



# CITY OF PALO ALTO CITY COUNCIL MINUTES

Special Meeting  
August 6, 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, Price, Scharff, Schmid, Shepherd

Absent: Kniss

## CLOSED SESSION

### 1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - GOAL SETTING

Title: City Auditor

Authority: Government Code Section 54957 (b)

The City Council returned from the Closed Session at 7:10 P.M.

## ACTION ITEMS

2. 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 (Continued from August 4, 2014)

Public Hearing reopened at 7:10 P.M.

Steve Downing favored growth in Palo Alto. Generally, zoning plans were hostile towards new residents of Palo Alto. He was interested in smart, substantive expansion.

Vicky indicated finding affordable housing in Palo Alto was more difficult than finding a job. By doing nothing to solve the housing problem, the Council effectively priced out and excluded the next generation from Palo Alto.

Katie Myers could not afford to live in Palo Alto once she and her husband had children. She supported growth for Palo Alto.

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Mark Weiss suggested the City build a park in the Ventura neighborhood should land become available. The Council should think about rent control.

Cory Wolbach believed traffic congestion and lack of housing had similar root causes. Working collaboratively, the City might find policy solutions to address those issues simultaneously. The Council should carefully discuss locations for additional small- to mid-size housing units. The planning process needed radical reform, and community input and needs should be the center of the process.

Joe Hirsch supported and urged the Council to adopt Scenario 2. Commercial development, particularly high-density commercial development, should cease. Residents wanted to slow the rate of development.

Public Hearing closed at 7:25 P.M.

Council Member Klein expressed concern about obtaining significant involvement of citizens from all segments of the community. It was not clear whether the 70 participants who attended the third meeting were different or the same as those who attended the first two meetings. Staff did not provide a breakdown of the meeting participants. Meeting attendance did not reach his goal of significant citizen participation from all segments of the community. He requested Staff comment on methods for better outreach. He was not persuaded that planners should handle outreach.

James Keene, City Manager, continued to review different approaches for outreach. Staff could return with a discussion of how to accelerate outreach. Once the Council selected an alternative for the Environmental Impact Report (EIR) and began reviewing the Comprehensive Plan, public engagement would have to expand. The potential to engage people would increase as the Council developed specificity for choices and alternatives. Whether Staff was reaching more of the same people as opposed to a wider audience was a legitimate question. Staff would expand participation in the next phase. Staff owed the Council additional data and some ability to discuss expansion of outreach.

Council Member Schmid inquired whether Mayor Shepherd sought questions or comments from Council Members.

Mayor Shepherd requested Council Members ask questions regarding the scenarios. Following that, Council Members could make comments, take action, and make motions.

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Council Member Price favored Scenario 4. There was a lengthy discussion of Scenario 4 and performance measures for issues such as traffic, water utilization, and environmental impact. She requested Staff in the next iteration provide more examples of appropriate performance measures that could lead to meaningful results at the level of a program EIR. She inquired whether Staff had examples, other than the City of Santa Monica, where performance measures had been successful at the program EIR level or a specific plan level. She inquired whether Staff could differentiate between additional performance measures and a mitigation monitoring plan.

Hillary Gitelman explained that each of the scenarios used a somewhat different approach to manage growth. The first scenario used an absolute cap. In the other scenarios, Staff attempted to alternate schemes to manage the pace of growth. Scenarios 2 and 3 proposed an annual limit on nonresidential property, basically office and research and development (R&D) space. Staff did not specify a cap for growth, but expected to work with the Council to choose a growth rate based on historic trend data. The growth rate could be different for the two scenarios or it could be the same. In Scenario 4, Staff proposed a performance-based approach rather than a cap or an annual limit. The Council would create a set of performance standards to which any new development would adhere, thereby avoiding some of the impacts that people associated with growth. For example, Staff would attempt to create a performance measure to address potential traffic impacts associated with growth. People did not object to and experience growth per se but rather the impact of growth. Staff owed the Council not only examples of performance measures from other jurisdictions, but also more finite proposals for performance metrics. Staff could review other jurisdictions that used performance-based planning in a variety of contexts and work with the Council to develop real measures and mechanisms to ensure Scenario 4 was a viable concept for evaluation.

Council Member Price believed an understanding of performance-based measures could be used not only in planning but also in smart growth and sustainability efforts to lead to a more informed discussion.

Council Member Scharff shared Council Member Klein's concerns regarding significant citizen participation. He inquired whether Staff could continue to obtain citizen participation while beginning the EIR process.

Mr. Keene replied absolutely. It would be easier to involve the community as specific and detailed proposals were made. The possibilities would become more concrete and tangible.

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Ms. Gitelman learned that the community was hungry for information and data prior to making decisions. Analysis in the context of an EIR would generate information regarding a range of ideas that would allow informed input and participation early in 2015. That input would directly inform the Comprehensive Plan Update. The community would have more information about potential impacts and benefits and could compare concepts. People could engage in a completely different way.

Council Member Scharff asked if Staff could include additional scenarios in the discussion after analysis began.

Ms. Gitelman indicated the process could be modified and adapted once it began; however, at a certain point, it would be difficult to add a radical new idea. Staff suggested a range of scenarios in an attempt to bracket potential outcomes. Scenario 4 was the high end and Scenario 2 the low end of the spectrum. In Scenario 4, Staff would test a scenario of growth consistent with regional growth projections while managing growth through a performance-based system. Hopefully any radical changes during the process would fall within the range.

