



CITY OF PALO ALTO CITY COUNCIL MINUTES

Regular Meeting
August 4, 2014

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

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

Absent: None

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, Melissa Tronquet, Joe Saccio, Molly Stump, Walter Rossmann, 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)
2. 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, Nancy Nagel, Sandra Blanch, Kathy Shen, Melissa Tronquet, Brenna Rowe, Khashayar Alae)
Unrepresented Employee Group: Limited Hourly Employees
Authority: Government Code Section 54957.6(a)

The Council reconvened from the Closed Session at 7:00 P.M. and Mayor Shepherd advised no reportable action.

AGENDA CHANGES, ADDITIONS AND DELETIONS

Mayor Shepherd announced that Staff requested Agenda Item Number 12, regarding 808 Richardson Court, be removed from the Consent Calendar as the parties had reached an agreement. She requested Agenda Item Number

MINUTES

23, regarding the League of Cities voting delegate, be advanced to the first Action Item.

MOTION: Council Member Berman moved, seconded by Council Member Price to move Agenda Item Number 23 forward, to be heard prior to Agenda Item Number 19.

MOTION PASSED: 8-0 Burt absent

Mayor Shepherd requested Oral Communications be heard after the Consent Calendar.

MOTION: Vice Mayor Kniss moved, seconded by Council Member Berman to move Oral Communications forward, to be heard after the Consent Items.

MOTION PASSED: 8-0 Burt absent

CITY MANAGER COMMENTS

James Keene, City Manager, reiterated that the Council's action to remove Agenda Item Number 12 from the Consent Calendar removed the item from the Agenda in total. He noted renovations to the lobby and Council Chambers. The Urban Libraries Council awarded the Palo Alto City Library's makeX: Teen Mobile Makerspace Project an Honorable Mention in the category of Leading Learning. The Twilight Concert Series continued every Saturday evening at 7:00 P.M. at Mitchell Park. The City was accepting applications for the Palo Alto Youth Council through Friday, August 22, 2014. The Fire Department was supporting the effort to fight multiple wildland fires in northern California. The Mitchell Park Library Project received a temporary certificate of occupancy the previous Friday, and Staff would begin stocking the facility. Staff was planning for a September 27, 2014 soft opening of the Mitchell Park Library and expected the new Library and Community Center to open to the public in November 2014.

MINUTES APPROVAL

MOTION: Vice Mayor Kniss moved, seconded by Council Member Berman to approve the minutes of May 12 and May 19, 2014, June 2, 4, and June 9, 2014.

MOTION PASSED: 8-0 Burt absent

CONSENT CALENDAR

Mayor Shepherd announced that Agenda Item Number 12 was removed from the Agenda as the parties had reached an agreement. The appellant submitted a withdrawal of the appeal on Sunday, August 3, 2014, indicating

MINUTES

the parties reached a compromise for the design of the house at 808 Richardson Court. The effect of the appellant's withdrawal was that the Director's decision would remain in effect subject to Staff's review of the revised plans.

MOTION: Council Member Price moved, seconded by Council Member Berman to remove Consent Item Number 12 from the agenda, due to an amicable resolution reached by all parties.

MOTION PASSED: 8-0 Burt absent

Emily Renzel spoke regarding Item Number 4. She supported the City Auditor's excellent Refuse Fund Audit. Some Council Members were pushing Staff to proceed with a very expensive aerobic composting operation which would consume a great deal of energy; would require a swap of the Refuse Fund's valuable Los Altos Treatment Plant property for the compost facility; would require the issuance of a \$10 million bond; would replace a landscaped habitat corridor; and would more than double the processing cost. This made no sense given the sorry state of the Refuse Fund's finances with a negative reserve and a huge Proposition 218 imbalance.

MOTION: Vice Mayor Kniss moved, seconded by Council Member Berman to approve Agenda Item Numbers 3-11, 13-18.

3. Acceptance of the Auditor's Office Quarterly Report as of March 31, 2014.
4. Finance Committee Recommendation to Accept the Audit of the Solid Waste Program.
5. Approval of Carshare Lease Agreement with Zipcar for Ten Parking Spaces Within the Downtown Parking Assessment District.
6. Resolution 9443 entitled "Resolution of the Council of the City of Palo Alto Directing Staff to Utilize the Secretary of State's Randomized Alphabet Drawing for Council Candidates."
7. Ordinance 5251 entitled "Ordinance of the Council of the City of Palo Alto Amending Chapter 2.08 of Title 2 of the Palo Alto Municipal Code to Add Section 2.08.250 Creating a New Department of Development Services (First Reading: June 16, 2014 PASSED: 9-0)."
8. Ordinance 5263 entitled "Ordinance of the Council of the City of Palo Alto Adopting Section 16.14.380 of the Palo Alto Municipal Code Adopting the Local Amendments to the California Green Building Standards Code Requiring that all New Multi-family Residential and

MINUTES

Non-Residential Construction Provide for the Current and Future Installation of Electric Vehicle Chargers (First Reading: June 16, 2014, PASSED: 8-0 Schmid Absent)."

