



CITY OF PALO ALTO CITY COUNCIL MINUTES

Special Meeting
December 3, 2012

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:00 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, Joe Saccio, Kathryn Shen, Sandra Blanch, Marcie Scott, Darrell Murray, Val Fong)

Employee Organization: Utilities Management and Professional Association of Palo Alto (UMPAPA)

Authority: Government Code Section 54957.6(a)

Mayor Yeh announced that the Council Member Questions, Comments and Announcements would be heard immediately following the City Manager Comments and prior to the rest of the Agenda due to the timing of the meeting.

CITY MANAGER COMMENTS

James Keene, City Manager spoke regarding: 1) a Resolution from the Northern California Power Agency acknowledging Mayor Yeh's service to the agency, 2) the China trip that a delegation from Palo Alto took with the Bay Area Council.

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COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Council Member Klein said he attended the National League of Cities Annual Congress of Cities meeting. He discussed several tours he participated in including a tour focusing on the relationship between technology and services, and a tour of a combined community center elementary school. He discussed a presentation by the Mayor of Tallahassee, Florida who is a proponent for smart grid systems in Boston.

Council Member Shepherd announced she had been appointed by the League of California Cities to serve on the Transportation, Communication, and Public Works Legislative Committee. She said the Bay Area Council was the lead agency on the recent trip to Yangpu, China. The Bay Area Council had an agreement to open a trade office in Yangpu to bring business into the Bay Area. They were working on the 100,000 Strong Initiative. She discussed the High Speed Rail system in China. The Bay Area Council has been invited to tour Palo Alto.

Mayor Yeh expressed appreciation for the guidance and support to the delegation to Yangpu. He discussed the meeting with VMWare and said the Palo Alto group formed a relationship with the executives at this company. He also discussed meetings with Finnegan Law Firm and how they related back to the youth in this country. He said a Smart City Conference was discussed while there. He had toured the incomplete second tallest building in the world being built to LEED Gold standards.

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MOTION: Council Member Klein moved, seconded by Council Member Price to approve the minutes of October 15, October 22, and November 5, 2012.

MOTION PASSED: 8-0, Espinosa absent

ORAL COMMUNICATIONS

Rita Vrdal reported the property line dispute with St. Elizabeth Seton (1095 Channing Avenue) had not been resolved. The Item was scheduled for the Consent Calendar on December 17, 2012, and she requested it be removed. She had received an offer from the church, but it did not appear to be satisfactory.

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Donna Grider, City Clerk reported the Council directed the matter regarding 1095 Channing Avenue be set for public hearing on December 17, 2012 rather than on the Consent Calendar. Notice appeared in the newspaper the previous Friday as required by the Government Code.

Wynn Grcich referenced newspaper articles indicating breast cancer had increased in the Bay area. Iodine radiation was the leading cause of breast cancer. New studies indicated mammography could be the problem. Autism and lower IQs were caused by radiation.

CONSENT CALENDAR

Council Member Holman noted that she would not participate in Agenda Item Number 5 because she had a membership in the Golf and Country Club. She also registered a no vote on Agenda Item Number 8.

Molly Stump, City Attorney stated that two current Council Members typically recused themselves for items that impact Stanford University. She stated Agenda Item Number 9 was related to the co-generation plant and has come to Council before. She said it would be consistent for Council Members to take the same approach with this item as when it was heard previously.

Mayor Yeh noted that he would not participate in Agenda Item Number 9 because his wife was a recent student at Stanford University.

Council Member Klein stated Stanford did not have a \$100,000 interest in the issue and therefore it seemed to him there was no conflict.

Ms. Stump asked if he participated the first time the item came before Council.

Council Member Klein said he did not participate last time. The current Agenda Item was a technical change with no financial impact.

Ms. Stump said that was a decision each Council Member could make independently.

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MOTION: Council Member Espinosa moved, seconded by Council Member Price to approve Agenda Item Numbers 2-9.

2. Resolution 9299 entitled "Resolution of the Council of the City of Palo Alto Amending the Conflict of Interest Code for Designated City Officers and Employees as Required by the Political Reform Act and Regulations of the Fair Political Practices Commission and Repealing Resolution No. 8886".
3. Utilities Advisory Commission Recommendation That Council Adopt a Resolution 9300 entitled "Resolution of the Council of the City of Palo Alto Decreasing Gas Rates by Amending Utility Rate Schedules G-1, G-2, G-3, G-4, G-10, G-11 and G-12 Effective January 1, 2013".
4. Request Council Approval of Contracts with Genuent USA, LLC, 22nd Century Technologies, Inc., and IntelliBridge Partners Incorporated for Temporary IT Staffing Services.
5. Approval of Utilities Enterprise Fund Contract with Daleo Inc. in the Amount of \$12,110,846 For Gas Main Replacement Capital Improvement Program GS-09002 Project 19B, GS-10001 Project 20, and GS-11000 Project 21 in Community Club, Barron Park, Duveneck St. Francis, Palo Alto Hills, Golf and Country Club, Palo Verde, Research Park Subdivisions, and Stanford.
6. Second Reading: Park Improvement Ordinance 5173 for Modifications to the Palo Alto Municipal Golf Course and the John Fletcher Byxbee Recreation Area (1st Reading: November 13, 2012- Passed 8-1 Holman no).
7. Budget Amendment Ordinance 5174 and Approval of a Purchase Order with American Medical Response in an Amount Not to Exceed \$524,000 for ALS EKG Monitors for the Fire Department (CIP FD-12000).
8. Second Reading: Recommendation of the Parks and Recreation Commission Concerning Ordinance 5175 Amendment of Section 22.04.180 of Chapter 24.04 of Title 22 [Park And Recreation Building Use And Regulations] of the Palo Alto Municipal Code and Amendment of Park and Open Space Regulations R1-4, R1-5a, R1-5b, and R1-10b to Impose Time Use Limitations on Sound Amplification Equipment at Lytton Plaza (1st Reading: November 19, 2012-Passed: 7-1 Holman no, Scharff absent).

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9. Resolution 9301 entitled "Resolution of the Council of the City of Palo Alto Amending and Restating Resolution No. 9186 (Approving the Reorganization of An Approximately .65 Acre Territory Designated 'Major Institution/University Lands') to Replace Exhibits with Updated Legal Descriptions".

MOTION PASSED for Agenda Items 2-4, 6 and 7: 9-0

MOTION PASSED for Agenda Item 5: 8-0 Holman not participating

MOTION PASSED for Agenda Item 8: 8-1 Holman no

MOTION PASSED for Agenda Item 9: 8-0 Yeh not participating

AGENDA CHANGES, ADDITIONS AND DELETIONS

12. Response to Colleagues' Memo on Employee Benefits.

MOTION: Mayor Yeh moved, seconded by Vice Mayor Scharff to continue Agenda Item Number 12 to a date uncertain in 2013.