Council Member Scharff felt Scenario 4 had many problems. There were many potential obstacles to implementing it. Scenario 4 felt like the Planned Community (PC) process. Scenario 4 did not provide predictable outcomes or allow the community to expect outcomes. An amorphous scenario would erode the community's trust. He inquired whether Scenario 4 would have the negative aspects of a PC Zone.

Mr. Keene advised that the intent of Scenario 4 made it very different from the PC process. Criteria would be very clear as to performance standards and zero impact requirements that must be met for a development project to proceed. The rules would be very clear. He personally believed Scenario 4 would be restrictive for the most part. Staff would also include sufficient no-impact measures. Staff and some meeting participants felt there needed to be a growth scenario. A better case for a no-growth scenario could be made through reviewing a growth scenario. Staff also felt they should consider mitigation of potential growth by including performance standards aligned with Palo Alto's values. The intention was to have a growth scenario that allowed the City to have clear control of impacts.

Ms. Gitelman hoped to obtain Council comments and direction to proceed with some of the EIR analysis. Staff recognized that they would need to return to the Council regarding two issues. One was a discussion of performance measures for Scenario 4. The other was an annual growth limit for Scenarios 2 and 3.

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Mr. Keene added that the impact of an annual cap could not be studied without setting a specific cap. Staff could not proceed with the detailed phase of analysis until the Council set an annual cap.

Council Member Scharff inquired about the length of the analysis process.

Ms. Gitelman answered five months according to the current schedule.

Council Member Scharff asked about the effect of obtaining additional community input on the length of the analysis process.

Ms. Gitelman indicated delaying the analysis process a month to further deliberate would simply move the end of the process a month.

Council Member Scharff inquired about advantages to beginning analysis while obtaining additional input and whether scenarios could be modified once analysis began.

Ms. Gitelman could begin analysis of Scenarios 1, 2 and 3 while obtaining additional outreach and information for Scenario 4. Hopefully Scenario 4 would catch up in the analysis process after discussion of performance measures.

Mr. Keene noted Staff would need Council direction regarding a cap for Scenarios 2 and 3. Staff could present data and options and the Council could obtain community input and set a cap in the current meeting. Alternatively, Staff could identify and obtain more input regarding Scenarios 2 and 3.

Council Member Scharff wanted Staff to obtain community input regarding a cap. Analysis did not have to begin immediately.

Council Member Burt recalled his question from the August 4, 2014 meeting regarding Staff's rationale that input from three meetings was sufficient to bracket the scenarios for a consequential document. He asked if Staff wished to provide further comment.

Ms. Gitelman would be happy to provide the Council with metrics regarding meeting participants. The Council was aware Staff solicited interest in and selected participants for a Leadership Group. The focus of the group would be community engagement. The Council received significant input from renters and young people, which were two groups the Council requested Staff target. The Leadership Group committed to meet with Staff on a monthly basis to help shape engagement strategies.

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Council Member Burt clarified that his question focused on engagement regarding the scenarios for EIR scoping. Staff was correctly identifying engagement for the Comprehensive Plan review and visioning processes. He asked what led Staff to think that the public engagement in those first meetings was adequate to identify the range of scenarios that should be scoped.

Ms. Gitelman believed if Staff selected alternatives that represented a range of possible outcomes, then they should be able to incorporate input and ideas about the Comprehensive Plan and alternatives in the future. The type of input obtained early with broad concepts was different from the input obtained when data and analysis supported concepts. Staff wanted to begin the EIR process to obtain that type of information.

Mr. Keene remarked that if the process needed to be adjusted or modified, then the Council should do that. In a community-wide outreach effort, it was extremely difficult to generate a range of ideas and get those accepted and focused. It was easier to provide options to which the community could react. He questioned whether the Council wanted Staff to conduct outreach on the four scenarios prior to the Council agreeing to those four scenarios.

Council Member Burt reiterated that the issue was whether the four scenarios were the correct range to study. The Leadership Group would not have any role in creating community input for alternative scenarios under the EIR scoping. It would only be a public engagement process for the next phase concerning the Comprehensive Plan itself. He did not believe community input regarding the scenarios was adequate to limit scoping to the four scenarios.

Ms. Gitelman noted the early discussion of the goals of community engagement for the process was not about scenarios. The goal for community engagement in the Comprehensive Plan Update process was a Plan that expressed the collective vision of the community. The Leadership Group would help Staff make that experience and that feeling occur. The Leadership Group's engagement was focused on that goal. It was possible to achieve that goal and to have scenarios based on the level of input that had occurred thus far. At the August 4, 2014 meeting, someone inquired about scenarios that were suggested but not included in the range. The only other scenarios would include more growth than in Scenario 4. No ideas were considered and rejected.

Council Member Burt hypothesized a scenario of all types of housing in the mixed-use area east of Highway 101. That would be different growth rather than more or less growth. He could imagine a number of different

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scenarios; although, he probably would not necessarily support all of them. The notion that Staff created a range for amounts of growth did not necessarily identify whether the range included the correct types and locations of growth.

Ms. Gitelman agreed that the discussion focused on the amount of growth. The scenarios did include the location of growth. Location of growth was the only difference between Scenarios 2 and 3. Scenario 4 was defined to include residential development on the other side of Highway 101. The scenarios would provide a test of locations for growth. There could be other ideas Staff did not include, but Staff attempted to include a range of location choices.