9. Resolution 9444 entitled "Resolution of the Council of the City of Palo Alto in Support of Sustainable Groundwater Management in the San Francisquito Creek Area."
10. Approval of a Contract with Avogadro Group, LLC for a Period of Three Years for Incinerator Emission Testing at the Regional Water Quality Control Plant with Funding for the First Year Approved Not to Exceed Amount of \$85,350 and a Total Contract Amount of \$261,201.
11. Approval of a Three Year Contract with Clean Harbors Environmental Services, Inc. in The Amount of \$379,500 for the First Year for Household Hazardous Waste Management and Emergency Response Services Including \$345,000 for Basic Services and \$34,500 for Additional Services.
12. ~~Affirm Director of Planning and Community Environment's Individual Review Approval of a New Two Story Home located at 808 Richardson Court (4 Votes Needed to Remove from Consent and Schedule for Hearing on Appeal).~~
13. Resolution 9445 entitled "Resolution of the Council of the City of Palo Alto Authorizing the Bay Area Water Supply and Conservation Agency to Initiate, Defend and Settle Arbitration Related to the Water Supply Agreement to Protect Palo Alto's Financial Interests."
14. Budget Amendment Ordinance 5264 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Amount of \$250,000 (To Be Offset by Insurance Proceeds) for Rehabilitation of Property Located at 2257 Bryant Street."
15. Approval of the Public-Private Partnership Agreement Between the City of Palo Alto and TheatreWorks for the Use of the Lucie Stern Community Theatre.
16. Approval of Contracts with Baker & Taylor for Up to Six Years for a Total Amount Not to Exceed \$3 Million for the Purchase of Library Materials and Services, with Ingram for Up to Six Years for a Total Amount Not to Exceed \$550,000 for Print Materials and Services, and with Midwest Tape for Up to Six Years for a Total Amount Not to Exceed \$450,000 for Media and Digital Materials and Services.

MINUTES

17. Approval of a Purchase Order with National Auto Fleet Group in a Not to Exceed Amount of \$432,003 for the Purchase of Twelve Compressed Natural Gas (CNG) Vans (Scheduled Vehicle and Equipment Replacement Capital Improvement Program VR-14000).
18. Resolution 9446 entitled "Resolution of the Council of the City of Palo Alto Establishing Fiscal Year 2014-15 Secured and Unsecured Property Tax Levy for the City of Palo Alto's General Obligation Bond Indebtedness (Measure N)."

MOTION PASSED for AGENDA ITEM NUMBERS 3-11, 13-18: 8-0 Burt absent

ORAL COMMUNICATIONS

Ken Horowitz reported the Page Mill YMCA was scheduled to close on October 1, 2014. He requested the Council use its influence to keep the YMCA open. He provided a letter which addressed his concerns.

Jim Fitz attended a class about Parkinson's Disease at the Page Mill YMCA. Facilities at the YMCA were well maintained. It was a quality facility.

Jessica Roth requested the Council work with the community to save small businesses on California Avenue. She wanted California Avenue zoned for independently owned and operated businesses only.

Harvey Miller felt the Page Mill YMCA was important and valuable to the community. The YMCA provided classes for people with Parkinson's Disease, diabetes, and cancer. He attributed his good health to exercise classes offered by the YMCA.

Debbie Duncan indicated the low-cost Page Mill YMCA had developed a community. Members generously supported the YMCA. Approximately one quarter of members were 65 years of age and older. Members were working to prevent the closure of the YMCA and requested the Council's assistance.

John Keller and his father utilized the Page Mill YMCA to improve and maintain their health. He requested the Council consider assisting with keeping the YMCA open.

John Malloy wanted the Council to know that the Silicon Valley YMCA Board had treated at least 3,000 members of the community in a dismissive manner regarding closure of the Page Mill YMCA. Any assistance the Council could provide would be appreciated.

Paul Doiron believed the sudden announcement of the closure of the Page Mill YMCA was unfair in that it did not give members time to fight the

MINUTES

closure. He appealed to the Council to save the YMCA. Closing the YMCA was wrong.

Marty Smith was surprised by the sense of community at the Page Mill YMCA and the number of long-term members. He hoped the City Council would help keep the YMCA open.

Mark Duncan, speaking for a group of five, recalled the original impetus for developing the Page Mill YMCA. The YMCA served disabled and senior citizens of Palo Alto unlike other athletic facilities that focused on the younger population. The closure of the Page Mill YMCA would be a tremendous loss to the community. Perhaps the Planning and Transportation Commission could determine that the YMCA met the terms of the original mitigated Environmental Impact Report (EIR) better than other options. Perhaps the City could request the Silicon Valley YMCA provide all members of the Page Mill YMCA a weekly update regarding efforts to bring in another organization to operate the facility. The Silicon Valley YMCA could share financial and membership information as well as prior efforts to bring in another managing organization. Any help from the Council would be most appreciated.

Mayor Shepherd reported the Council could not respond to comments made or topics raised during Oral Communications as no notice had been provided to the public.

Eva Zerker credited her continued good health to participating in exercise classes at the YMCA. The YMCA offered many classes that benefited the community.

Janice Sutphin felt the Page Mill YMCA was a special place in the community. Members were willing to donate funds to save the YMCA; however, Silicon Valley YMCA would not allow members to raise funds.

James Keene, City Manager, would meet with Staff to obtain information and discuss possible actions in order to report to the Council.

ACTION ITEMS

23. Designation of Voting Delegate for the League of California Cities Annual 2014 Conference.

MOTION: Council Member Scharff moved, seconded by Mayor Shepherd to delegate Mayor Shepherd as the voting delegate, and Council Member Scharff as the alternate voting delegate.

MINUTES

Mayor Shepherd noted she and Council Member Scharff were the only Council Members registered to attend the conference.

Council Member Schmid inquired whether issues on which delegates would vote would be reported to the Council.

Mayor Shepherd responded yes. That item was tentatively scheduled for Council discussion in a few weeks.

MOTION PASSED: 9-0

19. PUBLIC HEARING: Resolution 9447 entitled "Resolution of the Council of the City of Palo Alto TEFRA Hearing Regarding Conduit Financing for the Stanford Affordable Apartments Project Located at 2450, 2470 and 2500 El Camino Real Palo Alto, and Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority for the Purpose of Financing the Acquisition, Construction and Development of a Multi-Family Rental Housing Facility."

