



# CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting  
June 23, 2014

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:01 P.M.

Present: Berman, Burt, Holman, Klein, Kniss, Price, Scharff, Schmid, Shepherd

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, Lalo Perez, Joe Saccio, Kathryn Shen, Dania Torres Wong, Eric Nickel, Catherine Capriles, Geo Blackshire, Melissa Tronquet, Mark Gregerson, Nancy Nagel, Molly Stump, Walter Rossman)  
Employee Organization: International Association of Fire Fighters (IAFF), Local 1319  
Authority: Government Code Section 54957.6(a)
  
2. CONFERENCE WITH LABOR NEGOTIATORS  
City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Lalo Perez, Melissa Tronquet, Joe Saccio, Molly Stump, Walter Rossman, Nancy Nagel, Dennis Burns, Mark Gregerson, Kathryn Shen, Dania Torres Wong)  
Employee Organization: Palo Alto Police Officers Association (PAPOA)  
Authority: Government Code Section 54957.6(a)

The Council reconvened from the Closed Session at 5:42 P.M. and Mayor Shepherd advised no reportable action.

# ACTION MINUTES

## Minutes Approval

**MOTION:** Council Member Price moved, seconded by Council Member Berman to approve the minutes of May 5, and May 6, 2014.

**MOTION PASSED:** 9-0

## Consent Calendar

**MOTION:** Council Member Klein moved, seconded by Council Member Price to approve Agenda Item Numbers 3-23.

Council Member Holman registered a no vote on Agenda Item Number 4.

Council Member Scharff registered a no vote on Agenda Item Number 23.

Council Member Schmid registered a no vote on Agenda Item Number 4.

3. Award of Banking and Related Service Contracts to: (1 and 2) U.S. Bank and Their Wholly-Owned Subsidiary Elavon for General Banking and Merchant Services, (3) Wells Fargo for Lockbox Service, (4) Commerce Bank for the New and Innovative Accounts Payable Bill Payment Service, (5) Union Bank for Investment Safekeeping (Custodial) Service, and (6) JP Morgan Chase Bank for Purchase Card (P-Card) Service.
4. Approval of a Five-year Contract with Questica Inc. For a Budget System at a Cost Not to Exceed \$472,100 and a 10 percent Contingency Totaling \$26,968.
5. Council Direction to Remove Floor Area Ratios from the Draft California Avenue Area Concept Plan per the Council's Discussion of May 5, 2014.
6. Approval and Authorization for the City Manager to Execute a Professional Services Agreement with Just Energy Resources LLC in the Amount of \$597,878 for Marketing and Program Management for the PaloAltoGreen and PaloAltoGreen Gas Programs for a Term of up to Three Years.
7. Resolution 9439 entitled "Resolution of the Council of the City of Palo Alto of Intent to Establish Utility Underground District No. 46 (Arastradero Rd/El Camino Real/ W. Charleston Rd) by Amending Section 12.16.020 of the Palo Alto Municipal Code."

# ACTION MINUTES

8. Approval of a Water Enterprise Fund Contract with DN Tanks, Inc. In a Total Not to Exceed Amount of \$1,534,842 for the Seismic Upgrade of the Boronda Reservoir Project WS-09000-501.
9. Park Improvement Ordinance 5256 entitled "Park Improvement Ordinance of the Council of the City of Palo Alto for Hopkins Park (First Reading: June 9, 2014 PASSED: 8-0 Scharff absent)."
10. Approval of a Contract with Graham Contractors, Inc. in the Amount of \$1,084,553, for the FY 2015 Preventive Maintenance Project, the 1st of 4 Contracts in the FY 2015 Street Maintenance Program Project (CIP PE-86070).
11. Approval of On-Call Surveying Consultant Contract with Sandis Civil Engineers Surveyors Planners for a Total of \$150,000 for Surveying and Design Support Services.
12. Resolution 9440 entitled "Resolution of the Council of the City of Palo Alto Terminating the "Power from Local Ultra-clean Generation Incentive" Program and Repealing Utilities Gas Rate Schedule G-8 (Gas for Electric Generation Service)"
13. Approval of a Contract with Schaaf & Wheeler Consulting Civil Engineers In The Amount of \$250,000 for Storm Drain Master Plan Update, Capital Improvement Program Project SD-15008.
14. Approval of a Funding Agreement with the County of Santa Clara in the Amount of \$100,000 for Development of a Concept Plan Line for Possible Improvements to Page Mill Road from Oregon Expressway to I-280 and Adoption of a Budget Amendment Ordinance 5257 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto to Transfer \$75,000 from the Stanford Research Park/El Camino Traffic Impact Fee Fund and \$25,000 from the Citywide Traffic Impact Fee Fund to CIP PL-12000 for this purpose."
15. Authorization to Submit a Grant Funding Application to the Federal Aviation Administration for Rehabilitation of the Runway and Taxiways at the Palo Alto Airport.