Council Member Burt felt the range was broader than that proposed by Staff. There were a number of alternatives for location and type of growth. He had not seen a focus on commercial growth. He was unsure whether the scenarios had fleshed out ranges of alternatives for the location, type, and amount of growth. He expressed concern that Staff was not setting the proper context for community discussions. The 1998 Comprehensive Plan was developed with extensive community discussions over several years and was based primarily on New Urbanism values. Staff did not resurrect that discussion in the community. He requested Staff comment on whether a foundational discussion in the community based upon the existing Comprehensive Plan was needed in order to launch a meaningful discussion regarding alternatives.

Ms. Gitelman reported Staff would have proposed an in-depth community engagement process around values and concepts if Staff had not been working on the Comprehensive Plan Update for several years. Staff believed they could begin the EIR process and simultaneously discuss policy issues. It was challenging to think about alternatives at the same time as a collective vision. The community was accustomed to assimilating data and using that data to make decisions. The community could follow the dual-track process and finish with a collective vision that expressed values from the existing Comprehensive Plan and reflected the principles of sustainability.

Mr. Keene remarked that the ability to converse and be knowledgeable about the Comprehensive Plan as an expression of the community was not routine. He did not view the update process as eliminating the qualities of New Urbanism embedded in the existing Comprehensive Plan. The EIR portion of the process could focus on management of growth and identification of environmental impacts, and then be followed by a granular discussion of form, design, and quality.

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Council Member Burt felt the community should not discuss the amount of growth without having the context of whether changes would enhance or degrade the quality of life. The community did not have that context for the conversation. The scenarios concerned mostly amount of growth. He had been raising the context question for two years and each time was told the City did not have the time and resources to invest in that.

Ms. Gitelman hoped to provide the community and Council with the effects of different types and locations of growth on the quality of life of people who lived and worked in Palo Alto. Staff felt the community would not be satisfied with a high-level analysis. The community would want a detailed, quantified analysis akin to that in a program-level EIR. Staff needed to start the analysis in order to provide answers about impacts of ideas on the City's quality of life.

Council Member Holman referred to the map in the presentation which showed Research Park and the east side of Highway 101 as the same color. She inquired whether both were considered opportunity sites.

Ms. Gitelman explained that each of one of the numbered areas was a focus area. Focus areas were identified in the workshop as locations where change could occur under the scenarios.

Council Member Holman asked if there were focus areas on the east side of Highway 101.

Ms. Gitelman replied yes. Under Scenarios 1, 2, and 3, that area would remain the same. That area was zoned for nonresidential use and was largely built out. In Scenario 4, that area could include some residential uses.

Council Member Holman recalled that the Council directed Staff to review the process used to create the South of Forest Area (SOFA) and determine if any components could be utilized in the Comprehensive Plan Update. She inquired whether Staff reviewed the SOFA process and what they learned.

Ms. Gitelman addressed that in the Staff Report regarding formation of the Leadership Group. Community input from the scoping meetings indicated a real interest in specific planning for geographic areas. The Comprehensive Plan Update could set the tone for specific planning in geographic areas. Once the visioning process was complete, Staff wanted to discuss specific planning in critical areas of the City.

Council Member Holman was concerned that the Leadership Group was an outreach group and not modeled after the SOFA group. She inquired



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whether Staff could complete plans for California Avenue and East Meadow, the Residential Parking Permit (RPP) Program, Transportation Demand Management (TDM) Programs, and the business registry in six-month and one-year timeframes. The City initiated the Comprehensive Plan Update to develop the two Area Concept Plans and to incorporate sustainability. In the current schedule, the EIR process would be complete at the end of 2015.

Ms. Gitelman believed the ongoing initiatives were critically important and was working to bring them to the Council expeditiously. Each Area Concept Plan would require an EIR before the Council could adopt them. Once the two plans were adopted, then Staff would need to begin analysis of the remainder of the City. It was easier to review the overall vision for the City including those two areas than to repeat the process for the two areas and the remainder of the City.

Mr. Keene reported that the ideas component of Our Palo Alto was an ongoing community engagement. The plan component was the truncated plan to recognize and understand the foundational issues that guided growth. In order to manage growth, more definition was needed. To adjust zoning, analysis was needed to provide better information regarding impacts. Staff was driving to complete all those initiatives within a year to reduce impacts. If data was accurate, then community discussion could resemble that of the SOFA process.

Council Member Berman asked when the Comprehensive Plan Update began.

Mr. Keene answered in approximately 2006.

Council Member Berman inquired about Council direction in 2006 regarding the process for revising the Comprehensive Plan.

Mr. Keene indicated in 2006 the Council directed Staff to focus on East Meadow and California Avenue. Subsequently, the Planning and Transportation Commission (PTC) began work. The Comprehensive Plan in effect at that time had a horizon of 1998 to 2010. All cities wrestled with Comprehensive Plans needing revision.

Council Member Berman did not feel the Council was advancing the Comprehensive Plan Update. Earlier in the year, the Council did not promulgate goals for community engagement. Staff had done a good job of attempting to engage the community. He understood concerns regarding Scenario 4. He inquired whether elements of Scenario 4 could be combined with elements of other scenarios to create more scenarios.

Ms. Gitelman answered yes.

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Council Member Berman asked if elements of Scenario 4 could be utilized in other scenarios if the Council chose not to study Scenario 4.

Ms. Gitelman responded yes. Some of those ideas could arise from policy or mitigation measures. Scenario 4 was a compelling means to consider an alternative that was consistent with regional growth projections.

Council Member Berman remarked that it was unlikely the Council could take advantage of elements from Scenario 4 if it was not studied.

