



CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting
December 15, 2014

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:36 P.M.

Present: Berman, Burt, Holman, Klein arrived at 5:41, Kniss, Price, Scharff, Schmid, Shepherd

Absent:

Special Orders of the Day

1. Proclamation for Waverley Writers.
2. Adoption of Three Resolutions of the Council Expressing Appreciation to: Resolution 9477 entitled "Resolution of the Council of the City of Palo Alto for Arthur Keller for His Service on the Planning and Transportation Commission," Resolution 9478 entitled "Resolution of the Council of the City of Palo Alto to Lee Lippert for His Service on the Architectural Review Board," and Resolution 9479 entitled "Resolution of the Council of the City of Palo Alto to Clare Malone-Prichard for Her Service on the Architectural Review Board."

MOTION: Council Member Burt moved, seconded by Council Member Holman to adopt the Resolution expressing appreciation to Arthur Keller for his service on the Planning and Transportation Commission.

MOTION PASSED: 9-0

MOTION: Council Member Price moved, seconded by Mayor Shepherd to adopt the Resolution expressing appreciation to Lee Lippert for his service on the Architectural Review Board.

MOTION PASSED: 9-0

ACTION MINUTES

MOTION: Council Member Klein moved, seconded by Mayor Shepherd to adopt the Resolution expressing appreciation to Clare Malone-Prichard for her service on the Architectural Review Board.

MOTION PASSED: 9-0

Agenda Changes, Additions and Deletions

MOTION: Council Member Holman moved, seconded by Council Member Burt to continue Agenda Item Number 22 to a date uncertain.

Consent Calendar

MOTION: Council Member Schmid moved, seconded by Council Member Holman, third by Council Member XXX to pull Agenda Item Number 13, to be heard at a later date.

MOTION FAILED DUE TO THE LACK OF A THIRD

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

Council Member Schmid registered a no vote on Agenda Item Number 13.

3. Resolution 9480 entitled "Resolution of the Council of the City of Palo Alto Approving and Authorizing the City Manager to Execute a Meter Maintenance Program Agreement with the Northern California Power Agency for a Five Year Term with an Anticipated Total Cost of \$45,000."
4. Approve a Contract with Goodland Landscape Construction, Inc. in the Amount of \$4,441,520.11; Authorize the City Manager or his Designee to Negotiate and Execute One or More Change Orders to the Contract with Goodland Landscape Construction, Inc., Not to Exceed \$444,151; Approve a Contract with NOVA Partners, Inc. in the Amount of \$319,880 for Construction Management Services; and Adopt a Budget Amendment Ordinance 5292 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Total Amount of \$1,343,047 to increase the El Camino Park Restoration Project by \$1,343,047, offset by a \$246,000 transfer from the Park Development Impact Fee Fund, a \$45,000 reduction to the Bicycle and Pedestrian Transportation Projects capital project, and a reduction to the Infrastructure Reserve (IR) by \$1,052,047."

