Special Meeting  
April 22, 2019

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:01 P.M.

Present: Cormack, DuBois, Filseth, Fine, Kniss, Kou, Tanaka

Absent:  

Closed Session

1. CONFERENCE WITH CITY ATTORNEY-EXISTING LITIGATION
Santa Clara County Superior Court, Case No. 16CV300760
(One Case, as Defendant) –Miriam Green v. City of Palo Alto
Authority: Government Code Section 54956.9(d)(1).

MOTION: Council Member Cormack moved, seconded by Vice Mayor Fine to go into Closed Session.

MOTION PASSED: 6-0 Kniss absent

Council went into Closed Session at 5:02 P.M.

Council returned from Closed Session at 6:00 P.M.

Mayor Filseth announced no reportable action.

Special Orders of the Day

2. Resolution 9826 Entitled “Resolution of the Council of the City of Palo Alto Expressing Appreciation to Stacey Henderson Upon her Retirement.”

MOTION: Council Member Kniss moved, seconded by Council Member Cormack to approve a Resolution expressing appreciation to Stacey Henderson upon her retirement.

MOTION PASSED: 7-0
Study Session

3. Presentation of the City Manager's Proposed Fiscal Year (FY) 2019/20 Budget

**NO ACTION TAKEN**

Agenda Changes, Additions and Deletions

**MOTION:** Council Member Kniss moved, seconded by Vice Mayor Fine to move “State/Federal Legislation Update/Action” forward, to be heard at this time.

**MOTION PASSED:** 7-0

State/Federal Legislation Update/Action

**NO ACTION TAKEN**

Minutes Approval

4. Approval of Action Minutes for the April 8, 2019 Council Meeting.

**MOTION:** Vice Mayor Fine moved, seconded by Mayor Filseth to approve the Action Minutes for the April 8, 2019 Council Meeting.

**MOTION PASSED:** 7-0

Consent Calendar

Council Member Kou registered a no vote on Agenda Item Number 11.

**MOTION:** Council Member Kniss moved, seconded by Mayor Filseth to approve Agenda Item Numbers 5-11.


6. Approval of Amendment Number 3 to Contract Number C16158064 With BKF Engineers to Extend the Term to June 30, 2019 and Increase Compensation by $44,885 for a Maximum Not-to-Exceed Amount of $583,432 for Additional Design Services Related to the Embarcadero
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Road at El Camino Real Intersection Improvements Project (PL-15001).

7. Approval of Amendment Number 2 to Contract Number S17167994 With MuniServices, LLC for Sales Tax Consulting Services to Increase the Amount by $40,000 for a new Not-to-Exceed Amount of $125,000 and to Extend the Term Through August 31, 2019.

8. Adoption of a Memorandum of Agreement Between the City of Palo Alto and Service Employees International Union (SEIU) Local 521.

9. Finance Committee Recommends the City Council Approve the 2019 Workplan to Address the City Council Priority, “Fiscal Sustainability”; and Review an Update Regarding the Fiscal Year (FY) 2019 Adopted Budget Referral to Identify $4 Million in General Fund Savings.


11. Ordinance 5462 Entitled “Ordinance of the Council of the City of Palo Alto Amending Section 18.18.120 (Grandfathered Uses and Facilities) of the Palo Alto Municipal Code to Adjust Regulations Pertaining to Noncomplying Facilities. California Environmental Quality Act (CEQA): This Ordinance is Within the Scope of the Comprehensive Plan. Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720; the Ordinance is Also Exempt From Environmental Review Under CEQA Guidelines Sections 15061(b)(3) and 15305.” (FIRST READING: April 1, 2019 PASSED: 6-1 Kou no).

MOTION PASSED FOR AGENDA ITEM NUMBERS 5-10: 7-0

MOTION PASSED FOR AGENDA ITEM NUMBER 11: 6-1 Kou no

Council took at break at 7:22 P.M. and returned at 7:33 P.M.