Mr. Keene suggested Staff could analyze Scenario 4 with the performance-based measures in order to collect sufficient data to impose some sort of cap within measures.

Council Member Klein asked if there was an agreed definition of quality of life. The term was used often; however, not everyone defined it the same.

Ms. Gitelman commented that the Council should discuss the scenarios as well as the issues to be considered in the EIR. Staff had to provide sufficient analysis of all ideas so that people could find the data they needed to evaluate quality of life as they defined it.

Mayor Shepherd noticed more and more service workers lived farther away from Palo Alto since the Comprehensive Plan was adopted. She inquired whether that could be measured in the EIR.

Ms. Gitelman advised that Staff would analyze population and housing impacts. Staff would be challenged to perform a textured analysis of that environmental impact topic.

Mayor Shepherd did not know if the Council was allowed to enact a local Density Bonus Law for teachers and first responders, but wanted to know what privilege the Council had to enact those types of entitlements. She assumed that as scenarios were fleshed out, they would become integrated in the current draft of the Housing Element. She asked if the Council could incorporate elements of one scenario into another scenario.

Ms. Gitelman indicated the Council could mix and match elements of scenarios. As the Council received more input from the community, it would want that flexibility.

Mayor Shepherd asked if the analysis would determine the impacts of trenching Caltrain tracks rather than the feasibility of trenching the tracks.

Ms. Gitelman remarked that trenching was an expensive improvement that would have significant construction and traffic impacts. However, Staff

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thought there were sufficient operational merits to include trenching in one scenario.

Mayor Shepherd understood that if growth scenarios were included in a Comprehensive Plan, they would create new Code that would change property entitlements. She wanted to know how that could be accomplished.

Ms. Gitelman explained that the first step in any examination of growth was a policy-level discussion. A community would grapple with those issues in a Comprehensive Plan, and then set an agenda for more specific changes in regulations or zoning to implement the vision.

Mayor Shepherd suggested that would be discussed once the impacts of the scenarios on the current draft Comprehensive Plan were determined.

Ms. Gitelman reported many participants at the third scoping meeting favored slow growth. They focused on slowing the pace of nonresidential and residential growth. Staff influenced the discussion with a memorandum regarding growth management strategies implemented in other communities. Scenario 2 was crafted to slow nonresidential growth through an annual limit and residential growth through policy direction.

Mayor Shepherd asked if Staff would determine the impact of relocating housing on schools.

Ms. Gitelman would review the impacts on schools in the EIR.

Mayor Shepherd stated that once the scenarios were analyzed, the Council would be able to review real models for policy and growth.

Council took a break at 8:50 P.M. and reconvened at 9:07 P.M.

Council Member Schmid remarked that more specific data improved the process and better information led to better results. The National Citizen Survey clearly indicated four items with low percentages of approval: traffic, parking, land use, and quality of new development. These were longstanding community problems, and the Comprehensive Plan should address them. The City had an opportunity to review alternatives in the beginning and to explore the consequences of those alternatives. The focus should be on setting measures and identifying measures that could be tracked over time. Under the goal of one parking space for every 250 square feet of nonresidential space, the City should have 12,600 parking places in Downtown. In actuality, Downtown contained 4,800 parking spaces, and the Downtown extended area contained 8,800 spaces in on-

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street parking. The City utilized Level of Service (LOS) as a measure of traffic; however, the State would no longer utilize that measure. The Institute of Traffic Engineers indicated origin to destination time surveys should be utilized to determine quality of life. One survey of parking in Downtown reported 5 percent of workers utilized transit, while another survey reported 48 percent of workers utilized transit. He was skeptical about allowing a consultant to make decisions without Council control. If the Council was responsible for the Comprehensive Plan, then the consultant should return to the Council with data selections for a public discussion. The planning process did not mention a critical choice of economics. The value of commercial property was monetized immediately. The value of residential property was monetized when the property was sold. Many mitigations of growth were paid through the General Fund; however, the majority of revenue for the General Fund was provided by residents. Data such as number of owner occupied units and rental units and families moving into Palo Alto should be included. Before a detailed EIR was written, Staff should return with concrete data measuring scenarios and impacts of scenarios in order to hold an open discussion. Thereafter, Staff would have no difficulty obtaining public input.

Council Member Burt inquired whether Council comments were limited to the scoping process.

Mayor Shepherd indicated the direction was to review Staff's report.

Council Member Klein stated Council discussion was governed by the Agenda.

Molly Stump, City Attorney, understood the Mayor organized the meeting to provide an initial round of questions so that all Council Members had an opportunity to ask questions before any Motion was made. The item was open and bounded by the Council Agenda. Council Members could pursue any direction that seemed appropriate.

Council Member Burt interpreted the Agenda item to be limited to the EIR.

Ms. Gitelman reported Staff's recommendation was for the Council to direct Staff either to proceed with preparation of the EIR or to identify specific additional information required to further define the scenarios prior to initiating an analysis of potential impacts.

Council Member Burt believed it would be premature to begin the EIR scoping process. Considerations were outlined in the at-places letter from Staff. The Council would not serve the community well by considering a vision in the context of near-term problems. Traffic and parking and a few

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other issues were part of a long-term vision for the City. He wished he could offer better alternatives with a combination of near-term measures that addressed current problems. The Council had discussed whether to return to an update of the Comprehensive Plan rather than a rewrite. Returning to an update would accelerate the Comprehensive Plan approval process, but would not address zoning issues. Updating the Zoning Ordinance could require another four years once the Comprehensive Plan Update was complete. He was leaning toward a focused approach on zoning changes that could occur in a matter of months as opposed to a rewrite of the Comprehensive Plan. Focusing on zoning changes would influence the Council's decision on EIR scoping.

