



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting
May 23, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:05 P.M.

Present: Berman arrived at 5:07 P.M., Burt, DuBois, Filseth, Holman arrived at 5:27 P.M., Kniss, Scharff, Schmid, Wolbach

Absent:

Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Molly Stump, Suzanne Mason, Rumi Portillo, Dania Torres Wong, Allyson Hauk)

Employee Organizations: Palo Alto Police Managers' Association (PAPMA); Palo Alto Fire Chiefs' Association (FCA); and Utilities Management and Professional Association of Palo Alto (UMPAPA); Management, Professional and Confidential Employees

Authority: Government Code Section 54957.6(a).

Mayor Burt: Our first order is a Closed Session conference with labor negotiators. The designated representatives are the City Manager and his designees to Merit System rules and regulations. The employee organizations are the Palo Alto Police Managers' Association, Palo Alto First chief's Association and the Utilities and Professional Association and then the Management, Professional and Confidential Employees. Do we have a Motion to go into Closed Session?

Council Member Kniss: So moved.

Council Member Wolbach: Second.

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MOTION: Council Member Kniss moved, seconded by Council Member Wolbach to go into Closed Session.

Mayor Burt: Motion by Council Member Kniss, second by Council Member Wolbach. Please vote. That passes on a 7-0 vote with Council Members Holman and Berman absent. We will now go into Closed Session.

MOTION PASSED: 7-0 Berman, Holman absent

Council went into Closed Session at 5:06 P.M.

Council returned from Closed Session at 6:05 P.M.

Mayor Burt: The City Council is returning from a Closed Session item, and we have no reportable actions.

Special Orders of the Day

2. Presentation of the Winners in the Emergency Services/FEMA Art Poster Contest.

Mayor Burt: Our next item is a Special Order of the Day. It's presentation of the winners in the Emergency Services/FEMA Art Poster contest. It's part of America's Preparathon. The City of Palo Alto Office of Emergency Services will be announcing the winners of the Emergency Preparedness Poster Art contest held March and April of this year, which was open from grades first through eighth grade. The contest was organized by Divakar Saini, the FEMA Youth Council Member, with support from Annette Glanckopf, team leader of the Emergency Service volunteers, and Ken Dueker, our City's Director of Emergency Services. The effort also received support from the Palo Alto Art Center, the Palo Alto Fire Department and the Federal Emergency Management Agency, FEMA. The contest was part of the America's Preparathon initiative, which is a national grassroots campaign for action to increase community preparedness and resilience. The theme of the contest was Emergency Preparedness. The purpose was to raise awareness among the youth of Palo Alto to take proactive roles in disaster preparedness. Divakar Saini said, "We live in an earthquake prone area, and we might be due for a big one. By taking four simple steps, we can mitigate the effects of such disasters. These include building an emergency kit, making an emergency family plan, be informed, and getting involved in local emergency preparedness activities. Getting this simple message to the youth across our region is my main goal." There was enthusiastic participation in the contest, and the Office of Emergency Services received a number of creative, colorful posters that raised awareness toward the four basic steps of emergency preparation. If people haven't seen them, we

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have a whole bunch of the posters out in the lobby into the Council Chambers for everyone to see. I hope you had a chance to enjoy them. The entries will also be featured in the FEMA children newsletter. The City would like to commend all the students who spent time learning about emergency preparedness and conveying their messages in creative and artistic ways. The winners are—Ken and Annette will be announcing the names, and I'll be joining you.

Ken Dueker, Office of Emergency Services: As the Mayor comes down before we announce the winners, I want to introduce who we have here at the dais. We have Annette Glanckopf. We have Divakar Saini, and we have William Coon from FEMA. I'm going to have, before the Mayor starts, Divakar just introduce himself and say a little bit about his invention.

Divakar Saini, FEMA Youth Council Member: Hi, everyone. I'm Divakar Saini. I'm a high school student here in Palo Alto. I'm part of the FEMA Youth Council. I organized the poster contest this year with the support of Mr. Dueker, Ms. Glanckopf as well as Mr. Simon. I'm very thankful to all my mentors who have helped me. That's about me.

William Coon, FEMA Region 9: Hi, I'm Bill Coon. I'm from FEMA Region 9, up in Oakland. I'm the Community Preparedness Officer. I just wanted to say thank you so much for participating in this effort. It's fantastic to have seen—I got to be one of the judges, so getting to see all the submissions. It was fantastic to see what youth focuses on in regards to preparedness. It's a great thing that you guys have highlighted. Thank you.

Annette Glanckopf: Last but not least, I just want to say congratulations. We have such wonderful budding artists in our City. I'm just delighted to look at every single one of the photos. Again, thanks to everyone out there that participated and wasn't a winner. The good news is we'd like to do this again next year. Sharpen your pens or pencils and get ready. Again, thank you for all your hard work and your beautiful artwork. Hopefully we'll be able to see the art on some of the future Emergency Services handouts and presentations. Thank you again. With that, we would like to read out the names of the winners, and maybe you could join us for a group photo. We are going to start with Grade 1.

Mr. Dueker announced the winners.

Agenda Changes, Additions and Deletions

Mayor Burt: We will now move on to our next items. We have Agenda Changes, Additions and Deletions. We have none before us tonight.

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City Manager Comments

Mayor Burt: We now go to City Manager Comments. Mr. Keene.

James Keene, City Manager: Thank you, Mayor and Council. Somewhere I may have a photo in here at some point. David, if you'd just sort of track with me. First of all, I wanted to update the Council on the Downtown parking garage project. It is one of your Council Infrastructure Plan projects. Last December, our Staff brought a Consent Item to Council for approval of the scope of work and evaluation criteria to be included in the Request for Proposals to design the parking garage. At that meeting, several members of the public spoke about the relationship between parking supply and other efforts to address parking and transportation issues. The Council ultimately voted to pull the parking garage item from the Consent Agenda and asked that it be brought back as an Action Item in the context of other transportation demand-related subjects. We had hoped to reschedule the parking garage item for early this year but have been occupied with other transportation initiatives. As it stands right now, in the proposed Fiscal Year (FY) 2017-21 Capital Improvement Program, the California (Cal.) Avenue parking garage is funded for construction in FY 2018, which would be the following fiscal year after the one we're moving into, and a Downtown parking garage is funded for construction in FY 2019. You may want to keep this in mind when you're taking up the budget adoption on June 13th. The location of the Cal. Ave. parking garage has been determined by the Public Safety Building project and will be constructed and opened before construction begins on the Public Safety Building itself. The location of the Downtown parking garage had been tentatively identified as Lot D on the corner of Hamilton and Waverley. We can confirm and/or reassess the choice based on the parking demand and turnover information being gathered as part of the paid parking study this summer and fall. I know there are those who would like to see our Transportation Management Association (TMA) and other initiatives be so successful the new parking garage is not necessary Downtown; however, my Transportation Staff believes that some new supply will be needed as we start to reduce the number of employee spaces in the residential neighborhoods surrounding Downtown through the Residential Preferential Parking (RPP) program. We will be discussing the TMA again on the Agenda coming up in June and will be discussing RPP again in August. Please expect further discussion of the new Downtown parking garage sometime very soon after that. Caltrain minor grade crossing improvements. As part of its standard work plan, Caltrain is advancing a series of minor improvements to the Palo Alto Avenue, otherwise known as the Alma Street crossing, Churchill Avenue, Meadow Drive and Charleston Road grade crossings. These proposed safety enhancements include the installation of additional

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signage, striping, rumble strips along the edge of the roadways, new pedestrian barriers, advanced traffic signals, "keep clear" markings and short medians. City Staff have been coordinating with Caltrain staff to refine the designs and encourage consistency with the City's short and long-term goals and strategies for grade crossing. Special coordination meetings have been held for the Charleston Road crossing in order to incorporate elements of the adopted concept plans for the Charleston-Arastradero Complete Street project. Caltrain plans to present the draft concepts to the City Council Rail Committee this Wednesday, May 25th. Construction on those minor grade crossing improvements is expected to start in 2017. Just on the subject on Caltrain, I would point out, if you have not noticed them, that we've been working with our contract firm on the Track Watch guard situation both to put up a shelter and seating that is more open to the passersby in the community, ensuring that everybody does have the most up-to-date schedules. We have installed portable toilets on City rights-of-way adjacent to each of those locations. Last Monday, I think as the Council knows, the FAA released a feasibility study of community proposals to address airplane noise. As you've already heard significant community reactions already to the release of that report in addition to some of the conclusions in the report, the fact that it appears in advance of the significant community engagement process that we're launching into, I think it's generated a lot of understandable concern. We have sent the study to our own consultants who the Council authorized funding and hiring for. They are working on their own analysis. At the same time, we're also working on our own air operations and noise analysis as requested by the Council and the community. I have a scheduled debrief with the consultants and key Staff for tomorrow afternoon, so we can better understand the study. It is highly technical; as such, we don't want to comment on its conclusions until we've reviewed it carefully with our consultants and Staff. We will want to make sure that the consultants' work is shared with Council Member Scharff, who is our alternate member on the Regional Select Committee, and with other members of the Regional Select Committee, in particular Supervisor Joe Simitian, who is the Chair of that Committee. We'll also be sharing items with the full Council and the Sky Posse leadership as we work through the issues. In the meantime, citizens including Sky Posse members and others should contact Select Committee members and attend the Select Committee meetings. The one scheduled for Santa Clara County is set for Wednesday, June 29th, at 6:00 P.M. The location is still to be determined; we will update you and the public on that. We've posted all of this information on our City of Palo Alto website, [cityofpaloalto.org/airplane noise](http://cityofpaloalto.org/airplane%20noise). We'll queue up the photos for coastal cleanup day. That's pretty darned good there. Last Saturday's cleanup day did wonders for Matadero and Adobe Creeks with Kirsten Struve of our Public Works Staff and Acterra's Claire Elliott leading the way. Hundreds of pieces of Styrofoam and other plastics were

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retrieved from Matadero alone. Our latest ordinance, as you know, bans even more types of Styrofoam and will help bring this number down in the future. Many thanks to our Staff, Acterra's staff and the many volunteers. A special thanks to Paly students who joined the efforts as well. A few numbers. The 16 volunteers cleaned 1.5 miles of creek, collected 150 pounds of trash, 25 pounds of recyclables and one teddy bear. Mobility as a Service: Connected and Charged Symposium. In February of 2015, the City of Palo Alto hosted the first regional Mobility as a Service convening meeting, and these have continued every quarter in collaboration with our partner, Joint Ventures Silicon Valley. The next Mobility as a Service quarterly meeting will be here tomorrow in the Council Chambers from 1:30 P.M. to 3:00 P.M. It is open to the public; we expect 50-75 people with two panels sharing current initiatives around the region, focused on reducing solo commuting. The next day, May 25th, at 8:00 A.M. at SAP up in the Research Park, the symposium will have a variety of speakers on new technologies and connected transportation and electrification. A number of utility-related events. The City is hosting a free gray water workshop for residents. Actually, we held it last Saturday, and we taught close to 60 attendees how to simply and safely reuse water from sinks, showers and clothes washers to irrigate plants and trees. The class was able to learn how to install a laundry-to-landscape gray water system, which qualifies for a rebate from the City and the Santa Clara Valley Water District. The Council also received notice that on May 18th we were honored at a ribbon-cutting ceremony for the Frontier Solar Project, one of the City's new contracted, large-scale solar projects located in Newman, California. That new project will generate an output of 20 megawatts of solar electric energy, enough to serve more than 5,000 of Palo Alto's total electric needs each year, or enough to power about 6,000 homes. An upcoming Project Safety Net community meeting. May is Mental Health Matters month. We invite you to join us at our free Project Safety Net community collaborative meeting on Wednesday, May 25th, from 4:00 P.M. to 6:00 P.M. at the Lucie Stern Center community ballroom. We'll be featuring a presentation by the Bryant Street Garage Fund and a presentation on suicide prevention activities including legislation and training. The next community meeting for the Palo Alto Parks Master Plan project will be held this Wednesday, May 25th, from 6:30 P.M. to 8:00 P.M. at the Mitchell Park Community Center in the Matadero Room. The meeting will focus on the review of possible new site amenities that are proposed for each of Palo Alto's parks and facilities. If anybody is ever lacking anything to do in town, there are plenty of meetings every day of the week. Finally, we did want to shout out to Charlie Cullen who is our technical services director in the Palo Alto Police Department. He's been reappointed to the State 911 Advisory Board. He has served in that capacity admirably since 2013. In this regard, Charlie will serve on this

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advisory panel to the Governor on policy and technical issues surrounding the 911 system. That's all I have to report. Thank you.

Mayor Burt: Thank you.

Oral Communications

Mayor Burt: Our next item is Oral Communications. We have six speaker cards. If anyone has a card, would they bring it forward at this time? Each speaker will have up to three minutes to speak. Our first speaker is Jerry Belden, to be followed by Jennifer Landesmann. Welcome.

Jerry Belden: Hi. My name is Jerry Belden. I have not spoken to the Council in about 25-30 years, but this is a topic that has gotten me excited, so I thought I'd show up. I wanted to add my voice to the many voices you've probably heard from in the last months about the airplane noise. I first moved to Palo Alto in 1968, and I have lived most of the years since then here. I've always felt this has been a very nice place to live. For the most part, this has continued in spite of the increasing traffic and more and more people. I still love it here. My wife says, "Maybe we should move to the country." I say, "But I love it." However, the feeling is now being very negatively impacted by the almost incessant, loud airplane noise. At certain peak periods throughout the day, I see planes flying one after the other, literally spaced out half a minute to a minute to a minute and a half, and very low, almost directly over my house, by the way, in Midtown. The noise is often quite annoying. Being outside during those times is not peaceful and, indeed, is rather unpleasant. Carrying on conversations, listening to music, etc., is constantly disrupted. Listening to birds chirping, forget it, birds chirping and singing. Also at night on warmer days—I noticed this last week I think—having windows open allows these very loud planes to disturb peace and quiet. Quite frankly, I'm very dismayed by the lack of meaningful action taken by our elected officials. I'm not sure who all I should be looking at exactly, but I do believe that we all have some responsibility. I wish to request that, while there is still some possibility of effecting some meaningful change, you and our other elected officials represent us as effectively as you possibly can and aggressively as you possibly can in helping to reverse this situation and improve it. That's what I have. Thank you very much for your time.

Mayor Burt: Thank you. Our next speaker is Jennifer Landesmann. Welcome.

Jennifer Landesmann: Good evening, Council. If it's okay, I would like to acknowledge a lot of the families that are here today because of airplane noise. I see a lot of wonderful families that you have probably heard of in

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emails and so forth. I just wanted to acknowledge them. I'm here to invite you to join Palo Alto residents at the upcoming FAA Select Committee meetings to address airplane noise. There's going to be three of them from now until June 29th. The first one is on Wednesday at 6:00 P.M., 307 Church Street, Santa Cruz 95060. I invite all Palo Alto residents to join your neighbors. I would like to be able to know that each of you has firsthand knowledge of the conversations with the FAA and amongst the regional elected officials that are going to be discussing our situation with airplane noise. I know that you know that this is not a small problem for residents. As with any community, when your people need your help, you lend your presence. Your personal presence matters. You don't have to solve the problem, but you have a big role to play as part of the solution. If you attend these meetings, you may learn what you can do to help. Please don't wait for a report or a secondhand update or for a colleague to fill you in. Please come and be there. Be there for the residents. You'll learn a lot, and you can help. I appreciate all the work that's going on with the City study. We really need that to be sped up, because this is the moment to effect change. Once these conversations go away, there's not going to be a possibility. Everything that we have been working on for the last year needs to be expedited. I appreciate all your work. Thank you.

Mayor Burt: Thank you. Our next speaker is Sandra Bentfrain.

Council Member Holman: Mr. Mayor? Question for the last speaker. She mentioned three public meetings, but she only listed one. I just wonder if she wouldn't like to list the other two.

Mayor Burt: Okay.

Ms. Landesmann: The second one, I will report back to you. The last one is on June 29th in Santa Clara County. The first one is in Santa Cruz, which is this Wednesday at 6:00 P.M. The second one will be in San Mateo County.

Female: June 14th—15th.

Ms. Landesmann: Thank you. June 15th. The third one is going to be in Santa Clara County on June 29th. I don't know if you're aware, but these are very political meetings. The FAA said very clearly, some of the most senior people said, "We can do anything as long as you guys agree where the noise goes." It's true; technically, they can do a lot. This is political, and that's why I would like for you to attend, because you will be able to get a sense of what's going on. It is a regional issue, so you can help us. Thank you.

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Mayor Burt: Our next speaker is Sandra Benefraim, I believe, to be followed by Geri McGilroy. Welcome.

Sandra Benefraim: Thank you. I love living in Palo Alto. As of June of last year, I began to change my mind due to the surprising increase of airplanes flying over our City, in particular my home, since April 15th. It quickly increased the numbers of planes just within a few months. It no longer was the City I specifically chose to move into. I became very concerned by the abrupt change in quality of life for my family and I. I was comforted by seeing that the City's Council was willing to help its residents restore peace over our skies. I was especially thankful to see that you voted to make this a City Priority at the beginning of the year as part of the Healthy Cities initiatives. I'm here to thank you and to implore that you continue representing and fighting for our rights. We have the right to enjoy our homes, our backyards, our neighborhoods, our parks. I'd like to ask four things today. Please provide a date by when you will share the data analysis of actual noise measurements made by Freytag and Associates. Second, through your website please ask residents to use stopjetnoise.net to report intrusively loud aircrafts. Third, continue to partner with Anna Eshoo, our Senators, other officials, airport representatives and residents and also reach out to new partnerships with strong voices to help us in this fight. It is not just a local issue, but a nationwide one. Senator John McCain realizes how unfair the FAA's implementation of flight path changes in Phoenix is, and he's supporting his constituents 100 percent. Please do the same for us and our neighbors. Fourth, I implore for a clearer timeline for action and next steps so we can all understand when progress will occur. We deserve to have a voice and have the opportunity to be part of the FAA changes that greatly impact our lives. We, the public, the residents of Palo Alto were not clearly made aware of the FAA's flight path changes over our skies through NextGEN. We had no input. This was and is still an alarming affair. FAA needs to address past flight changes and improve community participation before future changes are made. Thank you for working with us and helping Palo Alto return to a great place to live. Moving out of Palo Alto is not an option for me and many who live here. We do like it here and want to continue. Thank you.

Mayor Burt: Geri McGilroy to be followed by Marie Jo Fremont.

Geri McGilroy: I have no followers here; it's going to be tough. This is kind of ad infinitum, Herb Caen style. Does anybody realize that our three Starbucks do not recycle any of the thousands and hundreds of thousands of sturdy cups, which could actually even be reused in our homes? I felt bad about that. They recycle in San Raphael. Every day—I just love this person. I'm receiving these every single day. They pollute the rivers. They pollute

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the water. They've stopped people from being able to make a living in their places they live that need to fish. I don't want these. I can't get rid of them. The post people said, "I can't stop junk mail." I love you, but oh, God, can't we do better? We're so intelligent. That's one. I have a little committee of 33 people; I never tell them I'm coming. Every day safety and walkability Midtown, Middlefield, Palo Alto and all residential arterials. I have begged like an idiot for safety and actually enforcement to stop the red light running and outrageous speeding. Mainly it seems to be on the residential arterials, which would be Middlefield and Embarcadero and—hi. I haven't seen him for a while. I don't know if I have any supporters that I don't know. The people I do know came to my house, and they just come. They're welcome; everybody's welcome at my house on Middlefield. You should have seen how lovely it was before we stopped enforcing red light running and speeding. Beautiful. The last thing is we did vote against the building of the new police building. The only person I've seen write about it at all is Jen Nowell, who I spoke with just to check before I came. I do try to check my facts. We did vote against it. I was at the Council meeting where a Council Member said they didn't understand. We did understand, but what is happening with it? Do we want big, giant—I know you like to build ugly buildings that just waste space. They aren't adding to the City. Big, giant entryways. Our police station is empty. They're only there basically four days a week, a few of them. They did know about earthquakes. I know I've got to go. Thank you.

Mayor Burt: Thank you.

Ms. McGilroy: Don't send me anymore. I might have put your sign on my lawn.

Mayor Burt: Marie Jo Fremont to be followed by Herb Borock.

Marie-Jo Fremont: My name is Marie Jo Fremont, and I'm a member of Sky Posse Palo Alto. We're back into aircraft noise. Today I want to highlight that we sent a big information packet. You may know about it, because we sent it to you as well. We sent it to all the members of the Select Committee and the alternates. Let me explain the rationale behind this. The first thing is one should really understand a problem, especially a complex one like aircraft traffic, before you try to solve it. It's a difficult one. What we did—it was not easy—is we tried to stay away from any technical jargon. Anybody who is mildly operating should be able to read that document and understand it. The other thing is Palo Alto is a really good case study. I live in Palo Alto; we all are here. We are also an important place, because we are the perfect storm. These are not our words; they are the words of the San Francisco Noise Abatement Office. If

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you solve Palo Alto, you solve the problem for the region. That's basically what the perfect storm means. We are the perfect storm because we are the convergence of three arrival routes, as you know. We are very close to that famous Menlo way point. As you know, we're data driven. We are transparent. Through these documents, which is public—we will post it on our website, on the Sky Posse website—we're sharing our analysis of the situation as well as our points of view on the solutions. We cover three topics: what changed, what is the impact, and what can be done. We firmly believe, after spending a year-plus of multiple people, that there are equitable solutions that do exist. They must be designed by a recognized aviation expert such as the one that you have hired, who have access to the appropriate resources. Therefore, we Sky Posse do not have any prescription for new arrival routes; that's not our job. Instead, what we offer is guidelines to design these solutions and how noise should be distributed if it's not eliminated. We also explain—I want to point that out, because there has been a lot of traffic about this issue—that the suggestion to tweak—I'm going to get technical here—the surfer arrival routes, which is coming from the south, to do a tweak in the Santa Cruz mountains and to raise the Menlo way point to another 1,000 feet or so, this will not provide relief to the Palo Alto residents and the nearby cities. In fact, it may even create problems for other residents in Santa Cruz, in the City of Santa Cruz, and other residents in other parts of the Santa Cruz mountains. I want to make this a public statement. Our goal as—I hope you read the document. Thank you.

Mayor Burt: Thank you. Herb Borock to be followed by Sea Reddy.

Herb Borock: Mayor Burt and Council Members. The High Speed Rail Authority has issued a Notice of Preparation for the environmental review of the San Francisco to San Jose section of its project and is soliciting comments on the scope of that project. The Council's Rail Committee will be meeting this Monday morning to consider the City's response to the Notice of Preparation. The Council has adopted Guiding Principles for the Rail Committee; it says that the Committee shall forward the recommendations to the Council for final action if the Committee determines that it is feasible to do so within the time available. The comments are due on Thursday, June 10th. I believe the City Council packet for that meeting will be distributed this week on Thursday. There's ample time to add the Committee's recommendations for the scope of the environmental document for the High Speed Rail project to the Agenda for the June 10th meeting for the Agenda packet that's distributed this week. Although you may not have the actual text of a letter, you could certainly include the substance of the Committee's directions for writing the letter, whether that's going to a subcommittee or to City Staff. The previous letter that the Council adopted

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was on the process to be used. Essentially the Council was requesting that there be additional opportunity and for a longer process, which the Authority could ignore. However, the content for the project is something that they do have to attend to, those kinds of comments. I suggest this time instead of placing it on the Consent Calendar, as was done in January, that you consider—I would suggest that it placed as an Action Item so that interested members of the public can see as early as possible the Council's direction in this week's Agenda Packet that's coming up on Thursday and see the letter to see whether they should participate and make additional comments for the Council. I would hope you would have it on the Council's Agenda for consideration on Monday, June 6th, to meet the June 10th deadline. Thank you.

Mayor Burt: Thank you. Sea Reddy to be followed by Kerry Yarkim.

Sea Reddy: Good evening. Thanks for the opportunity. Three minutes and three topics. Airport noise. I've lived through the airport noise improvement issues in Orange County, to speak of Newport Beach. They have very specific restrictions on what time flights can come in. At 10:35 the airport shuts down. I'm not suggesting that those are the rules we want to impose or we want to request, but I think our sister county there has a lot of experience dealing with FAA. I would recommend we would underline with them as to how they went about it. I think it's true we don't want at 3:00 in the morning four or five airplanes going around. I have woken up a few times since I've been here. Let's work them, see how we can get, at the State level or at the national level with FAA on changing this thing that impacts us. We don't want to leave Palo Alto because of the airport noise. There are other things we love about it. Second thing is about mailers. I think we are getting a lot of mailers for the Assembly elections, every election, I'm sure. I've found a way to give toothpicks. You can take this, if you see these. I'm not mailing it, but you can use it as a toothpick after you read about it. Thank you. Third thing is we have a lot of newspapers in this town. A lot of people don't read papers anymore, but I like papers. I read it, and I move on. Father's Day is coming up. One thing I read today in a paper called *Epoch Times*; I do read it. There's a few advertisements. It says about a very successful business lady. I would like you to read it. It says I have a lot of father's character, optimism and a lot of strength, inner strength of some kind. It's quoted by a Patricia Gucci, Goosey [phonetic]. It's not me. As I aspire to be whatever I aspire to be, I wake up in the morning. I want to be this. I think we have something to live for. Thank you all.

