



CITY OF PALO ALTO CITY COUNCIL MINUTES

Special Meeting
May 20, 2013

The City Council of the City of Palo Alto met on this date in the Council Chambers at 4:05 P.M.

Present: Berman, Holman, Klein, Kniss arrived at 4:30 P.M., Scharff, Schmid, Shepherd

Absent: Burt, Price

Commissioners Present: Alcheck, Keller, King, Martinez, Michael

Commissioners Absent: Panelli, Tanaka

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)
2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS, CALIFORNIA GOVERNMENT CODE SECTION 54956.8
Properties:
Cubberley Community Center, 4000 Middlefield Road, Palo Alto 94306 (including 8 acres owned by the City of Palo Alto and remaining acres owned by the Palo Alto Unified School District); and Ventura School site, 3990 Ventura Court, Palo Alto 94306

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Agency Negotiators:

James Keene, Pam Antil, Lalo Perez, Joe Saccio, Hamid Ghaemmaghami, Greg Betts, Rob De Geus, Thomas Fehrenbach, Aaron Aknin, Molly Stump

Negotiating Parties:

City of Palo Alto and Palo Alto Unified School District

Under Negotiation:

Lease and/or Purchase/Sale*

Price and Terms of Payment

The City Council reconvened from the Closed Sessions at 6:16 P.M. and Mayor Scharff announced there was no reportable action.

STUDY SESSION

3. Potential List of Topics for Joint Meeting with the City Council and Planning and Transportation Commission.

The Planning and Transportation Commission presented an overview of their efforts to amend the 1998-2010 City of Palo Alto Comprehensive Plan, most recently directed by the City Council in 2010. Each PTC member presented draft revised vision statements, goal structures and highlights of proposed changes for each of the seven elements in the Comprehensive Plan. Some Council Members had questions with regard to the draft vision statements and goal language. The Council appreciated the update and the work of the PTC, but commented that only a high level overview was possible for this meeting. The PTC and City staff will develop a process by which the Council or a Council sub-committee can review each revised Comprehensive plan element in detail.

AGENDA CHANGES, ADDITIONS, AND DELETIONS

Mayor Scharff announced Staff recommended Council adoption of the Housing Element be continued to June 10, 2013.

James Keene, City Manager, reported Staff needed additional time to finalize alternative sites and to confer with the California Department of Housing and Community Development (HCD).

Mayor Scharff understood the Regional Housing Mandate Committee recommended Staff find 30 additional housing units if possible. Staff

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believed they could do so without utilizing the Maybell-Clemo project, but needed to confirm with HCD that alternative sites were feasible.

MOTION: Council Member Klein moved, seconded by Council Member Berman to continue Agenda Item Number 13, "Adoption of a Resolution Adopting the 2007-2014 Housing Element of the Comprehensive Plan and Approving a Negative Declaration," to June 10, 2013 per Staff's recommendation.

Council Member Klein requested Staff comment on efforts to notify the community about continuation of the Agenda Item.

Mr. Keene stated the Planning Department attempted to contact neighborhood leaders.

MOTION PASSED: 7-0 Burt, Price absent

4. Presentation of the City of Palo Alto 3-Year IT Strategy.

Jonathan Reichental, Chief Information Officer presented the 3-Year IT strategy. The strategy covered technology trends, the current IT landscape, vision, mission and goals. The four strategic goals were: 1) deploy digital city capabilities, 2) implement IT governance, 3) standardize and enhance service delivery, and 4) upgrade technology infrastructure and formalize information security. Accomplishments and future initiatives that align to the strategic plan were also shared. Staff responded to Council questions regarding security in the cloud by indicating that going to the cloud entails moving technology services from our data center to selected vendors' data center. The cloud vendors that we select are required to go through a rigorous evaluation process to ensure that they meet our security requirements. There are several large public agencies and states that have moved technology services to the cloud. When asked whether City systems have ever been hacked, Staff responded by saying that it was not about when, but if the City would know that systems have been hacked - this is a key reason for hiring a Security Manager in 2012. Staff recently implemented an extra layer of security (firewall) and is currently underway with implementing measures to further prepare for security incidents. If more funding were made available Staff would propose a dedicated procurement resource to help expedite the purchasing process for technology solutions. Last year Staff deployed an open data platform which was the basis for sharing all the data of the City with the community. A data strategy should be developed for how data would be leveraged for decision-making. Many cities look to Palo Alto for innovation. At the same time Palo Alto looks at other cities in California as well as large cities like Chicago, New

