



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting
May 18, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:34 P.M.

Present: Berman, Burt, DuBois, Filseth arrived at 5:56 P.M., Holman, Kniss, Scharff, Schmid, Wolbach

Absent:

Special Orders of the Day

1. Proclamation Recognizing City of Palo Alto Fire Department Paramedic 40th Anniversary and National Emergency Medical Services Week May 17-23, 2015.

Council Member Berman read the Proclamation into the record.

Eric Nickel, Fire Chief: Good evening, Madam Mayor and Honorable Council Members. My name is Eric Nickel. I'm your Fire Chief. I would like to thank you for the opportunity to briefly share some great news about one of the most significant public safety and community health enhancements that the City has established in the last 40 years. As you recall, in the National Citizens Survey that we do every year, ambulance service ranks at or near the top of all City services that are offered. I represent the 100 women and men of the Palo Alto Fire Department. The community is our reason for existence. I want to briefly share a couple of quick slides with you, representing our past, present and future. It's important to acknowledge, as Sir Isaac Newton said, we truly stand on shoulders of giants. Your predecessors on Council, some key community members made a leap of faith in the early '70s with this brand new program that was not necessarily proven or proven in areas that did not resemble the City of Palo Alto, the battlefields of Vietnam, for example, where the military medics were perfecting the art of traumatic injuries. In communities across this country, in particular the city of Columbus, Ohio, with the Ohio State University Hospital and UCLA Medical Center that were actually bringing the emergency room to the emergency for cardiac arrest-type of events. Locally, we had two key community individuals. One of whom will refuse acknowledgement

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and has told me so, but I will publicly call out Jay Thorwaldson with all of his series of articles that he did in 1971 and 1972 about the really poor state of the ambulance services that served up and down the Peninsula. His articles inspired a second community member Joe Carlton who took it upon himself to pester, cajole, lobby, whatever you want to call it, the City Council. In 1974, the Council made the decision to fund a program and to send 12 paramedics under the direction of Stanford Hospital to this brand new paramedic program. Stanford Hospital in conjunction with the City of Palo Alto and the Fire Department, that was the first paramedic program in northern California. It truly was a call to action. If you haven't had a chance to look at some of the news articles that Jay has provided us, it was shocking the deplorable state of medical care in the community. At the time the ambulance technicians were only required to get a basic first aid card. They had 90 days from the time of employment to get that card. What happened was at about day 89 they would end their employment with one ambulance company and start work at another ambulance company right next door and the 90-day clock would start all over again. Literally, you had these technicians that had little to no training, and they would race oftentimes to get to calls. There was a tragic case in Sunnyvale where the train struck and destroyed one of the ambulances that was rushing to a call. They would compete to see who got to the call first. It was the wild west days in the early '70s. This next slide shows three of our original paramedics that took the leap of faith, as I said earlier. Here's another article that Jay had done, "Pay, Working Conditions and Training Hamper Ambulance Service Upgrading." "Critics Say Palo Alto Needs Additional Paramedics." These were the headlines of the day in the 1970s. As you can see here, the community needs have changed dramatically. The incidents of fire have gone down significantly; it represents about one to two percent of the total call volume at the Fire Department. Whereas, Emergency Medical Services and the needs and the future needs represent 60 percent or more of our services. As you've probably heard me say before, these services are disproportionately used by the seniors in our community. Seniors represent aged 65 and over 17 percent of the total population of Palo Alto, but represent almost 50 percent of our ambulance transports. That number will continue to increase as our silver tsunami ages into this high-risk group. Just in the last ten years, our Emergency Medical Services calls have increased by 31 percent. The bottom line is that the Fire Department is innovative; it's one of our core principles; and we will continue to change to meet the changing needs of the community. Here's the future. Here's where we're going. Here's some of the exciting things that are happening in the world of paramedicine and community paramedicine. Our goal is to eliminate or mitigate the emergencies before they ever occur. We're currently partnering with Avenidas and Stanford Hospital to identify some common partnerships and areas that we can minimize the risk of our seniors

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in our community as well as the children and youth in our community. Given the aging population, I told you that more EMS calls are going to continue on. We're engaging community volunteers in using good, old fashioned, hands-on, hands only CPR and combining that in only the way that we could here in the Bay Area with technology. An application that was created in the Bay Area called PulsePoint that we have talked about before and that is connecting community volunteers with automated defibrillators. When the emergency occurs, the citizens can get involved before the fire crews or police officers respond. Yesterday we had over 200 community members attend our first annual, hopefully first annual, community health and wellness fair that was to celebrate not just the 40th anniversary, but to celebrate community. The picture that I love best is this one on the right. We trained yesterday 77 community volunteers, many of them youth, in hands only CPR. The only way that you could get a bowl of the delicious award-winning firefighters chili was to learn hands only CPR. The important thing is we have 77 new volunteers in the community that are trained in CPR. One of the comments that was posted online from Art Lieberman, who's well known to the community, he states, "At the Mitchell Park event, I was extremely impressed by the number of volunteers in the community of all ages, but especially young people who contribute time and effort and they're learning the techniques and technology of EMS. They were there to show what they know and what they can do. Being an EMS is not an easy task, and their participation and dedication is an inspiration. If anyone needed to know about the community spirit of Palo Alto, you just had to talk with one or more of these young people." Thank you. I will end this with our mission statement. We're a professional team of men and women dedicated to safeguarding the community, safeguarding and enriching the lives of anyone, anytime, anywhere with compassion and pride. Thanks for your time.

Mayor Holman: I'm glad you mentioned the event yesterday. It was a well-attended event, especially well attended by the volunteers. It was pretty darned impressive. Very much appreciate that. I think you mentioned the number of volunteers that were trained to do CPR, but a lot of those were young people, really young people. Thank you so much for that. I want to also thank Catherine Capriles for being here this evening. Thank you.

2. Selection of Applicants to Interview on June 4, 2015 for the Architectural Review Board.

Mayor Holman: Motion please.

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MOTION: Council Member Scharff moved, seconded by Council Member Kniss to interview all applicants for the Architectural Review Board on June 4, 2015.

Mayor Holman: Motion by Council Member Scharff, second by Council Member Kniss to interview all candidates. Vote on the board please. That passes unanimously with Council Member Filseth not present.

MOTION PASSED: 8-0 Filseth absent

Agenda Changes, Additions and Deletions

Mayor Holman: Colleagues, before you at places you have a memo to remove Agenda Item Number 12, which is the BID Public Hearing, and reschedule it to a date certain of June 29 at 6:00 P.M. or thereafter. Could I have a Motion please?

MOTION: Council Member Burt moved, seconded by Vice Mayor Schmid to continue Agenda Item Number 12- PUBLIC HEARING: to Hear Objections to the Levy of Proposed Assessments on the Palo Alto Downtown Business Improvement District and Adoption of a Resolution Confirming the Report of the Advisory Board and Levying Assessment for Fiscal Year 2016 on the Downtown Palo Alto Business Improvement District to June 29, 2015 at 6:00 p.m. or thereafter.

Mayor Holman: Motion by Council Member Burt, second by Vice Mayor Schmid to move this item, the BID public hearing, to June 29, 2015. Seeing no other lights, vote on the board please. That passes unanimously with Council Member Filseth not present.

MOTION PASSED: 8-0 Filseth absent

City Manager Comments

James Keene, City Manager: Thank you, Madam Mayor, Members of the Council. As I announce, now I'm announcing after the fact, last Thursday, May 14th, tens of thousands of regular and first-time Bay Area residents biked to work for the 21st Annual Bike to Work Day, part of National Bike Month. Our City hosted its four energizer stations, running from Monroe Park on the southernmost part of town up to the Alma crossing into Menlo Park. We had over 30 volunteers who staffed those stations, the others at City Hall and the new California Avenue Plaza, where they were greeted by the Mayor as they arrived. Council Member Filseth was able to ride with us. I know there were some other Council Members who wanted to and whose schedule conflicts just wouldn't accommodate it this year. Despite the rainy

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weather predictions, the total number of bike commuters counted at the City's four stations was 1,690 which represents a 25 percent increase over the 2010 counts at those same stations. Thanks to all the volunteers who got up early to help staff the station and folks who biked with us to show what the morning commute could look like. Adults and kids alike enjoying their trips to work and to school. There's a lot going on at the Children's Theatre. I can attest to the fact. Yesterday I was going to take my 4 1/2-year-old granddaughter to the CPR training and everything out at Mitchell Park, but her grandmother had gotten her tickets to see *Cinderella* at the same time at Children's Theatre. *Cinderella*, in her case, won out. Anyway, the Teen Arts Council, and she really liked the pictures with the evil stepsisters. That seemed to especially work for her in some way. The Teen Arts Council initiative of Children's Theatre recently closed three sold-out performances of the new play *Ghost Bike*. Produced by teens and for teens, the play featured a teen director, designer, marketing team and cast. The Children's Theatre also presented its final Palo Alto School District outreach production at Duveneck Elementary School. In collaboration with Partners in Education, these programs have provided standards-based arts education to more than 3,300 students attending the district's 12 elementary schools. The Children's Theatre production of *Alice in Wonderland* has been receiving rave reviews before sold-out audiences. There's limited availability for the final week of performances running Wednesday through Sunday. I might have mentioned this briefly last week, but I did want to go into a little more depth on the Apps Challenge that we ran last year. In creating the Palo Alto Apps Challenge, we broke new ground on designing and learning how to conduct a fun and engaging multi-month community application development competition. The Apps Challenge encouraged participants to build solutions around community engagement and services. One of the winners, Adopt Me app for helping with animal adoption, is being used across the Bay Area at several animal shelters and has interest internationally too. The Apps Challenge process we used was documented so it could be repeated by others, not just here in Palo Alto. To this end, the work has been published in a new free e-book called *The Apps Challenge Playbook*, just for fun. It can be downloaded from the City website, but Jonathan Reichental, our CIO, also self-published some hardcopies of the *Playbook*, and we have a copy here for each of you. As I mentioned last week, you already know that the City of Mountain View is now putting together their own Apps Challenge, drawing on our experience. I will pass these out to the Council. Let's see, I was looking around for Jeremy Dennis from Rich Gordon's Office. He thought that he was going to run into a conflict and not get here in time, but he did ask if I would pass on, given that this is Public Safety Month, to compliment our Development Services Staff for their help and interest in ADA compliance programs for small businesses that Rich Gordon's Office had been supporting and pushing.

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Thanks to Jeremy Dennis in that regard. Lastly, maybe we can figure out a way for the Mayor to get down here at the end. A few weeks ago, I announced that the Mitchell Park Library and Community Center had achieved LEED Platinum, the highest designation for Leadership in Energy and Environmental Design Green Building Certification Program. If you can remember, the threshold for Platinum LEED is high. You've got to achieve 80 points out of a possible 100. Our building achieved 92, an almost unheard of level of LEED certification. Both Mitchell Park Library and Community Center and the Rinconada Library projects have been winning awards as well. The Mitchell Park Library and Community Center project received a 2015 Site Design Award from the Santa Clara Valley Urban Runoff Pollution Prevention Program for outstanding public project. The Site Award recognizes excellence in treating and reducing storm water runoff from land development projects before water is discharged to local creeks and the Bay. The Mitchell Park project reduces runoff, improves storm water quality through the innovative use of green roofs, pervious concrete paving and bioswales in addition to its many other sustainable features. On Sunday, May 10th, the Rinconada Library project received an Institutional Restoration and Remodel Award from Palo Alto-Stanford Heritage, a nonprofit organization that advocates the preservation of the historic architecture, neighborhoods and character of the greater Palo Alto-Stanford area through informed citizen involvement and education. The award recognizes that the project was "inspired by the geometry and materials of the historic building and landscape" with an expansion that provides a vibrant, yet seamless experience for visitors. I have the award here that I'll present to the Mayor in just a minute, which reads "Presented to the City of Palo Alto for preserving the historical character of the original 1958 Edward Durell Stone Building while adding new space to expand and enhance the facility's functionality as a modern library. Inspired by the geometry and materials of the historic building and landscape, the design of the expansion provides a vibrant yet seamless experience for visitors." Lastly, before the Mayor comes down and I present this, we did want to let you know that Rinconada Library has been selected to receive a Project of the Year Award this week from the American Public Works Association Silicon Valley Chapter for the historical restoration, preservation category for projects between \$5 and \$25 million. Great recognition all the way around.

Council Member Scharff: I just wanted to say I loved the book. I thought it was great. Was this developed by our IT group?

Mr. Keene: Yes, exactly.

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Council Member Scharff: It's really awesome. I just took a look through it. Are we going to make this an annual thing? Do we have plans on where it goes from here?

Mr. Keene: I don't think we have a regular schedule, but there is a push on a lot of this. Interestingly enough, it's still in the early stages, but some initial discussion around the Healthy City Healthy Community challenge has been the potential to look at some sort of a health hack-a-thon apps challenge around that topic this year.

Mayor Holman: Let the record show that Council Member Filseth has joined us. Announcement of two other events this weekend in addition to the paramedics 40th anniversary. Saturday was the College Terrace annual picnic, which is always a great event adjacent to the College Terrace Library. Yesterday was the Barron Park May Fete event. I have to say the maypole is a pretty amazing sight and amazing activity. All three donkeys were present yesterday.

Mr. Keene: Madam Mayor, before you leave, I want to say I was a little bit precipitous in my remarks. I noticed that Mr. Dennis from Rich Gordon's Office is here, when you get to that part of the agenda. Thanks.

Oral Communications

Ronna Devincenzi: I wrote something here for you, and I'll let you read it. I'm going to give you the highlights. My comment is to draw attention to the history regarding the news that Council is considering two surface-owned parking lots on Sherman Avenue for the new police/fire headquarters. I wanted to tell you that 20 years ago California Avenue Area Development Association successfully fought a similar takeover by the City for the same project. At the time, the CAADA Board objected because the lots were paid for by merchants and property owners 60 years ago that planned for parking. They deeded it to the City which is why the City owns them now. It would bring more office workers to the area and within a stone's throw of California Avenue. Studies proved that the shoppers prefer parking right in front of a store or, secondly, surface lots such as this one, Lot C-6 and 7. Only lastly do they go to parking garages. It's just not considered safe for people, for cars. With the stalls being so small, fenders get dinged all the time. It isn't that the CAADA Board objected to it being in the district. As recent as seven years ago, if it was Jay Paul, if it was the property on Park Boulevard or even going to where the County is at the Courthouse, that would be great. The problem is 100 percent the loss of premium parking. I'm surprised that nobody else has been speaking out about this yet. So far it's like everybody has stars in their eyes that says "So good." When 20

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years ago, it was so bad. Right now it would even be worse. I predict that people are going to be parking cars in the residential area, your constituents, Evergreen Park and Southgate as well as Grant and Sherman, Sheridan Avenue. They're going to have problems. Lastly, City records indicate that Staff is in contact with members of "the California Avenue Business Association" whose initials are CABA/MOCA. I don't know what that is. I don't know of any way for the public to attend their meetings. I don't know who the people are, if they were elected, how they communicate with or represent everyone else in the district. I question how well Staff is communicating with all the stakeholders in the district. I ask you to remember the trees. Thank you.

Michal Pyatok speaking for 5 people: Mayor Holman and Members of the City Council, my name is Michal Pyatok. I live in Oakland, and my business is in Oakland. I felt compelled to come down here to speak on behalf of the residents of the Buena Vista Mobile Home Community. I'll tell you why. You may recall that I was the architect for two of your recent affordable housing projects, Oak Court on Ramona and Channing and also Tree House on Charleston. I've been a practicing architect now for 48 years, and I wouldn't be standing here in front of you today had not I faced the same conditions that they're facing at Buena Vista, but was able to survive it, which I hope you will make sure they do too. I've been also a professor for those 48 years, teaching architecture to graduate students, working in lower-income communities doing service-oriented studios serving lower-income neighborhoods. Why would I do this with my career with a degree from Harvard, with all the opportunities that had opened up before me with that degree? When I heard about the struggles of the folks at Buena Vista, I could not help but identify with what they had been through. I had come down to listen to them, to that incredible evening of their testimony, in particular by the children. I grew up in one of the worst tenements of Brooklyn, New York. Built in 1900 for the hordes of immigrants that came over around that time. Those were tired tenements by the time I was born there in the early '40s. Factories were surrounding us with smoke belching from their coal-fired furnaces. My mother, a single mother raising two sons on welfare, made sure that we would never be forced out of those tenements. I'll tell you why. I spent the first 22 years of my life, did my entire education before Harvard, was living out of that roach-infested tenement. It was one room. Three of us living in that one room. In a sense it was the Buena Vista Mobile Home Park stacked four stories high. It was almost 50 years old when we moved into it. We were fortunate, because FDR had enacted emergency wartime legislation to allow rent control in New York in 1943 to protect the tenants from being forced out by unscrupulous landlords. Those tenants were all working in the war industry. From the beginning of that legislation, the landlord came every year in an effort to

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evict us. We were under constant threat of displacement, removal and total disruption in our lives and in our education. We hung in there for those 22 years, not just because it only cost my mother 25 percent of a minimum wage salary. There were great shopping opportunities within walking distance. The wonderful group of people who lived there with us, to this day I remember every one of their faces. It was an incredibly cohesive community. Nor was it only because we had a subway stop a block away that only cost a dime. The reason why we stayed those 22 years and she made certain that we could stay there those 22 years, because she understood the most important measure of what successful, good housing is. It's the education system in which that housing is located. How good is the local school is all that matters. That's all that parents care about. No matter how bad the conditions of the housing, no matter how many roaches we had to fight off, and on the fourth floor we had to fight off the leadership of the roach community, because they had to pass through three floors of other families to survive. We were dealing with the wildest ones, and we'd win out. A half a block up the street was this incredible school, a public elementary school with an unassuming name, PS 107. They had extraordinary teachers there, who knew and believed that they were creating the future foundation, leaders of the country. They were damn good at it. There was no way she was going to let our landlord evict us. They did so well, that I got into a private middle school just a few blocks away. I was able to walk into that other neighborhood to go to that school. Then I got a scholarship to a Jesuit high school in Manhattan, as did my brother who went on to law school by the way at Columbia. He was a much better killer of roaches than I, and I think that's why he became an attorney. No offense to the attorneys in the room. It didn't matter; the housing conditions didn't matter. The Jesuits were teaching us Latin and Greek, and we were translating all the ancient texts back into English. It was an extraordinary education. That's all that mattered. When I left that tenement to go to Harvard, I remember that day. I took a long last look at that row of four-story tenements and the row of four-story factories across the street, and that wonderful Beaux Art three-story public school, PS 107, just beyond them. I promised myself that someday I would have to pay back. I was stunned that evening when the appraiser did not include education as one of the most important ingredients in measuring comparability of housing locations. It's the most important; it's the only thing that matters. Not the condition of the housing. I've been an architect now 40,000 multifamily dwelling units, and the winner of hundreds of design awards and competitions. Last year, the AIA gave me one of its distinguished awards, the Thomas Jefferson Award for Public Architecture. I'd be the first to assure you that the single most important measure of good housing is not the quality of its fixtures, finishes and furnishings. It's not how great it looks on the outside. It's not how many awards it's won or how

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many magazines it's been published in. Still the most important is how good is the school system in which it is located. Ask the tens of millions who have migrated to the suburbs. That's their primary reason. To have left it out as a measure of comparable locations is not just negligent, it's really criminal. We know that oftentimes what's legal is also immoral. We see it every day. We saw it in '08. How many people went to jail for what they did down on Wall Street? Nobody. It was supposedly legal, but it was highly immoral. I beg of you, allow this story to end on the side of righteousness. Look long and hard at the governing laws. There must be some way to rule on behalf of the residents, so they cannot be thrust into a forced relocation and their kids' education is totally disrupted. I heard those children that night, and my jaw dropped. I wished I could have been as articulate and eloquent as they were when I was their age. Don't disappoint them. I know for a fact that the Buena Vista community, its infrastructure and dwellings, can be renovated in an incremental manner without any displacement and with only a few modest disruptions. Pause in the process until a remedy can be found. The owner of the land, I'm sure, is a very good person and does not want to spend the remaining years of his life with this tragedy weighing him down and the ghosts of his past tenants haunting him to his grave and maybe even beyond. The children I heard that night have a better future ahead for them. I hope that they have a better future ahead of them, rather than being embittered victims of capitalism and sometimes inhumanity. Please don't give them an excuse to blame the system. Some are already at Stanford, and I'm sure others will follow. They are our future leaders, doctors, lawyers, architects, inventors, teachers and maybe even a politician or two with hearts of gold because they won't forget where they came from and the decision that you will have made for them. I hope it will be a decision that won't make them bitter, but that they will remember with fondness like I remember my youth with fondness. Thank you.

Jeremy Dennis: Good evening. Mayor Holman, Members of the Council, Mr. Keene, my name is Jeremy Dennis. I'm District Director for State Assemblyman Rich Gordon. You heard from the City Manager earlier, but I managed to get down here in time. I wanted to say thank you to your City Staff for helping us with an event that we put on recently. Peter Pirnejad, George Hoyt, Robert Dunbar whose idea this was, and Bud Sturmer from Development Services Department. As you know, in our community there are a number of unscrupulous attorneys driving around our City streets suing small businesses for ADA compliance issues. These are businesses that may not know they have an issue. These are businesses that would be happy to come in compliance, but unfortunately the lawsuits are just about a settlement and not about fixing the problems. Per Mr. Dunbar's request, we contacted the Civil Justice Association of California and the Division of the State Architect to come down and hold a hearing a week ago Friday to talk

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with those small businesses who were in attendance about how to get their businesses up to speed and be able to try to avoid some of these lawsuit issues. It was a very successful event. We've told the Development Services Staff that we'd be happy to hold another one in Palo Alto should they wish. I wanted to let them know through you, thank you very much for having them come out. It really made a difference for our event. We appreciate the idea coming our way. Thank you. Good seeing you all tonight.

Consent Calendar

Craig Lewis, regarding Agenda item Number 8: Thank you, Mayor Holman and Council Members. I am the founder and Executive Director of the Clean Coalition which is a nonprofit that works with utilities and municipalities around the country to help accelerate the transition to renewable energy. We've worked a number of times with the City of Palo Alto, and that includes for the Palo Alto CLEAN program which is the subject of Item Number 8, which is essentially what I'm here to ask you to remove that off of Consent so that we can hear it and have a logical, fully informed dialog about it at a future meeting. We were hired by the City of Palo Alto to find a builder/owner/operator for solar projects on top of the five City-owned parking structures, something that we have done. That solar energy will be sold to the City through the Palo Alto CLEAN program. It will soak up about half of the Palo Alto CLEAN program all by itself and will be ratepayer neutral, because it will pay a \$154,000 lease payment to the City annually. The Clean Coalition has also co-led the Downtown Palo Alto Net Zero Energy initiative, which is an initiative to bring 100 buildings in Downtown Palo Alto to net zero energy. In order to do this, we're going to need the Palo Alto CLEAN program in existence. We have a lot of properties that are trying to make this work. Right now we're in a situation where Palo Alto CLEAN is extremely important for a number of reasons, at its current price, in its current form. I will say that Palo Alto CLEAN, for those of you who may not be familiar with it, is essentially a feed-in tariff program. A feed-in tariff program is the most cost-effective way to get commercial-scale solar deployed into any community. It's very similar to what has been used in Germany to deploy about half of the world's solar on rooftops and parking lots in the country of Germany, a country that has a solar resource quality that is way lower than California. I see that I'm running out of time here, so I will just say that Palo Alto CLEAN is the direction that most municipalities and utilities are moving toward throughout California, throughout the United States. Utilities and municipalities are looking for ways to move beyond net metering, because net metering is quite expensive. There's cost-shifting issues; there's all sorts of issues with that metering. What everybody's moving toward is something that looks like a feed-in tariff. The ill-advised

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proposal that the Finance Committee put forward, I think, was based on not having full information. That was basically moving it in a direction that would absolutely kill every project that has been working away to get itself into the Palo Alto CLEAN program, including solarizing the City-owned parking structures. I'm out of time. Please pull that from the Consent Calendar, Item 8. Thank you.

Walt Hays, regarding Agenda Item Number 8: Good evening. I'm also speaking on Agenda Item 8. The City prides itself on being an environmental leader. In a way we have lots to be proud of. We're moving towards zero waste. We have carbon-free electricity. We're developing a Climate Action Plan, Sustainability Plan. Please forgive me for saying this, but I can't think of any action you could take that would be more contrary to all those things than killing a promising solar program like the one that we're talking about tonight. I understand that you can't subsidize solar forever. However, I honestly believe that if you stick with the 16.5 cents that this program has through the 3 megawatt cap, that it would work out bugs in the program, which there are in any new program, and also build necessary confidence in the City. In future rounds at a lower price, I think you'd get a lot of applicants. On the other hand, if you kill the program after people have relied in good faith on it, which is what the Finance Committee recommendation would do, I don't think you'd get any applicants no matter what price you give. I hope you will stick with this program through the 3 megawatt cap and then at that point I'm sure you'll be able to get more bidders at lower prices. Thank you.

Wynne Furth, regarding Agenda Item Number 8: Hi. I am indeed Wynne Furth. I am here tonight because I'm a member of a church in south Palo Alto with a three-acre campus adjacent to Mitchell Park, which we've now finished using as a staging site for Mitchell Park improvements which are lovely. We're happy to live next to them now. We've been working for about a year to put together a solar power plant on our portion of our parking lot. We already use reverse metering for our own solar needs, but we would like to do more. Our process is almost as deliberative as yours, which is why it's been a long, slow process. We have substantial time and money on this. We can certainly testify that it's our experience that at 16 1/2 cents a kilowatt hour, you just barely make it. People who are willing to build such a project for us are proposing that we donate the use of our property, which we are almost certainly willing to do, because it's a way of telling ourselves and our children that we are not hopeless and helpless in the face of human-generated climate change. There are other people who can speak with much more knowledge about the ultimate and intrinsic merits of the program, but I can tell you that we have spent time and a significant amount of money getting to apply under this program. We would

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like to have the opportunity to complete and file that application. Given our generation of community support and due process and all that, it'll probably take us somewhere in the neighborhood of 120 days. I do ask that we would like you to continue the program. At a minimum, we would like you to continue it long enough for us to get our application in and approved. Thank you.

Jon Foster, Utilities Advisory Commission Chair, regarding Agenda Item Number 8: Good evening everyone. I'm Jon Foster, Chair of the Palo Alto Utilities Advisory Commission. Much of what I prepared to say has already been said, so I'll revise it and save you all a little bit of time. Here's the key with the Palo Alto CLEAN program. First of all, CPAU Staff and the Utilities Advisory Commission (UAC)... did recommend to the City Council that the price be maintained at 16.5 cents. Here's the key in this program. Right now what most people do in Palo Alto and everywhere else is put up solar panels on their roof and use the electricity onsite. That's great. There are some projects where you can generate more electricity on the site than you can use. That's where you need a program like Palo Alto CLEAN that allows you to sell that electricity back to the utility at a price you know ahead of time, so you can go in and say, "I can do this project," and it will make sense or maybe it won't, but you know what the price is going to be. If we knock that price down to 10.4 cents, no projects are going to work. Right now we have a couple of very innovative and exciting projects in the works, the City parking garage, but even more significantly the community solar program that would for the first time allow anybody in Palo Alto to buy solar panels and get the economic benefit, even if their house is in a shady place or is a multifamily home or they rent. We would kill off these programs. The whole point is a program like Palo Alto CLEAN tells potential developers or whoever puts up the panels, "You do it. You invest the time, the energy. You're going to get this price." Knocking the price down to 10.4 cents really pulls out the rug from the people who have spent time and effort on it. I say, "Keep the price as it is." The Utilities Advisory Commission. Thanks.

Mayor Holman: Jon, just to be clear for the record. You're speaking for yourself or on behalf of the UAC?

Mr. Foster: The examples of the community solar program, I'm speaking for myself. The UAC as a whole did recommend that the price be maintained. I'll say that my comments are for myself, except for the overall recommendation.

Mayor Holman: Do we have any Motions?

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MOTION: Council Member DuBois moved, seconded by Council Member Berman, third by Council Member Wolbach to pull Agenda Item Number 8-Finance Committee Recommendation that Council: (1) Add a 25-Year Contract Term Option in Addition to the Palo Alto Clean Local Energy Accessible Now (CLEAN) Program's Existing 20-Year Contract Term Option; (2) Continue the CLEAN Program for Solar Resources at a Contract Price Reduced from 16.5¢/kWh to the Avoided Cost of the Solar Energy Generated (10.3 ¢/kWh to 10.4 ¢/kWh) with a Program Cap of 3 Megawatts; and (3) Expand the CLEAN Program's Eligibility to Non-Solar Renewable Energy Resources with a Program Cap of 3 Megawatts at a Contract Price Equal to the Avoided Cost of the Non-Solar Energy Generated (9.3 ¢/kWh to 9.4 ¢/kWh) to be heard on May 27, 2015.