Kerry Yarkim: Good evening, Mayor and City Council people. This is the unfriendly skies Number 2. I sent you all a letter, which details Dr. Christel's

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FAA technical presentation that he gave at an FAA meeting with Anna Eshoo's representatives October 9, 2015. You have all the heat maps; you have all the data; you can see how it's shifted. It's very clear what's happened to Palo Alto. Let's see. I didn't want to just reread my letter or anything. I'm just going to try to make some comments and try to be coherent. Last week I spoke about Surfer 1 and point raise. I thought that the feasibility study was going to only talk about Surfer 1. Actually that's what happened. They are trying to make some little changes to Surfer 1, which is the southern route, all the LA planes that come up. I did show you, and I gave you all copies, that 45 percent of our traffic is from the point raise, the Teardrop, and 10 percent is Oceanic. That wasn't even on the table. Surfer 1 changes aren't really going to affect us either. Let's see. I actually keep going back to City Council meeting April 29th, two years ago, 2014. At that time was the first time the FAA—we found notice that there was going to be—that flights were changing, things were changing and they had to input draft environmental assessment of the formal maps that the FAA was then going to use. Actually, they were not inviting comments on the actual changes to the air routes, which they had changed. They had to go through this environmental assessment, invite the public. For their formal air traffic routes to match the routes that they had already changed. They basically admitted that they changed the routes, but then they had to—anyway, it doesn't make any sense, but that's what they did. Here we are two years later, I feel that there's a smoke screen where they keep saying, "We can't shift noise. We can't shift noise." If you look at all the data, you've got the maps now. I sent them all to you from Dr. Christel. They have shifted the routes, almost all of them, substantially south. We are now the conga line from three main areas over Palo Alto. I think that Congresswoman Eshoo, since her district changed—she was representing Atherton and other parts of San Mateo District. Now, she's here. I don't really know how you're going to solve this. I don't think we all have the same purpose or goals in mind. The data doesn't lie. You'll see that; it's pretty clear. No one's refuted the data. I also think that you should start with our City Attorney start pursuing a legal strategy, because I really do not see—I'm sorry. I'm a little pessimistic here. I do not see after all these years that it's going to change.

Mayor Burt: Thank you. That concludes our Oral Communication period. Just for anyone who's not familiar with the ground rules, the Council is forbidden from engaging in discussion on items that are not on the Agenda. Oral Communications are to listen to the community, but we can't respond at this time.

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Consent Calendar

Mayor Burt: Our next item is the Consent Calendar. We have two items. Do we have a Motion to approve?

Vice Mayor Scharff: So moved.

Council Member Berman: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Berman to approve Agenda Item Numbers 3-4.

3. Adoption of the Palo Alto Junior Museum & Zoo Collections Policy.
4. Ordinance 5383 Entitled, "Ordinance of the Council of the City of Palo Alto Repealing and Restating Chapter 16.17 of the Palo Alto Municipal Code, California Energy Code, 2016 Edition, and Local Amendments and Related Findings (FIRST READING: May 2, 2016 PASSED: 9-0)."

Mayor Burt: Motion by Vice Mayor Scharff, second by Council Member Berman. Please vote on the board. That passes 9-0.

MOTION PASSED: 9-0

Action Items

5. PUBLIC HEARING: Approval of a Site and Design and Architectural Review Application and Mitigated Negative Declaration for the Project Located at 2515-2585 El Camino Real to Allow a new 39,858 Square Foot, 3-Story Mixed-use Building Including Retail, Office, 13 Residential Condominium Units and one Level of Underground Parking on a 39,638 Square Foot lot to Replace a 9,694 Square Foot Existing Restaurant (Olive Garden). Approval of a Conditional Use Permit (CUP) to Exceed the 5,000 Square Foot Office for the Site by Approximately 4,835 Square Feet. Zoning Districts: CC(2) and CN. The Planning and Transportation Commission Recommended Approval.

Mayor Burt: We will now continue to our first Action Item of the evening, which is a site and design and architectural review application and a Mitigated Negative Declaration for the project located at 2515-2585 El Camino Real, which would allow a new 39,858-square-foot, three-story, mixed-use building including retail, office and 13 residential condominium units and one level of underground parking, etc. Welcome Mr. Lait.

Jonathan Lait, Planning and Community Environment Assistant Director: Thank you, Mayor. Good evening, City Council. A year ago, the applicant

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filed an application for the proposed project. The site, which is currently home to the Olive Garden, is approximately 40,000 square feet. It is bounded by Sherman and Grant Avenues. The applicant proposes to demolish the existing restaurant and construct a new three-story, mixed-use building. About half of the building is proposed to be dedicated toward housing. The applicant is proposing surface parking on—a surface parking lot as well as one level of subterranean garage. The map before you is an aerial map. You see a red line that surrounds the property. You'll notice that this is a split-zoned parcel with CN zoning adjacent to El Camino Real and CC(2) zoning fronting on Sherman. This is a site plan of the proposed project, El Camino at the bottom of the screen. The development is oriented toward El Camino. All of the buildings are located in the CN portion of the lot. This property also has a portion of the lot included in the California Avenue Parking Assessment District. That is shown by the red boxed area overlaid on the site plan. The California Assessment Parking District has a different zoning standard than other parts of the City, not including Downtown. When assessing or evaluating the parking requirements, we look to where those uses are relative to that site boundary, and that's how we determine the maximum floor area. This is the applicant's rendering of the proposed project as viewed from El Camino at the corner of Sherman. The applicant is requesting various entitlements. The site and design application that's before the City Council tonight is the reason why this item is actually before the Council. There are other applications including the architectural review, the conditional use permit which is discussed in the Staff Report, and as noted there's the parking reduction of four spaces based on a shared parking study that's included in one of the attachments to the Staff Report. The project is subject to two interim ordinances. The Citywide Interim Retail Ordinance requires a comparable replacement to the restaurant square footage that's there today. The applicant is meeting that standard by proposing the retail and the amount that's proposed on the ground floor. The project is also subject to the office cap in that to go forward with the development an action on the project needs to take place before June 30th of this year; otherwise, it carries over to the next review cycle. The Architectural Review Board and the Planning and Transportation Commission both reviewed the project; they both recommended approval. Their findings and comments have been included in the Staff Report. We've also included the verbatim minutes in the Staff Report as well. Finally, we've prepared a Mitigated Negative Declaration to support the project; that is before the Council as well this evening for adoption. Our consultant is here as well to answer any questions related to the environmental analysis. That concludes Staff's report.

Mayor Burt: Thank you. We'll return to the Council for any technical questions, and then hear from members of the public before having a

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discussion and consideration of the proposal to the full Council. Who would like to go first? Council Member DuBois.

Council Member DuBois: I've quite a few questions, so if you could be kind of short. What will the zoning be when the building is completed?

Mr. Lait: Zoning does not change, so CN and CC(2).

Council Member DuBois: We'll maintain a now single lot with two zones on it?

Mr. Lait: Yes.

Council Member DuBois: Was there any discussion about rezoning to a single zone?

Mr. Lait: No.

Council Member DuBois: In the loading space, I guess it's shared parking. Have we done that in Palo Alto before?

Mr. Lait: The loading spaces will take a little bit of time to explain. There's a requirement of the Code that stipulates a certain size parking/loading zone be established onsite. In conversations with Staff, there's a provision in the Code that talks about the loading requirements, and it has a section that says other uses. Other uses have, in the past, included a mixed-use development. For other uses, the Director has the authority to adjust or set the loading zone standard. In this particular case, there was an evaluation of the project, and a couple of things came into play. One was the elimination of two driveway curb cuts, which is adding parking on, I believe, El Camino, and putting the longer—I forget the dimensions. I think it's 45 feet or something in depth—off of Sherman. That would be accessed on Sherman. Onsite there is three parking spaces that double as a loading zone in the morning and can be used for vendors that may want to access the site when there's not that same demand for the other uses that are there. That said, I think that's an interpretation that has been applied to this project. Again, when this was in preliminary review a year-plus ago, I couldn't say to the Council today that if this same application came in today that that's the standard that I would look at for evaluating the loading zone. It's one of these things where you balance prior interpretations of the Code versus where they are along the process. I'll leave that to the Council to elaborate further.

Council Member DuBois: Is there parking on El Camino in front of this building?

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Mr. Lait: The curb cuts that are being eliminated, I believe, are off of El Camino. I think one on Grant.

Council Member DuBois: I just wasn't sure if you could park in this part of El Camino.

Mr. Lait: Let me double check that.

Council Member DuBois: There was also an on-street loading zone. Is that correct?

Mr. Lait: Yeah. The on-street loading is on Sherman.

Council Member DuBois: Do we lose street parking there?

Mr. Lait: I think there's currently parking on Sherman. I'm not telling right now if we're actually losing an on-street parking spot right there. As I understood it, by closing off the curb cuts in other areas, we were picking up parking spaces. By putting the loading zone in the other area, it was net neutral. I need to confirm that, though.

Council Member DuBois: I don't know if you saw—we got a letter from the public about calculating FAR and how you assign common areas and whether it should be proportional to total square footage. Do we have a process?

Mr. Lait: There's nothing written in the Code about that. It does create a bit of a challenge for us. When we have multiple uses, there's a couple of ways that planners have approached it. One is a proportional allocation. You look at how much area is dedicated to this use, how much to that use. When it comes to the shared spaces, you apply that proportion to that shared spaces. Other approaches have just been a clean one-third, one-third, one-third or 50/50. There's no guidance in the Code. For the most part, we've taken bigger chunks, like 50 percent or a third of the space.

Council Member DuBois: It looked like the data in the traffic study was mostly from 2013. Since then, we were talking about a police station and a parking lot on Sherman, also potentially losing some Santa Clara Valley Transportation Authority (VTA) service. Has there been any consideration to—also, I think the Page Mill intersection is worse than it was indicated in 2013. We also have a lot of developments in that area now. Has any of that been taken into consideration? Have we updated the traffic study at all?

Mr. Lait: I don't have a direct answer for you on that. I do know that the applicant's consultant prepared the report, and they're in the audience

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tonight to speak to comments about the traffic study. We've not directed a redo of that traffic analysis.

Council Member DuBois: Has Staff thought at all about impacts on the police station or anything being on that street? Has that come up?

Council Member Filseth: Can I comment on that for a second? The stat I think Tom's looking at is on Packet Page 182, and it says, "The existing peak hour traffic volumes were obtained from the traffic count database." Recent 2013 peak hour counts, I think that's where that data comes from. Page 182.

Council Member DuBois: My concern was about the police station itself. That's a newer development. I just wondered if Staff has talked about that internally at all.

Mr. Lait: No. I'd have to take a look at the traffic study and get back to you on that. We've not had any additional conversations about it.

Cara Silver, Senior Assistant City Attorney: If I could just add on that point. From an environmental review standpoint, of course there are always going to be changing circumstances. Legally, what is required under the California Environmental Quality Act is to look at the conditions on the ground at the time the environmental review is commenced. That's why the 2013 date was used.

Council Member DuBois: It sounds like there will be 33 trees removed. There was a little bit of discussion. I think you show it in your picture. These palm trees are kind of iconic. Was there any discussion about retaining those trees along the street?

Mr. Lait: No. I believe those trees need to be removed. They are on the property, the palm trees that you're seeing. They will be removed to accommodate the development.

Council Member DuBois: You also showed a chart where part of the property is in the Parking Assessment District, and part isn't. Isn't the Assessment District closed at this point?

Mr. Lait: Yeah. That's sort of an interesting component of our Code. The Assessment District—I don't have the exact terminology—has matured. We're not assessing those properties any more. They've paid the bond balance for that or whatever the proper terminology is for that. However, our District Map includes what the assessment boundary is. That District Map has not been amended.

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Council Member DuBois: They would not pay any assessment?

Mr. Lait: It's not about paying the assessment. It's about when we look at our District Map, it defines an area. Our Code relates to that map, and it says for properties within this area this is the parking standard that you apply irrespective of assessment fees or things of that nature.

Council Member DuBois: We're saying there's less parking because we've typically assessed and built a garage, but we're not currently assessing, but we're still allowing less parking.

Mr. Lait: I would say that. It is correct that we are assessing less parking for properties that are currently designated as within the Parking District area.

Council Member DuBois: Maybe that's a little bit out of date.

Mr. Lait: I think that there's perhaps a policy conversation to take place about that.

Council Member DuBois: I guess my last question. Thank you for going quickly. I saw there was some discussion about making the TDM enforceable. I wasn't clear on the final proposal how enforceable it is. Maybe you could just speak to that.

Mr. Lait: What we're looking for is—I don't have the condition in front of me. The idea is that we've heard the Council, and we don't want to just have a TDM plan that is approved and then nobody looks at it again. It's one that would have annual reporting and be subject to City penalties if they're not meeting that TDM standard. We would require an annual report of that. Jodie's got the—is this the standard here? It's Condition Number 8 on what is Packet Page 70. It talks about requiring the TDM for that portion of office development that's over 5,000 square feet. The TDM plan and monitoring and reporting requirements may be revised if the minimum reduction is not achieved through the measures of the program as initially implemented. Projects that do not achieve the required reduction may be subject to daily penalties as set forth in the City's fee schedule.

Council Member DuBois: I did see that part about only the portion that exceeds 5,000. As a mixed-use building TDM, would it apply to the retail or the residential or 5,000 feet of office?

Mr. Lait: We could look at a broader TDM measure. Where the Planning and Transportation Commission was looking for a TDM to address the reduced parking amount, we took that a little bit further to go for the amount above

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the 5,000. If the Council were interested in exploring an additional TDM standard that would apply to the office development or a greater amount of the retail, we can look at that. We'd want to be—we need to have some objective standards on which to evaluate it, so that we can assess the success at that. That's up for the Council to consider.

Council Member DuBois: Thank you.

Mayor Burt: Council Member Holman.

Council Member Holman: Thank you. I have a question about open space. Council Member DuBois asked something related to this. I thought the Code was pretty clear about residential having certain requirements for common open space, not just as the plans call out as uncovered landscape open space. Residential areas require a certain amount of common open space. Can you help me understand the allocation that you're talking about and what you consider to be the common open space for the residential units?

Jodie Gerhardt, Current Planning Manager: Thank you, Council Member. Jodie Gerhardt, Current Planning Manager. Looking at the zoning, there is a requirement for usable open space, 20 square feet per unit. That would be for five or fewer, so actually it's 150 square feet per unit for six units or more.

Council Member Holman: Is that the private open space?

Ms. Gerhardt: This is just usable open space in general. It can be a combination of private and common.

Council Member Holman: If we're looking at the plan set, Page A0.3, I see a plaza area here. Thank you for calling that out as plaza in the presentation this evening. I see a plaza area there which one could suppose would serve the retail directly in front of it. I'm just not seeing usable open space for the housing units. I see perimeter landscaping, but I don't see usable open space. Can you help me, if I'm looking at this incorrectly? The private open space I get; they're talking about the balconies. I just don't see the common open space for residential.

Mr. Lait: It looks like the applicant—Ken Hayes is the architect. He can probably speak to this in some more detail. It looks like the applicant is meeting the standard based on the private usable open space requirements.

Council Member Holman: I'm not questioning the private. I'm talking about the common.

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Mr. Lait: The requirement in the Code is 150 square feet per unit. 150 times the 13 units would be the amount that would be required.

Ms. Silver: You might be thinking about the Quimby Act requirement.

Council Member Holman: No, I'm not. If that applies, then I've overlooked that.

Ms. Silver: That requires for residential subdivisions the payment of a fee for parks and open spaces. They can pay a fee since it's less than 50 units, and then that fee will be used for community parks in the area.

Council Member Holman: I still have that question ongoing. The zoning of the parcel adjacent to the CC(2) part of this parcel, what is that zoning? I don't find a zoning map anywhere. I saw some reference to—on Grant Avenue, behind this project, it's RM-40, but I didn't find a zoning map that showed what's directly behind the CC(2) portion.

Mr. Lait: We can look that up here.

Council Member Holman: While you're doing that, I had one question, if I can find it real quickly. On Packet Page 57, the Conditional Use Permit (CUP) for the extra 5,000 square feet of office. It seems a little bit like—help me understand how Staff looks at this or interprets this. It seems to me like if you look at the first bullet on that page, it seems like it's double dipping. They're taking advantage of the merger of the parcels when it comes to parking and being able to accommodate the underground parking. They also wanted to also take advantage of the office square footage. It seems like on the one hand, this benefits us; on the other hand, it doesn't benefit us, so we want to take advantage of this here, but we want to go back and act as if it's two different parcels there. Do I interpret that correctly?

Mr. Lait: I'm sorry I'm not ...

Council Member Holman: With a CUP, but still.

Mr. Lait: I'm not following the double dipping concept. I think at the time the application was submitted, it was presented to us as there are these two lots that they were going to merge as part of the development. That was our understanding. That was informative to us in thinking about our recommendation. If there's two independent lots, one can be developed with 5,000; the other could be developed with 5,000, and you have a total of 10,000. There are some advantages for merging the lots and consolidating them to have a more efficient system. At the time the

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applicant comes through the door to have the conversation with Staff about filing an application, we weren't having the office cap conversation either. That was not part of the dialog at the time. We also believe that TDMS have been a tool that we've been using to help address these types of uses. That collection of facts is what got us initially supporting the concept of the CUP. We've since learned that the parcels were actually merged in the mid to late '90s. We also know that the Council and the community have been having a dialog about the office cap. These are important considerations for the Council when evaluating whether to grant the CUP for the amount that's over the 5,000 square feet. That's sort of what happened and how it played out. I'm not tracking the two sides of the coin that you're describing.

Council Member Holman: What I was trying to say was on the one hand there's an advantage to treat them as if they're merged because they are merged because that helps with the parking situation and the subterranean garage construction. On the other hand, it's an advantage to treat them as if they're separate parcels because then there's a potential eligibility for office space. You can't have it both ways it seems. If this is one parcel, which it is, is there actually an adequate consideration for CUP? Why is there the feasibility within the Code to allow a 5,000-square-foot CUP for additional office?

Mr. Lait: That's set forth in the Code. There wasn't always the time where we were as concerned about office development as we are at this point in time. The Code contemplated developers or property owners seeking to have more office than is set forth in the Code at the 5,000-square-foot limit, so there is the CUP process. On Packet Page 59, we lay out the findings for which somebody may request office space in excess of 5,000. Importantly, one of the criteria for that is not to be merging parcels together. It just happened to be part of the conversation for this particular site. Would the proposed use at this location be detrimental or injurious to the property? That's a subjective conversation or thought process for the Council to consider. Would the proposed use be located and conducted in a manner in accordance with the Comprehensive Plan? I think that there is findings and policies that could support it. I could appreciate that the Council may have a different perspective on that.

Council Member Holman: I seem to not be asking my questions very clearly. If this is one parcel, which it is, are they eligible, is this site eligible for additional 5,000 square feet CUP of office? Have office through a CUP?

Mr. Lait: Through a CUP, yes.

Council Member Holman: As one parcel.

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Mr. Lait: Yes.

Council Member Holman: Thank you.

Mayor Burt: Council Member Wolbach.

Mr. Lait: I'm sorry. CN zoning is the adjacent parcel.

Ms. Gerhardt: On the Sherman Avenue side, behind the property, we have CC(2). On the Grant Avenue side, we have RM-40.

Council Member Holman: On the Grant side, it's—back here, it's CN?

Ms. Gerhardt: On Grant Avenue, behind the project ...

Council Member Holman: Is RM-40.

Ms. Gerhardt: ... is RM-40. On the Sherman Avenue side, behind the project is CC(2). There's an x-ray lab behind there. On the other side, on Grant, there's houses.

Council Member Holman: This is CC(2).

Ms. Gerhardt: Correct.

Council Member Holman: Thank you.

Council Member Wolbach: I've a few questions. First, Planning and Transportation Commission (PTC) asked us to explore ways to add more housing to the site. I was left wanting more information from Staff and from PTC about how we could do that. My question is what would it take to have more housing? What's standing in the way of more housing units on the site? Whether that's smaller units, more units, a greater percentage of the project Floor to Area Ratio (FAR) being used for housing as opposed to other uses. Is it City policy that's standing in the way? Is it that the market isn't asking for it or is it just the whim of the applicant? What's the holdup to have more housing instead of more office?

Mr. Lait: Yes, I guess, is the answer. The CN zoning adjacent to El Camino limits for mixed-use projects how much housing could be constructed. That's at a 0.5 FAR. At 0.5 FAR, there's only so much floor area on a 40,000-square-foot lot that you can put. That's the City standard. Applicant is evaluating—they're doing their pro forma, and they're trying to figure out what pencils out. They're proposing a unit size of two bedrooms per unit, I believe. They're factoring that economics into their feasibility for the project. They're proposing larger units, which gives them a density of 13

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spaces for the particular projects. They could go higher, but that would also require more parking. It would also require a greater contribution to the Below Market Rate (BMR) program that we have. These are all different levers that go into deciding whether or not to provide housing and how much housing. I'll also note that housing is not a requirement for development of this site at all. Mixed use is an option. Applicant could decide just to do a commercial building if they wanted to. I think the Planning and Transportation Commission was—the conversation started in part because this is identified on our Housing Element as a housing inventory site with a feasibility yield of 18 units. That feasibility also considered development of the CC(2) parcel, which this applicant is proposing not to develop. That is a transition and the surface parking lot to the adjacent properties further northeast of the project site. It's probably in part a question to the applicant about the reasons why they settled on 13 units. The Planning Commission is hearing the Council's conversation and the community dialog and is trying to find ways to increase housing opportunities where that is feasible. In the course of their conversation, they just thought it would be nice if there could be some more units here.

Council Member Wolbach: I just want to check, before I go on to my other questions, with the Mayor that if I wanted to hear from the applicant about this question, should we wait until after public comment. We'll hold off on that for now, but I would be interested in hearing more about that both from the public and from the applicant. ARB Member Lew was not supportive of the project, as I understood, and was particularly critical of the El Camino-facing side. Has there been any additional changes, modifications submitted to the City since it went to the ARB to improve the facing, the scaling and mass on El Camino Real?

Mr. Lait: To the latter part of your question, no, there's not been any refinements since the ARB's recommendation for approval.

Council Member Wolbach: Council Member DuBois already asked one thing I was going to ask about, which was how enforceable TDM would work onsite. Conceivably, could there be more retail and less office on the site, especially on the ground floor?

Mr. Lait: Absolutely, yeah.

Council Member Wolbach: What would that mean for parking requirements?

Mr. Lait: This is touched on in the Staff Report, but it gets a little nuanced. The parking for office is a lower parking standard than is for retail. When you do a one-for-one replacement office to retail, you increase your parking demand. There have been other projects that the Council has approved in

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the past where we've allowed lifts, parking lifts. If the Council were interested and, in the course of the conversation with the applicant, if it was decided that there was an interest in more retail on the ground floor, that net parking difference could be made up for by including lift parking in the subterranean garage. That would not have a material effect on the exterior of the building and presumably could be a condition of approval.

Council Member Wolbach: As far as parking for housing goes, something that we've been talking more and more about is the possibility in transit areas of decoupling parking especially from smaller units of housing, but in exchange telling people in the property, "You wouldn't be eligible for an on-street parking permit." We've gotten RPP across the street in Ventura. Sorry. We don't have RPP yet in Ventura, but I think it's something that might happen at some point. We have RPP in College Terrace. Looks like we'll be having RPP in the neighborhoods to the north. Is that something that was considered or has been discussed at all for this property?

Mr. Lait: No, it was not considered and not discussed for the project. We don't have the regulatory tools in place to accommodate that.

Council Member Wolbach: Those are my questions for now. Thank you.

Mayor Burt: Thank you. Council Member Schmid.

Council Member Schmid: Just a follow-up to a couple things already discussed. The household limit is based on the CN. There's a CC(2) piece that is unused for buildings but would allow an expansion in the FAR for housing. Is that right?

Mr. Lait: I believe the CC(2) zoning allows for greater development potential, including housing.

Council Member Schmid: With an interest in housing, that is an option. As you point out, that's an option that has not been explored to date.

Mr. Lait: We evaluated the project that was presented, and that was one that was based on development of the CN zone only.

Council Member Schmid: It's been mentioned that in the ARB the facade along El Camino was brought up as a big issue. Again, you said there was no comeback from the applicant as yet. It would seem as if you build out more housing on the CC(2) area, one, you could build more housing square foot, and you could probably do something interesting with that El Camino facade. Is that a correct interpretation?

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Mr. Lait: I would say that if one looked to develop the whole parcel including the CC(2) zoning, yeah, perhaps there would be some additional design considerations that could be explored. On the other hand, that's not the project that was filed, and that not the project that's before the Council.

Council Member Schmid: The last follow-up was on TDMs. The Staff Report states the CUP could be supported with a condition requiring an enforceable TDM plan. I'm very interested in how the City enforces. You mentioned you'd set goals, you'd have them report back to you on a regular basis. How does the City establish the criteria for measuring and assessing the success of a TDM program? Do we have a means and a way of effectively enforcing TDMs?

Mr. Lait: This is relatively new. This would be one of the first projects where we've imposed this enhanced condition with the TDMs. I can't fall back on past practice or a rule book for how we would go about that. Internal conversations have included things like this. One is there's a condition that the plan be submitted to the Director for approval, so we have our Chief Transportation Official and other Transportation Staff that would be looking at the TDM plan. We'd be looking at trying to identify what is the measureable reduction that we're trying to achieve based on the proposed mix of uses, setting that standard and then identifying some strategies to achieve that. That would be sort of the basis for which the project would be rolled out. We would set up some self-monitoring or reporting, like surveys from the ...