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York and Boston for leveraging ideas for innovation. Regarding the City Website updates Staff said the top two functionalities were: improve search functionality and increase compatibility for mobile access. Staff expected the upgrade to be no earlier than one year from now.

CITY MANAGERS COMMENTS

James Keene, City Manager, reported Staff developed a Request for Proposal (RFP) to solicit consultant bids for the Matadero Creek Trail Phase 1 Mid-town Project. A majority of community input was included in the RFP. Staff anticipated returning to the Council by September 2013 to award a consultant contract.

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MOTION: Council Member Schmid moved, seconded by Council Member Kniss to approve the minutes of April 1, 2013.

MOTION PASSED: 7-0 Burt, Price absent

CONSENT CALENDAR

Council Member Kniss inquired about the circumstances regarding the Mitchell Park Library and Community Center Project that resulted in additional costs to the City and increased inconvenience to the public.

James Keene, City Manager, reported Staff provided a bimonthly report to the Council on the Mitchell Park Library and Community Center Project. Staff could provide more detailed information. Correspondence to the Project contractor related the City's concerns regarding the schedule and cost of the Project.

Council Member Kniss stated the Project was months behind schedule.

Mr. Keene agreed the contractor was months behind schedule.

Council Member Kniss asked who was responsible for the delays and added costs.

Molly Stump, City Attorney, noted Council Member Kniss joined the Council after Staff provided a number of briefings on the Project. The contractor requested approval of numerous changes and increased costs. Staff evaluated the requests and paid those determined to be reasonable under the contract. A dispute could result at the conclusion of the Project

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regarding the unapproved requests. The construction contract included a liquidated damages provision, a pre-negotiated amount paid to the City if delays were the contractor's fault. The City informed the construction contractor that the City would implement that contract provision. The City put the architect and the construction manager on notice that the City had concerns with respect to their work as well.

Council Member Kniss would like further discussion outside the Council meeting.

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Kniss to approve Agenda Item Numbers 5-10.

5. Approval of Amendment No. 5 to Contract C10131631 with Turner Construction, Inc., to Decrease Compensation by \$135,000; Approval of Contract C13149552 with Turner Construction, Inc., for \$700,000 for Construction Management Services for the Mitchell Park Library & Community Center Project; and Approval of Amendment No. 7 to Contract C09130744 with Group 4 Architecture, Inc., to Add \$260,000 for a Total Contract Amount Not to Exceed \$8,855,231.
6. Budget Amendment Ordinance 5195, Approval of a Construction Contract with S.J. Amoroso In the Amount of \$17,707,000, and Approval of a Professional Services Contract for \$1,130,969 with Group 4 Architecture, Research + Planning Inc. for the Main Library Expansion and Renovation Project PE-11000."
7. Resolution 9338 entitled, "City of Palo Alto Resolution Authorizing the City Manager to File an Application for 2013/2014 Transportation Development Act Article 3 (TDA3) in the Amount of \$82,712; Charleston Road Corridor Pathway Improvement Project."
8. El Camino Park / Mayfield Pump Station - CDM Amendment #2 Approval of Amendment Number 2 to Contract #C10131396 in the Amount of \$1,173,000 with CDM Smith Inc. to Provide Additional Services Associated With the Reservoir, Pump Station, and Well at El Camino Park and Mayfield Pump Station Augmentation Project WS-08002, for a Total Not to Exceed Amount of \$6,300,802 (Continued from April 1, 2013, as amended).
9. Parks and Recreation Commission and Staff Recommend That Council Approve an Amendment to the Park and Open Space Rules and Regulations R1-39 (Attachment A) in Order to Help Reduce the Waiting

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List for Persons Wishing to Obtain a Plot at one of the Three City Gardens.

