larger; however, it had been right-sized as it progressed through the process. He noted the buildings became historically eligible during the firm's second year of ownership, which led to reconfiguring the entire Project. Visibility of the Project from Channing Avenue will move by one of the historic buildings, then by the second building and finally to the entry doors of the grocery store. He reported the key corner of the Project had always been reserved for a public park for the community's use. He had designed the park to serve people who wanted to have somewhere to congregate. He noted the separation between private and public uses of the seating area was well planned, and the ten homes had been completely redesigned after initial comments from the ARB. All three buildings were intended to represent the way they were built in the 1950s. He said they had known this was always going to be neighborhood shopping center, which meant a grocery store.

Council Member Espinosa noted the number of driveways for the commercial space would decrease significantly. He asked Staff whether the design of the parking lot would handle the traffic flow.

Jaime Rodriguez, Chief Transportation Officer reported Staff worked closely with the applicant and their transportation team to ensure that the Project had adequate access for the site. He reported there were some changes to the site, specifically the connection from the Shell Station and the loading and

unloading area for the actual store. He stated the separate pedestrian paths maintained off Channing Avenue through the park were another good circulation element for the Project. He indicated Staff also made some circulation improvements to ensure that the project provided good circulation from Embarcadero Road. He stated Staff thought the project worked well for access.

Council Member Espinosa inquired whether Staff was concerned that the loss of access points along the neighborhood side would cause a traffic backup as people parked in the new lot.

Mr. Rodriguez answered no.

Gary Black, Hexagon Transportation Consultants reported his firm performed the Traffic Intrusion on Residential Environments (TIRE) Analysis for the Project. He stated there were two driveways, one on either side, and he estimated the driveways would be about equally used in terms of the traffic volume. He thought a better way to characterize it was the shopping center before had more driveways than it needed. He noted these driveways provided convenience to access from both sides with adequate capacity.

Council Member Espinosa had reviewed the Conditions of Approval with the parking cash out, Travel Demand Management (TDM) measures and bike parking. He asked Staff if this site was under parked.

Mr. Williams stated Staff believed the site was parked adequately per City standards without providing reductions. He reported the office building immediately adjacent to the shopping center had an easement for 16 parking spaces in the shopping center. Staff had parked the shopping center per City standards, and there remained an easement for 16 spaces above and beyond that. Staff had flagged the permit database so that someone requesting a Use and Occupancy Permit for a new use in the office building would be required to address parking. He did not know if creating parking spaces for the office building would involve rebuilding, but that was not under the applicant's ownership.

Council Member Espinosa wanted to know the square footage or number of acres of the park after removal of the commercial use area. He felt the public portion of the park was minimal, and noted in other parks with public and private uses the public space was taken over by a commercial entity.

Mr. Williams thought it was important to identify the use of the areas. He noted problems had occurred in parks with restaurants using the public area as seating. He reported this park did not have a restaurant. He thought it served both purposes for the commercial plaza areas with a portion of the park left open as green space.

Ms. French stated the ARB was very careful to focus on exactly what was the park and exactly what was the area for the restaurants to use. She reported there was two types of seating: seating for restaurants and cafes, and seating in the park. She indicated the area of the park was 8,893 square feet without the additional private seating areas for cafes.

Council Member Espinosa noted correspondence from Mr. Eichler and Mr. Hess questioning the importance of preservation of these buildings. He was comfortable with the preservation of the buildings, but asked HRB to address those concerns further.

Mr. Bernstein reported the detailed rehabilitation of the two buildings convinced the HRB this would be a good Project from a preservation standpoint. He stated the level of detail in the reports gave the HRB confidence it would have the spirit of Eichler. He said the reconstruction, rehabilitation and repair report provided confidence the Project would be successful.

Council Member Espinosa asked the applicant to discuss the viability of renovating the buildings as they were and trying to use them as commercial space, and why that was feasible.

Mr. Tze reported the view of one or two buildings was blocked by another building in almost every view of the shopping center in the current configuration. He stated in retail visibility was paramount and without that, it was very difficult to attract quality tenants.

Council Member Klein considered himself extremely knowledgeable about this area, as he had lived within one mile of Edgewood since 1967. He had sadly witnessed the gradual decline of this shopping center, until it was probably the biggest eyesore in town. He asked what the number of parking spaces in the new configuration was compared to the old configuration.

Mr. Williams answered there were 156 proposed spaces and 250 spaces previously.

Council Member Klein inquired if that was a loss of approximately 100 spaces to the housing development.

Mr. Williams answered yes.

Council Member Klein asked if the 156 spaces met the City's standard for two small retail buildings and one grocery store.

Mr. Williams replied yes.

Council Member Klein inquired whether there were any excess spaces ignoring the 16 for the office building.

Mr. Williams indicated it was just enough spaces including the 16-space easement which totaled 140 for the two shopping centers. He noted there were two tandem spaces provided in excess, but Staff did not count those.

Council Member Klein recalled the 16 easement spaces were not used much by the existing office building.

Mr. Williams reported it was a non-exclusive easement, which meant people at the shopping center could use those spaces if they were not taken.

Council Member Klein had not observed more than one or two cars from that building parked there. He was concerned about the left turn from Embarcadero onto St. Francis. He had read the report, and noted the intersection did not meet the test of having 100 cars per hour. He thought the problem with the test was that it did not consider the speed at which cars traveled from the Highway 101 off ramp.

Mr. Rodriguez stated that was correct.

Council Member Klein stated the cars were moving more rapidly than at any other intersection, because they were coming from the freeway. He stated it was hazardous and he worried about that. He suggested Staff reconsider that.

Mr. Rodriguez reported Staff could continue to monitor that intersection to determine if left-turn signals would be appropriate as the Project moved forward. He indicated Staff had used the volumes provided by the applicant's consultant when considering left-turn arrows on Embarcadero.

Council Member Klein asked how many additional vehicles Staff projected making that left-hand turn onto St. Francis because of this Project.

Mr. Rodriguez thought it was about 65,000 and the warrant was about 100,000 or approximately two-thirds.

Mr. Black reported the traffic count indicated 25 cars made that turn in the peak hour and projections indicated an additional 40 cars would make the turn once the project was complete for a total movement of 65 cars.

Council Member Klein inquired if the City's test was 100 cars.

Mr. Black explained it was a combination of products; the left turn volume multiplied by the opposing through traffic volume. He agreed that the opposing through traffic volume was about 1,000; therefore, 100 vehicles would meet the 100,000 cross product.