MOTION PASSED: 9-0

11. Public Hearing: Adoption of an Ordinance Rezoning a 0.6-acre Site from Single Family Residential (R-1) to Service Commercial (CS), Adoption of a Resolution Amending the Comprehensive Plan Land Use Designation from Single Family Residential to Service Commercial, and Approval of the Negative Declaration for the Properties located at 423-451 Page Mill Road.

MOTION: Mayor Yeh moved, seconded by Vice Mayor Scharff to open the Public Hearing for Agenda Item Number 11, "Public Hearing: Adoption of an Ordinance Rezoning a 0.6-acre Site from Single Family Residential (R-1) to Service Commercial (CS), Adoption of a Resolution Amending the Comprehensive Plan Land Use Designation from Single Family Residential to Service Commercial, and Approval of the Negative Declaration for the Properties located at 423-451 Page Mill Road," take public comments, and continue the Public Hearing to December 10, 2012.

Mayor Yeh noted there were no public comment cards submitted and that the public would have an additional opportunity to speak regarding this item at the December 10th meeting.

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Council Member Schmid asked about a Planning and Transportation Commission meeting in August 2012 when two members asked about the submittal of zoning change requests on currently owned properties, without an explanation of why the change was being asked for. They requested continuance until October to gain explanation. Unfortunately there were technical difficulties with the October meeting and no minutes were captured. He felt the conversation from that day would have an interesting effect on the 27 University project. He requested Staff bring back a full description of the discussion.

Curtis Williams, Director of Planning and Community Environment, said he would work with his Staff to try to capture what they could. The microphones were not working in the room on the day of the meeting; so much of the audio was not captured.

MOTION PASSED: 9-0

ACTION ITEMS

10. Request for Council to: (1) Review Revised Arts and Innovation (A&I) District Master Plan Concept (including 27 University), a Revised Letter of Intent with TheatreWorks, Preliminary Traffic Assessment, and Draft Timeline for Master Plan; and (2) Direct the City Attorney to Draft Ballot Measure Language for Council Consideration for the June election.

Council Member Klein recused himself from participation in Agenda Item Number 10, because his wife is a member of the Stanford University faculty.

Mayor Yeh also recused himself from participation in Agenda Item Number 10, because his wife had been a student at Stanford University within the prior 12 months.

Council Member Klein and Mayor Yeh left the meeting at 7:20 P.M.

James Keene, City Manager reported Staff was returning to the Council in a public meeting as a follow-up to the Council meeting in September 2012. Since September, there had been a series of public meetings with the Architectural Review Board (ARB), Planning and Transportation Commission (P&TC), and other Boards and Commissions. He suggested the Council did not need to act at the current time on Staff's recommendations regarding language for a ballot measure and the letter of intent with TheatreWorks. The Council should listen to the public comments and discuss the plan and the potential project. The location had special challenges. The land was

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owned by Stanford University. The potential applicant was John Arrillaga. His role as philanthropist and developer could allow greater flexibility in exploring and pursuing a range of public benefits. The Council asked Staff to focus on more retail uses and a mixture of uses. Staff embarked on a planning process for the site, while acknowledging the ownership of the property and the special nature of the site. Planning for the site was ongoing and needed to outlast any potential project proposal. Staff anticipated and expected the plan to change as it worked through the public process and through Council discussions. The site was a potential extension of Downtown with issues of connectivity, design, and uses. Any potential project should provide linkage between Downtown, Stanford University, and the Stanford Shopping Center. As part of its discussion, the Council should share the general concepts of planning for the site and the area.

Stephen Emslie, Deputy City Manager indicated Mr. Fukuji would present the overall planning concepts of the Master Plan. Mr. Garber would discuss the architectural elements that integrated with the Master Plan. Mr. Santora would relate programming with use of the potential theatre building.

Mr. Keene noted the presentations would focus on changes made since the Council meeting in September 2012.

Bruce Fukuji, Fukuji Planning attempted to mesh the public's vision for the site, as stated at Board, Commission, and public meetings, with the scale and character of Downtown, while providing connectivity for pedestrians and bicyclists to Downtown. Concerns were traffic, parking, the Rail Corridor, transit operations, public spaces and views, park impacts, and the Julia Morgan Building. The main changes were reduced floor area, reduced building height and mass, connectivity with Downtown, concepts for the Julia Morgan Building, pedestrian and bicycle connections, retail spaces, and site planning for the theatre, El Camino Park and the Transit Center. The site was isolated by the Caltrain right-of-way and El Camino Real. The grid of streets could be extended by use of covers over below-grade rail infrastructure, by connections to pedestrian-bike paths, and by extending the street pattern into the Arts and Innovation (A&I) District. The Transit Center could be relocated on-street or in the Rail Corridor, depending upon changes in the Rail Corridor. The proposed University Grove could be a placeholder for future buildings along University Avenue. The Parks and Recreation Commission (PARC) expressed concerns about minimizing the impact on El Camino Park. Areas of the park close to the Transit Center were underutilized. Relocating the Julia Morgan Building to El Camino Park was a way to restore the original community use of the House. El Camino Park could accommodate the Julia Morgan Building in several ways. Proposed changes for the renovation of El Camino Park included increasing

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the amount of parking, using synthetic turf for the soccer fields, and adding restrooms and storage areas. Street trees, stairs and ramps, a wider opening, and a short tunnel could make the Lytton underpass attractive, accessible, and walkable. He proposed a dedicated bike route to connect to and around the project area. The bike route was based on one used in Copenhagen, Denmark. Transit agencies liked the concept. The underutilized panhandle of the park could be swapped for a contiguous park area. Swapping the land assumed the theatre building would be located within the park. Potential retail locations could be used to create an active pedestrian environment. Retail space could be successful in most locations, but not in all locations. He proposed a walking promenade with tree-lined streets to reach the theatre. The theatre forecourt had the capacity for 650 people. Drop-off areas could be located on El Camino Real and the extension of Quarry Road. Quarry Road needed green space on both sides of the street; therefore, he proposed featuring the Olympic Grove and a tree-lined boulevard walk. Because the Transit Center was the entryway to Palo Alto, the concept had to be compatible and coherent with the existing landscape of trees and tree-lined streets. Landscaping could provide safe and attractive environments for pedestrians. Landscaping could be extended along the edge of Caltrain tracks and trees used to create a plaza for bus users.

