

October 11, 2005
Special Meeting

1. Joint Meeting with City Council and Planning and Transportation Commission 384

2. Vote and Appointment of Candidates to the Architectural Review Board 384

3. Vote and Appointment of Candidates to the Utilities Advisory Commission 385

ORAL COMMUNICATIONS 385

APPROVAL OF MINUTES 386

4. Resolution 8559 entitled "Resolution of the Council of the City of Palo Alto Approving the Long-Term Power Purchase Agreement (Shiloh Wind Power Project) with Shiloh Wind Project, LLC for the Purchase of Electricity Generated by a Wind Electric Generating Facility" 386

5. Ordinance 4880 entitled "Ordinance of the Council of the City of Palo Alto Establishing the Charleston-Arastradero Corridor Pedestrian and Bicyclist Impact Fee and Amending the Palo Alto Municipal Code Title 16 (Building Regulations) by Adding Chapter 16.59 -- Charleston Arastradero Corridor Pedestrian and Bicyclist Impact Fee" 386

6. Ordinance 4881 entitled "Ordinance of the Council of the City of Palo Alto Updating the R-1 Zone District Regulations of Title 18 [Zoning] of the Palo Alto Municipal Code by Amending Section 18.04.030 of Chapter 18.04 [Definitions] and Table 3 (Summary of Gross Floor Area for Low Density Residential Districts) of Chapter 18.12 [R-1 Single-Family Residence District Regulations]" 386

7. Report of Williamson Act Contracts Within the City of Palo Alto..... 386

8. Approval of a Contract with Del Conte's Landscaping, Inc. in the Amount of \$232,865 for Construction of El Camino Median Island Improvements Phase II – Capital Improvement Program Project PE-01013 386

9. Public Hearing: Consideration of a Zoning Ordinance Update:..... 387

10. Public Hearing: Consideration of a Zoning Ordinance Update:..... 395

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS 402

ADJOURNMENT: The meeting adjourned at 10:50 p.m. 403

The City Council of the City of Palo Alto met on this date in the Council Conference Room at 6:01 p.m.

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

PRESENT: Bialson, Burt, Cassel, Garber, Holman, Lippert, Sandas

STUDY SESSION

1. Joint Meeting with City Council and Planning and Transportation Commission

No action required

RECESS: 7:00 p.m., with meeting reconvening in the Council Chambers at 7:10 p.m.

Mayor Jim Burch reported on the relationship between Palo Alto and Kenner, Louisiana. He said Senior Auditor Renata Falk traveled to Kenner and presented the resolution from Palo Alto. Mayor Capitano of Kenner, Louisiana was deeply touched and appreciated that Palo Alto employees had contributed \$13,850 to the fund. He also reported on the California Cities Katrina Aid and Relief Effort (KARE) Project. The project encouraged staff to help other California cities connect with cities in the Gulf Coast region. To date, KARE had connected six other California cities with cities in Louisiana or Mississippi.

SPECIAL ORDERS OF THE DAY

2. Vote and Appointment of Candidates to the Architectural Review Board

FIRST ROUND OF VOTING FOR THE ARCHITECTURAL REVIEW BOARD

VOTING FOR STAN FIELD: Freeman, Kishimoto, Morton

VOTING FOR LORI HSU: Cordell

VOTING FOR GRACE LEE: Beecham, Burch, Cordell, Freeman, Kishimoto, Kleinberg, Morton, Mossar, Ojakian

VOTING FOR SASSAN PEDRAMRAZI:

CLARE MALONE PRICHARD: Beecham, Burch, Kleinberg, Mossar, Ojakian

Assistant City Clerk Deanna Riding announced that Grace Lee was appointed with nine votes and Clare Malone Prichard was appointed with five votes on the first ballot.

3. Vote and Appointment of Candidates to the Utilities Advisory Commission

FIRST ROUND OF VOTING FOR THE UTILITIES ADVISORY COMMISSION

VOTING FOR WILLIA CONLON:

VOTING FOR EDGAR DeMAO: Beecham, Morton, Mossar

VOTING FOR RAMARAO DIGUMARTHI:

VOTING FOR MARILYN KELLER: Burch, Cordell, Freeman,
Kishimoto, Ojakian

VOTING FOR WALTER LOWENSTEIN:

VOTING FOR MATI MERILO:

Assistant City Clerk Deanna Riding announced that Marilyn Keller was appointed with five votes on the first ballot.

ORAL COMMUNICATIONS

Rita Morgin, 600 Channing Avenue, spoke regarding the horrendous garden fee increase for the community gardeners.

John K. Abraham 736 Ellsworth Place, spoke regarding the Police Demographics Report.

Mike Abkin, 177B Everett Avenue, spoke regarding the Department of Peace resolution and current legislation.

Victoria Colligain, 1160 South California Avenue, spoke regarding the Congressional passage of legislation to establish a Department of Peace.