Council Member Schmid: We would do it or they would do it?

Mr. Lait: We would expect that they would do that. We can talk about how that happens. They would submit annually a report on how they've achieved the goals. If they haven't met it, we'd probably look to tweak it a little bit.

Council Member Schmid: I guess I would note that's a critical area, and we're just getting into it. It's very important how we define these things upfront. I note that the one area we have been engaged in was Stanford. Staff after 5 years came back and said, "We've just redone our methodology and reduced our assessment numbers by 15-20 percent."

Mayor Burt: We need to keep this to technical questions at this time. We're really running over.

Council Member Schmid: The question is are we ready to establish an effective TDM program. You want to start here, but there's some big questions.

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Mayor Burt: That's a policy question that you're asking Staff. I think we need to be focused on keeping these segments to technical questions of Staff for everyone. Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. I just want to understand. The applicant could increase the parking by using lift parking if, for instance, we had a parking requirement for all retail on the ground floor.

Mr. Lait: That's my understanding, yes.

Vice Mayor Scharff: If we wanted them to add parking for the four spaces they're missing, they could use lift parking to do that as well.

Mr. Lait: Presumably so, yes.

Vice Mayor Scharff: On the TDM program, if we wanted to have an aggressive TDM program that said something along the lines of there shall be a 30 percent trips reduction, is that something we have the authority to put in the condition of approval?

Mr. Lait: Yeah, I believe so. I'm looking to legal for support on that, but I believe that's the case.

Ms. Silver: It would have to be tied to the conditional use permit or to one of the discretionary findings that you have to make.

Vice Mayor Scharff: When you say tied to that conditional use permit, is the whole project tied to the conditional use permit? I assume it's one project. If they go over, it is. That's really the question.

Ms. Silver: If you grant all or a portion of the conditional use permit, you can certainly make a finding with respect to a TDM program for that component. If you are going to separate the conditional use permit and, let's say, you denied the conditional use permit, you still have the ability to act on the remainder of the project. We would have to look at the remainder, is there a hook for TDM. I would imagine it would be the reduction of the four parking spaces.

Vice Mayor Scharff: A very technical question goes like this. If we were, for instance, to say that on the ground floor it has to all be retail, that's roughly 4,000 and something in office space that disappears and becomes retail. At that point they need a conditional use permit for—what is it—700 or 800 square feet of office on the second floor to get the project done. Correct? They're a little over 5,000, like 56 or 57, if I recall, somewhere in that range.

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Mr. Lait: Yeah. I don't know what the exact number is, but there's a little amount ...

Vice Mayor Scharff: It's a little bit ...

Mr. Lait: ... for shared spaces and so forth.

Vice Mayor Scharff: That would still hook them into needing a conditional use permit. You could do that and then you could also impose the conditions of the TDM, if you wanted to. Is that correct?

Ms. Silver: Yes. I think you would want to look at how much of a TDM reduction is necessary for the 700 square feet addition in your hypothetical.

Vice Mayor Scharff: In Palo Alto, I think as much as possible given the traffic conditions.

Mr. Lait: We also have the site and design (crosstalk).

Vice Mayor Scharff: Back to the technical questions. I didn't see any electric charging in there. Is there any electric charging in there? Maybe there is; I just didn't find it. There's five.

Mr. Lait: Yeah. It's on Sheet A0.3. There's identification of five spaces, and actually it continues, another 18 spaces along El Camino.

Male: Conduit.

Mr. Lait: That's the conduit. Thank you. Five spaces (crosstalk).

Vice Mayor Scharff: There's five actual spaces. Is that correct? Those would be open to the residents that live there. Any resident could use it; it wouldn't be a designated resident spot.

Mr. Lait: Right. A part of taking advantage of the parking reduction is that this is a shared parking program, so these spaces would be shared.

Vice Mayor Scharff: I guess I just wanted a little more clarification on that. These are going to be condominiums. When you sell the condominiums, you won't be selling a parking spot. The parking spaces will all be common area and then will they be assigned to people? How is that going to work, just so I understand the shared space and how that all works?

Ms. Gerhardt: For the residential units, there would be one reserved space per unit and then a second unreserved space would be available.

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Vice Mayor Scharff: Is the idea that during the day the office people would use some of the residential space and the retail? How does that work? What percentage? I guess all the non-reserved spaces?

Mr. Lait: Yes.

Vice Mayor Scharff: Got it. One other quick question. What is the CC(2) zoning? What is the requirements of that? I understand what's in the CN.

Mr. Lait: Development standards or land uses? Are you interested in land uses or development standards?

Vice Mayor Scharff: I'm interest in—my understanding on the CN zoning, it's 1 FAR for residential, right?

Mr. Lait: Right. It's 0.5 for the CN for residential, and it's 0.6 for the CC(2).

Vice Mayor Scharff: Point six for the CC(2). There's the same amount of office in either one. Is that correct?

Mr. Lait: For office in the CC(2), it's 2.0. For the CN, it's 0.4.

Vice Mayor Scharff: The CC(2) is much more office?

Mr. Lait: Yeah.

Vice Mayor Scharff: That's why it's a smaller parcel and you get the same 5,000 roughly. Right? No?

Mr. Lait: The 5,000 is not triggered by the CC(2). The applicant has left the CC(2) alone and is not interested in ...

Vice Mayor Scharff: If they had developed the CC(2), they could have built much more office.

Mr. Lait: They could have built more. To get to a prior question, about 4,000 square feet of additional residential could have been built.

Vice Mayor Scharff: Thank you.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thank you. I have four questions on the traffic study, one on parking and one on the CUP. On the traffic study, if you look at Packet Page 189, there's a table here. It says that if you look at the P.M. peak hour, car trips are going to be reduced by 16. It's on the table, P.M.

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peak hour for the right side. What this project does essentially is it takes a 10,000-square-foot restaurant and replaces it with 10,000 square feet of retail plus 20,000 square feet of residential plus 10,000 square feet of office space. Yet, the evening peak hour trips actually decline. I assume the reason for that is that the current space is a restaurant which has heavier traffic in the evening. If you replace it with something, it doesn't have so much traffic. Is that the explanation for that? It seems counterintuitive to take 10,000 square, add 30,000 square feet and traffic goes down.

Heather Ivey, Dudek Environmental Consultants: I'm Heather Ivey with Dudek. We prepared the environmental study. We did not do the traffic analysis, but I can answer the question on that. If you look at the total number of net project trips, it actually increases. The reduction is in the in-trips that would be going into the restaurant. There would be an increase in total.

Council Member Filseth: There's an increase in total trips.

Ms. Ivey: Seven.

Council Member Filseth: An increase in out-trips, but a decrease in in-trips.

Ms. Ivey: Correct.

Council Member Filseth: A restaurant is an allowed use under CN. If another restaurant moves in, then presumably the in-trips doesn't go down.

Mr. Lait: Except that the way the project's been designed, restaurant would not be a permitted use. There's insufficient parking to accommodate the restaurant.

Council Member Filseth: Thank you. That's my first question. My second question is—in the morning peak hour, the net trips increase by, I think, 12 trips in. If you look on Page 194 at the El Camino Real and Page Mill intersection, which is one of the worst in town, it shows that the morning traffic delay actually decreases from 65.7 to 58.8 seconds. Yet, we're increasing trips, but delay is decreasing. That's seems counterintuitive too.

Mr. Lait: Thank you, Council Member. I think what we'd like to do is have the consultant speak to that part of that report.

Council Member Filseth: It may be the same answer to the next one, unless I missed something. My third question is what we're looking at here on these pages has been existing plus project conditions. There's a second section right afterwards where it's background plus project conditions, which

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I think is existing plus future development in the area plus the project. I think that's what that is. If you look on Page 199—sorry, Page 194, we've got existing plus project that is that same 58.8 seconds we just looked at. It's the average delay in the morning at the El Camino/Page Mill intersection. If you look on Page 199, there's another table. Bear with me; I'll get through this quickly. That's the background plus project. It's actually ...

Mr. Lait: Council Member, I'm sorry. Not to interrupt you, but this is going to be a question that we're going to defer to the applicant's consultant.

Council Member Filseth: All right. We'll wait for the applicant. My last question is on Page 199, it says the increase in critical delay of 0.8 seconds, at the morning peak hour at that intersection, which in Palo Alto is not significant. If we use the Menlo Park standards, that would actually be significant. Just an observation. Now I want to ask a question about parking. The required parking in the Staff Report says it needs 108 parking spaces. If I look on Page 276 of the Staff Report, during the actual PTC meeting, in the minutes, there's a calculation from Staff—in fact, I believe it's from Ms. Gerhardt—that actually it needs 118 parking spaces. Where's the other 10? How did it change from 118 to 108?

Ms. Gerhardt: I believe the 118 that I was speaking of at that point is if you use the standard parking ratios versus this property is half in the California Avenue Parking District, and the other half we use our standard parking ratio for. There's not really a missing 10 spaces.

Mr. Lait: If you did not apply the California Avenue Parking Assessment District, you would have that 118 as a requirement. Because half or more of the parcel is within the California Avenue Parking District, they get the reduced parking standard.

Council Member Filseth: Because half the building is within the Parking Assessment District and (inaudible) it's 310 or something like that? It's 310, not 250. I saw that in the report.

Mr. Lait: Right, right.

Council Member Filseth: Thank you. Just one more question. The applicant is requesting a CUP to go above the 5,000 square feet of office space. As I look at the Code, it looks to me like you need a CUP if you want to put an ambulance service there. It's a use difference. Isn't what they need a variance, not a CUP, to exceed the area?

Mr. Lait: Let me see if we can find that section.

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Council Member Filseth: If you read the Code. At least I couldn't find it, where a CUP, the FAR changes.

Mr. Lait: There's certainly some uses that require a conditional use permit. Medical is one of them, financial services. Let me see if we can find that here. Here we go.

Council Member Filseth: I didn't see anything in the Code about a CUP that (inaudible).

Mayor Burt: If you want a moment, we can go to Council Member Kniss and return to that.

Mr. Lait: We'll find it. There's a reference in here that says you can do up to 5,000. Beyond 5,000, you need a CUP. We'll get the reference right.

Council Member Filseth: I didn't see that.

Mayor Burt: Council Member Kniss. Was that ...

Council Member Kniss: Two or three things that I think others have certainly hit on. One dealing with the office space which is on the ground floor, which is this site plan here. I'm going to presume is CUP space, or doesn't it matter which way we look at it? Does it matter whether we look at office on the second—it doesn't matter, right?

Mr. Lait: No, it does not matter.

Council Member Kniss: It's exchangeable. If we're not going to accept the CUP and take the office off the ground floor, making it all retail, how does that affect the parking? You've now eliminated office; you've gotten rid of that, whatever we're going to call that one, 4,000 or 5,000 square feet, turned it into retail.

Mr. Lait: Thank you. It's in the Staff Report. I think it's in the order of three, four or five spaces if you eliminated the office and converted that to retail. There's one important thing I want to just clarify.

Council Member Kniss: Yes, please.

Mr. Lait: The applicant would still need the—if you eliminated office on the ground floor, the applicant would still need a CUP for an incremental amount above 5,000 for the second floor.

Council Member Kniss: I think somebody referenced that before. Secondly, you just talked about what could go on the ground floor including that a

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restaurant cannot go in the ground floor. Could something that was first cousin to a coffee shop, something where you've got a building presumably full of people where something could be purchased that is some kind of food. Are you ruling out food and that's what's being ruled out by the restaurant or could a coffee shop of some kind come in or a small store, the kind that they might have in a hotel where you can pick up something to go?

Mr. Lait: I think in the past we've considered some coffee shops, like a Starbucks or a Pete's, to be like a retail-oriented use. I'll get confirmation on that. It's the sit-down restaurant service that they're not parked for it. It's just a much greater parking standard for that. When we do have the restaurants, it's the seating area. It could be designed in a way where there's not a lot of seating area that would push it beyond that standard.

Council Member Kniss: That option is open, though. I'm just hearing you say there cannot be a restaurant there. Certainly that has to do with parking. Looking back, I'm on Packet Page 57. This was a summation of the Planning and Transportation. There's far more at the back that I can go into some detail if necessary. The Commission and others have said why couldn't more housing go in there, why couldn't you get the 18 units. You have explained that there's not sufficient parking. If there isn't sufficient parking, but we're talking about concentrating on a TDM, in that situation if you were requiring the 18 units, could that have been mitigated by a TDM or not?

Mr. Lait: I think probably more by—if one wanted to go that way, I think I would look more toward the shared parking analysis. The shared parking analysis, based on that analysis, concluded that far more parking spaces could be reduced than what was proposed. I would not rely on the TDM for that.

Council Member Kniss: I know we're staying in questions, but I'll try to make it a question. It seems as though we might have tried to reach on this with 18 units. Was it something anyone suggested other than Planning and Transportation? It's only been a suggestion from one of the Commissions, correct?

Mr. Lait: That's right, from the PTC.

Council Member Kniss: It was never woven into the plans?

Mr. Lait: That's right.

Council Member Kniss: It remains 13 units, 1 BMR. It'd certainly be nice to have 2 BMRs, wouldn't it, rather than just one. I think that covers it other

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than to mention that, again on Page 265, I think that I would just draw that to your attention. It's in the middle of the page, runs from 21 down to 31, where they talk a great deal about the housing and what might have been considered for that area. Thank you.

Mayor Burt: Returning to questions, Council Member Filseth had one on the zoning requirement.

Mr. Lait: Yes, thank you. In the land use section of the permitted uses, office is identified as requiring a CUP. There's a reference to Code Section 18.16.050. As you read that section, it goes on to say for the CN district that no lot shall be permitted to have a total floor area of 5,000 square feet of office. Such uses may be allowed to exceed the maximum size subject to the issuance of a conditional use permit. The maximum shall be established by the Director. The Code provides for ...

Council Member Filseth: We're looking at 18.76 which is the reference there. I think you're right.

Mr. Lait: If you look at 18.16.060(b)(ii)—I'm sorry. What do you call that, the double "i" two? If you also look at (b)(ii), again another "B," ...

Council Member Filseth: I think you're right. I think you're right.

Mayor Burt: Council Member Holman, had a question about whether our Code has any requirements on the housing having common open space as opposed to private open space. Have we been able to—either Code or a Comp Plan policy reference—find anything on that? If you need to look harder, I'll go on with my other question. When we look at the—we have two parcels. It was very interesting that you said that they actually had been combined, we realize now, back in the '90s. The CC(2) lot, looks like it's about 50 by 120 feet. Is that correct? Would it be practically feasible for that 5,000 square feet of office and the parking that goes with it to have been built on that smaller lot?

Mr. Lait: That could have been a design that the applicant could have chosen. That's not what they proposed, but yes, the 5,000 square feet of office could go there.

Mayor Burt: Within all the other requirements that we would place? Setbacks and other requirements? It's not so simple as yes, they can put 5,000; therefore, they can do it. We have a whole bunch of requirements. My question is did Staff look at whether it could be practically done.

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Mr. Lait: No, we did not look at that. I am pretty sure they'd be able to at least build 5,000 and probably more.

Mayor Burt: With all the other requirements?

Mr. Lait: Yeah.

Mayor Burt: Setbacks, parking.

Mr. Lait: As an independently developed parcel, separate from the CN, parking would be the rub there, because then you'd have to provide the parking. That would be the limiting factor.

Mayor Burt: What are the setbacks on that? The adjacent is residential. Is that correct?

Mr. Lait: I think there's a Stanford medical facility adjacent to it. We're looking at setbacks now. A 10-foot setback in the rear, and 0-12 ... Again the parking would be the limiting factor, because you wouldn't be able to do a subterranean garage with a 50-foot width. If you did, it'd be very difficult to design that as an isolated parcel.

Mayor Burt: Anything turn up on this question about whether there is a requirement for common open space?

Ms. Gerhardt: There is no specific requirement for common open space. The Code requires usable open space, and the definition of that is very generic as far as just balconies and decks and things of that nature.

Mayor Burt: Thank you. At this time, we'd like to go on to hear from the applicant. The applicant has up to 10 minutes to speak. Welcome.

Galen Ma, ECRPA, Inc.: Good evening, Council Members. My name is Galen Ma; I represent the development team.

Mayor Burt: I guess since it's going to take a few minutes to copy a large presentation, let's begin to hear from members of the public, and then we'll return to the applicant. Our first speaker is Paul Machado, to be followed by Doria Summa. Welcome.

Public Hearing opened at 7:58 P.M.

Paul Machado: Good evening, Mayor Burt and Council. This proposed project worsens the jobs/housing ratio, decreases potential retail space and relies on pending TDM. It will increase traffic congestion, reduce parking in an already highly impact area. As a lifelong Evergreen Park resident, I am

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troubled the City would consider a project that is under-parked. It is upsetting to require residents to accommodate commercial parking in the neighborhoods while approving under-parked projects. The idea of reducing parking on a public street for a loading zone is particularly objectionable. The Architectural Review Board (ARB) noted this project was not consistent with other developments in the area, nor does it promote a desired pedestrian design conducive to a retail area. Surely the City should demand a much more compatible, attractive, forward-thinking, pedestrian and bike-friendly project than the proposal before you tonight. Thank you.

Mayor Burt: Thank you. Our next speaker is Doria Summa. Welcome.

Doria Summa: Good evening, Mayor Burt and City Council Members. Jeff Levinsky and I sent you a detailed email with our comments on this project, so I'll be brief this evening. The project before you does not meet all the Municipal Code requirements for an off-street loading area. Consequently, it doesn't meet its parking requirements either. It also would use public streets for private use, make traffic worse and retail worse through extra office space, not conform to its FAR limitations and is overly massive for its site as ARB Member Lew articulated. I ask that tonight you improve the project by adjusting it to conform with the Municipal Code and the policies of the Council and that you do not grant the CUP for extra office space. I just wanted to mention that the findings for CUPs say they will not be detrimental or injurious to the property, but goes on to say "or improvements in the vicinity and will not be detrimental to the public health, safety general welfare or convenience." I did want to mention that the Stanford Imaging Lab that is adjacent to this property on Sherman has for many years already had to use valet parking because there's such a paucity of available parking in the area. Thank you.

Mayor Burt: Thank you. Are we ready or still need more time? Our next speaker is Bob Moss, to be followed by Herb Borock.

Bob Moss: Thank you, Mayor Burt and Council Members. Speaking as one of the people who created the CN zone, this project violates all the basic principles that we intended for that zone. It's supposed to be a low-density retail serving the local community, not office space. Our intent was to minimize if not eliminate office space. Unfortunately, the Council compromised when the CN zone was actually adopted and does allow some office space in the CN zone. This project proposes more office space than retail. That is inappropriate. Furthermore, it worsens the job/housing imbalance. It's going to bring more traffic into the most congested intersection in the City. The design is not particularly consistent with what we'd like to see along El Camino. Landscaping seems to be missing

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completely. The sketches I saw didn't show very much. It doesn't take into account the fact that this area is being overdeveloped. We're seeing one project after another come in. There's a large housing development going in just a block or two away, down at California Avenue, which is going to bring in more traffic and more parking. The project has no particular benefits. It would be wonderful if we could get a project proposed which actually complies with the Comprehensive Plan, the Zoning Ordinance, Design Guidelines and restrictions on development in the amount of setbacks, height limits, consistency with the neighborhood. Instead, we're getting project after project like this which just hopes to make more money for the developer and screw the City and screw the government. I think we should put an end to this. I think we've seen too much of it. I think it's time to just tighten up and say, "No, this doesn't comply with the zoning. No, this doesn't comply with adequate land use. No. Come in and do something unprecedented, meet the existing zoning and don't ask for any conditional use permits or relaxations on the zoning." Wouldn't that be amazing, to have a project come in and do that? These people will never do it for you.

Mayor Burt: Thank you. Our next speaker is Herb—are we ready? We'll let the applicant speak so that the public has an opportunity to have heard them. We're back, and the applicant has up to 10 minutes to speak.

Mr. Ma: Good evening, Council Members. My name is Galen Ma. I represent the development team here. We'd just like to say that we're very happy and excited to have the opportunity to present our project before you guys this evening. With that said, I'd like to introduce Ken Hayes, our project architect.

Ken Hayes, Hayes Group Architects: Thank you, Galen. Good evening Mayor Burt and members of the Council. I'm also joined tonight landscape architect, the Hexagon traffic engineers as well as the TDM specialist. I want to thank Staff for helping us bring this project before you. It's been a long process. A difficult site. It is one site, though, so it's not a separate CC(2) site. It's about a 40,000-foot site and spans between Grant and Sherman. It has a piece of the parcel right there, that is the 6,000-square-foot portion of the single site that is actually zoned CC(2) where you could have 12,000 feet of commercial space with the 2.0 FAR. The surrounding uses, RM-40—we are concerned about that—CC(2) as well as CN. The view from the south. I think we're all familiar probably with these pictures of the Olive Garden. This is the view from the north and El Camino with the Coronet Motel on the left, very rural. This is the new Stanford affordable housing project across the street, four stories, directly across the street. It'll be nice to have something taller on this corner. This is on Sherman looking back towards El Camino Real. Our site is there where the palm trees are.

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This is interesting because we want to promote connectivity. This is Peral Lane; it runs behind the Coronet Motel. If you look down at the far end there, it connects to California Avenue which connects to the parking garage on Cambridge. It's this potential corridor that we're trying to sort of bring into the urban picture. This is looking the other way, towards our site from that alley. Our program is to create a three-story, mixed-use, commercial building. Our client came to us with 13 two-bedroom townhouses. We didn't really have to do any. We wanted to respond to the nature of the site, park in a subterranean garage, get as much parking below grade as possible, provide outdoor courtyard space, balconies and support sustainable systems. The Comp Plan encourages mixed-use projects in this area of El Camino and the Cal. Ave. We had a prelim ARB in November 2014. We had a neighborhood outreach meeting in July of 2015, and we sent out 550 notices. We presented the project to two attendees, and their main questions were about construction duration and when would the project be completed. We had a PTC meeting as I said; they supported it along with they asked for a TDM plan. Our TDM plan anticipates right now a 20 percent SOV reduction. The ARB at that hearing supported the project and asked for some modifications, which we did make, and then we went back and got the approval from the ARB after making those modifications to El Camino. I can show you what that is. The ironic thing is if we had proposed eight units or less and 17,000 square feet of office space, we wouldn't be in front of you tonight. I find that very ironic. The proposed site forces that we're trying to work with are keep the project away from the RM-40, so we have almost a 64-foot separation from the house on the RM-40 lot. We wanted to create this connection through this project that kind of connects Grant to Sherman without having to go out to El Camino Real. Two access points to the garage; one on that CC(2) part of the property off of Sherman and one on Grant. The one on Grant actually allows you to go down the ramp to the garage, but they are connected for onsite parking. The solar radiation is pretty severe. You can see the diagram in the lower left-hand corner. It gets a lot of south and southwestern sun on El Camino and Sherman. A lot of public space. We've set back trying to create nice sidewalks, amenities for pedestrians. We have benches; we have an abundance of windows for retail, multiple access points where all the arrows are. The main entry lobby will be there, where the yellow is. We wanted to engage and be coupled with the activity of the plaza space. Peral Lane, that force, sort of visual connection, then terminates at where we're proposing this plaza space. That plaza space is connected back to El Camino Real, and I'll show you how that takes form in a minute. Just a blow-up of the first floor. I won't get into a lot of detail, except that part of the office on the ground floor is 3,242 square feet plus ancillary support areas. Just to kind of put that into perspective, the balance is on the second floor. You can see all the recesses around all four sides of the building and the plaza, and then access points for

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multiple retailers around the building. Second floor, the office space anchors the corner, and then we have the 13 townhouse-style units. They're two stories, living area on the first floor with about 200 square feet of outdoor balcony. That's combined per unit. Then, you would go upstairs, and upstairs they each have two bedrooms and two baths. There is a half bathroom on that main level below. We have terraces also at this level, and then we're trying to introduce light. I hate walking down a double-loaded dark corridor in any kind of building, so we've introduced skylights on the roof in addition to 30 kilowatt photovoltaic array. The skylights are indicated there with the blue rectangles; they allow light to kind of come into that second floor hallway as there is no hallway on the third floor. It's very efficient from that standpoint. This is the elevations of—the resolution is not great. I apologize for that on this screen. The upper elevation is facing Sherman, ground-floor retail, lots of glass, lots of planter seat walls at the plaza. We're using a glass fin system, not unlike what you see at our building on the corner outside of City Hall, for the shading device on this frontage as well as on the office frontage here at El Camino. We like the rhythm of the units, trying to be expressive of the movement on El Camino Real and the individuality of the units themselves. We've created this repetition of the facade that has the demarcation of each of the units and a deep recess. You're going to get nice shadow lines across the front with about a 6 1/2 to 7-foot recess. The bottom elevation is facing the CC(2) site and the parking lot, if you will. You can see a stair that comes down from the office floor, which is on the right-hand side. That comes down to the plaza to try to engage with the plaza. This is the street view. A new project at 385 Sherman on the upper left. We kind of relate to that from a scale standpoint, far left. Our building is on the upper right. On El Camino Real, it's still pretty much parking lots there and a very low-scale hotel. Our building will be anchored in the center but also play off the four-story building across the street. It'll be nice to have the mass, I think, on both sides. A nice, tall retail space, 15-foot floor to floor on that ground floor. You can see the underground garage, and then the units are above. We are within the height limits of the CN district. A view from Sherman, bird's eye view. You see the stair coming out, down to the ground floor where the plaza is. That is a way in and out of the office if one chose. Our public art is actually designed and is going to go on the blank wall of the part that's over by El Camino, right there. There's a big public art that's going on there by Robert Lay [phonetic] out of LA. A view kind of coming in. Show you the hallway. On El Camino, we want to identify the entrance, and so we have that. It leads back. A view of how we've broken up the corner, created some benches on El Camino, etc. I kind of want to summarize because the light's on here. Regarding the CUP, the CN, as we know, allows 5,000 square feet of office without the CUP. The sites were once two sites; in 1996, they were combined. The Comp Plan actually encourages combining

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sites, because it makes them more efficient. You can get better parking scenarios and so on. My contention is that when the CN zone was inspired, 5,000 square feet was anticipated on both of these parcels, because it was two parcels. The Planning Commission had pointed that out in their discussion. We feel like the site—I can close now—could have 17,000 square feet of office without a CUP if the CC(2) portion had been developed, The 50,000-square-foot cap was not reached, and so we didn't think it was unreasonable to request the additional office space for the CUP.