Mr. Rodriguez stated if Staff were to apply the volume it was approximately 2/3 of the way to the warrant.

Council Member Klein inquired if there was a way to factor in the higher speed of traffic from Bayshore.

Mr. Rodriguez stated typically Staff applied that left-turn warrant consistently at all intersections around the City. He indicated doing that consistently meant Staff applied the same kind of warrants established by the State for that type of improvement.

Council Member Klein asked for the cost of installing a left-turn signal.

Mr. Rodriguez estimated \$120,000.

Council Member Klein inquired if the City would have to pay for the installation if it were installed later.

Mr. Rodriguez replied that would happen. He indicated Staff would discuss this with the applicant to determine if the applicant was willing to do some type of improvements for the Project.

Council Member Klein stated if the Council made it a Condition of Approval, then it would be the applicant's job.

Mr. Rodriguez agreed.

Council Member Klein agreed with the applicant concerning visibility of Building 2. He noted Building 2 had had a number of restaurants, and he felt lack of visibility made it impossible for them to survive.

Council Member Schmid thought tremendous progress had been made in dealing with the issues, the neighborhood and neighbors and in finding a dynamic tenant. He reported he was given four days to review 500 pages and 14 web sites. He stated the goal of the process was to have an open and transparent public process, and one of the rules the Council tried to follow was not to start investigating information before the public packet was available. He noted Planning Staff had gone through a long process, and had reversed their position and changed the wording in both the draft Environmental Impact Report (EIR) and the Final Environmental Impact Report (FEIR). He

asked if there was adequate time for the Council to absorb all the information of the process and to make a decision.

Mr. Williams agreed it was a lot of information. He stated it was the Council's determination of whether there was adequate time to reach a decision. He clarified Staff believed they did not change their mind or change their position on the EIR conclusions from February 16th to February 29th. He indicated the EIR outlined different ways to go and Staff recommended the historic impact was mitigated by the circumstances and chose that direction as opposed to requesting overriding considerations and a significant unavoidable impact. He reported Staff in the addendum made some clarifications to ensure this was legally covered in the record in FEIR from February.

Council Member Schmid acknowledged that happened in the draft EIR and FEIR, and suggested the Council might need time to consider. He referenced Table A02 and under No. 3 a ring called City of Palo Alto trees. He thought that meant the City's ownership of trees. He noted the 8-foot easement to be vacated on TM1 followed the Palo Alto trees. He asked what the easement was.

Ms. French stated those were utility easements, not street tree easements. She indicated the City did not need an easement for trees.

Council Member Schmid inquired whether A02 was showing Palo Alto property or the right to have trees on that site.

Ms. French reported it was just the Palo Alto trees, meaning the regulated street trees within the jurisdiction of Palo Alto right-of-way.

Council Member Schmid noticed trees were missing from A1.0 site map, and inquired why there were no trees where they are currently sited, especially at the St. Francis/Channing intersection.

Elena Suzuki, Senior Planner for Planning & Community Environment explained the site plan was intended to show the property. She reported the applicant was required to provide an adequate number of street trees, which was an ongoing discussion with the City Arborist to ensure that the trees were adequately planned.

Council Member Schmid asked if it was written somewhere in the contract that the applicant would provide street trees.

Ms. Suzuki reported they were in the Conditions of Approval.

Council Member Schmid thought a key question was the left turn from Embarcadero onto St. Francis. He noted fast cars traveled around corners

from West Bayshore Road into Embarcadero. He stated the goal was to channel all those cars making a left turn on Embarcadero onto Channing and St. Francis. He asked if Staff knew how many cars it would be channeling onto Channing.

Mr. Rodriguez reported 60 vehicles currently made that left turn in the morning and 36 in the evening, so Staff diverted that amount of vehicles from southbound West Bayshore onto Channing/St. Francis to make the left turn back onto Embarcadero Road.

Council Member Schmid indicated 60 was about the same number of vehicles making left turns from Embarcadero onto St. Francis. He noted there was a left-turn signal from St. Francis onto Embarcadero, and a possible left-turn signal on Embarcadero would create a double stoplight on a freeway exit. He inquired if those two stoplights would backup traffic onto Highway 101.

Mr. Rodriguez recalled Council Member Klein suggested left-turn arrows on Embarcadero Road for turns onto northbound St. Francis.

Council Member Schmid explained a left-turn signal would stop traffic coming westward on Embarcadero and turning from St. Francis onto Embarcadero. He noted the same happened with traffic turning left from St. Francis and, in both cases; off-ramp traffic on Embarcadero would have to stop.

Mr. Rodriguez indicated westbound Embarcadero Road traffic would stop rather than the off-ramp traffic.

Council Member Schmid said the busiest entry to Palo Alto would be stopped twice on every signal.

Mr. Rodriguez reported there was not a proposal for a traffic signal at the intersection of West Bayshore and Embarcadero Road. He stated there would not be a signal to turn left onto West Bayshore northbound from eastbound Embarcadero towards Highway 101.

Council Member Schmid confirmed there was not a signal.

Mr. Rodriguez stated there was not a signal there today, and one was not proposed. He explained the diverted traffic coming from West Bayshore to Channing to St. Francis had its own movement to make a left turn towards Highway 101. He reported that would not be considered in the number of vehicles making left turns onto St. Francis from Embarcadero Road.

Council Member Schmid was concerned about that intersection and any new forces placed in a very tricky spot.

Mr. Rodriguez indicated Staff worked with the applicant to ensure they extended the left-turn storage on Embarcadero Road to accommodate any increase, so that nothing spilled over onto Embarcadero Road and provided a queue impact.

Council Member Schmid noted there was 1,200 feet between the San Francisquito Bridge and the shopping center that did not have a sidewalk or pedestrian/bicycle lanes. He asked how Staff was planning for that in the Bicycle Pedestrian Transportation Plan.

Mr. Rodriguez reported the draft Bicycle Pedestrian Transportation Plan had a deficiency map of the City of Palo Alto that included areas for transitioning road curves to straight curves. He said there were deficiency areas in Barron Park where there were no sidewalks. He indicated the West Bayshore segment would be added to the Plan. He stated adding this segment to the Bicycle Pedestrian Transportation Plan allowed Staff to pursue grant sources to review design and construction options for the project. He reported there was no immediate plan to build any other sidewalk improvement along West Bayshore Road.