Council Member Holman felt the proposed scenarios were not well vetted, were not clear, and did not provide clear direction to the consultant. The vision behind the scenarios was not clear. The Council was attempting to accomplish too much too fast. The Comprehensive Plan Update began with two modest updates. She had always been skeptical about the process. She was concerned that the City was losing opportunities while the Update process was underway. She could not imagine preparing EIRs for the two Concept Area Plans would require as much time as obtaining public input for a full-scale EIR. She would not support development on the east side of Highway 101. The Council should act on those items it could comprehend.

Council Member Klein did not want the Council to move onto a tangent that could jeopardize Palo Alto's success. He preferred to focus on initiatives that addressed current problems. In 2006, the Council began a program to update the Comprehensive Plan. At that time, there was consensus that the Comprehensive Plan needed some revision. The City did not need a dramatic revision of the Comprehensive Plan. There were a variety of voices in the community, and the Council had not heard from all of them. Staff needed to identify methods to hear from the various segments of the population. The Council did not yet have good data regarding number of drivers passing through Palo Alto versus driving around Palo Alto. Both of those categories would be difficult to regulate. A broad rewrite of the Comprehensive Plan needed better constraints. Staff had not proposed all possible scenarios. The amount and pace of growth in Palo Alto had been an issue almost since the community was founded.

Ms. Gitelman commented that some Council Members recognized that Scenario 2 was the existing Comprehensive Plan with an annual growth limit. Existing zoning and land use designations would not change. The Comprehensive Plan would be largely the same. If the Council chose to pursue only that scenario, then Staff would have to analyze the cumulative impacts of growth during the lifetime of the Comprehensive Plan. The fact

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that the date of the Comprehensive Plan would change to 2030 necessitated the type of analysis Staff would perform in the EIR. The Council had to define what Staff would analyze in the EIR. Staff suggested the City take advantage of the EIR to review a range of scenarios. If the Council chose to focus on Scenario 2, then the same schedule would result.

Council Member Holman asked what a five-year plan would entail.

Ms. Gitelman felt the community wanted a cumulative impact analysis. Whether a five-year, ten-year or fifteen-year analysis, it was a substantial undertaking. It would take a great deal of creativity to develop a mitigation regime to address impacts. She could not guarantee a shorter update would mean a lesser process.

Council Member Scharff found the process frustrating. While the community and the Council wanted a cumulative impact analysis, they also wanted to solve problems quickly. The Comprehensive Plan Update should proceed in the next few months; however, it did not feel ready for analysis. He would not support Scenario 4. Staff argued in support of collecting data for Scenario 4. An argument that inclusion of Scenario 4 was good EIR planning was different from an argument that the Council might adopt Scenario 4. The Council needed better data and a plan to solve problems now. He was unclear as to the options the Council had without updating the Comprehensive Plan. Staff should review the resources they needed to complete initiatives and proceed with the Comprehensive Plan Update in a way that engaged the community and provided required scenarios.

**MOTION:** Council Member Scharff moved, seconded by Council Member Schmid to direct Staff to return to Council with: 1) revised scoping scenarios for the Comprehensive Plan to include revised data input from Council; and 2) a plan to address current parking, traffic, and density issues in a reasonably short period of time.

Council Member Scharff wanted a plan to solve immediate problems and a long-term plan for a defensible EIR to proceed with the Comprehensive Plan Update. Staff needed to determine whether they needed additional resources to address those challenges.

Council Member Schmid believed the current Comprehensive Plan resulted in some real surprises. The existing Comprehensive Plan should be reviewed for provisions that were exploited to undermine the intentions of the 1998 Comprehensive Plan. Continuing the Comprehensive Plan Update process would allow examination of alternatives to address issues.

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Mr. Keene interpreted Council Member Scharff's comments as a preference to move away from the Comprehensive Plan process and toward a list of near-term items. However, the Motion seemed to direct Staff to continue with the Comprehensive Plan Update process. None of this appeared to work toward the goal of short-term triage issues not on Staff's existing list.

Council Member Scharff understood Ms. Gitelman to indicate the Council should continue with the Comprehensive Plan Update while prioritizing other issues.

Mayor Shepherd requested Staff provide the status of TDM and RPP Programs.

Ms. Gitelman reported Staff prioritized near-term initiatives as actions under the Our Palo Alto framework. Staff was working on an RPP Program intensively with a group of stakeholders with the intention of meeting the Council's expectation to review and approve an implementation plan by the end of 2014. Staff was working on retaining the services of a consultant for a TDM Program, and Council approval of a consultant contract was scheduled on the Consent Calendar the following week. The consultant would begin the process of convening people who would be involved in a Transportation Management Association (TMA). Staff presented Phase 1 of a shuttle expansion program and would return in September 2014 with Phase 2 for Council analysis. Satellite parking was on the PTC's Agenda the following week.

Mr. Keene was hearing a desire to put aside the Comprehensive Plan Update for now and to refocus on TDM, satellite parking, PC timeout, shuttles, RPP, garages, deployment of new technology, expansion of bike/pedestrian plans, and some zoning changes. Public input was not clear whether those items were making a difference. Some minor tweaking of zoning could provide a high return; however, the Council needed to state what those tweaks should be.