MOTION PASSED: 9-0

Mayor Holman: Any other Motions about the Consent Calendar other than approval?

James Keene, City Manager: Madam Mayor? Will we maybe identify the evening we would schedule this for?

Mayor Holman: Yes. We talked about this. I think it's May 27. Is that correct?

Beth Minor, City Clerk: That's correct. May 27th.

Mayor Holman: We'll continue Item Number 8 to May 27. Do we have a Motion then for the Consent Calendar approval?

MOTION: Vice Mayor Schmid moved, seconded by Council Member Wolbach to approve Agenda Item Numbers 3-7, 9-10.

3. Approval of Final Payment and Withheld Retention in a Combined Total Amount of \$232,137 to Republic Intelligent Transport Services, Inc. (a Siemens Company) for Work Performed No. C12143538 for Phase II of the LED Light Conversion Project (EL-10009) and Adoption of a Budget Amendment Ordinance 5327 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto for Fiscal Year 2015 in the Amount of \$184,510 Offset with a Reduction in the Electric Fund Distribution Reserve."
4. Approve and Authorize the City Manager or Designee to Execute the Following Seven Third-Party Energy Efficiency Program Contracts in a Combined Not to Exceed Amount of \$6,625,000 and a Term for each through June 30, 2018: (1) CLEAResult Consulting, Inc., No.

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C15159135 in an Amount Not to Exceed \$910,000; (2) Eagle Systems International, Inc. DBA Synergy Companies, No. C15159126 in an Amount Not to Exceed \$540,000; (3) Eagle Systems International, Inc. DBA Synergy Companies, No. C15159125 in an Amount Not to Exceed \$450,000; (4) Ecology Action of Santa Cruz, No. C15159124 in an Amount Not to Exceed \$1,950,000; and the Following Three Contracts With a Shared Total Not to Exceed Amount of \$2,775,000 (5) Ecology Action of Santa Cruz, No. C15155144A, (6) Enovity, Inc., No. C15155144B, and (7) BASE Energy, Inc., No. C15155144C.

5. Resolution 9510 Entitled, "Resolution of the Council of the City of Palo Alto Modifying the Electric Special Project Reserve Guidelines."
6. Adoption of the User Fee Cost Recovery Level Policy.
7. Approval of Contract No. C1515321 with FOG Studio in the Amount of \$97,900 for Design Services for the Baylands Interpretive Center Improvements Project PE-15029.
- ~~8. Finance Committee Recommendation that Council: (1) Add a 25-Year Contract Term Option in Addition to the Palo Alto Clean Local Energy Accessible Now (CLEAN) Program's Existing 20-Year Contract Term Option; (2) Continue the CLEAN Program for Solar Resources at a Contract Price Reduced from 16.5¢/kWh to the Avoided Cost of the Solar Energy Generated (10.3 ¢/kWh to 10.4 ¢/kWh) with a Program Cap of 3 Megawatts; and (3) Expand the CLEAN Program's Eligibility to Non-Solar Renewable Energy Resources with a Program Cap of 3 Megawatts at a Contract Price Equal to the Avoided Cost of the Non-Solar Energy Generated (9.3 ¢/kWh to 9.4 ¢/kWh).~~
9. Resolution 9511 Entitled, "Resolution of the Council of the City of Palo Alto Authorizing Overtime and Portal to Portal Pay for Deployments Away from the City for the Palo Alto Fire Department."
10. Request for Authorization to Increase Existing Contract with Newdorf Legal by an Additional \$55,000 for a Total Contract Not to Exceed Amount of \$160,000 for Legal Services Related to Litigation Matters.

Mayor Holman: Motion by Vice Mayor Schmid, second by Council Member Wolbach, to approve the Consent Calendar and that's with Item Number 8 being moved to May 27. Vote on the board please. That passes unanimously.

MOTION FOR AGENDA ITEM NUMBERS 3-7, 9-10 PASSED: 9-0

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Action Items

Mayor Holman: Additional reference to Item Number 12, the BID Improvement District Resolution confirming report of the Advisory Board and levying assessment for Fiscal Year 2016, has been continued to a date certain of June 29. Making sure everybody's on the same page with that.

11. Approval of a Construction Contract with Express Sign & Neon, Inc. for a Not to Exceed Amount of \$327,558 for the Wayfinding Portion of the City Hall Remodel Project PE-12017 (Continued from April 13, 2015).

Ed Shikada, Assistant City Manager: Thank you, Mayor, Members of the Council. Ed Shikada, Interim Assistant City Manager. I volunteered to make the presentation this evening, because who better to speak to the impact of wayfinding signs than a newcomer to the City. From that perspective, I'll walk briefly through the slides we have for you this evening. First just in terms of the areas that we'll cover. We'll briefly touch on the goals of the project. Again wayfinding, perhaps not a common term for everyone, but nonetheless somewhat intuitive, helping us especially for newcomers to any environment navigate throughout a property. We'll review the existing gaps around the Civic Center property, the designs and the locations, and also drill down some on the sign types and the costs associated with different categories of wayfinding signs. We have heard and we understand that there may be some interest in reducing costs on the overall program, so we'll speak to the individual components of the package. If it's desired, we could discuss the possible deletion of some elements should the Council feel prudent at this time. In terms of the goals of the project. First in terms of the package as a whole, really recommending a contract package that advances several goals. First designed again for the first time or infrequent visitor to the City Hall property, recognizing that many of the visitors to City Hall, in particular to the parking facility, are actually not destined for City Hall itself, but for the University Avenue area. To provide a fresh a look for a 45-year-old building. To touch upon the hodgepodge or the mix of signs that have been developed over that period of time. To provide and emphasize an integrated color scheme that integrates with the City Hall remodel project, which is nearing completion. Defining the building entry points since we do have multiple entry points on the campus. Finally to improve building ADA, Americans with Disability Act, compliance. I'm sure for the Council in particular this is not a question you've asked yourself at the City Hall property, "Where am I? How do I get back to my car?" I suspect you as many of us have encountered people who have recently come to the property and are trying to navigate their way, in particular to the street, perhaps more so than those who are destined for City Hall itself. Visitors as they may park, especially on the lower levels, are often seen

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trying to navigate their way through the building. On the left side in particular, how do I get to the street once entering into the elevator lobby area, or to the right once emerging from the parking levels onto the street, where am I, trying to get my bearings as a visitor. Then ultimately when returning to your vehicle, "Is this the entrance? How do I get back to the parking level?" Other entrances to the parking level, really not intuitive entrances for parking. Again, just simply to emphasize the existing conditions. Once again, the point is not to over-emphasize our existing conditions. As you perhaps have spent lots of time in a given environment, some of these things tend to fade into the background. It's worthwhile to spend a few moments talking to how this can appear for those who, again, are not familiar with the area. Even for the City Hall building itself, once you get to the front of the building, you can see the lettering that's on the windows, the glass on wall. Approaching the building, it's not intuitive where the doors are to the City Hall building. Perhaps just to emphasize the point of some of these things fading into the background in any given environment, these are signs that are either currently existing with the singular exception of the upper right, recently removed from the elevators as a part of the refurbishment project. Here, all interior to the building. Here are some examples of the signage outside for those entering the parking facilities on the left to those entering the police entrance off of Forest Avenue on the right side. Now to speak to some of the proposed signage and existing versus proposed location. Here is the existing entrance in front on Hamilton Avenue. Showing a rendering of the proposed monument sign. It's also been suggested that the words "City Hall" could be a useful functional add to this sign which certainly could be done if not duplicative. Once again, a little closer to the front door of City Hall. Here, showing a rendering of the frame that would be used to provide some depth and articulation to the entrance and entrance location more visible farther out. This is the existing entrance to the library off of Forest. Here, across the street on Forest, the entrance to the police building. The rendering here, prior slides showing a bit of the detail on the lettering. The concept here had been and is that in a few years when the police has vacated, the letters could be replaced with appropriate alternative signage for whatever functions are in the building. Here, showing the entrance to the parking facility. Once again, not intuitive for those who are either coming to it from the street or exiting. Showing more of a "where are you," helping a visitor gain their bearings. We are talking about changing out what's shown in that upper area of the gray, which is text showing the location, to replace that with a map to be more graphic like you would see in a shopping area, to get more of a sense of orientation. This interior sign here on the lobby level, pretty self-explanatory. Same here, the type of lettering that would be used.

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James Keene, City Manager: That's out at Lucie Stern.

Mr. Shikada: Existing signage at Lucie Stern, which would be similar to the lettering that would be placed at the community room. Also interior once again. For the life of me, I was shocked to learn that you get to the Police Department through the Council Chambers. It was not necessarily intuitive, so the signage here being a little more descriptive. It still might be a little imposing to walk back here, but nonetheless a little more clear. Additional interior signs relating to the public art that's coming. Once again, more interior signs existing which will be replaced by more up-to-date, again reflecting some of the current layout of the building. We're also working on some of the wording that would be used to emphasize the Development Services Center, which is clearly a destination for many visitors to City Hall. We'd want to be very clear it's across the street. Garage entrance signs. Also pretty self-explanatory in terms of what would happen here. This showing the lobby on the A level, both current existing down below and proposed on the upper slide. I actually had a personal experience yesterday coming in, not on the A level here but on the B level, with a couple of families that in the afternoon were trying to get to University Avenue. Since the elevators are not operating on the weekend, needing to navigate their way to the stairs in order to get back up to the street and then over to University. It really pointed out to me the limitations on the existing signage, especially down on the lower level. Here a little more emphasis in terms of the type of change that would be used to demonstrate and provide directional signage both for pedestrians as well as for vehicles. Here's the display emphasizing the current A, B, C levels of the garage, which are proposed on the next slide to go to P1, P2, P3 convention to try to minimize or reduce some of the potential confusion on the parking levels, to be specifically parking levels. Finally, this providing a little more detail on the breakdown of the categories of signage. As I mentioned early on, recognizing some potential interest in reducing some of the costs of the contract. What could be involved here would be deletion of some of the elements of the contract, should that be Council direction. The last two slides just have point of contact. I'd like to acknowledge the work that Matt's done, including some feedback that I've given him since looking at the package, coming new to the City. We could do some tweaking on some of the messages that are on signs, once again, to reduce some of the text, simplify, have very consistent messages, in particular visitors first time or infrequent to the property. The last slide is simply the title. With that, City Manager, any comments or turn it back to the Council?

Mr. Keene: We'll be available to make comments or answer questions as Council discussion unfolds. I want to also acknowledge and thank the work of Brad and the team in Public Works.

TRANSCRIPT

Council Member Kniss: The question would be, because we do competitive bidding and we've talked about the signage for a long time, and I'm going to presume it's being pulled off because it either looks like it costs more or maybe it's not seen as necessary. I'm not sure exactly why it's been pulled. My question would be was there another way you could have gone about this. There's no question the signage here is pretty terrible. I had to figure out to get into the police station when I first got here. It's puzzling and it's hard to even figure out for people from the outside where you go into the police station on the other side. I can't tell you how many times I've been stopped at the elevator with somebody who's riding up and down trying to figure out as they say, "How do we get outside? How do we get out to where the street is?" It's very confusing. Never mind the stairs; I won't even go there. So, those questions.

Mr. Keene: First of all, this component of the overall project has been part of the project all along. It's not an additional or new cost. It's already embedded in the \$4.3 million project. This was the one outstanding contract we had still to let and to come back to the Council. Obviously there could be some questions about are there particular design elements or are there concerns about the cost. Again it's really easy to miss this point of the first time or non-occasional visitor to the building, even though it would be hopefully not long-lasting. Trying to sign the police entrance better to at least try to orient folks to coming into the department that way, rather than wandering through City Hall and through the Council Chambers. This project has all been about turning a building that was built at a point in time when the goal was to keep the public out of the building. As I mentioned before, being dedicated in 1970 in a university town at the height of all sorts of civil disruption and disobedience, that's why there was nothing on the first floor other than revenue collections. No public meeting space other than the Council Chambers. Everything has been designed to do this. Obviously we see the signage as maybe being looked at as the finishing touches and are they necessary. We're here to work through this discussion with the Council. Sometimes those last touches can make all the difference in a project being complete and fully working.

Council Member Kniss: Really an attempt at trying to let the public know that they are not only welcome, but once they get in the building they can find out where everything is. They can actually get out of the building and out to some of our retail offerings that are close by. I can't believe there's anyone here that hasn't had to take somebody and say, "Come around the corner with me and I'll show you how to get out of the building and out to Hamilton."

TRANSCRIPT

Doria Summa: Good evening Mayor and City Council. I want to thank you for letting me speak tonight. Doria Summa, College Terrace. I know that a lot of Staff time and work has gone into this project. I appreciate many of the improvements that have already been made to the lobby, most importantly the Council meeting room which has been greatly improved. You should take a look at if this entire sign package is necessary. It seems like there's a lot of redundancy and some unnecessary change. I also note on Attachment B that there are six exceptions to our own Sign Code included here, which seems odd if you're asking other applicants to adhere to the Sign Code to have our own project not adhere to that. I'm just hoping that you will look at it very carefully and eliminate anything that's not necessary and reduce the cost. Thank you.

Council Member DuBois: I did it again with Item Number 8. I don't like taking things off Consent. In this case, I thought it was important to do so to make a point with the item, which is the last stage of a pretty large update and for quite a lot from the public about \$4.3 million to update City Hall. I take your point. It's an old building and needed some updating. I'd like to have support from my fellow Council Members in signaling our desire to spend the public's money extremely carefully. When we do projects, we don't always have to do them at the highest quality level. Sometimes good quality is good enough. The proposed signage is beautiful. The question is do we need all of it. If we saved \$125,000 a meeting, we could pay for a lot of other projects that the community wants from us. I don't want to spend a lot of time on this item. If it's all right, I'll go ahead and make a Motion, which I emailed you, David, if you want to put it up. I would Motion that we approve the contract, authorize the City Manager to execute the change orders and to delete the following elements. Specifically, I'd like to eliminate the outdoor podium police sign, the outdoor podium City Hall sign, which together were fairly expensive. Also eliminate renaming of the parking levels from A, B and C to P1, P2, P3, which was about \$100,000 of the \$350,000. All the rest of the signage, all the rest of the wayfinding makes a lot of sense. We'd help people with the first floor, help them find the police station. There was, I forget how many, 200 signs in the garage. It was fairly pricy. With those changes, we direct for change orders to save at least \$125,000 on the wayfinding project.

Mayor Holman: Council Member Burt, are you seconding?

Council Member Burt: I'm sorry. No, I haven't.

Mayor Holman: I'm looking for a second for Council Member DuBois' Motion.

Council Member Filseth: I'll second.

TRANSCRIPT

Mayor Holman: Council Member Filseth seconds.

MOTION: Council Member DuBois moved, seconded by Council Member Filseth to approve the contract and authorize the City Manager or his designee to execute deductive change orders and to delete the following elements:

- A. Eliminate the planned "POLICE" podium sign; and
- B. Eliminate the planned "CITY HALL" podium sign; and
- C. Eliminate renaming of garage levels from A, B and C, with a total cost saving of at least \$125,000.

Council Member Filseth: Council Member DuBois has been pretty concise about this. Clearly what the Staff and the designer has come up with is beautiful stuff. Will it make City Hall prettier? Of course. But it's a third of a million dollars for signs. The real question is, is City Hall where Palo Alto residents want us to splurge. We're going to go back to the public with an ongoing series of fee and rate hikes for utilities, for electricity, for gas, over the next four years. We need to demonstrate to the community that we're paying attention and being very, very careful about their money. A third of a million dollars for signs is a lot. We ought to be circumspect in how we do this and maybe tighten our belts a little bit.

Council Member Burt: I want to ask a question of Staff on the parking level re-designation. Can you explain the need for that? At the same time, could you add an explanation, if we chose to retain the current designations and save that money, what impacts that might have?

Mr. Keene: Let me start for a second and let Brad jump in. Obviously the design thinking behind renaming the parking is integrated with the whole building. Right now we have a lobby level and we have a mezzanine, etc. One of the issues we do run into is people looking at the "A" level, is that the ground level or the first floor the lobby level. Trying to make a clear distinction between what is underground and parking with the parking levels versus "A," "B" and "C." Yes, it works there now, but we clearly have a problem with people saying, "Where am I? Where do I need to get off?" We wanted to be sure of that. We looked at renumbering them. Re-lettering and renumbering makes sense in and of itself. Brad ought to speak more to what is the value added for replicating that numbering system, redoing it across the garage and everything for people as they're wandering through the garage, oftentimes late at night.

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Brad Eggleston, Assistant Director Public Works: Jim spoke to what got us started on designing in this way, to change the names. There's a number of locations throughout the garages where we use the "A," "B," "C" designation. What we were trying to do here was have consistent graphics and signage throughout the garage to reflect the new "P1," "P2" and "P3." It would also match up and be in alignment with the other types of signage within the garages that are being proposed that don't relate to that. That's what I would have to add. Council Member Burt, to the second half of your question. I tried to go through our bid package line items and look at just the garage-related items that specifically relate to the "A," "B," and "C." For instance, if we did not make that change, then we probably wouldn't need to repaint all the columns in the garage. There's 200 columns that have the "A," "B," "C" information. There's also elevator core areas and stairwell core areas. If we were to remove all that work with this with the associated 10 percent contingency, it's just over \$100,000. That would include leaving some new signage for the garage that wasn't directly related to the "A," "B," "C" change.

Council Member Burt: You alluded to it, but I'm assuming that if we didn't change these designations for the garage floors, there's still some ways that we could provide better clarity than we have right now as to Level 1 being lobby and these levels being clearly parking, things that are on the margins but would improve that communication without having to redo everything, I'm guessing.

Mr. Shikada: That's certainly possible to a point. I would acknowledge that there's been an accumulation of different types of messages along the years on the levels. As a result, part of this is simply painting over some of that. To a certain extent, we'd want to acknowledge there would still be some expenses but perhaps significantly less without the re-designation.

Council Member Burt: I have a procedural question amongst us. I'm inclined to support deleting the expenditures for re-designating the parking level descriptions but not necessarily to do so on the other signage that's the other half of the Motion. Since those two things are lumped together, I'm not quite sure how we proceed. Unless we separate the Motion, we'd have to defeat the initial Motion and then entertain a second one, I'm guessing.

Mayor Holman: We could split "a" and "b" from "c," but first let's hear from other Council Members.

Vice Mayor Schmid: A question on the parking garage levels. The change to the easier measuring system also is, I assume, helpful for our whole Downtown parking permit program, that you can identify sites and where

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they are very quickly and easily and coincides with the other parking garages. I do note that \$150,000 is going to be requested from the Downtown Parking Fund. I assume that is primarily for the changes in the garage. Is that correct?

Mr. Eggleston: That's correct.

Vice Mayor Schmid: If we exclude "c," it would make sense, wouldn't it, to talk it over with the Downtown parking group and see if they will be missing a key component of their plan if you do that, since they're going to be paying for it. Is that reasonable?

Mr. Keene: The Downtown parking group is a free association, voluntary meeting. The City itself retains the authority for what choices or decisions we want to make about the use of funds.

Vice Mayor Schmid: What would happen if we saved \$100,000? How would you deal with the \$156,000 you were going to transfer from the Parking Fund?

Mr. Eggleston: That transfer hasn't been budgeted yet. It was something we had discussed bringing back to the Council at the conclusion of the project, when we had finalized the costs. The Staff Report talks about doing that at a point in the future.

Vice Mayor Schmid: It says Staff will bring back, but what would you bring back then?

Mr. Eggleston: A proposed transfer.

Vice Mayor Schmid. No. I mean if we vote this part "c."

Mr. Keene: Part c, we don't have part c in front of us here.

Vice Mayor Schmid: If we eliminate the cost of the sign repainting in the garage, would you still come back to us asking for \$156,000 from the Downtown Parking Fund?

Mr. Keene: Not for this project. As you know, in our discussions in Finance, we've actually been having some discussions about clearly trying to allocate all of the parking permit-related funding towards parking. We've peeled off some components that had gone to pay for the twinkle lights, for some police patrol at Lytton Avenue and the park and all of that, and shifted that back to the General Fund to sequester the funding towards parking. It would run counter for us to think about not continuing to use this somewhere else in the parking district.

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Vice Mayor Schmid: I just want to make the point that this savings you're talking about from the "c" Motion in here will not impact the General Fund.

Mr. Keene: That's correct.

Vice Mayor Schmid: How do you feel about that from a financial perspective?

Mr. Keene: My view is that it mitigates against the Council concern of spending money on something that might be better spent in a fungible way in some other program. That being said, if the Council felt strongly about this, we'd recommend reallocating this money towards some other parking-related need within the Downtown parking district area, which could very well mean doing better signage and painting at some other garage that isn't in City Hall or something else.

Vice Mayor Schmid: The general question is from the parking perspective of looking at the Downtown parking and all the changes we're going through about signage and location and valet parking and new permits and so on, would the re-signage in the garage be an effective tool in helping make those decisions more efficiently.

Mr. Keene: I think so. What we're trying to say is it is more intuitive. It would be more of a methodology that we would be deploying elsewhere. I definitely know as it relates to the exterior signs, the pedestal signs outside, the ARB made a very specific point in their review, and they had a lot to with the design, of asking that this be a standard that gets replicated elsewhere, so that when anybody goes to any garage, they start to see the signs right away.

Council Member Berman: I view a lot of these projects differently. How much would it cost—Jim's gone now. You might know by now, how much would it cost to rebuild a new City Hall?

Mr. Shikada: A lot. Much bigger than the ...

Council Member Berman: More than \$4 million?

Mr. Shikada: Certainly more than \$4 million.

Council Member Kniss: He was involved in one, Marc, so he knows.

Mr. Shikada: I think it was \$270 million in (crosstalk).

Council Member Berman: In San Jose. Thanks, Ed. I was just thinking during the presentation the differences between our City Hall and how

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difficult it is to navigate and how unwelcoming it is to the community versus Mountain View's new City Center. Everything about it is open and inviting. I got reminded of someone I try not to get reminded of which is Sarah Palin. What we're essentially trying to do is put lipstick on a pig. Our City Hall is the pig, and we're trying to make it a little bit less intimidating and a little bit less confusing. We've all had countless experiences of having to show somebody around; getting off the elevator and somebody walking out and saying, "Where's the City Council Chambers?" I've had plenty of friends that say that they'll park in City Hall if they're meeting me from another city and are going back to their cars an intimidating experience at night when it's dark and we've got dank stairwells. It can be confusing. I don't support "a" and "b." The idea of having better signage outside to indicate to the community what this building is, and this community is meant for them, is something that's really needed. The renaming of garage levels "A," "B" and "C"—money that's in the University Avenue Parking Permit Fund, can that go towards—from my understanding and education, what kind of things can that go towards?

Mr. Keene: We've taken a look at that. The Council ultimately has full discretion of the use of those funds. In truth, they could be used for any purpose, outside of parking even. The practice has been increasingly to focus on applying those towards parking needs, obviously because parking is a big issue. Technically, our understanding is that the Council has wide discretion.

Council Member Berman: I haven't decided yet how I'm going to go on "c." The change is a good change, and it makes it a lot more clear to the public about where to go. 45-year-old buildings need refreshes and resets. Everything we do costs money. I'll have a couple more minutes to decide whether or not that amount is worth the changes.

Mayor Holman: Council Members, we do need to split out the Motion into I'm going to suggest three parts, "a," "b," and "c."

Motion separated for the purpose of voting.

Council Member Kniss: A quick question. On the police podium sign, am I not seeing exactly what that would cost? What would that cost precisely? What's that saving us?

Mr. Eggleston: \$17,490.

Council Member Kniss: That's a good expense. I would like people to know where the police building is, because it certainly is not very evident.

TRANSCRIPT

Eliminating the planned "City Hall" sign was how much? I feel like we're in bidding war.

Mr. Eggleston: The same price as the police sign.

Council Member Kniss: Are we saying those first two add up to \$35,000?

Mr. Eggleston: Yes.

Council Member Kniss: We're eliminating \$35,000, but you want to get it up to \$125,000. Right, Tom?

Council Member DuBois: Yeah in the garage.

Council Member Kniss: The best way to get rid of the money is eliminating the garage repainting, correct? All right. I just want to come back to this for a minute. Staff has thought this through. They think it has great value. Did we do any trials on the public? I'm trying to think of some way that we can say, "This would work, and it will make a difference." It's \$100,000. For heaven's sakes, we spend \$100,000 usually without—I don't know about the lipstick on the pig, but we certainly can use far better signage. Help me out.

Mr. Eggleston: We didn't run any tests. As part of the process of coming up with these recommendations, our design consultants, Square Peg, worked with us to interview various people at City Hall. During that process, one of the things that came across was the confusion that we see from people about the "A," "B," "C." As we were trying to come up with this package to have the best design that we could, we included that as an element.

Council Member Kniss: Helpful.

Council Member Wolbach: I see a lot of value in updating and clarifying which levels are parking, which ones aren't. If there's a way to do it that's cheaper, that has the same effect, that people coming to the building by car or by foot or by bike have an easy way to find where to park and if they're already in the building or the parking garage, they can get out. When they're coming back to their bike or their car, they can find it easily. If there's a cheaper way to do that, fantastic. I might be in the same boat as Council Member Berman; I'm still making up my mind about part "c." I'm sympathetic to the desire to save costs if possible. I had one question for now. My understanding is that the only other parking garage we have in our Downtown area that has an underground area is Cowper. Is that correct, that's a City garage? Do we have any other ...

TRANSCRIPT

Mr. Keene: I don't think of it as having underground parking.

Council Member Wolbach: Do we have any other .. Maybe I'm (crosstalk).

Mr. Keene: You are driving, yeah, okay.

Council Member Wolbach: For the sake of having some consistency, it would be nice if the signage and naming conventions are similar in our various Downtown garages, especially as we're trying to improve the ability of people to come to Downtown and quickly find parking through technological improvements, etc. It's not necessarily make or break, but it would be nice. Would this change bringing the City Hall parking garage in line with that? How is that one labeled? Sorry, I should have gone over there and checked myself for the meeting. I can't remember.

Mr. Eggleston: I'm sorry. That's a question I should have the answer to, but I don't. I'm not sure what the parking designation is in the other garages. What I do know is that we coordinated a lot with the parking program and Parking Manager in developing this package.

Mayor Holman: I'm going to speak to "b" first. I've found that if we add "City Hall" to the monument sign, we don't need the freestanding building podium sign. It's a matter of priorities partially. It's partially a matter of design. I disagree that it's putting lipstick on a pig. Edward Durrell Stone is a pretty darn famous architect. This building has very dramatic vertical lines. I know the ARB changed from what the sign designer had recommended to do the podium sign, and I find it is so absolutely inconsistent with the architectural style of the building, the architectural elements, I shouldn't say the style, that I find it to be almost disruptive and interfering with the design of the building. If we change the monument sign to say "City Hall," we don't need the podium sign. Also, I find it to be, from a design standpoint, inconsistent with the building. Quick aside here. I looked at the findings last week that the ARB put together. They're weak to say the least. They made no statement about how that would be consistent with the context. I'm supporting "b" and encourage my Council Members to do that. On "a," I'm a little bit more sympathetic because it doesn't have the same impact on so much of the Stone building. It's much lower, and it is somewhat sympathetic to the library. I would be fine without it. There are other things that we could do, but I'm not going to fall on my sword about the police sign. I'm sympathetic also to wanting to have a consistent look and feel. I'm absolutely sympathetic to that, but there are ways to accomplish it and ways not to accomplish it. Having to do with "c," that's maybe the hardest one for me. Let me go to the podium signs just for a moment. There's no mention of this, I think it's slide 18, yeah, that talks

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about the new pillar signs at the stairwells. I'm hoping we're looking at cleaning up those stairwell enclosures at the same time, because they're, I won't even say how bad they are, but they're pretty darn bad. They're littered with signs and postings. I know one of them is required, if we have changes to City Council meetings and that sort of things, last minute ones. Other than that, they're pretty awful. If we go to "c," that one is a little more challenging. I look at slide 29, if we could put that up. I look at slide 29, and I like the look very much. It is a good look. At least in this building, and we don't know about other garages, there's nothing in this building that that graphic coordinates to that I'm aware of. It seems to me if we kept "A," "B" and "C" and saved the money, we could add some very tasteful information below the "A" and below the "B" and below the "C" that would give the same messaging as what is on the proposed column designs. There are other ways that we could, and more simplified and less expensive means, give directionals to people, like where they are and what direction they need to go to be outside, what direction they need to go to be on Bryant, what direction they need to go to be on Ramona. We've come up with a package, but it's much more complex than what we need to have. It's a matter of priorities and expense. We have a lot of demands on our parking dollars right now.