Council Member Schmid noted items in the Bike Plan had not been funded in the last 11 years, and there was no promise to resolve the issue.

Mr. Rodriguez replied right.

Council Member Schmid indicated success for the shopping center was dependent on ease of access; however, he felt parking was worrisome if approximately 100 parking spaces had been removed from that site. He noted the 16 parking spaces for the meditation center would be radically under parked if there was any change in ownership. He inquired whether Staff would negotiate with them if there was a change in use of that site.

Mr. Williams stated Staff had flagged that building to provide parking in compliance with the Code if the use of the building changed.

Council Member Schmid asked if any change in use from a meditation center to any kind of office activity would require a request for a Code change.

Mr. Williams responded right. He explained the meditation center was a general business service, so some changes of use were permitted. However, he stated a change to straight office use would not be permitted until parking spaces were resolved.

Council Member Schmid stated they had a historical covenant with the current shopping center for parking.

Mr. Williams said it was for 16 spaces only.

Council Member Schmid asked if the covenant covered a change in activity at that site.

Mr. Williams answered no.

Council Member Schmid inquired whether Staff was confident parking would not be a problem in the future.

Mr. Williams replied yes.

Council Member Schmid noted on page 451 there was not an economic analysis of the revenues generated or of the cost of City services for the General Fund budget, which was projected in deficit. He thought it was very important to have a sense of the net economic contribution new developments would make. He stated the City had a model developed in the Stanford negotiations where two economic firms reached an agreement on how the City should assess the cost of services. He stated it would be helpful on major projects like this to utilize the models established to provide a sense of net service costs.

Council Member Burt could not find good circulation maps and plans, and asked if they were in the Packet.

Mr. Williams indicated it was in the EIR with the TIRE Analysis.

Council Member Burt reported all these drawings were on-site, and did not extend to Embarcadero. He stated one change was the right-turn only from West Bayshore to Embarcadero.

Mr. Rodriguez agreed.

Council Member Burt inquired whether there was better queuing for left-turn from Embarcadero onto West Bayshore.

Mr. Rodriguez said queuing was onto St. Francis, while Embarcadero to West Bayshore remained the same.

Council Member Burt asked if Staff had any discussions with Caltrans about the off-ramp and ways to reduce the speed.

Mr. Rodriguez replied Staff had not as part of this project or as far as operations within Palo Alto.

Council Member Burt stated there were a number of factors that combined to make this a hazardous intersection. He noted cars northbound on Highway 101 came off the cloverleaf and were not immediately aware of the 25-miles-per-hour zone. He thought the hazard resulted from the convergence of speeding cars from east Embarcadero, from the cloverleaf onto Embarcadero going west, and from southbound Highway 101 to Embarcadero. He said Staff needed to address those issues. He explained existing traffic problems would be compounded with increased activity at the shopping center. He inquired how issues related to the intersection would be handled if they were not Conditions of Approval of the Project.

Mr. Williams deferred to the City Attorney to determine if Council could discuss those issues because they were not on the Agenda. He suggested Council direction to Staff to work with Caltrans to create appropriate Capital Improvement Projects (CIP) to provide for upgrades for either signals or improvements at intersections would be within the scope of a potential motion.

Molly Stump, City Attorney reported a general direction coming from this Item would be fine.

Council Member Burt reported the left turn into and from the Shell station was already hazards, and would only worsen with the elimination of the entrance and exit at the rear of the station into the shopping center. He asked if Staff was concerned about that.

Mr. Rodriguez indicated the gas station had two driveways. He reported Staff was not concerned with the closure of the driveway path that goes to the shopping center from the Shell station, because the Shell station preserved the left-turn ability onto Embarcadero.

Mr. Williams said Council Member Burt was talking about the connection to the shopping center that cars could move from the shopping center into the gas station.

Council Member Burt explained a certain percentage of Shell customers came in and left from the back of the station, and with the closure of that driveway those cars would be added to the cars entering and leaving from the front driveway. He said there was already a problem with the left-turn into and out of the Shell station from the front driveway, and closing the back driveway would increase the number of cars to the front.

Mr. Williams stated Staff shared that concern, and had some discussions with the applicant about trying to restore the back driveway. He noted Staff could include that as a Condition. However, he explained one or two parking spaces would be displaced with that action, and the parking spaces would need to be

found elsewhere. He felt Staff could work on that and keep the internal connection.

Council Member Burt asked the Mayor's permission for applicant's representative to speak.

Mr. Baer indicated car lifts were treated as tandem parking, and could be managed by employees. He thought those parking spaces could be replaced easily with a couple of lifts, if the City allowed it.

Mr. Tze reported he had spoken with the owners of the Shell gas station, and they had been aware of the closure for quite a while. He indicated they had considered adjoining driveways, but the Shell owners did not feel there was an issue from their standpoint. He stated the beading center was opposed to keeping the rear driveway open.

Council Member Burt said the Shell station owners were worried about their own circulation issues, while the City had a public issue. He noted there was not much dead space on the parcel according to the drawing, and felt only one small area could accommodate parking spaces. He asked if that area could be used for parking spaces if the rear exit from the Shell were retained.

Mr. Williams responded yes, and noted some parking spaces already dead-ended into that. He believed they could find a couple more spaces.

Council Member Burt wanted to ensure those parking spaces could be placed elsewhere in the Project, if the Council supported retaining the rear entrance/exit to the Shell station.

Council Member Holman suggested discussion move to public comment.

Mayor Yeh indicated the Council's practice was to limit speakers to 2 minutes once a certain number of speaker cards were received. He noted additional comments could be submitted to the City Clerk to become part of the public record.

Council Member Klein inquired if the Council would discuss the final Item on the Agenda.

Mayor Yeh noted one Item remained. He asked if Colleagues were interested in keeping that Item on the Agenda.

Vice Mayor Scharff suggested making that decision at the conclusion of the current Item.

Council Member Klein indicated there would be some discussion.

Mayor Yeh reviewed the topic of the next Agenda Item.

Council Member Price inquired if the Item was time sensitive from Staff's point of view.

Jane Ratchye, Assistant Director for Utilities Resources Management answered that there was no time sensitivity to Agenda Item No. 14.

MOTION: Council Member Espinosa moved, seconded by Council Member Price to move Agenda Item No. 14; Finance Committee Recommendation to Approve a Resolution Amending the Gas Utility Long-term Plan Objectives, Strategies and Implementation Plan, to a date uncertain.