Mayor Burt: Thank you.

Mr. Hayes: Thank you.

Mayor Burt: We'll now return to our final two speakers. Herb Borock to be followed by Rita Vrhel. Welcome.

Herb Borock: Thank you, Mayor Burt. The previous speaker said that if you developed the property in a different way, it wouldn't be before you. Any project approval that is made by Staff or by a Board or Commission can be appealed to the Council. It probably would be before you. You've had a discussion with Staff about understanding the numbers in the traffic analysis. The response from Staff was go ask the applicant. To me that provides substantial evidence that the Staff has not done an independent analysis of the traffic impacts of the project and are simply just stapling to the Staff Report an analysis that was done by the applicant. It's an advocacy position of the applicant. Environmental review, Staff needs to review what's presented by the applicant and provide their own analysis. If they had done, they should have been able to answer the questions that Council asked. You've also heard from Staff that you could not have a restaurant here because of the parking requirements, but I fail to find anything in the conditions of approval that would prohibit a restaurant. If it's true that this project as proposed could not support a restaurant, then a condition of project approval should be that there could not be a restaurant. Thank you.

Mayor Burt: Thank you. Our final speaker is Rita Vrhel. Welcome.

Rita Vrhel: Good evening. After seeing yet another big, massive project that has no impact on transportation or travel, I thought, "I'm not going to come tonight." Then, I thought, "You all are here," so I showed up. As Council Member Schmid keeps saying, traffic is cumulative. Over the last several years, we've seen several massive projects come in, each one of them touted as having no impact, even a miniscule impact on traffic. Yet, the corner of Page Mill, Oregon Expressway and El Camino is the worst corner in the City. It doesn't take 59 seconds to get through that

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intersection; it takes five minutes up to sometimes. My question is if none of the projects including this project have any impact on traffic, why is it such a mess. There are several large projects that are going in that haven't even been built yet. Yet, here we are, adding another underparked, massive project that again requests a zoning change. Honestly, when the developer bought this property, the price was most likely reflective of the zoning as it was. That probably reduced the overall cost of the property. If it had been up-zoned as is being requested tonight, the price would have been probably more. The developer buys the property, designs a project as massive as they can make it, and then comes to you, design in hand, and says, "Please, why can't you give us a conditional use permit?" or "Why can't you rezone it?" or "Why can't you make it so that we build the building that doesn't meet the current standards?" We've seen this over and over and over again. I think everybody's getting a little tired of it. Also, I think this is a wonderful project to start the no-car concept that was discussed at the last City Council meeting. It's close to bus and train transportation. Why can't there be more either market or low-income housing in this? Honestly, there is no parking on California Avenue. The whole area is inundated. Once the new police department goes in there, I don't know where anybody is going to park. Please review this project carefully, and please do not permit any changes in the current zoning. Thank you.

Public Hearing closed at 8:22 P.M.

Mayor Burt: Thank you. We'll now return to the Council for—Council Member Wolbach, you had a follow-up question from previously for the traffic consultant. I thought. Who asked it?

Council Member Wolbach: Filseth.

Mayor Burt: Council Member Filseth. Why don't we start off with just getting those technical questions clarified. Maybe, Mr. Lait, if you can frame them for the consultant, and we'll move forward there.

Mr. Lait: Sure. I'll just want to comment on Herb Borock's statement. This traffic analysis has been reviewed and vetted. If there's a failing on our part, it's by not having the Transportation Staff here tonight to speak to their peer review of that document. They have been at several community meetings lately, and tonight they took the night off. Perhaps that wasn't the best call on my part. We have reviewed the document; it has been vetted. It doesn't come anywhere close to triggering any of our California Environmental Quality Act (CEQA) thresholds. Granted, if we use different thresholds, that would be a different conversation, but that's not where we are from a policy perspective in terms of reviewing these projects. I believe

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at least one of the questions that Council Member Filseth had had to do with the traffic study on Page 40, Table 9. There was a question about the reduction of existing plus existing plus project and the reduced delay or the increase in delay, depending on how you look at it. I think that was one of the questions that was to be presented to applicant's consultant who, I believe, is present.

Council Member Filseth: If you look on Page 194 ...

Ms. Gerhardt: That's Page 21 of the Transportation Impact Analysis (TIA).

Council Member Filseth: Yes. In the morning, the average delay at the Page Mill/El Camino intersection appears to drop from 65.7 seconds to 58.8 seconds when you add the project. That seems counterintuitive. What's the rationale behind that?

Jane Clayton, Hexagon Transportation Consultants: I completely agree with you. I'm glad the question came up earlier. My name is Jane Clayton; I'm from Hexagon Transportation Consultants. I just checked the appendices. As far as I can tell—I was not the Hexagon staff member who did this report—the number for existing is wrong in that table. You caught the error. I apologize. For the A.M. peak hour, the existing should be 58.4, so that it does go up by 0.4 second. For the P.M. at that intersection, the existing should be 48.9. There is no change in average delay.

Council Member Filseth: That answers that. My other one was if you look at background plus project (inaudible). The other one looks like—am I reading this right? It actually does increase once you add the background, is what it looks like.

Ms. Clayton: Yes, it does.

Council Member Filseth: That makes sense. Thank you very much.

Mayor Burt: Who would like to go first? Council Member Wolbach.

Council Member Wolbach: A few comments, maybe at least one rhetorical question. Just to start off with framing considering this. My (inaudible) tends to be when we're considering a zoning change, we should be open to that when it benefits Palo Alto. The question for me when evaluating this, like any proposed zoning change, whoever is proposing it, is how does Palo Alto benefit. Looking at the existing use of the site, I think the existing use of the site is not great. I think the existing building is actually really unattractive. It's one restaurant. It doesn't utilize an important area very effectively. I think something better potentially could be there. I'm not sure

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exactly what we're seeing here tonight is a huge improvement. It's better in some ways; it's worse in some ways. I share ARB Member Lew's concerns about what this looks like from the street. I don't think it's very attractive. I think it's imposing. Aesthetically, it's not very pleasing. I think people who live nearby are not going to be impressed and are not going to be pleased by it. I think it's important to think about that and think about how we can take Board Member Lew's concerns into consideration. I do think it is a good location for housing. I appreciate that the applicant has looked for ways to add housing. I'm still looking for ways to add more. I'd be interested in exploring how we can facilitate that, how we could encourage that. I'd be interested in hearing how open to that the applicant is. I do think there should probably be more BMR units as part of that. I think honestly if we're looking somewhere in the 13-18 unit range, 20 percent of that would be two, three or fourish BMR units, somewhere in that range. I do think we need smaller units. We know this throughout Palo Alto that one-bedrooms and studios are what we're really lacking. Again, I'll go back to Staff and the applicant and ask what stands in the way of you being able to do that. We've talked in the past and have heard Council Member DuBois and others and I've said in the past we should really have a zoning option that's mixed use, that's residential heavy, where you can have the vast majority be residential with ground-floor retail or retail and a little bit of office. It seems that in this area in particular that's what would be most appropriate. I like that there is a lot of ground-floor retail. I think that's important. If I was looking at this correctly, it looks like it's unbroken on the street face, and then the office on the ground floor is tucked behind that. If you're going to have office on the ground floor, it makes sense to hide it like that. To be honest, Palo Alto doesn't need a lot more office space. What we really need is retail and especially housing. This question of how we manage the parking in association with whatever goes here is really, really important. I mentioned it before, and I'll just reiterate it. We've talked about having sites where the parking is decoupled from the housing, so that people could say, "I don't need a parking space. I don't want to pay for a parking space. Don't give me a parking space." Then, the question is where does their car go. What we have to do is find some way of enforcing that they are not going to be parking up the neighborhood and impacting quality of life and the impact of parking that exists already in that area. Again, we already have some RPP permits in some neighborhoods near there, at least in College Terrace. We're going to have more going in. I would speculate that Ventura is a likely candidate for also considering an RPP system in the not too distant future. I'm thinking about the future of this site in that context. I'm not sure yet how we proceed. I'm really interested in hearing from my colleagues and from the applicant about how do we proceed in having a better project that makes better use of the site than the current ugly building, but that isn't as visually imposing and is more welcoming to

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pedestrians and provides the residential space that we really need and could potentially be decoupled from parking in a way that's actually effective and avoids the negative impacts. That's how I'm starting to think about that. I'll leave my comments at that for now.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. There's a couple of good things about this project. I think the residential is a really good part of this project. I actually like the ground-floor retail as well. I think that's really good. A couple of things, I think. First of all, I think we should do away with the ground-floor office. I think that should all become retail. I think that would do away with some of the concerns about building more office and not having enough retail space, which I heard some of the speakers talk about. I think if we move in that direction, it becomes a much, much better project. I also was interested in the concept of the lift parking, because then they could park it. They could also deal with the four spaces they don't have currently. The other thing I think that's missing from this, that we talked a little bit about, is a really robust TDM program. I would be looking for something where we say the TDM program shall have a 30 percent reduction in trips. I think that's aggressive, and I think that would hopefully make the traffic situation better after this project. Whenever I say that, I'm also torn that here I am saying I want you to fully park it and have a 30-percent reduction in trips. I recognize the inconsistency in that statement. I guess I wanted to ask—you have some surface parking here. How much of this is surface parking? If it's okay, I was going to ask Staff; I wasn't going to ask the applicant.

Mayor Burt: Let's ask Staff.

Vice Mayor Scharff: Yeah, I was asking Staff. If you know the answer.

Mr. Lait: Calculate (crosstalk).

Mr. Hayes: I think there's 15 spaces onsite. We actually got rid of the four spaces. We had them; we got rid of them because we wanted to put more landscaping at the ground level. They are between the house on the RM-40 lot. On the Grant side of the building, we had more parking there. I think we'd still like to put it in the garage, because we want the landscaping.

Vice Mayor Scharff: One of the things I was thinking about is if we require the TDM program, the 30 percent reduction in trips which do a robust TDM program, I would assume you would go out, add Zipcars, bicycles, the whole nine yards of transit passes, both the bus transit and the Caltrain passes. I'm not trying to be prescriptive here, but I mean the whole nine yards, a good 30 percent trip reduction. I wonder if we could have some sort of

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concept that after three years of proving where you are on that, if there are all these unused parking spaces, I would hate to say you actually can't lease to a restaurant use if that's what you wanted to do after we've proven that there's a lot of vacant spaces in the building. I was just curious if that's something you can put in the CUP or how you would go about dealing with that so they wouldn't have to come back to Council if they could actually prove that three years running there's been 30, 40 empty spaces or whatever there is, and parking's not being used because our TDM is successful.

Mr. Lait: I think there are probably some mechanisms in the Code that would allow the Director to adjust or modify parking. I don't know that restaurant is—I think it'd be a good question for the applicant. I don't know how much the margin is for restaurants.

Vice Mayor Scharff: I wasn't suggesting they have to do a restaurant. I just thought if they wanted—I was just giving them more flexibility if they could actually prove it. Frankly, it does seem inconsistent in my head to say I want it fully parked and I want a 30 percent TDM project. We're sort of at that place where the community's concerned about whether or not the TDM really works. I don't think we're ready to take that leap of faith that you don't have to have that amount of parking. Are we making motions yet or not?

Mayor Burt: You can.

Vice Mayor Scharff: I did notice that we're at 8:30 P.M. I think we're supposed to be 8:15 P.M., so I'll try and move this along. I would move that we approve the project with the CUP but with a condition that it has to be all ground-floor retail, and that the project has to be fully parked, and that it has to have a robust TDM program that would include a 30 percent reduction in trips. Do I need to include that you should have transit passes and all of that? The Director basically does that is my understanding. I will just say a robust TDM program.

Mayor Burt: I will second it, but I'm going to have an amendment.

MOTION: Vice Mayor Scharff moved, seconded by Mayor Burt to:

- A. Approve the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program; and
- B. Approve the Record of Land Use Action approving the Site and Design Review, Conditional Use Permit and Architectural Review application to allow the construction of a three story, mixed-use development, with

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one level of underground parking on a 39,908 square foot lot at 2515-2585 El Camino Real; and

- C. Require the ground floor be retail; and
- D. Require the project be fully parked; and
- E. Require a robust Transportation Demand Management (TDM) program to ensure a 30 percent reduction in trips.

Vice Mayor Scharff: Do you want me to speak to it? We say as a community we want more housing. We say as a community we want mixed-use projects. We say we want ground-floor retail. This has ground-floor retail. Under my motion, it's all ground-floor retail at that point. It only has 5,000 square feet of office at that point—a little less, 5,700, whatever that number is. It's a de minimis amount of office in some ways. When we talk about some small amount of office, I think it was Bob Moss who came up and said that we should have a de minimis amount of office in this zone. I think it's addressing the concerns of the community. If we don't do what we're say we're going to do, which is we want mixed-use projects like this, and don't support them, we're going to get developers who say they don't believe us, and then we'll get the 17,000-square-foot office project with the eight units. Then, we'll complain about it's too much office and not enough housing. We'll go back and tell you to reduce the office, but we still won't get the housing. I think when you combine a robust TDM program with this, with the ground-floor retail and with it residential, this is the type of project that we have been talking about wanting as a community. Therefore, I think we should support it.

Mayor Burt: I think the switch to all ground-floor retail is a positive change. I'm very supportive of the 30 percent TDM mandate. I think that's what we really need most of all, no matter what the form of the project. That's basically cutting down the trips by that much, and that's what we want to move toward on all of our projects going forward, that or more. First, I'm not very trusting of lift parking. The places that I've seen it put in in the community, it gets used for storage and not parking. I'm really apprehensive about that. There's just no reason that we should need it fully parked if we're having this TDM program. We're just going to have it over-parked. If anything, what I'd be interested in is leaving it at the same parking requirement that we have now, 30 percent TDM program and put a small number of those surface parking spaces into a landscape reserve. Maybe it's not even a reserve; maybe just reduce it some and put that as common open space. If we have this TDM program and even reduce the parking demand by 25 spaces, the project's over-parked at that point.

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Rather than have a bunch of empty parking spaces that conceivably the developer could lease out to Stanford's medical next door that has valet parking because they don't have adequate parking onsite, I'd like to see some of that go toward the common space. I did have one other concern or question really, question and concern. That is about the plaza. It looks like a stark space. It doesn't look like a space that is going to be really used. I like the location of it being on the side street rather than on El Camino, but it doesn't look like the landscaping and seating are areas that will be positive. We see a lot of plazas that are just stark, open plazas. I would like to propose two amendments. One that we retain the current prescribed—excuse me. I want to revise that. We revise the current proposed parking by four spaces and dedicate that space to common open space.

Vice Mayor Scharff: You mean have less parking spaces?

Mayor Burt: Yes, at surface. I should say proposed surface parking by four spaces. That land be dedicated toward common open space. I should have said by four spaces from the Staff proposal. I guess that really—that the plaza, we direct Staff to work with the applicant to redesign the plaza so that it will be an active pedestrian-used area. I will leave it open as to what that really means. I think we have a sense of that. Are those acceptable?

Vice Mayor Scharff: Those are both acceptable.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove Part D of the Motion and add to the Motion:

- E. Reduce the current proposed surface parking by four spaces from the Staff proposal, with the resulting land dedicated to common open space; and
- F. Direct Staff to work with the Applicant to redesign the plaza to create an active pedestrian used area.

Vice Mayor Scharff: Now that you've said that, I think I have an amendment to my own Motion, if you'd accept it.

Mayor Burt: Go ahead, give it a shot.

Vice Mayor Scharff: My question is I'd like the applicant to be able to have seating there, outdoor seating, and put in a coffee shop and not be constrained, frankly, by parking requirements to be able to do that kind of

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thing. If they have indoor seating or outdoor seating, to not be constrained by ...

Mayor Burt: Are you saying that it would be a permissible use from the outset?

Vice Mayor Scharff: Yes.

Mayor Burt: I think we should think about what portion of the retail would be allowed to be essentially a small restaurant.

Vice Mayor Scharff: That's fine. I was actually even thinking of coffee shops. If they want to have a little outdoor seating or that kind of stuff, but yes.

Mayor Burt: It's a little tough to do this on the fly, but I wouldn't—if we, say, allowed up to 25 percent of the retail space to be for—essentially it's restaurant use. I would add that condition that up to 25 percent of the retail space be allowed for restaurant use.

Vice Mayor Scharff: That's good.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "authorize up to 25 percent of retail space be allowed for restaurant use." (New Part G).

Mayor Burt: I think with the 30 percent TDM, we're still in good shape on the parking. The other thing that we basically now are back to a project that has less office than arguably is permitted under existing zoning. It may not be the project that we all would design if we didn't have zoning, but we do. Going forward, we're going to have some opportunities to change our zoning, but we have to figure out what we can have as the best project possible under the zoning that exists today. I think these changes move it in that direction. Do all the speakers want to speak to the motion, I assume? Council Member Kniss.

Council Member Kniss: I want to try one more addition to this that will let me vote for this more comfortably. I asked the applicant or I spoke about this when I was doing my questions. I would like to see two BMRs rather than one BMR and in lieu contribution. I could either do that as an amendment and force it or ask the applicant if he would be willing to allow that. Your call, Mayor Burt.

Mayor Burt: I don't know whether the applicant would want to respond on the fly to that proposal or whether we simply put it in—I guess I'd have a

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question of our Staff. Under the proposal that we have here, which doesn't have the CUP for office, do we have that ability to add ...

Vice Mayor Scharff: It does actually have the CUP for office, because there's a tiny bit of office. There's 500 or 600 feet.

Mayor Burt: A very small amount. We do have that authority to add that condition?

Ms. Silver: This is a tough issue, because the increment for the required BMR is 95 percent. That 95 percent is being paid as a fee instead of providing ...

Mayor Burt: 95 percent of what? Say that again.

Ms. Silver: Point 95? Yes. The requirement under our BMR Ordinance is 1.95 units. Since our ordinance requires that if it's an increment like that, they have to pay a fee rather than rounding up. If the applicant is willing to provide that extra unit as a voluntary measure, that would be fine. If not, in order to require it as a condition, you would have to link it to one of your discretionary permits.

Council Member Kniss: Let's ask the applicant. May we?

Mayor Burt: Yep. Do we have an applicant's response to ...

Council Member Kniss: You're all but five percent to a second BMR unit. You could really endear yourselves to the community.

Mr. Hayes: They don't think they can support that second unit.

Council Member Kniss: They can't go that extra five percent.

Mr. Hayes: The office is a big hit as well.

Mr. Ma: I think if the office component is being completely changed to—the entire ground floor is retail now. That obviously changes our project in our eyes. To take the BMR unit which was going to be an in-lieu fee and force that as a full entitled BMR unit is quite a bit of change to our project as we envisioned it.

Mayor Burt: Thank you.

Council Member Kniss: Could I finish my (crosstalk)?

Mayor Burt: Yes.

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Council Member Kniss: That really does change the way I see this. I'm sorry to see that. I like the mixed-use aspect of it very much. I like the TDM, but I'm very troubled about not going that extra five percent. This is a community that is really looking for more housing. It's really looking for that opportunity to expand on our affordable housing. I don't know what that amount of money would be, nor is it my concern. I regret that.

Mayor Burt: The applicant appears to want to speak again. Go right ahead.

Mr. Ma: If I may. We are granting one unit as BMR as required and seeking to pay 95 percent or 0.95 of the secondary BMR unit as an in-lieu fee. If it was to be increased to one entire BMR unit, we'd be happy to take that extra five percent and pay that additional in-lieu fee to make it 100 percent essentially.

Mayor Burt: When the in-lieu fee is paid, it means it's provided but not at this site.

Ms. Silver: That's correct.

Council Member Kniss: Provided somewhere else in the City?

Mayor Burt: Yes. It goes into our housing—that's what the in-lieu fees go to.

Council Member Kniss: Thanks.

Mayor Burt: The applicant did offer to increase that to a full ...

Vice Mayor Scharff: If you'd like to increase that in the Motion, now would be the time. It becomes one full BMR in-lieu payment.

Council Member Kniss: In that case, let's add that into the Motion. That would include the five percent additional into the in-lieu fee of the 95 percent previously. Is that acceptable.

Mayor Burt: Do we simply say that the project would contribute a full BMR unit in-lieu fee? Is that the best way to say it?

Ms. Silver: Yes. As a voluntary applicant proposal.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to add to the Motion, "require the project contribute one complete unit of in-lieu fees towards the Below Market Rate Housing Fund." (New Part H)

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Council Member Kniss: Mayor Burt, because I think the public deserves to know, I don't know what amount of money that is or what that would be or where does one ...

Mayor Burt: Let's focus on that then. Does Staff have the dollar amount that—do you know? How's it calculated?

Mr. Lait: It's seven percent of the ..

Mayor Burt: Sorry, seven percent of what?

Ms. Silver: It's seven percent of the sale of the prior unit. We don't know until the units are sold.

Mayor Burt: That's the calculation method, seven percent of the sale of ...

Ms. Silver: The other units in the building.

Mayor Burt: That's what we can come up with.

Council Member Kniss: Thanks.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I keep staring at this project and trying to see how it fits, and I can't do it. I think the Motion is attempting to do it, but now I think we have a motion that's just way too directive in trying to define a building through a Motion. I think we're trying to squeeze an elephant into a tutu, essentially. Rather than nibble around the edges, I'd like to make a substitute Motion that we deny the project as we cannot make the site and design findings.

Mayor Burt: You have to state what findings you can't make.

Council Member DuBois: I was going to do that in my comments, but they need to be in the Motion?

Mayor Burt: Does that have to be part of the Motion as the basis for not being able to make the site and design findings?

Ms. Silver: It does, unless you want us to come back at a Staff level and come up with some findings.

Mayor Burt: I think it would be good to include the basis for the site and design denial in the Motion.

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Council Member DuBois: Based on loading space, traffic concerns, mass and scale and parking.

Council Member Holman: I'll second, but I'm not sure those are the right findings.

SUBSTITUTE MOTION: Council Member DuBois moved, seconded by Council Member Holman to reject the proposed project based on an inability to make the following findings; loading space, traffic concerns, mass and scale, and parking.

Mayor Burt: Yeah. We need to make sure that findings are legally defensible. I'm not sure how a traffic concern is a basis for denial.

Council Member DuBois: If I could speak to it, and then I'd accept amendments.

Mayor Burt: All right. Go ahead and speak to your Motion.

Council Member DuBois: On the zoning side, I think for clarity it would be useful to consider the entire property the CN zone. I did get the sense that—I don't want to call it double dipping—we were considering both zones and saying, "If it was CC(2), it could be this." For clarity in the future too, I think once it's built we should consider it a single zone. Why consider a CUP? I don't think it meets the findings for expanded office. I think my colleagues agreed with that in the motion here. I'm concerned about the loading space issue, that the building is too big. We need to have utility space to support the building. The loading space on Emerson, I believe we're losing street parking. I looked at Google Maps during the meeting. I think there's a bus stop in front of the building on El Camino. The other loading zone, which is dual use with parking, again, I don't think we've done that. I think we're already short on parking, and so we're calling the loading zone parking as well. On the traffic, I'm really just concerned about the dated information in this very dynamic area. There are a lot of projects under way. VTA has announced bus cuts on the routes, and the bus service was cited heavily in the traffic report. I believe the Page Mill intersection is worse than it was in 2013. The biggest issue for me is scale and mass and compatibility. It appears to go over the allowable FAR, and it's this issue of how do we assign the common spaces based on residential and office. I think if you did it on a square footage basis, it would actually exceed the FAR. The frontage is just too long. You look at it; it's 240 square feet straight through. There's nothing like that in the Cal. Ave. area, particularly in the CN zone. I look at A2 here, the building and context, I think it's pretty striking. It's as striking as the 429 University project that we looked at. It's all kind of one story, and then you have this building inserted there.

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I don't think it's compatible from that perspective. Again, I think my colleagues already agreed with me. I do think the bottom floor should be ground-floor retail. I think that was the intent of our Retail Protection Ordinance. In that ordinance, we said that the public's health, safety and welfare are detrimentally affected and related uses are priced out by rising rents. I think the intent really was to protect retail on the ground floor. We talked about impacts in the ordinance of health benefit impacts with increased traffic congestion, vehicle miles traveled and greenhouse gas emissions. I think those apply here. Finally, in the parking, I actually attended the ARB preview of this project back in November of 2014. Back at that time, it needed 119 parking spaces. Tonight we heard, because part of it is in a defunct parking assessment, we lowered that parking to 108. That just doesn't make sense to me. We're lowering the parking, but we're not collecting fees to build a garage because the Assessment District is closed. We're at least 15 spaces short and potentially more given office densities. Finally, the CN district is really for neighborhood-serving retail. The CN zone talks about types of uses. I feel like this is just too much building for a CN environment. I think there are some positives that my colleagues mentioned, but that doesn't mean it meets the requirements. For those reasons, I don't think I can meet the site and design findings.