Mr. Eggleston: Mayor Holman, I just wanted to mention that when I discussed the roughly \$100,000 figure as being relevant to changing from "A," "B" and "C," there are other signs beyond that for the garage that I didn't include in that \$100,000 figure, that helped to add some of the detail and improve the direction finding.

Council Member DuBois: Since we split this into three Motions, just real quick. I think everybody understands that most of the other changes would be made. The elevators and floors would be numbered one up. If you saw "1," "2," "3," "4," "5" and then you saw "A," "B," "C," it'd be pretty clear that those were below ground, below the "1." For Motions "a" and "b", the signs themselves if you look at the slides, "City Hall" and "Police" could be placed on the building. A lot of the expense is the podium. A couple of things about that. For the police, hopefully this is going to be a fairly temporary sign; they'll be moving in a short number of years. Again, \$17,000 to erect that podium seemed excessive, and "Police" could be placed right on the building. The same thing with "City Hall." The other thing is these two signs require us to find that we need to have an exception to our Sign Ordinance. Again, do we really need to do that? I just wanted to make those two points on "a" and "b." I wanted to make sure everybody was looking at the right images. If you look at slide 10, Mayor Holman just mentioned this. The idea would be to add the words "City Hall" to this sign which is in front of the building.

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Council Member Filseth: Somewhat quick and a comment on this. This is about our City, and it doesn't matter what Mountain View's City Hall looks like. The comment that we spend \$100,000 all the time, I know that's true. If we saved \$100,000 a month, we could fund the Animal Shelter. We could fund four Palo Alto CLEAN programs. It is significant even though we've got a big budget. The real question is, is this what Palo Alto residents want. The one thing that occurs to me thinking about this is none of us want City Council to sit here and design this thing. One way we might do this is come up with—I'll see what Council Member DuBois thinks—what we think the savings of this is going to be, and then let Staff work within that constraint so they can optimize within it. If they can find some more money somewhere else, then we apply it to this and that. We don't really want to tie their hands too much; we just want to right-size this.

Council Member Wolbach: I don't have a design background. I also am not a big fan of designing from the dais. I appreciate Mayor Holman raising her concerns about the design of the "City Hall" podium sign in front of the main entrance. I felt similarly, and I appreciate her vocalizing it. I share her opinion about that. The question for Staff is, if we took either or both the one in front of the police station, opposite the library, and also the arch sign in front of the main entrance, if we move them onto the building and somehow took the current signage and made it with the current lettering that's on the windows and somehow made it more prominent, how much would that save us cost wise?

Mr. Keene: These guys can try to figure out the cost. If I might speak to it. My own view is that the back of the building signage is more critical than the front. It's a terrible entrance for the police building. The thought was to link it to the library, not just mimic it but have people realize this is a little bit more of a campus situation. We're even looking at whether there's a potential for a slightly raised crosswalk there. It'd be a little traffic calming. The library is tucked away; it's a very low scale. We wanted to pull that together. The actual original design was for a bar to be across the buildings, mounted on the building without this separate, freestanding arch. I don't know what the cost is, but obviously if each one's \$15,000, there's a lot of cost in that fabrication of the arch itself. It was the ARB who suggested—on the City Hall one in particular because those vertical elements are so strong, it did get a little busy trying to make out the words "City Hall" criss-cross. That's one of the reasons they thought pull it back. It's a little weird being so far from the building. Again, we're Staff. They're your ARB. Part of our job is to work with the appointed bodies that you have and only you all if you want to go in a different direction. I'm having to guess you save about, whatever that number was, \$35,000. What do you think we save? Cut it in half at least.

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Mr. Eggleston: I would think at least half. I just checked with Matt Raschke. We never did have an estimate for the cost on those. At the time, it was not planned with the podium.

Council Member Wolbach: With that information, I'll be supporting "b" and "c."

Council Member Berman: I appreciate everybody's comments obviously. I don't think that the sign on slide 10 is nearly sufficient. Our City Hall is very open. People approach it from almost 270 degrees, and this is a sign that's on the far, what is that, northeast corner. That might help 20-25 percent of people who are looking for City Hall, but I don't think it at all adds any actual signage to the building. I don't think that's nearly a sufficient substitute for a larger sign near the front of the building. Other than that, I'm going to stick with the comments I made earlier.

Council Member Burt: After hearing the City Manager's comments, I would like to offer an Amendment to "a" and "b" that rather than elimination of those signs, that they instead be attached to the building.

AMENDMENT: Council Member Burt moved, seconded by Council Member XX to replace in the Motion:

- i. Part A, "Eliminate the planned "POLICE" podium sign" with "Eliminate the podium and attach the "POLICE" sign to the building"; and
- ii. Part B, "Eliminate the planned "CITY HALL" podium sign" with "Eliminate the podium and attach the "CITY HALL" sign to the building."

Council Member DuBois: That's acceptable.

Council Member Kniss: Because it saves money, Pat?

Council Member Burt: Both that it saves money and doesn't detract from the intention of the signs, is what we just heard.

Mayor Holman: I don't believe the "police" one can be attached to the building and serve its function.

Council Member Burt: Is that right? I thought you had said that originally that one had been attached.

Mr. Keene: I apologize for that. I know the focus was on the "City Hall" one as it related to the attachment. I don't recall exactly. Obviously it would be

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set back. It's a little more in the shadows there underneath the overhang, where it will go in.

Mr. Eggleston: Yeah. Just to clarify a little on the earlier comments. When the package was put together and taken to ARB, a podium sign was included for the "police" sign, because of the fact that there's no easy way to mount it to the building. The "City Hall" sign was mounted to the front of the building.

Council Member Burt: Based on that clarification, I would change my proposed Amendment to just be that the "City Hall" sign be attached to the building, and not the police. If that's acceptable.

AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion at the end of Part A, "retain existing stairway sign."

AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part B, "Eliminate the planned "CITY HALL" podium sign" with "Eliminate the podium and attach the "CITY HALL" sign to the building."

Mayor Holman: With that Amendment, you lost my vote. Let's see what the language is for "a." Vote on the board please.

Council Member Kniss: Is the "police" still on the podium or not on the podium?

Council Member DuBois: On the podium.

Council Member Kniss: Still on the podium.

Mayor Holman: The Motion is to eliminate the planned "police" podium sign as was in the presentation. It is the original Motion to eliminate the planned "police" podium sign that was presented to us tonight, and retain the existing stairway sign.

Mr. Keene: There will be no new sign.

Mayor Holman: That Motion fails on a 3-5 vote with Council Members Berman, Schmid, Holman—I can't see, hang on. With Council Member Scharff not participating. That Motion fails.

MOTION PART A RESTATED: Eliminate the planned "POLICE" podium sign and retain existing stairway sign.

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MOTION PART A FAILED: 3-5 DuBois, Filseth, Schmid, yes, Scharff not participating.

Mayor Holman: Now we'll take a vote on Motion "b," which is attach the planned City Hall sign to the building and modify the planned monument sign at Hamilton Avenue and Bryant Street adding City Hall text. I cannot support this. You heard me talk about the graphics earlier. Vote on the board please. That Motion passes, sadly she says, on a 6-2 vote. Council Member Scharff not participating. The negatives were Council Member Holman and Council Member Kniss. That was Scharff not participating.

MOTION PART B RESTATED: Attach the planned "CITY HALL" sign to the building and modify the planned monument sign at Hamilton Avenue/Bryant Street to include "CITY HALL" text.

AMENDMENT B PASSED: 6-2 Holman, Kniss no, Scharff not participating

Mayor Holman: Then we have eliminate the renaming of garage levels from "A," "B" and "C.: I look at the maker and seconder of the Motion. Is that total elimination or are you leaving latitude for Staff to find some other way to improve the directional aspect of wayfinding in the garages?

Council Member DuBois: I think Brad said a couple of times that they were going to continue to do that already.

Mayor Holman: Just being clear on that.

Council Member Kniss: One clarification before we vote. This is the one that will save \$100,000? This is the money-saving measure?

Council Member Burt: Correct.

Council Member Kniss: Tom, you've been very convincing. I hope people can still find their way through the garage.

Mayor Holman: Vote on that Motion please. That's "c." That Motion passes on a 7-1 vote with Council Member Scharff not participating and with Council Member Berman voting no.

MOTION PART C RESTATED: Eliminate renaming of garage levels from A, B and C.

AMENDMENT C PASSED: 7-1 Berman no, Scharff not participating

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Council Member Filseth: Do I understand correctly that we just voted to do the brushed aluminum podium for the police station side but not the City Hall side?

Mayor Holman: No. What happened was we voted to do the brushed aluminum sign on the police side. On the City Hall side, we voted to do it but attach it to the building.

Mr. Keene: As a straight line across.

Council Member Filseth: On the other hand, that's the way it is on the library as well. Right?

Mr. Keene: That's correct.

Mayor Holman: I did not understand it's a straight line across. It was just attached to the building.

Mr. Keene: I thought we were cutting the podium part off, and we were just putting it straight.

Mayor Holman: Staff needs to know what the direction is.

Mr. Keene: Rather than a "U," it's a straight line across with "City Hall" on it.

Mr. Eggleston: I believe as original designed and proposed, it was a metal tube. It would be mounted to the building with the letters mounted to that.

Mayor Holman: Council Member Burt, as the amender of the Motion, is that what you intended?

Council Member Burt: Sounds good to me.

Mayor Holman: Okay. We'll go with that.

Mr. Keene: Before you move on, if you wouldn't mind approving the contract itself so we can do the rest of it. It would be in order that you would approve the recommendations with these modifications.

Council Member DuBois: I think that was at the top of the Motion.

Mr. Keene: It was?

Council Member DuBois: Yeah. Approve the contract. Because it got split into three, I don't know if we need that.

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Mr. Keene: If you might add the second part which is the contract and the potential change orders at the 10 percent level. Right?

Mr. Eggleston: Correct.

Mr. Keene: That would be a lower amount.

Mayor Holman: Is that implicit with the Motion because it did precede or do you need us to vote on that separately?

Mr. Shikada: If that's the sense of the Council.

Mr. Keene: If the Council's interpretation is the way that's worded is to include both of the recommendations related to the contract, then yes, it's understood.

Mayor Holman: All three recommendations.

Mr. Keene: Obviously we would be reducing that 10 percent by the deducted amount of the changes that you made also.

Mayor Holman: I'm thinking implicit with the Motion. Thank you for your question.

Council Member Kniss: Are we voting on this or do you not need it?

Mayor Holman: We don't need it.

MOTION AS AMENDED PASSED: 8-0 Scharff not participating

12. ~~PUBLIC HEARING: to Hear Objections to the Levy of Proposed Assessments on the Palo Alto Downtown Business Improvement District and Adoption of a Resolution Confirming the Report of the Advisory Board and Levying Assessment for Fiscal Year 2016 on the Downtown Palo Alto Business Improvement District.~~

Mayor Holman: That has been continued to June 29th meeting.

13. Discussion and Direction Regarding a Possible Ordinance to Limit Formula Retail and Other Land Uses to Preserve Ground-Floor Retail Along Commercial Areas on California Avenue and Some Intersecting Streets.

Council Member Kniss: Mayor Holman, I need to speak before you get started. Because my family owns property that may or may not put me in conflict and, using the Mayor's former comment of an abundance of caution,

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I'm going to recuse myself from this item. The FPPC has not yet had a chance to rule on this. Molly has said that she will pursue this. In the meantime, given the proximity I am going to recuse myself tonight.

Council Member Kniss left the meeting at 7:29 P.M.

Jonathan Lait, Planning and Community Environment Assistant Director: Good evening, Mayor Holman and City Council. Jonathan Lait, Assistant Director for the Planning and Community Environment Department. For the last several meetings, the City Council has had a conversation about retail preservation. Tonight's conversation is more focused on California Avenue and some of the adjacent streets in that area. You may recall last year that the City Council had expressed an interest in looking at retail preservation on California Avenue as well as wanted to consider the possibility of regulations for formula retail or chain stores on California Avenue and the possibility of regulating the number of restaurants permitted in that area. Also included on this slide are some of the other actions that the City Council has taken to date with respect to retail preservation Citywide. This map is an excerpt that is taken from the Staff Report. The shaded portion surrounds California Avenue which is in the middle. California Avenue has a zoning designation of CC(2)(R)(P). This is the R Combining District. The permitted uses in that shaded area are retail, personal services and eating and drinking. Those are the only permitted uses permitted by right on the ground floor. The surrounding area, shown in hatched markings, is the CC(2) designation. These uses are also permitted in this area, but so are financial institutions and limited office spaces. This is a chart that summarizes the types of businesses that exist on California Avenue, Sherman Avenue and Cambridge Avenue. We can come back to this chart and focus this in a little more detail, if desired. It gives you a breakdown of the types of uses that we see. I'll just highlight that about 30 percent of the uses on California Avenue are eating and drinking establishments, 25 percent are retail, 21 percent are personal service, with the balance being other land uses. Staff has done some preliminary outreach in advance of the Council's discussion. As noted in the report, we did a questionnaire on SurveyMonkey and we had a presence at the farmers' market, I believe, over two weekends. We also held two community meetings in the area, which were attended by property owners, businesses and residents in the area. What we heard were some of the concerns that are shown on this slide, on the left-hand side. There is a concern about the potential loss of neighborhood character; the loss of independent retailers, the mom and pop shops that we've been hearing about; and how perhaps the formula retail uses that are establishing on California Avenue and the perceived increase of restaurants in the area are affecting that neighborhood character, but also serving more of a daytime population with the office development that we're

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seeing in the area. There was also a recognition amongst those who participated in the meeting about the changing dynamic of retail uses and how that's affecting or could be affecting the transition of retail and increase in some of the personal service uses that we're seeing in the area. Some of the issues that were discussed at the meetings included the topic of formula retail. As reported in the report, there didn't seem to be an interest in an outright prohibition about formula retail, but those who advocated or expressed a concern about it did advocate for a limit. There was discussion about the perceived impacts and benefits of formula retail. We've included in the Staff Report an attachment of other California cities that do have regulations that affect formula retail. Regarding some of the initial Council conversation about possibly regulating the number of restaurants in the area, Staff believes that the existing regulations that are in place today and most notably the restrictions on parking, requiring one parking space for every 60 square feet of floor area of the dining area, eating and drinking area, effectively limits any new restaurant taking place on California Avenue. It doesn't necessarily preclude it outright, but we believe it is something that we're not likely to see. What the Council also discussed and also was talked about at the community meetings was the possibility of expanding the R Combining District beyond California Avenue, where it is presently and shown on that map, to possibly include Sherman Avenue, Cambridge Avenue, those two adjacent, parallel streets. As noted in the report, there was a conversation about some expressed that if we expanded to those adjacent side streets that it could dilute the retail core on California Avenue. At this time, Staff doesn't have enough information to affirm or deny or reject that assertion. At both of the meetings parking was discussed. I know that the City Council will be having a conversation about this as it relates to the capital improvement plan that is forthcoming. We recommend at this time that the City Council direct Staff to amend the Municipal Code to define what formula retail is and to establish a regulatory process, discretionary review, to evaluate formula retail uses on Cal. Ave. We also look to the City Council for guidance on adjustments to the boundaries of the R Combining District as well as some of the other items that were noted in the Staff Report, most notably restrictions to nail and hair salons, whether there's an interest in collecting more economic and retail data for California Avenue and the adjacent side streets, and if there's interest in further community outreach before preparing any Ordinances that the Council may desire. I'll conclude with that. Look forward to answering any questions.

Mayor Holman: I want to ask one procedural question of Staff. Not knowing where all the Council Members are going to go tonight, is it possible that we could put in place an Interim Ordinance for this? A placeholder Ordinance. Staff could come back with any refinements at a later time, so we don't hold

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it up for any additional research that might be necessary, depending on where the Council goes tonight.

Mr. Lait: We can certainly agendaize an Interim Ordinance. As a regularly agendaized item, we can have that scheduled, and then we can go back and do the study. Tonight you could not implement the Interim Ordinance.

Mayor Holman: Of course not. What my thinking is if it goes to the Planning Commission, because we're going to make recommendations tonight. It's going to go to the Planning Commission; they're going to have their own recommendations at that time. What I'm asking is that we not hold anything up, but maybe we might not be able to identify everything tonight or think that the Planning Commission is going to identify everything. That would be the final Ordinance. That's my question. Looking at the City Attorney.

Cara Silver, Senior Assistant City Attorney: Cara Silver, Senior Assistant City Attorney. I think we need to distinguish between an Interim Ordinance and an Urgency Interim Ordinance. An Urgency Interim Ordinance that is adopted by the Council requires eight votes, of course; and it does not go to the Planning Commission. It does require emergency findings, so you do need to have evidence in the record that there is an emergency that you are trying to address in order to have an Emergency Ordinance. However, you can do an Interim Ordinance which would be very similar. You wouldn't have to do eight votes, and it would go to the Planning and Transportation Commission.

Mayor Holman: That was the direction of my inquiry.

Jessica Roth: Hello, Council. Thank you for your time tonight. Jessica Roth, business owner on California Avenue. I'm here tonight to ask you for a zone change on California Avenue to limit the number of formula operation-type businesses. There are many cities in the U.S. that have already done things like this. Right now New York City is trying to find ways to preserve their independent businesses. In October over a three-week period, we collected over 600 signatures from local residents, customers and business owners supporting the idea of limiting formula-operated stores and restaurants on Cal. Ave. There have been two outreach meetings with businesses and the community with most of the opposition coming from property owners, management companies and developers. These are people that do not live in and support California Avenue. The people that support California Avenue want to see it remain independently owned and operated, creative and friendly. Thank you.

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Jessica LaMaack: Madam Mayor and Members of the City Council, my name is Jessica LaMaack, and I'm here this evening on behalf of the Palo Alto members of the California Restaurant Association. These issues that you're bringing up tonight is definitely something that is of high interest to my members. Obviously limiting restaurants would not be beneficial to my members and/or to the community. Also, formula retail and formula restaurants are positive to a community. It allows those who are students to work at an establishment here while they're in school and then go back to their hometown that may have the same establishment and work there as well. It allows them to transfer their skills while they are still students, still in college, still working. Also several formula retail establishments in other cities limit franchisees which would be very detrimental to the community as franchisee/owners are local residents. They are local community members. These small businesses hire many minorities, many women and many individuals who are looking for a flexible schedule. Restaurants, including those who would be considered formula retail, do provide positive attributes to the community. I'd just like to let that be on the record and let that be known. We look forward to working with you as this topic rolls through the City. Any questions you may have, my members are more than willing to provide feedback for you guys. Thank you very much.

Bob Moss: Thank you, Mayor Holman and Council Members. First, I agree with the Staff recommendation. If necessary, you should clean up the definition of ground-floor retail. It does need a little improving. As far as the California Avenue area, it would be a good idea to extend the ground-floor retail along El Camino from College to Sherman, include Cambridge and include Sherman from Birch to El Camino, because those are highly retail use areas. Also, it'll help to preserve the retail vitality along California Avenue. One of the problems is there's nothing to prevent a landlord from raising the rent and forcing out mom and pop retail and replacing them with offices with the existing regulations we have. One of the things that you ought to seriously consider is in the ground-floor retail area requiring a conditional use permit to change any use from what it is as of, let's say, June 1, 2015 to another use. That will give you an opportunity to prevent conversions in any significant amount from retail to offices. One of the other things that you should carefully consider is whether you want to have the same kind of, let's call it retail vitality Ordinance like you have for Downtown, where the businesses or the property owners are assessed a certain amount of money, it would be at a much lower level than Downtown is, in order to generate ads, events, things that'll improve the vitality of retail along California Avenue. You should talk to the merchants about that, talk to the property owners, and see if they would like to have that kind of opportunity. The amount that's assessed, for example, Downtown is fairly small. Most of them are \$50-\$100, \$150 per year. An assessment of that

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amount wouldn't too much to upset the property owners or the businessmen. It's worth considering. I'd like to see the vitality of California Avenue maintained and, if possible, even improved. It's a very important retail area. We need it, and I'd like to do everything we can to preserve it.

Cedric de la Beaujardiere: Hi. Thank you, Council, Mayor. Cedric de la Beaujardiere, 741 Josina. I'm also here to support the concept of putting a limit on chain or retail formula stores. We've all seen the market forces at work transforming downtowns across the country and across the world into these homogeneous collections of chain stores. Whether you're in a quaint little town in France or on the East Coast or here in California, everywhere you go, it's the Gap and McDonalds and a couple of Starbucks. It's the same stuff over and over again. That's what the market will do unfettered. In addition to retaining the local character, there's also an economic benefit to local businesses. There was a study some years back that a dollar spent in a locally owned business was recycled seven times more into the community than a dollar spent in a chain store. I don't know how that metric might have changed over the years, but in any case it's a multiplier effect. Whether it's seven or three or ten, that's more money recycling in your community when you're having a local business. I would encourage you to be careful that if you have a conditional use permit, that it not just be a process to follow, at the end of which is a rubber stamp. It shouldn't be, "You need a condition use permit. Fill out this form," and it's guaranteed. There needs to be some control for the regulating bodies that they can actually say, "You've done the process, but we still don't like your use." That's it. Thank you so much.

Doria Summa: Doria Summa, College Terrace. Thank you for letting me speak again tonight. I too am in support of an Ordinance that would protect California Avenue's character and individual businesses and limit formula retail. In College Terrace, we consider California Avenue our Downtown. I try to do as much shopping there, truthfully, as I can. I like to walk, not to have to drive places. We've just finished that great project improving the streets, so it should be even more friendly to pedestrians and bicyclists. That was the intention. I urge you to take this action and help maintain Cal. Ave. Thanks.

Mora Oommen: Good evening, everybody. My name's Mora Oommen. I am a resident of Palo Alto. My husband and I work in Palo Alto. I work on California Avenue, and my 8-year-old daughter has known nothing else but Palo Alto. We love the place, like many of you, and love to call it our home. California Avenue especially is a place that we love. We love the improvements, so thank you for all your hard work on this streetscape project. I run Blossom Birth Services in Palo Alto. We're a nonprofit, and

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we're lucky to be on California Avenue. It's an expensive place to be, but we're in the back of a building. The owners of the building have discounted our rent; therefore, we've been on the street for about ten years. We hope we can stay there. We play an important role for the community. We provide classes and services to expectant couples and new families. We provide that fabric of support as people start having babies and expanding their families. We also help organize the Halloween event on our street, which is the largest community event in Palo Alto. That speaks to the uniqueness of our street. A number of vendors on the street participate, whether they're the Subway on the street or the Starbucks or, like Jessica said, her store, Keeble and Shuchat, everyone comes together and celebrates that together. As we start going down this road, I want to support you in your effort to try to keep the uniqueness of our street and the vitality. Stores like Jessica's, the Cobblery store, has been on that street for four generations. I would love for my daughter to be able to interact with a store like that when she grows up as well. She can go to a Gap anywhere, but I'm hoping she can go to a store like the Cobblery and get some shoes fixed instead of going to buy another new pair of shoes. Go to Keeble and Shuchat and actually touch and feel cameras. There's so many unique stores on our street. I hope we can keep that and we can keep places like Blossom and other nonprofits on the street there as well. Thank you as you think through this. Thanks.

Mayor Holman: We've done a lot of work on retail, so a little bit different this time around, but let's try for a three-minute question round and see where we get.

Council Member Scharff: You say we should look at changing the retail service requirements possibly. Would Blossom, for instance, does that fall under personal services? It doesn't fall under retail obviously. Where would that fall in here or would that not be included?

Hillary Gitelman, Director of Planning and Community Environment: I'm sorry. We're talking about personal service uses, not retail service uses. You'll have to clarify for me the nature of the business.

Council Member Scharff: The woman who spoke, Mora from Blossom. I was wondering if that falls under personal services.

Ms. Gitelman: If you could tell me the nature of the business.

Council Member Scharff: Could I have her explain it again?

Mayor Holman: Absolutely.

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Council Member Scharff: The nature of your business.

Ms. Oommen: Blossom is a registered not-for-profit organization. We're registered and have been in Palo Alto for 16 years, ever since our inception. We serve the local community with classes and resources for expectant couples and new families. We're a nonprofit on this street.

Ms. Gitelman: It sounds like an office use.

Ms. Oommen: We have a resale store within our store as well. We are on the first floor, but with steps set back from the street.

Council Member Scharff: They have classes. That's where I was picking up on it. Do we include classes as personal services, if they're not fitness classes? I know we have the Barre place, which is right there. They have fitness classes. You put that down as one of the formula retail. I was just trying to get a sense of where that line is drawn in our Ordinance.

Ms. Gitelman: We've learned from the prior discussions on this that some of these questions require some ...

Council Member Scharff: Some analysis.

Ms. Gitelman: ... some analysis of exactly what's proposed. There are some small fitness-type things and yoga studios that do count as personal services and would be permitted. Some larger ones count as commercial recreation and would not be permitted. It's usually a site-specific question.

Council Member Scharff: You're suggesting that we put in a conditional use permit for formula retail. When I was looking through the formula retail stuff, the Kelly-Moore Paint Store, for instance. When people tell me California Avenue is changing and that they're losing the services they want, I think they mean things like the Kelly-Moore Paint Store. It's been there a long time. It's not a hardware store, but it's in that sort of thing when people talk about it. Have we thought about maybe limiting the formula retail issue to restaurants and eating establishments? Is there any reason we couldn't do that?

Mr. Lait: No reason that the Council couldn't go down that path.

Council Member Scharff: When we think about formula retail that's not eating establishments or drinking establishments, do we have any indication that—formula retail that people think about are things like the Gap or, I don't know, those bigger stores that come in. Do we have any indication that California Avenue was the site where anyone's considered those kind of

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stores? I've never heard of it. They all go to Town and Country or they go to Stanford Shopping Center. Most of them go to Stanford Shopping Center frankly. They don't even go Downtown.

Mr. Lait: Your question, do we know if a place like Gap would be interested in Cal. Ave?

Council Member Scharff: If we're thinking about outlawing formula retail that is not an eating or drinking establishment, we're talking about what kind of stores? We'd be talking about FedEx, I suppose, which is already there. If UPS wanted to open up, we'd be talking about UPS. What kind of stores do we see that—what harm are we trying to prevent that we could see going on California Avenue that we've had any indication could occur?

Mr. Lait: With respect to harm, the idea is for sometime Cal. Ave. has been an area where there's been more independent, mom and pop shops. The thought that we're beginning to see more chain stores or formula retail in the area. I don't know that there's harm right now, but it's the start of the conversation to have that dialog. With respect to what would be formula retail or not, the net could be as broad or as narrow as the Council wants to make it. In other communities it could include hotels. It certainly could include restaurants or retailers. That's up to the Council to have that conversation. We're not proposing to prohibit formula retail. What we're talking about is create a dialog or an opportunity through the CUP to have that conversation. If there is a use, even if it is a formula retail use, that generates community support and would be good for Cal. Ave., a use like that could go forward if the findings were met.

Council Member Scharff: Just one last quick comment. I can't think of a single formula retailer that's come to Cal. Ave. that's not eating or drinking. FedEx has been there forever. The Kelly-Moore Paint Store has been there forever. I'm actually struggling with this notion that that kind of change is coming to California Avenue and that things are changing. I see no evidence of it. The only thing possible is the Barre. That's it; that's all I can think of. If you have any others, let me know.

Mr. Lait: The list on packet page 811 is the list of formula retailers which includes restaurants and retail uses that we've identified on Cal. Ave.

Mayor Holman: That goes to my question. I'm a little confused by Council Member Scharff's question about Kelly-Moore Paint and it being formula.

Council Member Scharff: Benjamin-Moore.

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Mayor Holman: That's independently owned, so I'm not understanding why that wouldn't be retail and it's not on this list—oh, it is on the list. Why is that? It's independently owned, and I think they have three stores.

Mr. Lait: What we've done with this report is taken our—we don't know where the Council is going to go in terms of a definition of what formula retail is. What we did was we looked at the uses in the area and we tried to identify if there were ten or more of those uses in California, then we put it on this list. There is an opportunity for us to create that definition. I look to the attorneys to see if there's a way to distinguish chain retailers from independently owned versus some other kind of agreement that may exist. That dialog can take place this May.

Mayor Holman: Yeah, because I don't follow that thinking at all.

Council Member Burt: First, Jonathan, you alluded to our current Code that would make it very difficult for goods and services retail to be converted to retail. Can you clarify that?

Mr. Lait: Yes, thank you.

Council Member Burt: In that context we recently had Chez Franc that was a used a book store that converted to restaurant. I'm trying to understand how that occurred under the condition you were describing.