ACTION MINUTES

5. Grant of Easements to Santa Clara Valley Water District, Pacific Gas and Electric Company, City of East Palo Alto and East Palo Alto Sanitary District for the San Francisquito Creek Joint Powers Authority's (JPA) Initial Flood Protection Project (Highway 101 to San Francisco Bay).
6. Approval of Amendment One to Contract with Tandem Creative, Inc. to Extend the Contract Term Through December 31, 2016 and to Increase the Total Compensation by \$220,000 from \$198,000 for a Total Not to Exceed Amount of \$418,000 to Provide Marketing Design Services for the Utilities Department.
7. Approval of a Final Subdivision Map for the Previously Approved Mayfield Agreement Housing Project at 1451-1601 California Avenue, Including 68 Detached Single Family Residences and 112 Multi-family Condo Units. Environmental Assessment: City of Palo Alto/Stanford Development Agreement and Lease Project Environmental Impact Report (State Clearinghouse No. 2003082103).
8. Approve a Blanket Purchase Order with Oldcastle Precast, Inc., as the City's New Standardized Supplier of Certain Equipment for the Utility's Electric Underground System, in an Annual Amount of \$350,000 for a Total Purchase Amount of \$1,750,000 Over the Next 4.5 Years.
9. Approval of a Contract Amendment to CompuCom Systems, Inc., in the Amounts of \$194,470 for Annual Microsoft Licensing True-Up, \$70,147 for Office365, and \$27,000 for a contract contingency - Contract C12144913; and Adoption of a Budget Amendment Ordinance 5293 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Information Technology Fund in the Amount of \$291,617."
10. 2755 El Camino Real Prescreening Request: Request by Hayes Group Architects for Council Authorization to Schedule a City Council Preliminary Review ("Pre-Screening") of a proposed Rezoning from PF (Public Facility) to CC2 (Community Commercial) and amendment to the Comprehensive Plan land use designation for a vacant site at the corner of El Camino Real and Page Mill Road (the vacated VTA parking lot).
11. Ordinance 5294 entitled "Ordinance of the Council of the City of Palo Alto Establishing a Citywide Framework for Establishment of

ACTION MINUTES

Neighborhood-Specific Residential Preferential Parking (RPP) Districts (First Reading: December 2, 2014 PASSED: 9-0)."

12. Recommendation from Policy and Services Committee: (a) Review and Accept Inventory of Donated City Owned Properties; (b) Review and Make No Changes to Policy and Procedure 1-11 (Leased Use of City Land/Facilities).
13. Review of a Proposed Conditional Use Permit (CUP) for a Verizon Wireless Telecommunication Facility at the Palo Alto Little League Ball Field, Zoned R-1 (8000), and an Appeal of the Director's Architectural Review Approval of the Facility, an 18-inch Diameter, 65-foot tall Monopole/Light Pole Replacing a 12-inch Diameter, 60-foot Tall Light Pole, and Associated At-Grade Equipment Enclosure at 3672 Middlefield Road and Approval of CEQA Exemption.
14. Park Improvement Ordinance 5295 entitled "Park Improvement Ordinance of the Council of the City of Palo Alto Approving and Adopting a Plan for Improvements to Bowden Park."
15. Proposed Changes in Development Impact Fees: Adoption of Ordinance Amending Chapter 16.58 Implementing New Public Safety Facility and General Government Facility Impact Fees And Direction to Draft Resolution Setting Initial Impact Fee Rates at 75 Percent of Levels Identified in Nexus Study
16. Resolution 9481 entitled "Resolution of the Council of the City of Palo Alto Amending Resolution No. 9296, Adopted November 13, 2012, to Extend Statutory Exception for Soil Transfers by Truck on Oregon Expressway until September 30, 2015."
17. Request for Authorization to Increase Existing Legal Services Agreements with the Law Firms of: (1) Ginn & Crosby, LLP, by an Additional \$50,000 for Legal Services Relating to Construction of the Mitchell Park Library and Community Center for a Total Not to Exceed Amount of \$250,000; and (2) Musick Peeler & Garrett, LLP, by an Additional \$20,000 for Palo Alto Baylands Golf Course Reconfiguration Project and the San Francisquito Creek Flood Control Project for a total Not to Exceed Amount of \$85,000.

ACTION MINUTES

18. Adoption of First Amendment to the Lease with ADA's Café and to Modify the Term and Add \$79,655 to Reimburse Tenant for Expenses Related to Completion of Mitchell Park Library and Community Center.

MOTION PASSED for Agenda Item Numbers 3-12, 14-18: 9-0

MOTION PASSED for Agenda Item Number 13: 8-1 Schmid no

Action Items

19. PUBLIC HEARING: Approval of a New Fifty (50) Year Lease to Avenidas for City owned Property at 450 Bryant Street to Allow the Continued Use of the Building to Provide Senior Services.