Joe Saccio, Administrative Services Assistant Director, reported the IRS required a hearing in the jurisdiction in which a project would be constructed in order to issue tax-exempt bonds. The project would construct affordable apartments along El Camino Real. Stanford University owned the land and granted a long-term lease to Related Companies of California for the project. The City bore no financial, legal, or moral responsibility for the project.

Public Hearing opened and closed without public comment at 7:49 P.M.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Kniss to adopt the Resolution approving the issuance of bonds by the California Municipal Finance Authority (CMFA) for the benefit of Palo Alto ECR Partners, L.P. (borrower).

MOTION PASSED: 9-0

20. PUBLIC HEARING: Resolution 9448 entitled "Resolution of the Council of the City of Palo Alto Confirming Weed Abatement Report and Ordering Cost of Abatement to be a Special Assessment on the Respective Properties Described Therein (Continued from June 16, 2014)"

Mayor Shepherd reported this was the time and place set for the Public Hearing on a Resolution confirming the County Weed Abatement Report for Palo Alto and ordering costs of abatement to be a special assessment on the respective properties described in the Resolution.

Public Hearing opened and closed without public comment at 7:51 P.M.

MINUTES

MOTION: Council Member Klein moved, seconded by Council Member Berman to adopt the Resolution confirming the report and ordering abatement costs to be a special assessment on the properties specified in the report.

Council Member Scharff noticed some of the same property owners' names appeared on the report each year. He inquired whether there was a process to prevent such recurrences.

Molly Stump, City Attorney, advised that sometimes the Code Enforcement Team worked with a particular property regarding a number of issues. She could not make any representations regarding the totality of the list. The process of the Weed Abatement Report was the current process for removing weeds from private property and billing owners for costs.

MOTION PASSED: 9-0

21. PUBLIC HEARING: Comprehensive Plan Update – Discussion of Alternative Futures & Issues for Consideration in the Environmental Impact Report (EIR “Scoping” Meeting). The City will Prepare a Programmatic Environmental Impact Report (EIR) for the Update of its Comprehensive Plan. Staff will Summarize Input Received at Recent Public Meetings and Invite Comments and Suggestions from the Public and the City Council Regarding the Alternatives and Issues that Should be Included for Analysis in the EIR. (Note: After an initial presentation, comments, and discussion, this public hearing will be proposed for continuance to 7:00 PM on Wednesday, August 6, 2014).

Mayor Shepherd advised that the Council would discuss the public scoping meeting phase of the program level report. Staff was preparing for the environmental impact study of the Comprehensive Plan Update. After the Public Hearing, the Council could 1) direct Staff to prepare an Environmental Impact Report (EIR) analysis based on the four scenarios described in the Staff Report; 2) suggest modifications or refinements to the four scenarios; or 3) request additional information to better define the scenarios. The four alternative concepts would generate changes to the draft policy documents that the Council previously reviewed. The Public Hearing would remain open for the meeting on Wednesday, August 6, 2014. The first round of Council questions would be limited to the four scenarios, with deliberation of the four scenarios occurring on August 6.

Hillary Gitelman, Director of Planning and Community Environment, met with citizens of Palo Alto to discuss their vision for Palo Alto in 2030. Citizens were receptive to analyzing alternative futures for Palo Alto. She introduced Andrew Hill, the Consultant working with Staff from PlaceWorks.

MINUTES

Andrew Hill, PlaceWorks, spoke to the goals accomplished to date on the Comprehensive Plan Update. He reviewed the overview of the Comprehensive Plan Update and recapped the public engagement process. The purpose of the Environmental Impact Review (EIR) was to provide information to the public and decision makers regarding the nature of the Comprehensive Plan Update; to disclose potential impacts of implementing the Comprehensive Plan Update; and to provide details of mitigation measures available to reduce or avoid potential impacts from implementing the Comprehensive Plan. An important part of the EIR process was providing an opportunity for public input. Information as part of the environmental review process was meant to support a decision to adopt the Comprehensive Plan. The EIR process could take approximately 18 months. The process began on May 30, 2014 with the release of the Notice of Preparation (NOP). The NOP set a specific time period in which the City would accept comments regarding the scope and content of the EIR. The scoping period for public agencies closed on June 30, 2014. Analysis of the impacts of the Comprehensive Plan and its alternatives were scheduled to occur between August and December 2014. The Draft EIR would be released at the end of 2014 and would be open for public review in early 2015. Several alternatives would be analyzed in detail, and the public would learn about the advantages and disadvantages of each alternative in order to select a preferred alternative. A full version of the Comprehensive Plan could then be drafted for review. After the Planning and Transportation Commission (PTC) reviewed the draft Comprehensive Plan and issued a recommendation, the Council would review the final EIR and make a decision on adopting the Comprehensive Plan. Because the Comprehensive Plan was a policy document applicable to the entire City, the EIR would be different from the typical EIR for a development project. The information in the Comprehensive Plan EIR would be conceptual. Quantified analysis could be applied to traffic impacts, air quality, and greenhouse gas emissions. Mitigations could be identified and proposed for cumulative impacts. The broad categories for analysis under the California Environmental Quality Act (CEQA) would be the same for a programmatic EIR as a Project EIR. Staff and consultants held three scoping meetings in May and June 2014. The first meeting was held on May 29, 2014 and focused on critical issues. Approximately 40 people attended the meeting. Common themes were quality of life and the unique relationship with Stanford University. Concerns were traffic congestion, public trust, meaningful public engagement, and the high cost of housing. Caltrain electrification and High Speed Rail were considered both threats and opportunities. An online tool allowed the public to prioritize a list of strengths, weaknesses, opportunities, and threats generated at the first public meeting. In addition, online participants could suggest other topics for the list. More than 180 people submitted online responses. The second scoping meeting was held on June 10, 2014 and focused on growth management. In the breakout session of the meeting,