Samina Faheem, 120 Park Avenue, spoke regarding the Department of Peace and the earthquake in Pakistan.

Norman Carroll, 425 High Street, spoke regarding City Meetings being held at the same time.

Stephanie Munoz, 101 Alma Street, spoke regarding development.

APPROVAL OF MINUTES

MOTION: Council Member Morton moved, seconded by Ojakian, to approve the minutes of September 12, 2005.

MOTION PASSED 9-0.

CONSENT CALENDAR

Vice Mayor Kleinberg stated she would vote "no" on Item No. 6.

Council Member Cordell stated she would not participate on Item No. 5 due to a conflict of interest because she owned property within 500 feet of the area, and that she would vote no on Item No. 6.

MOTION: Council Member Morton moved, seconded by Beecham, to approve Item Nos. 4-8 on the Consent Calendar.

LEGISLATIVE

4. Resolution 8559 entitled "Resolution of the Council of the City of Palo Alto Approving the Long-Term Power Purchase Agreement (Shiloh Wind Power Project) with Shiloh Wind Project, LLC for the Purchase of Electricity Generated by a Wind Electric Generating Facility"
5. Ordinance 4880 entitled "Ordinance of the Council of the City of Palo Alto Establishing the Charleston-Arastradero Corridor Pedestrian and Bicyclist Impact Fee and Amending the Palo Alto Municipal Code Title 16 (Building Regulations) by Adding Chapter 16.59 -- Charleston Arastradero Corridor Pedestrian and Bicyclist Impact Fee" *(1st Reading 09/26/2005, Passed 7-0, Kleinberg absent, Cordell not participating)*
6. Ordinance 4881 entitled "Ordinance of the Council of the City of Palo Alto Updating the R-1 Zone District Regulations of Title 18 [Zoning] of the Palo Alto Municipal Code by Amending Section 18.04.030 of Chapter 18.04 [Definitions] and Table 3 (Summary of Gross Floor Area for Low Density Residential Districts) of Chapter 18.12 [R-1 Single-Family Residence District Regulations]" *(1st Reading 09/26/2005, 7-1, Passed Cordell no, Kleinberg absent)*

ADMINISTRATIVE

7. Report of Williamson Act Contracts Within the City of Palo Alto
8. Approval of a Contract with Del Conte's Landscaping, Inc. in the Amount of \$232,865 for Construction of El Camino Median Island Improvements Phase II – Capital Improvement Program Project PE-01013

MOTION PASSED 9-0 for Item Nos. 4, 7 and 8.

MOTION PASSED 8-0 for Item No. 5, Cordell not participating.

MOTION PASSED 7-2 for Item No. 6, Cordell, Kleinberg no.

Mayor Burch reported Palo Alto Green was presently at 13 percent of the population and was on its way to becoming number one in the country with a total of 15 percent. He thanked the residents for all they had done in the pursuit of renewable resources.

Council Member Cordell said she understood the Palo Alto Hills Golf and Country Club (PAHGCC) was erroneously included in the Williamson Act contracts. She asked whether there were any benefits or monies that accrued improperly to the PAHGCC and, if so, what would be done.

City Attorney Gary Baum said although the PAHGCC was listed and entered into the Williamson Act contract, they never benefitted from the contract, which should have included a reduction in property taxes. Staff did not want to cancel the contract as it required a penalty to be paid by PAHGCC; instead staff would move to not renew the contract.

Council Member Freeman commented the Palo Alto Green yard sign was helpful.

PUBLIC HEARINGS

Council Member Cordell stated she would not participate in Item No. 9 due to a conflict of interest because she was employed by Stanford University.

Council Member Mossar stated she would not participate in Item No. 9 due to a conflict of interest because her husband was employed by Stanford University.

Council Member Mossar asked whether those not participating in Item No. 9 would have the benefit of staff's presentation for Item No. 10, which was being presented simultaneously.

Director of Planning and Community Environment Steve Emslie said staff anticipated two separate presentations.

City Attorney Gary Baum said staff would prefer to hold the conflicted item until the end; however, it was not allowed under Section 18709 of the Political Reform Act.

9. Public Hearing: Consideration of a Zoning Ordinance Update:

Adoption of Portions of a New Chapter 18.20 of the Zoning Ordinance to Provide Regulations for the Medical Office and Medical Research District [MOR], Research Park [RP] and Research Sub-district [RP(5)], and Related Definitions in Chapter 18.04; Modifications to Section 5.20.120 of the Municipal Code Regarding Recycling; Modifications to Chapter 18.08 Regarding Zoning Districts; and Deletion of Current Chapters 18.37, 18.55, 18.57, 18.60, and 18.63 of the Zoning Ordinance (Title 18).

Director of Planning and Community Environment Steve Emslie said the recommendation was for Council to adopt portions of a new Chapter 18.20 of the Zoning Ordinance Update (ZOU). Should the Council wish to enact anything different than the P&TC's recommendation, including staff's alternative recommendation, it would require an amendment to the draft ordinance.