MOTION PASSED: 9-0

Public Hearing opened at 10:02 P.M.

Martin Yonke stated he just up the street from the Edgewood Plaza Shopping Center. He stated Joseph Eichler had a goal of having an easily accessible neighborhood shopping center within walking distance of homes. He reported he, Diane Sekimura and Gayle Olsen were members of the ACC established by the CC&Rs. He indicated the ACC were concerned about early proposals from the developer, but had reached an agreement on the current Project in 2009. The Project maintained a neighborhood-serving shopping center that fit with the surrounding Eichler neighborhoods. John Tze had met with the ACC since the agreement to provide updates and to discuss changes. As a property owner and member of the ACC, he supported the Edgewood Plaza Project and was looking forward to having a revitalized neighborhood shopping center.

Diane Sekimura stated she was a member of the Architectural Control Committee appointed by Ned Eichler. She said the ACC was responsible for ensuring new construction complied with CC&Rs. She reported the ACC felt the most efficient way to ensure compliance was to work together from the beginning of the process. She indicated the CC&Rs stipulated the design of and materials used in new construction conform to the mid-century design of surrounding houses. She stated the ACC was very pleased with the preliminary designs for the grocery store, particularly since it appeared closer to the original design of the Lucky Market when it opened in the 1950s. The ACC was also happy that the plan included preserving and rehabilitating the two small shops buildings according to the Secretary of Interior Standards. The ACC appreciated the thought that had gone into designing a park which could be used as a neighborhood gathering place. She believed the community was interested specifically in the new market and generally in a successfully renovated Edgewood Plaza.

Gayle Olsen said the back of her property faced toward the shopping center so she was concerned about height of buildings, activity, available services and lighting. She felt the community received the plans well and was excited about Fresh Market. She felt Albertson's, the prior tenant of the grocery, did not upgrade the building and provided poor quality and expensive produce. She stated the neighborhood was excited about having a place to walk or bike to. She indicated she was a member of the ACC and supported this Project.

Alan Sonneme felt at this point any objection to the height of housing was moot; however, he thought traffic and parking were important. He felt Staff was looking back rather than forward, as Palo Alto's traffic was increasing exponentially. He reported the traffic light at St. Francis backed up traffic for two or three blocks. He suggested Staff make projections of where traffic would be if the shopping center was successful. He stated it was an extremely dangerous situation which would be compounded by traffic from the shopping center. He urged the Council to ensure that these issues were addressed before it approved the Project.

Brenda Erwin reported she was the Edgeway President of Woodland Creek Condos in East Palo Alto. She indicated the group had compiled the petition in the Council's Packet. She stated they supported the Project, but wanted safe access to it by either walking or biking. She said the petition contained 75 signatures, and asked the Council to do what it could.

Heather Rosmarin had personally observed the hazardous conditions on West Bayshore Road. She indicated the stretch of road where the sidewalk ended at San Francisquito Bridge had two blind turns, very fast cars, no curb and no protection of any kind. She stated numerous letters and comments had reported these hazards in this process and in the EIR process. She thought the EIR did not adequately address concerns; therefore, she formally objected to certification unless hazards were mitigated. She suggested the Council make sidewalk fulfillment a Condition of the Project or offer direction to Staff to create a CIP. She appreciated Staff's inclusion of sidewalk remediation in the Pedestrian Bicycle Plan, but noted it had no funding and no timeline. She agreed that mitigation of traffic hazards needed to be aligned with the timeline of the Project.

Jinny Henke, stated she was most concerned about safety. She said it was very difficult for motorists to turn left onto St. Francis from Embarcadero to go to the shopping center. She indicated motorists exiting Highway 101 did reduce their speed as they left the Highway, but many traveled down Embarcadero heading west at a reduced speed of 50 miles an hour. She felt a dedicated left-turn arrow would make it possible for more than one or two motorists to turn left onto St. Francis, because currently at peak traffic times cars could not turn left onto St. Francis. She noted the decreased number of parking spaces and entrances/exits to the shopping center because of

proposed housing at Edgewood Plaza. She feared increased traffic would cause an increased number of traffic accidents.

Angelica Volterra had submitted over 30 pages of important testimony regarding this Project's serious and significant traffic impacts, including the opinions of an expert in the field of traffic engineering. She clearly documented that the City's published FEIR was seriously flawed and deficient, and that the City had failed to comply with the California Environmental Quality Act (CEQA) in its review of the potential traffic impacts of the Project. She said the City had failed to perform required analyses, including the TIRE Analysis on St. Francis, Channing and West Bayshore and a worst-case scenario of trip generation by the office building and the retail shops. She reported claims of the community supporting this Project were inaccurate. She stated the developer and the City had never properly informed the neighborhood, the greater community and the CC&R holders of the Project's parking deficiencies and serious traffic impacts. Expert testimony of Paul Adamson, Alan Hess and Eichler's son, all experts in the field of mid-century modern architecture, indicated this Project would create a significant impact. Claims of preservation as public benefit were not true. She reported she had been told that City employees could not find an occupancy permit for the Maharishi Center, and stated it had never gotten a formal occupancy permit. She indicated the City would have to find more than a couple of parking spaces in order to reopen the driveway between the Shell station and the shopping center. She said the Project would create very serious and dangerous traffic impacts on dangerous roadways and at dangerous intersections.

Robert Smith reported he lived at Greer and had been one of the few people who shopped at the Albertson's. He thought the grocery was poorly designed and misplaced despite its Eichler heritage, and not very attractive to people. He was not worried about losing an architectural resource. He believed changes in the Project had been made to appease the neighbors and the CC&Rs. He felt traffic and the Shell station were serious problems; however, he thought the Project should proceed.

Bob Moss indicated there was a lot of controversy about historic preservation value, but it was a requirement. He said those ten single-family homes would have a net cost of at least \$12,000 a year while public benefits were trivial. He was bothered by the lack of Below Market Rate (BMR) units, when the City required BMRs for five or more housing units. He noted the loss of 100 parking spaces, and asked why the Council was not willing to do something about the lack of parking. He agreed with Edward Eichler's letter concerning the loss of parking spaces and failure to perform a TIRE Analysis. He noted discussion of dangerous intersections and traffic. He stated there were problems with this Project and told the Council to fix them.