Mayor Burt: Council Member Holman.

Council Member Holman: I'll be specific here. For me, it's actually more the ARB findings that can't be met. Specifically it's—they're lumped together in the Staff Report here. It does not promote orderly and harmonious development in the City. Council Member DuBois noted how this is a block-long development that has two different design components; one of them being quite dominant of the whole. I think it's 240 or so feet; I didn't find it, but I kind of measured it out. I cannot make compatibility and character, Finding Number 2 that design is compatible with the immediate environment of the site. I cannot make Finding 4. This finding of compatibility with unified character is not applicable, it says here, but I don't agree with that because there are patterns of development on El Camino and, I would say on—Grant is the north side? Or is that Sherman? Sherman. If you look at the drawings in the plan sets, if you look at how much bulk and mass there is to those buildings or to the building on the Sherman side, it has no relationship whatsoever to the other buildings on Sherman, none. Also Finding Number 5, the design promotes harmonious transitions in scale and character in areas between different designated land uses. Finding Number 6, the design is compatible with approved improvements both on and offsite. I think I've already spoken to that. Just look at the context. There's no relationship. I would say that if this project gets approved the way it's designed, then we're going to set up the standard so that the next projects

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are going to be block-long buildings of the same design. I appreciate that there are two different designs here, but one is really kind of on the end. The vast majority of this building's streetscape is one design. I think ARB Member Lew had it right. He talked about this very thing. I would also refer us to the ARB findings that were revised. While they have not been adopted yet, the Council did not make any changes to the findings that were sent to the ARB that talked about different design elements being afforded. I think we may have put 65-foot streetscape elements, so the buildings would be differentiated, I think, every 65 feet. I think that's what it was. I can't make the ARB findings. I rather agree with Council Member DuBois. I think in the substitute motion we need to add that we can't make, if Council Member DuBois is agreeable to this, ARB Findings Number 2, 4, 5, 6. I don't know if the promoting orderly and harmonious development in the City and promote (inaudible) environments of higher—I'll just say promote. I don't know if that's Finding Number 1 or Finding Number 16, so whichever one that is. The other thing that needs to be fixed on this is the on-street loading needs to become off-street loading. That's a Code compliance issue from my perspective. We're just becoming more and more—we're creating greater and greater impediments to traffic and transportation in the community by allowing on-street loading as opposed to off-street loading which is required by Code. I appreciate absolutely colleagues who have made some changes per the original motion. I just think it is not enough. I think the basic building design itself needs to change to be consistent with ARB findings. After all, those do need to be made; they are legally required to be found. I think with that—again, just in the motion too, both the El Camino side and the Sherman side cannot make Findings 2, 4, 5, 6. If it's Finding 1—I think it's Finding 1? Finding 1. Again, this is on both the Sherman and El Camino street faces. Thank you.

Council Member DuBois: Can I ask you a question about your amendment? I think we also had to make the site and design findings. Are those purely ARB findings?

Council Member Holman: The ones I referenced are purely ARB findings. If you note, the description is approval of site and design and architectural review application.

Council Member DuBois: Right. I'd like to include both of those.

Council Member Holman: Pardon me?

Council Member DuBois: I'd like to include both of those, site and design and architectural review.

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Council Member Holman: I didn't take out your site and design. I just put in my architectural—what I find to be the architectural review findings.

Council Member DuBois: If you could say the following site and design findings. Thank you. I'll accept that amendment.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER "Council cannot make Architectural Review (AR) Finding Numbers 2, 4, 5, and 6. The Sherman Avenue and El Camino Real street faces cannot make Finding 1."

Council Member Holman: Hang on a second.

Mayor Burt: I don't see where the site and design findings (crosstalk).

Council Member Holman: Those aren't site and design findings. Mine are Architectural Review Board findings; mine are ARB findings. If you want to have in here that you can't make the site and design findings and stipulate why, then fine. The ARB findings are the numbers.

Council Member DuBois: The site and design findings were basically that it's not detrimental from a health, safety, welfare or convenience perspective.

Mayor Burt: Our site and design findings, there are three different ones. I'm sorry. Four. Which number are you referring to in site and design?

Council Member DuBois: I'm sorry. What page are you looking at?

Mayor Burt: Staff Report 63 and 64. Where were you looking? Is that where you were looking?

Council Member DuBois: I was looking at the characteristics of one. I've seen it written in a different way, which was again public's health, safety, welfare, convenience are not detrimentally impacted. Maybe Cara can help me on ...

Mayor Burt: I'm sorry. Where are you reading that?

Council Member DuBois: Are these the site findings on Page 63?

Ms. Silver: Yes, 63 through 64 are the four site and design review findings. The ARB findings appear right after that in Section 4 of the draft Resolution. I also heard you talk about the conditional use permit findings, which are listed on Packet Page 69, Section 5 of the Resolution.

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Council Member DuBois: I would say inability to make the Site and Design Findings 1 and 4. You can take out the rest of that to the period.

Mayor Burt: I think if you're going to make "4," you want to reference what that is in the Comp Plan, and not just saying it doesn't comply with Comp Plan. That's, I think, too general.

Council Member DuBois: I'm sorry, David. Can you put those back?

Council Member Holman: If I might. Before architectural review, it says, "further, architectural review findings" blah, blah, blah, "on El Camino Real street faces cannot be met."

Council Member DuBois: I'm sorry. I don't understand what you're saying.

Council Member Holman: I'm just clarifying because ...

Council Member DuBois: Got it.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "Council cannot make Architectural Review (AR) Findings Numbers 2, 4, 5, and 6. The Sherman Avenue and El Camino Real street faces cannot make Finding 1" with "further, Architectural Review (AR) Findings Numbers 2, 4, 5, and 6. The Sherman Avenue and El Camino Real street faces cannot be met."

Mayor Burt: Is that what you mean to say, "El Camino Real street faces cannot be met? That doesn't really seem to describe what you're referring to.

Council Member Holman: That is what I'm referring to.

Mayor Burt: Street faces can't be met.

Council Member Holman: It's supposed to be "further, architectural review findings" ... "on Sherman and El Camino Real street faces cannot be met." How about "as they relate to"?

Council Member Filseth: (inaudible) sense. It's findings cannot be met, not street faces cannot be met.

Council Member Holman: Either way you want to transpose it, it's still the same thing. "1," "2," "4," "5," "6" cannot be met regarding the Sherman Avenue and El Camino Real street faces. Does that clarify it for folks?

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Mayor Burt: That's better.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "2, 4, 5, and 6. The Sherman Avenue and El Camino Real street faces cannot be met" with "2, 4, 5, and 6 cannot be met regarding Sherman Avenue and El Camino Real street faces."

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "to make the following findings" with "to make findings in regards to."

Mayor Burt: Council Member DuBois, I think you're going to need to say what it is about the Comp Plan that you don't think it meets.

Council Member DuBois: That's what the rest of the sentence there is meant to cover. Instead of following, it should say "in regards to loading space."

Mayor Burt: That's pretty vague.

Council Member DuBois: I think I'd be happy to have Staff come back with making it compliant for those things based on my comments.

Mayor Burt: I'm sorry. It's incumbent on the Council to say what the findings are. If you're saying it's not compliant with the Comp Plan, then you have to say how. You can't just say ...

Council Member DuBois: I think I made my comments.

Vice Mayor Scharff: I think you need to say which Comp Plan policies it does not (crosstalk).

Mayor Burt: Policies and programs.

Ms. Silver: There are some statements on the record that we could use to support a finding of denial on Finding Number 4 with respect to compatibility. What I would suggest is—we don't have that language here right now. What I would suggest is that, if the motion does pass, Staff would come back with a draft resolution, put it on Consent for the Council's approval.

Council Member DuBois: That would be acceptable.

Mayor Burt: I would say we have to be cautious about just making blanket statements that we think it's not compliant with the Comp Plan without being concrete about how that is. It's a really important (crosstalk).

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Council Member DuBois: There were several cited in the Staff Report. I don't want to pull them all out now. I'd rather have Staff do that.

Mayor Burt: Staff isn't denying a project.

Vice Mayor Scharff: Staff recommended approval.

Mayor Burt: Yes. I'll say again that I believe it's incumbent on the Council, if we're doing a denial of a project, to state clearly the basis for that denial.

Council Member DuBois: I think I had, and I think I've heard Staff say they understand that and they could come back if they're directed to find that it's rejected.

Mayor Burt: I'll say I think this is a bad process and not a good precedent for the Council to ask Staff to cull from a variety of comments that were made which ones are a basis for the denial of a project. That is not good, sound policymaking. It's not something that is, I think, properly, legally defensible for the City. I don't know whether the City Attorney wants to wade in on whether that kind of process of asking Staff to come back with plucking from a range of comments that were not the basis of a motion—they were comment and questions—to determine what was the basis for the denial.

Council Member DuBois: I disagree. We've done it before. Again, they weren't questions. They were my comments to my motion about my reasons.

Mayor Burt: When we deny a project, we're obligated to be clear on the basis.

James Keene, City Manager: May I just say something before the City Attorney speaks? I think there are at least two levels to this. In one sense, the Council has an obligation to have its own discussion amongst itself when you're making your collective decision whether to approve or to deny. There needs to be enough that the Council presents to the Council for you all to be able to make something of a judgment on that. It may be then after that fact, if there is a denial, that the Staff goes back and refines some of the findings and those sorts of things. I'm not so much speaking to this example, just in general. I don't think we can have a practice where it's not specific enough and then the Staff just sent off to figure out what those should be after the fact. I do think that the Council should feel that the case has been made in a compelling enough way that you can confidently vote to deny it in one sense, separate from whether you have a different opinion or not. Then, the Staff is in a better position to be able to supplement that.

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Mayor Burt: When I look at the Motion and it says Findings 1 and 4 for referring to the Comp Plan consistency regarding loading space, traffic concerns, mass and scale and parking. I'm not aware—I know the Comp Plan pretty well, but not verbatim every program and policy. I'm not aware what loading space reference there is in the Comp Plan. A traffic concern is not a Comp Plan policy or program that this project does not comply with. Mass and scale, I can see where that is something that is arguable. On the parking, we have to say how it's not consistent with the Comp Plan and the zoning. We can't reference the Comp Plan if a zoning allows something. We can't say we think the Comp Plan is in opposition to our zoning. That doesn't trump our zoning. We can't just throw around the Comp Plan. We have to be—I'm not saying there isn't a basis to reference the Comp Plan as a basis for denial. I'm saying you can't just throw it around as if you blanket the wall with the Comp Plan and don't say how it's really being not complying.

Council Member Holman: Council Member DuBois, could I offer an amendment to try to hopefully clarify this? If you'll bear with me here for a moment. Edit the Motion. "Reject the proposed project based on the inability to make Site and Design Finding Number 4 which includes Policy L-28"—I'm sorry, Policy L-12. I can't read. "Policy L-12, which the project does not comply with." Then, delete "in regards to loading, traffic concerns, mass and scale and parking." Take those out. "Nor does the project satisfy Architectural Review Board Findings" as you have it there. After "faces," add "additionally, there are Code compliance issues having to do with off-street loading." Council Member DuBois, I think what you were talking about, mass and scale, that's captured in the ARB findings that can't be met. You don't need to say those. I think this might get you there.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "findings in regards to loading space, traffic concerns, mass and scale, and parking further" with "Site and Design Finding Number 4, which includes Policy L-12, which the project does not comply with and in regards to loading space, traffic concerns, mass and scale, and parking, nor does the project satisfy."

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "additionally there are Code compliance issues having to do with off-street loading."

Council Member DuBois: I do think Site and Design Finding 1 and 4 would apply. "1" is that it's ...

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Council Member Holman: If you can how it doesn't.

Council Member DuBois: Basically "1" says it's harmonious and compatible with existing uses.

Mayor Burt: May I add that Site and Design Finding 1 may be more valid than L-12, because L-12 actually is about residential neighborhoods. I think the issues that have been raised have been principally around its relationship to surrounding commercial.

Council Member Holman: You are correct there.

Council Member DuBois: We lost the parking and the idea that the Parking Assessment District is no longer functional.

Council Member Holman: Could you add "with off-street loading, parking"? Whatever you want to add, but add it there. You're talking about Code issues.

Council Member DuBois: Okay. Just say "and parking."

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "and parking."

Mayor Burt: Can we get a Staff clarification on the parking as it relates to the Assessment District, the portion of the project that falls within the Assessment District? Is it that they are essentially credited with a certain number of spaces from this lot having paid previously into the Assessment District? Is that the basis?

Mr. Lait: It's the standard in the Code. It's the delineation of this parcel being in the Assessment District and it's the language in the Municipal Code that says if you're within this delineated area, these are the parking standards. It's a bit of a challenge for us looking forward for future projects, if projects are within this boundary, but we haven't changed the Code to reflect a different standard.

Mayor Burt: I think that assertion is problematic. Maybe we need to hear from the City Attorney on that.

Council Member DuBois: Do we have an Assessment District if we're not assessing?

Ms. Silver: It's a designated parking area. Instead of calling out the parking requirements in a CC zone, some pieces of our Code refer to a particular

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area as the assessment zone. It's the same as Downtown. Our parking requirements in the Downtown Assessment District are based on a blended rate of 1 per 250.

Mayor Burt: Let me try this. Whether or not we think this is currently a good zoning requirement, it is the law. We as a Council have said we want projects to comply with zoning. We can't say in this case we don't like the zoning, so we're going to deny a project that complies with what might be bad zoning, because we don't like it.

Council Member DuBois: Maybe it's overly focused on the word "assessment." I know we closed the assessment period. I will ...

Mayor Burt: It is the zoning ...

Council Member DuBois: ... strike the "and parking" based on that.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion, "and parking."

Mayor Burt: I think this is becoming a sounder Motion. I'm going to clear the board and let people speak to the substitute Motion. Council Member Filseth.

Council Member Filseth: I was originally going to speak to the original Motion, but let me say something on this one. I think it's a reasonable location for housing actually. The subject of the substitute motion is mostly about the architectural review findings. This building is a block long and 40 feet high, and there's no other building like that in this area. I think the harmonious transitions and so forth, the compatibility issue, is really questionable. If we build this one, then there's going to be others like it all the way down the street. Actually that was called out by at least one of the PTC Commissioners as a reason to actually do it, which I think is not a good reason. I'm inclined to favor Council Member Holman's interpretation of the ARB findings over the original. Even with retail on the bottom floor, it still adds more jobs than housing. I don't think that's got to do with the architecture. I think this is really about the architecture. Thanks.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I'm, one, pleased to hear Council Member Filseth say that he think it's a reasonable location for housing. I think it does still not help our jobs/housing balance. The problem here—again I'm looking for my colleagues to also weigh in on this. We've been talking about it for a

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while. If we're not going to do it tonight, we need to get on it soon and establish zoning policies, which would regulate and mandate more housing and less jobs in mixed use. If we can't do it for this project, if that's what I'm hearing, that we can't mandate that here, we need to move on that. If that means we need to write a Colleagues' Memo and get it submitted ASAP, we'll do that. I want to make sure that, if we can't do it tonight, we can do it the next time a project is brought forward. I think that's important. Those are the kinds of things we should see all over Downtown and Cal. Ave. We should have a precedent, and then others should copy it. It should be attractive, pedestrian-friendly buildings that have lots of housing and only a little bit of jobs. I often hear people say that this Council and past Councils have been guilty of bending over backwards to approve whatever a developer wants. Sometimes I've felt that that has been a fair critique. I also think it's important that, when we're using reason and applying the law, not just Council fiat, that we're not bending over backwards to oppose something. I don't wake up and think, "What can I do to block something different or new in Palo Alto?" I wake up thinking, "What can we do to deal with traffic and parking and ugly aesthetics and the jobs/housing imbalance?" I'm not inclined to support the substitute Motion, because I think that the first motion was starting to actually deal with some of those problems, reducing the office, addressing the parking and traffic concerns. It hasn't really addressed one of the other concerns that I mentioned earlier, and others have and ARB Member Lew pointed out, which is the aesthetics. That seems to be one of the strongest arguments in favor of the substitute motion, which I'm not going to support. I'm almost tempted to, and I'd like to hear from the applicant how open they are to revisiting the design as it faces all three streets, whether that means they could separate it into two pieces. You could have a walkway through the middle, so it's broken up or, without getting into ...

Mayor Burt: Council Member Wolbach, we really need to—I'm sorry. Just a moment. We really need—one, we're not going—the motion before us is not about a redesign. That's not what we're addressing right now. We need to focus on response to the substitute Motion before us.

Council Member Wolbach: If it's acceptable to the Mayor, I'd like to ask the applicant if they have a response to the concerns about the architectural design as addressed in ...

Mayor Burt: No, that's ...

Council Member Wolbach: ... the substitute Motion here before us right now.

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Mayor Burt: The answer is no. That's not really germane to the Motion. That's not what gets negotiated in this Motion.

Council Member Wolbach: Actually I think that's exactly what most of this Motion is about.

Mayor Burt: Sorry. I decline to go in that direction. Council Member Scharff—Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. I have several concerns with the substitute Motion. First the Mayor addressed some of them. I actually have concerns with Number 1 as well. The way I read Number 1, it says the use will be constructed and operated in a manner that will be orderly, harmonious and compatible with the existing or potential uses. We're not talking about design; we're talking about uses. For me, I do not see how we can possibly say that ground-floor retail—if somebody else would like to address this—how ground-floor retail on El Camino is an incompatible use. It seems absurd. I don't get it. I'd ask Council Member DuBois or Filseth or Holman at some point to explain—I guess not Filseth, because you said it was just design—of why Number 1, why that would possibly be. Housing, unless we're saying that El Camino is an inappropriate place for housing, because that's what this project basically is. It's housing, ground-floor retail and a little bit of office. There's also little bits of office on El Camino as well. I don't see how Number 1 at all meets that criteria. For the reasons that the Mayor said, Number 4 is about a residential neighborhood on El Camino, right there. I don't see how Number 4—I know we went back and forth on that over and over. I don't see how "1" or "4" gets you there since "1" or "4," in my view, don't even pass the smell test in getting you there. I think the question is do "1," "2," "4," "5" and "6" on the architectural review findings provide a reason to deny a project. My understanding is that denying it based on the architecture, which is what Council Member Filseth said we should do, is not a reason to deny a project that meets the zoning. What you're supposed to do at that point is send it back to the Architectural Review Board. I guess I'll just ask Staff that. If you don't have "1" and "4," you can't make those findings, isn't the appropriate thing to do, if you're just basing it on architectural review, is that a basis to deny a project, purely based on architectural review or are you supposed to send it back to the ARB?

Ms. Silver: You can deny a project because you can't make the architectural review findings.

Vice Mayor Scharff: Really? You don't have to send it back? You can deny it?

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Ms. Silver: You have the option of sending it back to the ARB or you have the option of conditionally approving it so that you can make the findings or you just deny it.

Vice Mayor Scharff: We don't need "1" or "4." We can just deny it based on the architectural review findings.

Ms. Silver: That's correct.

Vice Mayor Scharff: As I said, I think this project does meet "1" and "4." I think that it meets the architectural review findings as set forth in the Staff Report.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I support the substitute Motion. I think the facade along El Camino has been pointed out now numerous times as a critical issue. It has an impact not just on that street, but on future developments along El Camino. I also think the Planning Commission said a Transportation Demand Management solution should be established for the building. I think that deals directly with the Site and Design Number 1, operated in a manner that will be orderly, harmonious and compatible. My concern about the TDM is, in the earlier questions, the Staff made the point that they were thinking about or working toward building a TDM; we did not have it yet. This approval tonight would lead directly to production to a site. I think there's a serious disconnect between the request of the PTC for an effective TDM program and where the City is in building, thinking about, constructing an effective TDM program.

Mayor Burt: I agree that we do have a disconnect between our current zoning including TDM and what we would like to see going forward. Again, I want to make sure that we as a Council are focusing on our obligation to review projects based upon current zoning. I do find that there is—I had been struggling with us—that Finding Numbers 5, having to do with harmonious transitions in scale and character, and 6, compatible with approved improvements both on and off the site, are arguably a sound basis to deny the project. I cannot see where Findings 1, 2 or 4 can really be made well. Finding 1 is the use will be constructed in a way that's orderly and compatible not with the City, not with our transportation, but uses of adjoining or nearby sites. I don't see this as an incompatible use. I could not support the motion with Finding Number 1 included. Finding Number 2, I think is also a stretch, as is Finding Number 3. I would like to propose to the maker and the seconder that the claim of incompatibility with Findings 1, 2 and 4 be deleted and "5" and "6" remain.

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Council Member DuBois: Was it the ARB findings?

Mayor Burt: Yes.

Council Member Holman: Could I speak to that before the maker? Is that okay?

Mayor Burt: Pardon me?

Council Member Holman: Could I speak to that before the maker, if that's okay?

Mayor Burt: Go ahead.

Council Member Holman: I'm looking to Staff because, when I introduced Finding Number 1, I asked about what's on Packet Page 64. It says promote orderly and harmonious development in the City. That's the first bullet. I was told that that was Finding Number 1. Did I misunderstand?

Mr. Lait: I'm sorry, Council Member Holman. I believe that I may have been incorrect. The first finding is the design is consistent and compatible with applicable elements of the Comprehensive Plan. That's Finding Number 1.

Council Member Holman: What then is promote orderly and harmonious development in the City? What does that refer to? What finding?

Mayor Burt: I'm sorry. I was referring to site and design review findings. I'm mistaken. It's confusing.

Council Member Holman: I've been focused on ARB findings. I'm okay with taking out the site and design review findings. I have another suggestion. If Staff can tell me, promote orderly and harmonious development in the City, what finding is that?

Mr. Lait: That's related to Finding 16.

Council Member Holman: Sixteen?

Mr. Lait: Yeah. Those bullet points are in relation to Finding 16.

Council Member Holman: It really should be then ... Bear with me. It really should be "2"—we'll delete "4," if that is more consistent. It should be "2," "5," "6" and "16." Is that correct?

Council Member DuBois: What about ARB Finding 1?

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Council Member Holman: What's that?

Council Member DuBois: What about ARB Finding 1?

Council Member Holman: We weren't able to list those, so I'm leaving that one out. I'm trying to be somewhat expedient here. ARB Findings 2, 5, 6 and 16. Could I also suggest ...

Mayor Burt: Sorry. Are you also—since I was mixing site and design and ARB, I was referring to Site and Design Finding Number 1 that is talking about use.

Council Member DuBois: If I could comment on that one. The way I read that—it says the use will be constructed in a manner that's compatible with existing or potential adjoining uses.

Mayor Burt: Uses, not design. It's how the property is used. Is it retail, is it office, is it ...

Council Member DuBois: It talks about construction of this building.

Mayor Burt: It's uses. What does okay mean?

Council Member DuBois: We can strike it.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "Findings Numbers 2, 4, 5, and 6" with "Findings Numbers 2, 5, 6 and 16."

Council Member Holman: Can I suggest to the maker that I may have something here that can move us along, I think? If we take out reference to the Site and Design Finding 4, and we change "reject the proposed project" to "return the project"—just listen for just a second—"refer the project back to the ARB" as opposed to "reject the project." "Refer the project back to the ARB such that ARB Findings 2, 5, 6 and 16 be met." That way we get the uses that people are pretty happy with, and we get a better design, and we're not rejecting the project.

Mayor Burt: It doesn't embrace any of the other merits to the original Motion.

Council Member Holman: Okay. At the end ...

Council Member DuBois: Rather than design the building through the motion, I think the applicant has heard our comments. We could refer it back—whether it's rejected and they go back to ARB or we refer it back, it

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seems to be the same thing. They've heard all your ideas in the other motion as well, so I'm not sure that we need to have a motion that captures all this.

Mayor Burt: I would say that ideas in a motion that didn't pass have no bearing. That's not how we conduct business. If we're giving direction ...

Council Member DuBois: I'd prefer that.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "reject the proposed project based on an inability to make Site and Design Finding Number 4, which includes Policy L-12, which the project does not comply with, nor does the project satisfy Architectural Review (AR) Findings Numbers 2, 5, 6, and 16 cannot be met" with "return the project to the Architectural Review Board such that Architectural Review (AR) Findings Numbers 2, 5, 6, and 16 cannot be met."

Mayor Burt: This is not a Study Session.

Council Member DuBois: I understand. If we refer it back or reject it, I'd prefer the applicant to design the building.

Mayor Burt: To design the building. I'm not sure where design has even come in here. I don't see any guidance on design other than saying what it's not compatible with. The initial Motion has nothing to do, that I can see, with design. I don't know if you're using the term design different from its proper form of art.

Council Member DuBois: I'm using it loosely.

Council Member Holman: Mayor Burt?

Mayor Burt: These things matter.

Council Member Holman: Can I add then, because you're exactly right, in the substitute Motion for the ARB and applicant to address incorporating "D," "E," "F," "G" and "H" from the original Motion?

MALE: How about "C"?

Council Member Holman: "C" as well.

Mayor Burt: That's up to you and the maker.

Council Member Holman. Council Member DuBois?

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Council Member DuBois: Did you say "C" through "H"?

Council Member Holman: Yes.