Planning Consultant Curtis Williams said the Council previously reviewed and discussed preliminary recommendations of the P&TC. Although they accepted many of the modifications, they directed staff to address several issues in conjunction with moving forward with the changes to: 1) delete provisions limiting office use in the Research Park (RP) district, and instead require monitoring of office use in the RP, with a report to Council if substantial increases in office use occurred in the future; 2) delete the phrase "within a medical office" from the definition of "medical research"; 3) provide for a 150-foot setback adjacent to residential zones for increased height to 40 feet to accommodate interstitial space for biotech users in the RP and Research Office; 4) return with added provisions for mixed-use and residential uses, and for performance standards regarding noise, lighting, and access for those zones; and 5) review provisions for "medical office" and "medical research" uses in the Medical Office and Medical Research (MOR) district to provide incentives to retain medical offices but without providing a disincentive for maintaining research uses. The P&TC's recommendation for residential and mixed-use development would eliminate the allowance for single-family and two-family uses, but continue to allow multi-family residential use at the RM-30 densities as presently prescribed. The P&TC also recommended adding a buffer area of 150 feet within any R-1 or other lower density zones adjacent to the RP zone, and would be limited to the RM-15 density and standards. Staff recommended that Conditional Use Permits (CUPs) be required for all multi-family residential uses in the various districts. They believed the added level of review would provide for further protection of those areas that were important for support of the City's economic base. Staff and the P&TC differed in their recommendation for Medical Office and MOR uses. Staff felt the MOR could exist as a separate use and suggested the Medical Office use be a conditional use in the MOR zone. Performance criteria was important in protecting residential areas from neighboring industrial uses, and the existing Chapter (18.64) of the Zoning Ordinance would remain in place to address lighting, visual noise, and site

access issues. Staff suggested developing a separate chapter of the ZOU to replace the existing one to include upgrades with additional standards for sustainability and pedestrian access. Staff recommended the Council adopt the ordinance to approve specific sections of the new Chapter 18.20 in the ZOU for the Medical Office and MOR, RP, and Research Park-5 (RP-5) zoning districts west of El Camino Real (Stanford lands).

Planning and Transportation Commission Chair Pat Burt said the P&TC did not have an opportunity to review CUPs on residential development as well as Medical Office in the prescribed areas. The P&TC looked carefully at Council's review of the restrictions on MOR within the Medical Office use area and recognized that Medical Office use of private independent practitioners in and around Welsh Road was a valuable community resource. The P&TC saw it as a policy objective in an attempt to retain those medical practitioners. The staff and P&TC looked for possible incentives to achieve the Council's directive, but none were found. After careful consideration, the P&TC voted unanimously to stand by their previous recommendation, and for the Council to reconsider the matter. With regard to performance criteria, the P&TC adopted support for the recommendation with the caveat the development standards, particularly for increased height and equipment accommodations, may be revisited if the present standards did not adequately address noise and visual impacts of the equipment.

Mayor Burch declared the Public Hearing open at 7:20 p.m.

Jim Baer, 172 University Avenue, said the City should align its 25-year policy of support for appropriate levels of housing within infrastructure capacity.

Craig Foster, 600 Deer Valley Road, San Rafael, CA 94903, expressed opposition to the definition change of Medical Office Research (MOR). The downside of the proposal presented by the P&TC may require his business to find other tenants.

Planning and Transportation Commission Member Lee Lippert said although staff had time to submit their recommendations regarding CUPs to the P&TC for discussion it had not been done. He asked the Council to consider sending the item to the P&TC for further discussion.

Sheri Furman, 3094 Greer Road, requested that Council prohibit R-1 and R-2 in the zones mentioned in Item Nos. 9 and 10, and prohibit multi-family in the General Manufacturing (GM) zone but require the CUP for multi-family in all other areas.

Eddie Keating, 3553 Alma Street, #5, believed the City needed housing and opportunities which were appropriate for housing, such as vacant offices.

Bonnie Packer, 768 Stone Lane, asked the Council to return the item to the P&TC for further consideration.

Nancy Tierney, 1412 Howard Avenue, said to restrict medical research to a medical office setting would curtail or eliminate the research programs and the resulting benefits to patients and the community at large.

Bob Moss, 4010 Orme Street, expressed support for staff's recommendation of a CUP for housing in the industrial area.

Bernadette Soubirou, Alexandria Real Estate Equities, San Mateo, expressed support for staff's recommendation on the additional height allowance for the biotech building for interstitial space.

Jean Snider, Stanford Management Company, 2770 Sand Hill Road, Menlo Park, said Stanford, as the steward of the Research Park (RP), expressed support for staff's recommendation. Maintaining a balance of uses in the RP was vital to its success.