10. Approval of Change to Purchase Order for One Workplace to Add \$89,000 of Storage Costs for a Total Amount Not to Exceed \$792,794 for Standard Furniture and Associated Storage Costs for the Mitchell Park Library and Community Center.

MOTION PASSED: 7-0 Burt, Price absent

ORAL COMMUNICATIONS

Corey Summers urged the Council to ask the developer of Alma Village to delay signing a lease with Grocery Outlet until the Council could perform due diligence on the impact of Grocery Outlet to the community. A potential Grocery Outlet tenancy would violate the term grocery store and the health, safety and welfare of the community, as stated in the Ordinance. In addition, Grocery Outlet was a destination retail store which would attract shoppers to an area with limited access and parking.

Council Member Holman requested the Director of Planning and Community Environment respond to Mr. Summers' comments.

ACTION ITEMS

11. Consideration of City of Palo Alto Offer to Purchase U.S. Post Office Building at 380 Hamilton Avenue and Agreement to Assume Enforcement of Historic Covenant (Continued from May 13, 2013).

Curtis Williams, Director of Planning and Community Environment, provided an update regarding the process for evaluating the potential for the City of Palo Alto to purchase the United States Postal Service (USPS) building located at 380 Hamilton Avenue. The building was a valuable community asset, and purchase of it provided the City with the opportunity to preserve the building and to consolidate City services. Staff attempted to obtain USPS sale criteria for the building, and expected USPS to list the building for sale with a price based on its appraisal of the building. The building could be listed for sale in the next two to four weeks, assuming USPS received approval from the California Historic Preservation Office. A number of historic restrictions applied to the structure, and a historic covenant would be associated with the sale whether the City or a private entity purchased the building. Staff worked with structural engineers and historic architects to ascertain the longevity and feasibility of maintaining the structure, and obtained an appraisal to determine an overall cost the City could be willing

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to pay for the building. Staff considered relocating the Development Center or other City functions to the building, thereby saving lease costs for other facilities. USPS indicated it needed to remain in Downtown Palo Alto with approximately 3,500 square feet of space; therefore, Staff considered the possibility of leasing space in the building to USPS. Purchase of the building would require an initial outlay of cash reserves from the City. Staff anticipated some funding mechanism, such as Certificates of Participation (COPs), to repay the cash outlay over time. Financial analyses indicated COPs and savings of lease costs would be profitable for the City over 10-20 years depending on the purchase price. USPS solicited interest from agencies or non-profit entities to enforce the historic covenant, and needed those details before the California Historic Preservation Office would approve the sale. Staff suggested the Council authorize Staff to notify USPS that the City was willing to take on that responsibility. The sale listing for the building could occur in June at the earliest, at which time Staff would return to the Council for authorization of a potential offer for the building. If the City was selected as a preferred bidder, then Staff would return to the Council for discussion with details for the purchase. Staff's recommendation was for the Council 1) to authorize Staff to notify USPS that the City was willing to undertake the responsibility for enforcing the historic covenant; and 2) to direct Staff to return to the Council with specific details for a potential purchase offer.

Beth Bunnenberg urged the Council to place a purchase bid for the Hamilton Avenue building, because it was an architectural gem in the heart of Downtown and a good business deal.

Douglas Graham also urged the Council to bid on the building. He was delighted the City had the opportunity to use the building and to save money.

Robert Moss agreed with Staff's recommendation as the building was iconic. Staff underestimated the savings from relocating City services to the Hamilton Avenue building. Retaining public use of the building was also important.

Faith Bell encouraged the City to purchase the building.

Stephanie Munoz felt few people were present, because they expected the City to place a bid for the building. The community loved the Post Office Building.

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Kniss to: 1) authorize Staff to submit and negotiate an offer to purchase the U.S.