# ACTION MINUTES

16. Approval of Contract with MV Transportation in the Amount of \$1,215,036.00 to Provide Community Shuttle Service on the Existing Crosstown Shuttle Route and the East Palo Alto/Caltrain Shuttle Route for up to Three Years; Approval of Funding Agreement with East Palo Alto and Adoption of a Budget Amendment Ordinance 5258 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto Amending the Fiscal Year 2015 Operating Budget to Increase the Planning and Community Environment Department Appropriation by \$221,239."
17. Request to Issue Notice of Intent to Award 50 Year Lease to Avenidas for 450 Bryant Street Site to Allow Continued Use of Building for Senior Services.
18. Ordinance 5259 entitled "Ordinance of the Council of the City of Palo Alto Amending Section 22.04.270 by Adding Subsection 22.04.270(C) to Prohibit the Feeding of Wildlife and Feral Animals in Palo Alto Parks And Open Space Areas (First Reading: June 9, 2014 PASSED: 8-0 Scharff absent)."
19. Ordinance 5260 entitled "Ordinance of the Council of the City of Palo Alto Authorizing the Operation, Management and Control of the Palo Alto Airport by the City of Palo Alto and Amending Section 2.08.190 of Chapter 2.08 of Title 2 of the Palo Alto Municipal Code to Add the Palo Alto Airport to the Duties of the Director of Public Works (First Reading: June 9, 2014 PASSED: 8-0 Scharff absent)."
20. Approval of Amendment No. 8 with Group 4 Architecture, Inc., to Add \$143,339 for a Total Contract Not to Exceed \$8,998,570.
21. Approval of Amendment No. 1 to On-Call Transportation Service Agreement - Contract C13147610 with TJKM Transportation Consultant in the Amount of \$151,000.
22. Rescission of Resolution 9415 and Adoption of Updated Resolution 9437 entitled "Resolution of the Council of the City of Palo Alto Calling a Special Election to Modernize the Telecommunications Provision of the Utility Users Tax Ordinance, Eliminate the Discount Tax Rate for a Small Number of Commercial Customers Who Use Large Volumes of Water, Gas and Electric Utilities and Reduce the Telephone UUT Rate from 5% to 4.75%."

# ACTION MINUTES

23. Resolution 9438 entitled "Resolution of the Council of the City of Palo Alto Calling a Special Election for November 4, 2014 and Submitting to the Electorate a Measure to Amend Article III, Section 2, of the Charter to Change the Number of Council Member Seats from Nine to Seven Commencing January 1, 2019."

**MOTION PASSED for Agenda Item Numbers 3, 5-22: 9-0**

**MOTION PASSED for Agenda Item Numbers 4: 7-2 Holman, Schmid no**

**MOTION PASSED for Agenda Item Numbers 23: 8-1 Scharff no**

## Action Items

24. Approval of One Contract and Two Contract Amendments: (1) Construction Contract with Duininck, Inc. in the Amount of \$8,987,809 for the Palo Alto Golf Course Reconfiguration Project, CIP PG-13003; (2) Change Order No. One with Duininck, Inc. in the Amount of \$265,399, Reflecting Cost Savings; and (3) Amendment No. One to Contract C13148028 with Golf Group, Ltd. in the Amount of \$456,693 for Construction Support and Environmental Mitigation Monitoring Services; Adoption of Two Resolutions: (4) Amending Resolution No. 9296, adopted November 13, 2013, to Extend Statutory Exception for Soil Transfers by Truck on Oregon Expressway until December 31, 2014; and (5) Adopt the Attached Resolution Declaring Intention to Reimburse Expenditures from the Proceeds of Tax-Exempt Obligations (e.g. Certificates of Participation) for Not-To-Exceed Par Amount of \$7 Million to Fund a Portion of the Cost of the Palo Alto Municipal Golf Course Reconfiguration Project; and Adoption of Two Budget Amendment Ordinances: (6) In the Amount of \$2,501,569 for Golf Course Reconfiguration Project PG-13003, Increasing Appropriations From \$8,545,338 to \$11,046,907; and (7) In the Amount of \$324,800 in Revenues and \$324,800 in Expenses to Operate Golf Course During July 1, 2014 – August 31, 2014

**MOTION:** Vice Mayor Kniss moved, seconded by Council Member Klein to:

1. Approve, and conditionally authorize the City Manager or his designee to execute, the attached contract with Duininck, Inc. in the amount of \$8,987,809 for the Palo Alto Municipal Golf Course Reconfiguration Project, Capital Improvement Program Project PG-13003,