MOTION: Mayor Shepherd moved, seconded by Vice Mayor Kniss to authorize the City Manager to approve a new, fifty (50) year lease agreement between the City of Palo Alto and Avenidas and cancel the existing lease for the City owned property at 450 Bryant Street, Palo Alto.

MOTION PASSED: 9-0

20. Palo Alto Historical Museum's Request for Funding and Approval of Transfer of Development Rights for the Roth Building.

Council Member Berman recused himself due to ownership of property that might be a receiver of the Transfer of Development Rights.

Mayor Shepherd advised she would not be participating in Agenda Item Number 20 due to property her husband owns within the area.

MOTION: Council Member Burt moved, seconded by Vice Mayor Kniss to direct Staff to initiate designating 300 Homer Street, known as the Roth Building, to be eligible as a "Sender Site" in the Transfer of Development Rights (TDR) Program.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to set a minimum of not less than \$200 per square foot for the TDR's.

MOTION AS AMENDED PASSED: 6-1-2 Klein no, Berman, Shepherd not participating

ACTION MINUTES

MOTION: Council Member Burt moved, seconded by Vice Mayor Kniss to make a one-time contribution of up to one million (\$1,000,000) toward the cost of rehabilitation of the back wall including the seismic rehabilitation of the City owned Roth Building located at 300 Homer Avenue, in conformance with historic standards.

MOTION PASSED: 6-1-2 Klein no, Berman, Shepherd not participating

MOTION: Council Member Burt moved, seconded by Vice Mayor Kniss to direct Staff to defer consideration of Staff Recommendation Number 3: Issue a funding challenge where Palo Alto Historic Museum (PAHM) would solicit private matching donations if the City offered an additional \$1.65 million toward the project cost.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff to return with potential funding sources that would be within FY 2016 Capital Improvement Program, and to add that Staff is to also provide an update on the TDR sale, and update on the status of history museum fund raising.

MOTION AS AMENDED PASSED: 7-0 Berman, Shepherd not participating

MOTION: Council Member Burt moved, seconded by Council Member Schmid to pull Agenda Item Number 22, to be continued until after the first of 2015.

MOTION FAILED: 4-5 – go back and review video

21. Approval of the Proposed Grocery Store Tenant (College Terrace Market) Within PC 5069 (College Terrace Centre) Based on the Finding that the Proposed Grocery Tenant Would Likely be Comparable in Quality of Products and Services as JJ&F as it Existed and Operated on December 7, 2009 at 2180 El Camino Real.

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

1. Approve the grocery store tenant of the development at 2180 El Camino Real, finding that the proposed tenant is likely to be comparable in quality of products and service to the former JJ&F Market as it existed and operated on December 7, 2009; and

ACTION MINUTES

2. Authorize the City Manager or designee to execute the Restrictive Covenant (Attachment C) to ensure the continued viability of the grocery store community benefit.

INCORPORATED INTO THE MOTION BY THE CONSENT OF THE MAKER AND SECONDER that the penalty described in paragraph Number 2 of the Covenant be appropriately indexed for inflation on an annual basis, the precise language to be determined by the City Attorney.

AMENDMENT: Council Member Schmid moved, seconded by Council member XXX for the Applicant to keep the incentive terms of the PC Ordinance there would be only one 6-month non-penalty period every 5 years.

AMENDMENT FAILED DUE TO THE LACK OF SECOND

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add terms to the PC Ordinance that there will only be 6 non-penalty months every 5 years.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add the 40 dedicated grocery parking spaces to the Covenant.

MOTION AS AMENDED PASSED: 8-1 Holman no

MOTION: Council Member Berman moved, seconded by Council Member Scharff that any funds collected due to future violations of the grocery store be brought to Council for guidance on expenditure of funds.

MOTION: Council Member Burt moved, seconded by Council Member Holman to move Agenda Item Number 22: Approval of the Proposed Grocery Store Tenant (College Terrace Market) Within PC 5069 (College Terrace Centre) Based on the Finding that the Proposed Grocery Tenant Would Likely be Comparable in Quality of Products and Services as JJ&F as it Existed and Operated on December 7, 2009 at 2180 El Camino Real, to January 2015.