## **MOTION WITHDRAWN BY THE MAKER**

Council Member Price would support continuing with alternatives, scoping, and input. Additional input could be provided as a program EIR proceeded. The timing of projects mentioned by the City Manager would fold into the timeline of the Comprehensive Plan Update. The proposed alternatives were reasonable as a beginning point. Staff should study all of them. Smart and strategic growth in commercial space, jobs, and housing was needed if Palo Alto was to remain competitive in the global community.

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**MOTION:** Council Member Price moved, seconded by Mayor Shepherd to direct Staff to: 1) proceed with the preparation of the Environmental Impact Report (EIR) analysis, taking into consideration input received during the scoping period and based on the four conceptual alternatives with specified modifications and refinements that have been requested by the Council; and 2) return to Council with the data on the historic growth of the City within 30 days.

Mayor Shepherd requested Council Member Schmid comment on data regarding square footage.

Council Member Schmid noted the City had a Development Cap for the Downtown area and for the City as a whole. There were no numbers regarding what had been built or what current zoning would allow.

Mayor Shepherd asked if Staff could provide that information.

Ms. Gitelman expected the Council would want data on historic growth from 1989 based on the concept of an annual growth limit.

Mayor Shepherd inquired whether the data would indicate square footage of each nonresidential building and growth.

Ms. Gitelman could present historic growth data to allow an informed discussion of an annual growth rate for Scenarios 2 and 3 and to provide context for Scenario 4.

Mayor Shepherd believed measurements in the existing Comprehensive Plan were outdated and allowed developers to follow their own vision rather than the community's vision. Details and consequences were needed to change zoning to support the community's vision. Analysis of the scenarios would allow the Council to determine changes for the Comprehensive Plan. She inquired whether the Council could develop specific plans once the final draft was released.

Ms. Gitelman explained that typically a jurisdiction would adopt a general plan and then pursue a specific plan as part of the implementation strategy. Staff was working a parallel track for the Fry's site.

Mayor Shepherd recalled that the Draft EIR would be released for public review in December 2014. The Council could direct Staff to stop work at many points in the process. She could agree to delete analysis of Scenario 4; however, she was intrigued by some of the components of Scenario 4.



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Council Member Berman inquired about consequences of not updating the Comprehensive Plan.

Ms. Gitelman advised that the Council could do that for a period of time. As the end date of 2010 receded, the Council's land use decision making ability could be impaired or challenged.

Council Member Berman asked if there could be legal vulnerabilities.

Ms. Gitelman replied yes. In general, the State advised local jurisdictions to update Comprehensive Plans every ten years.

Council Member Berman did not understand the apprehension about the proposed scenarios. He questioned whether the scenarios were sufficiently broad. Council Members had not commented regarding changing the scenarios. Current policies made it impossible for Palo Alto to be an inclusive and diverse community. As people were priced out of the housing market, more workers would commute into Palo Alto which created greenhouse gas emissions and traffic and parking issues. Quality of life should be an important consideration in Council decisions.

**SUBSTITUTE MOTION:** Council Member Klein moved, seconded by Council Member Burt to continue this item and to direct Staff to return as soon as possible with: 1) a menu and present a work plan for studies underway with respect to traffic, parking, and zoning for Council review; 2) suggestions on a revised breadth and scope of the Comprehensive Plan update; 3) baseline data regarding environmental issues to be considered in the Environmental Impact Report (EIR); and 4) Staff to schedule a study session for Council to consider options for potential changes to the commercial portions of the Zoning Code and Zoning Map.

Mayor Shepherd requested clarification of data.

Council Member Klein indicated Staff should determine the data.

Mayor Shepherd requested Staff comment regarding data.

Mr. Keene would need more direction and clarity. A revised scoping process provided some flexibility for Staff to divine modifications the Council and public could want. Identifying which data to pursue was different from using data to identify the scope of alternatives for consideration.

Ms. Gitelman had trouble understanding the data component, because some Council Members talked about data that could only be generated from the impact analysis. She questioned whether Staff should lower the priority of

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other issues while developing a strategic plan for parking and traffic initiatives and redoing all information prepared for the current discussion. She inquired whether the Council was asking Staff to describe the projects on which they were currently working.

Council Member Klein responded yes.

Mayor Shepherd asked if Council Member Klein wanted the same type of data as Council Member Schmid requested.

Council Member Klein answered yes. He was deliberately not being specific regarding data. Given the range of comments and uncertainties, analysis was premature. The Comprehensive Plan Update could require a great deal of work, resulting in a delay of other projects that the Council wanted to complete in a short time period. The Council would decide the priority of projects. Given the wide variety of opinions from Staff and the Council regarding the scenarios, the Council needed further clarification.

Council Member Burt stated the Council should discuss data needed when the item returned rather than giving direction at the current time. He suggested the Substitute Motion state "... continue this item. Direct Staff to return as soon as possible with: 1) a menu and work plan for studies underway with respect to traffic, parking, and zoning for Council review; 2) direction on revised breadth and timing of the Comprehensive Plan Update including direction on the EIR scoping process and additional data required."

Council Member Klein wanted to retain the phrase "taking into account comments heard from Council tonight."

Council Member Burt suggested adding "3) review of potential changes to the Zoning Code and Zoning Map."

Council Member Klein believed that would be a major work assignment for Staff.

Council Member Burt explained it would initiate discussion.

Council Member Klein felt zoning changes were included in "studies underway for traffic, parking, and zoning for Council review."

Council Member Burt disagreed.