MINUTES

participants were asked to identify areas of the City which should be protected and preserved and which could accommodate some level of change. The first focus area included Downtown and Stanford Shopping Center. The second focus area extended down the El Camino Real corridor. The third focus area was the California Avenue area including the Fry's site. The fourth focus area was Stanford Research Park. The fifth focus area was the East Meadow/Bayshore area. The sixth focus area was south of San Antonio Road to Mountain View. The third scoping meeting focused on alternative futures. Approximately 80 participants provided their visions for development of each of the focus areas over the next 15 years. Staff and consultants provided three broad scenarios to guide the discussion and spur ideas. An online activity mimicked the visioning process of the scoping meeting. The four preliminary scenarios were the result of public outreach. The community clearly indicated a desire to preserve and protect single-family residential neighborhoods in Palo Alto. Staff and consultants requested additional public and Council input to refine the scenarios in order to proceed with drafting an EIR. Concept Number 1, Do Nothing, would be the no project alternative under CEQA and simply meant that the Comprehensive Plan, policies, and zoning would not change. Development would continue to occur under existing policies and would be accommodated under existing zoning. Most likely, the evolution of El Camino Real would continue toward mixed use and growth pressures would continue in the California Avenue area. There would be no major infrastructure improvements. Concept Number 2 would slow growth without making changes in land use designations. The City would adopt and implement a new procedure for metering the pace of office and research and development (R&D) projects. There would be some residential growth, but only to satisfy State requirements. There would be policies to preserve and enhance neighborhood-serving retail and to regulate formula retail. El Camino Real would move towards a residential character; setbacks would increase; and redevelopment would reach the current height limit. Concept Number 3, Slow Growth and Adjusted Location of Housing Sites, differed from Concept Number 2 primarily in the location of housing development. The City would adopt and implement a procedure for metering the pace of office and R&D projects. The South El Camino and South San Antonio housing sites in the current Housing Element would be relocated. Nodes of development close to bus rapid transit stops on El Camino Real would be identified. Housing and development would be concentrated in those nodes. The major infrastructure improvement would involve depressing the Caltrain tracks south of Page Mill Road. Concept Number 4, Net Zero, was an opportunity to test various net zero concepts. For example, change in the East Meadow/Bayshore area would lead to an urban village character. The nodes identified along El Camino Real under Concept Number 3 would also occur. The designation of the Fry's site and some surface parking lots in Research Park would change to mixed use development. Concept Number 4

MINUTES

would allow more redevelopment than any other scenario; however, it was predicated on the assumption that all new development would be required to be net zero in terms of vehicle miles traveled and greenhouse gas emissions. Staff and consultants requested input regarding appropriate performance standards to test in the EIR. If the Council approved, Staff would begin the work of quantifying each scenario for analysis in the EIR.

Ms. Gitelman reported each phase of the Comprehensive Plan Update included opportunities for Council input and direction. At the end of the visioning phase, Staff hoped to receive the Council's approval on possible alternatives to analyze in the EIR. Approximately five months were needed to prepare a Draft EIR. Staff proposed the use of multiple alternatives in order to provide maximum flexibility for the Council to choose among alternatives, to blend elements of alternatives, and to drive the discussion towards adoption of a Comprehensive Plan that reflected the collective vision of the community.

James Keene, City Manager, remarked that Staff was guided by a schedule that was developed with the Council's approval. There was a great deal of focus on the EIR process because of the specific requirements in California to effectuate public decisions. In listening to public comment and reviewing the data, the Council could determine the direction in which the City should proceed. The land use form and the direct lifestyle in residential communities would remain unchanged during the process. The essential discussion would be the form and pace of change within a few, small areas. The Council's role was to ensure public participation was sufficient prior to making a final decision. The Council wanted and Staff committed to strengthen formally the continuous use of the Comprehensive Plan in informing public policy decisions.

Council Member Klein considered the current discussion of the proposed scenarios and process as being high level rather than detailed. However, the scenarios contained some details more relevant to a future discussion.

Ms. Gitelman explained that a scenario could impact policy, the land use map, and infrastructure, all of which had to be analyzed in the EIR. For each scenario, Staff attempted to identify key changes in transportation infrastructure. One included testing improvements related to the County of Santa Clara's (County) expressways. One included testing the idea of depressing Caltrain tracks for a portion of the City. The third included testing the idea of expanded transit.

Council Member Klein asked why each scenario did not contain suggestions along those lines. The scenarios did not include a long list of potential changes. He was unclear as to the type of input the Council and the public

MINUTES

should provide. He inquired whether each scenario had a list of subordinate policies.

Ms. Gitelman attempted to describe the alternatives in the Staff Report at a similar level of detail with the understanding that each would need further definition. Each alternative would probably result in adjustments to policy language. Staff requested Council input regarding additional information it wanted prior to Staff beginning the EIR analysis.

Council Member Klein believed the discussion was more detailed than he originally thought.

Mr. Keene indicated the Council could begin to specify greater detail than originally proposed in order to define additional topics the Council wished Staff to analyze. A large number of topics would impact the ability of Staff to perform the analysis within a specified timeframe. The Council might need to temper its request for details.

Council Member Klein was unsure of the effect of a Council vote. Perhaps by Wednesday, Staff could clarify that. He inquired about other alternatives Staff may have considered but chose not to propose.

Ms. Gitelman reported participants at the scoping meeting proposed nine alternatives with a great deal of commonality. PlaceWorks and Staff condensed those nine alternatives into four. Only a few details contained in the nine alternatives were not included in the four alternatives. One such detail was the undergrounding of Caltrain. Staff felt that detail was too ambitious for a 15-year plan based on City resources. In the four scenarios, Staff attempted to capture a vast majority of ideas from the public meetings.