Annette Glanckopf, 2747 Bryant Street, said she supported the P&TC's recommendation to prohibit R-1 single-family and R-2 two-family uses in the MOR and RP districts. She also supported multi-family use in the same areas with a CUP.

Fred Balin, 2385 Columbia Street, believed the Council should engage with an independent consultant to determine appropriate threshold levels on California Avenue and neighboring streets, monitor traffic counts as new development occurred, and report early warnings as traffic levels near thresholds.

Bud Mission, Roche Palo Alto, 3431 Hillview Avenue, expressed his companies' support for the current ZOU as proposed, and urged the Council's final adoption.

Sidney Espinosa, Hewlett Packard, 3000 Hanover Street, said Hewlett Packard (HP) strongly supported staff's recommendation that Stanford continue monitoring and enforcing office use within the RP, and the expanded height limit to 40 feet.

Joy Ogawa, Yale Street, expressed concern about the proper use, handling, and storage of biohazards and potential accidents.

Robert Wheatley, 701 Welch Road, concurred with the comments of Craig Foster. He said limiting Medical Office uses would be detrimental to him as a landowner. He suggested Council maintain the current research and office uses.

Stephanie Munoz, 101 Alma Avenue, expressed support for the height recommendation with the caveat that the height increase not be solely for profit for the developer and the landowner.

Betsy Allyn supported the recommendation to make housing a CUP in the MOR and RP districts. She believed the item should return to the P&TC for further discussion.

Mayor Burch declared the Public Hearing closed at 8:15 p.m.

MOTION: Council Member Beecham moved, seconded by Ojakian, to approve the staff and Planning and Transportation Commission (P&TC) recommendation to adopt the Ordinance to approve specific sections of the new Chapter 18.20 in the Zoning Ordinance for the Medical Office and Medical Research (MOR), Research Park (RP) and Research Park-5) zoning districts west of El Camino Real (Stanford lands), encompassing revisions to the current office, research and manufacturing zoning districts (Chapters 18.37, 18.55, 18.57, 18.60, and 18.63) and related definitions in Chapter 18.04 (Attachment A of CMR: 391:05)

and

approve the staff recommendation regarding the definition of "medical research" and review of automatic teller machines that would require two additional provisions as follows: 1) Conditional Use Permits for all multi-family residential developments in the MOR, RP and RP(5) Districts, and 2) Conditional Use Permits for medical office use in the RP and RP(5) Districts.

Ordinance 1st Reading entitled "Ordinance of the Council of the City of Palo Alto Updating the Office, Research, and Manufacturing Districts of Title 18 [Zoning] of the Palo Alto Municipal Code by Amending Chapters 18.04 [Definitions], Repealing Chapters 18.37 [Office Research District Regulations], 18.55 [GM General Manufacturing District Regulations], 18.57 [General Manufacturing Combining District (B) Regulations], 18.60 [Limited Industrial/Research Park District Regulations] and 18.63 [Limited Industrial Site Combining District (3, 5) Regulations] in its Entirety and Enacting Portions of a New Chapter 18.20 [Office Research, and Manufacturing Districts]"

Council Member Beecham said he recalled the Comprehensive Plan (Comp Plan) denoted the effects of housing with regard to the most appropriate sites for high-density residential housing. At that time, high-density housing throughout the various General Manufacturing (GM), Limited Manufacturing (LM) and RP sites was not discussed. He favored the requirement of a CUP for high-density housing. He believed there were compelling reasons why independent research was useful for the MOR. It was Council's intent to help preserve and maintain Medical Offices.

Council Member Ojakian said the idea behind the CUP was a way to regulate and modulate high-density housing. Council previously directed staff to not allow any housing over 35 feet within a 150 foot setback.

Council Member Morton asked whether staff had concerns about the definitions of hazardous materials.

Mr. Emslie said no. The definition came from the City's own Hazardous Mitigation Plan (HMP) and was an adopted regulation.

Council Member Morton said while he was an advocate for housing, he did not believe it should be in the midst of the Stanford Research Park (SRP) although there was a need. He expressed support for the motion.

Council Member Freeman asked whether the P&TC reviewed the CUP issue.

Mr. Emslie said while it was proposed in the May 4, 2004 staff report, the P&TC never received the staff recommendation that CUPs be required in the aforementioned zones.

Council Member Freeman asked why that had not happened.

Mr. Emslie said the ordinance required the P&TC to have considered the topics before they were brought to the Council. In the spirit of moving the project along and having several housing proposals to consider, staff wanted to be responsive to a dynamic and changing environment.

Council Member Freeman said she visited a biotech company on Hansen Way in the SRP, and questioned the present height of the building.

Mr. Emslie said under the current standards the height limit would be 35 feet.

Council Member Freeman asked whether there were other biotech companies presently in the SRP.

Mr. Emslie said yes.

Mr. Burt said the P&TC reviewed the merging trends in the research arena. Input from the development community and the SRP indicated that in order to facilitate emerging biotech trends the need arose for greater interstitial space.