Mr. Keene interpreted the Substitute Motion as Staff would return with a menu and present a work plan. That would be relatively simple. Number 2 appeared to be a Council discussion of the breadth and scope of the Comprehensive Plan. If Number 2 was direction to Staff, the information

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was not sufficient. Number 3 concerned a gap between studies and mitigations outside the Comprehensive Plan. That could be a huge undertaking.

Council Member Klein proposed "Staff would return with a proposal for review of potential changes in the Zoning Code and Zoning Map."

Council Member Burt asked on what Staff would base a proposal without the Council having discussed it.

Council Member Klein asked on what the Council would base its discussion.

Council Member Burt answered some of the Council's concepts. The Council could provide conceptual direction to Staff, who would return with details.

Council Member Klein commented that that was not the usual process. The Council usually worked from Staff input. The proposed language did not contain Staff input.

Council Member Burt wanted to try to accomplish a discussion around the topic.

Council Member Klein concurred with holding a discussion but wanted some framework for the discussion. Staff's role was to provide framework.

Council Member Burt offered "Staff to return with a framework of options."

Ms. Gitelman indicated that would be a significant body of work that could require six months.

Council Member Burt stated the Council could give more narrow guidance regarding Zoning Code changes that Staff could refine and present to the Council at a subsequent meeting.

Council Member Klein felt the language was not a six-month assignment. Staff should provide a framework of options from which the Council could choose.

Council Member Burt advised that the discussion could be focused rather than open-ended. The language should indicate that the Council would hold a discussion and provide narrow direction to Staff.

Council Member Klein was not agreeable to the proposed language. He asked what information would be contained in the packet for public comment.

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Council Member Burt clarified that the Council would not have decisive action at the meeting. The Council would give Staff direction, and Staff would return at future meeting for a full public discussion.

Council Member Klein was concerned that the public would not know the Council's intentions.

Mayor Shepherd inquired about the purpose of the discussion.

Council Member Burt wanted to discuss changes to the Zoning Code and Zoning Map, in particular certain areas of commercial development and potential reduction of zoning incentives for that development.

Council Member Klein wanted to leave the language as it was and add "commercial portions of the Zoning Code and Zoning Map."

Council Member Burt explained that the Substitute Motion was not asking Staff to prepare a comprehensive recommendation.

Ms. Gitelman was troubled by the scope of the Substitute Motion. She inquired whether the Council sought a Study Session to discuss their own strategies or ideas for changes to the Code.

Council Member Burt recommended Number 3 be changed to "return as a Study Session."

Council Member Klein would accept a Study Session; however, he wanted Staff input as to the topics for discussion.

Ms. Gitelman did not know what the Substitute Motion was directing Staff to do. The Council directed Staff to provide an Ordinance regarding setbacks on El Camino Real.

Council Member Burt wanted a discussion of adjustments to the Zoning Code with potential adjustments to Floor Area Ratios (FAR) as one area.

Ms. Gitelman reported Staff could not prepare that amount of information in a short time.

Council Member Klein suggested language of "Staff to schedule a Study Session for Council to consider options for potential changes to the commercial portions of the Zoning Code and Zoning Map."

Council Member Burt accepted the language. He inquired whether Staff could return with information in September 2014.

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Mr. Keene noted the Substitute Motion contained a combination of Staff returning with specific information and the Council holding a discussion. He inquired whether Staff should provide options for a revised breadth and scope with more advanced, robust, relevant data.

Council Member Burt's intention was not to seek additional Staff work, but to continue the item.

Council Member Klein would replace "direction" with "Staff suggestions."

Council Member Burt asked what the suggestions would cover.

Council Member Klein clarified that Staff would suggest a revised breadth and scope of the Comprehensive Plan accompanied by more robust, relevant data taking into account the Council's comments.

Council Member Burt inquired whether Staff would provide data at that time or the Council would provide direction on the data it sought.

Council Member Klein had no opinion on that point. He was attempting to respond to Council Members' request for more data.

Council Member Burt believed the Council should provide better guidance on the data it sought and have concurrence regarding data. The Council would determine any additional data it needed to proceed with the Comprehensive Plan revision.

Council Member Schmid asked if Staff would provide a list of types of data that was available and that would be relevant to Council questions. The Council could then choose which data was appropriate.

Council Member Klein proposed language of "Staff suggestions for a revised breadth and scope ... ."

Mr. Keene suggested separating that into two items; "revised breadth and scope; list of the type of data necessary for informing the Comprehensive Plan."

Council Member Burt asked where "and taking into account comments heard from Council" should be placed in the Substitute Motion.

Council Member Klein indicated it would be Number 4.

Mayor Shepherd requested the City Attorney comment on the appropriateness of the discussion in relation to the Agenda item.

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Ms. Gitelman reported Staff had been working on baseline data sections of the EIR. Within 30 days, Staff could release those sections. It would consist of data regarding existing conditions in each subject area of an EIR as well as a summary of the regulatory regime affecting each subject area. Rather than drafting a list of data that could be provided, Staff could release that baseline data.

Council Member Burt requested assistance with wording "menu for consideration of data."

Ms. Gitelman offered "baseline data regarding environmental issues to be considered in the EIR."

Council Member Klein deleted Number 4.

Mayor Shepherd reiterated her request to the City Attorney.

Ms. Stump reported the Council could provide direction to set future Agendas.

Mayor Shepherd inquired whether the data would be critical prior to proceeding with the Comprehensive Plan Update.

Council Member Klein replied yes.