Council Member DuBois: Yeah, I think we're getting very prescriptive, but I'll accept that.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "such that" with "and the Applicant incorporating Parts C-H of the original Motion, to make the project compatible with."

Council Member Holman: Could I speak to it just for a moment?

Mayor Burt: Go ahead.

Council Member Holman: Just briefly, I will make this brief because we've been kind of hammering at this for a long time. I think what you've heard at least four of us object to is the architectural incompatibility of the project. That's why the ARB findings are in the motion. If we send it back to the ARB to address, then we have at least one ARB member who already is on the same page as, I think, the Council is. What is good and appreciated about the original Motion, "C" through "H," is it improves on the uses onsite. This, I think, gives us the best of both worlds rather than the applicant going away and coming back with maybe a something else project.

Mayor Burt: Those were accepted, Council Member DuBois? All right. Vice Mayor Scharff.

Vice Mayor Scharff: This has just taken a turn to be a completely different Motion. Just what I understand is we're including "C" through "H," we're telling the applicant to come back with that, go to ARB and deal with "2," "5," "6" and "16." Is that ...

Council Member Holman: ARB Findings 2, 5, 6 and 16, yeah.

Vice Mayor Scharff: At that point, I think we should also put in there that we've granted the CUP and that it becomes an ARB issue, and that we should follow the typical ARB process. That's what we've narrowed it down to. We've narrowed it down to the ARB findings, at which point I could support the motion then. They go back to ARB, and if ARB approves it, the Director approves it, then it doesn't come back to Council unless it's appealed by someone. That would be the typical process in an ARB. The reason it's here, if I'm getting this right, is because we had the CUP issue.

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We've basically looked at that issue, and I don't think we need to re-address that issue as a Council.

Council Member Holman: We didn't approve the CUP anywhere in the original Motion.

Vice Mayor Scharff: We should then. If that's what we're looking at because that's not what—what your Motion is addressing is purely the architectural issues. By approving "C" through "H," you've agreed that the CUP is appropriate.

Council Member Holman: No, I haven't, no.

Vice Mayor Scharff: Then your Motion is not—if you're telling (crosstalk).

Council Member Holman: There's nothing in "C" through "H" that says the 5,000 extra square feet of office is okay.

Vice Mayor Scharff: There is no 5,000 extra (inaudible). There's in effect ...

Mayor Burt: A few hundred feet because of the retail. There's no more.

Vice Mayor Scharff: Right. That's the only basis for needing a CUP. You're saying that this project of full retail with the housing is fine. It's the architectural elements you don't like. If you're serious about that, which I would take you at your word, that means it should go back to ARB. They should solve the architectural issues, and then they should not have to come back to Council. They should basically have their project, if we solve these ARB issues.

Council Member DuBois: Can you clarify the CUP is not 5,000 on the second floor?

Mayor Burt: That's because the retail on ground floor meant that they—is that correct? By having the entire ground floor—we weren't saying that they could shift that office to an upper floor. It's just that that amount of office changed to retail.

Council Member DuBois: Can we be explicit about that?

Vice Mayor Scharff: Sure.

Mayor Burt: I think it is clear, but ...

Vice Mayor Scharff: I'd be happy to have you guys make it more explicit. That's fine. I just don't want to have to redo this process.

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Mayor Burt: We could say that the—what is the amount of ground-floor office in square footage?

Mr. Lait: Roughly 4,800.

Mayor Burt: The approximately 4,800 square feet of ground-floor office is instead converted to retail. I don't know if converted is the right way to say it.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "the approximately 4,800 square feet of ground floor office is converted to retail."

Mr. Lait: I think we understand that there's no ...

Council Member DuBois: The CUP is 200 square feet (inaudible).

Mayor Burt: I don't think we need to. I do want to bring up one other issue. This is kind of a process issue. If we make all these changes to the project uses and then send it back to have the correction on design, this project had gone through as one of the projects under this year's 50,000 square feet. Do we feel out of fairness that it should continue to be allowed to go forward on that and not have to come back because the timing is not going to allow it to have its approval under this year?

Council Member Holman: That seems fair.

Vice Mayor Scharff: Yeah, I think that's fine.

Council Member Holman: I do have one question of Staff, if I might. As Vice Mayor Scharff said, this wouldn't then come back to the Council. Would it or wouldn't it, because there's still the number of housing units that typically would be required to come back to Council? Would it or wouldn't it come back here after ARB?

Mr. Lait: If I'm understanding the motion, if it would be remanded back to the ARB to solve these finding issues, it would come back here because you'd have to act on the site and design. Alternatively, if you are able to approve the site and design tonight and the CUP, if that was of interest, on the condition that it obtains ARB approval for the design, that perhaps is an option. I don't know how we reconcile that with the growth cap ordinance which, I believe, Cara is looking at now, which has the June 30th deadline. This was ...

Mayor Burt: If we were to ...

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Vice Mayor Scharff: Approve it.

Mayor Burt: It'd have to be that it would be approved and return ...

Vice Mayor Scharff: To the ARB. The site and design is approved then and the CUP is approved. What do we need to approve tonight and then send it to ARB pending their approval? That would grandfather it in. Is that how that works?

Ms. Silver: Site and design and if you wanted to approve that small increment of office on the second floor.

Vice Mayor Scharff: What would that look like as an amendment to this motion to get that there? So it's captured in there.

Ms. Silver: That's right. Mr. Lait just pointed out that you would have to approve the ARB design review subject to it returning to the ARB itself to work out the issues that you had identified in your motion.

Vice Mayor Scharff: Is that acceptable?

Council Member Holman: I need it restated please. There was a little distraction.

Ms. Silver: It would be the Council would approve the site and design review for the housing portion of the project. They would approve the small increment of the office on the second floor, the CUP associated with that, and that the Council would approve the architectural review but send it back to the Architectural Review Board to review the issues articulated in your motion.

Council Member Holman: We're not approving the architectural review; that's what we're saying doesn't work.

Vice Mayor Scharff: Let me ask the question if I could restate it differently. Go up to the top of the Motion, "A." I think "A" and "B"—you would approve the Initial Study, Mitigated Negative Dec and mitigated monitoring and reporting program. That's the first thing you'd add in "A." This is the question I had. I would think you would approve the Record of Land Use Action approving the site and design review, conditional use permit, but not architectural review to allow the construction of a three-story. You could say "pending architectural review to address," and then you'd link it down to those. Wouldn't that capture what you need to do?

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Ms. Silver: The problem with that is that under the ordinance the approvals need to be granted by June 30th. There has to be a final approval. It can be subject to some conditions.

Vice Mayor Scharff: It can't be subject to architectural review is what you're saying.

Mayor Burt: Is the approval necessarily including ARB approval? Is that the way it's written? She's going to look at that. While Ms. Silver is looking, Council Member Wolbach.

Council Member Wolbach: I have a couple of questions, but first a procedural question. Because the substitute Motion now is mostly the original Motion, is it appropriate to continue with it as a substitute Motion or should we make it an amendment to the original Motion?

Mayor Burt: It probably should be an amendment. Are the maker and seconder of the—in part it's going to be dependent on what Cara says. If it's permissible, then we may want to do that.

Vice Mayor Scharff: Can we just address that? Even if it's not permissible, then the only issue would be that they would have to come back then to Council for the approval of the ARB and whether or not they win the beauty contest for that year. Either way, I think all that should go in there. It's just whether or not they then are subject ...

Mayor Burt: Let's let Council Member Wolbach ask any other questions.

Council Member Wolbach: That would be my first recommendation, that either we kill the second Motion or that the maker and seconder agree ...

Mayor Burt: We've got that.

Council Member Wolbach: Now that we really are talking about architecture as I thought before, I'd still like to hear from the applicant if they are interested, able, willing to have that conversation about ...

Mayor Burt: No, that's not our process.

Council Member Wolbach: One concern I have is that I want to make sure that we capture this appropriately. ARB saw this once before and gave their—it wasn't unanimous. How do we make sure that when it goes back the ARB—can we say it has to have unanimous ARB approval?

Mayor Burt: No, no.

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Council Member Wolbach: What can we do to give the ARB clear direction?

Mayor Burt: We've given Council guidance on a basis for denial, and we expect the ARB to then work with the applicant to achieve the guidance that the Council has given. That's what we have to do.

Council Member Wolbach: I would also like to ask of the applicant if there is any opportunity to add additional housing units, perhaps by subdividing the units you have into smaller units, rather than large townhouses, whether there's any possibility for exploring breaking them into a one-bedroom, studios or at least some of them, to have a greater mix of housing sizes and to have some smaller units.

Mayor Burt: I'll go ahead and allow that question.

Council Member Wolbach: Thank you.

Mr. Hayes: Designing on the cuff here. They really like two-bedroom units. It's what their marketing profile has determined can sell. They're not interested in smaller units.

Mayor Burt: Thank you.

Council Member Wolbach: Thank you.

Mayor Burt: Is Staff still working on the other question? Go ahead.

Council Member Wolbach: One more question. When we're talking about the common space in "E"—this is a question for the Mayor and the Vice Mayor because they're the maker and seconder. Was it your intention that the open space talked about in "E" would be public or only common to residents, tenants, employees, etc., of the building?

Mayor Burt: I was envisioning that as common principally to residents.

Council Member Wolbach: Not to the public at large?

Mayor Burt: No. The other aspect of the plaza is an improvement to the public open space.

Council Member Wolbach: There was discussion earlier about outdoor seating. Do we need to include anything about that in the motion?

Mayor Burt: No, my intention was to allow Staff to address that without being that specific. Staff needs to be—they're working on what the Council is trying to achieve, how that can occur. In the next few minutes, we can't

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direct questions to Staff basically while they work on the other issue. Council Member Schmid.

Council Member Schmid: I had a question for Staff.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I have a comment to make. I have been conferring with Molly Stump and Cara Silver. I want to say something about the in-lieu fees toward the below market housing fund. If I understand this correctly, the amount that will actually go into our in-lieu fees is relatively small compared to what a second BMR unit would be valued at and what it would be worth. We looked at this. Molly said our fees due to be upgraded. That influences my vote on this.

Mayor Burt: Council Member Holman.

Council Member Holman: There was a question up here that was raised about the June 30 and could the applicant redesign this by June 30. I thought that was addressed in the prior comments about grandfathering this, so they wouldn't have to meet the June 30.

Mayor Burt: That's the intent depending whether Staff says that can be done. Council Member DuBois.

Council Member DuBois: I just wanted to follow up on that. Again, if there's a way to grandfather, I'm okay with that. Based on the extent of changes we're asking for, it doesn't make sense to me that we'd try to not have it come back to Council (crosstalk).

Mayor Burt: That was my presumption and why we're asking Staff to look at whether it can be grandfathered. Is there a verdict?

Ms. Silver: The office cap interim ordinance says that no qualifying application shall be acted on by the Director or by the City Council between July 1 and March 31. No further action can be taken by the Council after July 1; however, it doesn't specify the ARB. If ...

Mr. Lait: The ARB doesn't make decisions though. It's a recommendation.

Ms. Silver: That's true. If the Council wanted to, they could for this project approve the architectural review, send it back to the ARB for some further action. Traditionally, the ARB does not have final approval. Traditionally, that's been the Director that has the approval. We're caught in the middle here. The ordinance says that the Director or the City Council cannot take final action. I think that's going to be problematic under your ordinance.

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Mayor Burt: We don't have any latitude to exempt the project in any way, because the ordinance is the ordinance. Right?

Ms. Silver: Exactly, yes.

Vice Mayor Scharff: What's the effect of that?

Mayor Burt: I think the effect would be that it would fall into next year's competition.

Vice Mayor Scharff: It couldn't actually be approved either until next year. It'd be a year delay.

Mayor Holman: What was the timing? Neither the Director nor the Council could act on a project between when and when?

Ms. Silver: July 1 and March 31st.

Mayor Holman: It's really 7 months.

Council Member Berman: Nine months.

Council Member Holman: It's not a year.

Mr. Lait: Yeah, it would depend on if there was 50,000 square feet and how that would extend into the rest of the fiscal year.

Mayor Burt: We have a quandary, and it doesn't seem like we have a way to work out of that. Ideally we would have returned it to the ARB with the conditions that we have and look for the architectural changes. The effective impact is a 9-month delay with uncertainty for the applicant that they would fall within that 50,000-square-foot approval. I just don't see any solution other than we either approve it with the consequences of the substitute motion or return to the primary motion. Council Member Wolbach, did you have something else? Go ahead.

Mr. Keene: You want to say something, Molly?

Molly Stump, City Attorney: Excuse me, Mr. Mayor.

Council Member Wolbach: I'll defer to the City Attorney, but then I'll weigh in after that.

Ms. Stump: It is possible for the Council to amend its Ordinances. If the Council wished to establish a special program by Ordinance, that's different

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than the procedural Ordinance you passed. That would be something that you would have the authority to do as a legislative body.

Mayor Burt: We'd have to go through that whole process.

Ms. Stump: That's correct.

Mr. Keene: That would be (inaudible).

Mayor Burt: How simple could that amendment be?

Ms. Stump: It's fairly complicated, the issues that you're raising here with various bodies and their powers. It's very possible that a special ordinance would have to go through some processes, go to Planning, etc., two readings.

Mayor Burt: Doesn't sound like an easy fix. Council Member Wolbach.

Council Member Wolbach: While we wrap our heads around that procedural issue, I have to say I was really surprised that the applicant was neither willing to consider adding a second BMR unit onsite nor any additional smaller units. No additional units, no smaller units, no second BMR unit onsite. I don't know if Council Member Kniss is interested in perhaps recommending or seconding an amendment. Actually, I'll offer it as an amendment and add it to the list, once we figure out which Motion we're actually going to be work on here, to say that we would require the second unit be onsite.

Council Member Kniss: I'm glad to second it. I thought we had gone through that before. I'm delighted to second that.

Mayor Burt: We're at 10:00, and now we're opening another door here, another substitute.

Council Member Wolbach: I don't think this is a new door. I think it's (crosstalk).

Mayor Burt: No, but it is a substitute to the substitute. No, an amendment.

Council Member Wolbach: It would just be one more item. We had talked about TDM ...

Mayor Burt: You asked Council Member Kniss; she's not the maker of the substitute.

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Council Member Wolbach: No, I corrected myself and realized that I could offer it as a friendly amendment to either Motion. I want to figure out which Motion we're working on first.

Mr. Hayes: We'd be happy to do two units if we can get to a consensus approval tonight.

Council Member Wolbach: That's what I wanted to hear.

Mr. Hayes: Thank you.

Council Member Wolbach: I think we should figure out the procedural issues. Thank you for that. I think we should figure out the procedural issues, figure out which motion we're going to work on, and then I'll propose that as an amendment.

Mayor Burt: Council Member Holman.

Council Member Holman: I appreciate the second unit, but that isn't enough to get the project approved, because I still can't make the ARB findings. I would suggest that it's going to take a while to get this back to the ARB—to redesign it and then get it back to the ARB. I don't know that whatever it is, a 7-9 month delay, is going to be that big of a deal. I think we should vote on the substitute motion.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I think I'm going to vote no on the substitute Motion then. I'm going to support the original Motion with adding the extra BMR unit. I think that's a good compromise. I actually think it starts really moving us towards our housing goals, two BMR units on a good, mixed-use project. I don't really think it's fair to the applicant to have a year delay. I think we sit up here and we forget that a year's delay is a lot of money. In fact, we now know that a year's delay is more money than a BMR unit. We've just proved that. A whole BMR unit. I just simply don't think—I think you put in the uncertainty of whether or not they actually get it. We're going to have an election; we're going to have different Council Members. It's not even going to be the same Council Members that look at this when it comes back. I think when you add all those factors in, it's really unfair to send it back and not do it today. I actually do think we should amend our ordinance, maybe not tonight, to give it more flexibility. Not tonight. I do think it should be something on our work plan. We passed that ordinance without really understanding how it's going to work as we go through. We've seen some issues, and that tells me that it's time to look at that for more flexibility.

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Mayor Burt: Let me just add where I am on this. I've been torn because I actually am sympathetic to looking to have changes to the architectural design to make it more broken up. I'm also concerned that we adopted a 50,000-square-foot office cap for major portions of the City. It really has seemed that a number of the initiatives tonight were really not accepting that we have that obligation to accept what we adopted in that and looking for just a basis to deny it. At the same time, I do have—that's why we've kind of filtered down the basis for denial. The original arguments for that denial were not focused on accepting that we have set up a 50,000-square-foot office cap and whether the project met that. They weren't focused really on the design features that I'm most sympathetic to. I think I'm going to support the initial motion. I think we really need to get going on this.

Mayor Holman: I'm sorry. One last comment. I apologize for that.

Mayor Burt: Quick.

Council Member Holman: The architectural comments in the original Motion were my focus.

Mayor Burt: I understand that.

Council Member Holman: If we're talking about delays, I'm not promoting this. I'm just saying I didn't see a single public comment in favor of this project. I saw several opposed to it. If you're talking about timing, I think it ought to be considered, the likelihood of an appeal based on this project. That also affects timing.

Mayor Burt: An appeal?

Council Member Holman: Yeah. The project could be appealed, and it would still come back.

Mayor Burt: No. No, we'd be approving tonight. There's no basis for appeal if we approve the initial motion. Council Member Filseth.

Council Member Filseth: Just very briefly. The building we put up here is going to be here for 50 or 100 years. Buildings that go next door to it and next door to those and so forth afterwards, they're going to be up here for 50 or 100 years too. I think that the value, architecture, good design, appropriateness is going to be with us for a very long, long time, so it's important.

SUBSTITUTE MOTION RESTATED: Council Member DuBois moved, seconded by Council Member Holman to return the project to the

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Architectural Review Board and the Applicant incorporating Parts C-H (included below) of the original Motion, to make the project compatible with Architectural Review (AR) Findings Numbers 2, 5, 6, and 16 which cannot be met regarding Sherman Avenue and El Camino Real street faces, additionally there are code compliance issues having to do with off street loading. The approximately 4,800 square feet of ground floor office is converted to retail; and

- C. Require the ground floor be retail; and
- D. Require a robust Transportation Demand Management (TDM) program to ensure a 30 percent reduction in trips; and
- E. Reduce the current proposed surface parking by four spaces from the Staff proposal, with the resulting land dedicated to common open space; and
- F. Direct Staff to work with the Applicant to redesign the plaza to create an active pedestrian used area; and
- G. Authorize up to 25 percent of retail space be allowed for restaurant use; and
- H. Require the project contribute one complete unit of in-lieu fees towards the Below Market Rate Housing Fund.

Mayor Burt: Let's vote on the substitute Motion. That fails on a 5-4 vote with Council Members Schmid, DuBois, Filseth and Holman voting yes.

SUBSTITUTE MOTION AS AMENDED FAILED: 4-5 DuBois, Filseth, Holman, Schmid yes

Mayor Burt: Let's return to the initial Motion.

Vice Mayor Scharff: You want to make the friendly amendment?

Council Member Kniss: Actually Cory did.

Council Member Wolbach: I'll make a friendly amendment to require two below market rate units onsite.

Vice Mayor Scharff: I think we should just note that the applicant accepted that and agreed to it.

Mayor Burt: We don't need to. It's a condition of approval either way.

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Vice Mayor Scharff: Isn't there legally ...

Ms. Silver: To clarify, the Council cannot require it; however, the applicant has apparently agreed to it.

Mayor Burt: How should we word it? With the agreement of the applicant, we are having two additional units.

Ms. Silver: Yes.

Council Member Wolbach: We could change "H," change the "1" to a "2" and then add at the end "with the agreement of the applicant."

Mayor Burt: Then "2," okay.

Council Member Wolbach: Two below market rate housing units onsite.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace Part H of the Motion with, "with the agreement of the Applicant, the project will contribute two Below Market Rate Housing Units on site."

Council Member Wolbach: I actually had a—I want to be sure I'm clear on what this means then. Does this mean that there is no further redesign, no further ARB review, and that the applicant, if they've heard our concerns, will not make any changes and cannot make any changes to the design to improve the face on El Camino Real?

Mayor Burt: That would be the consequence. Mr. Lait.

Mr. Lait: Just on the motion, Letter G is—we're having a hard time reconciling the restaurant use, which is a higher parking demand than a retail use. If we want to allow a coffee shop there, that's something that ...

Mayor Burt: That was under the understanding that we have a TDM for a 30 percent reduction. The calculus of the parking demand would be more than offset by the TDM.

Mr. Lait: Perhaps the suggestion would be if a restaurant is proposed, that we would allow them—I'm just kind of thinking out loud right now—we would allow for a maximum reduction in parking to accommodate restaurant use if proposed, and not tie it to the percentage of retail space. Really what we're interested in is the reduction of parking, vehicle trips. One's parking, and one's vehicle trips.

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Mayor Burt: Good point. The question is if we basically allow 25 percent of that retail to be restaurant, that increases the parking demand, and we still want 30 percent below that. Correct?

Vice Mayor Scharff: Correct.

Mayor Burt: What would be the best way to word that intent? I think it's still up to 25 percent of retail space can be restaurant. That'll drive your parking requirement. The TDM has to reduce it by 30 percent from there. If they don't want to put the restaurant in, that's their prerogative.

Ms. Silver: I'd recommend inserting "upon approval of the Director," and then the Director will make an assessment of whether there's sufficient parking and whether TDM can address it.

Mayor Burt: Okay. Is that all right?

Vice Mayor Scharff: That's perfectly fine.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part G, "upon approval of the Director."

Mayor Burt: Final speaker, Council Member Schmid.

Council Member Schmid: Question for the Assistant Planning Director. We are now moving ahead quickly with this project. Item D says a robust TDM program will be put in place. Do we have the capabilities of doing that in the next 60 days?

Mr. Lait. Yeah. We're not restricted by the timeline.

Mayor Burt: The TDM doesn't get in place until the project's complete. They don't have to have a TDM before they break ground.

Council Member Schmid: It's a tricky issue, because you're talking about a relatively small building with a mix of retail, office and residence.

Mr. Lait: We're doing this for the first time, but we hear the message clearly from the Council that you want a strong, robust TDM plan. That's what we're going to aim to do. We feel like we can achieve that.

Council Member Schmid: You can come back to the Council to discuss the TDM program?

Mayor Burt: Say what?

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Mr. Lait: It's not scheduled to come back to the Council for a discussion of that. No.

Mayor Burt: No, that's not the way it's set up. We're giving a Council directive. I thought it was the last one. Council Member Filseth, now you're the new last.

Council Member Filseth: Very tersely. One difference between this motion and the previous one is this one also depends on a CUP. One more reason not to support this is I don't feel like I've heard a compelling reason why we should grant the CUP.

MOTION RESTATED: Vice Mayor Scharff moved, seconded by Mayor Burt to:

- A. Approve the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program; and
- B. Approve the Record of Land Use Action approving the Site and Design Review, Conditional Use Permit and Architectural Review application to allow the construction of a three story, mixed-use development, with one level of underground parking on a 39,908 square foot lot at 2515-2585 El Camino Real; and
- C. Require the ground floor be retail; and
- D. Require a robust Transportation Demand Management (TDM) program to ensure a 30 percent reduction in trips; and
- E. Reduce the current proposed surface parking by four spaces from the Staff proposal, with the resulting land dedicated to common open space; and
- F. Direct Staff to work with the Applicant to redesign the plaza to create an active pedestrian used area; and
- G. Authorize up to 25 percent of retail space be allowed for restaurant use, upon approval of the Director; and
- H. With the agreement of the Applicant, the project will contribute two Below Market Rate Housing Units on site.

Mayor Burt: Please vote on the board. That passes on a 5-4 vote with Council Members Wolbach, Scharff, Burt, Berman and Kniss voting yes. That concludes this very long item.

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MOTION AS AMENDED PASSED: 5-4 DuBois, Filseth, Holman, Schmid no

Mr. Keene: Mr. Mayor?

Mayor Burt: Yes.

Mr. Keene: If I might just do a time check with you all, 10 minutes past your time-check time. This item was scheduled to be completed at 8:15; we're 2 hours behind schedule. We have two items, the 101 pedestrian bridge ...

Mayor Burt: We have our Urban Forest Master Plan and the 101 pedestrian overcrossing. Let me just ask Council Members how much discussion do they feel they will need to have on each of these next two items, just kind of a ...

Council Member Kniss: I could move approval on the bike one right now.

Mayor Burt: I think we have some hope, more than hope, belief that we will have—the next two items will be relatively short. You will, at the end of the meeting, be able to appraise whether we were at all accurate in that anticipation.

Mr. Keene: Hope plus results.

6. Approval of a Contract With Biggs Cardosa Associates, Inc. in the Amount of \$1,474,297 to Provide Design and Environmental Assessment Services for the Adobe Creek/Highway 101 Pedestrian Overcrossing, Capital Improvements Program Project PE-11011.

Mayor Burt: Our next item is approval of a contract with Biggs Cardosa Associates in the amount of \$1,474,000 to provide design and environmental assessment services for the Adobe Creek/Highway 101 pedestrian overcrossing. Mr. Keene.

James Keene, City Manager: Mayor, while Staff is setting up, even though we had given the Council—you have a packet from the potential presentation. We have actually reorganized that and skinnied it down a little bit. If you wouldn't mind following the presentation on your monitors, I think we can get through it more quickly. Brad, Mike.