Council Member Freeman said she wanted to see medical offices remain, but realized office research was needed. She suggested discussions with building owners regarding a percentage of a building being reserved for medical offices.

City Attorney Gary Baum said it would be problematic to do so without a rational basis for the division.

Mr. Emslie said the concern was similar to that of establishing an office cap. It would be difficult to categorize uses, and would consume a great deal of effort and discussion among the parties.

Council Member Freeman asked how staff would measure whether all the office space was gone. Could there be an annual review of office space provided to Council by the owners.

Mr. Emslie said the Stanford Management Group had agreed to monitor medical office conversions. They had a policy of not exceeding 25 percent of office in the SRP to maintain the integrity of the park. Staff would not have a problem monitoring other uses on an annual basis.

Council Member Freeman requested the maker of the motion to consider that Council receive information on an annual basis of the split of medical office versus research in the SRP.

MAKER OF MOTION refused to include statement "Receive information on annual basis of split of medical office versus research in those areas to keep an eye on what is going on."

Council Member Freeman said she had hoped Stanford could continue the necessary research but also protect some of the office space that could be decimated.

Council Member Kishimoto noted the definition of medical office specifically allowed for incidental medical or dental research within the office. The Council's role was to allocate land use to support services believed to be required and desired by the community. She expressed opposition to the motion as presented. She said Biosafety Level 4 involved dangerous viruses such as Ebola and Small Pox and asked whether Level 4 could be sent to Council instead of approval at the City Manager level.

Mr. Baum said he was not aware of any legal issues that would prevent such a request.

Mr. Emslie said was not aware of any planning or practical issues either.

City Manager Frank Benest asked the Director of Planning and Community Environment to relay to Council why the recommendation was made.

Mr. Emslie said it was part of the City's HMP, and a current reference to the existing plan and program.

Deputy Fire Chief Dan Firth agreed the current proposal of having the City Manager, Fire Chief, and Police Chief review any proposed use of Level 4 materials was consistent with the HMP. There would need to be significant technical support, but he did not see a problem with the Council being able to make the same decision.

Mr. Benest said the Council would be notified, but he did not want to politicize the nature of the situation and the mitigation in place.

Council Member Kishimoto asked whether there were other Level 4 facilities in the vicinity.

Mr. Firth said he was not aware of any.

Council Member Kishimoto asked whether the maker of the motion wanted to incorporate that Biosafety Level 4 issues be sent to Council for approval.

Council Member Beecham said he was not familiar with the Level 4 issues and what was in the HMP. He would prefer to have the Plan return to Council for further discussion and review.

Council Member Kishimoto asked who was responsible in the event of a hazardous leak or earthquake.

Mr. Firth said the responsibility of any release of hazardous material was on the owner of the material.

Council Member Kishimoto asked who was responsible for inspection of those materials.

Mr. Firth said the Fire Department had a Comprehensive Hazardous Materials Inspection program and conducted many inspections yearly at a majority of the facilities within the City. The department's jurisdiction did not extend to inspecting for Biosafety Levels 1, 2 or 3.

Council Member Kishimoto asked whether those levels were left to the Federal or State departments.

Mr. Firth said he believed the responsibility was on the Centers for Disease Control (CDC) and the National Institute of Health (NIH).

Council Member Kishimoto expressed support for the CUP and favored a ban on housing in the GM zone. She also wanted to keep track of the spine issue.

Vice Mayor Kleinberg expressed support for the motion. She commended the City's Hazardous Material (Hazmat) Team who acted properly and swiftly

during the anthrax scares a few years prior. With regard to housing, there needed to be more stability in the City's policies. Although there seemed to be enough market rate housing, there was a shortage of affordable housing in the City. She favored Stanford continuing to monitor its own uses. Biotechnology was an industry that would continue.

Mayor Burch expressed support for the motion.

Mr. Baum reminded Council that under Article 1, Section 7 of the City's Charter five affirmative votes were needed to pass the motion.

Mayor Burch concurred with his colleagues to continue to look for ways to protect traffic in the College Terrace area.

MOTION PASSED 6-1, Kishimoto voting no, Cordell, Mossar, not participating

RECESS: 9:30 a.m. to 9:40 p.m.

MOTION: Council Member Kishimoto moved, seconded by Freeman, to request that staff agendize a discussion of the City permitting and inspection polices on biohazardous materials.

MOTION PASSED 8-1, Morton no.



10. Public Hearing: Consideration of a Zoning Ordinance Update:

Adoption of Portions of a New Chapter 18.20 of the Zoning Ordinance to Provide Regulations for the Research Office and Limited Manufacturing District [ROLM], the Research Office and Limited Manufacturing Sub-district-Embarcadero [ROLM-E], and the General Manufacturing District [GM], and Related Definitions in Chapter 18.04.