Mr. Lait: I'm not familiar with the specific example, but I can tell you what I've been able to piece together since I've been here. For intensification of uses on California Avenue, there was the parking assessment district that had existed, and I believe it has sunsetted or will sunset in the next—maybe that's not the right term. Maybe the bond has matured; I'll look to others who know more about that than I to speak to the technical terminology. It used to be that you could pay into this assessment, and your property taxes would be adjusted if you were going to need more parking for a more intense use such as a restaurant. With that assessment district going away or the ability to pay into that assessment district going away, that option no longer exists. If a use is going from a retail or an office to a restaurant, you're going from a parking standard of 1 to 200 or 1 to 250, whatever it is in the Code, to one that requires one parking space for every 60 square feet of the eating and drinking area. It's a much more intense use; you need to provide more parking onsite. With most of the businesses on California Avenue, there isn't the ability to provide more parking onsite. That physical limitation of where the existing building is and how much parking is onsite is a de facto limit for intensifying the use.

Council Member Burt: That would take effect when?

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Mr. Lait: I believe that is effective essentially now or in the next month. I'll look to Cara for help on that.

Ms. Silver: To clarify, the California Avenue assessment bond has reached its maturity, but I don't believe that we have permitted people to buy into the assessment district prior to its formation. However, Assistant Director Lait is correct that because the parking requirements for restaurant are more than retail, just historically there has been that limitation on the conversions just because California Avenue like University doesn't have a lot of onsite parking. California also, unlike University, doesn't have a parking in-lieu fee.

Council Member Burt: Are you saying that has historically been the case on Cal. Ave. or would only kick in in a month?

Ms. Silver: My understanding is that we have not permitted people to buy into the assessment district, but that there may have been some situations where we have.

Ms. Gitelman: I believe there was a mechanism where the assessment district was created and there was an existing suite of businesses and uses that had to pay a certain amount that was established at the time. Over the years, people have been able to buy in and the amount they pay per space has increased. When the time left on the bond has diminished, it's been a sliding scale. That ability to buy in is sunseting with the bond. What Assistant Director Lait is saying is going forward, it's going to be difficult for any existing retail space to intensify to a restaurant or eating and drinking use since it's so difficult to provide additional parking in the area. That will, of course, change if and when we construct a garage and/or create a mechanism for existing buildings and spaces to once again buy their way in.

Council Member Burt: That's an interesting development. I did want to ask on this issue about Sherman. I think you alluded to this early on. I'm not aware of retail on Sherman. Bob Moss said that it's a retail area. I'm down there all the time, and I'm not aware of retail there. I look at your large 11x18, and I don't see any retail listed there. Is that correct?

Mr. Lait: Yeah, according to our Staff analysis out in the field, we did not identify any retail on Sherman.

Council Member DuBois: One of the speakers spoke about El Camino. I'm interested in El Camino along Cal. Ave. You only showed a small portion of it beyond the area you showed on your map. Do you know offhand what a lot of that zoning is, say, continuing along El Camino to Page Mill? Is that CC(2) or CN? If you don't know, that's okay. I'm just curious.

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Mr. Lait: We can look that up. If it were CC(2) it would have been hatched in that area. It could be CN. I can pull up the map and get more information on that.

Council Member DuBois: A lot of that's already retail on both sides of the street. The last page of your presentation ...

Mr. Lait: I'm sorry, I misspoke. CS.

Council Member DuBois: ... you had a slide showing parts of 18.16.050, maybe the appendix of your presentation. There's a lot of clauses and exceptions for ground-floor retail; you listed a couple. I was curious why you listed these particular ones.

Ms. Gitelman: Thank you, Council Member DuBois. I was trying to fit a lengthy section onto one PowerPoint slide. That section is, I don't know. Coming in as an outsider, it looks like it was drafted late at night by a committee. It's long and complicated. I think it's a result of that examination of the retail issue Citywide back in 2001. It creates a set of exceptions that apply in the commercial districts. The most notable is to the CS district. We can talk more about it at length if you'd like to.

Council Member DuBois: When we get to comments, I share some concerns. There's a lot of interesting exceptions.

Ms. Gitelman: As we start looking Citywide at our commercial districts, we're starting tonight with Cal. Ave., but the Council's intention as expressed when you discussed the Urgency Ordinance was to look at all the commercial districts. There's an opportunity to reexamine that section and try and clean it up.

Council Member DuBois: On the formula retail, you mentioned some examples of other cities. Could you talk a little bit about if you're familiar with discretionary processes, whether they're CUP or not, that other cities use?

Mr. Lait: What I recall is that most of them have different terminologies, but the process is essentially the same. There's a planning commission or a zoning administrator that reviews a use permit or, in our case, a conditional use permit, the Director would look at that. Where there was discretion imposed, it was usually some kind of a reviewing authority to do that with findings that we've included in that one attachment for how you might assess whether it gets approved or does not get approved.

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Council Member DuBois: The last question following up on this parking assessment district. What happens with the existing restaurants when they change hands? Do they maintain their spots in the assessment district?

Ms. Gitelman: The assessment is by the use and the space. There wouldn't be a change on change in tenancy.

Council Member DuBois: Restaurants could turnover and continue to be restaurants. Thanks.

Council Member Berman: Just a few questions. Some questions have been asked, which I appreciate the questions and the answers too. If we were to have a CUP process for formula retail, it says here that individuals not satisfied with the Director's decision can request a hearing before the—I'll move over to moreover it includes opportunities for interested parties to raise the matter to the City Council at no cost if dissatisfied with the Director's decision. What's the definition of an interested party in this instance? Is it anybody?

Mr. Lait: It would be anybody could request a hearing. Once a hearing is requested, it goes to the Planning and Transportation Commission. That's a recommendation that then gets forwarded to the City Council. There's no fee for that.

Council Member Berman: We can assume that everything we do somebody would appeal, for anything that we do on Council. To Council Member DuBois' question about other communities and their processes, do other communities have this type of a pretty low bar, no bar to appealing the Planning Director's decision?

Mr. Lait: It's a little bit different in Palo Alto. The Director would make the decision. To have that opportunity for a request for hearing to be heard by a non-decision making body, to then forward that recommendation to Council, that's a little bit unusual. In other communities you would have the decision maker make the decision and that decision would typically be appealed to a commission or ultimately to the City Council.

Council Member Berman: With there being more requirements or criteria to the appeal.

Mr. Lait: It could.

Council Member Berman: Maybe I'm misunderstanding. This seems like it's an appeal; it's just a no cost appeal that anybody can bring.

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Mr. Lait: There's a distinction between an appeal and a request for hearing. The request for hearing is just that. Because it takes place at that Director level, an application is filed, notice is provided to the community in the manner set forth in the Code, and then the Director takes this information and renders a decision. We publish that decision and within, I think it's 14 days, somebody could say, "I want to have an opportunity to have a dialog with the commission on that." They'll request that hearing. As I said, the process will continue up to the City Council. That's distinguished from when an appeal is filed. That does have a cost; it's somewhere around \$400 or \$500.

Council Member Berman: The process seems the same, except for an appeal goes straight to the City Council ...

Mr. Lait: That's correct.

Council Member Berman: ... and this would first go to the Planning ...

Mr. Lait: And Transportation Commission.

Council Member Berman: ... and Transportation Commission and then to the City Council.

Mr. Lait: That's right. I would note that ...

Council Member Berman: At no cost.

Mr. Lait: At no cost for the request for hearing. We do have other applications that we process that have appeals or requests for hearing. I don't believe that we receive automatic requests for hearing. I don't know that every decision that we go through this process results in protracted effort.

Council Member Berman: I think I had one more question. No, it's more of a comment. I'll save that for later.

Council Member Wolbach: Starting on page 830 of the packet. There's a great chart listing what's been done in a number of other cities. I believe all these are in California. Yeah, this is just a partial list of California cities regulating formula retail. This is Attachment 13D. I'm curious if Staff has any recommendations among these. Looking through these, I felt that a number of them have merit. Tonight we're probably going to spend a good deal of time trying to pick out our favorite bits and pieces from examples from other cities. My first question might be, maybe for the process of elimination, does Staff have any recommendations about examples from

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other cities that we might want to avoid, that are particularly problematic, either from a legal or a policy standpoint.

Mr. Lait: If I can at least start the response to that question and maybe answer it in a little bit of a different way than you've posed it. First of all let me state that I don't know that the Council needs to go through the process of trying to pick which of these communities are ones that you want to model or draft something that would follow. It would be helpful to us if you articulated what was important to you, and then we can spend the time to draft that and consult with the other regulations that we see in other cities for guidance. That might be more useful time that we can offer to the Council. The way that these Ordinances typically work is you get a city that drafts one, and then another city looks to what another city's done, and they modify it. It goes through that process. San Francisco is frequently looked at. It looks like there's a lot of consistency in the San Francisco model to some of the other cities. That would be a place that we would look to. The findings that they've articulated make sense in terms of evaluating whether a formula retail use ought to be established. Again, we want to look at it and make sure that we tailor it to our community's needs.

Mayor Holman: I have just three questions. I read earlier that there's an exception process that Staff was recommending. I can't find it tonight. Am I misremembering that?

Mr. Lait: I'm sorry. An exception to which process?

Mayor Holman: An exception process for the retail, for an Ordinance that would go forward. Am I misremembering that or did I misread it? I can't find it tonight.

Ms. Gitelman: In our combining district, there is an exception for ground-floor non-retail uses that preexisted, like earlier than 1984. Is that what you're referring to?

Mayor Holman: I'll just drop it, if that's all you can come up with. I'm misremembering that apparently or misread it. Conditional use permits run with the land, I'm understanding, which is a new revelation to me, and not with the tenant. If we're looking at conditional use permits for anything, can we time limit them? How do we manage CUPs so that we don't end up with a conditional use that's there in perpetuity? Do we need to look at some other mechanism? What are the tools that we have at hand?

Ms. Silver: We'd have to take a closer look at that. There are a series of cases that have looked at cities' abilities to time limit conditional use permits. The courts have said that that set of Ordinances are not

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enforceable. That's in light of the general proposition that conditional use permits run with the land. If there are particular concerns that you have about the conditional use permit process, we can try to address those in the Ordinance.

Mayor Holman: It's more of a comment, but I do have concerns. If there is a building that's demolished and that building has—let's look at it either way. The building has office at the ground floor. When they rebuild or if it's a significant rehab or a remodel and they're in a ground-floor retail restricted zone, when they rebuild do they have to then become conformant to the ground-floor zoning?

Ms. Silver: There's a whole series of requirements relating to destruction of legal nonconforming uses. Those requirements, some of them are in our Code and it depends on the district. We would have to take a closer look at that issue. I can't really answer on a general basis.

Ms. Gitelman: If I can interject. These requirements are sprinkled throughout our Code. There is a section in the provisions specific to the R Combining District about what kind of uses can be grandfathered in. They have to have been present in April 1984. If you go on to read that paragraph, in 18.30A.060 it does talk about whether they can or can't be rebuilt or remodeled. I haven't read it closely enough to tell you exactly what it says. Cara Silver's point is well taken that throughout the Code there are different sections about grandfathering, and we'd have to look at the specific provisions that apply.

Mayor Holman: We could do something specific to this area though, it sounds like.

Ms. Gitelman: That's correct.

Mayor Holman: One other question that has to do with the California Avenue paint—City Attorney have something to say? I was misreading your language there. Having to do with the California Avenue paint store, for instance. I think they have three stores, and they do sell a national brand. How do we address something like that? It's akin to Council Member Scharff's question. They sell Benjamin-Moore paint; they sell all kinds of paint supplies; it's independently owned; they have, like I say, three stores, maybe just two. How do we address that?

Council Member Burt: They sell Juicy Fruit; it's the same thing.

Mayor Holman: I know.

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Council Member Burt: Its a grocery store, but it's not.

Mayor Holman: I know. How do we address something like this?

Mr. Lait: That would be addressed in the way that we define what formula retail is. Different communities have different measures for how they approach that. As we noted in the Staff Report, San Francisco has, I believe it's 11 other businesses. Nationwide, there's other places that look to four other businesses in the Bay Area. To get to this independent ownership issue, I don't know what the language would be now, but we can look at drafting something that would make clear that we're not looking to capture this Benjamin-Moore type of use. I'd want to have some time to think about how we would approach that.

Council Member Filseth: Just real briefly. Looking at the survey data, is there a sense of the people that patronize California Avenue businesses? How many of those live in Palo Alto versus come here from someplace else? Is that in here anywhere? Did you guys look at that?

Mr. Lait: I think we had a—the short answer is no. We did have a question that was going to try to get at ZIP Code information, but just to keep it brief we ended up striking that.

Mayor Holman: I see no more questions from Council Members, so comments. Let's do comments first.

Vice Mayor Schmid: Very sympathetic to the request from Staff on this. There are two big issues that we're dealing with. One, the extension of the retail district to the side streets and especially Sherman and Cambridge. I note on the data you gave that on Sherman today there are no retail outlets. On Cambridge, 78 percent of the commercial space are offices, professional business offices. There is not live, vital retail on those streets. The connecting streets there are built out from California Avenue. Extending the district to Cambridge and Sherman would create, first, maybe a danger in the sense that a lot of those spaces out there are serving consumers, but they are medical, dental, accountants, lawyers, post office, things like that. They are one of the things that bring people to the area, get them walking around and staying. As we extend the district, we have to look differently at California Avenue, our expectations about California Avenue and the new areas of Sherman and Cambridge. There's a lot of potential for retail growth in those areas, but we don't want to lose what makes it an attractive magnet for a lot of consumers and householders. The other big issue we're trying to deal with is formula retail. I'm very attracted; I looked through all the alternative cities that you have, and most of them are small, almost recreational cities, tourist cities. San Francisco is different, and their

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neighborhood commercial districts are very much like California Avenue, bounded but very live, range of services, drawing neighborhood people there through decades now. They've had a long and successful life adapting to the new world. When you look at them in detail, what's there, they all contain some formula retail, could be a grocery store, could be a pharmacy, could be a bank, could be a Starbucks, it could be a Medical One service, could be UPS. These are important elements in there, but they make up between maybe 10 and 15 percent of the total number of stores. Any chance of bringing in a formula retail is defined very clearly as a store that has at least 11 outlets somewhere in the United States. You need a conditional use permit, and they have identified very clearly five criteria that the Planning Commission should use in saying whether it's appropriate to allow this in. As I say, they have these vital, vibrant neighborhood districts that are extremely successful now over 40, 50, 60 years. They've reached a point of equilibrium in a very dynamic city. I would be very much in favor of moving toward San Francisco, using them as a model as we move forward.

Council Member Wolbach: A couple of questions have occurred to me. I'll also offer a couple of my thoughts based on my current thinking. Does anyone know if there have been any other Ordinances that have differentiated between a local chain and a national or international chain? Where there would be a tighter restriction of some kind for a chain or a formula retail business that operates in multiple states or multiple countries and a perhaps separate tier of a slightly less restrictive process for a business that operates only within California or only within adjoining counties or something like that. Does anyone know if that's been tried elsewhere?

Mr. Lait: I don't know of another municipality that has approached that. I can tell you that some cities do define the geographic area in which the formula retail takes place. It is possible for us to draft a definition that could reflect a regional Bay Area chain and distinguish that from a chain that is beyond the area, beyond California.

Council Member Wolbach: So my colleagues understand where I'm going with this, at least for consideration. As we try and prevent a sense of homogeneous, global Downtown feel, as one of our residents commented during public comment, a local business that we might see on the Peninsula might be a little bit less offensive to the sense of place. I'm open to others' thoughts on that. Another question or idea to consider is what about a separate tiering system again where something that's on the second floor perhaps above a local retail establishment might have an easier time being approved under a conditional use permit system.

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Mr. Lait: That's interesting. Our focus has been on ground floor. That's certainly an interesting policy conversation that Council could have about whether that regulation would apply on the second floor. I don't know enough about the market conditions on Cal. Ave. to know if a formula retailer would want to locate on the second floor, but that's certainly a possibility.

Council Member Wolbach: My feeling at this time is those are both worth consideration. I don't have strong feelings about them, but I wanted to put them out there for colleagues and Staff to brainstorm about. I do like the idea of establishing some kind of limitation on formula retail businesses in the California Avenue area, especially on the ground floor. Looking at the examples, I was drawn to the San Francisco and somewhat to the Los Gatos as well but, as I mentioned earlier, a number of them have good bits. I won't get into the nuance of picking out each word that I like from each of them tonight. Allowing for a conditional use permit process that gives the Council leeway to say no is important, so that we don't end up with a rubber stamp process, where somebody can jump through a couple of hoops and be sure to get approved. I do think that's important. Those are my comments for now.

Council Member Scharff: A lot of things come to mind here. First of all, what I'm interested in doing is extending the retail district to Cambridge. That's probably a very important thing for us to do if we're going to do that. We've now protected all retail in the City of Palo Alto on an emergency Interim Ordinance, which means that none of the retail that currently exists can be changed to office and isn't going anywhere, or it's going out of business and going to be an empty storefront. That's where we are. If we want more retail, that means that someone is going to have to change it from an office use to retail. They do it one of two ways. They either voluntarily do that, or they tear their building down. I know on Cambridge there's a large swath where they have a sign up. We've talked about this. I forget exactly where that is. If they tear that down, under the current rules they don't have to put up retail currently or they do? It was completely unclear to me after reading this.

Ms. Gitelman: Thank you, Council Member Scharff. If the use is outside the R district, which currently is just on California Avenue, then there's no requirement for ground-floor retail, but there is in a portion of Cambridge, the CC(2). That section of the Ordinance is the one that Council Member DuBois was referencing. There are a number of exceptions that allow ground-floor offices. We'd have to look carefully at that section and analyze the site that you're thinking of.

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Council Member Scharff: My interest is requiring that to be ground-floor retail before they build that building and for them to go in knowing that, so they don't go down a path that doesn't work. I would like to have some sense of how we achieve that, number one. If we're going to turn Cambridge into a retail and we miss this opportunity, it's unlikely that there will be much more opportunities coming down the pike very soon. That's something we really need to understand, how we effectuate that. Any further changes on Cambridge if people tear stuff down, because that's the most likely to be. If we do go down this route of formula retail and we extend off California Avenue, we need to limit it to California Avenue. It's important to, as much as possible, keep the side streets, and they actually branch off in both directions, like where Café Pro Bono is for instance, we'd like to encourage more retail going in that direction. Getting retail in those areas is not necessarily that easy. It's frankly unlikely you're going to get formula retail that's not eating and drinking establishments there, but you might, so we want to limit it to California Avenue. I also feel a little bit like we're talking in an alternative universe. There are issues about how many eating and drinking establishments that we want that are formula retail to be on that street. That is a clear issue that is occurring and that could occur. We may or may not for policy reasons like or dislike that. I really don't see formula retail on California Avenue with the exception of the Pure Barre and that's not offensive to me. I don't see a tidal wave of these things. Non eating and drinking establishment retail on California is hard to get. The more we get of it, the more people will come down to shop which will create more opportunities for other real retailers as opposed to eating and drinking establishments. We have to be a little careful about that. For instance, people go down to California Avenue for FedEx. Everyone in the community does that. That would be a formula retail that's really helpful to have there. The Benjamin-Moore Paints, I know we have a small pharmacy, for instance, that's clearly a mom and pop pharmacy. Frankly I question whoever owns that, when they retire, how long that will last as that. We have some old formula retail. We have Domino's Pizza next to that, which has been there a really long time. We have Subway which has been there a really long time. Those aren't the real draw of California Avenue. If you look on California Avenue, you see Starbucks is probably the number one draw there. You see that whole area is very vibrant. You see The Counter as very, very vibrant. We have to be a little thoughtful and say to ourselves some of this formula retail has added to bringing lots of people and created a vibrancy that otherwise wouldn't have happened. I'm not sure where we go with that, but there are some concerns I have there. I'm very concerned about the restaurant issue. It simply doesn't make sense to me. What you had in these details was that 50 percent of the people on California Avenue either walk or bike there when they visit. Only 50 percent drive; 50 percent

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walk or bike. One of the concerns I had, did you say one space for 60 feet for retail? That's like 17 spaces for 1,000 feet as opposed to 4 per 1,000.

Mr. Lait: I'll just clarify. It's the dining area, the eating and drinking area would be at 1 space per 60 square feet of floor area. The balance would be treated at the regular rate of 1 to 200 or 1 to 250, whatever it is in the Code.

Council Member Scharff: I think it is 1 per 250. For all other retail, it's 1 per 250. That's an effective ban on new restaurants. Frankly, that's what it is. If we're going to extend it to places like Cambridge or on the side streets, you want to allow people to put in restaurants. I first of all don't buy that we need that much parking for that. People go down there. There's a bunch of restaurants down there. I don't think you add restaurants and suddenly you need all that additional parking. We've just created all this new outdoor eating space for people to be on our sidewalks. That's why we widened the sidewalks. We're working at cross purposes there. We shouldn't even do it on California Avenue. Instead, if we're concerned about too many restaurants, we should say there can be just a limit on the number of restaurants as opposed to we've now got a ban and we're fixing in place the location of those restaurants. Where we've widened the sidewalks, it may make some sense, where there aren't restaurants right now, to have restaurants there. Where we haven't widened the sidewalk, to have retail there. I'm not sure that we actually have the restaurants in the right place. To fix everything in place doesn't make sense. The other thing I'm concerned a little bit about is how does this work if you buy into the district and you have an eating and drinking establishment where you now have that 16 spaces grandfathered in. Does that mean I can turn that restaurant into regular retail, non-eating and drinking, take those parking spaces and go straight up and use them as grandfathered in for my office project when I take my one or two-story and build a three-story, a 35-foot high? Can I do that? If so, then what I'm really doing is transferring parking on restaurant to office, and therefore not parking it. That would be a loophole that I would be concerned about. Is that something people can do or not?

Mr. Lait: I'll look to the City Attorneys to answer this, but I believe we had a question to bond counsel to inquire further about that.

Ms. Silver: The termination of this bond has, of course, caused us to look more closely at this issue. Bond counsel will be rendering an opinion on some of those related parking questions.

Council Member Scharff: In other words, you're saying you don't know.

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Ms. Silver: That's correct.

Council Member Scharff: It's really hard to make decisions and to know what to do without the right information. I'm disappointed that we don't have the right information on how this all works, because that's what we're looking at. We're looking at if we extend it, how does that actually work. Obviously it's hard to make those decisions. The other thing I'd comment on is that restaurants can be—we talked about on Sherman. Isn't Café Riace off Sherman? I get a little confused. It is, right?

Mr. Lait: Sheridan.

Council Member Scharff: Oh, it's on Sheridan, right. That's one over from Sherman, or two over. It's far over that way, right? That just tells me that we can make retail work in terms of eating and drinking establishments. You probably can't make stores work without having at least some sort of path down that way. If we want to expand retail, at least eating and drinking establishments, and move them off of California Avenue and move them around the area, there is probably that opportunity if we zone correctly over the long term. That's where my comments are at this point.

Ms. Gitelman: To the Mayor, if I can just offer one perspective. We were a little subtle about this in the Staff Report. One of the concerns that we have had looking at the retail issues on California Avenue more closely is the danger that by expanding the ground-floor retail requirements you could start to dilute the retail district that's there. I'm not saying that would happen, but we identified it as one area where potentially we should do some more analysis before we conclude that we do in fact want to expand the district. It's one of the next steps that we identified that the Council may wish us to pursue.

Council Member Scharff: I'll comment briefly on that. That was the argument that was made on University Avenue. That was why we directly lost Zibibbo's, why we lost Rudy's and other retail on University Avenue. This notion of dilution of the retail is a silly one in that everyone wants to be on University Avenue, everyone wants to be on California Avenue. What you end up getting is you're getting other uses like restaurants off of California Avenue. You may get some marginal retail. Just like we had Fresh started as did the shoe store right there on Emerson at the end. As soon as we decided that we didn't want to dilute retail and we allowed that to convert to office, they immediately converted that to office. Those were viable retail spots. In fact, those two stores did fine in that location. When they grew up, they moved over. This notion of diluting the retail is a weak argument. I don't feel like we need further studies on it by somebody to tell us that.

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Ms. Gitelman: We'll defer to the Council. We're not retail specialists. It's an area that we identified where we could do some additional analysis. If you don't feel that's necessary, that's what we're here to find out.

Council Member Burt: First, I've got what are my goals. Let me lay them out there. I want to see us be able to preserve what's best about what we have in retail. That's one goal. That doesn't mean that we lock everything in place. It's about the type of retail and given locations, the amount of it and the boundaries that we might have there. Second, in that vein, I want to see us strengthen the core, meaning California Avenue itself and those spur streets most proximate to Cal. Ave., so the two parts of Birth for instance and other examples like that. That goes to one of the issues with Cal. Ave. is that we have this mixture. Unlike most of University, almost all of University and the Downtown, we don't have continuous retail on Cal. Ave. Frankly, a decade or two ago it couldn't have supported the retail up and down Cal. Ave. We're having a transformation. We've had new buildings and densification in that area, and we now have a far more attractive streetscape that draws people to Cal. Ave. All those reasons have made it a stronger retail environment. It's really important that over time we begin to fill in those pockets in the retail that's there. This goes to one of the key questions that the Mayor asked and we didn't have an answer to, which is what happens if we demolish an existing building on Cal. Ave. that does not have ground-floor retail. Do they have grandfathered in an exemption to the retail requirement? If they do currently, I would want to change the Code so that they don't going forward. On this retail boundaries, the dilution argument has been overstated Downtown, but it's not infinite. There is a point at which we can't support too much retail. Probably we'll know we're close to that point when we stop hearing about retailers who are being driven out of the community either by offices and we just shrink our retail or we have local-serving retail that we value as community members that's being driven out by retail that is not providing the goods and services that residents need and that we have to go to another city to acquire. Things like auto repair. Oops, that was another subject. That's the example of the sorts of goods and services that we want to be able to continue to have in our community. I will say that we have to look carefully at expanding our retail zone. I'm supportive of some expansion here, but we shouldn't go hog wild. It's more important to assure that Cal. Ave. itself and those immediately adjacent, vibrant retail spur streets, fill in the gaps that are gaps in retail right now. That won't happen overnight. This will be a long-term thing. We want to make sure we don't degrade what we have and that we begin to heal wounds in that retail fabric. The types of retail, this was interesting new news that we may have a de facto constraint on conversion of other retail to restaurants going forward, that we didn't have in the past, because of this completion of the parking assessment district

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payments. I do want to ask a question along the lines of what Council Member Scharff was asking about. Given this survey that shows 50 percent of the users either walk or ride, maybe it's in the data, in addition to that we have a certain percentage of users who use transit. We have a lot of Caltrain users who are the workers there who use transit. Do we know what percentage of—I'm asking this of Staff, Jonathan.

Mr. Lait: No. We don't know what percentage. I would remind the Council that this was a self-selected survey. It's informational, but I don't know that I'd make any policy decisions on it.

Council Member Burt: Taking that as a caveat, it's still a pretty interesting statistic. Frankly, it suggests that we may want to get a more meaningful survey. Whether it's 50 percent or a bit less than that, it's a strikingly high percentage. I know that I rarely drive to Cal. Ave.; I bike there and pass a whole bunch of people walking. As I ride there, I see in the morning a ton of people getting off the train. Those are folks who, at least at lunch time, are significant patrons. That suggests that we need to look hard at what amount of parking is needed going forward, but we also need to acknowledge that we have a parking problem currently in Cal. Ave. It's overflowing, particularly into Evergreen neighborhood. Anecdotally, I would say it's principally because of the intensification of use of what had been long time medical office uses, where the renters of those spaces may be doctors who are only there part-time, and they're getting replaced by app developers packing four into the same office. That's a pretty radical change in the parking demand. That's something that may be beyond the scope of what we're able to do tonight, but I want to put that out on the table as referral to the Planning and Transportation Commission. That's one of our biggest issues in the Cal. Ave. area. We can talk about all these other issues. I'd be open to looking at a restaurant parking formula that reflects the actual mode by which people get there, provided that we are also addressing this other thing that's going in the opposite direction, which is a lot more cars resulting from the intensification of office use. I do have one comment. When we talk about what works there and we give the example of Starbucks and The Counter and now this make your own pizza, that whole plaza is just bustling. I don't think it's most of all because it's formula retail and formula restaurants. I think it's because it's a plaza. They have to be good restaurants, and they could either be formula or not, but it's the plaza that makes that work. That also needs to be part of the discussion. Here we're talking about retail, but we're not talking about the urban design of the street. When we look at our Comp Plan, that kind of mini-park or plaza element is part of what we had envisioned. That particular site did it voluntarily, and it was a great addition to that street. We don't have mechanisms today that require that somehow linked to our development,

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that we create elements like that that significantly increase the vibrancy and the attractiveness of that street. We're going to have a nice plaza at the end of the street, but that's a little different from in the street. Most of us know Laurel Street in San Carlos. They have a little mini-park that is probably 4,000 square feet, and it is the difference in that entire shopping district. I don't want to lose sight of the urban design elements to that as well. My final point is that as we look at the retail on the core versus the marginal areas, we may want to look at two tiers of definitions of retail. I don't think that we want to have a whole bunch of nail salons right on Cal. Ave. or University. Those second tiers, like Cambridge, may be the places where we want those services that are not what create the vitality to a retail district, but we want to allow them to be permissible in a walking, pedestrian-oriented area so people get services and are able to walk to them. We need to again look at these two different definitions of retail, one more expansive than the other. The more restrictive one is what we use in our core retail areas. Those are the themes. I'll wait until later to see how to fold them into a Motion.