Mike Sartor, Public Works Director: Good evening, Mayor Burt and Council Members. I'm Mark Sartor, Public Works Director. As you recall, we brought this item to you last December with a recommendation to terminate negotiations with Moffatt and Nichol, the prior designer of a bridge that turned out to be a lot more costly than we thought it would be. You directed

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us at that time to go back out with a Request for Proposals for a new design that would bring the cost of the bridge down and have still some of the amenities from the bridge that was in the design competition. With that, I'll turn the presentation over to Brad Eggleston, our Assistant Public Works Director. Before I do that, I'd like to mention two things. One, in the audience with us tonight is John Igoe from Google and also Roy Schnabel from Biggs and Cardosa, the principle designer. Thank you. Brad.

Brad Eggleston, Public Works Assistant Director: Good evening, Mayor Burt and Council. We'll try to move quickly through this presentation given the hour. Here's an overview of the topics we'll cover. Our recommendation this evening is approving the design contract with Biggs Cardosa. We'll talk a little more about what we mean by Phase 1 services. The amount of the current recommended contract is \$1.47 million. Mike just went over a little bit of the background. On this slide we have your direction to us from December of last year when we last met to talk about this. I wanted to provide quickly, though, just a little more context to remind you that we went into the design competition with a project total budget of \$10 million. We asked for designs that would meet an \$8 million construction budget. When we worked with Moffatt and Nichol, once we started negotiating, they ended up giving us a roughly \$12 1/2 million construction cost, which equated to a total project cost of about \$17 million. We didn't get into a lot of detail about this before, but what was even more concerning to us about that was that we talked to a couple of different bridge contractors. One of which told us they thought it could easily be double that amount in the end. Just a little more context about why we're here where we are. The background there. You'll see that the Request for Proposal, and notice the amount of \$13 million. You probably recall that at the last meeting you did increase the project budget to \$13 million. We've also been working with Google and looking to see other opportunities. On to our Request for Proposals. We put that out kind of immediately following the meeting in December. We received three proposals. We reviewed those, interviewed all three firms. In the end, we selected Biggs Cardosa Associates. They have a lot of experience with projects like this around the Bay Area and other locations. Very important to us, they were very strong in terms of their experience with the Caltrans process, having staff onboard that actually have personal relationships with Caltrans staff that we need to work with. That was very important to us. Here is an instance where we're changing the order of our slides. This is a draft rendering of what the proposed baseline bridge could look like. We got this from Biggs Cardosa. It's an outgrowth of our discussions from their proposal and negotiating the contract. This is a prefabricated steel bolstering-type truss that would clear a span over Highway 101. It can be set in place using a crane on footings that have been constructed; that makes it relatively quick to construct. One

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of the important things about that, you'll notice it does have the clear span. It doesn't have a pier or column in the center of 101. We think that feature is likely to make the future process of working with Caltrans go much smoother. Caltrans for one doesn't have to worry about the design of the column in the median or evaluate whether they would need to change the configuration of the median there in the future. A couple of other quick things to point out. This baseline type of bridge—we'll talk about some more details a couple of slides farther. Previously we had talked about an 18-foot width in order to come up with a bridge that could meet the cost criteria of our \$13 million budget. This one is 14 feet. Obviously you'll see that it's not as slender and low profile as that really nice-looking Moffatt and Nichol design that we had looked at before. We feel very good about the fact that we think we've come up with a concept here that can meet our budget and that we can successfully move forward with. These are just some other examples of similar types of truss bridges. Obviously we're not intending here to show you examples of any colors that we might recommend or anything like that. All of that would come later. Just some more examples of the actual photographs. On to the funding situation. On this slide, for the funding allocations, what you see there is the City funding with the \$3 million you added, that 4.7 million, the Santa Clara County trails program \$4 million in funding that we have, and then the STIP, State Transportation Improvement funding, was 4.35 million. Those are the things that total the 13 or just over 13 million. We have bad news about that as we reported in the report. Because of a statewide funding in the STIP funds, the California Transportation Commission actually made their vote last week to delete that STIP funding. The good news down below is that VTA has committed to us that they're going to provide—essentially going to replace that funding using the One Bay Area Grant Cycle 2 program which is getting under way this summer. They've written a letter to us and described to us that essentially they intend to skim from the top of the program and recommit funding for our project. An important aspect of that, though, is that we won't know for sure the approvals that need to happen by the State, the California Transportation Commission, won't happen until next summer, but we are feeling confident about VTA's moves in this area. The other thing is that we've continued to have talks with Google, and they've given us a new letter committing to the \$1 million contribution that we had started talking about before the last time we were talking about the project with you. With no transportation demand sort of strings attached. On the funding situation, it's not all great news, but we now have a budget that we, as Staff, feel good about and we're confident about in our ability to deliver the bridge. We've lost some funding, but we're feeling good about getting that replaced. With the funding situation, we really feel the need to get going with this. There's a little concern about the summer 2017 final date for knowing that we have the funding, but we think introducing a 1-year delay here in getting

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under way with the work would be very bad for the project in terms of costs continuing to increase and potentially could also jeopardize us receiving that funding if we haven't been making progress. Now, to talk a little bit about the scope of services in the Biggs Cardosa contract. What we're talking about awarding today is the Phase 1 services, which is preliminary design up to 65 percent design. Essentially the 65 percent design phase, that's the point at which all the environmental, the City and the Caltrans approvals will be in place. That's why we've selected that cutoff. That, of course, includes the environmental CEQA and NEPA documentation as well as the City's site and design process. Not included in the budget within the contract, but it is described in the scope of services, would be the future phases that would come with your approval. The Phase 2, which is essentially the 100 percent design and taking us to permits, and then the bid and construction support for when the project is actually constructed. I started to touch on some of the considerations in this slide before. It's a little confusing, but we've defined what the baseline bridge is, that we started to talk about. When you see the row that includes the core additional things and you see the dollar signs on the left, the 7.7 million and the 1.5 million, essentially what this is saying is that with the work we did with Biggs Cardosa to negotiate this contract and evaluate cost, we've determined that we think with a \$13 million budget we can do the baseline bridge as described here and then also include all of these core additional items. I won't try to read through all of these, but these are the things like the ramp stair, overlook platform, signage, some of those other improvements that were discussed during the design process and included in the design competition submissions. The current contract has a budget to take us to 65 percent design on those baseline and core additional items. Where you see these optional enhancements, these are other design elements that have been talked about in this project, but where we've determined that we don't think we currently with the \$13 million budget have funding to support these. What we've done is we've structured the contract so that Biggs Cardosa will take these items and do up to a 15 percent design. At the end of the 15 percent design phase, we'll be coming back to you, letting you look at these alternatives, what they could look like, what they are, what their costs would be. That will allow the Council to have the opportunity to make decisions at that point about whether we did want to add any of those items. Actually, in looking at this a little closer today, one item we did want to ask you this evening is we've laid out a public process where, once we get to 15 percent design, we would go to Boards and Commissions, public meetings, the Palo Alto Bicycle Advisory Committee, Council. We're interested in your guidance on whether you would prefer a public process on consideration of those items before we come to you or whether we should come to the Council first and get your guidance.

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Mr. Keene: And then go out to the public. Whether or not you want to see the 15 percent designs before we go out to the public or vet them first. We'll want that decision tonight.

Mr. Eggleston: This is the most recent alignment or layout for the bridge. This is the total budget for the project. We show you this really just to show that the design work we're talking about and the other items total up to the \$13 million budget that we're talking about. There are items that are spent and committed already, that are at the top. With the baseline and those additional items that we just talked about in the other table, we estimate the total construction cost in 2019 to be \$9.2 million. There, under the soft costs, you see the Phase 1 preliminary design, which is the contract we're discussing this evening. That is the 1.47 million. The Phase 2 and 3, which would be future amendments to the contract, are roughly 750,000. There's other construction phase services that total about 800,000. Those things make up the \$13 million budget. Back to our schedule quickly. One thing I'll note. If you've looked at the schedule that was included in the Staff Report, it's extremely complicated. There's factors there where things are proceeding because of the design work that Biggs Cardosa is doing. There's public outreach and Boards and Commissions meetings. There's Caltrans review process, and then there's CEQA and NEPA review. In various ways, those things are happening in parallel and have influences on each other. I won't try to go through this in great detail. What I will say is that the Phase 1 that's in this contract we expect to be complete in late 2017. The final design, where we'll be ready to go out to bid, we're now expecting in fall 2018. The schedule would have us beginning the construction in early 2019 and finishing in spring 2020. There are adjustments to this schedule. It essentially pushes out the beginning of construction for close to a year from what we last discussed. That's based primarily on putting in—we were being very aggressive before to try to meet that Federal funding deadline that we had, which was in 2017. We've taken a somewhat safer approach here. We also think that the bridge can be built 6 months faster, so the net effect is delaying the total project by about 6 months. With that, we're back revisiting the recommendation to authorize the professional services agreement with Biggs Cardosa.

Mayor Burt: Thank you. I think we'll proceed directly to the two members of the public who want to speak, in part out of deference to the later hour and that they've hung in there and in part because we seem to be very challenged as a Council distinguishing between technical questions and rhetorical questions. Our first speaker is Shani Kleinhaus, to be followed by Robert Neff. Welcome.

TRANSCRIPT

Shani Kleinhaus: Good evening, Mayor Burt, City Council. I'm Shani Kleinhaus speaking for Santa Clara Valley Audubon Society and the Sierra Club tonight. We thank you for moving forward with the bridge. Our organizations support it and want to see it moving forward. We also wanted to thank you for considering bird safe design an important feature. Personally, I'm a little disappointed that the previous pretty bridge did not come through, but at least you're moving forward with it. There are a few things that I would like to ask. There are some of the core additional elements, like overlook platform, maybe enhanced lighting, I'm not sure these are needed. I would like to see more money going into restoration of the creek. It is after all a bridge over a creek. If there is a way to get funding to restore the habitat over there in the Baylands and the creek, that would be a much better use than a platform to look at the field of weeds. The creek itself in that area suffers from a lot of trash. Acterra just yesterday cleaned up a lot of it. Looking at ways to use this as a vehicle to also do things for the creek would be wonderful. Cupertino does a lot of that; they got a lot of money with the Stevens Creek Trail to work on improvements of the creek over there at Stevens Creek. There are ways and there is money from many, many sources to do that. Hopefully some of the extra elements are not needed perhaps. It really is kind of noisy out there, and maybe you can have some of the funding go into restoration. Thank you.

Mayor Burt: Thank you. Robert Neff, welcome.

Robert Neff: Good evening. I'm Robert Neff; I live at Emerson in Loma Verde in south Palo Alto. This project went on an unexpectedly long detour through its design competition. I'm glad to see it moving forward in a concrete way now. A year-round bike-ped crossing of 101 at Adobe Creek will be valuable for Palo Alto and regional users. I hope you move this forward tonight and keep the process moving as quickly as possible. I didn't realize that we could give inputs on colors. I think blue and gold would be really good.

Mayor Burt: Let's return to the Council. Council Member Holman.

Council Member Holman: I guess I'll just start this with I'm glad we're getting back to working on this. Surely my epitaph will have comments on it about my disappointment with the design competition. Clarification please on a couple of things. One is on your Slide 11. I couldn't tell in the Staff Report. You've got funding allocations, and you've got City 4.7. Your second bullet is Santa Clara County recreation trails at 4. Under potential new funding, you've got 4.5. Are those the same thing? What are—can you clarify that please?

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Mr. Eggleston: It's funding from the same program. I apologize; I did not speak to that last bullet. We have \$4 million in funding from this program. There was 4.5 allocated to Stanford University for trails they were building. Stanford decided to go ahead and fund those trails themselves. There's currently 4.5 million that has not been allocated, and it's a potential source that, if we were able to get that funding or some of it could potentially fund other additional elements on the bridge.

Council Member Holman: That's still out there, could amount to the 8.5 then, potentially.

Mr. Eggleston: Yes.

Mr. Keene: Just to clarify. Our expectation is that we'll get the OBAG 2 funding that will replace the lost STIP funding, and that will give us the \$13 million. If we want to make enhancements to the bridge, which potentially are in the \$3-5 million range, we have to get extra funding. This is the only known, identified source. Of course, we'd have to secure it; we'd have to compete for it. We don't have it in-hand.

Council Member Holman: Just to maybe reiterate. The Google contribution, that's without strings?

Mr. Keene: That's correct. That's actually not factored into the \$13—technically it would be \$14 million with the Google funding.

Council Member Holman: I'll go through these quickly. The project design to this point, the additional designs that are shown all seem to be the same design just in different colors and different angles. My question is—it's a two-pronged question. One is, is this going to be the design. The other is we weren't presented with any other designs from this same designer. We didn't have an opportunity to say, "I would favor this over that," or "This looks like a good direction" or blah, blah, blah. What we have is just the one design, it seems to me.

Mr. Eggleston: Back on the project elements slide, you'll notice that one of the things on the optional enhancements, actually the bottom, is alternative span structure types. While the baseline steel truss is this bolstering-type of truss, you're correct that those are the photos we showed you. One of the things Biggs Cardosa will be looking at is other types of steel trusses that could be used. That's one of the things that would come to you at the 15 percent level.

Council Member Holman: We'll have some design options at that 15 percent level?

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Mr. Eggleston: Yes.

Mr. Keene: That's the whole idea. I think this is extremely important to amplify. All we're really asking the Council to do is award the contract tonight, weigh in on the process you want us to use with the public, the sequence, knowing that by the fall, we would expect to have the 15 percent design across the board on the bridge, so the baseline, the other things and the potential enhancements. That would give you an idea of what the alternatives are. It doesn't solve the funding gap problem, of course, but we'd be able to come back to you at that point in time, and you can start to see what the choices and tradeoffs would be for the design.

Council Member Holman: It might be helpful in the meantime maybe even to just see some of the portfolio bridges that they've done in the past. Maybe it's on their website; I didn't have chance to look. Thank you.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Just to be really clear, what's the total cost with all of the optional features?

Mr. Eggleston: We don't have good estimates on those. I think on the slide, I think, we showed \$3-5 million for the optional things that we're designing to 15 percent and bringing back to you.

Council Member DuBois: That would be \$16-18 million total? \$13 million plus 3-5.

Mr. Eggleston: If you were to choose to proceed with all of those items.

Council Member DuBois: You said the M&N bridge was \$17?

Mr. Eggleston: Seventeen was the number that we came up with in working with them. What I also said is that we showed that to other people who said they thought it would be a lot more.

Council Member DuBois: Are we doing comments as well? (inaudible) get this over with. I'm not sure about this idea of optional components. If we're going to build a \$13 million bridge, let's do a \$13 million bridge. It feels like we're kind of backing into a lot of the features that were in the M&N bridge in a more constructible manner, I guess, but still a pretty high price. At the end of the day, if we added all those optional components, we would be up there. Just the other questions on the One Bay Area money. Does that come with any strings attached to it?

Vice Mayor Scharff: (inaudible) housing.

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Council Member DuBois: Does it? I'm asking.

Mr. Eggleston: No, it doesn't. It comes with grant administration requirements and those sorts of strings, but not control (inaudible).

Council Member DuBois: Right now, we take relatively little money from One Bay Area. It's just something to think about. I think those are my two main comments. I'm just concerned about price escalation. This question about whether we engage the public or not, I think the Council should decide if we want a \$13 million bridge or we want an \$18 million bridge.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Just so I understand it. What you're looking for tonight is—I guess they're almost identical, the recommendation in the Staff Report or the recommendation at the end of the slide.

Mr. Keene: They're the same.

Vice Mayor Scharff: They're the same. I guess we should go with the shorter one. In talking about the optional enhancements, I guess the way I saw it—I wanted to clarify this—was that if we get the Stanford money, we go with the optional enhancements. If we don't get the Stanford money, there might be some really cheap ones there. There was some stuff that seemed fairly inexpensive, but we probably don't go with it. That's the decision we make when we're at 15 percent? This only covers 15 percent, right?

Mr. Eggleston: Yeah, that's right. We would bring that to you at 15 percent. In fact, 15 percent is the level at which we've got to make those decisions in order to move ahead with finalizing our reports and environmental process. If we waited any further to make those decisions, we'd be delaying the project.

Vice Mayor Scharff: The idea is we vote for this tonight, you hire, you get moving, you come back to us when you're at like 14 percent or whatever so we don't delay the project, and then we make those decisions on the optional enhancements. In the meantime, we're going to see if we can get that Stanford money, but we're not supposed to ask for it just yet, was that sort of what I got out of the Staff Report? Staff will be working on getting it when the time is right.

Mr. Eggleston: That's right.

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Vice Mayor Scharff: That doesn't need to be in the motion or anything like that.

Mr. Keene: No. I think the fallback position, based on what you're saying, Mr. Vice Mayor, is if we're unable to get that, we really don't have a way to fund the enhancements, and we have the default \$13 million bridge.

Vice Mayor Scharff: That was sort of my sense. It's a \$13 million bridge unless someone gives us more money. The other question I really had on this was the timing and the community engagement. The community wants a bridge. What are you looking for in terms of community engagement? Are we going to talk about colors? If we don't have money for the options, what are you thinking we're going to do? We're going to hold meetings and tell people it's a \$13 million bridge unless we get other money or are we going to tell people we want all the options, but we can't afford it; dream big? What are you thinking?

Mr. Eggleston: I think one thing we would do is show these options and describe the funding situation to them. When we came to you, we might be able to say, "At meetings we had, there was a lot of support for trying to add this option." You might prefer that we didn't string that up in front of people with the hope that they can add it to the bridge if we don't have the funding.

Vice Mayor Scharff: I have concerns about that. I have concerns about going to the community and getting people all excited about stuff, and then—like we did sort of with the design thing and then pulling it back and saying, "No, you can't really have this beautiful bridge. You have this bridge."

Mr. Keene: We had that exact conversation. To be honest with you, my recommendation would be to come back to the Council first, for you to know better what the options look like. It would be quite—we could spend two months meeting with the public, getting a lot of things going, and all of a sudden we say, "Never mind. The money's out of reach," or whatever it is. You could then direct us to go and do outreach subsequent to coming back, if that's what you decide. You could decide we're going for a more basic bridge or we're going to pursue the enhancements, and then ask us. We're ultimately going to be engaged with the public any way in the CEQA process itself also.

Vice Mayor Scharff: Right. That's what I was thinking. We have to go through a CEQA process, which will engage the public at least in the CEQA process. I also wanted to thank John Igoe from Google. I see you're here. Thank you very much for the money. We really appreciate that. We appreciate you working with us and having Google. Please convey to

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whoever we're supposed to convey to that we do really appreciate it. With that, I'd just move the Staff recommendation, and I'd move that you don't go to the public until you come back to us.

Council Member Wolbach: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Wolbach to approve and authorize the City Manager or his designee to execute Contract No. C12162262, a professional services agreement with Biggs Cardosa Associates, Inc. (Design Agreement), in a not-to-exceed amount of \$1,474,297 for Phase 1 services, to provide environmental assessments, engineering, landscape, and architectural design services for the Highway 101 Bicycle/Pedestrian Overcrossing Capital Improvement Program (CIP) Project (PE-11011), including \$1,340,270 for basic services and \$134,027 for additional services under Phase 1 and return to Council prior to public outreach.

Mayor Burt: Do you want to speak further to your Motion?

Vice Mayor Scharff: No.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: No.

Mayor Burt: I'll just briefly say that I'm interested in some low-cost, aesthetic enhancements that might occur. One of the things that I thought was possible from the outset was use of low wattage LED lighting. We had it in the prior design as essentially a safety feature of lighting that would track pedestrians as they cross. You look at what the San Jose Airport has done with their parking garages and things. I don't want to prescribe it; I think it's a new way to have some attractive features at real low cost. Second, I am interested in Staff pursuing what Shani Kleinhaus had suggested, which is other funding sources for creek rehabilitation that wouldn't come from the same pots as the transportation, Santa Clara Valley Water District and others. This may trigger some opportunities for habitat enhancement. Finally, when we look at other—if we do have additional funds for bridges, I'm not necessarily going to want to spend them on this bridge versus beginning to stockpile funds for what we have on our tentative plan for a bike undercrossing under Caltrain at Loma Verde which, I think, may very well be a higher priority than some of the features here. In an ideal world, I'd love to have both, but I think we have a long stretch of Palo Alto from Cal. Ave. south that has no separated grade crossing for pedestrians across Caltrain. On that note, Council Member Wolbach, you had something else?

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Council Member Wolbach: Actually, one thing I forgot to mention. San Antonio does have an itty-bitty, unprotected sidewalk and unprotected crossings. I think that crossing is controlled by the County; the County's looking at maybe some changes to it. I don't think that our moving ahead with this should diminish our lobbying and communication with the County about improvements to the safety at the south end of Palo Alto. I still think that, as we look to the future, improving our other crossings at University, at Oregon, Embarcadero and also at San Antonio, I think will continue to be important into the future.

Mayor Burt: Please vote on the board. That passes unanimously. We have one more item to see if we can be expeditious on.

MOTION PASSED: 9-0

7. Review and Discussion Regarding the Urban Forest Master Plan Draft Revisions to Goals, Policies, and Programs and Alternate Vision Statement.

Mayor Burt: Our next item is review and discussion of the Urban Forest Master Plan draft revisions to goals, policies and programs and an alternative vision statement.

Mike Sartor, Public Works Director: Once again, good evening, Mayor Burt and members of the City Council. Mike Sartor, Public Works Director. I'll just keep this very brief. I know Walter Passmore, our Urban Forester, to my right has been working with you on the creation of the Urban Forest Master Plan for almost 2 1/2 years now. It was brought to you first last year. You, at that time, asked that we work with some community groups to work on some enhancements to it. That's what we're bringing to you tonight. Also, at places on your table is a list of the folks that were involved in working with Walter on these enhancements. With that, I'll turn it over to Walter to give a Staff presentation. Thank you.

Walter Passmore, Urban Forestry Manager: I'm going to go through these slides very quickly. I'm not going to read every bullet. I do want to mention that the stakeholders on that list, many of them were present tonight but left due to the late hour. With that being said, we just want to review what Council asked us to do last year when you adopted the Plan. You asked us for enhancements in a second edition. Those included tree species; enhancement of Goal Number 5 which was a planning and development goal; an alternate vision statement; an analysis of how to correct canopy disparity between north and south Palo Alto; more language about agriculture or edible landscaping; inclusion of environmental groups; enhancements for native habitat; and also development impacts. Somewhat

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redundant of Goal Number 5, but we tried to accomplish all of these enhancements to the Plan. On species and habitat, we have a new goal, Number 2. We also have new and enhanced programs. I do want to mention that these complement updates to our storm water permit and creation of a green infrastructure plan. On species and habitat, we amended some of our goals for native species. Currently we have seven percent native species on our street trees, and we had adopted a goal of 10 percent in 10 years, and amended that with a goal of 20 percent in 20 years. Likewise, we currently have 11 percent in urban parks. The 10-year goal was 25 percent; the 20-year goal is 50 percent. These are aggressive goals that are going to require us to plant a large proportion of native species. We also have included language about native species into creation of landscape technical manual, which could be combined with the updates that we had proposed to the tree technical manual. It doesn't have to be a standalone project; it could be a combined project. The development impacts, this is Slide 1 of 3. Not only did we talk about Goal Number 5, but specifically development impacts were called out. We have enhanced a number of policies and programs, also created some new policies and programs. We are going to be proposing at a future date updates to Municipal Code, specifically to Title 8 which is trees and vegetation. Some examples are currently we protect redwoods, which are a high water-use tree and native to only select areas in Palo Alto. We would propose that protection of redwoods could be amended, not eliminated but amended, to reflect our future goals for water conservation and some of our other Comprehensive Plan goals. Likewise, there's a number of updates proposed to Citywide plans, policy documents, procedures. Those would be supported by the new analysis projects that we're going to be doing. Likewise, on development impacts, there was recently some discussion on green infrastructure, green building and water-efficient landscapes, specifically the State has mandated that we adopt a water-efficient landscape ordinance. Some of the changes that we proposed in the Urban Forest Master Plan are responsive to complying with the State's mandate. We've also added programs to communicate the need for interdepartmental coordination. Obviously when we're talking about development, that is not the sole function of the Urban Forestry section of the Public Works Department. This is something that requires broad collaboration as do things like developing a landscape technical manual which could affect our fire control, could affect water conservation, could affect solar collection. There's a number of issues that have to be dealt with through interdepartmental collaboration. We did provide an Attachment B which is an alternate vision statement. I'll just provide a very quick opinion. Both the vision statements are good. Both vision statements would be consistent with the goals, policies and programs that we have recommended. The alternate was proposed by a consensus of our stakeholder group. We would be happy to have Council's feedback on

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whether you want to adopt the alternate vision statement as opposed to what we adopted last year. Canopy in south Palo Alto is actually an analysis that we are nearing completion on. We have some pretty exciting results. We've identified nearly 24,000 vacant planting sites in south Palo Alto. Most of those are on private property, however. Through the results of our community survey, we have discovered that at least 50 percent of our respondents in south Palo Alto saw no impediment to planting new trees. I think we have a receptive population to increasing our tree population, and that could provide a lot of opportunities for public-private partnership, enhancing information and education going to property owners in south Palo Alto, and achieving some very substantial outcomes that are consistent with our Sustainability/Climate Action Plan and our Comp Plan. I'm not going to dwell on agricultural landscaping too much. There are some enhanced programs and language added to some of our existing programs. Again, we will be adding some language into the landscape technical manual. I did mention that the environmental stakeholder groups were here, and we still have a couple of representatives. I hope that hearing their comments will assure you that we did involve the community to a large extent. We did listen to what they had to say. Their opinions are reflected in this updated goals, policies and programs document that you have. The second edition does have some cost and benefits associated with it. We have not gone through a detailed development of an implementation plan like we did with the adopted Plan yet. We are awaiting Council's feedback before we do that. There are some rough estimates for some of the projects that we think will be more substantial, such as creation of the landscape technical manual. Those are in the Staff Report. I think it is important to note that we do have a good analysis of our street tree population. It continues to increase the amount of benefits to the community on an annual basis. This last year, with updated modeling numbers, we have discovered that our street trees alone are returning about \$18 million in benefits on an annual basis. We extrapolate that to the entire urban forest, you can see that those are substantial benefits provided to the community either that you are not paying for, because we're taking care of our urban forest in a way that provides those benefits, or it's generating additional revenues such as property tax revenue, sales tax revenue, hotel occupancy. There's a long list of benefits supported by research. Some of the key issues that we want to call your attention to are the role of urban forestry. I want to tell you a synopsis of the recommendations in the second edition that urban forestry needs to be integrated with many programs in the City, not just the natural element of the Comprehensive Plan, but broadly into many aspects of economic development, of public health, of quality of life. Hopefully your feedback is going to give us direction on how we provide the information necessary to inform Staff in not only the Public Works Department, but all the City departments to integrate key content into future Staff Reports.

