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FINAL ADJOURNMENT: The meeting adjourned at 10:00 p.m. 123

The City Council of the City of Palo Alto met on this date in the Council Conference Room at 6:00 p.m.

COUNCIL

PRESENT: Beecham, Burch, Cordell, Freeman, Kishimoto, Kleinberg, Morton (arrived at 6:10 p.m.), Ojakian

ABSENT: Mossar

YOUTH COUNCIL

PRESENT: Ahn, Chacko, Farzaneh, Freeman, Fukui, Mehrotra, Oza, Revueltas, Rogers, Byu, Wu, Yang

ABSENT: Chen, Kozhukh, Liu, Zhu,

STUDY SESSION

1. Joint Meeting with the Youth Council

No action required.

ADJOURNMENT: The meeting adjourned at 6:58 p.m.

Regular Meeting
May 9, 2005

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:00 p.m.

PRESENT: Beecham, Burch, Cordell, Freeman, Kishimoto, Kleinberg, Morton, Mossar, Ojakian

ORAL COMMUNICATIONS

Andrea Smith spoke regarding her position in Community Services Family Resources, which was targeted to be cut from the budget.

Jennie Nelson spoke regarding part time help at the Children's Museum and Zoo and Fiscal Year 2005-2007 budget cuts.

Erin Bennett spoke regarding her position as a Park Ranger being cut from the budget.

Erika Spencer spoke regarding her position as a Community Service Officer being cut from the budget.

Chris Fujimoto spoke regarding his position as Planning Department Code Enforcement Officer being cut from the budget.

Tony Spitaleri, representing Palo Alto Firefighters, spoke regarding helping to find ways to balance the budget without layoffs.

Annie Bunten spoke regarding hourly workers.

Maya Spector spoke regarding balancing the budget without layoffs.

Sylvia Smitham, 2514 Birch Street, spoke regarding traffic problems on California Avenue.

Elaine Meyer, 609 Kingston Avenue, spoke regarding housing in Palo Alto.

APPROVAL OF MINUTES

MOTION: Council Member Morton moved, seconded by Kleinberg, to

approve the minutes of April 11, 2005, as submitted.

MOTION PASSED 9-0.

CONSENT CALENDAR

Council Member Kishimoto registered a no vote on Item No. 2

Council Member Freeman asked where the \$2 million was in the budget for purchase of rollout single stream waste containers.

Public Works Deputy Director Michael Jackson said it was in the 2004-2005 Refuse Fund Operating Budget.

Council Member Freeman verified it was under supplies and materials. For the 2003-04 fiscal year budget it was \$163,000, and increased to \$2,300,000 in 2004-05 fiscal year budget. She questioned the \$2 million increase within a two-year timeframe.

Joy Ogawa, raised concerns regarding Palo Alto Sanitation Company (PASCO) issuing large yard trimming and recycling containers to the residents. She expressed the large containers occupied too much space and over-exceeded some of the resident's needs. Distribution of the large containers where they were not needed was a waste of City funds. The pilot Single Stream Recycling Program might work for most single-family homes but not for multi-unit apartments.

Council Member Freeman said Council had placed \$2 million into the Refuse Fund and increased the Refuse Fees. She registered a no vote on Item No. 2.

MOTION: Council Member Morton moved, seconded by Mossar, to approve Consent Calendar Item Nos. 1-3.

LEGISLATIVE

1. Resolution 8521 entitled "Resolution Declaring The Results of the Mail Ballot Proceeding Relating to Storm Drainage Fees Held on Tuesday, April 26, 2005"

Resolution 8522 entitled "Resolution Amending Utility Rate Schedules D-1 (Storm And Surface Water Drainage) and C-4 (Residential Rate Assistance Program) and Utility Rule And Regulation 25 (Special Storm

and Surface Water Drainage Utility Regulations)”

ADMINISTRATIVE

- 1A. Appointment of Martin Bernstein, Roger Kohler, Michael Makinen, and Carol Murden to the Historic Resources Board (HRB) for Terms Ending May 31, 2008
2. Approval of an Operating Budget Purchase Order with Toter Incorporated in the Amount Not to Exceed \$2,023,300 for the Purchase of Rollout Waste Containers
3. Approval of an Enterprise Fund Amendment No. 1 to Contract No. C3151060 with RMC Water and Environment (formerly known as Raines, Melton & Carella, Inc.) in the Amount of \$1,500,000 for the Design and Services During Construction of the Mountain View/Moffett Area Water Recycling Facility Project (Capital Improvement Program Project #WQ04010)

MOTION PASSED 9-0 for Item Nos. 1, 1A, and 3.

MOTION PASSED 7-2 for Item No. 2, Freeman, Kishimoto no.

Council Member Morton expressed his appreciation to the community for supporting the storm drain fees. He said it was an important step, which allowed the City to finance long-needed repairs.