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Post Office building at 380 Hamilton Avenue, as soon as the Post Office lists the U.S. Post Office Building for sale, and according to the parameters discussed in the Closed Session; and 2) direct Staff to represent to USPS the City's willingness to accept the responsibility to hold the historic covenant to assure the historic integrity of the structure is protected.

Vice Mayor Shepherd agreed with public comment. The positive financial analysis made the purchase an interesting proposition.

Council Member Kniss stated the Council's intent was to own the building; however, the challenge was other entities' interest in the building. The Council could not guarantee the City would own the building.

Council Member Schmid assumed the post office would be located in the lobby, and inquired whether that would allow public access to the remainder of the building.

Mr. Williams reported the lobby area alone was not large enough for USPS requirements. However, Staff was working to accommodate both the post office and City departments in the building.

James Keene, City Manager, believed providing space for a post office would be part of a competitive bid package.

Council Member Schmid noted one of the possibilities was vacating some space in City Hall and having other private parties in City Hall. He asked if remodeling the first floor of City Hall was consistent with needed options.

Mr. Keene stated the City had a range of options. One consideration was moving City offices back into City Hall so that lease costs could be reduced.

Council Member Schmid indicated remodeling the first floor of City Hall would turn office space into public space, and inquired whether Staff could be moved to make needed changes.

Mr. Keene reported Staff continued to work on the possibility of the Post Office Building housing the Development Center, other City offices, and the Post Office. Staff would report to the Council regarding the best use of space in order to realize savings.

Council Member Holman inquired about the lack of the Historic Structures Report (HSR).

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Mr. Williams indicated the HSR was available as a public document; however, it contained some information concerning the valuation of the structure.

Council Member Holman felt the public was concerned with the integrity and features of the building.

Mr. Williams suggested Staff could excise financial information from the HSR.

Council Member Holman inquired about the process for seeking reimbursement from USPS for enforcement costs of the historic covenant.

Mr. Williams did not believe the City would seek reimbursement for enforcement costs from USPS. The City would seek reimbursement from the purchaser. That statement was not correct.

Council Member Holman indicated the City typically did not engage in purchasing property from the open market.

AMENDMENT: Council Member Holman moved, seconded by Council Member XXXXXX to direct Staff to identify local commercial real estate agents, negotiate terms, and engage an agent to assist with the purchase of the Post Office.

MOTION FAILED DUE TO THE LACK OF A SECOND

MOTION PASSED: 7-0 Burt, Price absent

12. Update of and Direction for Downtown Parking Garage and Attendant Parking Study and Implementation of Trial Attendant Parking at Lot R.

Jaime Rodriguez, Chief Transportation Official, reviewed the Downtown Parking Garage and Attendant Parking Study which focused on the options of building additional parking structures within Downtown and on better management of the current structures. Staff studied five sites: Lot E, Gilman Street (West); Lot G, Gilman Street (East); Lot O, Emerson/High; Lot P, High/Hamilton; and Lot UL, Urban Lane. In evaluating the sites, Staff considered constructability factors, impacts to adjacent properties, access points, existing utilities, parking gain, overall costs, and possible alternative uses for the sites. Lot D, with 86 existing spaces, would yield a total of 300 parking spaces with a five-story parking structure. Lot E, with 34 existing parking spaces, would yield the smallest return of 75 total parking spaces. Lot G would yield a positive parking supply of 113 spaces for a total of 166