Elise Demarzo stated her residence shared a border with that property. She felt Sand Hill Properties had made accommodations, jumped through all the hoops, lowered roof lines and lessened the number of homes. She said they had been very responsive and open with the community. While there were some traffic issues that needed to be addressed, she urged the Council to move the Project forward.

Jeff Levinsky noted the Council had another underparked PC application for consideration. He suggested the Council direct Staff to cease looking for ways to allow under parking and to begin working with applicants to provide full parking. He stated problems with the Edgewood Project arose because the office building would no longer be able to park 55 cars as required for an office of that size. He had talked to the Development Center, which could not find any occupancy permit for the current occupant. He explained the Development Center indicated the permit reverted to the previous occupant, which was a Roundtable Pizza headquarters. He stated, according to the rules, any further use of that building as an office required no review, and there would be no restrictions. He indicated 55 cars could be parked there, but there would not be 55 spaces. He explained the office building would never have the opportunity for adequate parking if the Project were approved as structured. He wanted the shopping center revived and wanted adequate parking.

Public Hearing closed at 10:25 P.M.

Mayor Yeh indicated there were Colleagues who had not finished their questions. Since this was a quasi-judicial matter and a PC application, he asked for disclosures from Council Colleagues.

Council Member Holman asked why the City would reevaluate tenancy and parking requirements if another office use occupied the building. She inquired whether the City would significantly impact the value of the property if the property could not accommodate the required amount of parking. She was concerned the building will become derelict because inadequate parking would deter future tenants.

Mr. Williams could not speculate as to what would happen on the site; however, he reported the City had a Use and Occupancy Permit for the existing use, which was not considered office. He believed a future tenant with a new office use would need to address parking. He reported there were probably a number of uses that would not have to address parking. He felt Staff would be justified in viewing this as a non-conforming situation if a new office went in.

Council Member Holman attempted to think of a use that would be one employee per 1,000 square feet.

Mr. Williams assumed it would be some kind of studio or teaching use. He stated the current tenant did not need more space than that, and was not overtaxing those 16 parking spaces.

Council Member Holman shared concerns about ingress and egress from the site. She noted Charleston Shopping Center had four ingress and egress points and the Safeway in Midtown had three. She asked Staff for its thoughts on reducing the Projects ingress/egress points to two rather than four.

Mr. Williams indicated more driveways meant more potential conflict locations. He reported Staff felt two driveways spaced apart to prevent conflict was an adequate solution.

Council Member Holman reported entering and exiting the shopping center was easier from the rear, because you did not have to contend with the traffic from Embarcadero and St. Francis. She was not convinced this was better. She wondered about the visual impact of lifts to create more parking. She noted comments and a petition concerning the lack of a sidewalk on Bayshore. She asked the likelihood of obtaining funding for a sidewalk, if the Council did not require it as part of the Project. She stated it was an existing Condition and could be a public benefit as well, because people would want to visit an invigorated shopping center. She asked why would not the Council look for a public benefit rather than creating a PC, which would need public funding.

Mr. Williams stated he would defer the question of process, then discuss public benefit.

Mr. Rodriguez reported if there was not a public benefit from the applicant for sidewalk improvement along West Bayshore, Staff could include it immediately in the five-year CIP. He explained a CIP would allow Staff to apply for grant funding for design and construction and would make it more attractive to funding. He stated the project could be funded in the worst-case scenario in seven years without a public benefit. He explained the project would be funded in the fifth year and, allowing time for design and construction, it would be completed in approximately seven years.

Mr. Williams indicated that the determination of a public benefit was the Council's decision. He noted there was much discussion the prior week concerning the public benefit gap, and noted this Project was very close to complying with the Neighborhood Commercial (CN) standards. He hoped that public benefit relating to a departure from the existing Ordinance would come into play in the current discussion.

Council Member Holman did not understand why impacts identified by the City's Peer Review Consultant were reversed when the FEIR was released. She asked what had changed or what new information was presented.

Mr. Williams reported the City's Peer Review Consultant and the applicant's consultant both felt two buildings were historic and one was not; the Peer Review Consultant felt relocating the building was a significant, unavoidable impact and the applicant's consultant disagreed. Staff had discussed whether to consider relocation of the building a significant, unavoidable impact requiring the Council to make a statement of overriding considerations or to consider rehabilitation of the two existing buildings and the plaque as adequate mitigation if the relocation was not considered of historic significance. Staff relied heavily on the HRB's review in making the determination and the HRB concurred with the applicant's consultant's analysis that relocation of the building was not a significant, unavoidable impact and the measures being taken were adequate to mitigate it. Staff was fully prepared to present the Council with overriding considerations and call it a significant, unavoidable impact. He noted either way it was essentially the same result. He did not feel Staff made a change in the last minute; rather Staff had not made a decision until they made the recommendation to the PTC in the Staff Report. Upon making the recommendations to the PTC, Staff's Counsel advised there needed to be an addendum in the FEIR to clarify their points.

Council Member Holman respectfully disagreed with the HRB, because their approach was to consider the individual buildings rather than the property as a whole. She noted the Ordinance listed four public benefits while the Staff Report listed five. She did not believe the sign was a public benefit, because it was to be relocated and changed. She stated the houses were two story and more densely sighted than the Eichler neighborhood. She noted comments that the property was not subject to the CC&Rs. She thought for the Project and the City to promote good neighbors, the City should respect the CC&Rs because they were the context. She inquired what potential rights or other uses the City was giving up by abandoning the utility easements.

Ms. French explained the utilities were being relocated on the site, which negated the need for that easement. She indicated new easements would be created for the placement of new utility lines through the site.

Council Member Holman found the Conditions of Approval concerning the trees to be very general.

Ms. French indicated on page 530, Condition No. 9 discussed the tree preservation report, L5.1 of the Plan Set showed trees to remain, and TM4 showed existing trees that were not shown on Site Plan A1.0.

Council Member Holman thought this was an iconic development and would be a big draw to the City, something she thought the City had lacked in the last few years. She stated this property, if built as proposed, would no longer be eligible for the National Register, and its integrity would be gone. She felt sad about losing a one-of-a-kind property.

Vice Mayor Scharff asked the market representative to provide her comments about the Project.