UNFINISHED BUSINESS

4. Public Hearing: Finance Committee Recommendation re: Proposed Fiscal Year 2005-2007 Community Development Block Grant (CDBG) Funding Allocations and Draft 2005-2010 Consolidated Plan and Draft Action Plan *(Item continued from May 2, 2005)*

Resolution 8523 entitled “Resolution Approving the Use of Community Development Block Grant Funds for Fiscal Years 2005-2006 and the Preliminary Commitment of Funds from Fiscal Year 2006-2007 and Adopting the Consolidated Plan for the Period 2005-2010”

Planning Manager Julie Caporgno was designated to represent the Planning and Transportation Department in presenting the Community Development Block Grant (CDBG) funding cycle since Director of 05/09/05

Planning & Community Environment Steve Emslie had a conflict of interest. He served on the InVision Board of Directors, a public service grant applicant, and could not participate in the CDBG Program. The Federal Housing and Urban Development (HUD) notified the City of its good standing and would receive full grant allocations the following year if the Federal government did not modify the program.

Eloiza Murillo-Garcia, Community Development Block Grant Coordinator, gave an overview of the CDBG Program outlined in staff report (CMR:231:05).

Steve Mullen, CDBG Citizens Advisory Committee spokesperson, reported on the Committee's deliberations. Focus was on the needs of families with children, the homeless, and seniors. The decision process was difficult due to funding constraints. Funds had declined in the past few years and the requested allocations exceeded the available funds. Service funding requests were \$200,000 and \$127,000 was allocated. Capital funding requests were \$1.1 million and \$623,000 was allocated. There were concerns of prior year's funded projects not going through. They had been tied in with staff's proposal of potential housing sites that might be available for acquisition and monitored through September 2006. The Committee would be informed at that time of its status with the possibility of introducing another request during the second year of the funding cycle.

Mayor Burch declared the Public Hearing open at 7:53 p.m.

Susan Thomas, Director of Stevenson House, expressed her appreciation for the Citizens Advisory Committee and the Finance Committee's recommendation and support.

Mayor Burch declared the Public Hearing closed at 7:55 p.m.

MOTION: Vice Mayor Kleinberg moved, seconded by Mossar, that the City Council approve the Finance Committee recommendations, as follows:

1. Allocate CDBG funding as recommended by staff in the first 2005/06 Action Plan update to the Consolidated Plan for the period 2005 to 2010 and authorize staff to submit the 2005/06 Action Plan to the Department of Housing and Urban Development (HUD) by the May 15, 2005 deadline.

2. Commit future CDBG funds to repay the General Fund for a portion of the CDBG eligible site acquisition costs in connection with a new affordable housing project, if a site can be identified and acquired in 2005/06.
3. Adopt the 2005-2010 Consolidated Plan and authorize staff to submit the Plan to HUD by the May 15, 2005 deadline.
4. Authorize the City Manager, on behalf of the City, to execute the 2005/06 applications and Action Plan for CDBG funds and any other necessary documents concerning the application, and to otherwise bind the City with respect to the application and commitment of funds.
5. Support Fiscal Year 2006/07 funding as recommended.

MOTION PASSED 9-0

Council Member Morton asked whether funding was on a reimbursement basis if problems occurred in completing the work.

Ms. Murillo-Garcia confirmed that it was.

Council Member Morton said \$400,000 was set aside for a site and asked whether it had been identified. He noted funds would be redeployed if a site were not identified by September 15, 2005.

Ms. Caporgno said the Finance Committee recommended the Palo Alto Housing Corporation (PAHC) look into surplus land adjacent to City land. The second was the Eden Housing Project working with City staff on the Alma Street property and exploring the feasibility of adding property adjacent to the site.

PUBLIC HEARING

5. Public Hearing: Notice of Intent to Award License to Place Telecommunications Equipment on Property Located on the South Side of Colorado Avenue Near the Intersection of Colorado Avenue and Simkins Court. *(Staff is requesting that Council, by motion, continue this item to 07/25/05)*

MOTION: Council Member Morton moved, seconded by Cordell, to continue the item to the July 25, 2005 City Council meeting.

MOTION PASSED 9-0.

REPORTS OF COMMITTEES AND COMMISSIONS

6. From Policy and Services Committee: Recommendation Not to Approve Criteria and Process for Recognizing Individuals on a Wall of Honor Display (New Policy) (March 15, 2005)

Council Member Freeman introduced the item and said a majority of the Policy and Services Committee (P&S) felt the new policy was valuable, but there were other ways the community could recognize their members. The P&S Committee members expressed concern that honoring only a selected few individuals would be too great of a risk. The P&S Committee decided not to recommend that Council adopt the policy for recognition of individuals on a wall of honor display.