Council Member DuBois: I'm the Council liaison to the Cal. Ave. Merchants Association. We have had several discussions, and Jonathan's been great. He's been at some of those on a lot of these issues. On the boundaries, I'd like to see expanding the retail district to Cambridge. I mentioned before, we should pay attention to El Camino and consider that as part of the Cal. Ave. shopping district. I would go fairly far on El Camino, like Page Mill to Stanford Avenue, but definitely right around Cal. Ave. There's the question of Sherman. It's been discussed a little bit that if we were to put garages on Sherman, it would be interesting to have maybe shallow retail facing the street on Sherman. In our discussions with the Merchants Association, that was an idea that people like, half of Sherman, not the other side which is primarily office and medical already, but bringing some retail, and then all the alleys in between, say, Sherman and Cambridge. If you do that, you allow space for these second tiers of retail. The market will take a lot of that. The central Cal. Ave. will be more expensive, and potentially be cheaper on the edges. I too would like to see us find a way to not allow continuation of nonconforming uses, however we can do that. I've already expressed concerns about 18.16.050. One of the exceptions, Exception 5, can be interpreted that if you redevelop a building and you add more ground-floor square footage than you had before, the additional square footage can be office. I don't think that's what we meant by that. If you're redeveloping and you're building out the building larger, we want all of it to be retail on the ground floor. I'm concerned about this part of the Code. Also, Number 6 talks about a coordinated plan which Cal. Ave. is. If parts of it allow non-retail on the ground floor, that would apply as an exception. In terms of types of uses, I'm toying with the idea of some percentage

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threshold, like no single use of more than X percent, something like 25 percent. There is a concern that Cal. Ave. itself can become more like Castro Street, where it's maybe predominantly restaurant. I've also heard the concern about nail salons. If we had some percentage guidance factor, that might work. It would be a good idea to get ahead of this and keep Cal. Ave. as a unique non-formula part of the City. I do see a lot of things in the San Francisco Ordinance that I like. I'd like to see some process that allows us to review and approve formula retail. We could allow formula retail, but there would be a process to check it. We should be clear about parking transferring from restaurants to offices. That was a very interesting thing to bring up. If the survey is correct, a lot of people are taking public transportation or walking. At the same time, all the residents in that area and the merchants are asking for more parking. It's clear the parking lots are full. People are parking in the neighborhoods, so we do have a much more intense use of that whole area that we need to deal with. Finally, it's a separate issue, but if it comes up we should consider some policies on limiting the corporate cafeterias in, say the Cal. Ave. district. We're building these areas so we want the businesses to come to use the restaurants. If we allow a corporate campus to be built right next to Cal. Ave., we're going against ourselves. That's not for tonight, but I wanted to throw that out there.

Council Member Wolbach: A couple of things in response to some of the things I've heard from my colleagues. First, I appreciate the Staff's work on this. Of course, we're going to have more questions than could have been thought of, but you guys did a lot of work. I want to say I appreciate all the work that went into this. If we do have questions, I'm sure that you'll be able to bring back answers in the future. Thank you. Of course, if we have questions for Staff, we're always encouraged to send them out in advance. Secondly, on this question of whether the threat to—this is something that Council Member Scharff was getting at. Whether the threat of too many formula businesses is just something that applies to eating and drinking establishment or might also apply to shopping retail. Just because we haven't seen it yet with shopping doesn't mean it's not a serious threat. Again, looking at the trend across the nation, across the globe, even in other shopping areas in our area, it's definitely a threat. It's prudent for us to be proactive before it's too late. Just a couple of responses on that. Also, when it comes to parking, maybe I'm unique, but I've never had a problem finding parking in the Cal. Ave. area as long as I didn't mind walking a couple of blocks. It's never been a problem for me. I'm talking about the two-hour parking. What I do think is a problem is people who are parking there for more than two hours, so employees parking in the neighborhoods. It's similar to what we've seen Downtown. I've also never had a problem finding two-hour parking in Downtown Palo Alto, even before I got my

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Council pass, which is admittedly helpful. The issue of parking in the area is important, and we should take it up. It's probably beyond the purview of what we're talking about tonight, but it does come down to employee parking, not visitor parking. I'm also very, very concerned, as Council Member Scharff said and others have pointed out as well, we may be working at cross purposes. We would definitely want to eliminate anything that we're doing inadvertently to discourage restaurants. I'm not going to make a Motion yet, but I'm going to highlight a couple of things I've heard. Looks like we're moving towards expanding the retail area; restricting formula retail on Cal. Ave., but maybe allowing more flexibility in the surrounding areas; perhaps having some kind of percentage threshold for formula retail and maybe even percentages for various types of businesses so that we don't end up with a monoculture of exclusively restaurants such as what we see on Castro in downtown Mountain View. The question of whether to exempt medical is something I haven't heard my colleagues weigh in on. I don't have any strong feelings about that myself.

Council Member Filseth: This is a very complicated and very important discussion. We're talking about a bunch of things here. Fundamentally, we're talking about what is it we want for the California Avenue area. The general sense is what we want is it not to turn into University Avenue or Castro Street or Santana Row. In my mind that means two things. One is that the retail and the restaurant gravity is to the community and Palo Alto as opposed to being a regional destination the way University Avenue or the Stanford Shopping Center is. The second is that it not become generic, so that we have a lot of the same kind of stuff you can see anywhere. As somebody pointed out, you go out to Milan and you can see all the same stuff as here. The first thing is that we stay a community focus. The biggest threat to that is that rents go to \$7 a square foot in that area the way they are on University. No community retail is going to survive that. It'll all be gone if that happens. The biggest risks to that are office conversion and potentially the growth of large amounts of nearby office space. If you put another 500,000 or million square feet of office space in that area, then the kind of retail that can afford those kinds of rents is going to be the kind that caters to that as opposed to residents. That said, we have adopted some Ordinances in the last few months, the retail to office conversion Ordinance, potentially the office cap, which is going to control that to some extent, and hopefully quite a bit. The next issue about the genericization of this. Council Member Scharff's point is very well taken. There doesn't seem to be a land rush of chain retail into that area. We don't see the Gap popping up. On the other hand, in terms of businesses that serve the community in there, for example the dental offices and so forth, that is an interesting thing. We want to be careful not to drive that out as well, because it is community serving. As we adopt Motions and Ordinances

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here, my inclination is we ought to be fairly careful. We ought to do some things that take small steps as opposed to some of the larger steps that we've taken in the past few months with Citywide office caps and retail conversion Ordinances. We ought to be a little bit careful here. We don't really know what the formula is to keep California Avenue weird. That's not the right word, but for those of you from Berkeley. Do we really need zero tolerance on chain stores? I'm not sure. It wouldn't be necessarily a bad idea to do something like that, but I do like the conditional use permit, trap door, that gives us the ability to review some of these things. As a couple of people have said, it would be very nice to find a way that that's not a permanent thing, if we say we have a conditional use permit for this and 50 years from now it has to be the same use. The other thing we should be a little bit careful with is the whole parking issue. Clearly there's a lot of demand. Clearly there's a need for more parking there. By whom? If the need is for lots of parking for people to drive here from San Jose to go to expensive restaurants on California Avenue, that's not what we want. We'd like those people to go to University Avenue or the shopping center or something like that. The residents are up in arms about more parking, because lots of people park on the residential streets. Once we get an RPPP in place there, that's probably going to go away. That'll force cars into the California Avenue business district. We have to consider that. The resident pressure for more parking is probably likely to decline, so we need to be very deliberate about how we think about and approach that one. In terms of the stuff we're looking at tonight, we're talking about taking some small steps, and that's reasonable. We should be careful and take small steps on this one. Thanks.

Council Member Berman: I agree with pretty much everything that Council Member Filseth just said. Some things that jumped out to me that I wasn't expecting in the survey results were things like 65 percent of respondents said either "I always find a close and convenient space," which was 15 percent, or 50 percent said "I have to look but find a space that is close enough," which was more than I expected. Cal. Ave. parking can be tough. It's really tough during very narrow times of day, and it's really easy during the other times of day, outside of those times. I would have loved it if the survey question on Question 4, "when do you generally visit," if we could have had specifically broken out lunch and dinner instead of having more general weekday mornings, afternoons, evenings. That's when I see the greatest amount of demand. Implementing an RPPP there, which I imagine we're going to do, is going to change the dynamic a lot. We're going to have to watch very closely the impact that that has on everything. I wouldn't want to take too drastic of actions before we know exactly how that's going to play out. I was also surprised—I didn't mention this in my questions earlier. I was really surprised by the little formula retail that already exists

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on Cal. Ave. We've been talking about it a lot, so I assumed that it was going to be a much greater percentage of the establishments on Cal. Ave. and around Cal. Ave. I was surprised that it wasn't, and that's a good thing. You said keep Cal. Ave. weird, I don't know if somebody's already said it, but it just popped into my mind earlier today, keep Cal. Ave. quirky. We definitely want to keep it unique. We don't want it to turn into a University or a Castro. I was glad to see that hasn't happened over the past five or ten years, or maybe three or four years, as things have gotten really hot in Palo Alto. I don't see a pressing need to have a very restrictive Ordinance on formula retail. I'd be open to creating some sort of a cap, but it would have to be very nuanced. The CUP process would be important. I also don't know why—I'm still confused about this whole appeal versus what we currently have. I don't know why we're not doing an appeal, which is what we do for, it seems to be, other controversial or potentially controversial decisions that Staff makes that people can appeal to Council. Maybe I'm just not seeing the benefit of what was suggested. I just know the appeal process, and it seems to work. It sounds like others have much more detailed ideas of what a Motion will look like, so I'll let them take point. We've got a pretty good situation there that we want to retain while fixing the parking issue, which seems to be the biggest problem that we have on Cal. Ave.

Mayor Holman: Listening to Council Members' comments and questions and having gone through the Staff Report and presentation tonight, the separate attachment that we got in the packet, for me there are a few things that are pretty critical to what we do tonight. One is to recognize, I think we do, that local independent business is important, not only to the character of California Avenue and responsive to what the community and other retailers want, but it's also a good planning practice. It's a stronger economic model. Somebody said, "Why would I want to go to such-and-such store here, when I could do the same thing someplace else?" I've listened to comments too about we don't have a chain store issue. I don't know that we do right now, but the market moves much faster than government can. We've seen that time and time and time again. The "zone for what you want" motto does apply in this case. We want to get ahead of what potential impacts could be facing us in the future. We don't want to allow it to happen and then have to react to it, because it's oftentimes too late. Restaurants and parking requirements, Staff has said that because of the parking requirements being what they are, that would limit conversions of retail to restaurants in the near future, but that would all change if we build a parking garage or other things came into being. We need to look at again creating what the right model is and not relying on what the future may bring. We need to decide what we want to have there, and then act as such. Whether it's restaurants, whether it's a proliferation of hair and nail salons, whatever it is, we have to

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keep in mind that those uses eliminate other uses that are desirable. If we look at the survey that's on packet page 809, that survey pretty clearly says that by the respondents, there were 328 of them, that 73 percent almost said there's not enough retail. For me, that speaks loud and clear that there are too many other things, whether that's office or restaurants or whatever. To get this rolling, I just a couple of minutes ago sent a Motion to the Clerks that tried to capture what I saw in the Staff Report, listening to Council Member comments. There are a number of pieces to this; some of them are pretty small. There are a number of pieces to this, and I know Council Members will probably want to amend some of them. The Motion I'm putting forward is to direct Staff to prepare a draft Ordinance to be reviewed for recommendation by the Planning and Transportation Commission with the following considerations including: expanding the ground-floor protections to include both sides of Cambridge, the lanes between California Avenue and Cambridge, El Camino from Page Mill to Stanford, extending Park Boulevard south and any other locations as found to be feasible and desirable. Remembering, colleagues, that this is what we're having the Planning and transportation Commission look at and the draft Ordinance that the Staff is going to create. This is not our final action. This is all what they're considering. Linkages from California Avenue to the Fry's site; limiting formula retail; addressing the permanency of CUPs, in other words, is there another means to do formula retail; limiting restaurants on California Avenue to the current percent and independently also any extended ground-floor district; limiting the number of hair and nail salons on California Avenue; considering limiting the number of financial institutions on California Avenue; adding the words "predominantly" and "generally open to the public" to the definition of retail service consistent with the retail Ordinance that we passed just last week; limiting new development and rehabilitations off El Camino to respect the historical pattern of narrow storefronts and square footages that tend to support smaller, local, independent businesses; requiring that any demolition and major rehabilitation be required to conform to ground-floor retail requirements. This is a design thing, but it's critical to a healthy retail environment. Prohibiting opaque windows at the ground floor in ground-floor protected areas for any use including existing uses; and any other such matter the Planning & Transportation Commission (P&TC) finds beneficial to retail quality and retention. The last thing I added here is if any of the resulting recommendations require additional research, Staff is to return to the Council with an Interim Ordinance, not an Urgency Ordinance, with an Interim Ordinance implementing those items that do not result in delay. The reason for that is obvious. It's so that we can get in place what we really need to and find critical at this point in time. I'm looking for a second for the Motion, please.

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Council Member Wolbach: Second.

MOTION: Mayor Holman moved, seconded by Council Member Wolbach to direct Staff to prepare a draft Ordinance to be reviewed for recommendation by the Planning and Transportation Commission (PTC) with the following considerations included:

- A. Expanding the ground floor protections to include both sides of Cambridge Avenue, lanes between California Avenue and Cambridge Avenue, El Camino Real from Page Mill Road to Stanford Avenue, extending Park Boulevard south and any other locations as found to be feasible and desirable; and
- B. Linkages from the California Avenue area to the Fry's Electronics site; and
- C. Limiting formula retail; and
- D. Addressing the permanency of Conditional Use Permits; and
- E. Limiting restaurants on California Avenue to the current percentage; and independently, also to any extended ground floor district; and
- F. Limiting the number of hair & nail salons on California Avenue; and
- G. Consider limiting number of financial institutions on California Avenue; and
- H. Adding the word "predominantly" and "generally open to the public" to the definition of Retail Service consistent with the Retail Urgency Ordinance; and
- I. Limiting new development, rehabilitations (off El Camino Real) to respect the historical pattern of narrow store fronts and square footages that tend to support smaller, local independent businesses; and
- J. Requiring that any demolition and major rehabilitation be required to conform to ground floor retail requirements; and
- K. Prohibiting opaque windows at the ground floor in ground floor protected areas for any use, including existing uses; and
- L. Any other such matter that the Planning and Transportation Commission finds beneficial to retail quality and retention; and

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M. If any of the resulting recommendations require additional research, Staff is to return to the Council with an Interim Ordinance implementing those items that do not result in delay.

Mayor Holman: Thank you, Council Member Wolbach.

Council Member Wolbach: This is good; it addresses a lot of the concerns. I will have a couple of proposed friendly Amendments, if you'd like me to offer them now. The item about restricting the percentage of restaurants to their current percentage, I would suggest eliminating or softening that. I don't know that the current percentage of restaurants on Cal. Ave. is the magic number and that there couldn't be one or two more. I would recommend eliminating that or change that to "considering" as with Item g. I would propose adding the word "consider" to the beginning of Items e and f.

Mayor Holman: Which ones are "e" and "f?" I don't have ...

Council Member Wolbach: The restaurants and the hair and nails salons. That would bring those items in line with the financial institutions. We would consider restricting those. It would be a little bit softer than the current language.

Mayor Holman: I don't think I'll accept those at this point in time.

Council Member Wolbach: I'll propose that as a non-friendly Amendment then.

Council Member Scharff: Why don't you propose it?

Council Member Wolbach: I propose an Amendment to add the word "consider" to the start of Items e and f.

Council Member Burt: Why don't you break that up into two?

Council Member Wolbach: Okay. A good recommendation from Council Member Burt. For this Amendment, I propose adding the word "consider" to the beginning of Item e. The idea here is just to leave it a little bit flexible for now. As Council Member Filseth said earlier, we should proceed carefully. I wanted to clarify for Staff. I'm going to leave out Item f for now; I'll make that in a separate Motion.

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Berman to add to the Motion at the beginning of Part E, "consider."

Council Member Berman: I agree that at this stage it doesn't make sense to be so restrictive, especially in regards to restaurants. I don't think the

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numbers indicate that there's that big of a need to freeze in place what we currently have. I'd rather have the Planning and Transportation Commission take a look at it with their ability to weigh in, than to be so prescriptive in our Motion.

Council Member Scharff: I want to get back in the queue to speak to the main Motion when we do it, but I will speak to this. I'm going to support it. Can you make a friendly Amendment to an Amendment or not? I can't, right?

Mayor Holman: Huh-uh.

Council Member Wolbach: You can suggest it.

Council Member Scharff: I can make the friendly Amendment.

Mayor Holman: The City Attorney is saying no.

Council Member Wolbach: You can offer it.

Council Member Scharff: I can offer it.

Mayor Holman: The City Attorney is saying no.

Council Member Scharff: What I would like to do ...

Mayor Holman: Council Member Scharff, the City Attorney is saying you can't amend an Amendment. If I understood your head shaking, do I understand it correctly?

Molly Stump, City Attorney: Yes.

Council Member Scharff: I'm going to suggest you word it slightly differently, if you're interested.

Mayor Holman: That's an Amendment. City Attorney, isn't it an Amendment if you suggest different language? Isn't that still an Amendment?

Ms. Stump: Let me check.

Council Member Berman: Why don't you make your suggestions in your comments?

Council Member Scharff: I'm going to make some comments. I would definitely support adding the word "consider." "Any extended ground-floor

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district" would be very foolish. I understand some concerns on California Avenue, but if we're going to extend it, you want the actual ability of restaurants to move off and provide that in the spur areas. I would delete that part of it, if it was me. I would also add some language that goes along the lines of "allow the Planning and Transportation Commission to look at this and suggest a range possibly of number of restaurants that should be allowed," so we have some analysis on this. Thirdly, I would like them to come back to us with this weird parking thing we just learned about tonight, that the 16 spaces for 1,000 square feet as opposed to the 250, and understand how that's going to work.

Mayor Holman: Council Member Scharff, that would be a different Amendment.

Ms. Stump: To clarify, Madam Mayor. The way that your procedures read, there's a Motion, an Amendment, and Amendment to an Amendment is permissible. Further Amendment after that is not permissible until you resolve the first two cycles of Amendment.

Mayor Holman: Thank you for the clarification. I do want to clarify that this is recommendations to the Planning & Transportation Commission (P&TC) for considerations. Again these are not final actions. These are considerations. The P&TC can agree or differ.

Council Member Scharff: We want some information when they come back.

Council Member Wolbach: What I'll suggest, if Council Member Berman who seconded my Motion is okay with it, is eliminating the second clause of the "also." Here's a rephrasing: "consider eliminating restaurants on California Avenue." If Council Member Berman is okay with that Amendment too.

Council Member Berman: Just saying "consider eliminating restaurants on California Avenue"?

Council Member Wolbach: Yeah, just consider eliminating restaurants on California Avenue.

Council Member Berman: I'm fine with that.

Council Member Wolbach: That makes it simpler. That way it leaves expansion of restaurants outside of California Avenue open and leaves open for P&TC to consider whatever ranges they feel are appropriate.

Council Member Scharff: Maybe.

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Council Member Wolbach: As far as the other thing on the parking thing, I was going to make that as a separate Amendment. I want to keep that separate.

Council Member Burt: The Mayor pointed out that the overriding preamble to the Motion is consideration, so any considering is redundant throughout.

Council Member Berman: We have that on "g" right now.

Council Member Burt: I'm sorry. I didn't ask for a comment.

Council Member Berman: It's never stopped you before, but I'm happy to stop. I'll remind you of that the next time you do it.

Mayor Holman: Can we, please ...

Council Member Burt: Second, we may want to have a little more clarity on limiting what direction we're giving to the Planning and Transportation Commission. That could be interpreted as limiting to the current level or limiting to some level. I would support limiting to some level. I don't know that we have the exact balance today of restaurants. I think what we fear is a significant additional proliferation of restaurants on Cal. Ave., so that it fundamentally changes the balance of what exists between other retail functions and restaurants. If that's the intent, I don't think this language is clear enough in our direction.

Council Member Wolbach: As the maker of the Motion, what language would you propose? I'm definitely open to suggestions.

Council Member Burt: "Looking at an appropriate level of limitation on restaurants on Cal. Ave."

Council Member Wolbach: I would accept that. Council Member Berman?

Council Member Berman: Accepted.

AMENDMENT RESTATED: Council Member Wolbach moved, seconded by Council Member Berman to replace in the Motion Part E, "Limiting restaurants on California Avenue to the current percentage and, independently, also to any extended ground floor district" with "consider limiting restaurants on California Avenue."

Council Member Filseth: I had a question as well. Is my understanding correct on this that any of this can be overridden by a CUP that comes to Council?

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Ms. Stump: We're nowhere near ...

Council Member Wolbach: I was going to suggest another Amendment about that.

Council Member Filseth: A comment. The intent here is correct. I would be a little worried—we should be cognizant of potential unintended consequences. If we put a fixed limit on number of restaurants—obviously we don't want to turn it into restaurant row. If we put a fixed limit, are we going to have the unintended consequence that an expensive restaurant like AV drives out a more community kind of restaurant like Johnny's Café? I want to make sure that we don't bake in something that has something like that happen.

Mayor Holman: My only comment on this is what's an appropriate level? This gives no specificity in terms of that. Is the intention to limit conversion of retail to restaurants? I'm not sure what the intention is of the Amendment. If the maker can respond to that. The other comment I would make is—it's to do with that too. To Council Member Filseth's comment, is it only going to be the most expensive restaurants that can survive? Does that mean that we just open the floodgates to restaurants on any street? There's got to be a limit in some manner. Can the maker of the Amendment speak to what "appropriate level of limiting restaurants" means?

Council Member Wolbach: This is why we want to leave it flexible. The idea here is that in our direction to Staff and P&TC that we're establishing that we think it's a concern, requires much more study and discussion and consideration than we're willing to offer tonight. My intention with this Amendment was to make it more flexible and less specific than the original language offered.

AMENDMENT RESTATED: Council Member Wolbach moved, seconded by Council Member Berman to replace in the Motion Part E, "limiting restaurants on California Avenue to the current percentage; and independently, also to any extended ground floor district" with "looking at an appropriate limiting of restaurants on California Avenue."

Mayor Holman: Seeing no other lights, vote on the board please. The Amendment is to look at an appropriate level of limiting restaurants on California Avenue. That passes on a 7 to 1 vote with Mayor Holman voting no and Council Member Kniss absent or not participating.

AMENDMENT PASSED: 7-1 Holman no, Kniss absent

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Council Member Wolbach: I had a couple more friendly Amendments to offer. I propose a friendly Amendment to use similar language for Item f, "Look at limiting"—what was the language we ended up using? "Look at an appropriate level of limiting hair and nail salons on California Avenue."

Mayor Holman: That's what's there. How is what you're proposing different?

Council Member Burt: I thought "consider" was your concern.

Mayor Holman: Consider is the heart of the Motion at the top.

Council Member Wolbach: All right, we can skip that one. I'll move on to my next proposed friendly Amendment, which is to add "analyze and if necessary propose changes to parking requirements to bring eating and drinking establishment parking requirements in line with other retail establishments."

Council Member Scharff: I'll second.

Council Member Wolbach: It was a friendly Amendment, at least suggested as such.

Mayor Holman: No, I won't accept that, because it's just going to add to the proliferation of restaurants. I don't accept that. Is there a second?

Council Member Scharff: I second it.

Council Member Wolbach: I don't think that the total number of restaurants in the greater Cal. Ave. area is a problem. Item e still addresses the concern about creating a monoculture of restaurants on California Avenue. If we're expanding the general retail area, if there are more restaurants established in those areas, that's fine. Based on what evidence we have seen anecdotally and with our admittedly imperfect survey, not everybody going to restaurants is driving there. I don't want to unduly burden or discourage restaurants.

Council Member Scharff: What happened to the previous Amendment? Did it just go away?

Council Member Wolbach: Yeah, I gave up on that one.

Council Member Scharff: No, the one you actually passed, the one we voted on.

Council Member Wolbach: They've already included it in "e."

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Mayor Holman: It's incorporated. I believe the Amendment that's on the floor now that has been proposed and seconded is "analyze if necessary proposed changes to parking requirements for eating and drinking establishment in line with other retail establishments." Isn't that what you intended?

Council Member Wolbach: It would actually be "to bring parking requirements for eating and drinking establishments in the California Avenue area in line with other retail establishments."

Council Member Scharff: I'm going to say that it was actually Mayor Holman who said that you need to zone for what you want. The earlier thing about let's look at the number of restaurants on California Avenue and have that as a determination, to have an artificial ban, which this in effect does if we say the parking requirements completely prohibit it. The way I calculate it, it was close to 17 spaces per 1,000 square feet. That's basically a ban. We definitely don't want to do that. That flies in the face of what we're trying to accomplish and also makes no sense given that we've just expanded the sidewalks to allow more tables on all of these places. We should definitely make this change, to go ahead and look at this and understand what it does and see where it goes.

Council Member DuBois: A couple of thoughts here. First of all, restaurants are already 30 percent of the entire district. Encouraging more restaurants before we provide more parking, I'm not sure is the right thing to do. The parking assessment district is closed. When we build more lots, we'll be opening a new assessment district. To me, that's the right time to make this kind of change, not right now. I won't be supporting the Amendment.

Council Member Burt: I'd be comfortable with asking the Planning and Transportation Commission and Staff to look at what would be appropriate levels of parking for restaurants, but this Motion says "in line with other retail establishments." I don't think we have any data that says that they only need as much parking as other retail establishments. We may be asking them to over-park currently, and this very possibly would be allowing them to under-park. I couldn't support it, and I don't think it's appropriate. That's bad planning. We do have parking problems there at noon, and that's when the restaurants are full. Clearly, Cal. Ave. has a major parking problem at noontime. If you aren't familiar with it, you need to go down there at noon.

Council Member Wolbach: I would be willing to accept that as an Amendment. Rather than bringing it in line with other establishments, "to

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analyze and, if necessary, propose changes to parking requirements for eating and drinking establishments in the California Avenue area."

Council Member Burt: I would recommend "parking requirements commensurate with the parking demand for those purposes." That's what I would say is the intent. You figure out what's the demand and align the requirements with the actual demand.

Council Member Wolbach: I'd be comfortable with that.

Mayor Holman: Council Member Burt, your Amendment to the Amendment is "commensurate with parking demands of"—how did you word that?

Council Member Wolbach: It should be "analyze and, if necessary propose changes ...

Mayor Holman: Let's do this. Let's just say "analyze and if necessary propose changes to parking requirements commensurate with parking demands of restaurant use." That'll take care of it.

Council Member Wolbach: Yeah.

Mayor Holman: Council Member Scharff, you seconded this. Do you accept that?

Council Member Scharff: Yes, I do.

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Scharff to add to the Motion, "analyze and if necessary propose changes to parking requirements to bring eating and drinking establishment parking requirements in line with other retail establishments."

Council Member Filseth: Just briefly, I'm going to not support this Amendment. The thought is good but, as Council Member DuBois suggested, the whole parking thing is a big complicated piece. I don't think we should try to micro-engineer it on this level. I'm not going to support this.

Mayor Holman: Council Member Scharff, as the seconder, you did accept this.

Council Member Scharff: No, I accepted this. I understand Council Member DuBois and Council Member Filseth's concern about parking and creating more. What this does is have the Planning and Transportation Commission analyze those issues. Frankly, if we allow this Motion to go forward without that, we're going to create a huge problem in terms of expanding. It's very

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broad and I support it, expanding the ground-floor protections to include both sides of Cambridge, the lanes between California and Cambridge Avenue, El Camino Real from Page Mill to Stanford Avenue, extending Park Boulevard south and any other locations to be feasible. If we don't allow restaurants in any of that, you're probably going to have a hard time filling all of that space without it. What we're doing is we're having the Planning and Transportation Commission analyze what those parking requirements should be. We're actually getting more information, getting its thought on that. We're not imposing it right now. I'd say that you guys have pushed hard for good data, and this goes more in the direction of getting good data as opposed to suddenly doing away with fully parking things. I'd ask you to reconsider that.