Amber Reed, Fresh Market, West Coast Representative reported the company was 30 years old with approximately 115 stores throughout the East Coast, Southeast and Midwest, and stores typically utilized 20,000 square feet. She stated the company was committed to the location and loved Palo Alto. She noted the company was primarily focused on high quality product, and the majority of stores contained perishables and a full-service deli. She explained they could be a smaller full-service grocery, because they focused on food and not things like paper products. She said they offered very high quality produce and a very high level of service. She indicated they carried organic because customers wanted that.

Vice Mayor Scharff inquired if she had any concerns about parking on site or if she thought it was adequately parked.

Ms. Reed thought it was adequately parked. She indicated the design team had been searching for ways to add some spaces, even though they knew it was at the ratio. She noted retailers always wanted more parking.

Vice Mayor Scharff asked what kind of stores and tenant mixes they were hoping to get for the other buildings.

Mr. Tze stated the vision for the shopping center was neighborhood serving. He reported stores could include coffee shops, pharmacies, banks, dry cleaners, hair salons and possibly an upscale pet store.

Vice Mayor Scharff asked the applicant to address comments regarding the left-turn signal.

Mr. Tze reported he had traveled primarily east on Embarcadero toward the shopping center. He supported a dedicated left-turn signal as far as contributing to a fund. He thought it would be too much for them to pay for the whole thing, but felt it would make the intersection safer.

Vice Mayor Scharff inquired whether Staff felt it would be appropriate to install a left-turn signal now if there was not a funding issue.

Mr. Rodriguez reported a left-turn arrow was a much safer movement throughout the entire day. He stated it was a balance of having consistent volumes that required that type of movement all day long. He indicated an alternative to address the Council's concerns was a permissive protective signal. He explained a permissive protective signal allowed left turns on a green ball through most of the day, and an arrow turned on during heavy opposing traffic. He stated it was an effective method to implement a left-turn arrow. He reported if demand were to rise such that an arrow was needed all day long, the signal could easily be modified to an all arrow movement for just a few thousand dollars. He noted the cost would be the same, approximately \$120,000.

Vice Mayor Scharff asked if it would be \$120,000 to install the left-turn arrow he just mentioned.

Mr. Rodriguez indicated the cost came from replacing the mast arms going over Embarcadero.

Vice Mayor Scharff inquired if a light would be needed at West Bayshore and the entrance to the shopping center.

Mr. Rodriguez did not think there would be a demand for a traffic signal, because Staff assumed the current left-turn movements would be directed toward Channing and St. Francis. Staff did include the Highway 101/Embarcadero Interchange in the Valley Transportation Plan 2040 list of projects for Palo Alto. He noted the long-term goal was to review that whole interchange.

Vice Mayor Scharff asked the cost to complete the sidewalk.

Mr. Rodriguez did not know. He suggested \$60,000 would be seed funds to cover a feasibility study and potential design costs if right-of-way was not an issue. He indicated construction costs would significantly increase if there was not adequate right-of-way.

Vice Mayor Scharff asked if Mr. Baer had questions or comments.

Mr. Baer stated he would speak during rebuttal.

Council Member Price inquired if Staff had identified the sidewalk gap on West Bayshore in any CIP project or if Staff was considering it as a potential eligible project in the Regional Transportation Plan (RTP) 2040.

Mr. Rodriguez responded no.

Council Member Price asked if it was important for a project to be listed as a potential project under the RTP to be eligible for funding.

Mr. Rodriguez stated it depended on the scope of the project. He thought identifying the sidewalk gap within the Bicycle and Pedestrian Transportation Plan would allow it to be considered for Bicycle Expenditure Plan (BEP) or other funds. He explained it did not necessarily need to be in the RTP to be considered for funding, just part of some document within the City. He thought in this case it would be in the Bike Plan.

Council Member Price inquired if the project was identified in the Bicycle and Pedestrian Plan.

Mr. Rodriguez stated it would be identified in that Plan when the Plan was presented to the Council in April.

Council Member Price understood this Project met the minimum landscaping requirements. She explained land banking was having landscaped areas available to convert into future parking spaces. She asked if land banking was still an option under the Municipal Code and, if so, was this feasible within the site plan.

Ms. French reported the Zoning Code contained a section that allowed landscaped reserve. She indicated the applicant would have to show how an area would work for parking before planting it, because the area was conceived as not being needed. She stated Staff had to balance storm water management, parking and shading; however, Staff could review that.

Mr. Williams thought there was not any extra area to put into landscape reserve at this time. He reported that was used mostly in areas where the amount of parking was undetermined. He did not feel this was a case for that use.

Council Member Price asked whether there was enough square footage on the site to do this.

Mr. Williams answered correct. He said Staff would be looking for a site that had surplus area.

Council Member Price asked if the community shuttle bus still ran along Embarcadero.

Mr. Rodriguez thought the Embarcadero shuttle operated during peak hours only.

Council Member Price noted the shuttle provided transit opportunities for individuals even if hours were limited.

Council Member Shepherd inquired if the three on-site Electric Vehicle (EV) stations would be revenue-generating stations.

Mr. Baer explained there were a couple of organizations that had some federal funding to help with the installation of EV stations. He stated those companies issued a credit card to users to have electrical costs paid for by the user of the charging station. He indicated Sand Hill Properties would not profit from the EV stations, but would pay for the conduit and electrification of those.

Council Member Shepherd asked how much installation would cost.

Mr. Tze reported the Planning & Transportation Commission requested installation of one Level 3 station and two Level 2 stations, for a total of three stations. He noted there was only one Level 3 station in existence along Highway 101. He indicated Level 3 stations required a special transformer that was not common for a retail center; however, newer Level 3 stations would accommodate the transformers they planned to order. He stated the cost of a Level 2 station was not hugely significant, approximately \$5,000 for the equipment only. He said a Level 3 unit could cost \$30,000 or \$40,000; however, one was coming on the market that cost approximately \$10,000 for the unit only. He reported they did not plan to charge for the Level 2 stations, and would charge \$0.50 or \$1.00 an hour for the Level 3 station.

Council Member Shepherd asked because she did not know the model for EV charging; although, she did not think it would be the gasoline station model. She wanted to know what the costs were. She asked if they could receive grant money to install the EV stations. She assumed this was acceptable to the Shell station. She wanted to know what to expect of an electric refueling station.

Mr. Williams thought they could not wait to see what the model would be before installing the EV stations. He thought Mr. Baer was talking about grant funding associated with the system that charged for the electricity rather than for installation. He thought installation costs would be between \$20,000 and \$50,000 for the three stations combined.