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Again, on key issues, we have proposed some intensification of project review for development projects. We need to add capacity to do that. As part of the fee study, we did add one fee for individual review applications which are new single-family homes. That's a new fee that will allow us to add some capacity for review of those projects. Likewise, we need to do that for other processes. We're going to end on recommendations. We are recommending that we maintain the community forum so that we can synthesize Council's feedback into a final version of this second edition of the Master Plan. We are going to be proposing to formalize the role of Urban Forestry Staff with some changes to Municipal Code. Specifically, the officers designated in Title 8 of Municipal Code are in part obsolete; we don't have those positions any more. We will be proposing some changes there to formalize. We are also going to be proposing interdepartmental collaboration and direction for key input to plans such as the Sustainability/Climate Action Plan. We don't have firm numbers on implementation, but we will be coming back to you with estimates based on your feedback. There will need to be a fiscal commitment to those long-term financial implications. I will conclude with that and field questions. Thank you.

Mayor Burt: Thank you. Let's now go to members of the public. We have three speakers. Our first speaker is Shani Kleinhaus, to be followed by Winter Dellenbach. Welcome.

Shani Kleinhaus: Thank you. Shani Kleinhaus, Santa Clara Valley Audubon. I guess at this point I don't represent all the others who are here, like the native plant society and Acterra. I do want to represent that we had consensus in the meetings. Didn't start that way; we started with each one coming from a different direction of what they thought the urban forest should look like. There was one thing that we all agreed on right away, and that was the urban forest is really one of Palo Alto's biggest assets, and it's the heart of our quality of life in this City. From there, we went on and looked at all the different policies and programs and the vision itself. You have the alternative vision, and I hope you support that. We ended up with—I learned a lot from that process, I have to say. One of the things that became more and more obvious is that the Sustainability Plan has to consider the trees as one of the most important things, and that there is not enough integration of the Urban Forest Master Plan into other planning efforts in the City. As a stakeholder also in the Parks Master Plan, there is more consideration there. I think in the S/CAP it's missing to some extent, and it's important to combine that. One of the things that we tried to put in as well, if you remember I gave you those brochures from the San Francisco Bay Institute on landscape resilient framework for Silicon Valley, Google. You have that there. Google actually sponsored those. We tried to use that

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as some of the guiding documents when we helped Walter develop the policies and so on. Thank you so much. I hope this moves forward. It was a great effort. There's always more to do, but we got quite a lot. Thanks.

Mayor Burt: Thank you. Our next speaker is Winter Dellenbach, to be followed by our final speaker, Claire Elliott.

Winter Dellenbach: I missed, when I reviewed the documents in the packet, basically no input about tree protection. I ask that you direct Staff to consider some of the suggestions I'm about to make. Our current tree protection ordinance needs strengthening. There's nothing in the report about better protecting the trees that we have. It is usually far better to keep healthy trees, particularly mature trees, than plant puny new trees. We can look for some direction, I think, from the Menlo Park ordinance; although, in the end it's weaker than ours. It has some interesting ways of looking at trees that our ordinance doesn't include at all. I think most of them are worthy of adoption. Upon resolution of the Menlo Park City Council, a tree may be protected if it is found to have historical significance, special character or community benefits. Palo Alto doesn't recognize any such attributes. Menlo Park initially protects all varieties of healthy trees of a certain size, all varieties, every tree, not just the three trees we now protect. It sounds like it's going to be 2 1/2 trees pretty soon. We protect redwoods, and we protect not all oak trees; we protect two oak trees, valley oaks and live oaks. If we want more trees, then we need to protect more trees. Menlo Park includes groups of trees, including those with multiple trunks, if their number and spacing fits the ordinance standards. Palo Alto doesn't do this. Menlo Park lists beneficial effects that are considered tree by tree, effect on a soil erosion, water retention, wind blocking, climactic change, shade and habitat for animals, impact on privacy and scenic beauty, etc. A good illustration is a nearly 300-year-old valley oak, just a couple of lots from my house, on a lot that's being sold for \$2 million just for the dirt. There is a decent chance that that tree is going to be lost. That tree was around many decades before the founding of this country. We may lose it even though the prospective buyer will be able to meet their FAR. We have a weak ordinance that's way too subject to interpretation. It's ambiguous. It makes me very nervous that we could create swaths in Palo Alto where redwoods aren't protected instead of at least looking to see if there are redwoods among them that are interesting, unique, deserving. I think that we have a major problem to solve in our tree protection ordinance, and we can talk about tree protection all we want, but we're not doing our job.

Mayor Burt: Thank you. Our final speaker is Claire Elliott. I didn't see Claire. That concludes our public comments, and we'll return to the Council. Let me just briefly say I think this latest Plan embraces a whole bunch of

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really positive improvements. Whether it gets everything perfect is another question. I'm really enthusiastic about a lot of the changes. Council Member Holman.

Council Member Holman: I would concur with the Mayor's comment. I think this document is so much improved over the prior version of this that we saw. Thank you very much for that, you and the involvement of members of the community. I have a number of comments. Do you want to just start with a motion and then just add them in? Is that a good way to do this? On page 1—I don't have something on every page—the bullet says "maximize habitat, environmental aesthetic benefits while trying to minimize conflicts." I would say "while minimizing conflicts." Page 2—I think Mayor Burt will appreciate this—the third bullet, private trees on commercial (nonresidential) property.

Male: (inaudible) make sure we're (inaudible).

Council Member Holman: Page 2, the third bullet down. Let me give you a context here. I should do that. I'm trying to do this quickly. Page 2 of 16, yes. A list will acknowledge differing priorities for, that's on Page 1 leading into the bullets on Page 2. The fourth bullet says "private trees on commercial (nonresidential) property. Mayor Burt and I have long had conversation about inclusion of multifamily property. Page 5 ...

Male: (inaudible)

Council Member Holman: That would be great, David. On Page 5, under Goal 3 and Policy 3A, I have no idea what WOCULS is. That should be spelled out, unless it's somewhere else and I just didn't see it.

Mr. Passmore: That's the Water Use Classification of Landscape Species that is mandated by State ordinance. It's in the adopted Urban Forest Master Plan in the body.

Council Member Holman: It should be spelled out here, if you would please. Program 3Ai, these things are work with the City's Office of Sustainability. I think we've done really well here working with Canopy and other organizations, so I would include back in Office of Sustainability plus—I don't list them but Canopy I'll start with. That's true in most of those having to do with the Office of Sustainability. To get to one of the speaker's comments who has left, given the hour, Program 3Bii, this is work with the City's Office of Sustainability, again adding in Canopy and the other organizations, to develop a landscape sustainability checklist for development review that incorporates Citywide goals for water use, sustainability, storm water management and tree selection. What's missing here is tree retention and

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also trimming standards. I don't know where the best place is to put this. I found maybe three places where it could go, but I'll leave it to wherever Staff thinks it should go. One place might be on Page 7 of 16, somewhere around Program 4A. We need to add funding goals for regular trimming and maintenance program. Those that were on the Finance Committee heard me say today I thought it was really interesting that the proposed budget had moved our pruning cycle from seven years currently out to 15 years. I thought it was kind of ironic given that this was on our Agenda tonight in particular. Page 9 of 16, under Program 6Bix, the second bullet, review and expand the requirements and options for mitigating the removal of existing trees for development projects. It doesn't say anything about considering alternatives to removal. I hope somebody else is watching the screen to see if these are captured. Page 10 of 16, Program B5xii, just put language in there that provides a better outcome description. It says to document it and upload it, but it doesn't talk about what the goal is and what the work description should be. Page 11 of 16, under Goal 6 and then 6A, there's nothing here that quantifies these various things, like the absorption of carbon dioxide and air pollutants, for instance, or the vibrancy of a community. There's nothing that quantifies either in terms of air quality, water retention, wind block, the dollar value that trees add to the community.

Mayor Burt: Can I jump in here?

Council Member Holman: Yes.

Mayor Burt: I think we've got to distinguish between specific language changes that we can do at this time and things that you would like to see in the next update to the Plan. You're raising issues, but we don't have a succinct change, then it's open-ended. Tonight we're looking at adopting a Plan. Some of the things that you've done said this specific language change, and it seemed clear-cut. As we're going into just concern areas, I don't think we're going to be able to resolve that.

Council Member Holman: In this Policy 6A—thank you for that—I would suggest add quantification of the benefits. Is that agreeable? I can't say right here the value of a tree is \$75,000.

Mayor Burt: Let me ask. Tonight we're adopting this, and we'd be adopting it with specific language. Is that correct or can we ...

Molly Stump, City Attorney: It's not final adoption of the Plan. It's direction and the Staff intends to come back in the fall.

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Mayor Burt: If it is a clear comment, direction that will be—actually if we don't have objections from Council, then we could have that become a consensus direction.

Council Member Holman: Does the language "add quantification of benefits," is that clear enough? Program 6Ai says work with relevant departments. Again, I would insert Canopy and whatever other organizations. Program 6Aiv, same thing with working with relevant departments, say plus Canopy and others. "Focus shall include but not be limited to soil volume, water table, root impact on and offsite" would be another bullet. On Page 12 of 16, Program 6Bv, what's missing here is ground stability on hillsides or earth stability on hillsides. It'd be an additional bullet. Page 13 of 16, this is maybe a comment more than an addition to this. Create incentives for home and business owners, can I just suggest that Staff consider an allowance or allocation for owners of trees? Page 14 of 16, I have no idea what, under Program 6Gi, work with relative departments to explore incentives such as increased density. I have no idea what that means. I don't know how to comment on it. I don't know what it means. There's a lot of good stuff in here.

Mayor Burt: I'll just say if that one's referring to increased development density in exchange for increased canopy, that's a big policy question. I wouldn't be throwing that in here.

Council Member Holman: A couple of general comments. I would agree with one of the speakers who talked about not reducing our protection of trees and actually expanding our protection of trees of a certain size. If that can be integrated. That's just a separate comment. I guess put it in here as an "O." Lastly the vision. I would also move that we adopt the proposed alternative with a change to the last paragraph. It's kind of a combination of what was in the adopted and this one. The last paragraph would be changed to read "opportunities presented by new development will be optimized and ensure that the forest thrives and is contiguous, complex, and resilient. Negative impacts of new development will be optimally avoided or otherwise minimized."

Mayor Burt: Why don't you just leave out "optimally avoided"? I don't know what that is. "Will be minimized," I think, captures it. I don't know what optimally avoided is.

Council Member Holman: How about leaving out the word "optimally"? Just leaving in "avoided or otherwise minimized"?

Mayor Burt: We're really meaning avoided to the extent possible. That's what we really mean.

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Vice Mayor Scharff: (inaudible) minimized.

Mayor Burt: I would just say "minimized."

Council Member Holman: "Will be minimized," okay.

MOTION: Council Member Holman moved, seconded by Council Member DuBois to direct Staff to include the following changes in the Urban Forest Master Plan:

- A. Replace in Goal 1 Bullet 4, "trying to minimize" with "minimizing;" and
- B. Add to Program 1.A.ii. Bullet 6, "and multi-family" after "non-residential;" and
- C. Replace in Policy 3.A. Bullet 2, "WOCULS" with "WUCOLS (Water Use Classification of Landscape Species);" and
- D. Add to Policies 3.A.i., 3.A.ii., 3.A.iii., 3.A.v., 3.A.vi., 3.A.vii., 3.B.ii., and 3.B.iii., "Canopy and other related organizations" after "Office of Sustainability;" and
- E. Add to Policy 3.B.ii., "tree retention, and trimming standards" after "tree selection;" and
- F. Add to Program 4.A.iv., "and add funding goals for a regular maintenance program."
- G. Add to Program 5.B.ix. Bullet 2, "and consideration of alternatives to removal" after "development projects;" and
- H. Direct Staff to improve the language of the outcome description in Program 5.B.xii.; and
- I. Direct Staff to add quantification of benefits to Policy 6.A.; and
- J. Replace in Program 6.A.i., "and divisions" with "divisions, Canopy and other related organizations;" and
- K. Add to Program 6.A.iv., "Canopy and other related organizations" after "relevant departments;" and
- L. Add to Program 6.A.iv., "root impact on and off site" (new Bullet 3); and
- M. Add to Program 6.B.v., "earth stability on hillsides" (new Bullet 8); and

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- N. Direct Staff to clarify Program 6.G.i. language; and
- O. Direct Staff to add protections for trees of a certain size; and
- P. Adopt the proposed alternate Vision Statement replacing Paragraph 5 with, "opportunities presented by new development will be optimized and ensure that the forest thrives and is contiguous, complex, and resilient. Negative impacts of new development will be minimized."

Mayor Burt: Did you want to comment any more on your Motion? I'm not begging you to.

Council Member Holman: Just briefly. I want to thank Staff. One, Walter, you've been here in these chambers as many hours as some of us have. Thank you for that. Thank you because I think this document is so much improved over where it was before. I appreciate the outreach that you did, the people you've pulled together to work on these updated comments. Really appreciate your efforts. We'll get you the funding you need.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I have amendments "Q" through "V." just kidding. Thank you for the work on this. It really is much improved. I do want to thank the stakeholder group. Apologies that we went late and they couldn't stay. I support all these changes Karen made. I think there were a lot of good improvements to the goals, policies and programs. I did have a question, though. What do you want from us in terms of the canopy in south Palo Alto? It wasn't clear what the attachment there—are you looking for any direction from us on that portion of it?

Mr. Passmore: Not at this time. We are going to be coming back in the fall with the final version. We will also include a final edition of the south Palo Alto canopy analysis with recommendations and cost estimates for implementing those. One of the big ones is going to be developing more robust public-private partnerships.

Council Member DuBois: I have no other comments.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I think I'm actually going to have a hard time supporting this, because I think it's very prescriptive, it's a lot of stuff. I don't know what it means for Staff time. I haven't had a chance to fully digest it. For some of us, we've been here for over 12 hours now because of

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Finance earlier. I might be open to these items if they were preceded with something like consider ...

Mayor Burt: Remember this is guidance to come back.

Council Member Wolbach: If it was guidance to consider or—I'm not enthusiastic about this many changes of this level of detail.

Mayor Burt: How about if we ask Staff to include whatever changes we have redlined so that they'll stand out when we review, when it comes back. Council Member Holman, does that sound fine?

Council Member Holman: I'm sorry. Could you repeat that please?

Mayor Burt: Council Member Wolbach was concerned about buying in one way or the other to a whole bunch of very specific changes at this hour. As a way to not be asking Council Members to necessarily have to agree to each and every one of these, but to ask this to come back with changes redlined. These changes would be incorporated, but we'd see them and have a chance to see what was changed and give them special consideration.

Council Member Holman: Absolutely. There are a couple of things that are just language to be added somewhere or other. Absolutely, of course.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "as redline edits" after "Urban Forest Master Plan."

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you very much. I had some questions. I was going to take advantage of Walter being here but, given the time, I'll maybe shoot you an email and ask them, because they're not directly and necessarily related to the Urban Forest Master Plan. Thank you to Staff and also definitely thank you to the community advisors that we had in kind of updating the Plan. It never hurts for things to go through an additional revision and get more expert input. Clearly this is a step in the right direction. It took a little more work, but it's worth it in the end. Walter, expect an email with some questions from me later. Thanks.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thanks. As much as I enjoy having an urban forest that would be contagious, I'm not sure that's quite what we meant. I'm assuming that means contiguous.

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Council Member Berman: Yeah, contiguous.

Vice Mayor Scharff: When we say opportunities presented by new development will be optimized, I assume we mean opportunities presented for enhancement of the urban forest. We're talking about this in terms of the urban forest; we're not talking about anything else when we say opportunities presented. New development presents lots of opportunities that may be outside the context of this. I just wanted to make sure that that's what we mean.

Council Member Holman: What that is—I really just took the last two paragraphs of the two versions. The original version said opportunities presented by new development will be optimized. That's where that comes from. It seems to make sense to me.

Vice Mayor Scharff: I guess I'm not sure what opportunities presented by new—I assume it means for the urban forest. Is that you think it means? You said it's clear to you.

Mayor Holman: Yeah, because of its context. The vision statement ...

Vice Mayor Scharff: Why don't we say "opportunities presented by new development for enhancement of the urban forest"?

Council Member Holman: That's fine, I think.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part P, "for enhancement of the urban forest" after "new development."

Vice Mayor Scharff: Other than that, I think it's good.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Thank you all for the good work. Canopy at the back of the room and so forth, it's good to see you. One question. Maybe I didn't hear the answer. When we're talking about planting lots of trees, are we talking about finding lots of water?

Mr. Passmore: Not necessarily because trees, once established with the correct soil environment, actually can survive mainly on natural rainfall. A lot of the Urban Forest Master Plan programs are setting up trees for success by creating the soil and the surrounding environment that they need to thrive.

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Council Member Kniss: I'd love to truly believe that, but in the last 4 years we saw so many trees in our neighborhood really stressed. Pardon?

Mayor Burt: That's because we have a bunch of water-sucking trees that are planted.

Council Member Kniss: If what we're saying is plant a different kind of tree that is not going to absorb the water. However, I think people are always tempted to water their trees. I'm not discouraging you from doing it, but I do know that—I've heard Marty Digler [phonetic] any number of times talk about going to East Palo Alto and watering the trees that they had put in. It just doesn't mention that anywhere in here. I do know there is an issue with trees and water. I don't think we should totally ignore it.

Mr. Passmore: Agree.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I just wanted to enthusiastically support what you're doing, getting a document that can help everyone in the City realize the beauties around them and their own responsibilities for doing it. I guess the one part that hasn't been integrated in this is what you're doing in south Palo Alto. I think the very much appreciated detail that you're going through of surveying, asking, looking for things that can be done and realizing that the way of encouragement might be different than has been carried on in the past. I want to encourage you to do that and see what learnings might come from that that can be integrated into the document. I guess the last thing I'd say is just when you do get your Master Plan to think through seriously how to best reach the broad audience with it. Having a document is a good thing, but people are making decisions with their local nurseries and how can you reach where people are making their decisions. That should be an element of your thought process. Of course, financial support for how you can get information out to as wide a range as possible in as many venues as possible. Anything you need, if you can come back and talk to us.

Mayor Burt: I'd just like to say, once again, thanks to both our community advisory group members and our Staff for really some great progress on this. I want to touch on just a couple of things. The issue that Council Member Kniss just brought up really reiterates that we really should be perhaps making people more aware of what trees, aside from our indigenous trees that are designed to necessarily survive with our natural rainfall, but what non-indigenous trees are better suited. We didn't used to plant with those considerations. We have lovely magnolias that are designed for really much wetter environments, and we saw that those were the ones among

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trees that were most in jeopardy in the drought, because they need a lot more water than what we naturally have here. Over time, I think we need to migrate not just toward more indigenous trees but ones that are more suitable for our natural environment. I also think that the modified vision statement is now really looking good. I did want to point out just a couple of things. There was a statement on redwoods being native to only selected areas in Palo Alto. It's one little spot, and that's on the whole Bay that a redwood tree is native. I say this because we kind of have a misguided notion that redwoods are indigenous to our flatlands here. I love redwoods as much as anybody, but we really don't understand where they naturally grow. There was on Page 5 something similar. This has to do with the change in climate. Native species are of paramount importance to a healthy ecosystem; however, definition of native is not universally agreed upon. I beg to differ; it's pretty well agreed upon. They're indigenous, and we may have plants that are indigenous to elsewhere in California that are not indigenous to this area. Maybe that's some of the ambiguity. Native is indigenous plants that grow naturally here, in this area. I'm not sure that that's so uncertain. It says ecosystems adapt in response to influences such as climate change, and the climate goes on that we need to have an expanded list of ecologically important adapted species as a result of climate change. I would say that the impacts of climate change are not yet really affecting what will grow naturally here. I want to make sure that we don't use that as a rationalization to support some new definition of what a native species is. Anyway, those are my only minor comments on what I think is a great document and report.

MOTION RESTATED: Council Member Holman moved, seconded by Council Member DuBois to direct Staff to include the following changes in the Urban Forest Master Plan as redline edits:

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- P. Adopt the proposed alternate Vision Statement replacing Paragraph 5 with, "opportunities presented by new development for enhancement of the urban forest will be optimized and ensure that the forest thrives and is contiguous, complex, and resilient. Negative impacts of new development will be minimized."

Mayor Burt: On that note, let's vote on the board. That passes unanimously. Thank you all very much. We actually did speed up the last two items a bit.

MOTION AS AMENDED PASSED: 9-0

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Burt: We now go on to Council Member Comments and Questions. Council Member Wolbach.

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Council Member Wolbach: Briefly, I attended the VTA town hall at Rinconada Community Center and Library last Wednesday, where they were talking about changing bus service to Palo Alto and throughout the county. It was interesting, and it was particularly interesting for what was not discussed such as congestion management and mobility. There were a number of transportation experts from the community. I tried to impart to the VTA staff members there a lot of the base advocates for not driving solo occupancy vehicle cars in Palo Alto. If these people think you're on the wrong track, wait until you hear from the rest of the community.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Just a couple of comments from the BAWSCA meeting last week, Bay Area Water Commission. Number 1, they pointed out that Hetch Hetchy and San Pedro, the two big dams in the Central Sierra, were 75 percent full; 82 is normal. They feel they have enough for 3 years of drought conservation to keep supplying. Number 2, the BAWSCA agencies—there's 24 in the Bay Area—have achieved 88 percent of their water savings to date. The goal is 100 percent by October. Palo Alto is not at the top. There are 11 cities ahead of Palo Alto in their savings rate, but we're doing average. The third element was the State Water Board went down to something called self-certifying. They're no longer asking each state to meet their requirements but understand that each community might have a different goal of their own. They've identified January of '17 they're likely to come back after the experience of this year with new drought mandates. The most important issue is the water maps, management of the water supply. The SFPUC signed an accord with all their agencies in 2010 limiting the amount of water they can use. That expires in 2018, and they will come out with new numbers. Palo Alto has taken a cut from something like 19 million gallons a day down to 14. That will be renegotiated in 2018. This summer San Francisco has pledged to come out with some data they will be using. They are considering adding San Jose, Santa Clara and East Palo Alto to have water allocations. That's part of the deal. Just an alert that this is an important issue for Palo Alto, and it's beginning to come to the surface.

Mayor Burt: Thank you. Vice Mayor Scharff.

Vice Mayor Scharff: Just briefly, I participated in a call with the FAA today. It was interesting in terms of the different routes and what they think is feasible and not feasible. There's nothing really to report in terms of where that's going. I think it's too early in the process. I also attended the ABAG general assembly last week and then the ABAG Executive Board meeting. Where I think the merger with MTC and ABAG is going is MTC is going to

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take all of ABAG's staff. It'll be one organization, and ABAG staff will cease to exist as a separate organization. There will be two Boards with the existing Executive Director. The ABAG Board will have a dotted line and will not be responsible for the hiring and firing of the existing Executive Director. Once that Executive Director is replaced with a new Executive Director, then the new Executive Director will report fully to both the ABAG and the MTC Boards. That seems to be where that's heading. MTC is supposed to vote on this on Wednesday. We're supposed to look at the implementation plan of all of this, this Friday.

Mayor Burt: I have two things to report. First, the San Francisquito Creek Joint Power Authority had a special meeting this last Thursday to discuss bridging the funding gap that emerged when we got the final bid in for the primary construction bid for the downstream of 101 project. We were able to bridge that gap; all five member agencies came forward with different forms of contributions to doing it. We should be proceeding on construction promptly. We're still trying to negotiate whether we can get a wider construction window as a result of the endangered species restrictions that we have. It's a very narrow construction window, and we'll see whether we can get a wider one this year. If we can't, then it becomes a 3-year construction project, because we talk about weeks each year that we can construct. Second, I was asked to be a member of a smart city panel this weekend at a major event at the county government offices. It was just reiterated how strong our Staff has been in smart city initiatives, whether it be open data or various apps, emergency prep, mobility. The other cities are really recognizing that Palo Alto has been a real leader there. I just wanted to share that feedback. Council Member Kniss.

Council Member Kniss: Just a reminder that the quarterly meeting of the Peninsula Division of the League of California Cities is going to be this coming Thursday night. The discussion is about affordable housing. This week on the 25th. If any of you are interested, let me know and I'll sign you up.

Adjournment: The meeting was adjourned at 11:45 P.M.

Mayor Burt: On that note, the meeting's adjourned.