Mayor Holman: The way it's worded now, I can support it. Not previously, but the way it's worded now, I can. Time to vote on the board. This is to analyze and if necessary propose changes to parking requirements commensurate with parking demands of restaurant use on the California Avenue area. We don't need "on the California Avenue area" though. All those in favor or not. That passes on an 8-1 vote, Council Member Filseth ...

AMENDMENT TO THE AMENDMENT INCORPORATED WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Amendment, "to bring eating and drinking establishment parking requirements in line with other retail establishments" with "commensurate with parking demands of restaurant use."

Council Member Wolbach: 7-1.

Mayor Holman: I'm sorry. 7-1, Council Member Filseth voting no and Council Member Kniss not participating.

AMENDMENT AS AMENDED PASSED: 7-1 Filseth no, Kniss absent

Council Member Wolbach: I only have one more hopefully friendly Amendment. Before I offer it, if we could see the very start of the Motion, above "a." Was there was something above "a?"

Mayor Holman: It says "direct Staff to prepare a draft Ordinance to be reviewed for recommendation by P&TC with the following considerations including."

Council Member Wolbach: I have two friendly Amendments. The first, I'd suggest that we put "California Avenue area" somewhere in the preamble of the Motion. That way it's not necessary in every single clause. Just to be clear that this Motion is about the California Avenue area.

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Mayor Holman: I wouldn't accept that, because this is about more than just California Avenue. For instance, look at "a," we're expanding it.

Council Member Wolbach: I said "California Avenue area."

Mayor Holman: Area. I don't know what it adds, but okay.

Council Member Wolbach: If we could add that then.

Mayor Holman: So "a draft Ordinance for the California Avenue area."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "for the California Avenue area" after "draft Ordinance."

Council Member Wolbach: The last is on Item c, limiting formula retail. I'm trying to think what the right language here is. A lot of us talked about having maybe two tiers or having a more restrictive Ordinance on California Avenue itself and then perhaps more permissive in the surrounding areas as we try to attract more retail to the general area. I'll not propose an Amendment but leave that there as a question for others to propose Amendments to provide a little bit more guidance to the Planning and Transportation Commission and to Staff about Item c.

Council Member DuBois: I emailed you some proposed Amendments. One at a time, propose adding to "a" "consideration in the Cal. Avenue side of Sherman Avenue." Inserting that before "other locations."

AMENDMENT: Council Member DuBois moved, seconded by Council Member XX to add to the Motion Part A, "consideration of California Avenue side of California Avenue" before "other locations."

Mayor Holman: There's nothing there. There's nothing there to—look at the map. There's nothing there to build on.

Council Member DuBois: Right. It's public facility ...

Mayor Holman: It's parking lots. There's nothing to build on, so I wouldn't accept it.

Council Member DuBois: I want to capture the idea that as we develop those parking lots, that retail would be included.

Mayor Holman: We'll have control over that.

AMENDMENT WITHDRAWN BY THE MAKER

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Council Member DuBois: All right, I'll withdraw that one. Below "g"—maybe Council Member Wolbach was trying to get to this. You specifically call out restaurants, nail salons and financial institutions. I propose an Amendment that says "limit other retail uses to no more than a defined percentage of the district." The idea is to have an Ordinance that adapts with the times. If any use becomes particularly popular, it would not dominate the area.

AMENDMENT: Council Member DuBois moved, seconded by Council Member XX to add to the Motion, "limit other retail users to no more than a defined percentage of the California Avenue district."

Mayor Holman: Do you have any thought of what—financial institutions, restaurants and nail salons ...

Council Member DuBois: That's nail salons today. It could be tattoo parlors...

Council Member Scharff: I would second your Motion, but it should say "California Avenue" rather than "district." The "district" is too weak from a retail point of view to be concerned about anything but California Avenue in terms of limiting the types of retail.

Council Member DuBois: Are you reading these other clauses, "e," "f," and "g," to be specifically just on California Avenue?

Council Member Scharff: That's correct; I am.

Council Member DuBois: That would be fine.

Mayor Holman: I would accept it then.

AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "limit other retail users to no more than a defined percentage on California Avenue."

Council Member DuBois: On "j," at the end of that—it isn't "j" any more. It's "k" now. Any demolition required for ground-floor requirements and for the P&TC to review and update Section 18.16.050 particularly Clauses (a)(5) and (a)(6) to ensure ground-floor retail.

Mayor Holman: I'll accept that.

Council Member DuBois: I wanted to add a new clause, "o." To clarify that we don't want parking transferring from restaurants to office space conversions. I would leave it there, capturing what we discussed which the City Attorney wasn't clear.

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Mayor Holman: Could you repeat that please, Tom?

Council Member DuBois: That we don't want parking transferring from restaurant use to office use if the building is redeveloped.

Mayor Holman: I'll accept that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "clarify that we do not want parking transferring from restaurant use to office use."

Ms. Gitelman: Mayor Holman, can we interject, as Staff, a few comments on the Motion as it stands right now? I don't know if this is the right time or when.

Mayor Holman: Fire away.

Ms. Gitelman: I wanted to observe that Items A and B are extraordinarily broad. We would need to know, as Staff, whether you intend or desire to apply the restrictions in the R Overlay District to this broad area. That would mean that all of the ground-floor spaces in this broad area could only have retail, personal service or eating and drinking. I don't know whether that's your intention. In addition, we think Item Number d, addressing the permanency of conditional use permits, would have to be eliminated or rephrased in some way. If you're trying to do what we think, use permits run with the land and so that would not be the tool that you'd be looking for. In addition, there are a few other points.

Mayor Holman: Let's do these so far.

Council Member Burt: Let's not take them up at this time.

Mayor Holman: I was trying to answer her questions at this time. The intention of the Motion is what your question is. The intention of the Motion is, yes, in "A" it would be ground-floor retail, personal service and restaurants. That's the intention of expanding that zoning. "B" is considering linkages that might exist to the Fry's site. "D," if you can come up with other language, I'm certainly open to that.

Ms. Stump: Thank you, Mayor Holman and Council Members. "D" and a number of the other items do raise legal issues. We are taking this as Council's policy interest, but it will require us to do a variety of work on the legal side, to understand parking, to understand relatively complex vested rights issues that apply to the various types of existing uses, which may become nonconforming with this type of a change. We would need to come

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back to you with a set of pretty detailed advice. There may be some parts of this policy direction that are readily able to be implemented, and others that may require different types of solutions or we may be describing some legal limitations on what we're able to do.

Mayor Holman: If you'll note at the end, that's exactly why I introduced the Interim Ordinance component of this. Appreciate that.

Ms. Gitelman: If I could speak to that. The way this has been defined in Item a and there are few other provisions later on, this whole endeavor is so broad that I don't know how that Interim Ordinance provision at the end would be effective. "A" includes a much broader area than we've provided a census of. We'd have to do the kind of ground-floor survey of building spaces and uses that we did in this finite area for that broad area, and bring you back some additional analysis before we could offer any opinion on the idea of restricting to just those three uses. We may find medical offices, auto services uses, other kinds of offices, all kinds of things that don't fall into those three categories. It's just a huge amount of work that we were not anticipating when we proposed these discrete changes in the Cal. Ave. area. The other thing, the Amendment that Council Member DuBois just made about 18.16.050 raises another issue, which is we were thinking of looking at the R Overlay District and some discrete changes there. What you're describing here, by looking at that section in 18.16, is a review of the zoning that applies to all the commercial districts, CN, CS, CC, and CC(2). We can certainly do that, but again that's not a discrete exercise as would be suggested by the portion of this amount of the Interim Ordinance. I don't know whether the Council wants to try and make this a little narrower or you want to have two Motions, one that's narrow and specific to Cal. Ave. and one that's about the rest of the world and retail that would apply. We're having some trouble as Staff envisioning how we would do any of this in a short term way.

Mayor Holman: One thing before I go to Council Member Burt, one thing for Council Member DuBois. On "k," if we can split out "the update Municipal Code Section ..." to a separate ...

Council Member DuBois: Could we say "updated as it applies to the California retail district"?

Mayor Holman: I don't know that that's going to accomplish what Staff's concern is.

Council Member DuBois: Within the district ...

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Ms. Gitelman: If you're referring to the R Overlay Zone, it really is not operable in that zone.

Council Member DuBois: It overrides it?

Ms. Gitelman: Pardon me?

Council Member DuBois: The R Zone overrides the ...

Ms. Gitelman: That's correct.

Council Member DuBois: ... the underlying zone?

Ms. Gitelman: That's correct.

Mayor Holman: If we expand the R Zone ... Could we break it separately anyway? It's cleaner.

Council Member DuBois: Sure.

Mayor Holman: I'm a little surprised by some of the comments, because we're looking at commercial areas on California Avenue, some intersecting streets.

Council Member Burt: I do have some concerns along the lines that Director Gitelman was expressing. First under "A," consistent with what I think Council Member Filseth warned us on previously, which is let's make sure that we do sound incremental changes and then we have opportunity to go and look beyond that. I don't think people realize how impactful this is. One, I need some clarification that the boundaries that are here of including both sides of Cambridge and extending Park south, it doesn't say how far this is. Those are big expansions of a retail district. I'm not prepared to do that at this time. Expanding the boundaries are things that we're going to want to look at. I frankly am not at all sure that up and down Park is strong for traditional retail. Are we actually looking at doubling or tripling the retail zones here? How would that be implemented? Does this mean that, for instance, on Cambridge everything would become nonconforming, that's not retail? There's not a lot of retail currently on Cambridge. Maybe the maker can clarify. At least the second thing is a question, because my first one is a reason that I can't support it as written.

Mayor Holman: I did say that it was open to Amendment. The reason for Cambridge is because there is some retail, but there's also a fair amount of personal service there. I was trying to preserve and expand on that. Otherwise, we're pretty limited just to California Avenue.

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Council Member Burt: I might offer that there's—no, I guess we can't do a spot zone. Let me ask Staff this. Yeah, maybe we can. If we want to preserve the existing retail and services that are on Cambridge, could we have an Ordinance that would lock those into retail or is that spot zoning?

Ms. Stump: You've already done that. That's ...

Council Member Burt: We've done that on an Urgency Ordinance, but this is not an Urgency Ordn.

Ms. Stump: Right. Our direction was to extend the Urgency Ordinance and to replicate it with a regular Interim Ordinance that would last for two years or until the planning process is complete.

Council Member Burt: For Cal. Ave. you mean?

Ms. Gitelman: If I can respond to that. What you're asking is whether on a permanent basis we could adjust our zoning provisions to protect as retail those spaces on Cambridge or that area on Cambridge that has some retail. We could craft the boundaries for this district to encompass most if not all of those areas without capturing too many of the "nonconforming uses." That would take some study of what we think the boundaries could be.

Council Member Burt: If the intent is to preserve existing retail and services on Cambridge, then we should give different direction. This basically says we want a major expansion. How about if we had something in here that gives guidance to Planning and Transportation Commission to ...

Mayor Holman: It's there. Again, it's for P&TC to consider.

Council Member Burt: I understand that. To review means to preserve existing retail in those areas long term. We have something now, as the City Attorney stated, that is going to do it for the—it's doing it now on an urgency. The intention is to bridge that until the Comp Plan is done. What are we saying we want to do here tonight that's different from that?

Council Member Scharff: What we're trying to do is to expand the retail on Cambridge. If there's new development, things are torn down, you have ground-floor retail. That's what this does from a practical point of view.

Council Member Burt: That goes to my other question, what does that mean for the current non-retail? They are only in jeopardy of their current use if there's a redevelopment. Then it must become retail or service.

Mayor Holman: Yes. If you look at the map, there's a fair amount of personal service from, I can't tell what that is, about halfway between Birch

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and Mimosa. We may be trying to hatch at this too much. I would be willing certainly to take out the "El Camino from Page Mill to Stanford," if that's not consistent with what Council Members want and that's causing a concern by Staff. That could be addressed probably with zoning considerations with CS and CN. Is that okay with the seconder? Council Member Wolbach?

Council Member Wolbach: I would be fine with that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER removed from the Motion Part A, "El Camino Real from Page Mill Road to Stanford Avenue."

Mayor Holman: That limits that to some extent. Extending Park Boulevard, again I don't think there's too much there, too much likelihood. It's a way to potentially connect to the Fry's site. That's why I put that in there.

Council Member Burt: What is that direction to P&TC as it's written? What's the impact of it?

Mayor Holman: If there's any viability of extending retail. That's why it's "consider extending retail."

Council Member Burt: If I'm on the P&TC and this comes from the Council, we've got certain things that are considering what we really mean to be pretty close to a directive with some latitude, and other things that we're just throwing in. I don't think that's very good guidance for them.

Mayor Holman: Extending Park Boulevard can be determine pretty easily. I think that can be determined pretty easily. It is an interest, but I don't think it's a big deal to determine.

Council Member Burt: I'd have a problem if it's included in this Motion. That's extending too broad of a net at this time. I don't preclude a future consideration there, but I go back to what Council Member Filseth warned us on before. Let's do some meaningful things. We don't have to throw that in to have done some very significant changes to our Cal. Ave. retail with the balance of this.

Mayor Holman: I can take that out if we're leaving in "b," which is consider linkages from the California Avenue area to the Fry's Electronics site.

Council Member Burt: That was my next one. Good.

Mayor Holman: If we're leaving that in, I can take this out.

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Council Member Burt: If we're leaving the linkages. I need you to explain what that is anyway. I didn't know what that meant. Let's go ahead and ...

Council Member Scharff: Part of this is extending Park Boulevard south. It could go too far if you look at it. Whereas, if you look at the first building, someone's got a proposal on it. It's right next to—what's ...

Council Member Burt: California Central.

Council Member Scharff: California Central which has some retail there in the bottom floor. The next building over, they're planning on tearing down and building a new building there. That should have low retail; however, Council Member Burt is right that beyond that, given the way the block is already broken with the big Holbach development, it makes no sense to ...

Council Member Burt: Groupon.

Council Member Scharff: ... to beyond that.

Mayor Holman: That's why I don't think there's much there. That's why I didn't think it was a big deal to ...

Council Member Scharff: Right. That one building would extend the retail and is a good place for retail, to extend it.

Council Member Berman: Can you say Park Boulevard to a certain street?

Council Member Scharff: If you have "extending Park Boulevard south," it's fine because it doesn't matter other than that building.

Council Member Burt: May I speak to that?

Council Member Scharff: Sure.

Council Member Burt: As you go south there, there are other buildings along Park that are auto repair and other functions. There's a whole bunch of buildings there.

Council Member Scharff: How about extending it just south as far as that first—what's the first street you come to? It's Sheridan.

Mayor Holman: Sherman.

Council Member Burt: Sherman first.

Council Member Scharff: We extend it just as far as Sherman.

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Council Member DuBois: That new building is at Grant, which is the next block.

Council Member Burt: Yeah, Grant. It goes to Grant.

Council Member Scharff: If we limit it to Grant, it works.

Mayor Holman: I could go with that.

Council Member Burt: That seems reasonable to me. Can you—sorry.

Mayor Holman: Council Member Wolbach, are you okay with that as seconder?

Council Member Wolbach: I'm okay with that. I was just wondering if we wanted to consider going one block further to Sheridan or if ...

Council Member Burt: No.

Council Member Wolbach: ... there's any reason to stop at Grant. If nobody else feels there's a reason to go to Sheridan, I'm fine with that Amendment.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part A, "to Grant Avenue" after "Boulevard south."

Council Member Burt: Mayor, can you explain your intent on this linkages in "b"? I didn't know what that meant.

Mayor Holman: If there's any opportunity, and I don't know that there is, any opportunity for retail linkages to the Fry's site. I don't think it exists. That was an attempt with Park Boulevard. I don't think there is, but I don't have the area memorized.

Council Member Burt: We're going to have our Fry's area specific plan. That seems like that would be the right time and vehicle to look at this.

Mayor Holman: Staff?

James Keene, City Manager: Shouldn't you have two poles or something before you do a linkage? You've got an area here. Get something a little clarified here to be able to understand the linkage versus just going out to the frontier, not knowing what you're going to ...

Mayor Holman: I didn't want to lose anything if we had opportunities at this time.

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Mr. Keene: I got distracted there for a bit. My own reaction is that there's so much in here that you're losing the essence or something. Maybe a little cutting away is what you ought to think about.

Mayor Holman: Council Member Wolbach, are you okay if we delete "B"?

Council Member Wolbach: I'm comfortable with deleting "B."

Mayor Holman: As long as Staff doesn't lose sight of that.

Council Member Wolbach: I concur with that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion Part B, "linkages from the California Avenue area to the Fry's Electronics site."

Council Member Burt: I have something that's implied. Under "j," it says "requiring that any demolition." We really mean "construction resulting from demolition." That's implied but just to clean it up.

Mayor Holman: That's fine.

Council Member Wolbach: I'm fine with that too.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part J, "any demolition" with "any construction resulting from demolition."

Council Member Burt: That addresses my main concerns. Director Gitelman, are there remaining concerns that you have that aren't yet addressed?

Ms. Gitelman: Yeah, I had a couple more. First, it looks like, now it's "i," limiting new development to respect historical pattern. It's unclear what geographic area you mean that to apply to and whether that's just a broad area of investigation that would take a lot of time. There's also the question about financial, where is that one, financial services. It's "f," consider limiting the number of financial institutions on California Avenue. There's already a requirement for a use permit when those institutions are on the ground floor. I consider that to be already in effect, in a sense. We have the ability to deny a use permit; although, I could see wanting to require additional findings in that instance.

Council Member Burt: Can I speak to both those things? Going to the financial institutions first. There's a difference between having a limit that can be breached with a conditional use permit and one that could not.

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That's a consideration for us of which way we want to go on that. The second on "i," that should apply to the Cal. Ave. area which we've taken to mean the Cal. Ave. retail area. Correct? It would be the R ...

Council Member Scharff: We mean California Avenue itself.

Mayor Holman: No, the California Avenue area as we've preliminarily at least identified in "A."

Council Member Burt: Let me ask, beyond Cal. Ave., we have some areas that have been historic retail. I could see this applying to them. Then we have areas that aren't historic retail, like Cambridge. Are you intending that it would apply to those areas that don't have this historic pattern? It may be the way to make this acceptable, respect the historic pattern where it exists or on Cal. Ave. The intent, is it to capture this on Cal. Ave. and those spurs where we have such a pattern or is the intent to expand that pattern elsewhere?

Mayor Holman: It's to consider it and respect it where it exists. The area that we've talked about, it does exist. That's why I excepted El Camino. I'm sorry, I didn't except it; that's the other one. I lost my place here; hold on. Yeah, that's why I excepted El Camino.

Council Member Burt: What?

Mayor Holman: Limiting new development and rehabilitation to respect the historic pattern. I took El Camino off of that.

Council Member Burt: Okay. There's area in between the Cal. Ave. core where it exists and everything except El Camino. For instance, you've got Cambridge.

Mayor Holman: Cambridge is by and large narrow storefronts. I'll look to Staff, if it's clear to respect the historic pattern that exists as it exists in ...

Council Member Burt: Or where it exists?

Mayor Holman: Where it exists. Does this help Staff or does Staff already know what is intended here?

Ms. Gitelman: What you're saying is that you'd like to ensure that new development respect the historical pattern.

Mayor Holman: Of narrow storefronts and small square footages.

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Ms. Gitelman: Where that exists. Where it exists. With your clarification, it's clearer.

Mayor Holman: All right.

Ms. Gitelman: Mayor Holman, I just wanted to point out that Item k now is the item that is incredibly broad. It applies to all the commercial districts. It's not limited to California Avenue. That's quite a broad investigation. Also Item l will involve some legal analysis about what we actually have the ability to do when an existing use has opaque windows. We can do that analysis. It's "k" that creates a really broad set of issues and notification requirements for this Ordinance.

Council Member DuBois: Can I ask a question on "k"?

Mayor Holman: Yes.

Council Member DuBois: You indicated that you guys believed it needed to be reviewed. How would you like it to be worded to accomplish that?

Ms. Gitelman: Thank you, Council Member DuBois. What we were expecting to do is similar to what was done back in 2001. There was an effort to look at retail districts individually. Cal. Ave., Downtown were each looked at individually, and then Midtown and Charleston Center were looked at. In that context, they looked at the controls for all of the commercial districts. We're happy to do this, but maybe clarifying that as a separate matter or in a separate Ordinance to do that. If we link it with Cal. Ave., it's going to slow down all the Cal. Ave. stuff.

Council Member DuBois: You can say that. I read Clause p to say bring forth the stuff you can, that won't result in a delay, and have anything that takes longer as a separate Ordinance. We could call that out in "k" as well.

Ms. Gitelman: What I'm hoping is that we can include enough things in the Motion that are doable in the short term, that we won't have to do an Interim Ordinance. It just creates more work for Staff if we're coming back multiple times with different versions of this.

Council Member DuBois: If it just said as a separate matter update ...

Ms. Gitelman: That would be great.

Mayor Holman: My only concern about if we just do the ones that are simple and there are other things that we need to address, that we won't ever do it. That's why I suggested the Interim. If we don't have to do an

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Interim, then great. Does that capture your intention, Council Member DuBois, as a separate consideration?

Council Member DuBois: That's fine.

Mayor Holman: That's okay with me. Council Member Wolbach, do you accept that?

Council Member Wolbach: Yeah. I stepped in the back when this was added originally. I don't think I ever weighed in on "k" in general. My sense is that this one should be a separate Motion. Happy to hear from other colleagues about it. I'm inclined not to accept "k."

Mayor Holman: It is as a separate consideration. Staff intends that it's not going to hold this up. Isn't that correct, Staff?

Ms. Gitelman: That's right. We're thinking that it would be a separate endeavor besides or separately from what we're doing with regard to the specific retail district in California Avenue.

Mayor Holman: Are you okay with "as a separate consideration"? Are you okay with that language.

Ms. Gitelman: Yes.

Council Member Wolbach: My thinking is that it should be a separate Motion.

Mayor Holman: Staff is okay with it the way it is. I'm trying to move this along.

Council Member Wolbach: We can go ahead and vote on it as an unfriendly Amendment. I'm not accepting "k."

Council Member DuBois: "K" was already accepted; we're just adding this language.

Council Member Wolbach: I'm sorry. I wasn't present when it was originally accepted.

Mayor Holman: We need then as an Amendment here, Council Member DuBois moves "k" basically. We need a second to that.

Council Member Scharff: I might be willing to second it for you. I need to understand again exactly the Code Section 18.16, in both those sections. I know we've talked about it, but I don't have it in my mind. Maybe Staff

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could quickly tell us. I think your intention is that you want to make sure we get ground-floor retail. There are exceptions, and you want to do away with those exceptions.

Council Member DuBois: Yeah.

Council Member Scharff: I'm fully supportive of that. If that's it, I'm going to second it.

Council Member DuBois: I have it in front of me. Five is if you create new or remodeled ground-floor area, there's an exception if the new ground-floor area is larger than the past. Six is an exception if you're part of a coordinated plan that allows non-retail uses on the ground floor. I'd broaden this. If we're going to make it a separate Motion, that Staff update 18.16.050. Look at the whole section of exceptions.

Mayor Holman: That's much broader than what our noticed item is probably.

Council Member DuBois: Or 050(a) which is the exception.

Council Member Wolbach: The point you're ...

Mayor Holman: I'm looking to City Attorney.

Ms. Silver: We did mention this particular Ordinance in the Staff Report, so there's some leeway there.

Mayor Holman: The Ordinance as a whole?

Ms. Silver: Yes, 18.16.050.

Council Member Scharff: I will second that for you.

AMENDMENT: Council Member DuBois moved, seconded by Council Member Scharff to add "as a separate consideration, update Municipal Code Section 18.16.050."

Mayor Holman: Council Member Wolbach, did you have a clarifying question on that?

Council Member Wolbach: I wanted to clarify that this isn't a separate Motion. This is an Amendment which I did not accept; therefore, it has to go through a discussion.

Mayor Holman: We've got that.

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Council Member Wolbach: Council Member DuBois' comments made me think that wasn't understood.

Mayor Holman: We've got that.

Council Member Scharff: This is really important. The whole point of this whole thing is to get more retail. If people can replace their existing office use using some exception we're not aware of or whatever, then what's the point of doing all of this? Everything we change right now is grandfathered in. We've already passed an Interim Ordinance that you can't change from retail to office. The whole point is when people tear stuff down right now, that's what this affects, and they have to rebuild, what's that going to look like. This is a key component of that. If we want to expand the retail uses, we should definitely do this.

Mayor Holman: We are ready to vote on this Amendment, which is to as a separate consideration update Municipal Code Section 18.16.050. Vote on the board please. That passes unanimously on an 8-0 vote. Council Member Kniss not participating.

AMENDMENT PASSED: 8-0 Kniss absent

Vice Mayor Schmid: Just a follow-up. Council Member Scharff said the intention of all this is to expand retail when there's teardowns. There seems to be one exception in "I," prohibit opaque windows at the ground floor in protected areas for any use including existing uses. That sounds like if you have a medical office with an opaque window, you're now going to have to put in a window. This seems to break the tenor. I would suggest dropping "I."

Council Member Scharff: Why don't you exclude medical uses?

Vice Mayor Schmid: I'm not sure. Without a list of where the opaque windows are, I'm not sure what's behind them.

Mayor Holman: Can I offer to clarify this and fix this? It's just deleting "including existing uses."

Council Member Scharff: I like "including existing uses."

Mayor Holman: I'm sorry?

Council Member Scharff: I'd make a Motion to put that back in. The existing uses are what the issue is. When you have offices, you open it up and you can see in, that doesn't break the block nearly as much ...

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Mayor Holman: That's true.

Council Member Scharff: ... as these opaque windows. Medical uses, there's some issues there.

Mayor Holman: Again, the P&TC is going to consider this. We don't need to nail everything down. Vice Mayor Schmid, would you consider excluding medical offices or medical uses? The P&TC will look at any other thing they think ought to be excluded. Again, this is not the final work. Can I say that again?

Vice Mayor Schmid: It sounds petty directive though. If you put it in front, have the Planning Commission look at prohibiting opaque windows on the ground floor.

Mayor Holman: Again, the preamble to this Motion is consider and considerations. If you see any area around town, you can go to Homer Avenue, where they have opaqued the windows. It has a dramatic impact, dramatic. If you want to exclude medical uses, can we go with that? I would accept that, if we can go with that.

Vice Mayor Schmid: I would certainly include that.

Mayor Holman: Council Member Wolbach, would you accept "excluding medical uses" in "I"?

Council Member Wolbach: Yes, I accept that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion at the end of Part L, "(excluding medical uses).".

Council Member Scharff: On the whole, I appreciate what you've done, Mayor Holman. A lot of this is really good. Council Member Burt's the one that made the statement, and I fully agreed with it, the notion that we do need to look at California Avenue and figure out how to fill in those holes, which are the existing office spaces. Part of that may be mechanisms, what mechanisms exist where we can, rather than wait for people to tear their buildings down, force a change in use from office to retail. I'm wondering from Staff's point of view what kind of direction should we give. Should it be simply come back to us with mechanisms to do that and take a look at how we do that? I'm saying just on California Avenue; I don't want to do it more than that. There's serious issues that need to be addressed there.

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Ms. Gitelman: What you're talking about is looking at the potential sunset for nonconforming uses?

Council Member Scharff: Yes.

Ms. Gitelman: It's not currently addressed on there, but you're right, it would be in Item j where we'd look at conditions that would apply to nonconforming uses. One of them being that if you demolish or rehabilitate, you have to comply with the new Ordinance. Another could be a sunset date of some kind for nonconforming ground-floor offices. We could look at that. I'm a little concerned that that, like the parking thing, will require some analysis that might slow this down, but we can certainly do that.

Council Member Scharff: Maybe we could add "m," "n," "o," "p," "q," another one that says "Staff will analyze and come back to us." This doesn't have to be the highest priority right away on these things. I want to address that at some point. "Direct Staff to analyze and return to Council with mechanisms to ...

Mayor Holman: To sunset.

Council Member Burt: To make nonconforming uses conforming.

Council Member Scharff: Yes, "to make nonconforming uses conforming." I would agree with that. "On California Avenue." We want to limit it to there for now.

Mayor Holman: I would accept that, except I just want to be clear with Staff that this should not hold up an Ordinance that comes back to us. That and the parking requirements. Wherever it is now; everything's changed. I need Council Member Wolbach's approval of this too, since he's the seconder. I'm looking for the one that says ...

Council Member Scharff: That's "p."

Mayor Holman: Yeah, "p." There it is.

Council Member Wolbach: "Q" is fine, but I'll wait a minute maybe, unless you'd like me to offer it now. I'd recommend an Amendment to "p."

Mayor Holman: Are you okay with "q"?

Council Member Wolbach: Yes, I am fine with "q."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "Direct Staff to analyze and

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return to Council with mechanisms to make non-conforming uses conforming on California Avenue."