Mr. Baer stated conduit and cabling were the biggest costs. He indicated grants may be available to pay for part of the post and charger, but grants were not for powering. He reported a Class 3 was a two-hour recharge and a Class 2 was a seven- or eight-hour recharge. He indicated the problem was the lack of interchangeable plugs.

Council Member Shepherd inquired if parking time at these stations would be measured. She assumed the three parking spaces with EVs were included in the parking spaces. She asked if there was a means to ensure that these circulate.

Mr. Baer said cities were developing policies for this, because EV stations were so new.

Council Member Shepherd wanted to ensure this worked for the shopping center and the community. She thought the grocery store needed a lot of renovation, and assumed new construction would be less expensive than remodeling.

Mr. Baer stated both consultants identified the two retail Eichler buildings as having historic character, and both consultants agreed the grocery store lacked sufficient integrity from its period of significance to be historic. He reported they were using materials that were compatible to and respectful of the Eichler genre.

Council Member Shepherd noted the grocery store had been patched, such that the Eichler integrity had been lost.

Mr. Baer indicated the structural elements of the grocery store and the size of the building was worth preserving.

Council Member Shepherd felt this shopping center would be the first and last stop for people traveling Highway 101. She asked if the current front and back parking lots were separate.

Mr. Tze stated the north parking field could be accessed from the west side, but not the east side.

Council Member Shepherd noted parking along St. Francis was allowed on the housing side; therefore, there was no possibility to create street parking at any point around that area. She thought overflow parking for the shopping center would need to be close to the shopping center.

Mr. Rodriguez agreed parking along St. Francis was along the west side of the street. He indicated bike lanes prevented additional parking. He stated there were benefits for the Project to have limited parking for site distance to the driveways; however, Staff had not reviewed that yet.

Mayor Yeh inquired why none of the units were included as BMR units.

Mr. Williams reported this Project would require 1.5 BMR units. Staff felt obtaining in-lieu fees was more worthwhile than the difficulties associated with monitoring and maintaining one BMR unit.

Mayor Yeh noted the applicant's presentation included a \$1.66 million figure in impact fees to the City and PAUSD. He asked what portion of that figure the City would receive.

Mr. Williams reported the City would receive approximately \$100,000 to \$150,000 from property taxes, property sales and utility user taxes, not including the housing impact fee. He noted the in-lieu housing fee was 7.5 percent of the sale prices of the homes.

Mayor Yeh invited the applicant to respond to comments.

Mr. Baer reported the BMR in-lieu fee was estimated to be \$1.5 million. He noted the decision was to accept the funds rather than attempt to monitor one unit. He stated the St. Francis intersection issue would be expensive, but he thought he had a significant impact and therefore contribution. He indicated that was different from the neighbors who would be traveling on West Bayshore. He offered to review the St. Francis signal issues. He felt Fresh Market was a spectacular grocery chain and would be an unbelievable contributor to the City. He said delivering ten homes was an enormous effort. He hoped for the Council's support.

Council Member Burt noted public comments concerning the adequacy of the EIR, and asked Staff to respond.

Mr. Williams reported Staff was comfortable with the EIR and believed it was fully defensible. He stated the City had hired Rick Jarvis as environmental counsel to address this issue. He stated traffic in particular was based on a zero baseline analysis, contrary to some public comment. He explained the only existing uses that were included in the existing baseline traffic were the two in operation at the time the Project started. Staff thought that was adequate. He noted consultants were present to address air quality issues; however, Staff believed the air quality issue was addressed. He stated it would improve safety to have a sidewalk on West Bayshore, but Staff did not feel this Project was creating a significant impact in that respect. Staff believed the City had the final decision regarding historic significance as long as it had adequate evidence on both sides, and Staff felt it did. Staff believed that the EIR and associated Resolution were sufficient and defensible.

Ms. Stump agreed that the environmental documents were adequately supported to meet the legal standard. She suggested the Council direct specific questions to Rick Jarvis, outside Counsel.

Rick Jarvis, outside Counsel had reviewed an administrative draft of the response to comments, and provided feedback to Staff on issues that he felt needed addressing. He was satisfied that the FEIR as prepared adequately addressed all the comments.

Council Member Klein inquired whether the concerns expressed by a couple of citizens were outside of the time allowed to provide exception to the EIR.

Mr. Jarvis explained CEQA provided a comment period for the EIR, and the City had an obligation to respond to any comments submitted during the comment period; however, the City was not obligated to respond to comments submitted after the comment period. He stated anyone could raise new issues in terms of exhausting administrative remedies.

Council Member Burt inquired whether the Council could rule against the adequacy of the EIR based on public comment.

Mr. Jarvis stated that would be within the Council's discretion. He explained if the Council felt the comments raised an issue that the Council wanted better addressed, then the Council could direct Staff and consultants to better address those issues.

MOTION: Council Member Burt moved, seconded by Vice Mayor Scharff to: 1) approve the Resolution certifying the Final Environmental Impact Report (FEIR) and Amendment to the FEIR, 2) adopt an Ordinance approving the Planned Community (PC) project (modify three retail structures, and add a new park and ten single family homes on a 3.58 acre property) and the eleven parcel Tentative Map (one commercial parcel including a 0.20 acre park and ten single family parcels), 3) modify traffic signal at Embarcadero Road & St. Francis Drive to provide left turn signal phasing on Embarcadero Road, and 4) preserve access between project site and Shell Gas Station at existing site connection with no net loss of parking.

Council Member Burt said this Project had evolved, the neighbors had engaged in a constructive way, and the developer had responded to the concerns of the surrounding neighbors and the Architectural Review Board. He noted the community had looked forward to this Project for a long while. He thought the Project was a good balance of competing interests. He thought the developers had worked hard to provide something the community would be pleased with, and he looked forward to seeing it. He felt the grocery store would be a great addition to the community, and the Project as a whole would be a net gain for the community. He believed the bulk of the surrounding neighborhood was anxious to have the Project built.

Vice Mayor Scharff noted the process for this property had been torturous and winding. He hoped the outcome would be a good one, and was pleased with

the design. He indicated the developer had thought carefully about the Project. He had heard good things about the developer's working with the neighborhood. He appreciated the applicant stating they were willing to work with the City on the traffic signal issue.