Planning Consultant Curtis Williams said the item referred to the Research Office and Limited Manufacturing District (ROLM), the Research Office and Limited Manufacturing Sub-district-Embarcadero (ROLM-E), and the General Manufacturing (GM) District areas east of El Camino Real. The P&TC and staff recommended against an increase in height for biotech and Research and Development (R&D) in the ROLM because of visibility concerns and the adjacency of the ROLM-E to the Baylands. Additional height was not needed in the GM, as the limit was already 50 feet. The P&TC recommended that single-family and two-family uses not be permitted in the GM and ROLM districts but allowed for multi-family development pursuant to RM-30 densities and development standards, adding some language about providing for compatible transitions from low-density residential zones. The P&TC also voted to allow mixed-use (residential/non-residential) development in the GM, ROLM, and ROLM-E zones, subject to current

allowable floor area ratios and density limitations (RM-15 or RM-30) for residential uses in each zone, except in the GM area east of San Antonio and north of Charleston Roads. In that area, mixed-use development would be prohibited, because of the concentration of heavy industrial uses and the intent to protect that area for industry. Staff recommended all multi-family residential be conditional uses in the all of the zoning districts. The P&TC recommended the allowance of stand-alone Medical Research in the ROLM and ROLM-E zones, while staff recommended that medical office be a conditional use for those same zones. The P&TC voted to recommend that automatic teller machines (ATMs) exterior to a building only be allowed with a conditional use permit, and would require review by the Architectural Review Board (ARB). ATMs interior to a building would be a permitted use. Staff believed ATMs were a permitted accessory use in all of the Office, Research and Manufacturing districts, and staff level/ARB review was adequate to address those issues. The existing performance criteria chapter of the Zoning Ordinance would be retained while staff worked with the ARB and the ZOU environmental consultant to update and refine those criteria. Chapter 18.64 provided broad discretion to address lighting, noise, visual and site access impacts from those land uses. Staff recommended the Council adopt the ordinance to approve specific sections of a new Chapter 18.20 of the Zoning Ordinance for the GM, ROLM and ROLM-E districts east of El Camino Real, encompassing revisions to the current office, research, and manufacturing zoning districts.

Director of Planning and Community Environment Steve Emslie said the second paragraph on Page 3 of the staff report (CMR:312:05) under the heading Residential Uses and Mixed-Use spoke about the Fire Department's concern regarding the H occupancy, and how it could apply to several classes of hazardous materials storage, some of which were minimal (a few gallons of paint or gasoline). Staff had subsequently clarified with Deputy Fire Chief Dan Firth that the threshold was much higher.

Mayor Burch declared the Public Hearing open at 9:45 p.m.

Raminder Bajwa, 450 Olive Avenue, said he lived in an R-1 zone neighborhood and expressed concern about the one or two GM(B) overlay businesses in his neighborhood being changed to GM. There was already an established traffic issue.

Robert Moss, 4010 Orme Street, said ATMs should be reviewed by the Architectural Review Board (ARB). He did not see any justification to revise the GM(B) zone to GM. It would increase building density, potential employment levels, and traffic.

Joy Ogawa, Yale Street, expressed concern about changing the GM(B) district to GM, because the GM(B) offered a land use mitigation measure.

Bruce Knoblock, 1032 Forest Avenue, clarified the lifting of the B overlay from the GM zone did not necessarily increase density for multi-family housing.

Stephanie Munoz, 101 Alma Street, said the Council should consider whether they preferred to have more density or more units. She believed ATMs were dangerous and hoped the Council would give some consideration to include protective measures.

Mayor Burch declared the Public hearing closed at 10 p.m.

MOTION: Council Member Beecham moved, seconded by Mossar, to approve the staff and Planning and Transportation Commission (P&TC) recommendation to adopt the Ordinance to approve specific sections of the new Chapter 18.20 in the Zoning Ordinance for the GM, ROLM AND ROLM-E districts east of El Camino Real, encompassing revisions to the current office, research and manufacturing zoning districts (Chapters 18.37, 18.55, 18.57, 18.60, and 18.63) and related definitions in Chapter 18.04 (Attachment A of CMR:312:05)

and

staff recommendation regarding the definition of "medical research" and review of exterior automatic teller machines that would require two additional provisions as follows: 1) Conditional Use Permits for all multi-family residential developments in the GM, ROLM and ROLM-E Districts, and 2) Conditional Use Permits for medical office use in the ROLM and ROLM-E Districts. Exterior ATMs be permitted as an accessory use with staff level /ARB review.

Ordinance 1st Reading entitled "Ordinance of the Council of the City of Palo Alto Updating the Office, Research, and Manufacturing Districts of Title 18 [Zoning] of the Palo Alto Municipal Code by Enacting Portions of a new Chapter 18.20 [Office Research, and Manufacturing Districts]"

Mr. Emslie said staff felt comfortable with both the separation of 150 feet and a use permit, which worked in conjunction because they were limited in the number of H occupancies.