MOTION: Vice Mayor Kleinberg moved, seconded by Beecham, that the Policy and Services Committee recommends to the City Council not to adopt a policy for the recognition of individuals on a "Wall of Honor" display.

MOTION PASSED 8-1, Freeman no.

Vice Mayor Kleinberg acknowledged Open Space and Sciences Division Manager Greg Betts and the staff for their work and research in trying to establish the policy.

COUNCIL MATTERS

7. Colleagues Memo from Mayor Burch and Council Members Beecham and Cordell regarding New Police Building

Mayor Burch said on February 14, 2005, Council had directed staff to bring back more information on a potential location for the new Police Building on an existing City-owned parking lot near California Avenue and to explore the possibility of a shared project with the County on County-owned land.

Council Member Beecham reported that California Avenue retailers were not enthused about the project and the Santa Clara County was not receptive to the plan. A local developer had come forward with an idea that should be reviewed by the City Auditor.

Council Member Cordell said there were four recommendations for the

new building's location with a fifth involving the Auditor's review. Staff was willing to review and recommend a location prior to Council's vacation in August 2005. The original request was for a 60,000-square-foot building. Due to a lack of space, it was necessary to drop to 50,000 square feet, which did not meet the Police Department's needs. She urged Council to support the need for a larger building and for staff to expedite the required information.

Council Member Morton felt Council had not discussed the item at length in making a policy decision in exploring the developer's suggestion. If it was Council's decision to go forward, he needed clarification on funding and cost.

Council Member Beecham said Council had discussed and had set the policy that was noted in the Colleagues Memo. Council debated and directed staff to proceed with the plan to renovate the existing Police Building, limited to 50,000 square feet with impacts on setbacks, neighbors, and parking issues. The plan was difficult since it meant temporarily moving the emergency operation and the Police Department. What was being set at the meeting was better ways to achieve what already had been committed.

Council Member Morton said he lacked the understanding of the commitment and was inclined to not support the motion.

Council Member Freeman raised concern regarding the perception of exclusivity. She preferred a full open process through proposals if bond financing was used and questioned the possibility of legal ramifications.

City Attorney Gary Baum said under the City Charter, bidding would be required if the work was constructed with bond financing.

Assistant City Manager Emily Harrison said staff was open to other proposals. Staff did not intend to create a process to allow people to provide proposals, but was open to other developers who may have an equally viable proposal.

Council Member Freeman asked how would people gain knowledge of that option.

City Manager Frank Benest said the real estate community knew about the City's interest in developing the facility and would approach the City

if they were interested.

Jay Boyarsky, 1212 Middlefield Road, Supervising Deputy District Attorney, emphasized the glaring need for a new, 60,000-square-foot Police Building, notwithstanding an editorial that was in the *Palo Alto Daily News* that day. He was not there to speak for or against the proposal that he had heard or read about in the paper. He said he had recently had the opportunity to take a tour of the evidence room of the Police Department, and felt it was crucial that items of evidence be stored in a sanitized and organized manner, which was really about the administration of justice and the ability for police to handle those items in a professional way. Evidence items went right to the heart of obtaining convictions and to the rights of protecting the accused who are innocent until proven guilty. He strongly supported the need for a new Police Building in Palo Alto.

Council Member Kishimoto asked if the intent was to keep the building as a Green Building.

Ms. Harrison said it was made clear during the preliminary discussions that a Green Building was an extremely high priority for the City.

Council Kishimoto confirmed alternate sites would be made for the Farmers Market and other displacements. She echoed Council Member Morton's comments regarding Council explicitly giving the go ahead to explore and develop the Police Building concept, but did not explicitly say the Police Building would take precedence over the Library or other Capital Improvement Projects (CIP). She concurred with Council Member Freeman's suggestion of having an open and transparent process for site proposals.

Ms. Harrison said it was good that Council Member Kishimoto noted the proposed location was uniquely beneficial in terms of its proximity to City Hall.

Council Member Ojakian asked staff when the first staff report was presented.

Police Chief Lynne Johnson said it was presented for the second time in 1996.

Council Member Ojakian said numerous sites were vetted in early

reports. Each site was identified through an arduous process and each site was eliminated one by one. A potential building, meeting the needs for a new Police Building, and being located directly across the street from the City Hall was the best-case scenario. The current Police Department lacked services with substandard conditions such as improper facilities for female police officers, a poor Evidence Room, and unsuitability for 9-1-1 emergency operations. The City had an opportunity to explore a site for a Police Building with sufficient space and the possibility of not costing a lot of money. He supported the motion.

Council Member Cordell said the first search started in 1985. She concurred with Council Member Freeman regarding a transparent process, and Council Member Morton's issue in prioritizing concerns prior to engaging in allocating funds. If the plan worked out to be a viable option, funds for the project should be top priority. She emphasized the serious need for a new building. The current building was structurally unsound and, if destroyed by an earthquake, the communications system would become inoperable without a backup. What was being asked at the meeting was to go forward to explore and evaluate the four options contained in the memo.