Council Member Klein asked if Staff had any ideas they chose not to propose.

Ms. Gitelman believed the four scenarios would capture the ideas that would need to be analyzed in the EIR. Some scenarios needed further refinement, and Staff had some ideas about that. The goal was to define a range of alternatives that could bracket a likely outcome to the planning process. Staff felt the four alternatives could do that.

Council Member Klein inquired whether the City would look much the same in 15 years under the first three alternatives.

Ms. Gitelman felt the City Manager was correct in stating the vast majority of the City would look the same. In each alternative, Staff attempted to identify very specific focus areas where change could occur in the next 15

MINUTES

years and to articulate the shades of gray between the alternatives in those limited areas of the City.

Council Member Burt understood the first round of Council discussion would be limited to questions about the process. He did not hear the Mayor state when the Council would comment regarding the process.

Mayor Shepherd explained that the current discussion concerned the scoping portion of the process. The next round would be questions about the scenarios, followed by reviewing and voting on the scenarios.

Council Member Burt clarified that he wanted to know when the Council would discuss the process. The Council should discuss the process rather than assuming it would proceed with one sequence.

Mayor Shepherd indicated Staff was in the process of drafting the EIR. The next phase would be more narrow.

Mr. Keene advised that the Council was asked to restrict its questions to the process as Staff described it. After public comment, the Council had the opportunity to propose changes to the process. The purpose of the meeting was to obtain an understanding of Staff's proposals and of public thoughts. The Council had to decide if or how the process should be adapted.

Council Member Burt remarked that a Council discussion of the process in the current meeting or in Wednesday's meeting would address his concern.

Mr. Keene commented that the schedule for the Comprehensive Plan Update could be achieved only if the Council understood and supported the process.

Council Member Burt questioned the intent of the goal on Page 2 regarding Council direction for beginning EIR analysis and providing specific additional information for refinement of alternative scenarios. There did not appear to be an opportunity for the Council to provide direction regarding significant changes to the scenarios including combinations or reductions of scenarios.

Ms. Gitelman reported Staff's desire was for the Council either to direct Staff to proceed with preparation of the EIR taking into consideration input received during the scoping period and based on the four alternatives with specified modifications and refinements or to identify specific additional information required to proceed. Staff sought Council comments and directions on the alternatives, including modifications and/or additional information the Council needed to better define the alternatives. The ultimate goal was to obtain Council direction to proceed with the EIR analysis.

MINUTES

Council Member Burt could foresee the Council wanting more scenarios, fewer scenarios, and combinations of scenarios, as well as directing Staff to return with substantially different information. All those options would be open for discussion. He inquired how Staff or the consultant determined that the third scoping meeting would define the breadth of community input.

Ms. Gitelman requested Council direction that Staff should obtain additional public input or that the range of input represented by the alternatives was sufficient to proceed with analysis of impacts and benefits. If input was sufficient, then there was an opportunity for refinement after the Draft EIR was available and Staff had considerably more information. If the input was not sufficient, then the Council should examine whether additional concepts for the range of alternatives were needed.

Council Member Burt cautioned that scenarios could be alarming to the community. He questioned whether Staff considered ways to control destiny rather than reacting to market forces. He asked if Staff considered segregating and enacting in the interim some mechanisms that the Council envisioned for the Comprehensive Plan Update. Perhaps that would inform the feasibility of adopting some mechanisms that had not been used previously. He asked if Staff considered a dual-track process.

Ms. Gitelman noted Staff was attempting a dual track process for Planned Community (PC) reform and Residential Permit Parking Programs. Staff was open to Council suggestions of other programs that might merit the same fast track attention. More programs on a fast track would lengthen the time for Staff to return to the Council with other items. Staff understood there was a sense of urgency to update the Comprehensive Plan and proposed a strategy to draft a Comprehensive Plan Update as quickly as possible.

Mr. Keene indicated Staff moved to identify many of the items for fast track.

Council Member Burt remarked that components of the scenarios were intriguing and perhaps warranted discussion in a timely manner.

Council Member Holman was unsure whether baseline policies were contained in the existing Comprehensive Plan or the draft Comprehensive Plan. She inquired about the policies on which the scenarios were based.

Ms. Gitelman explained that both project and programmatic EIRs had to include an existing condition baseline. Staff proposed a baseline of the Do Nothing alternative, which would be the existing Comprehensive Plan without changes.

Council Member Holman asked if Scenario Numbers 2, 3 and 4 would build on the existing Comprehensive Plan.

MINUTES

Ms. Gitelman replied yes.

Council Member Holman noted the presentation differed from the Staff Report in terms of content. Packet Page 662 indicated the scenarios contained high level vision statements that needed additional development. She asked when the Council and public would be exposed to those further developed scenarios in order to provide guidance to the consultants to perform the analysis.

Ms. Gitelman reported that was Staff's question to the Council. The Staff Report contained suggestions of additional data and information which Staff could provide about the alternatives. Staff hoped the Council would support the scenarios at a conceptual level before refining the scenarios. Staff hoped the Council would state additional information it needed before it could support the proposed scenarios or modified versions of the scenarios.

Council Member Holman inquired when data for level of service (LOS) and changes since approval of the Comprehensive Plan would be available.

Ms. Gitelman indicated Staff had been working steadily to collect baseline data and put it in a format to release to the public. That information was critical as well as defining alternatives for analysis in the EIR. Once Staff had the final alternatives prepared and was ready to proceed with the EIR analysis, they could release the baseline data and allow public comment as the EIR analysis was under way. By the end of the year, Staff could vet alternatives with the public and develop alternatives based on significant public input while also vetting and receiving public comment on baseline data.

Council Member Holman asked if some type of agreement regarding baseline data should be reached prior to launching the EIR analysis.