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spaces. Lots E and G combined would yield 181 parking spaces for a total of 268 parking spaces. Lot O would yield an additional 145 spaces for a total of 223 spaces. Lot P would yield an additional 89 spaces for a total of 140 spaces. Lot UL would yield an additional 314 spaces for a total of 478 spaces. The consultant suggested providing preferential parking spaces for low-emission fuel-efficient vehicles, and Staff would consider that suggestion in future construction of parking garages. The Urban Lane lot was the only site technically outside the Downtown core, and further work at the site would require discussions with University Staff because it could change the lease agreements between Samtrans and the University. The ground floor of the Urban Lane site would be an extension of the existing transit mall and would provide an additional 15 transit bays. Stacked parking was an attendant parking program for permit parking spaces. The attendant would guide a motorist to an aisle parking space, and take the keys from the motorist once the vehicle was parked. As permitted spaces became available, the attendant would move the vehicle to a permitted space. At the end of the day, the motorist would take the keys from the attendant and drive his vehicle away. Staff considered stacked parking for the Civic Center Parking Garage, Lot R, Lot S, and the Cowper/Webster Street Garage, because those sites could provide an average of 50 additional permit parking spaces each with stacked parking. The study was not complete in that it did not contain cost details for construction of parking structures. Staff could provide a final report by the end of the summer for the overall project. Staff recommended they return in June 2013 with details of a proposal for a public-private partnership to build a parking structure at Lot P; and the Council direct Staff to develop a Request for Proposals (RFP) to implement stacked parking as a trial program at Lot R. Costs for the trial program would be borne by the Parking Permit Program.

Curtis Williams, Director of Planning and Community Environment, added that none of the parking garages were proposed at a height over 50 feet. The uppermost height included the elevator shaft.

Stephanie Munoz suggested new parking structures be utilized to house refugees from an earthquake; have street-level shop windows; and be utilized for homeless people living in their vehicles.

Faith Bell noted the majority of parking spaces in the garages for which the Parking Assessment District paid were utilized for permit parking. Members of the Parking Assessment District reasonably assumed that parking structures would be worth the financial outlay because customers would park there. The number of spaces for customers was being eroded. Lot P, with the alley surrounding it, was not wide enough to handle delivery trucks.

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Council Member Klein inquired about the ownership of the various parking lots and about financing of projects.

Mr. Rodriguez reported that the Parking Assessment District was formed such that funds generated through leases were used to repay the construction bonds and to provide overall management of all surface lots and garages. The ownership of the surface lots remained with the City. Once the construction bonds were repaid, a business interest in the partnership between the City and the Downtown Parking Committee would ensure that the parking supply remained equitably available for businesses and visitors.

James Keene, City Manager, requested Mr. Rodriguez identify the surface parking lots within the Parking Assessment District.

Mr. Rodriguez stated the lot at 800 High Street was outside the Parking Assessment District, and the Ramona/University Garage was a public-private partnership. Every other garage and lot was owned by the City.

Mr. Keene understood that parking garage floors above the surface lot could be owned and operated in a different fashion from the existing Parking Assessment District.

Council Member Klein asked if the Parking Assessment District paid for the two Alma/High lots, the Bryant Street lot, and the Cowper/Webster lot, but not the Civic Center lot.

Mr. Rodriguez did not know.

Council Member Klein requested that information be provided at a later time. The Ramona/University and 800 High Street lots were public-private partnerships. He inquired whether the City had a contractual requirement to retain the sites as parking lots, even though they were owned by the City.

Mr. Rodriguez understood the requirement was for the City to provide the community with the same number of parking spaces if the use for the sites changed.

Council Member Klein inquired about financing for the proposed parking garages.

Mr. Rodriguez reported the City collected in-lieu fees from private sector development within the Downtown core, and the Downtown In-Lieu Fee

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Fund contained approximately \$2.5 million. Those funds along with local funds could be utilized to build an additional parking structure.

Mr. Keene noted Staff discussed the possibility of a different type of revenue stream to allow the use of Certificates of Participation (COP) or a revenue bond for construction of parking structures. The Parking Assessment District would not be involved in this manner of financing. He favored exploring those kinds of options. The difficulty with utilizing the in-lieu fee program was that the accumulation of funds lagged behind parking demand.

Council Member Klein felt merchants were reluctant to agree to further activities through the Parking Assessment District. He asked about financing models used by other cities.

Mr. Keene indicated some portion of the parking problem could be solved through a new model and pricing used by other jurisdictions. Staff would have to perform further analysis to determine whether the entire parking problem could be handled that way. Staff planned to consider different financing alternatives for the Council.

Council Member Klein asked when those alternatives could be presented to the Council.

Mr. Rodriguez stated Staff could include that assessment in the final report and present it by mid-summer.

Council Member Klein inquired whether Staff had considered alternatives for low-income workers who could not afford permit parking.

