



CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Regular Meeting
September 21, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:05 P.M.

Present: Berman, Burt, DuBois, Filseth, Holman, Kniss Scharff, Schmid, Wolbach

Absent:

Study Session

1. Potential Topics of Discussion With Supervisor Joe Simitian.

Agenda Changes, Additions and Deletions

None.

Consent Calendar

MOTION: Vice Mayor Schmid moved, seconded by Council Member DuBois to approve Agenda Item Numbers 2-4 with changes to Agenda Item Number 3- Adoption of Resolutions and Agreement With State of California... as outlined in the At Places Memorandum.

2. Resolution 9545 Entitled, "Resolution of the Council of the City of Palo Alto Approving an Assignment, Assumption, and Consent Agreement With J.P. Morgan Ventures Energy Corporation and Mercuria Energy Gas Trading LLC."
3. Resolutions 9546 and 9547 Entitled, "Resolution of the Council of the City of Palo Alto and Agreement With State of California Allowing City of Palo Alto to Participate in California State Board of Equalization Program to Collect the Utility Users Tax on Prepaid Mobile Telephony Services."

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4. Approval of Contract No. C16159137 With QLM, Inc. in the Amount of \$243,356 for Monroe Park Improvements (Capital Improvement Project PG-11002).

MOTION PASSED: 9-0

Action Items

5. PUBLIC HEARING - Adoption of a California Avenue Retail Preservation Ordinance to Amend the City's Zoning Code and Zoning Map to Extend the Retail (R) Combining District Beyond California Avenue; Establish Regulations and Review Procedures for Formula Retail Uses and Certain Personal Service Uses (i.e. Hair and Nail Salons) in the R-Combining District and Changes to the Provision for Grandfathered Uses in the R-Combining District. The Planning and Transportation Commission has Reviewed the Proposed Changes and Recommends Approval. This Ordinance is Exempt from the California Environmental Quality Act (CEQA) Pursuant to Section 15061(b)(3) and Section 15305 of the CEQA Guidelines.

Public Hearing opened at 7:56 P.M.

Public Hearing closed at 8:04 P.M.

MOTION: Mayor Holman moved, seconded by Council Member Scharff to adopt the California Avenue Retail Preservation Ordinance incorporating the following to:

- A. Amend the City's Zoning Code and Zoning Map to extend the Retail (R) Combining District beyond California Avenue; and
- B. Establish Regulations and Review Procedures for Formula Retail Uses and Certain Personal Service Uses (i.e. Hair and Nail Salons) in the R-Combining District and Changes to the Provision for Grandfathered Uses in the R-Combining District; and
- C. Replace in Ordinance Section 2 (57.6), "along with ten (10) or more businesses" with "such that ten (10) is the defining number for determining formula businesses"; and
- D. Include Pedestrian and Transit Oriented Development (PTOD); and

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- E. Include Public Facilities District (PF); and
- F. Eliminate language in Ordinance Section 6, paragraph 3, sentence 2, "except through the granting of a design enhancement exception"; and
- G. Direct Staff to return with information on depth of retail requirements.

AMENDMENT: Council Member Scharff moved, seconded by Council Member Wolbach to add to the Motion "Direct Staff to draft Ordinance language granting existing formula retail uses legal conforming status."

AMENDMENT PASSED: 7-2 Holman, Schmid no

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "there will be a review of this Ordinance in two years."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion at the end of Part G, "for consideration in a future Ordinance."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "including Staff initiated changes to clarify intention consistent with regards to Palo Alto Central."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "including language clarifications pertaining to Substantial Remodel."

MOTION AS AMENDED PASSED: 9-0

Council took a break from 9:53 P.M. to 9:59 P.M.

- 6. PUBLIC HEARING - Adoption of an Interim Ordinance Establishing a 50,000 Square Foot Annual Limit on Office/R&D Development in a Portion of the City Including Downtown, the California Avenue Area, and the El Camino Corridor. Environmental Assessment: This Ordinance is Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15061(b)(3); The Planning and Transportation Commission Recommended Adoption.

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Council Member DuBois advised he would not be participating in this Agenda Item as it pertains to the outer boundary due to his wife's employment at Stanford University. He left the meeting at 10:05 P.M.