Dan Garber, Fergus, Garber, and Young met with the ARB and P&TC and received public comments. The major concerns were height of buildings and mass of the footprint. The Master Plan lowered the allowable height. He explained charts of building heights, building masses, and proposed office buildings. The Hoover Tower was the tallest building at 285 feet. Channing House was 123 feet tall without the roof screening. Six of the sixteen buildings exceeded the allowable height. The ARB and P&TC requested a comparison of building footprints. Palo Alto Square, the Palo Alto Medical Foundation, the Sheraton and Westin Hotels, the Bing Concert Hall, the Mountain View Center for Performing Arts/City Hall, and the Lucie Stern Center were larger than or approximately equal to the size of the proposed site. In response to comments, Mr. Arrillaga removed 52,000 square feet from office buildings and reduced the height of the tallest office building by 47 feet. The theatre plan had not changed from the plan presented on September 24, 2012. After discussion with TheatreWorks, the height of the theatre fly tower had been reduced slightly. The P&TC requested the basis for the floor area ratio (FAR). He suggested the basis utilize the lease areas of the Transit Center, Red Cross, and MacArthur Park. Applying an FAR of 2, the amount of allowable, buildable area for those three buildings was 358,602 square feet. The FAR calculation for the proposed buildings and theatre totaled 210,300 square feet, or an FAR of 1.53. He presented various images of the proposed buildings.

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Phil Santora, TheatreWorks Managing Director reported TheatreWorks' vision lived in the work performed on the stage, in schools, and throughout the community. TheatreWorks was one of the 75 largest theatre companies in the country, was third largest in the Bay Area, served 100,000 patrons annually through Main Stage, and developed 62 world premieres. TheatreWorks had an extensive education program, and reached 25,000-35,000 students per year. A partnership with Lucille Packard Children's Hospital provided an emotional healing tool for children in long-term care. TheatreWorks was community based and was committed to being a vital part of the fabric of Palo Alto. Approximately 50 percent of expenses were covered by revenues from ticket sales. The community donated more than \$3 million annually. A study performed in 2000 determined that TheatreWorks could not effectively share space with a permanent, long-term company given the number of performances and breadth of programs. TheatreWorks occupied stages 52 weeks a year in two cities. Educational programs were performed on stages, in rented halls, and anywhere space could be found. The instability of utilizing theatres in two cities tested financial resources and limited programs. The proposed theatre was exciting because of the possibilities it provided. TheatreWorks planned to add a staff position to program the spaces. Lectures, concerts, discussion groups and symposiums could occur in the lobby, adjoining rooms, or the plaza. The Main Stage auditorium would seat approximately 650 people, 50 percent more than the Lucie Stern Center. A black box theatre could seat up to 300 people, provide intimate productions, house New Works and educational programming, and be available to community groups. Lounges and meeting rooms would be ideal for small meetings and receptions. The new theatre would become a community hub and provide a connection between the arts at Stanford University, the galleries and movie theatres in Downtown, and the offerings of the Lucie Stern Center. These arts organizations would form a arts corridor for the Peninsula. Making the theatre a reality would benefit Palo Alto through TheatreWorks centralizing its programs in one location. The economic impacts on shopping and dining would be significant. The facility would be designed and programmed to encourage informal community gathering. Additionally, a permanent home for TheatreWorks would free up approximately half the year at the Lucie Stern Center.

Mr. Emslie noted the PARC reviewed the project the prior week and a synopsis of the meeting was at places. The Historic Resources Board (HRB) was scheduled to review the project on Wednesday, December 5, 2012.

Vice Mayor Scharff reported public speakers would be limited to 2 minutes, because of the large number of speakers.

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Council Member Espinosa asked PARC Commissioner Markevitch to provide an overview of the PARC discussion of the project.

Pat Markevitch, Parks and Recreation Commissioner reported the PARC met many times to discuss improvements to El Camino Park. The PARC opposed relocating the Julia Morgan Building into El Camino Park, and formed a subcommittee to discuss possible relocation sites. The final three options were the Golf Course, Lucille Packard Children's Hospital, and El Camino Park. The PARC took no action at the November 27, 2012 meeting regarding the proposed project; however, the PARC had many concerns with respect to possible negative impacts to the park including loss of trees, loss of active outdoor field space, reduction of park impact fees, and loss of parking. Concerns regarding placement of the Julia Morgan Building included park integration and connectivity, safe drop-off points for children, and no well-defined concepts for programs using the building. More thought and planning with regard to the project was needed in order to minimize negative impacts to the park. If the Julia Morgan Building was relocated into El Camino Park, four things needed to be considered as part of the overall design: 1) underground parking beneath the soccer field at the north end of the park; 2) artificial turf for the soccer field; 3) lights for the soccer field; and 4) a bathroom for field users.

Council Member Espinosa felt few had considered the possible increases in bus and bicycle traffic to the area. He inquired about the timeframe for a traffic impact analysis.

Mr. Emslie reported Staff had performed a preliminary traffic analysis; however, a detailed analysis was needed to understand the full extent of traffic impacts and potential mitigations. With Council authorization, Staff could have a traffic analysis by the end of February 2013 for the Council, P&TC, ARB, other reviewing agencies, and the community.

Council Member Espinosa asked if the traffic studies would determine the impacts to street congestion, parking, ingress, and egress.

Mr. Emslie indicated Staff typically used a wide catchment area for traffic impacts, including intersections within several miles. Traffic would be modeled and analyzed based on customized conditions for Palo Alto. A parking analysis would be performed in conjunction with a traffic analysis. The project proposed a significant number of underground spaces. Parking shared by the theatre and office building would be analyzed in the report. That could be done prior to the end of February 2013.

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Council Member Espinosa requested Staff comment on the funds needed to expedite the traffic and parking studies.

Mr. Emslie estimated a cost of \$85,000, with possible additional costs for the short-timeframe.

Council Member Espinosa appreciated the decreased square footage of the project. The fly space for the theatre was needed and appropriate. He asked Staff to explain their reasons for recommending the building heights as appropriate for the site.

Mr. Emslie reported the project proponent wished to create a unique image that could be achieved through extra height.

Mr. Keene stated Staff attempted to develop a plan for the site while incorporating the potential for a specific proposal. Mr. Arrillaga proposed the buildings as a potential gift to Stanford University to provide an ongoing revenue stream. The issue of height could not be separated from other design questions. The first proposal had a great deal of mass that looked out of place for the location. Working within the parameters of the overall square footage, consultants attempted to design buildings that would fit into a grid pattern and provide more open space and connectivity. Those attempts resulted in increased building heights. Because building heights had since been lowered, the amount of square footage had decreased. As discussions continued, there could be different configurations of mass, square footage, height, and architectural features.