Mr. Williams reported Staff considered pricing tiers in garages or as part of a permit parking program. The City Attorney's Office needed to review the matter to ensure the distinctions were legal.

Council Member Holman was interested in the criteria for choosing the five parking lots.

Mr. Rodriguez indicated Staff recommended the five sites, because they were located in the area where the community requested the largest amount of parking, and because Staff felt the sites would yield the greatest amount of parking spaces. Staff chose one site outside the Downtown area to allow permit sales for more than just the Parking Assessment District if there was interest in constructing a garage outside of Downtown.

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Council Member Holman felt some of the other locations could yield more parking. The methodology addressed post-construction impacts, but not physical compatibility. The structures appeared to be at least 50 feet tall.

Mr. Williams stated the height was generally 45 feet to the rail, with the height to the floor itself being 41 or 42 feet. The elevator shaft would be higher than that. If a covering was utilized, then the height would be somewhat greater. The structure itself would not be over 50 feet.

Council Member Holman believed the scoring methodology did not consider compatibility.

Mr. Williams agreed. There were a number of qualitative factors that needed to be included in the study. The study was strictly an engineering analysis.

Council Member Holman did not see any rankings for garage locations that would impact office more than retail or that would not affect retail sales and business as much as office. She was unclear as to the factors that were or were not considered as part of the scoring methodology.

Mr. Rodriguez stated the constructability factors were engineering focused. Staff needed to add factors that would rank the sites differently. Staff performed an existing conditions assessment to determine site constraints and land uses.

Council Member Holman asked if Staff considered that construction could impact those buildings without seismic retrofits. With regard to Lot P, she inquired whether the additional 89 parking spaces included the spaces reserved for the developer's use.

Mr. Williams reported the analysis was separate from the developer's proposal. Staff would present the details of the developer's proposal in June 2013.

Council Member Holman inquired whether Staff sought more information rather than approval of the developer's proposal.

Mr. Williams answered yes.

Council Member Holman hoped Staff would consider constructing garages partially or completely below grade, and wanted to see uses on the sides of the garages to improve their appearances. The logical approach to the parking problem was to phase in a parking permit program to determine the

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parking deficit, and then attempt to change the parking intrusion into the neighborhoods.

Mr. Williams stated the community needed additional parking supply, and Staff wished to consider these parking structure solutions. Staff did not expect to determine a total number of spaces needed until they matched the parking structure study with the Development Cap Study. Performing the study at the present time was timely. There could be an opportunity to proceed with one or two sites knowing that additional parking supply was needed.

Council Member Holman inquired whether the City Attorney had reviewed the shared permit use.

Mr. Rodriguez indicated Staff was considering technology solutions that could allow shared permits. Staff would consult with bond counsel to determine if shared permits could be implemented along with technology solutions within garages.

Molly Stump, City Attorney, reported the issue arose from the use of tax exempt public bonds to build facilities. The use of tax exempt bonds required public use of the resulting facility, and placed some limits on allocating resources to private businesses. The City had to honor the IRS limitations on the use of facilities built with tax exempt bonds.

Council Member Holman was not satisfied with Staff's previous responses regarding the use of private parking garages.

Council Member Kniss inquired whether Staff had talked with other cities about their parking solutions.

Mr. Rodriguez stated Staff discussed management of the existing permit parking supply and technology with cities in the Bay area.

Council Member Kniss noted many cities had parking lots that indicated the number and location of open spaces, and suggested that Staff consider the technology for parking garages in Palo Alto.

Council Member Schmid felt the starting point was the parking deficit. Other sites in the Downtown area should be considered, and Staff should provide a supplemental list of other options. The Development Cap Study would determine today's parking needs as well as thinking for the future. Inclusion of the Urban Lane Lot opened the wider issue of parking studies for other areas. Staff should examine alternate means for funding parking structures.

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The Council needed to know funding options before considering a public-private partnership at Lot P.

Vice Mayor Shepherd wholeheartedly supported the trial program for attendant parking. She asked who would be eligible for the trial program, and why Staff chose to implement the program at Lot R.