Ms. Gitelman needed the data and wanted to obtain data on that as the EIR analysis began.

Council Member Holman asked when the Council could review zoning to implement the Comprehensive Plan if the Comprehensive Plan was completed by the end of 2015.

Ms. Gitelman stated the Council had to set vision and policy in the Comprehensive Plan prior to implementing that vision and policy. Staff hoped to return to the Council in the next few months with a scope of work for the Fry's site that would follow a dual track. If any zoning changes were needed in the rest of the area, they would have to wait until the Comprehensive Plan was completed.

MINUTES

Council Member Holman felt other pressing situations exacerbated current conditions. She inquired whether Staff would support the Council making changes in the interim.

Ms. Gitelman advised that prioritization and resources determined whether Staff could support interim changes.

Council Member Schmid noted the detailed schedule provided in May 2014 indicated three Council dates, August 4, 2014, March 18, 2015, and November 16, 2015. The schedule was woefully short on Council interaction if ultimately the Council was responsible for approving the Comprehensive Plan. He assumed that by the end of the meeting on August 6, 2014, the Council would determine whether the timing was appropriate to give the Council responsibility for product.

Ms. Gitelman referred to Packet Page 679. It was critical for Staff to obtain Council approval and direction at every step. Staff outlined all the issues and input they expected from the Council throughout the process. Council input could require multiple meetings on different dates than those proposed in March 2014.

Council Member Schmid asked if the Council would discuss the issue in the current discussion or on August 6, 2014.

Mr. Keene indicated the May report was designed to illustrate the key milestones in the EIR component of the process. He expected many opportunities for direct engagement. The Council could identify and make specific requests about those events and the timeline.

Council Member Price remarked that the Council should proceed rather than debate the details of the process. However, the Council needed more information and community input.

Vice Mayor Kniss believed the Council should definitively state it was working with the existing Comprehensive Plan. The existing Comprehensive Plan was very detailed and precise and was the starting point for the Update. Final decisions would not be made in the current discussions.

Public Hearing opened at 9:08 P.M.

Beth Bunnenberg, speaking as an individual, indicated Concept Number 2, slow non-residential growth and modest housing growth, most closely aligned with her vision for Palo Alto. In terms of cultural resources, she recommended retaining the existing historic preservation measures. She called for a CEQA evaluation of the Veterans Building. Moving the Veterans Building could have significant adverse environmental impacts that could not

MINUTES

be mitigated. The building should remain a community meeting space with a plaza and more human-scale buildings nearby.

Kate Downing believed basic community needs could not be met without job growth. Job growth could not occur without office space and employee housing. Without growth, Silicon Valley would cease to exist.

Andy Isaacson could not afford to remain in Palo Alto with rising housing rents. As the demand for jobs and housing grew, supply must also grow.

Robert McGrew felt only millionaires could truly afford housing in Palo Alto. Residents in their 20s and 30s wanted to live in apartments and condominiums and wanted to walk to work and shops. Without additional housing, residents would be forced to move. Additional parking should also be constructed. Taller buildings could be constructed and dedicated to housing.

Iliya Nepomnyastacting favored increased development and housing. Restrictions on development resulted in increased traffic and a decreased sense of community. Development need not affect open space areas and areas of single-family homes.

Zachary Bush reported rising rental rates caused him to move further from his job in Palo Alto, and further increases would cause him to move again and drive to work.

Nick Fohs would have to move away from Palo Alto if his rent increased. He asked the Council to consider proposals to create housing.

Peter Wilczynski felt Council Member Klein's comments were pertinent. Three of the scenarios appeared to be the same. The fourth scenario offered an opportunity for growth. These did not change the character of Palo Alto but did open Palo Alto to younger workers.

Ari Geshner was saddened that the lack of office space in Palo Alto forced dynamic businesses to move to San Francisco. He urged the Council to proceed with plans that allowed growth.

Robert Moss believed Scenario Number 1 was the most logical. Scenario Number 4 was not feasible, because the City could not require the implied changes in behavior. When reviewing new development, the Council should consider traffic, parking, and the cost of supporting new development. He did not agree with increasing the height limit beyond 50 feet. The Council should also consider the impact of new development on schools.

MINUTES

Jason Ma supported more housing in Palo Alto. Young professionals preferred to live near their workplaces. Increased housing development could occur in Downtown and the California Avenue area.

William Macrae believed the four scenarios were similar and precluded the amount of development. He encouraged the Council to consider other plans that added more development.

Tom DuBois indicated there was a disconnect between the community and the PTC in that the PTC seemed to reject community input. The Council should obtain additional community input. The City should select a scenario and modify the current Comprehensive Plan to support the scenario. Perhaps a scenario could focus on improving the quality of life for residents. The Council should accept changes to remove completed and outdated programs from the Comprehensive Plan and then begin community outreach regarding controversial issues.

Andrew Ash advised that growth was inevitable. The question was how the Council reacted to growth. The scenarios should include a scenario for high growth with an increased height limit.

Mehdi Alhassani stated a total of 167 new housing units per year was not sufficient and created detrimental effects. He concurred with new housing and commercial developments in the areas of Downtown and California Avenue. If planned and built correctly, additional housing in denser areas could reduce traffic. Legacy housing policies, including the height limit, were not sustainable for the long term.

Olya Krasnykh encouraged the Council to review scenarios that would create more growth in Palo Alto. The Net Zero alternative should be discussed in greater detail. Net zero could result in no development, because every development could fail to meet the net zero goal. Scenario Number 3 most closely aligned with her vision of Palo Alto by creating pockets of smart growth.