Council Member Espinosa indicated the site could connect Downtown and Stanford Shopping Center; however, the issues of overall design did not reach that goal. He inquired about Staff's vision to create an A&I District.

Mr. Keene explained a straight office project was not viable at the site for many reasons. While there would be more traffic, the project had the potential to create parking for the wider Downtown area. An A&I District recognized the City's need for arts and culture and warranted a community discussion. The question of innovation was conceptual at the present stage. The connection between town and gown in this particular location could facilitate and support the ongoing innovation brand of the City. Staff had not focused on specifying particular square footages or types of uses. If the vision of an A&I District was viable, then the conversation would unfold as the review of the project continued.

Council Member Espinosa noted concerns about transparency and the process, and inquired about the reasons for Staff's approach to the project.

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Mr. Keene stated the process was unusual because the site was unusual. It was clear initially that the conceptual designs would not be suitable for the site. Because the City had committed to developing the site, the proposal was an opportunity to plan the area and inform a project that could mesh with Downtown. Many times Staff drafted Master Plans, and then the projects did not develop. This was a unique opportunity to combine planning and implementation. A different approach was warranted by the ownership of the site and potential public benefits. The basic planning work would outlast the proposed development. The project would not move forward without public and Council support. The process was open to the community, and the Council would direct the project and plan.

Council Member Schmid inquired whether \$131,000 in property taxes noted on Page 15 of the Staff Report was paid to the County or the City.

Thomas Fehrenbach, Manager of Economic Development and Redevelopment reported that amount would be paid to the City.

Council Member Schmid noted the height of the building was listed as 103 feet 6 inches and 113 feet with the roof screen. He asked if the 50-foot height limit included the roof screen.

Curtis Williams, Director of Planning and Community Environment stated the City Code allowed roof screens to a maximum height of 15 feet, in addition to 50 feet.

Council Member Schmid clarified that the height limit could extend to 65 feet.

Mr. Williams answered yes.

Council Member Schmid referenced the Master Plan recommendation of 103 feet, and inquired whether Staff recommended the site be zoned at 103 feet.

Mr. Williams explained Mr. Garber's diagram indicated 103 feet was the maximum height of a building currently proposed in the Master Plan. The zoning created for the A&I District would set the maximum height at 103 feet.

Council Member Schmid asked if the maximum height of 113 feet would apply to a specific building rather than the site.

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Mr. Williams responded yes. A typical Site and Design Review tied the zoning to the specific site plan and building plans.

Council Member Schmid asked Staff to clarify the inclusion of the Transit Center in the same use as office buildings.

Mr. Emslie explained that there were no lots of record with Stanford property, because Stanford did not subdivide its property. Therefore, the definition of the parcel was subjective. Staff calculated the FAR by estimating a reasonable lot area that was affected by the project and that would be needed to serve the overall property.

Council Member Schmid recalled TheatreWorks' educational programs and the City's financial support of the Children's Theatre, and inquired whether the two entities would compete for program attendance.

Mr. Keene answered no.

Mr. Santora viewed the interaction of the two companies as complementary rather than competitive. They served the children of the community together.

Council Member Schmid said Mr. Santora implied substantial growth in TheatreWorks' youth programs.

Mr. Santora explained the two companies used different approaches to youth education. Competition did not serve either group.

Mr. Keene defined 1.0 floor area ratio (FAR) as a lot covered 100 percent by a one-story building. FAR was a method for managing the amount of building that could be placed on a lot in addition to height or setback.

Council Member Price inquired whether the next phase of a detailed traffic analysis would be the initial part of a traditional traffic study for a traditional Environmental Impact Report (EIR).

Mr. Emslie replied yes. An EIR-level traffic impact analysis could be performed within the stated timeframe and incorporated into an EIR if the project moved forward.

Council Member Price assumed the scope of the study would not include details of mitigation measures and transportation design management (TDM).

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Mr. Emslie believed the Council could benefit from understanding the impacts of mitigations; therefore, Staff would attempt to identify mitigation measures.

Council Member Price inquired whether the study would discuss mode split.

Mr. Emslie stated it would include mode split.

Council Member Price asked Staff to comment on key elements of a fiscal and economic impact analysis.

Mr. Emslie explained one of the critical factors in an economic analysis was cost-benefits. The City needed to quantify the cost to deliver services and offset that amount with any potential revenues generated from the project.

Council Member Price inquired whether Staff had the resources to perform the preliminary work for a fiscal and economic impact analysis before presentation of an advisory measure.

Mr. Emslie asked Council Member Price if she was asking whether Staff had the in-house resources to perform the analysis.

Council Member Price assumed Staff did not have in-house resources.

Mr. Emslie reported Staff would ask the Council for authorization to obtain specific experts to prepare a fiscal impact analysis. The analysis could be performed prior to a deadline setting an advisory measure for election.

Mr. Keene indicated Staff would contract with an independent, third-party analyst to determine the potential value of zoning or rezoning and to assess appropriate levels of public benefits in relation to the project. The Council would need an independent assessment as part of its negotiation of a development agreement.

Council Member Price was encouraged by the cooperation of the transportation agencies. There was a strong issue in terms of the value of arts and culture as an economic promoter. She believed funding of the full EIR would not occur prior to the advisory measure.

Mr. Keene agreed that the EIR would not occur prior to the advisory measure.

Council Member Price asked if a full EIR analysis would require a few years to perform.

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Mr. Keene stated the EIR analysis review and report would require at least one year, but it often required more than a year.

Council Member Price indicated an EIR analysis would be related to a specific project proposal. Modifications of building size and square footage were valuable.

Council Member Burt recalled in March 2012 Staff recommended and the Council supported a Master Plan for the area. At that time, Mr. Arrillaga's prospective proposal included a major office component. The City proposed a theatre component and considered the Intermodal Transit Center. As the Council discussed it, the City should create a Master Plan independent of the prospective proposal. The current building designs were inconsistent with the small, urban fabric of Downtown. He understood Staff was to propose a vision that would provide a framework for projects. He asked about the amount of time Staff would need to prepare building designs compatible with the community, so that the Council could determine a range of acceptable designs.

Mr. Keene reported Staff could return in the first months of 2013, depending upon any Council directives or parameters provided to Staff.

Council Member Burt asked public speakers to share their visions for the area.

Mr. Keene noted the property was not publicly owned and the City could not program development there. The existing land use plan would be rejected by the Council and the community.

Council Member Burt inquired whether Staff knew the number of square feet per employee for Downtown employers.