MOTION FAILED: 4-5 Holman, Burt, Berman, Schmid yes

ACTION MINUTES

22. Policy and Services Committee Recommendation to Council for Adoption of an Ordinance Amending Chapter 9.14 (Smoking And Tobacco Regulations) of the Palo Alto Municipal Code to Establish New Smoking Restrictions for Outdoor Commercial Areas, Outdoor Eating Areas, Public Events, Work Sites and Service Locations; Include Penalty Escalation for Repeat Offenders; Require Cigarette Butt Receptacles and Signage Immediately Adjacent and Within Areas Covered by the Ban; and Include E-cigarettes.

MOTION: Council Member Price moved, seconded by Vice Mayor Kniss to Adopt an Ordinance Amending Chapter 9.14 (Smoking and Tobacco Regulations) of the Palo Alto Municipal Code to:

1. Establish New Smoking Restrictions for Outdoor Commercial Areas, Outdoor Dining Areas, Public Events, Work Sites and Service Locations;
2. Include Penalty Escalation for Repeat Offenders; refer further investigation to the Policy & Services Committee on tobacco retailers licensing and indoor smoking, including examination of potential banning of smoking in multifamily residential units that have a shared ventilation system; and
3. Require Cigarette Butt Receptacles and Signage Immediately Adjacent to and Within Areas Covered by the Ban.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that the issue over E-cigarettes is to return to Policy and Services Committee for additional consideration.

AMENDMENT: Council Member Klein moved, seconded by Council Member XXX to include E-cigarettes in the Ordinance.

MOTION FAILED DUE TO THE LACK OF A SECOND

MOTION AS AMENDED PASSED: 9-0

23. Colleagues Memo From Council Members Berman, Burt, and Klein Regarding Climate Action Plan Implementation Strategy to Reduce Use of Natural Gas and Gasoline Through "Fuel Switching" to Carbon-free Electricity.

ACTION MINUTES

MOTION: Council Member Berman moved, seconded by Council Member Klein to direct the City Manager to prepare a report to the City Council outlining:

1. Prospective programs and incentives that would result in the use of electrical devices to replace those using natural gas;
2. Possible building code changes to require, where feasible, the use of electrical appliances rather than natural gas appliances in the construction and renovation of residential and commercial buildings;
3. Possible changes to utility rate structures that would not penalize fuel switching; and
4. Evaluation of additional strategies to support adoption of electric vehicles. The report should consider and take into account applicable legal requirements, and identify potential legal, code or regulatory barriers that would need to be changed to facilitate fuel-switching. The City Manager will return to the Council by the first meeting in February with an initial report to Council on the timeframe required to research and develop this report, and the staff and related resources that will be necessary, as this initiative would be an important component in the 2015 Work Plan.

MOTION PASSED: 9-0

24. Colleagues Memo from Vice Mayor Kniss and Council Members Holman, Klein and Price Regarding Regulation of Short-term Rentals in Residential Neighborhoods (e.g., Airbnb and Related Businesses).

MOTION: Council Member Klein moved, seconded by Vice Mayor Kniss to direct Staff to conduct a Study Session with City Council no later than March 31, 2015, on the various questions posed by businesses that facilitate short-term rentals of rooms, apartments or houses in residential neighborhoods (e.g., Airbnb, etc.), what actions the City has taken, and what actions, if any, the City should take.

AMENDMENT: Council Member Scharff moved, seconded by Council Member Schmid to direct Staff to return with a Study Session and remove the verbiage of returning no later than March 31, 2015.

ACTION MINUTES

AMENDMENT PASSED: 5-4 Burt, Holman, Klein, Kniss no

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to refer to Policy and Services the review of how to contend with the increase commercialization of residences.

MOTION AS AMENDED PASSED: 9-0

Adjournment: The meeting was adjourned at 1:11 A.M.