Mayor Shepherd asked if Council Members Burt or Klein wished to provide additional direction regarding potential items for a fast track.

Council Member Burt responded no.

Ms. Gitelman was confused by Number 2, suggestions on a revised breadth and scope of the Comprehensive Plan Update. The Council received Staff's suggestions in the current discussion and had a number of concerns. She requested specificity as to information Staff should provide.

Council Member Klein was deliberately vague in the language. If Staff did not have any suggestions, then they should state they wanted to leave it as is and the Council could struggle with Staff's proposals.

Mr. Keene recommended the Council have a great deal of tolerance for Staff's interpretation of alternative breadths and scopes or time periods. The Council could decide to work with the Zoning Map and have a different schedule for the Comprehensive Plan.

Council Member Klein concurred.

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Council Member Burt anticipated Staff would think more about this. The Council and community could determine if there was greater clarity on how to proceed.

Council Member Holman suggested Number 2 of the Substitute Motion limit the Comprehensive Plan Update to the two study areas and any zoning changes. She interpreted Number 4 in terms of what the Council could change in commercial zoning. She inquired about the Council's options for changing commercial zoning.

Ms. Stump could provide better advice and counsel regarding procedures required to pursue changes if the Council could articulate specific ideas. Providing an entire survey of all possible options and applicable procedures was not feasible. If the Council sought a substantive conversation about timelines and procedures required for various options, then the Council should articulate ideas as early as possible.

Council Member Holman requested clarification of Staff actions in response to Number 4.

Ms. Gitelman would place a Study Session on the Agenda with little Staff preparation. It would be a brainstorming session for the Council. After that session, Staff would return with information.

Mr. Keene remarked that changes the Council might make could have many obstacles. Staff did not wish to conjecture in public about things that might have many implications without the Council clearly directing Staff regarding specific information.

Council Member Holman recalled a Colleagues' Memorandum regarding ground-floor retail protections in Downtown. During the California Avenue conversations, there was some indication that Staff was considering greater ground floor protections in that area. She asked if Staff would consider that as part of the present work plan and return with that information.

Ms. Gitelman advised that ground floor retail protections were in place for California Avenue and Downtown. Broadening those protections was not currently in Staff's work plan. Staff did not include a review of formula retail restrictions in their work plan.

Mr. Keene felt ground-floor retail protections would fall under Option 4.

Council Member Scharff clarified that protections were supposed to be part of the Downtown CAP Study, and Staff was to return with broader Downtown retail protections.

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Ms. Gitelman indicated the Downtown CAP Study was on Staff's work plan.

Council Member Holman requested Staff include California Avenue protections with the Downtown CAP Study. If California Avenue protections were part of Number 4, they could occur much slower.

Mr. Keene noted formula retail zoning was not in the direction to Staff. If protections for California Avenue were not contained in the work plan, then they could fall under Number 4.

Council Member Holman recommended Staff become involved in adjacent communities' EIR processes. Zoning rather than the Comprehensive Plan was out of date. Frequently the public commented that projects did not have to be consistent with the Comprehensive Plan. She inquired whether projects had to be consistent with the Comprehensive Plan.

Ms. Stump reported the City utilized two defenses to a lawsuit claiming that the Council approved a project that was not consistent with the Comprehensive Plan. The first defense was that an approved project was consistent with the Comprehensive Plan, because of the City's policy to approve projects consistent with the Comprehensive Plan. Someone who did not favor the project could find some element of the Comprehensive Plan that was in tension with the project. No doubt the Council considered that, harmonized the various provisions as required by law, and passed a project consistent with the Comprehensive Plan. The second defense was the City was not legally required to have consistency, because the City was a Charter City. The City had a good record of approving projects consistent with the Comprehensive Plan.

Council Member Holman reiterated that the City was not required to follow the Comprehensive Plan; however, she asked if the City should follow the Comprehensive Plan.

Ms. Stump advised that consistency with the Comprehensive Plan was the conduct of the City.

Mr. Keene explained that as a Charter City, the City of Palo Alto did not have a requirement to be consistent. The City had the freedom to set standards higher than those imposed by the State.

Ms. Stump clarified that the legal defense allowed the City to state that a Judge should not second guess the Council's determination that the project was consistent with the Comprehensive Plan. If the Council was interested in not asserting the defense, it should be discussed in another forum.



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Council Member Schmid asked if Staff was collecting baseline data and if there would be anything further. He was concerned that there were ranges of options for survey data, traffic data, and parking data. The Council should determine which options were most appropriate to measure changes and impacts of changes.

Ms. Gitelman advised that Staff grappled with how to characterize traffic conditions given the State was moving away from LOS. Staff included travel time estimates along a few routes, vehicle miles traveled, and other metrics. The Council would want to add things to these data sets, but Staff attempted to gather data that would be necessary to conduct a defensible EIR analysis.

Council Member Schmid inquired whether baseline data would consider the addition of 2 million square feet of nonresidential space in the Palo Alto sphere of influence.

Ms. Gitelman reported baseline data would not provide an analysis of impacts or a look forward. Staff could provide data regarding historic growth trends in the City and a characterization of existing development including pipeline projects.

Council Member Schmid remarked that the new Stanford Hospital and the business park would have a tremendous impact. He asked if Staff would be explicit in the data.

Ms. Gitelman would provide the baseline data gathered in the last several months.

**SUBSTITUTE MOTION PASSED:** 7-1 Price no, Kniss absent

ADJOURNMENT: The meeting was adjourned at 11:17 P.M.