Mr. Fehrenbach reported Palantir occupied 225,000 square feet and employed 560 people, resulting in 404 square feet per employee. He expected IDEO would fall in that range as well.

Council Member Burt suggested Staff follow-up with two or three employers in Downtown. He inquired about the number of buses and trains utilizing the Intermodal Transit Center and the number of boardings that represented. He also inquired about the agencies utilizing the Intermodal Transit Center.

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Jaime Rodriguez, Chief Transportation Official indicated the Palo Alto station had approximately 1,000 scheduled bus stops daily, and that was a conservative estimate. The Santa Clara Valley Transportation Authority (VTA), the Stanford Marguerite system and the San Mateo County Transit (SamTrans) utilized the Transit Center. He did not have information for Caltrain.

Council Member Burt noted AC Transit, the Dumbarton Bridge, and the Palo Alto shuttles also used the station.

Mr. Rodriguez stated the Palo Alto shuttle did not stop at the station. It stopped on Lytton, and was not included in the number of buses using the bus station.

Council Member Burt felt the number should include any system that brought people to the Intermodal Transit Center.

Mr. Rodriguez reported the Marguerite system had an average of 2,500 boardings at the Transit Center daily.

Council Member Burt inquired whether the letter of intent for TheatreWorks had to be tied to one developer.

Mr. Keene felt having a theatre at the site was more important than the proponent. Staff would work with the City Attorney regarding the language of the letter of intent. The letter of intent had to be meaningful for TheatreWorks' purposes and fundraising efforts.

Robin Kennedy, Chair of the Board of TheatreWorks reported TheatreWorks would consider any site in Palo Alto regardless of the developer. She estimated the value of Mr. Arrillaga's contribution to the theatre at approximately \$30 million. TheatreWorks would have to raise \$35-\$50 million to complete the interior of the building. Raising \$80 million would be considerably more difficult.

Council Member Shepherd understood the City would not begin the EIR process until an application was submitted.

Mr. Emslie agreed.

Council Member Shepherd stated the applicant paid for the EIR. She asked whether Staff anticipated the submission of an application if the advisory measure was successful.

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Mr. Emslie responded yes.

Council Member Shepherd clarified that Staff had moved the election from March to June 2013.

Mr. Emslie explained June 2013 would be the earliest possible date given the schedule.

Council Member Shepherd recalled buildings had been donated to the City in the past. She asked why the theatre building needed to be so tall.

Mr. Santora explained the height of the fly tower was based on a formula which used the height of the stage. The fly tower was used to raise scenery.

Council Member Shepherd inquired about the proposed height of the theatre.

Mr. Santora stated the height was 95 feet.

Council Member Shepherd asked at what point the design became unsuccessful.

Mr. Santora did not have an answer. If the Palo Alto High School theatre was 80 feet, then a professional theatre should not be less.

Council Member Shepherd felt imposing the 50-foot height limit would eliminate TheatreWorks from Palo Alto. She asked if the height of the theatre influenced the height of the building.

Mr. Santora stated the building itself did not need to be 80-feet tall, only the fly tower. The fly tower footprint was 50 feet by 100 feet.

Mr. Emslie reported the goal was to have an efficient back-of-house operation to stage shows and to transfer shows to other facilities.

Council Member Shepherd asked if the height of the theatre influenced the height of the office buildings.

Mr. Emslie felt the two heights could stand alone in the current configuration.

Council Member Shepherd explained the only method for the City to incentivize public benefits was to allow more square footage. She inquired about a means to measure the amount of benefits versus the prospect of taller buildings.

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Mr. Keene wanted to capture the value of rezoning to a property owner or developer in relation to the public benefits provided to the City. A project with a philanthropic aspect offered more public benefits than a traditional project. This was an opportunity for Staff to demonstrate the fairness of the exchange between the City and the developer. Any terms with respect to public benefits, entitlements, and zoning would be institutionalized in a development agreement.

Council Member Holman felt the City had not led the vision for the site. She asked if the process should begin with a Master Plan and a vision for the site rather than an EIR.

Mr. Keene stated that was the ideal process. This project provided the potential to plan and implement simultaneously, and required both to evolve. Staff was on that track in order to provide a plan and project the Council would approve.

Council Member Holman felt the statement that taller buildings accommodated more open space was a misstatement. Zoning and FAR defined the amount of open space. She inquired whether TheatreWorks had performed a feasibility study for the theatre, about the timeline for a fundraising campaign, and whether office buildings would be constructed after TheatreWorks completed fundraising.

Mr. Keene indicated those topics would be expressed in a development agreement. The office buildings would not be constructed without the civic and public value. Staff would not submit a proposal to the Council that did not guarantee the vision of the proposal. The City could not grant an entitlement for one use that provided a risk for another component of the project.

Mr. Santora reported the questions were difficult to answer, because the building had not been designed and the cost was undetermined. It was premature to perform a fundraising analysis. Utilizing costs for similar buildings allowed TheatreWorks to estimate a fundraising goal of \$35-\$50 million. After consulting with major donors and performing a basic feasibility study, TheatreWorks had an 80 percent probability of raising the amount of funds required to outfit the interior of the building. The fundraising timeline was connected to the timeline of construction. TheatreWorks was laying the foundation for fundraising, and would begin fundraising as soon as it was confident the project would proceed.

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Council Member Holman noted the proposed theatre was located on parkland. In her experience, buildings located in parks were ancillary to recreation. She asked why the proposal did not require the undedication of parkland for the theatre.

Mr. Emslie explained the theatre met the criteria of being a public building, being owned by the public, and being accessible for entertainment and recreational purposes although not directly related to the function of the park. Staff believed attending the theatre was recreational and, thus, consistent with the intent of the Park Improvement Ordinance.

Mr. Keene indicated many kinds of buildings were located in parks, and that would be part of the Council's review.

Council Member Holman felt the Julia Morgan Building had not received due consideration. She inquired about the financial implications of locating the Julia Morgan Building in the park. It was important for the City to take the lead in determining goals.

Vice Mayor Scharff asked at what point in the process would TheatreWorks begin fundraising.

Mr. Santora explained the ongoing nature of fundraising. He could rally community support and build relationships, but could not request a gift until the project was approved. Not having a letter of intent would delay the early fundraising process.

Vice Mayor Scharff asked whether the letter of intent was important to beginning the fundraising process.

Mr. Santora answered yes.

Vice Mayor Scharff inquired if Staff and the Council were in the process of preparing the Master Plan.

Mr. Keene responded yes.

Vice Mayor Scharff inquired about a timeline for the Master Plan process.

Mr. Keene stated Staff could return in a few months if the Council provided additional directives. As the process proceeded, Staff would hold discussions with the Council, community, and project proponent to ensure the project met the vision. The effort was to attempt both planning and implementation.