Council Member Scharff: I have a broad concern that goes something like this. California Avenue is the most important. Cambridge is the next most important in terms of making sure things happen. My concern is that this will take so long that they will build the new building on Cambridge before we have our retail protection in there. What I would like to do is have us talk a little bit about what we want Staff to do in priority. There's a lot of stuff here. I'm concerned that we give all this to Staff, and a year and a half later we come back. That's what you're trying to deal with, the interim issue. I would say that we need to implement the ground-floor retail use on Cambridge for new construction and California Avenue for new construction right away.

Mayor Holman: I heard Staff recently say, I think I heard this right, that this was going to be going to Planning Transportation and Commission summer, early fall, and it would still be coming back to Council this year as an Ordinance.

Ms. Gitelman: Thank you, Council Member Holman. I'm sorry, Mayor Holman. That was certainly our intention. We're going to have to analyze this. Some of these items are going to require some analysis. I also wanted to clarify the preamble. Maybe this is the time to do that. It looks like you're directing Staff to prepare an Ordinance, prepare a draft Ordinance. It would be the Ordinance itself that we'd take to the Planning and Transportation Commission, which would consider these things. We could draft what we think is an appropriate Ordinance to adjust the boundaries of the R District, taking into consideration some of these uses that the Council would like to limit, and bring that forward to the Planning and Transportation Commission in a reasonably short period of time. Some of these other things, the nonconforming uses, the parking requirements, may require some additional work. We could separate that out, if that's the Council's direction.

Mayor Holman: The reason I put in the language that said prepare a draft Ordinance is because, in the Staff Report under the recommendation, the second sentence says possible direction to Staff would be to prepare an Ordinance to define formula retail ... Since it was also stated in the Staff Report that this was going to the P&TC, that is what I thought the intention was of Staff, to prepare an Ordinance to take to P&TC. That was the intention.

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Mr. Keene: There are different levels of detail, some broad, some specific, some identifying, some things are left unsaid. There are legal implications. The caveat has to be that this is complicated enough that we're not going to necessarily know until we do the next level of work and go to the Commission about what the timeframe or the impact is. This is not something simple that you're putting up there. The attorney's already expressed the potential for legal complications on some of these things. The hard part is that Staff is still going to have to exercise, the irony here is this is a package of lots of explicit stuff that runs the risk of Staff having to exercise judgment with the Commission about what can be done in one sequence and what can be done in a different one in order to come back in time. We're going to have to exercise judgment that's outside of the explicitness of what you've put here. We're going to come back, and the Council could say, "You missed that one. You should have had these other ones." We're going back to the incremental suggestions that were made. There's been a desire to try to tie it up a little more specifically. We could get in a situation where we have to come back in incremental steps. It's a very real possibility. Honestly, if you could watch yourselves right now, you would understand how complicated it is. There's a combination of a lot of ideas trying to be expressed in very specific words that are almost so specific that, as we start to review them, it could open up a whole other level of work. If you want to get progress, you're going to have to give us a little bit of discretion to try to use some judgment with the Commission to move some parts ahead, perhaps, of others, knowing we're going to come back. That may mean something's out for now. I'm not being very articulate about it, but there's ...

Mayor Holman: We're saying the same things. That's why I put the interim language in there. I don't know, I don't know if any of my colleagues know, how long or how much work it's going to take to do X, Y or Z things. That's why there is discretion from my perspective built into there.

Council Member Scharff: If I could add to that. There's a lot of work, and I'm fine with Staff having a lot of discretion on this. The only time we're changing stuff primarily, I know there is some other stuff, is when someone tears and builds a new building. We're about to have this happen on Cambridge. I have a strong interest, if we're going to turn Cambridge into a retail, of requiring ground-floor retail for any new developments on Cambridge, so we don't miss the window. If a new large building is built there with ground-floor office all the way there, we're going to miss the window and you're not going to change the street. Then we've done all this work and nothing changes. I'm looking to Staff to tell me how I tell them to prioritize getting that done before that new office building is built. That's

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what I'm looking to write into this Motion. I'm not sure how to accomplish that.

Mr. Keene: May I make a suggestion, even though it probably complicates it all? There's two or three things in general that are most important to you, wanting to issue some directive. It's general but it's specific. You want to protect ground-floor retail. You want to manage the nature of some of that ground-floor retail as it relates to formula and not. Those seem like the most crucial things. Is there some way that there could be some parallel directive in a general way that goes to the Commission that says, "As you're looking at it, if you run into some question about priority, look for this. We don't want to see this situation" as Council Member Scharff just described taking place. "Therefore, don't be limited by how we've worded some of these other things." You want to be sure that there aren't conversions on the ground floor that diminish the existing retail situation or diminish the future potential. I'm not sure that that's exactly right.

Council Member Scharff: Staff is in the best position to know where these applications are, how quickly they're likely to move forward, where they are, how much time you have. You're in the position; we aren't. The P&TC's not really in that position, nor is the Architectural Review Board (ARB). In fact a lot of those, unless they're asking for exceptions, go to ARB. The question is how much time do we have. We need to have Staff tailor the schedule to that point.

Ms. Gitelman: Thank you, Council Member Scharff. We have not done an analysis of pipeline projects that would be implicated by this Ordinance. We would need to do that analysis, and it would have to be addressed in the Ordinance we bring forward. We're going to have to have an effective date, and we're going to have to determine collectively, the Council's going to have to determine how we treat applications that are in process. I don't know the details of the specific site that you're referring to, but that will take further investigation.

Council Member Scharff: What should I put in here to direct you to do that? That's the most important thing we could do tonight, ensure that future developments, and right there on Cambridge we have talked about a site. Isn't that where your barber is, Council Member Burt? When we had that discussion, I said it was all office on the ground floor, and you reminded me that the barber is there too. It's that block.

Council Member Burt: When you said there's no retail, I said Fred's going to be surprised.

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Council Member Scharff: Exactly, which I thought was funny. We have had the discussion about that block. If you go there, there's a big sign that says it's going through design review. What I'm looking for is how do I direct Staff to focus on that and make sure that that's the biggest new building that's going to be built in the California Avenue district. How do we make sure that's included?

Ms. Gitelman: Any Ordinance that we bring forward with the boundaries you've suggested is going to have to address this pipeline issue. If that's one of your principle objectives, your direction to proceed as quickly as possible on a relatively straightforward Ordinance would achieve your result. Any Ordinance is going to have to address the pipeline. You want us to get back to you as quickly as possible.

Council Member Scharff: Do I need to add anything?

Ms. Gitelman: I don't believe that you do. To the extent that you can make the direction to us a little simpler, so we can get back to you sooner, that would help.

Council Member Scharff: I'd like to add that we prioritize ensuring that any, if I could just do whatever the next one is, "p," "q," "r." I'll try this. That Staff prioritize getting an Ordinance in place to ensure that any new developments on Cambridge Avenue are included in having a ground-floor retail requirement.

Mayor Holman: Question, Council Member Scharff. Do you want to be specific to Cambridge Avenue?

Council Member Scharff: My concern is this.

Mayor Holman: I'm sorry. Didn't you also mention one on Park?

Council Member Scharff: On Park Boulevard. I'd be fine with putting that as well. If that slips through and falls through the crack, I don't view it as a disaster. I do view that if we are trying to turn Cambridge into a second vital retail district and we blow this, we then have very little hope of pulling that off on Cambridge. I'm worried that if I give too much direction, include too much area, Staff won't be able to pull it off in a short timeframe. That's my only concern, how to make it effective.

Mayor Holman: Council Member Scharff, "j" addresses this if we just say "prioritize." "J" does what your "r" does. It does.

Council Member Scharff: You'd say prioritize Cambridge Avenue?

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Mayor Holman: Prioritize "j." Prioritize the requirement that any new construction ...

Council Member Scharff: I'm fine with that as long as Staff, Director Gitelman, understands what we're trying to achieve. If we blow that, I'm going to be unhappy. I'm going to feel like I didn't give the direction that I meant to give, and I was told that I am giving the direction.

Mayor Holman: Council Member Wolbach as seconder, are you okay with accepting "j" as Amended?

Council Member Wolbach: I am.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part J, "requiring" with "prioritize the requirement."

Council Member Scharff: I have one other thing. Mayor Holman, you're not going to necessarily like this. I am concerned about this, so I know this won't be a friendly Amendment. I want to talk about it a little bit. Council Member Burt started bringing it up.

Mayor Holman: Can we talk about it just a little bit, because it's 10:30?

Council Member Scharff: I already said you wouldn't like it, so I understand why you don't want to talk about it for too long.

Mayor Holman: I've been watching the clock. I monitor it a lot.

Council Member Scharff: When we talk about, things have moved around here a little bit. When we talk about "i," limiting new development and rehabilitations off El Camino to respect the historical pattern where it exists of narrow storefronts and square footages that tend to support smaller, local, independent businesses. I like the idea behind it, which I gather is to protect and encourage small independent businesses. What we're saying is you can't have modern storefronts. I don't think any of us know enough about how retail works to say that you have to have narrow storefronts. If you look at new retail, it always has wide storefronts for whatever the market is. We've already said we're going to limit formula retail. If we then limit the way they design the storefronts there, we are possibly hurting our retail establishments. That's a mistake. You already have what you want in there by limiting formula retail. What you really want to do is you want to have a vibrant and positive retail environment. The way the storefront is designed is designed for the market at the time. To say how that is, I think, could substantially damage the retail. I would move that we remove Item i.

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Mayor Holman: I won't accept that.

Council Member DuBois: Could I offer one comment. Maybe we're getting hung up on the word "historical." This was trying to say things are in context and compatible. I would offer that.

Mayor Holman: Council Members, we're wordsmithing here. This is based on what's in the Downtown Urban Design Guide. It's very much based on that.

Council Member Scharff: If this is a compatibility issue of what's around it in terms of a design, that's a different issue for me. I'll give you an example. We now have that building on California Avenue which has wider storefronts. A building next to it, you may want a wider storefront. You may not in terms of compatibility. The market has to have some flexibility in terms of what this looks like for retail to be successful. None of us are experts in retail. If you require narrow storefronts and narrow doors, you could seriously limit the types and uses of retail, and that's what we're looking for on this. Not necessarily restaurants and eating establishments, but actual retail. You have an independent dress person like, I forget the one that was on California Avenue for a while. They may very well want ...

Mayor Holman: The New Leaf is there now.

Council Member Scharff: ... the wider storefront.

Mayor Holman: The New Leaf is there now. Is that the one you're talking about?

Council Member Scharff: Yeah, Leaf and Petal.

Mayor Holman: Leaf and Petal I mean.

Council Member Scharff: There are a lot of those kind of things where a wider storefront creates the visibility that they would want.

Mayor Holman: We're getting into too much detail tonight.

Council Member Scharff: "I" is very limiting in terms of the detail.

Mayor Holman: Again this is for the P&TC to consider. I wouldn't accept deleting it. Council Member Wolbach, you don't get a choice on that one. I'm not accepting that one. If you want to make it a separate Amendment, then ...

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Council Member Scharff: I'll make it a separate Amendment if people are interested in seconding it.

Council Member Berman: What is the Amendment?

Council Member Scharff: The Amendment is to delete "i."

Council Member Berman: Delete or revise?

Council Member Scharff: I'm happy to revise it if you have—if it's already in the Design Guidelines as Council Member Holman said, it's a different issue. We don't need to limit it if it's not.

Mayor Holman: It's in the Downtown Guide. It is not California Avenue. I'm referencing the Downtown Guide when I put this in. I'm not hearing a second.

Council Member Wolbach: I'll second.

Mayor Holman: Council Member Wolbach, you seconded.

Council Member Wolbach: I think Eric actually did.

Mayor Holman: Okay. Council Member Filseth, you seconded.

AMENDMENT: Council Member Scharff moved, seconded by Council Member Filseth to remove "Limiting new development, rehabilitations (off El Camino Real) to respect the historical pattern, where it exists, of narrow store fronts and square footages that tend to support smaller, local independent businesses."

Mayor Holman: Council Members, we've got to get through this.

Council Member Filseth: I'm sensitive to the argument. We're here to prevent independent retail being driven out of California Avenue by the growth of office space and intrusion of chain stores. The Motion does that. I'm sensitive to regulating more at this time than necessarily needs to be regulated. Just because we don't regulate it doesn't mean we're not going to get retail there. I'm sensitive to putting too much in this Motion. The argument holds water.

Council Member Burt: As I've reread "i," the key thing is where Mayor Holman had excepted the clause of "where it exists." For instance, on Cal. Ave. between Birch and Park, these narrow storefronts don't exist. We have the big Keeble and Shuchat building. We have FedEx. We have the new

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250. It doesn't exist there. I'm going to be okay with the existing "i," because of that qualifier.

Vice Mayor Schmid: I can understand this along parts of California Avenue, but the big extension we've been talking about is on Cambridge. To try and get a historical sense on Cambridge is tough. This doesn't qualify by saying on California Avenue. I have a hard time seeing the relevance to Cambridge which is the key point we're trying to address.

Mayor Holman: Vote on the Motion. Voting on the Amendment, yes. That Amendment passes on a 5-3 vote with Mayor Holman, Council Member Burt and DuBois voting no and Council Member Kniss not participating.

AMENDMENT PASSED: 5-3 Burt, DuBois, Holman no, Kniss absent

Council Member Burt: I know it's late, but we can't get stuff wrong. Under "b," it says limiting formula retail. My understanding was that the intention was to do that on Cal. Ave., and it doesn't state that.

Mayor Holman: I had not identified on Cal. Ave. only.

Council Member Burt: Your intention was not Cal. Ave. only on limiting formula retail?

Mayor Holman: That's correct, because we don't know what percentage or what kind or what defines formula retail yet.

Council Member Burt: Under the theme of incremental steps, I would say limiting it on Cal. Ave. at this time would be a good solid step. We could always consider expanding that later. If that's not acceptable as a friendly Amendment, I'll offer it as an Amendment.

Council Member Scharff: I'll second it.

Mayor Holman: In the interest of moving this along, I will accept it. That also indicates that we'll have an Interim Ordinance coming forward, I hope.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion at the end of Part B, "on California Avenue."

Ms. Gitelman: Mayor Holman, if I can clarify. There's no need to change the Motion, but I wanted to clarify. There was some discussion, an agreement I think on the idea of using a conditional use permit as the way to limit formula retail and potentially focusing the definition on eating and drinking. We will march in that direction unless we hear otherwise.

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Mayor Holman: I don't remember any conversation about the definition of eating and drinking.

Ms. Gitelman: I thought there was some earlier discussion by Council about formula retail being defined to focus on restaurant and eating and drinking uses and not hardware stores, paint stores.

Mayor Holman: Did I just totally miss that?

Council Member Burt: Let's take an example. Say hypothetically we had a Walgreens that wanted to come in there. Would we want to limit it or not?

Mayor Holman: My intention was formula retail, so chains no matter whether they're restaurants or whatever.

Ms. Gitelman: Thank you for clarifying that.

Mayor Holman: I had not caught any other discussion otherwise. Maker and seconder accepted formula retail on California Avenue.

Council Member Wolbach: I do accept that one.

Council Member Burt: My final one is to clarify that "q" is intended to be—is it not any longer "q"? "P," is that what it is now? Yeah, that "p" is not intended to be under the same urgency that the balance is. Maybe we just direct Staff to analyze and return to Council on a less urgent basis—wait a minute. Maybe at the end of the sentence, "and to do so on a less urgent basis than the above directives."

Council Member Scharff: That was fine with me.

Council Member Burt: I don't know if my wording is ...

Mayor Holman: It's not your Motion.

Council Member Scharff: It was my Amendment.

Council Member Burt: It was accepted by the maker and the seconder, so they would have to accept this change.

Mayor Holman: That's okay. Council Member Wolbach, you okay?

Council Member Wolbach: I'm comfortable with that change. I accept it.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the end of "p" "and to do so on a less urgent basis than the above directives."

Council Member Wolbach: As I mentioned earlier, what was "p" and is now "o,"—like Council Member Burt said, I know it's late but I want to make sure we don't get this wrong. "O" requires some clean up. There are a couple of key things we're trying to get at here. One is severability, and the other is prioritization. We have identified a couple of things for high and low priority. That's great. I would like to clean up the language on "o" to clarify that we're looking for severability. If things need to be separated, I don't know that the way to do that is for something to come on an Urgency Ordinance. The way to separate them is to say ...

Mayor Holman: Urgency Ordinance, Interim Ordinance.

Council Member Wolbach: Or even Interim Ordinance. The way to separate them is to give Staff the leeway to bring things back as they're able and as appropriate. I would offer a friendly Amendment to that end. Hopefully it's accepted. "If any of the resulting recommendations require additional research, Staff is directed to proceed with items as feasible and appropriate with full severability."

Mayor Holman: I don't think that adds any clarity. I don't accept that. What we're looking for in "o" is for Staff to determine those things that they can do on a reasonable timeframe that's more or less been identified by Council Member Scharff in terms of addressing new projects coming down the pipeline. Staff has to have the latitude to understand and know what to bring forward when. We're relying on Staff's judgment.

Council Member Wolbach: Let me ask Staff then. In order to make sure that this gives you clear, simple latitude, should we amend "o" to make it a little bit shorter, simpler, sweeter or to give you greater latitude?

Ms. Gitelman: Thank you, Council Member Wolbach. As I indicated earlier, from a Staff perspective, we're hoping to come up with a strategy that doesn't involve an Interim Ordinance, because it's just another step. What we were thinking, based on the balance of this, is that we would craft a pretty simple Ordinance, bring it to the Planning Commission. Those things that didn't fit into the simple priority Ordinance would be in the parking lot. The Ordinance would come to the Council with a recommendation, and all the other issues that we were still analyzing would come to the Council. You would know we're still working on this other list. We'd get the simpler Ordinance to you as quickly as we could. I don't know that "o" is consistent

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with that. If the Council is okay with what I just described and doesn't conflict in your view, then ...

Mr. Keene: I don't think it's going to get any better than that for the Council.

Mayor Holman: Let me put it this way. If Staff has a better way of doing that based on what you just described, if it's not an Interim Ordinance, then it isn't an Interim Ordinance. I brought up an Interim, because it is going to be an iterative process and that's one way of accomplishing it. A lot of things that in the past, and this is maybe because I've been around doing this a long time, a lot of things that end up in a parking lot never come forward. That was why I said Interim Ordinance. If Staff will proceed as you described, I'm okay with that. If you're okay with the language staying the way it is so we can move forward, then that's okay too.

Council Member Wolbach: Since this directs to move forward with an Interim Ordinance—oh wait.

Mayor Holman: Council Member Wolbach, she just described what she would do. Even with the Interim Ordinance language in here.

Council Member Wolbach: What I'm suggesting is that we amend the language to bring it line with what Staff has just recommended. How about this? Staff is to return to the Council with items that do not require delay. Or items that do not result in delay. That way we delete the language about Interim Ordinance.

Mayor Holman: We're good where we are. I won't accept that. Staff's very clear on what our intention is. It's just wordsmithing. I'm sorry, I don't mean any disrespect, Council Member Wolbach. I'm trying to get us ahead here.

Council Member Wolbach: It's not a question of respect or disrespect. Can I ask if there's a seconder? Okay, fine.

Council Member Berman: I have one quick point. It's not an Amendment or anything else. We're in a good place. My point is about "k," prohibiting opaque windows at the ground floor in ground-floor protected areas for any use including existing uses. The goal is spot on. This doesn't necessarily achieve the objective we're trying to. The example that I'm working with Staff on right now is Wealthfront in Downtown Palo Alto on Cowper, where they have clear windows. They've just drawn blinds. It's essentially a wall along Cowper. I don't know if this is a separate effort. I'm not saying that this is the place to fix it. All I'm saying is that this doesn't necessarily ...

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Council Member Scharff: Hurry up.

Council Member Berman: I don't know if Staff has a recommendation of how we could address that issue here.

Mr. Keene: I understand that the way it's worded isn't going to get us all the way there. The truth is there's a lot up there that's like that. We understand what the problem is. I think we understand. Yeah, we understand what the objective is.

Council Member Berman: I don't need it in the Ordinance. General direction to Staff and the P&TC will solve that. Thank you.

Vice Mayor Schmid: Just a last comment. We are getting to the end of the evening. The point was made, could there be just a simple directive. Council asked in 2007 for a Cal. Ave. area plan as part of the Comp Plan Update. That's seven, eight years ago. Here we are tonight trying to deal with an issue of protecting retail on Cal. Ave. We've become intertwined with all the strategic issues on California Avenue. It would be helpful in our Comp Plan Update if we had these policy statements that we could deal with up front. Yes, we want to protect retail on California Avenue. Take care of that global issue instead of trying to craft something late at night that embodies all the strategic issues you can think of.

Mayor Holman: The last comment I will make is the intention again. Whatever it is, whatever kind of Ordinance you want to call, it's brought forward. The intention is, as is mentioned on page 805, unless additional analysis and public outreach is desired at this juncture, a draft Ordinance would be prepared and presented to the Planning and Transportation Commission for its recommendation and could be acted on by the Council in late summer, early fall. That addresses Council Member Scharff's concern about new development. Anything that you can't accomplish in that timeframe goes in a parking lot or isn't part of the Interim Ordinance, however you do that. We're consistent with that goal. I will shy away from reading this Motion. Apologies to anyone trying to view this at home. All those in favor, vote on the board please. That passes unanimously with Council Member Kniss not participating. Thank you to members of the public for coming and hanging in there with us. Thank you, Colleagues.

MOTION AS AMENDED PASSED: 8-0 Kniss absent

Mr. Keene: Madam Mayor, I didn't know what your thinking was about that. I know that your protocols say that you generally don't take matters up after 10:30.

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Mayor Holman: That is true.

Mr. Keene: We did miss our 10:00 check-in to see whether you would take things up after 10:30.

Mayor Holman: We did. It's 10:45. We do have the Comp Plan Update that's coming on March 30th. That needs to be accomplished before that. This is our only opportunity before that, I do believe.

Mr. Keene: Yes. If you can think about giving us some high level directives rather than every level of detail.

Mayor Holman: I'm putty on this one, given the direction we've already given. Are Council Members good with going ahead with Number 14 and being brief and concise?

Council Member Burt: I want my Colleagues to be brief and concise.

Mayor Holman. We will take this one up. I ask Council Members to please be concise.

14. Composition and Purpose of an Advisory Committee for the Comprehensive Plan Update.

Hillary Gitelman, Director of Planning and Community Environment: Thank you, Mayor Holman and Council Members. Just briefly, we haven't prepared a PowerPoint, but you have the Staff Report in front of you. On April 27th, the Council requested that the City Manager appoint a citizens advisory committee to assist with the Comp Plan Update, and requested an opportunity to review the purpose or charter of the committee and the composition of the various stakeholder representatives. We've provided a proposal to you that calls for a 20-person committee. Three of those positions would be ex officio members. The details are in the Staff Report. I did want to apologize. We received a Council question in advance that I didn't quite understand. The question was whether the City Council could conclude its discussion of priorities in advance of the Summit. The answer talked about Council Priorities. The question was whether there'd be an opportunity for the Council to have further discussion of the vision statements and goals associated with each element before the Summit. I'm afraid that we're just out of time before the May 30th Summit to conclude that conversation. Happy to talk to the Council or hear from the Council about a timeframe for continuing that discussion. The Council asked for a Study Session or further discussion on goals sometime soon. We can certainly try and agendize that. With that, I'm happy to answer any questions.

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Council Member Scharff: I promised ...

Shani Kleinhaus: Thank you. Good evening, good night. Shani Kleinhaus with Santa Clara Valley Audubon Society, but also speaking for the Sierra Club. Mike Ferreira asked me to speak on their behalf on the same issue of the advisory committee. I gave you a little study that we did to look at what Staff proposed to be the composition of this committee. There is a lot of really good stuff there. It's really important to have all these stakeholders. As always, you can guess what I'm missing in here. Right? It delegates nature and environment to the three representatives of neighborhoods that may or may not be involved in conservation. The piece of paper that I gave you shows that the Natural and Urban Environment and Safety Element, which is composed of four State mandatory components, doesn't have anyone representing it on this proposed committee. This seems like their counting was wrong, because it says 18 members, but there's only 17. The fact that nature is important to this community comes out even now in Our Palo Alto. We have a question of what is the one aspect that defines the Palo Alto community character for you. In the cloud of words, the biggest is Palo Alto and community. Next thing is Baylands, Foothill Nature Center and live and residents and people. It's about people and nature both. I want to be on this committee for nature. If you want to give me that 18th spot right away, I'm here. This really needs to be studied, because there is a lot of good, important things in here. Land use and community design, community services, facilities and business and economy and housing are completely dominant. There is almost nothing else about open space, conservation, safety, noise. These to me are important. They're mandatory. I don't see how the committee can move forward without having these represented very well and in balance. Thank you.

Doria Summa: Thank you again, Mayor and Council. I'll be very, very brief. I wanted to let you know that I appreciate all the work that went into this. I'm on the Comp Plan Leadership Group, so I know how hard Staff has worked on every aspect of this. The balance of the membership composition is, maybe you want to take a look at it. To me it seemed like there's, of the 17, 6 are housing people. Maybe there's room for some change in the composition. Thank you.

Ms. Gitelman: Mayor Holman, could I respond to the comments we received or just clarify?

Mayor Holman: Of course you can.

Ms. Gitelman: We tried to articulate in the memo what areas of expertise we would be looking for, but we didn't specify how many members of this

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and how many members of that and exactly how it would line up. People are reading into this more than we intended. We tried to articulate those areas of expertise that the City Manager would be looking for in appointing members. We did envision 17 appointed voting members and three ex officio members. We wanted to make sure it was balanced in terms of geographic distribution and that we captured people who had an interest or an expertise in all of the topics that we listed including those that are of importance to the speakers who just spoke. There aren't four of this and three of that. It's much broader than that.

James Keene, City Manager: If I might add. Typically when we're looking at this sort of thing, we don't assume that every person is a single representative. People do fulfill multiple roles.

Council Member Scharff: If you could just remind me, with the committee and without the committee, what's the difference in getting the Comp Plan done? What's the timing change?

Ms. Gitelman: Thank you, Council Member Scharff. We've been concerned all along that having a committee might elongate the schedule. With the proposed charter that we've articulated here, we're comfortable that it won't be a dramatic shift. There will be an additional level of effort required to support this committee. I do anticipate that the consultant will come back to us and say, "We weren't expecting this. We need to augment our proposal." In terms of the timeframe involved, we're at this point hoping, based on the Council's last discussion, that the committee would help us drive this towards conclusion and that that wouldn't be a concern.

Council Member Scharff: Maybe I didn't make myself clear. When we did the Housing Element, for instance, we had a Housing Element Committee. They made recommendations; we looked at it. They then made other recommendations on another thing. We looked at it. Are you going to check in with the Council after each committee meeting or similarly after that? What I don't want to have happen is the committee goes forward and does a whole plan; we get the plan; we then rip it to shreds; and the committee says, "How do they feel about that?" One of the things I liked about the Housing Element Committee, or the citizen advisory, is that they would make recommendations on certain discrete pieces. They would then come to us on the RHNA Committee. We would take a look at it, give our feedback. It was more of an interactive process as opposed to we get something, we don't know if they've gone in the right direction, we don't know if we're unhappy with it. I'm a little concerned about that issue. Could you address that?

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Ms. Gitelman: Thank you. We are expecting a process where there's a crosswalk between the two processes. We would be meeting with the Council hopefully on a monthly basis, initially focusing on issues that we need Council direction on. We would also be meeting with the committee on a monthly basis to try and translate those issues into policy language that could later be vetted with the Council. There's going to be some back and forth. I can't tell you that it's going to work exactly like the RHNA Committee, because we won't in this case have the luxury of a Standing Committee. It's going to be when can we get on the Council agenda and how does it fit into what else you're doing, and a bunch of over things.

Mr. Keene: Clearly the concern is you don't want to have some completely linear process that subsequently comes to the Council. There'll be a zig zag back and forth. The Council's ability to give clear direction or feedback is going to be one of the critical issues in keeping the committee's work manageable.

Council Member Scharff: That was my concern on this.

Council Member Berman: Director Gitelman cleared up my confusion.

Council Member Wolbach: Just to make sure we're really clear. The list that we were just provided, which I believe had been put together by a member of the public, Shani Kleinhaus, identifies a proposal in the Staff Report with a listing of members. I believe that came from the background about the Housing Element community panel that was convened in the prior year and is not a proposal for the current project. I wanted to clarify that. If I'm incorrect, Staff please correct me.

Ms. Gitelman: This is the first I've seen. The handout we received today, so I don't know its origin. You're right. We did, in the packet, summarize what was done in the past. The Housing Element panel was a very prescriptive group of 18 people appointed to represent various interests. That is not what we're proposing here.