Council Member Beecham clarified Council Member Morton's concerns regarding funding. Staff was directed to return with a funding plan, which had not been included in the earlier action. The concern was not to go forward if there was not a way to pay for the project. Once the existing Police Department space was vacated, it would give other departments the opportunity to move back into City Hall and free up the cost of other locations. He asked that the comments made by the Supervising District Attorney, relative to one of the editorials in the local papers, be noted and reported.

MOTION: Council Member Beecham moved, seconded by Cordell, to direct staff to take the following steps in the development of the Police Building project:

- 1 Temporarily halt staff work on the renovation and expansion of the existing Police Building and on the California Avenue alternative;
- 2 Evaluate the plan for the construction of the new police building at the proposed Downtown site;
- 3 Evaluate parking options for the new police building and the adjacent commercial property, including utilization of the City-

- owned parking lot behind the Post Office;
- 4 Return to Council before Council vacation in August 2005, with a feasibility analysis of this option and which recommendation(s), which will include a funding plan; and
 - 5 City Auditor would review this project and provide comments and her assessment to the City Council.

Vice Mayor Kleinberg said there were numerous apartment buildings that surrounded the potential site, and she was interested to know how staff worked with adjoining neighbors to bring them into the exploratory process. Usage of the old Police Department site at City Hall could become beneficial to the community in accessing City services. She asked whether the new Police Building would house an up-to-date, state-of-the-art 9-1-1 Operations Center.

Ms. Harrison said it was part of what was being looked at. She said grant funding was not available for constructing a building, and to equip a building was very competitive for that type of grant funding. Grant funding would be explored.

Vice Mayor Kleinberg supported the motion.

Council Member Freeman asked that the process be open to the public to allow other bidders the opportunity.

Council Member Beecham said the opportunity was open for the past ten years and would not accept the amendment.

SUBSTITUTE MOTION: Council Member Freeman moved to include all actions in the Colleagues Memo plus the addition of opening the process to allow other bidders the opportunity.

MOTION DIED FOR LACK OF A SECOND

Council Member Morton said he supported the motion based on the statement that it was an exploration and not a policy decision to make the Police Building a top priority in the CIP projects.

Mayor Burch supported the motion.

MOTION PASSED 8-1, Freeman no.

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Council Member Mossar noted that John Paul Woodley, Jr., the United States Assistant Secretary of the Army Civil Works, was in Palo Alto the prior week for a meeting regarding San Francisquito Creek. He had stated he was interested in the project because of the Joint Powers Authority (JPA).

Council Member Kishimoto reminded the community the Artists Open Studios would be held this coming weekend.

Council Member Freeman commended staff for the successful May Fete Parade.

Council Member Ojakian thanked Mayor Burch and Council Member Mossar for the Homer Tunnel Opening celebration. He congratulated Austinn Freeman for being named the Central Coast Section (CCS) Female Scholar Athlete of the Year.

Council Member Beecham noted an editorial regarding Enron this past weekend had stated significant errors of facts.

Mayor Burch congratulated Palo Alto Green for winning a sustainability award.

Council Member Freeman congratulated the City's Utilities Department for green energy.

CLOSED SESSION

Mayor Burch asked the City Attorney to clarify the basis for Closed Sessions and the types of issues discussed in the sessions.

City Attorney Gary Baum said the three primary reasons for Closed Sessions were to discuss: 1) personnel matters to hear complaints or charges against an employee or to instruct the bargaining representative on labor negotiations; 2) litigations that are potential or existing to provide direction to the attorneys on how litigation should be handled and to be informed of the nature or type of litigation so that the City could address problems enclosed within the litigation; 3) real estate negotiations to inform the negotiator of price and terms of property being acquired, leased, or sold and how it should be handled by the City

and to provide the negotiator with instructions. The City operates in an open government environment and holds as few Closed Sessions as possible.

The meeting adjourned at 8:55 p.m. to a Closed Session.

8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Authority: Government Code section 54956.8
Property: Los Altos Treatment Plant located at 1237 and 1275 N. San Antonio Avenue, County of Santa Clara, CA 94303-4312; Parcel Number 116-01-013
City Negotiators: Gary Baum, City Attorney and Carl Yeats, Director of Administrative Services
Potential Negotiating Parties: City of Los Altos
Subject of Potential Negotiation: Price and Terms of Payment

The City Council met in Closed Session to discuss matters regarding property negotiation, as described in Agenda Item No. 8.

Mayor Burch announced there was no reportable action taken.

FINAL ADJOURNMENT: The meeting adjourned at 10:00 p.m.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.