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Vice Mayor Scharff assumed Staff was considering a dynamic planning process as opposed to a visioning concept.

Mr. Keene noted many constraints for the site and location.

Vice Mayor Scharff felt the Lytton Tunnel was critical to tying the project to Downtown. The major concerns were traffic, parking, and height. He wanted a commitment for no overflow parking into the neighborhoods from the project. Parking should be opened in the evenings to support the project and Downtown. He requested Staff's thoughts for addressing those topics.

Mr. Keene stated the Council explicitly directed Staff's work.

Vice Mayor Scharff inquired whether \$81,000 would pay for the traffic study, which could be utilized in the EIR.

Mr. Keene replied yes.

Vice Mayor Scharff asked if funds were currently available for the traffic study.

Mr. Keene reported Staff would seek Council authorization for those funds. The City would recover expenditures through public benefits.

Vice Mayor Scharff believed the project would be a good retail site, if it was designed appropriately. Typically, the office component of a project determined design; however, he wanted to embed a design for retail space in the project.

Beth Bunnenberg stated as a member of the Historic Resources Board (HRB) she could not comment on the project itself. The process had gone awry in that the ARB had reported to the Council without HRB input. She urged the Council to respect the process.

AJ Sakaguchi, Youth and Education Program Manager at the Palo Alto International Film Commission, felt the project would be the perfect venue for future programs. She suggested the theatre be compatible with film screenings and utilize state-of-the-art technology.

Sheri Furman objected to the process, because the public aspect was moving too quickly. The public had not had months to participate in discussions, yet the Council proposed a vote on narrow aspects of the proposal. Public benefits were not worth the cost of density, traffic, and City services.

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Lenore Cymes stated traffic in Palo Alto was impossible. Palo Alto was neither small town nor urban. There would be less visual space if the project were implemented.

Jim Rebosio, Sheraton Hotel General Manager, supported the project, because it was an opportunity for TheatreWorks, the park, and connectivity.

Dena Mossar felt public information had been limited and inconsistent. She questioned the lack of housing. The Staff Report did not provide data to support statements. Drafting language for a ballot measure and establishing an A&I District was premature.

Jeff Brown felt the developer would not support the project without four office towers. The City should not negotiate with a developer who wanted to build office towers. He suggested the City install bike paths and directional signs and plant wildflowers and trees.

Paul Goldstein supported increased density in the area around the train station, but did not support the basic premise of the development. The project was a commercial, high-rise office park with public benefits. The statement that the design of the Master Plan would be compatible with the Rail Corridor Study was misleading. He urged the Council to craft a community-based Master Plan.

Deborah Wexler felt the Palo Alto process had been hijacked by a special interest. She questioned expenditures for studies when the project had not been officially submitted. The theatre was merely a bribe and not needed in the community.

Rob Lancefield believed the project should be deferred until the hospital was completed in order to determine traffic impacts. He questioned whether the income stream to Stanford had been factored into Stanford's contribution to the City. The City needed housing more than a theatre district. He suggested Mr. Arrillaga construct poles on the site to assist visualization of the proposed buildings.

Art Sklaroff stated the proposed project did not benefit Palo Alto as much as Mr. Arrillaga and Stanford University. The Master Plan should meet the City's vision rather than Mr. Arrillaga's vision. He requested the Council consider traffic impacts and adhere to current height limits.

Dick Rosenbaum indicated the driving force for the project was the revenue stream for Stanford University. TheatreWorks was being used to make the

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project palatable. Staff should recommend that the City receive 50 percent of the revenue stream to Stanford.

Don McDougall explained vitality was measured by shopping, education, parks, transportation, and the arts. He supported the project and applauded Staff's leadership.

Hal Mickelson spoke on behalf of the Chamber of Commerce. The Chamber would support a ballot measure for the proposal. He commended City Staff for compiling the information for the proposal.

Karen Nierenberg stated the vibrancy of the proposal for the Downtown area was excellent. The community would benefit from a permanent home for TheatreWorks. She hoped the Julia Morgan Building would be used for non-profit agencies.

Barbara Gross recalled prior designs for the site had been cancelled, because there had not been funding sources. She believed stopping the process would not be helpful. The proposal had evolved over time and would continue to evolve. Residents deserved a public dialog and review process.

Enid Pearson was outraged and disappointed by the City's handling of the development. The project had been private and hidden from the public. Gifts associated with the project carried high price tags. She urged the Council to stop the development and not to consider a ballot measure.

Emily Renzel stated secret negotiations had taken power from the public. The Council's first obligation was to the rights of the citizens of Palo Alto. She opposed the use of parkland for the theatre and Julia Morgan Building. Contract zoning was illegal.

Martin Sommer began the online 27 University petition. Palo Alto residents supported the 50-foot height limit and wanted it enforced at 27 University Avenue. He requested the proposed ballot measure explicitly state the proposed towers exceeded the height limit. He suggested Mr. Arrillaga tunnel the train through Palo Alto, Menlo Park, and Atherton; propose a surcharge on tickets at Stanford University; and rebuild the Varsity Theatre.

Tina Peak stated the Council should dismiss the project and direct Staff to more appropriate planning. The project was not a benefit to the City. The Comprehensive Plan and zoning laws had been disregarded.

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Dick Maltzman, Board Member of TheatreWorks wanted the theatre. The concept of the development was an example of Mr. Arrillaga's vision. He felt the project would benefit Palo Alto.

Norman Beamer expressed concern about traffic on University Avenue resulting from the project. The office building was not needed and would not facilitate innovation.

Robert Moss indicated a large theatre was not needed for successful productions. The building would not be occupied for many years, because of the amount of money needed to complete it. TheatreWorks would determine uses of the parkland. The figures Staff was utilizing for traffic was incorrect. The City did not need an A&I District.

Susie Richardson agreed with Ms. Mossar's comments. She urged the Council to consider traffic problems first.

Ian Irwin felt the process had been derailed. TheatreWorks did not need a new facility. The bike path was not appropriate. He opposed the project and requested public input.

Don Kenyon opposed the concept of the project. Palo Alto did not need additional office buildings. Bike paths would not solve traffic problems.

Herb Borock urged the Council to take no further action until a complete application was submitted. Staff and consultants should comply with the California Environmental Quality Act (CEQA), zoning ordinances, conflict of interest provisions of the Political Reform Act, and Title 19 of the Code.

Fred Balin felt Staff and Council Member actions were inappropriate. Stanford University would be the applicant of the formal application. The Council should insist that primary public benefits be essential to the community and commensurate to applicant gain.