Council Member Wolbach: I was going to make a couple of quick comments. If there is discovered by the committee itself, once it's formed, or by City Staff that there is a gap, I hope that Staff will listen to the committee. If the committee says, "We're missing somebody that needs to be here," a type of person or some area of expertise, I hope you'll listen to their feedback as well. I'm sure you will. I hope that the 20 won't be a hard cap. If you need to add somebody, you don't need to kick somebody off of the committee.

Mr. Keene: We may need to kick somebody off sometime too, but that's a whole other matter.

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Council Member Wolbach: If you need to. I'll leave it to your judgment.

Mayor Holman: The list that was provided to us came from the SOFA working group description.

Council Member DuBois: Thank you for that clarification on priorities. Council should own the vision and the goals. We need to find time to complete that discussion. It came up during the last discussion about vision and goals. We should try to adopt a goal and maybe some policies and programs around bringing a quantitative model into the Comp Plan discussion. Specifically on this, on the stakeholder categories, you guys are shaking your heads, but we've got the discussion about prioritization of the elements. That aspect of it is important for the citizens when they're working on the actual policies and programs. I'd like to consider maybe adding some other stakeholder categories. Maybe some background in historic resources would be good. On the question about kids in the schools, you might want to add a question in that survey about which school, so we could get a mix of school-aged children, elementary, middle school, high school as well as a mix of different schools. I'd also like to see a local retail business owner. You might want to ask that on the survey as well. It should be a requirement that representatives represent more than one interest. That should be a filtering criteria, if they'd fill multiple seats. There was a clause in here that said they might not have to be a resident. They should be a resident. We should be able to fill the Comp Plan committee with residents. In terms of the schedule, I'm going fast because it's late. Originally you had three sessions with the citizens on land use and starting off with land use. I wanted to throw out there that you might want to start with an easier element first. That would also allow maybe better synchronization with Council, because that's during the summer break. If they started land use when we were in session, we could follow along.

Ms. Gitelman: Thank you for that suggestion. Vice Mayor Schmid raised a question about the schedule in his questions to us. We do want to reevaluate that schedule. I appreciate your comment. We're reaching very much the same conclusion, that we need to reorder things a little bit.

Council Member DuBois: Great. I was thinking about some kind of quantitative representation of different neighborhoods. I don't think I'll go that far. Hopefully you guys are looking for representatives from a number of different neighborhoods across the City, whether they're residents or active in neighborhood associations, so a mix of both. It would be great to have people that have been active in associations for a long time. It'd also be great to have some new people that are just residents interested in the Comp Plan. My last point is the point that Council Member Scharff made.

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We should try to keep these two groups, the Council and the citizens group, in sync, if that means we have to have time every month on our agenda. I don't want the citizens committee to talk about land use, and then it come to us six months later. It should be within a month, so that we stay in sync. I'll go ahead and make a Motion, which I sent to David, which captured those. I'd move that we approve the formation of the committee representing the diverse interests. That first paragraph is right from the Staff Report. I added these additional requirements: must be a Palo Alto resident; consideration for parents at a variety of schools; individuals representing a wide variety of neighborhoods; look for expertise in historic resources; add a retail business owner; and favor participants that have more than one interest or area of expertise. The last paragraph, the CAC will work on policies and programs according to the Comp Plan visions statements and goals set by Council. Staff is directed to bring topics to CAC and then to Council ideally within a month of each other to keep the groups in sync.

Council Member Scharff: I'll second it.

Mayor Holman: Motion by Council Member DuBois and second by Council Member Scharff.

MOTION: Council Member DuBois moved, seconded by Council Member Scharff to:

1. Approve the formation of a Citizens' Advisory Committee (CAC) representing diverse interests to assist with the Comprehensive Plan Update; and
2. Direct the City Manager to solicit applications and appoint members of the Committee consistent with purpose and parameters recommended by Staff with additional requirements:
 - A. Must be Palo Alto resident; and
 - B. Consideration for parents at a variety of schools and levels of education; and
 - C. Individuals representing a wide variety of neighborhoods; and
 - D. Add expertise in Historic Resources; and
 - E. Add retail business owner; and
 - F. Favor participants that fit more than one interest / area of expertise;

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3. CAC will work on policies and programs according to Comprehensive Plan Vision Statements and Goals set by City Council. Staff is directed to bring topics to CAC and then to Council ideally within a month of each other to keep the groups in sync.

Council Member Scharff: I wanted to ask the City Manager a question. Do you have any concerns about any of that?

Mr. Keene: The only clarification that I would want to get is under "3." This is still begging the question of the Council defining the vision statements and goals themselves. We still talk about that in everything from very general ways to others. If that's a guide, then that's going to put some burden on the Council to get clear about what that is. I'm not saying that as a criticism, just as a statement of fact. It could be relatively easy if you would think about it in terms of tensions between directions and giving an indication of where the balance tilts without having to get it perfect. The other thing I would want to qualify is this "ideally within a month of each other." There might be a little bit longer cycle that's going on with the committee. They may need a little more time to get to a point where there's something ripe enough or it needs some Council feedback. As long as the qualification is on "ideally."

Council Member DuBois: That was the stated intention. If it's not exactly a month, whatever.

Ms. Gitelman: If I can interject a little more on that last point, Number 3. First of all, I am concerned that to get the Council's concurrence and essentially buy-in to the goals is a tremendous exercise. There are a lot of goals in each one of these elements. We shared them with you and thought you might have some overarching comments about whether to start from the base of the existing Comp Plan or start from the base of the P&TC's recommendation. The Council's desire is to dive down into the language and decision making on these goals. If we were to do that, we'd have to set aside a couple of full days. Even then, I'm not sure we would get through it. The other concern I have is in the beginning of this back and forth between the committee and the Council, the Council still has quite bit of work to do on just the issues. Never mind the sections of the Comp Plan, but the issues of retail preservation, the idea of metering the pace of job growth or office growth, the idea of potentially relocating some housing sites. I could see each one of those issues taking a significant amount of time at the City Council that we wouldn't be able to spend reviewing sections of the Comp Plan like the committee will be doing. There will be some crosswalk between the two groups, but I don't want to create the expectation that the committee and the Council will be doing the same thing at the same time.

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Council Member Scharff: Do you think it's workable with Number 3 or not?

Mr. Keene: It's too early to tell. If you have a Motion like that, you've got to allow us to meter it as it's unfolding, to have a conversation with the Council saying, "Wait a minute. We're not making fast enough progress on this." I'm assuming that one of the thoughts about trying to start with a simpler element with the advisory group could allow the Council to dive more deeply in some of the difficult policy choices while folks are working on something. You don't have to give us clear direction, because you're comfortable with people beginning to work on it. It's going to depend upon how expeditiously the Council can arrive at some decisions. We hate to say it, but the jury's out right now. There are big choices for you to make. They could be made somewhat generally. Right now we're saying we don't want office, but we want housing. Do we really want housing? Roughly, how much or where? Just have a majority of the Council be able to say without getting down to every detail, "Good." Once we've got that, what about relocating? If you could say twenty things in some way to the citizens advisory group, that could really help steer the direction. If you want to feel like you've got to get into every one of the goals as they're structured in the Comp Plan, that could take a long time. I don't think that's necessary. The big directions and the resolution of the tensions that exist within the Council and the community is what you need to signal. If we get that, if we could do it iterative and say, "Now we've got this at this general level. Does that look like enough to work with," then we'd be in a position to answer Council Member Scharff's question about this work. We won't know that until we get to that. This is workable enough with this idea that this is the goal, knowing the first test probably will have to be come back and see how the Council does on these vision and statements and goals set by the Council. If not, we'll have to readjust.

Council Member Scharff: The other question I had is originally in the Staff Report you had that you could work or live in Palo Alto. I agree that it would be preferable to have a Palo Alto resident, but I'm concerned that it limits certain good people who you may have been thinking should be on this, that work in Palo Alto. Obviously, you have to either live or work in Palo Alto. You obviously do want some business representatives. My question is, is that a concern or this is not a concern? You feel comfortable there's enough people who are residents of Palo Alto that we don't have to worry about that?

Mr. Keene: There's no doubt there could be some very talented people who have been engaged in issues with the Council who are experts or leaders in many ways in their area who could be precluded as not being a resident. I'm sure that would be a small subset. Certainly appreciate the Council's

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understanding. If you want to stay with that resident only piece, then just accept that there are clearly some folks who many of you know and respect for their views on transit or other areas where we'd say, "We're going with residents only." If we were to choose a few folks, we'd be very sensitive to the fact that it had to be a very small number, just because it starts to look like you've got nonresidents on the group. On the other hand, it's ultimately the group you want to see. We'll follow your directive.

Council Member Scharff: Would you be willing to add that it must be a Palo Alto resident except that you may have two to three people that work in Palo Alto?

Council Member DuBois: It comes down to "f" as well, which is ideally we're not getting a person who's just an expert in one thing. They could fill multiple roles. I was hoping they would be in a neighborhood and be a resident and be an expert in transportation and maybe own a business. Knock out four things. Do you really feel like this is a hard requirement?

Mr. Keene: We can follow your directive. I just saw a number of you nodding in agreement. We can make the first pass with the directive of residents. If somehow there was a gap, we're back to the question about being able to answer.

Council Member Scharff: I might like you to have that flexibility. Obviously, if you can find all residents, great. Obviously, if you can find someone who is a business owner or world expert and lives in a neighborhood, that'd be great.

Mayor Holman: Council Member Burt's offering some language.

Council Member Burt: It's actually a comment. I had been very interested in how we're going to have broad outreach. If we do, we're going to see that, yes, there are nonresidents who have some exceptional contributions, but we're going to see a whole bunch of residents coming forward who we didn't even know of and who have exceptional expertise. In the SOFA plan alone, where we had maybe a dozen different stakeholder categories and we wanted people from the neighborhood. This was the University south neighborhood. Were we going to find people with that special expertise who lived in that neighborhood, lived or worked in the neighborhood? We did. There was a bunch of people we'd never heard of who had all kinds of expertise. You think about this community, if we open the doors, we're going to have a whole bunch of people with great expertise who also live here. I don't think we're going to have that choice. We're going to go Citywide. Out of 65,000 people in Palo Alto, we don't need to reach outside our boundaries to get people with qualifications.

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Council Member Scharff: To get that broad outreach, are you comfortable, Council Member Burt, with the "a" through "f?"

Council Member Burt: Yeah. I have some other stuff, but I went out of order there.

Council Member Filseth: I wanted to ask a question of Staff. What was the resolution of the committee and the Brown Act? Is it covered or not?

Female: We decided it was.

Council Member Filseth: It is Brown Acted.

Vice Mayor Schmid: I'm in favor of the Motion, but Number 3 we should look at carefully. Earlier this evening, we spent three hours discussing a Motion about California Avenue retail protection. The City Manager at the end said, "If you could give some general guidance, we could have done this much more efficiently and effectively and come back with the kind of details that you would need." We have an opportunity now in our Comp Plan to follow the advice of the City Manager. You articulated it very well. On Number 3, rather than state that the vision statements and goals set by City Council, we haven't done the vision statements and goals yet. What comes before that is what are the critical issues. There are 20 issues out here that we need to resolve and deal with to get to the vision statement. If we substituted in Number 3 "the CAC will work on policies and programs. The Council will work on defining issues, choices, options, measurements." Are those the type of words that you're looking at? Then we could set up a thing like ID Number 5669. We could have a monthly program where the Council could set an agenda beforehand that each month we would meet around an issue or a set of those issues. The CAC could then have that material available when they sat down with the wording. The CAC would be responsible for working on the wording with Staff, but the Council at the same time in this dialog would be meeting on issues and discussing those top ten or twenty issues that need to be addressed, give direction on. Let me propose that as Amendment to the maker of the Motion.

Council Member DuBois: I would change a different part of this sentence. You're talking about the interaction between the committee and the Council. It's appropriate that we own the vision statement and the goals. The second part of this statement about Staff bringing topics to the CAC and then to Council. Could you change where it's about the interaction between the CAC and the Council? Leave the first sentence the same, and say that ...

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Vice Mayor Schmid: I'm thinking a little bit about the timing. We can't set vision statements and goals until we have resolved or addressed some of these bigger issues. If we could put it in ...

Council Member DuBois: That's fine. We need to do that work to get to the vision statement, which is fine. I won't remove working on the vision statement.

Vice Mayor Schmid: What about then putting the second part of the sentence in front?

Mayor Holman: What do you mean? Can you clarify that please, Vice Mayor?

Vice Mayor Schmid: Start with "The Council will address critical issues, choices, options, measures."

Mayor Holman: Followed by "the CAC will work on policies and programs"?

Vice Mayor Schmid: Yeah. Give those to the CAC.

Council Member DuBois: Okay. That's acceptable.

Mayor Holman: Vice Mayor Schmid, would you make sure that the language is what you intend?

Vice Mayor Schmid: Yeah. There would be an active verb after "the Council will address issues, choices and measures and provide guidance to the CAC who will work on policies and programs according to the Comp Plan."

Mayor Holman: Is that acceptable, Council Member DuBois?

Council Member DuBois: Yeah.

Council Member Scharff: I need to ask Staff what they think of it.

Mr. Keene: Can you connect the phrase of "according to the Comprehensive Plan vision statements and goals" with your Amendment?

Vice Mayor Schmid: It would work temporally and then Council will work on vision statements and goals. The CAC on policies and programs.

Mr. Keene: I'm trying to understand the intent in the sequence and working with the words that you have up there. Is the idea saying that the Council will address critical issues, choices, measures and provide guidance to the

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CAC, and those critical issues, measures, choices will inform the Comprehensive Plan vision statements and goals?

Vice Mayor Schmid: Yes.

Mr. Keene: The sequence would be that you're still clarifying the vision statements and goals, and the CAC is doing the more detailed policy and program work.

Vice Mayor Schmid: The wording as you have stated is the work of Staff and the CAC.

Council Member DuBois: I agree to who's doing which work. I'm not sure I agree with the timeframe. We had a good discussion about visions and goals. We could finish that off, maybe I'm being optimistic, but we made a lot of progress during our discussion on that topic. We ran out of time. I was thinking we needed to set the vision upfront. I'm not quite viewing the same time sequence that you are.

Mayor Holman: Council Member DuBois, do you have a correction to make to this? Making a comment may be helpful, but providing language is more helpful.

Council Member DuBois: I'm comfortable with the language the way it is right now.

Mayor Holman: You are comfortable with it?

Council Member DuBois: Yeah. If we were going to change it to be a different sequence of time, I don't think I'd be comfortable with it.

Vice Mayor Schmid: A key question is for the Staff. As you envision this, which issues, choices, options would you be asking guidance from the Council upfront that would help drive the process that you're ...

Ms. Gitelman: Thank you. That section of the Motion is very clear. We've talked about some issues related to growth management strategies, retail preservation and housing sites and transportation investments that would clearly fall into that bucket. The question still is vision statements and goals set by the Council. The Council made a lot of progress on the vision statements, and it would be relatively reasonable, a couple hour conversation probably to finish that off. The goals to me are just an extensive effort. If the Council wanted to do that, we should set aside a couple of full-day meetings, where we sit in a room for eight hours a day for a couple of days in a row and hammer through that. Otherwise, I don't see

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getting that done in a reasonable time period. I would suggest maybe that the committee could make a lot of progress on the goals and bring it back to the Council. That would be my remaining concern.

Vice Mayor Schmid: The goals would come after the discussion of issues and choices and measures. Is that ...

Council Member Scharff: Before I make a decision, I'd like to hear from Council Member Burt, who often adds interesting stuff to this.

Council Member Burt: One of the problems is that this says that the Council is going to set the visions statements and goals. We're closer to being able to do that on vision statements; although, I'm not sure that we want to set them in advance. It may be iterative. We may think we've got it, and then we listen to them, and then we modify it. I would change this to something to the effect of "according to Comp Plan vision statement and goal guidance by the Council" as opposed to "set."

Council Member DuBois: Yeah, I think that captures the intent pretty well.

Council Member Burt: It doesn't bind us to do the goals in advance, and it doesn't prohibit an iterative process.

Mayor Holman: Council Member DuBois, it sounds like that's acceptable?

Council Member DuBois: Yeah. Delete the word "set."

Council Member Burt: And replace it with "guidance."

Mayor Holman: Council Member Scharff, are you okay with that now?

Council Member Scharff: Yep, I'm okay with it.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part 3, "CAC will work on policies and programs according to Comprehensive Plan Vision Statements and Goals set by City Council" with "The Council will address critical issues, choices, options, and measures and provide guidance to the CAC who will work on policies and programs according to the Comprehensive Plan vision statement and goal guidance by the Council."

Council Member Burt: Along the lines of what Hillary had talked about, as we go into a Council discussion around refining the vision statements and discussion around goals, a Saturday morning half-day is not only the amount of time but the right setting to do this. It's a conversation that we're going to have thoughtfully and not rushed. I would suggest that; it doesn't have

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to be in the Motion. Put that in people's minds. The other final thing was about "within a month." That's probably too tight and overly prescriptive. I would say "ideally within two months." That's ideally; it's got a qualifier, but one month is putting a lot of pressure on Staff to be timely.

Council Member DuBois: Hillary, in the original schedule you had the committee talking about the elements, and then you had it coming to Council later after a Draft EIR. I wanted it to be much more in sync than that. Two months is fine, but it was more along the lines of what happened with the Housing Element.

Council Member Burt: We could say two months or less, but I didn't want to put an overly demanding time burden. Maybe "two months or less."

Mayor Holman: Could I offer "approximately within a month"? That gives Staff great flexibility. "Approximately within a month." Is that acceptable?

Council Member DuBois: That was the intention.

Mayor Holman: To Council approximately within a month of each other. Council Member Scharff, are you good with that?

Council Member Scharff: Yep, I'm good with that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part 3, "ideally" with "approximately."

Council Member Wolbach: I don't think it's going to get much support at this point. That last clause was unnecessary, and I was going to propose striking everything after that semicolon.

Male: Where do you want to propose that striking?

Council Member Wolbach: In "3," after the semicolon.

Council Member Scharff: It'd end where?

Council Member Wolbach: At the semicolon.

Mayor Holman: It'd end after "City Council."

Council Member Wolbach: Guidance by City Council.

Council Member DuBois: No, I don't accept that one.

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Council Member Scharff: I'd be fine with it.

Council Member Wolbach: Is that a second?

Council Member Scharff: (inaudible)

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Scharff to remove from the Motion Part 3, "and direct Staff to bring topics to CAC and then to Council approximately within a month of each other to keep the groups in sync."

Mayor Holman: We have as a separate Amendment to delete "and direct Staff to bring back topics."

Council Member Wolbach: It's unnecessary. I'd rather give Staff flexibility and rather give ourselves and the CAC the flexibility they need.

Council Member Scharff: I'll just speak to it briefly. What I heard Staff say is that they were planning on doing this iterative process. I'm willing to take them at their word on it. I agreed when Council Member Burt said, "Maybe we should make it two months rather than one month." I said to myself, "If we don't like the process that Staff's using, we can change it." I heard Staff say it would be iterative, and I did think it was a little too prescriptive. That's why I support this.

Mayor Holman: Vote on the board please. That Amendment fails on a 5-3 vote, Council Members Berman, Scharff and Wolbach voting yes, Council Member Kniss not participating.

AMENDMENT FAILED: 3-5 Berman, Scharff, Wolbach yes, Kniss absent

Mayor Holman: We return now to the main Motion.

Council Member Wolbach: I've one other. On the question of being a Palo Alto resident, I'm a little bit uncomfortable with this "in particular," because I can envision, for instance, Staff deciding to include somebody from Stanford, because of the close relationship and interactions between the City and Stanford on so many issues. If that person was the right person from that organization, but was not a Palo Alto resident, I would not want to preclude them from being a participant. I would propose following the example in Item f. I would change the word "must" in Item a to "ideally be a Palo Alto resident."

Council Member DuBois: There is a Stanford person already called out as a nonvoting member. Again, I feel like this is our City Comp Plan. We have 65,000 residents who live in Palo Alto. We can find people in the City.

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Council Member Wolbach: What if it said "voting members must be Palo Alto residents"? That way it leaves open the possibility of nonvoting members to not be residents.

Council Member DuBois: That's the way it is right now. The 17 must be residents. There were 3 at large. I understood Stanford, PAUSD, and I can't remember what the third one was.

Council Member Wolbach: As it's currently worded, this Motion does not allow for the ex officio members to be non Palo Alto residents if necessary.

Ms. Gitelman: I was just going to clarify. The ex officio were Unified School District, the Planning Commission and Stanford. Council Member Wolbach is correct. We'd need some clarification if it was okay with the Council for the Stanford rep to be a nonresident.

Council Member DuBois: If you wanted to change it to "voting members must be Palo Alto residents."

Council Member Wolbach: That's totally fine with me. That would be great.

Mayor Holman: Is that acceptable, Council Member Scharff?

Council Member Scharff: Yeah. I actually ...

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part A, "must be Palo Alto resident" with "voting members must be Palo Alto residents."

Council Member Berman: Council Member Wolbach just complicated what I was going to do. I completely agree with Council Member Burt and Council Member DuBois and others that we can find more than enough qualified residents in Palo Alto. An outsider's perspective can be valuable to the conversation, especially when you're talking about transportation issues and others. It's true that this is our City's Comp Plan, but our City has a lot of nonresidents that are here. We double, almost triple, in size with nonresidents that have a certain perspective. I'd never recommend giving them a 50/50 share with residents. What I was going to propose was that the City Manager have the option of having up to three members be nonresidents. Now that we've got voting members must be Palo Alto residents, and the three ex officio are already prescribed as being one from Stanford, one from PAUSD, one from somewhere else that I'm forgetting, I'm not sure if there's a lot of opportunity for anybody from Redwood City who commutes here or Sunnyvale. Maybe we don't get anybody who applies and fits that, but there's a chance. They'd offer a pretty valuable

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perspective to the conversation that doesn't exist if it's only residents. I would change this to—yeah, Jim, sorry. Just for a second. I was having trouble thinking.

Council Member Wolbach: Can I offer a suggestion?

Council Member Berman: Sure.

Council Member Wolbach: I'm not sure I'd support it, but it seems like you're struggling. All but two voting members must be Palo Alto residents.

Council Member Berman: Sure.

Council Member Wolbach: Again, I don't know if I'll support it, but it seems like what you were getting at and just for clarity's sake.

Council Member Berman: I don't want this to be drawn out. If it doesn't pass, it doesn't pass. The CAC doesn't have all the viewpoints it should, but I have a feeling it's going to be an unfriendly Amendment. I won't even bother going through the Motions of it having to be friendly. I'll offer an Amendment that all but two voting members be Palo Alto residents.

Mayor Holman: Council Member Scharff? Excuse me. Council Member DuBois. I apologize.

Council Member DuBois: I'm not sure why we're focusing on this so intensively. If we ran into a situation where we didn't find people, we could...

Council Member Berman: That's not my argument. I've no doubt we're going to find people. My argument is that we're missing an important perspective in the conversation. It's a very different issue.

Council Member DuBois: I'd like us to vote on it separately. I won't accept it.

Council Member Berman: Totally understand.

Mayor Holman: Is there a second to the Amendment?

Council Member Wolbach: Yeah, I'll second it.

AMENDMENT: Council Member Berman moved, seconded by Council Member Wolbach to add to the Motion at the beginning of Part A, "all but two."

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Council Member Wolbach: I wanted to reiterate, I do think the point is not that we won't find people. I was convinced by Council Member Berman's argument that we potentially get a useful perspective. Certainly two people would not change the voting outcome in any way.

Vice Mayor Schmid: Why are we making the decision? Why the Council? We happened to be voted a representative of the voters who have given us the mandate to make decisions. The rules of the game, of American democracy, is you have to be a resident to vote. It seems to me we should not be traipsing beyond our boundaries. Residents should be the ones who are on this committee dealing with our Comp Plan that we're going to make the decision on.

Mayor Holman: Council Members, this is a very simple Amendment, and we have three lights. The Amendment is to add "all but two voting members be Palo Alto residents." You have five seconds, Council Member Burt.

Council Member Burt: I may take more than five seconds. This whole notion that we need an outside perspective doesn't recognize that we have a diverse set of perspectives within the community. We don't have to step outside our boundaries to get diversity and breadth of perspectives. This is an important role, and it should be performed by people who live here. This is our Comp Plan.

Council Member Scharff: To clarify and understand. The Amendment is all but two, but the City Manager doesn't have to choose anyone who's not a Palo Alto resident. Is that correct? There's no directive to choose that.

Mayor Holman: That's correct.

Council Member Scharff: If we added the words "preference"—we already have that. I could support this given that it's at the direction of the City Manager. He's clearly heard from us we want Palo Alto residents. After going and looking and we say we're sure we're going to find the right people, if he finds the right people, great. He doesn't need to put any non-Palo Alto residents. Given that, I'm going to support the Motion.

Council Member Filseth: I don't have anything to add that Pat didn't already say.

Mayor Holman: We are ready to vote on the board to change "a" to "all but two voting members must be Palo Alto residents." That also fails on a 5-3 vote. Council Members Berman, Scharff, Wolbach voting yes. Council Member Kniss not participating.

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AMENDMENT FAILED: 3-5 Berman, Scharff, Wolbach no, Kniss absent

Mayor Holman: We return to the main Motion. I have just one thing, to add to expand Natural Resources Conservation as one of the categories to include open space and habitat.

Council Member DuBois: I'd accept that.

Council Member Scharff: No, I don't.

Mayor Holman: Seriously?

Council Member Scharff: Seriously.

Council Member DuBois: I'll second it.

Mayor Holman: Moved and seconded by Council Member DuBois to expand Natural Resources Conservation to include open space and habitat.

AMENDMENT: Mayor Holman moved, seconded by Council Member DuBois to add to the Motion, "expand Natural Resources Conservation category to include expertise in open space and habitat."

Council Member Scharff: You're saying that's not in the Comp Plan, that category does not include these things already? That's what you're saying? I find that hard to believe.

Mayor Holman: All of this stuff is in the Comp Plan. We're clarifying.

Council Member DuBois: Mayor Holman, I thought you were proposing that a member of the committee have that expertise.

Mayor Holman: Yes.

Council Member DuBois: Would you say "expertise in open space and habitat"?

Mayor Holman: Sure, that's fine. That's what the list is, that I'm referring to.

Council Member Wolbach: I'm trying to be sure I understand what you're talking about being expanded. Does that mean we're talking about ...

Mayor Holman: The list on page 838 is that list of representatives.

Council Member Wolbach: You're looking at page 4, 838 of the packet. Thanks.

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Council Member Berman: Open space and habitat, isn't that already a subset of Natural Resources Conservation? Isn't that a logical subset?

Mayor Holman: Not necessarily.

Council Member Berman: My frustration right now is I feel like the Chair has been very impatient with others and cited the Council for wordsmithing. I feel like this is that. It's pretty clear that it would fall under that, and I don't think it's a necessary addition to theM.

Council Member Scharff: My concern is similar in that we're being very prescriptive about who's on this. Before we were looking at roughly 20 people, 17, 3 ex officio. We're going to have some with affordable housing, natural resources, community health, environmental sustainability, real estate, transportation and mobility, architecture and urban design and business and economics. We could break each of these down into a separate skill set. I could make some Amendments, and I may do that. I'm thinking about it as we do this. What we're doing is being way too prescriptive, and that's why I said no.

Mayor Holman: Probably there are a lot of people who could satisfy expertise in the three things, Natural Resources Conservation, open space and habitat, but not necessarily some who's talking about Natural Resources Conservation would have open space and habitat expertise. That's why I wanted to add that.

Mr. Keene: That's at the higher level of detail than you've broken it down in the other ones. You're not asking for a particular kind of real estate experience. I don't want to be held accountable for who we would select. We catch the drift of the conversation without it having to get spelled out. It just creates conflict amongst the Council.

Mayor Holman: We've gone into quite a bit of detail in several of these. This is the one addition I've proposed on any of this. The Amendment on the floor is to expand Natural Resources Conversation category to include expertise in open space and habitat. Vote on the board please. That passes on a 5-3 vote. Council Members Berman, Scharff and Wolbach voting no. Council Member Kniss not participating.

AMENDMENT PASSED: 5-3 Berman, Scharff, Wolbach no, Kniss absent

Mayor Holman: Vote on the main Motion. That passes unanimously on an 8-0 vote with Council Member Kniss not participating.

MOTION AS AMENDED PASSED: 8-0 Kniss absent

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Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Council Member Scharff: Hillary, don't leave. My announcement relates to you. I wanted to ask Director Gitelman if, after everything we did tonight, are you sure when you come to Budget and Finance, you've actually asked for enough people.

Hillary Gitelman, Planning and Community Environment Director: Thank you. I'll consider that when I'm well rested.

Adjournment: The meeting was adjourned at 11:46 P.M.