Council Member Klein supported the Project. He felt Edgewood Shopping Center had been an eyesore and troublesome for the City. He was glad the process was ending with a good Project. He noted the irony in the Project being fully supported by neighbors, with a few exceptions, but opposed by people living outside Palo Alto. He had read the PTC meeting minutes trying to understand the difference between overriding considerations and adequate mitigation, and was glad to have Staff confirm his conclusion that there was not a difference. He felt that was not a good use of public time, because the result was the same. He inquired if the Motion regarding the left-turn from Embarcadero onto St. Francis meant only in that direction, and not from St. Francis onto Embarcadero.

Council Member Burt responded correct.

Council Member Klein thought keeping the rear entrance to the Shell Station made sense. He thought the protected left-turn arrow from Embarcadero onto St. Francis would allow more people to enter the shopping center, because it would be an easier turn.

Council Member Espinosa stated he, neighbors and the City had been waiting for this Project for a long time. He said this was a good Project. He thanked the applicant for its work with the community. He supported the Motion. He did not like the current left turn from West Bayshore onto Embarcadero, but was okay with it if it was monitored. He thought that intersection would soon be an issue for the City.

Council Member Shepherd was delighted to have the Project, specifically with the neighborhood supporting the developer's actions. She appreciated the food trucks on Monday nights, and stated that showed the type of network the applicant wanted to build. She assumed that retaining the rear entrance to the Shell station was part of the Motion. She agreed with Mr. Baer that the Council needed to thank applicants for addressing the Comprehensive Plan, working with the neighborhood, and bringing in a project to be proud of.

Council Member Price thought the attention to the site plan, architectural treatment and utilization of features was very important. She felt information regarding Joseph Eichler relating to architectural history was valuable. She appreciated the thoughtful consideration of the various elements. She thought it was challenging to meet multiple outcomes that related to many policies in the Comprehensive Plan. She thanked the Architectural Control

Committee, neighbors and community members who spoke. She admitted she had not shopped at this shopping center, and looked forward to doing so.

Council Member Schmid thought it was clear everyone wanted this Project to work. He noted concerns over the viability of the center relating to traffic, parking and access. He asked if it be helpful for Staff to explore other options for resolving these issues. The issues were traffic, parking and access. He inquired if the two conditions were sufficient to resolve the issues.

Mr. Williams thought they were. He indicated they were sufficient and specific, which was helpful to Staff. He felt the conditions addressed the particular concerns specifically.

Council Member Holman noted the dates of the plans were different, and asked if they were the same.

Mr. Williams reported the date the Council had was the date Staff had received the plans, and there had been no changes.

Council Member Holman stated the plans were dated, not stamped, March 19, and asked Staff to confirm these plans were the same.

Mr. Williams responded they were the same plans.

Council Member Holman thought delivery trucks would have to back onto West Bayshore, and asked whether Staff was concerned about that.

Ms. Suzuki agreed the trucks would have to back onto West Bayshore. She indicated that was thoroughly reviewed by Transportation Staff and consultants to ensure it was consistent with Staff's requirements and safety concerns.

Council Member Holman referenced Packet Page 438 regarding ten housing units and the in-lieu fee. She inquired how that 9,000 square feet would be used.

Mr. Williams believed 4,000 square feet was required to meet the obligation for the ten units for parkland, but the addition was a public benefit.

Council Member Holman stated the public benefit was 5,000 square feet rather than 9,000 square feet.

Mr. Williams agreed.

Council Member Holman suggested Staff correct that.

Mr. Williams recalled the amount of public benefit was the amount over what was required for the residential portion. He thought 8,800 square feet was the public benefit portion, but he would need to review that.

Council Member Holman acknowledged the applicant had brought the Project a long way, and improved it greatly. She disagreed with the amendment to the draft EIR; therefore, she could not support the Project.

Mayor Yeh reported he had discovered this shopping center only because of Edgewood Eats. He had learned about Eichler and the treasures of the community. He appreciated the vision for the shopping center, and thought it would be a good addition to the community. He supported comments of potential CIPs relating to the Embarcadero/West Bayshore intersection.

MOTION PASSED: 8-1 Holman no

Council Member Price moved that in order to improve the operation and safety of the on and off ramps from Highway 101, to direct Staff to work with Caltrans to identify improvements of the ramps and for vehicles accessing Embarcadero Road, and furthermore to seek opportunities to identify funding for such improvements.

Ms. Stump reported this specific development was not separately identified on the Agenda. She thought Staff would be more comfortable receiving this as a general direction from the Council, and advised that Council not formalize it in a specific motion given the format of the Agenda for this evening's Item.

Council Member Price inquired if the Council should assume Staff would move in this direction, given the basic intent here and the earlier discussion.

Ms. Stump thought the Council would have a dialog with Staff about it, and Staff would confirm their understanding of the Council's intention.

MOTION: Council Member Burt moved, seconded by Council Member Price to direct Staff to return to Council with an informational item within 90 days regarding traffic concerns for Highway 101 and Embarcadero Road intersections, and potential funding sources; furthermore at this point Council could agendaize discussion for a future meeting.

Council Member Price agreed with the provision that it capture the earlier discussion. She thought this was an important project to review in detail because of safety.

Vice Mayor Scharff supported the intention of the Motion. He was unsure what the Council gained by having it on the Agenda before Staff had information from Caltrans.

Council Member Burt explained the Motion was a clear statement that the Council wanted to pursue this.

Vice Mayor Scharff was concerned about the growing number of items on Agendas.

Council Member Price stated another intent was to have Staff explore opportunities for potential funding. She found Council discussions insightful, but felt there was no action without a Motion. She wanted to ensure that this would be a potential project with sufficient Council support.

Vice Mayor Scharff asked Staff to respond.

Mr. Williams thought Staff could commit to providing the Council with information, either through an Information Report or Staff contact, on the process within 90 days, so that Council could decide whether to have a public discussion.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to have the item return as an Informational Item.

Council Member Price stated the Council could not take an action on an Informational Item.

Council Member Holman asked if it returned as an Informational Item, how did the Council vote on bringing it back.

Council Member Burt thought that could be done, it would be in the Packet and at the end of the meeting the Council had the ability to agendize items.

MOTION PASSED: 9-0

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Burt spoke about the teen art exhibit showing in several locations throughout the City, including City Hall this week.

Vice Mayor Scharff stated he had had breakfast at Johns Café on Lytton which had just recently opened for business.

ADJOURNMENT: The meeting was adjourned at 11:56 P.M.