# ACTION MINUTES

2. Approve, and authorize the City Manager or his designee to execute, the attached deductive Change Order No. One to the contract with Duininck, Inc. in the amount of \$265,399 to reflect negotiated cost savings measures to be incorporated into the project,
3. Authorize the City Manager or his designee to negotiate and execute one or more additional change orders to the contract with Duininck, Inc. for related, additional but unforeseen, work which may develop during the project, the total value of which shall not exceed \$872,241,
4. Approve, and authorize the City Manager or his designee to execute, Amendment No. One to Contract No. C13148028 with Golf Group, Ltd., in the amount of \$456,693 for construction support and environmental mitigation monitoring services for the Palo Alto Municipal Golf Course Reconfiguration Project (PG-13003). The amendment includes \$344,262 for basic services and \$112,431 for additional services. The revised total contract amount is not to exceed \$1,002,031, including \$779,600 for basic services and \$222,431 for additional services,
5. Adopt the resolution extending an exception to Chapter 10.48 [Trucks and Truck Routes] of the Palo Alto Municipal Code for the limited purpose of allowing the transfer of soil from Stanford University along Oregon Expressway to the Palo Alto Municipal Golf Course and adjacent areas,
6. Adopt the resolution declaring intention to reimburse expenditures from the proceeds of tax-exempt obligations (e.g. Certificates of Participation) for not-to-exceed par amount of \$7 million to fund a portion of the cost of the Palo Alto Municipal Golf Course Reconfiguration Project,
7. Adopt the Budget Amendment Ordinance (BAO) in the amount of \$2,501,569 for the Palo Alto Municipal Golf Course Reconfiguration Project (CIP PG-13003) to increase the total project appropriation from \$8,545,338 to \$11,046,907, and
8. Adopt the Budget Amendment Ordinance (BAO) in the amount of \$324,800 in revenues and \$324,800 in expenses to operate the Golf Course for the two months of FY 2015 (July, 1, 2014 through August 31, 2014) in the event that inability to secure regulatory permits continues to delay the project.

**MOTION PASSED:** 9-0

# ACTION MINUTES

25. PUBLIC HEARING: City Council Review and Consideration of a Proposed Reclassification from a Category 3 Historic Resource to a Category 2 Historic Resource and an Architectural Review Application for the Historic Rehabilitation Project Located at 261 Hamilton Avenue that would Generate 15,000 Square Feet of Transferable Development Rights for Off-Site Development. The Rehabilitation Project Includes Renovations to the Existing Building And Relocation of Floor Area to Make A 5,910 Square Foot Addition at the Rear of the Building. Environmental Assessment: Exempt from the California Environmental Quality Act per Sections 15331 Historical Resource Rehabilitation and 15301 Existing Facilities.

Public Hearing opened at 7:16 P.M.

Public Hearing closed at 7:58 P.M.

**MOTION:** Vice Mayor Kniss moved, seconded by Council Member XX to deny the application but allow the applicant to resubmit after taking into consideration the Council input tonight.

## **MOTION FAILED DUE TO THE LACK OF A SECOND**

**MOTION:** Council Member Scharff moved, seconded by Vice Mayor Kniss to continue this item to a date uncertain.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to incorporate the more restrictive description of "building envelope" as part of the Motion.

**MOTION AS AMENDED PASSED:** 8-1 Price no

26. PUBLIC HEARING: Council Action Regarding an Appeal of the Director of Planning and Community Environment's Decision Approving a Project on an Approximately 17-acre Site in the RP (AS2) Zoning District located at 1451-1601 California Avenue, and Council Approval of a Tentative Map to Subdivide Three Parcels Into 83 Parcels at the Same Site. The Proposal Would Authorize Demolition of Approximately 290,220 Square Feet of Existing R&D/Office Space and Construction of 180 Dwelling Units, Which Includes 68 Detached Single Family Units and 112 Multi-Family Units as Anticipated in the 2005 Mayfield Development Agreement. Environmental Assessment: City of Palo Alto/ Stanford Development Agreement and Lease Project Environmental Impact Report (State Clearinghouse No. 2003082103).

# ACTION MINUTES

Public Hearing opened at 9:31 P.M.

Public Hearing closed at 10:50 P.M.

**MOTION:** Council Member Scharff moved, seconded by Council Member Price to: 1) uphold the Director of Planning and Community Environment's decision to approve the Architectural Review (AR) application for demolition of approximately 290,220 sf of existing R&D/Office Space and construction of 180 dwelling units on a 16.96 acre site located at 1451-1601 California Avenue, as envisioned in the 2005 Mayfield Development Agreement, and 2) approve a Tentative Map to subdivide three existing parcels into 83 parcels to accommodate the proposed development based on the attached (draft) Record of Land Use Action containing Findings and Conditions of Approval as amended to add a sidewalk along Amherst St., and reduce the bulb outs where the streets intersect with California Avenue.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to direct Staff to examine the elimination of parallel parking along the south side of California Avenue from Hanover St. to Amherst St., and to place bike lanes on both sides of California Avenue.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to engage the neighborhood and Safe Routes to School Committee for best safe pathways heading in and out of the project.

**MOTION AS AMENDED PASSED:** 8-0 Klein not participating

Inter-Governmental Legislative Affairs

None

Council Member Questions, Comments and Announcements

Mayor Shepherd reported on her attendance earlier this week at the annual Mayor's Conference held in Dallas, Texas.

ADJOURNMENT: The meeting was adjourned at 11:55 P.M.