Jennifer Landesmann objected to the height of the project. The height and footprint of the project was inappropriate for the size of the site.

Gina Jorasch stated TheatreWorks provided a cultural option for children. This was an opportunity for TheatreWorks to move to Palo Alto. She hoped the Council would make the project work.

Bruce McLeod reported the general standard for the fly loft was three times the height of the proscenium. He encouraged the Council to consider mixed-

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use development for the office space and towers. Having a home for TheatreWorks was a public benefit.

Virginia Saldich felt the project would generate additional traffic. The Council should consider developments that met zoning regulations.

Patricia Ward-Dolkas urged the Council to consider the comprehensive infrastructure impact of the project. None of the impacts were included in the project analysis. The project did not meet community values, aesthetics, or the City process.

Paul Ward-Dolkas opposed additional large buildings. Additional traffic would be a disaster. He urged the Council to stop the process.

Holly Ward applauded Staff for leading the process. The theatre building was designed to meet TheatreWorks' needs. The process was just beginning, and there would be opportunities for public input.

Robert Kelley, Artistic Director of TheatreWorks stated Mr. Arrillaga's gift was as important as Lucie Stern's gift many years ago. It would provide a world-class theatre, link Palo Alto and Stanford, and provide an improved transit hub.

Anne Ercolani asked why the Council did not set the criteria for an A&I District before asking for proposals. The public benefit was not as great as the private benefit. The proposed improvements for circulation around the Caltrain station seemed to be offset by increased traffic and parking problems. She urged the Council to vote against Staff's Recommendations.

Michael Griffin did not understand how streets could support additional traffic. Additional trains would result in longer vehicle waits at crossings. The project was massive, invasive and expensive, and would not provide value or benefit to the average citizen.

Elaine Meyer suggested the Council not support the project.

Stephanie Munoz indicated the project was unreasonable. She suggested the property be used for low-income housing.

Richard Landes stated most tall buildings mentioned in the presentation had been constructed prior to the 50-foot height limit. Traffic was a problem without adding to it.

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Janice Berman opposed 100-foot tall buildings. The project would be huge and create an urban cityscape.

Susan Fineberg reported the public had not seen a draft of written policy regarding exceptions or abandonment of the 50-foot height limit or the optimal amount of Downtown office growth. There had been no public process to prioritize spending of Stanford funds. The current Comprehensive Plan and zoning laws did not support the scale, size, and uses of the proposed project. She suggested the Council update the Comprehensive Plan before taking further action on the project.

Lisa Webster supported the proposed project, especially the proposed theatre building, and asked the Council to continue the process.

Mark Vershel stated TheatreWorks was known for arts innovation and education. Most people did not consider the possibilities of the project.

Neilson Buchanan could support the project if it were in isolation. He suggested the City's website include more facts and responses to public comment.

Russ Cohen felt the park was not an adequate entryway to Downtown. The Council's job was not to judge the merits of the architectural design, but to discuss the project. He urged the Council to move the discussion forward.

Ronna Devincenzi felt the area needed help. Traffic, parking, and use of parkland had to be addressed. This was a chance for the public to provide input to redeveloping the area.

Shani Kleihaus stated the process should begin with full environmental review. Having a ballot measure first limited the Council's future actions.

Eric Filseth indicated Staff's vision for Palo Alto was disconnected from the vision of a large majority of residents. Zoning laws, the Comprehensive Plan, and the concerns of residents were not important to Staff.

Vice Mayor Scharff inquired whether Council Members wished to continue the discussion.

Council Member Espinosa preferred continuing the conversation to another time.

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Council Member Burt was prepared to offer a Motion that would focus the discussion. A discussion of various aspects and details of the project could not be accomplished at the current time.

Mr. Keene reported there were no time limits for the project, and the Council could discuss it at length. Clearly, another meeting would be needed for the discussion. One consideration was the new Council taking office in January 2013. There were many misunderstandings about intentions and motives. The Palo Alto process had many layers and opportunities for public meetings. Staff needed some direction to have a meeting with the new Council.

MOTION: Council Member Burt moved, seconded by Council Member Holman not to go forward with a request for the City Attorney to draft ballot measure language for Council consideration for the June election, to direct Staff to proceed on Master Plan variations for the site with guidelines for Staff to begin to develop two different alternatives compatible with the downtown urban design in both the architectural style, mass, and scale and other urban design features to include as the anchor to the Master Plan a theatre design, and a public process of review of those alternatives that would include at least two community meetings in addition to the Board and Commission meetings, and request Staff to return with a plan for proceeding under these guidelines.

Council Member Burt did not believe the office component to the project should be more than 4-5 stories. He was interested in the site for a visionary outcome, driven by community values and consistent with the Downtown urban fabric. The Council would have to review a variety of impacts and issues. He encouraged the public to read the "frequently asked questions" portion of the City's website regarding the project. Key was moving the process and potential outcomes in a constructive direction. The best method for the Council to move toward a well-designed outcome supported by the community was to invest in the Palo Alto process. The Council should determine a Master Plan and then inquire whether a developer was interested in building within the framework of the Master Plan.

Council Member Holman stated this was not the time to present a ballot measure to the community, because there was not information for the public to be informed. The current proposal was overly ambitious. She felt Mr. Arrillaga would stay attuned to the process and build a project complementary to his legacy and to Palo Alto.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to follow “downtown urban design in both the architectural style, mass, and scale and other urban design features” with “being informed by the Comprehensive Plan, Rail Corridor Task Force recommendations, and the Dream Team vision.”

Council Member Burt asked Council Member Holman to clarify which Rail Corridor Task Force recommendations.

Council Member Holman explained the Rail Corridor Task Force recommendations referenced many elements of the Comprehensive Plan.

Council Member Burt would accept the amendment if she meant the process would be informed by the Rail Corridor Task Force recommendations. He did not wish to be prescriptive.

Council Member Holman agreed with the process being informed by the recommendations. She asked if the community meetings within the vision process would include ARB, HRB, P&TC, and the PARC.

Council Member Burt intended for the community meetings to be held outside the Board and Commission process. The Motion should include a request for Staff to return with a plan for proceeding under the guidelines.

Mr. Keene indicated Staff needed to have an idea of the meetings and a rough schedule for the process.

Council Member Holman understood that the community meetings would be in addition to regular Board and Commission meetings.

Mr. Keene stated Staff would identify Board and Commission meetings to be held in the near-term within the context of the Motion.

Council Member Holman inquired whether the maker of the Motion would accept two community meetings in addition to Board and Commission meetings.

Council Member Burt answered yes.