Mr. Rodriguez chose Lot R because it was the highest demand facility in the Downtown core. Staff proposed releasing and tracking additional permits for Lot R until the garage was fully occupied in both regular and stacked parking spaces. If the pilot program was not successful, then Staff would not sell permits until the pilot program was phased out.

Vice Mayor Shepherd hoped the attendant parking would be successful and could be extended to other garages and to short-term parking. She inquired whether the City could apply for a One Bay Area Grant (OBAG) Program grant for construction of the Urban Lane garage.

Mr. Rodriguez reported the City could apply for an OBAG grant in the next cycle, which would occur in approximately 2 1/2 years. OBAG funds could not be utilized for transit facilities.

Vice Mayor Shepherd asked if the height of parking structures could be increased in the future if the building height limit changed.

Mr. Rodriguez indicated Staff could review that from an engineering perspective.

Vice Mayor Shepherd inquired about the purpose of directing Staff to report study findings to the Planning and Transportation Commission (PTC).

Mr. Williams wanted to obtain policy input from the PTC in order to include as many factors as possible in the analysis.

Vice Mayor Shepherd asked if Staff would then consider funding strategies.

Mr. Williams stated the final report could then include some financing mechanisms.

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Kniss to: 1) return to Council in June with a review of the proposal for a private-public parking garage on Lot P; 2) direct Staff to report the Downtown Parking Garage and Attendant Parking Feasibility Study findings to the Planning and Transportation Commission for recommendations for priority

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next steps in pursuing development of other new downtown parking garage sites; and 3) authorize staff to implement a trial attendant parking study at Lot R – Alma Street/High Street (South) Parking Garage.

Vice Mayor Shepherd was pleased Staff was proactive and analyzed the possibilities for parking. The parking demands of the Downtown area dictated the consideration of parking garages.

Council Member Kniss felt the Motion did not address parking in the entire Downtown area. She hoped Staff would return with a discussion of permitted parking in neighborhoods.

Council Member Berman supported the attendant parking program. He looked forward to a discussion of new parking technology. He requested Staff consider the feasibility of below-grade parking structures. The study was one aspect of a long-term solution to the parking problem. He wished to have a broader discussion of parking strategies.

Mayor Scharff wished to have a broad discussion of funding sources in order to determine funding options. He wanted to know whether a tax could be imposed in order to issue COPs for construction of parking garages; whether below-grade garages were feasible; and whether retail or office space or housing within the garage could provide a revenue stream for the City. The concept for the Urban Lane Garage was interesting.

Council Member Holman inquired whether Staff would consider below-grade parking, and whether Staff would reevaluate the sites with a broader scoring methodology.

Mr. Rodriguez reported Staff would review underground parking at least for Lot P. Funds were available for an analysis of underground parking at one other site if the Council was interested. With respect to constructability factors, Staff would add factors related to planning interests.

Council Member Holman asked if Staff would do that work without it being incorporated in the Motion.

Mr. Keene responded yes. Staff would exercise judgment regarding the depth of analysis for some of the topics. He did not want to give the impression that Staff would provide a full analysis of every possible angle; Staff would incorporate comments as guidance for their work.

Council Member Holman requested the Mayor split the Motion, because she would not support part 1 of the Motion.

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Mayor Scharff did not agree to split the Motion.

AMENDMENT: Council Member Schmid moved, seconded by Council Member Holman to remove part one in the Motion, "return to Council in June with a review of the proposal for a private-public parking garage on Lot P," and direct Staff to return to Council in June to review a range of financing options for downtown parking.

Council Member Schmid heard a number of Council Members identify the need to explore a range of financing options. Rather than returning with one option, Staff could identify a range of financing possibilities for the Council to explore.

Mayor Scharff inquired whether Council Member Schmid's Amendment excluded a review of the public-private partnership for Lot P.

Council Member Schmid indicated a public-private partnership for Lot P could be one option.

Mayor Scharff suggested a review of financing options could be added as part 4 of the Motion.