MOTION: Mayor Holman moved, seconded by Council Member Kniss to adopt boundaries as identified in the Staff Report and direct Staff to return within six months with a report on Stanford's progress on reducing single occupancy vehicle trips generated by Stanford Research Park.

Public Hearing opened at 10:17 P.M.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "to direct Staff to return within six months with a report with potential action on development of office space outside of the boundaries."

AMENDMENT: Council Member Scharff moved, seconded by Council Member Berman to replace in the Motion, "on development of office space outside of the boundaries" with "on including Stanford Research Park."

AMENDMENT PASSED: 6-2 Filseth, Wolbach no, DuBois not participating

AMENDMENT: Mayor Holman moved, seconded by Council Member Wolbach to add to the Motion, "to direct Staff to return within one year with a report with potential action on Office/R&D development applications outside of the boundaries."

AMENDMENT TO THE AMENDMENT: Council Member Scharff moved, seconded by Council Member Burt to add to the Motion, "to direct Staff to return within one year with an informational report on Office/R&D development applications outside of the boundaries."

AMENDMENT TO THE AMENDMENT PASSED: 6-2 Holman, Kniss no, DuBois not participating

MOTION AS AMENDED PASSED: 8-0 DuBois not participating

Council Member DuBois returned at 10:47 P.M.

Public Hearing closed at 11:09 P.M.

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MOTION: Council Member Filseth moved, seconded by Council Member Burt to not exempt Coordinated Area Plans from the Office/R&D Development Annual Limit.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add at the end of the Motion, "but at the end the completion of a Coordinated Area Plan process it would come to Council for a determination on how the Office/R&D Development Annual Limit would apply."

MOTION AS AMENDED PASSED: 6-3 Holman, Kniss, Schmid no

MOTION: Council Member Dubois moved, seconded by Council Member Burt to adopt the Office/R&D Annual Limit Ordinance with the following changes:

- A. Delete Municipal Code Section 18.85.203(c) – Self Mitigating Buildings; and
- B. Delete Municipal Code Section 18.85.207(e) – The monetary and/or non-monetary value of public benefits offered; and
- C. Direct Staff to return with administrative scoring procedure to Council to be used to rank projects. Give projects in the pipeline after March 31, 2015 but deemed completed as of June 15, 2015 more weight in the process; and
- D. Program to return Council in two years, before it would cease to be in effect, to be either affirmatively continued or modified/replaced.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part B, "Delete Municipal Code Section 18.85.207(e) – The monetary and/or non-monetary value of public benefits offered" with "Change Municipal Code Section 18.85.207(e) – The value to the community of public benefits offered."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "Municipal Code Section 18.85.207 – Selection Criteria to be weighted as Sections a-b (Impacts), Section c (Design), Section d (Environmental Quality), Section e (Public Benefits), Sections f-h (Uses), and Section i (Pipeline)."

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AMENDMENT: Council Member Burt moved, seconded by Council Member Berman to replace in the Motion Part A with, "(1) would provide rental housing for more workers than would be employed in the project; and (2) provide substantial transportation demand management strategies (individually or in cooperation with other projects or programs) to improve the current parking and traffic conditions."

AMENDMENT PASSED: 7-2 DuBois, Filseth no

SUBSTITUTE MOTION: Council Member Wolbach moved, seconded by Council Member Kniss to direct Staff to adopt a first come, first serve process for selecting projects.

SUBSTITUTE MOTION FAILED: 2-7 Kniss, Wolbach yes

AMENDMENT: Council Member Scharff moved, seconded by Council Member Kniss to replace in the Motion Part C, "more weight in the process" with "they would be first in line to be chosen under the Office/R&D Development Annual Limit."

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Amendment, "first in line to be chosen under the Office/R&D Development Annual Limit" with "selected first and weighted amongst each other."

AMENDMENT AS AMENDED PASSED: 5-4 Burt, DuBois, Holman, Schmid no

MOTION AS AMENDED PASSED: 9-0

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Council Member Kniss announced her appreciation of Planning and Transportation Commission Minutes. She and Council Member DuBois are drafting a Colleagues Memo addressing the preparation of City Council Minutes.

Adjournment: The meeting was adjourned at 12:31 P.M.