Council Member Cordell asked whether the motion included the recommendation that the zoning convert from the GM(B) to the GM.

Council Member Beecham said yes.

Council Member Mossar said she had supported the motion because of the addition of the CUP. It was not a suitable site for housing, but the Council would be able to review housing in that area. She had concerns about housing in the ROLM-E area, because it was primarily an auto-oriented district, and the City operated a sewage treatment plant in that location.

Sometimes those odors were significant. She asked whether the intent of the motion was to have interior ATMs receive staff/ARB review.

Council Member Beecham clarified it was exterior ATMS only.

Council Member Morton asked if his colleagues had anxieties about putting housing in the ROLM-E or GM zone, why not prohibit housing in just those areas.

Council Member Beecham said he was not prepared to review all zones to prohibit housing in any particular one(s).

Council Member Morton said as development for housing came before the Council, they would have the opportunity to look at excluding it from certain zones.

Council Member Cordell asked for staff's response to concerns raised by Ms. Ogawa and Ms. Glanckopf regarding going from GM(B) to GM.

Mr. Wright said the GM(B) area was surrounded by Agilent, Fry's Electronics and other intense users. To take a narrow strip of land and try and restrict it had marginal effects. Throughout the GM district, staff had tried to use CUP requirements for administrative office, schools and others that were heavier traffic generators. Much of the Park Boulevard (GM) area was within the Comp Plan Transit-Oriented District (TOD). He clarified there was no increase in the Floor Area Ratio (FAR) for non-residential development going from GM(B) to GM. It would remain at .5 FAR. The only increase would involve a mixed-use development in which the residential portion could take the total FAR up to 1.0.

Council Member Cordell asked whether the statement, "the proposed zone elimination of the GM(B) combining district would allow additional floor area adding up to approximately another entire Agilent headquarters building to be built in this GM(B) zone area" was an accurate statement.

Mr. Wright said it was not accurate. Agilent was office space and the FAR was .5 in that area. What could be built above and beyond that were residential units.

Council Member Ojakian said the proposed mixed-use Hohback project was rejected. He asked whether that project would be allowed today in the GM zone.

Mr. Wright said the previous Hohback proposal would not be allowed even today. The Hohback project was over in density and FAR under the proposed scenario or the existing GM(B).

Vice Mayor Kleinberg asked whether adoption of the RM-15 recommendation would limit uses such as a hotel or multi-family development.

Mr. Wright said no. The uses would be defined by the ROLM district. A multi-family development would require RM-15 standards.

Vice Mayor Kleinberg asked what size RM-15 restriction would be made in the ROLM district.

Mr. Wright said the restrictions applied to the development standards and not to the uses. Hotels were not governed by RM-15. Hotels would need to be permitted under the ROLM if allowed. He referred to Table 2 in the proposed ordinance under Services Uses. He said the only hotels allowed in the various zones were in the Medical Office Research (MOR) district.

Vice Mayor Kleinberg questioned why a hotel would not be allowed in a ROLM district.

Mr. Wright said it could be added if appropriate.

Vice Mayor Kleinberg asked whether the definition of mixed development included a combination of owned and rented units, and some retail services.

Mr. Wright said yes. The retail portion would be counted as .5 FAR.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that hotels, as defined, be included in the ROLM and ROLM-E District.

AMENDMENT: Council Member Kishimoto moved, seconded by Morton, to remove multi-family housing, as an allowed use in the GM Zone.

Council Member Kishimoto said there were a limited number of GM zones, and it was intended for light manufacturing and low cost commercial services. It was not a place to compete with housing.

Council Member Mossar said it was not clear to her whether the areas zoned GM on East Bayshore Road were not potentially appropriate for housing development.

Council Member Kleinberg said it was in a flood zone.

Council Member Mossar said she did not understand the rationale to prevent conversion to housing in the area south of Oregon Expressway along Park Blvd. She believed the CUP was a mechanism to decide whether housing was appropriate in certain zones.

Council Member Kishimoto said if the Council wanted to remove the GM(B) zone on Park Boulevard because it was close to transit, she would rather wait for the TOD zoning. She believed the idea was to promote high-density auto-oriented development. She would ask the Planning staff and the P&TC to return with recommendations to rezone the district from GM(B) to LM along East Bayshore Road.

Council Member Mossar said she could not support the amendment as it was too broad.

Council Member Beecham said the original motion was to remove GM(B) in all areas. A CUP would allow the Council to discuss housing in areas where auto-oriented and/or transit-oriented zones existed.

Council Member Morton said a CUP process allowed some control; however, some of the areas needed to be dealt with in order to preserve the commercial uses. He believed high-density housing needed to be eliminated in some of the prescribed areas in order to control the economic factors.

Council Member Ojakian said the difference between the GM and GM(B) zone was the addition of housing at .5 FAR. It seemed the motion would turn the GM zone into a GM(B) equivalent in terms of the extra square footage.