John Guislin urged the Council to replace in Section T-41 of the Transportation Element the use of medians to reduce traffic speed, which was omitted from the updated version. Continuing to consider development before infrastructure would result in additional traffic, pollution, and parking. The Comprehensive Plan Update must have consequences for ignoring provisions of the Comprehensive Plan.

Catherine Palter, Stanford University Director of Land Use and Environmental Planning, advised that the Council should instruct Staff to provide specific information for further discussion prior to beginning the EIR so that the EIR would: 1) analyze appropriately defined alternatives that reflected a

MINUTES

reasonable range of Comprehensive Plan options; 2) analyze an alternative that responsibly planned to accommodate the City's share of projected regional job and housing growth through 2030 and did not artificially depress such growth through annual caps and unrealistic net zero concepts; and 3) analyze use of 27 University Avenue to support transit growth and accessibility to the key transit area along with potential for other appropriate uses. The Comprehensive Plan Update EIR should study a responsibly planned, transit-oriented action alternative that would clearly allow the City to accommodate its appropriate share of job and housing growth projected for the region for 2030. Such an alternative was likely to show great environmental impacts before mitigation than would Scenario Numbers 2, 3, and 4.

Michael Griffin wished to combine components of all four scenarios into one scenario. He preferred a scenario that would slow the pace of development while depressing Caltrain tracks below grade. Development of Transportation Demand Management (TDM) Programs, offsite parking, and Residential Parking Permit Programs were not included in any scenario. Some of these items might be placed in a specific plan that focused on particular neighborhoods or topics.

Dan Garber reported the population of Santa Clara County was expected to increase by nearly 150,000 by 2025. Traffic projections of regional growth dwarfed the impacts of any large projects being proposed or currently being built. Dramatically increasing the density of Downtown in an uncontrolled manner was not a panacea, nor was no growth or slow growth.

Shani Kleinhaus, Audubon Society and Sierra Club, requested no mixed use or residential development east, north, and Bayside of Highway 101. As an individual, she felt Scenario Number 4 was unclear as to how it would allow more growth and requested it be removed as an alternative. The concept of net zero should be applied as a mitigation for any alternative.

Sandra Slater envisioned Palo Alto as a safe, inspiring, accessible, human-centric, and healthy City. The Council should plan for a Palo Alto that encouraged commercial development and increased affordable housing near transportation. She encouraged the Council to develop an integrated and robust transportation system that utilized and encouraged all forms of transportation.

David Coale agreed with the net zero concepts in Scenario Number 4, because Scenario Number 4 was the most sustainable plan for growth and was consistent with State law. This was an opportunity to move forward with a livable, sustainable City and a higher quality of life.

MINUTES

Adina Levin, Friends of Caltrain, advised that State law was moving away from level of service; therefore, the main CEQA metric would most likely be vehicle miles traveled per capita. Vision Zero was not a policy but could be used as a vision overlay of scenarios. Vision Zero could be used to increase the mix of uses to decrease vehicle trips.

Elaine Uang hoped the Downtown and California Avenue areas remained socially vibrant and intellectually stimulating in 2030. She hoped El Camino Real would become a pedestrian mall that was safe, beautiful, and filled with interesting activities. She hoped her children had access to safe and convenient transportation options.

Neilson Buchanan felt the City could move from the stasis by engaging in a creative scenario planning process. Younger adults requested relief from housing costs. If there was a way to decrease rental and housing prices, then that scenario should be explored. More scenario planning should occur prior to consideration of adopting a new Comprehensive Plan.

Sea Reddy wanted to retain the current Comprehensive Plan. Transportation issues could be resolved by studying transportation in other cities.

Monica Yeung Arima indicated parking was a prime issue. A study found that neighborhood parking was 100 percent occupied during the week. The Comprehensive Plan should address parking. She supported high density and affordable housing. High rise buildings could accommodate that.

Stephanie Munoz recalled Council Member Klein's presentation regarding the transformation of Palo Alto from a model town. Zero growth was a good idea, because the City had too much office space. Stanford University needed to supply housing for its workers.

Council Member Klein noted Ms. Munoz did not accurately describe his presentation.

Doria Summa suggested the Council remain up-to-date with the Housing Element as required by law and make only minor changes to the existing Comprehensive Plan. The scenarios did not fully represent the wishes of residents, and were vague and premature. The Council should protect the residential experience for all residents.

Tim Gray stated the Council should begin with an inventory of housing opportunities provided by the existing Comprehensive Plan. Increased density provided new value to real property. That new value should be returned to the community rather than gifted to the landowner. New offices which created jobs should be responsible for creating new housing. New housing should designate funds for schools and infrastructure.

MINUTES

Council Member Scharff inquired whether the next of round of Council comment was limited to questions regarding the scenarios.

Mayor Shepherd responded yes. The discussion Wednesday, August 6, would be more narrow.

Council Member Scharff wished for the meeting to end by 11:00 P.M.

Council Member Berman was skeptical of the Council's ability to narrow any points.

Mayor Shepherd inquired whether the Council wished to continue questions to the meeting on Wednesday.

MOTION: Council Member Price moved, seconded by Council Member Berman to continue the Public Hearing to 7:00 P.M. on Wednesday, August 6, 2014.

MOTION PASSED: 9-0

22. Resolution 9449 entitled "Resolution of the Council of the City of Palo Alto Implementing Outdoor Water Use Restrictions in Compliance with the State Water Resources Control Board's July 15, 2014 Emergency Drought Regulations."