Mr. Keene stated the proposal for Lot P needed to be assessed.

Vice Mayor Shepherd did not believe Council Member Schmid wished to remove review of the proposal for Lot P.

Council Member Schmid felt the Council needed to review a range of financing options as part of the parking issue.

Mayor Scharff asked if Council Member Schmid would make the review of financing options part 4 of the Motion.

Council Member Schmid wished to substitute it for part 1 of the Motion.

Mayor Scharff inquired whether the Amendment precluded Staff from returning with a review of the proposal for Lot P.

Council Member Schmid suggested Staff include the proposal as an example of a financing option.

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Council Member Holman was interested in a range of financing options, but was not interested in reviewing the proposal for Lot P. The Amendment did not mention Lot P.

Council Member Klein did not understand why part 1 was needed in the Motion. The developer made a proposal, and the Council was required to consider it.

Mr. Williams agreed. Part 1 was not an appropriate part of the Motion. Staff's intent was to discuss the proposal within the context of the overall study. The developer was not available for the discussion; therefore Staff scheduled the discussion for June 10, 2013.

Council Member Klein felt part 1 should be omitted as it was unnecessary. He was interested in discussing a range of financing options; however, Staff could not provide the information by June 2013. He suggested the Council consider part 1 as deleted by Staff, and then consider a Motion for parts 2 and 3.

Mayor Scharff agreed with removing part 1 from the Motion as long as Staff returned with the proposal for Lot P in June 2013.

Council Member Schmid indicated the Amendment was to expand the study to include a range of financial options.

Council Member Scharff agreed with removing part 1 with the maker's and seconder's approval.

Mr. Keene indicated Staff's intention was to return with the proposal for Lot P in June 2013.

Ms. Stump reported the specific proposal for Lot P would be presented to the Council on June 10, 2013. Staff was not in a position to fully flesh out alternative financial options and the implications for a similarly sized garage on Lot P by June 10, 2013.

Council Member Schmid requested Staff suggest a substitute date.

Mr. Keene stated Staff could not return with the information in June 2013. Staff anticipated financing options would be a fundamental part of any analysis. He would talk with Staff about the amount of time required to compile that information.

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Vice Mayor Shepherd assumed Staff would return with scenarios for funding after the PTC reviewed them. If the Amendment changed Staff's work, then she would incorporate it into the Motion.

Mr. Williams did not believe the Amendment changed Staff's work. Staff expected that the analysis would include a review of financial options and the range of possibilities.

Vice Mayor Shepherd agreed to remove part 1 from the Motion.

Council Member Berman requested Staff provide a list of dates of when Staff expected to present the various aspects of the parking proposals and the broader Downtown Cap Study.

Mr. Keene would do so. He anticipated discussion at the scheduled Retreat would include a review of action items for the three Council Priorities, which would involve the parking issue.

Council Member Schmid requested the schedule of dates include the financial options.

AMENDMENT WITHDRAWN BY THE MAKER AND SECONDER

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove item one, "return to Council in June with a review of the proposal for a private-public parking garage on Lot P," from the Motion.

MOTION RESTATED: Vice Mayor Shepherd moved, seconded by Council Member Kniss to: 1) direct Staff to report the Downtown Parking Garage and Attendant Parking Feasibility Study findings to the Planning and Transportation Commission for recommendations for priority next steps in pursuing development of other new downtown parking garage sites; and 2) authorize Staff to implement a trial attendant parking study at Lot R – Alma Street/High Street (South) Parking Garage.

MOTION PASSED: 7-0 Burt, Price absent

COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

City Manager, James Keene, addressing Council Member Holman's concerns regarding Agenda Item Number 11, said the City was well positioned to manage the Post Office negotiations. The Manager of Real Property, Hamid Ghaemmaghami, had a Commercial Real Estate License and had a Certified

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Commercial Investment Membership. While working as the Real Estate Director for the City of Oakland, Mr. Ghaemmaghmi had purchased over \$100 million in office and commercial space.

ADJOURNMENT: The meeting was adjourned at 10:07 P.M.