Council Member Holman asked if the Motion would eliminate the need for outside consultants as the Council would be developing the Master Plan.

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Council Member Burt reported outside consultants had been used in the past to draft plans. He assumed when Staff returned with a Master Plan, they would report on the process to be used and the resources they would need.

Council Member Holman agreed. She asked Staff if they would also report necessary expenditures when they returned with a plan for proceeding under the guidelines.

Mr. Keene answered yes.

Council Member Holman felt the building should be a landmark if it exceeded the 50-foot height limit. The vast majority of buildings exceeding 50 feet in Palo Alto were constructed in the 1960s and 1970s. Architecture of that period was the basis for Palo Alto's 50-foot height limit.

Council Member Espinosa suggested the Motion should include intermodal transportation design as an anchor to the Master Plan, just as theatre design was an anchor. He wanted to ensure the Master Plan incorporated that.

Council Member Burt agreed that intermodal design should be incorporated as part of the process.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add the Master Plan would use the circulation and intermodal design work to date as a basis for the plan going forward.

Council Member Holman was uncomfortable with the language "to date."

Council Member Burt asked Council Member Holman to state her concern.

Council Member Holman agreed with use of design work as the foundation for a plan going forward, but not the work done to date.

Council Member Burt inquired why she disagreed with the work done to date.

Council Member Holman was not confident that it was the most appropriate design work.

Council Member Burt did not want to limit the Council.

Council Member Espinosa agreed.

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Council Member Burt suggested use of "design work as a basis for the plan going forward." That language would be inclusive.

Council Member Holman preferred to delete "to date," but would accept the amendment.

Council Member Espinosa inquired whether the Motion was for Staff to draft a Master Plan, develop two alternative proposals , and then present them to the Council along with timelines and budgets and a public process for moving a project forward.

Council Member Burt answered yes. Staff should not abandon the current proposal; however, the community probably would not favor it when compared to the two alternative proposals.

Council Member Espinosa asked if the Motion would remove the current proposal from consideration or prevent Staff from suggesting additional work on the current proposal.

Council Member Burt would not prescribe that. The intent of the Motion was to move the discussion forward.

Council Member Espinosa would support the Motion, because it added transparency, implemented a good process, and addressed community concerns. He asked Staff to ensure the Council understood the costs, the amount of work, and timelines for the process.

Council Member Shepherd inquired whether Staff would return to the Council before moving forward with concept plans.

Mr. Keene responded yes.

Council Member Shepherd did not intend for the process to be rushed. She asked where Staff and the Council was in the process.

Mr. Keene was unsure as it was the Palo Alto process.

Council Member Shepherd indicated Downtown had buildings taller than 50 feet, and asked if Staff would present ideas complementary to the historic design or limit buildings to 50 feet in height.

Council Member Burt personally preferred the height be 4-5 stories; however, buildings over 50 feet would fit the urban fabric.

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Council Member Shepherd would like to discuss the public benefit aspect of the project in the future. She supported the Motion.

Council Member Schmid would have preferred to allow Council Members to discuss the project. He heard concerns about retail space. He asked if the Downtown urban design meant ground-floor retail.

Council Member Burt replied yes, but it would not have the same retail guidelines as currently imposed in Downtown.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change "other urban design features to include as the anchor to the master plan" to "other urban design features including retail vitality and as the anchor to the master plan."

Council Member Schmid inquired if the Motion included the Rail Corridor Task Force's emphasis on mixed use.

Mr. Keene asked if he meant mixed use in the form of residential in addition to commercial office.

Council Member Schmid answered retail, office and other uses, certainly housing. He suggested Staff examine the concerns of the PARC in terms of use of the park, and state explicitly financial, infrastructure, and other benefits of the project. The height and size of the buildings would manifest themselves in traffic problems, and the area was extremely sensitive to traffic. He did not wish to exclude concerns expressed by the public speakers.

Council Member Price supported the Motion, because of the clarifications made by Council Member Espinosa. The location was a key transitional area. The Motion did not restrict further examination of the original concept. The process was only beginning, and would allow refinements to and negotiation of the concepts. The Master Plan process would have development standards.

Vice Mayor Scharff stated adding the language "will be informed by the Comprehensive Plan, Rail Corridor Task Force recommendations, and the Dream Team vision" to the Motion provided a feeling of prescription. Staff and the Council always considered the Comprehensive Plan.

AMENDMENT: Vice Mayor Scharff moved, seconded by Council Member XXX to remove incorporation of the Comprehensive Plan, Rail Corridor Task Force recommendations, and Dream Team vision.

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Council Member Holman explained the Comprehensive Plan was not zoning regulations or prescriptive; it was vision. Many comments referenced elements of the Comprehensive Plan and Rail Corridor Task Force recommendations.

Vice Mayor Scharff felt inclusion of the language limited possible plans for the site.

Council Member Holman said a basis of adopted City policy was needed.

Council Member Burt indicated the Council did not want to be prescriptive, but did want to be informed by policy.

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change the language "being informed by the Comprehensive Plan, Rail Corridor Task Force recommendations, and the Dream Team vision" to "being informed by although not prescribed by the Comprehensive Plan, Rail Corridor Task Force recommendations, and the Dream Team vision."

Council Member Burt stated the existing guidelines should be the foundation; although, they could be modified.

Council Member Holman would accept the Amendment. The important point was to be informed by those policies.

Vice Mayor Scharff noted Council Member Schmid's comments regarding inclusion of residential space, but felt that was not appropriate for the site at the current time. Council should consider an office-retail-theatre component.

Mr. Keene did not believe Council Member Schmid's comments were a Motion.

Council Member Burt agreed the comments were not a Motion.

Council Member Burt presumed the Council would further discussion when Staff returned with a presentation.

Council Member Schmid recalled that the Council had voted to exceed the 50-foot height limit only when projects included housing located near transit

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areas. Those actions resulted in the City receiving only two housing units. If the Downtown area did not have mixed use, then housing would be located in neighborhoods that were not necessarily appropriate for dense housing. He expressed concern about excluding housing from the discussion.

Council Member Holman clarified that the Motion did not exclude housing from the discussion.

MOTION PASSED: 7-0 Klein, Yeh not participating

Mr. Keene celebrated public comments with the exception of occasional unfair, inaccurate, and unnecessary comments about Staff's motives and intentions. Staff supported a public and democratic process and always wanted to take direction from the Council. Conflicting views were always sorted in public.

Council Member Shepherd reported John Tuomy, former Palo Alto Unified School District Trustee, passed way the prior week. She asked that the Council meeting close in his memory.

ADJOURNMENT: The meeting was adjourned in memory of John Tuomy at 12:35 a.m.