Debra Lloyd, Utilities Compliance Manager, reported Staff was working on a proposal for enforcement of Regulations. Staff would not propose a revenue raising program through enforcement. Palo Alto obtained 100 percent of its potable drinking water from the San Francisco Public Utilities Commission's (SFPUC) regional water system. While the Governor called for a 20 percent statewide water usage reduction early in 2014, SFPUC requested a 10 percent voluntary reduction. The Santa Clara Valley Water District (District) called for a 20 percent reduction. Palo Alto was one of two cities within the District that achieved the highest water usage reduction since February 2014. Recently, the State adopted emergency water use restrictions while SFPUC continued to request a 10 percent voluntary reduction. The Utilities Department increased communications and conservation programs. The community responded with a 17 percent reduction in water use compared to 2013 usage. City facilities had reduced water use by 26 percent. Rebates for landscaping water use efficiency had doubled. Service use reports helped customers analyze water use; and educational materials helped customers identify water saving actions. On July 15, 2014, the State Water Resources Control Board (Board) adopted emergency water use regulations which applied to all individuals and urban water suppliers. Beginning July 28, 2014, individuals were expected to cease watering outdoor landscape; washing vehicles and outdoor driveways and sidewalks; and using potable

MINUTES

water in a fountain or decorative water feature. The prohibitions did not apply to use of recycled water. In addition, exceptions were available for health and safety needs. Failure to abide by restrictions could result in fines to individuals of up to \$500 per day. Urban water suppliers were required to activate water shortage contingency plans to a level that implemented mandatory restrictions on irrigation and to provide monthly reports of water use to the Board. Water agencies that failed to comply with the Board's order were subject to penalties of up to \$10,000 per day. Restrictions in the Municipal Code mirrored two of the State's restrictions regarding runoff and hoses and contained additional restrictions not mandated by the State. The City's Municipal Code and the 2010 Urban Water Management Plan contemplated mandatory reductions from the SFPUC, which would trigger a Council declaration of a local water shortage emergency. The declaration would then trigger reenactment of further water use restrictions contained within the Municipal Code. Because the City was not facing a local water shortage emergency, Staff proposed a modified program that complied with the States' emergency regulations while maintaining the Council's discretion to respond to local conditions. Proposed actions were responsive to the irrigation restriction requirement and adopted the additional restrictions on individuals' water use. Staff proposed increased enforcement of existing water use restrictions contained in the Municipal Code and the addition of three restrictions for the duration of the State's emergency regulations. Staff proposed limiting irrigation of landscapes to the hours before 10:00 A.M. and after 6:00 P.M. with exceptions for drop irrigation, soaker hoses, and hand watering; prohibiting the application of potable water to driveways and sidewalks; requiring recirculating systems if potable water was used in a decorative feature. These restrictions did not apply to the use of recycled water.

Vice Mayor Kniss inquired about ornamental landscape.

Ms. Lloyd replied that lawns, shrubs, and trees were ornamental landscape. She presumed a vegetable or edible garden was accepted. If the Council adopted the proposed Resolution, Staff would continue outreach and conservation programs and create an interdepartmental drought team. Utilities Staff was working with the City Attorney's office to determine whether additional actions and authorizations were required for enforcement. The Board required monthly reports beginning in August 2014; however, it had not provided a report template. Staff was cataloging reports of water waste and tracked water supplies and sales. Staff recommended the Council adopt a Resolution implementing outdoor water use restrictions in compliance with the Board's July 15, 2014 Emergency Drought Regulations.

MINUTES

Brian Schmidt, Santa Clara Valley Water District Board Vice Chair, supported Staff's recommendation and urged the Council to adopt the Resolution. The Resolution could help the City use even less water. Santa Clara County attained 12 percent water use reduction; however, it needed to reach 20 percent. The Board voted to hire five to ten water waste inspectors, who would identify and educate residents who wasted water.

Stephanie Munoz advised that water users paid for improvements in the use of water. A water leak could result in a large water bill.

Council Member Price noted costs of enforcement would be covered by Water Fund Reserves. She assumed Water Fund Reserves were adequate to fund enforcement costs. She inquired whether additional staffing for enforcement would remain in place as long as needed.

Valerie Fong, Utilities Director, explained that costs could include additional staffing or overtime.

MOTION: Council Member Holman moved, seconded by Council Member Schmid to adopt the Resolution implementing outdoor water use restrictions in compliance with the State Water Resources Control Board's July 15, 2014 emergency drought regulations.

Council Member Holman felt adopting the approaches was reasonable and rational.

Council Member Schmid asked if Staff found any substantial discrepancies by type of users, in other words, were some users reducing water usage more than others.

Ms. Fong indicated the 17 percent was a community reduction amount.

Council Member Schmid stated another round could be helpful to encourage those users who were not conserving as much as other users.

Mayor Shepherd understood experts were not aware whether the drought would abate. However, there were concerns that the drought would be prolonged. Additional water reductions could be necessary.

MOTION PASSED: 9-0

COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

MOTION: Council Member Scharff moved, seconded by Mayor Shepherd to direct Staff to agendize a discussion of the current Palo Alto Page Mill YMCA proposed closing.

MINUTES

MOTION: Council Member Holman moved, seconded by Council Member Schmid to direct Staff to agendize an Action Item regarding the City Hall remodel occurring on the first, second, and mezzanine levels. The report should include respective costs, better clarity of the project, outcomes, project components, if all contracts have been awarded, with this being brought back to Council as soon as possible.

James Keene, City Manager, inquired whether the item could be an information report.

Council Member Holman wanted an Action Item.

Council Member Berman believed Council Member Holman did not want to reevaluate the contract, but rather to have a robust discussion of the renovations.

Mr. Keene understood Council Member Holman's concerns and would return with information.

Council Member Price attended a planning meeting in Beit Shean, Israel, regarding parking, setbacks, site plan, traffic, landscape, and buffering.

Council Member Berman gave the graduation speech to the Youth Community Service Summer of Service Program the previous Friday. Participants worked daily with the homeless and elderly and environmental and healthcare issues.

ADJOURNMENT: The meeting was adjourned at 10:52 P.M.