Mr. Emslie said in the GM(B) there was a penalty for mixed-use and the housing portion was limited. Removal of the GM(B) allowed mixed-use to remain at .5 FAR and able to add another .5 for a total of 1.0 FAR.

Council Member Ojakian said Council Member Kishimoto's motion would not allow for housing, which made GM(B) for most of the zone.

Mr. Emslie said that was correct.

Council Member Freeman asked for clarification on the GM and the GM(B). Why would one want to change from GM(B) to GM, especially in conjunction with a CUP.

Mr. Wright said the benefit of going to a GM zone was to allow a mixed-use (residential) component to be added. It did not increase the non-residential, but changed the uses of the non-residential to some extent. Staff attempted to address that issue with the addition of use permit requirements for administrative office and schools. Residential was allowed in the GM(B) zone, but it would have to be strictly residential and could not exceed the .6 FAR for RM-30.

Council Member Freeman asked for the appropriate use if the goal was to have general manufacturing and not housing in those areas.

Mr. Emslie said the B overlay discouraged mixed-use housing. The removal of the B provided the extra .5 FAR for more housing.

Planning and Transportation Commission Chair Pat Burt said neither the P&TC nor staff had the opportunity to look at the rezoning of particular areas; however, the P&TC did discuss that Fabian Way was a true and functioning GM zone.

AMENDMENT PASSED 5-4, Mossar, Beecham, Burch, Kleinberg, no.

MOTION AS AMENDED PASSED 7-2, Kleinberg, Mossar no.

City Manager Frank Benest said there was at least one existing housing program in the GM(B) zone, which was at 195 Page Mill Road. Staff would need to review it because the prohibition would apply to new projects.

MOTION: Council Member Beecham moved, seconded by Ojakian, the currently filed application for 195 Page Mill Road would not be affected by tonight's action and would proceed under the prior zoning rules.

Council Member Freeman asked how far along in the process would the application need to be, to be considered grandfathered in.

City Attorney Gary Baum said legally the Council was entitled to change the underlining zoning for a project until both the building permit was issued and substantial funds had been expended by the developer based upon the permit. However, past precedent in Palo Alto was more liberal and, if an application was "in the pipeline", generally new regulations would not be applied.

Council Member Freeman asked what was meant by "in the pipeline".

Mr. Baum said when an application was filed, and what stage the application was in.

Mr. Benest said with regard to 195 Page Mill Road, an application had been filed and substantial funds were spent.

Mr. Baum said legally it would apply, but because of past precedent it would not apply because an application had been filed.

Mr. Emslie said staff had consistently defined "in the pipeline" as applications in the City's possession, such as the aforementioned application.

Council Member Kishimoto asked whether the applicant was aware it was a GM(B) zone.

Mr. Emslie said that was correct.

MOTION PASSED 9-0.

Council Member Ojakian asked when the performance criteria would return to the Council.

Mr. Emslie said staff anticipated the performance criteria would come before the P&TC in Fall 2005 and to the Council in Spring 2006.

Council Member Ojakian asked what needed to be completed on the ZOU.

Planner Manager John Lusardi said staff had worked with the ARB on updating the existing standards plus adding standards for sustainability and other areas not currently in the ordinance. The anticipated timeline for completion of the ZOU was Spring 2006.

Vice Mayor Kleinberg asked what type of project was 195 Page Mill Road.

Mr. Emslie said it was a mixed-use project with R&D and ownership or rental housing in the same building.

Mayor Burch asked whether a motion to reconsider had to come from the prevailing party in a vote of 5-4.

Mr. Baum said that was correct.

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Council Member Kishimoto requested a discussion take place at the October 24, 2005 Council Meeting of the new information that Motorola did not intend to take back the Fiber equipment and what would be the potential impacts to the Palo Alto FTTH trial.

Council Member Mossar stated she would not be able to participate in the FTTH item since her husband's family had holdings of telecommunications stock.

Council Member Ojakian stated he would not be able to participate in the FTTH item since he had holdings in telecommunications stock.

Council Member Morton said he would not be able to participate in the FTTH item because his family had holdings in telecommunications stock.

BY UNANIMOUS VOTE, the Council requested a discussion at the October 24, 2005 Council Meeting of the new information that Motorola did not

intend to take back the Fiber equipment and what would be the potential impacts to the Palo Alto FTTH trial.

Vice Mayor Kleinberg reported at the recent Annual California League of Cities meeting a vote of neutrality was taken on Proposition 76, State Spending and School Funding Limits.

BY UNANIMOUS VOTE, the Council requested the City Manager and Mayor consider agendaing Proposition 76 for the next City Council meeting to enable the Council to take a position.

Council Member Mossar invited her colleagues to attend the National League of Cities Environmental Steering Committee events in Palo Alto on Thursday or Friday of that week.

ADJOURNMENT: The meeting adjourned at 10:50 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.