Action Items

12. PUBLIC HEARING: Adoption of an Ordinance Amending Title 16 of the Palo Alto Municipal Code to Modify and Increase the Citywide Transportation Impact Fee (Chapter 16.59) and Suspend Application of the Existing Area-specific Transportation Impact Fees for the Stanford Research Park/El Camino Real CS Zone (Chapter 16.45) and the San
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Antonio/West Bayshore Area (Chapter 16.46), and Amending the Municipal Fee Schedule to Update the City’s Transportation Impact Fees in Accordance With These Changes, all in Furtherance of Implementation of the Comprehensive Plan. The Citywide Transportation Impact Fee is a One-time fee on new Development and Redevelopment Throughout Palo Alto to Fund Transportation Improvements to Accommodate and Mitigate the Impacts of Future Development in the City. This Ordinance is Within the Scope of the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720.

Public Hearing opened and closed without public comment at 7:42 P.M.

**MOTION:** Council Member DuBois moved, seconded by Council Member Kou to:

A. Find the Ordinance to be within the scope of the Comprehensive Plan Environmental Impact Report (EIR) certified and adopted on November 13, 2017 by Council Resolution Number 9720;

B. Accept the Transportation Impact Fee (TIF) Nexus Study and adopt the Ordinance modifying and increasing the Citywide Transportation Impact Fee, clarifying the updated TIF exemptions, suspending collection of two area-specific transportation impact fees, and amending the Fiscal Year 2019 Municipal Fee Schedule; and

C. Direct Staff to evaluate changing the metric for the fee assessment to be charged based on square footage, add back exemption for City and Public buildings, and bring this back to Council.

**SUBSTITUTE MOTION:** Vice Mayor Fine moved, seconded by Council Member Kniss to:

A. Find the Ordinance to be within the scope of the Comprehensive Plan Environmental Impact Report (EIR) certified and adopted on November 13, 2017 by Council Resolution Number 9720;

B. Accept the Transportation Impact Fee (TIF) Nexus Study and adopt the Ordinance modifying and increasing the Citywide Transportation Impact Fee, clarifying the updated TIF exemptions, including the addition of an exemption for public buildings, suspending collection of two area-specific transportation impact fees, and amending the Fiscal Year 2019 Municipal Fee Schedule.
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INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, Part B. “...schools and all ADUs...”

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, “Amend the Ordinance Section 16.59.020 (h) to state ‘...gross floor area, or involves a change in use that requires a Use and Occupancy Permit.”

SUBSTITUTE MOTION AS AMENDED: Vice Mayor Fine moved, seconded by Council Member Kniss to:

A. Find the Ordinance to be within the scope of the Comprehensive Plan Environmental Impact Report (EIR) certified and adopted on November 13, 2017 by Council Resolution Number 9720;

B. Accept the Transportation Impact Fee (TIF) Nexus Study and adopt the Ordinance modifying and increasing the Citywide Transportation Impact Fee, clarifying the updated TIF exemptions, including the addition of an exemption for public buildings, schools and all ADUs, suspending collection of two area-specific transportation impact fees, and amending the Fiscal Year 2019 Municipal Fee Schedule; and

C. Amend the Ordinance Section 16.59.020 (h) to state “…gross floor area, or involves a change in use that requires a Use and Occupancy Permit.”

SUBSTITUTE MOTION AS AMENDED PASSED: 5-2 DuBois, Kou no


MOTION: Mayor Filseth moved, seconded by Vice Mayor Fine to approve the draft workplan for addressing elements M and N of the 2019 Fiscal Sustainability Workplan.

AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion “The money from the business tax would go to solving transportation and parking issues.”

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion “Create a stakeholder group to be made up of primarily business owners.”
AMENDMENT FAILED DUE TO THE LACK OF A SECOND

MOTION PASSED: 6-1 Tanaka no

Council took a break at 9:35 P.M. and returned at 9:44 P.M.


Mayor Filseth advised he will not participate in this Agenda Item because he lives within 500 feet of the Caltrain right of way. He left the meeting at 9:35 P.M.

Council Member Kniss advised she will not participate in this Agenda Item because she has a real property interest within 500 feet of Caltrain right of way. She left the meeting at 9:35 P.M.

MOTION: Vice Mayor Fine moved, seconded by Council Member Cormack to:

A. Approve the Rail Grade Separation Work Plan as a follow up to the March 18th Committee of the Whole recommendation including a timeline and process by which the City Council would select a preferred solution to begin environmental review;

B. Approve Alternatives to be studied by the Community Working Group; and

C. Direct Staff to return to Council with an amendment to contract C18171057 with AECOM to reflect scope changes and extension to October 2019 for Council selection of a preferred solution.

INcorporated into the Motion with the consent of the maker and seconder to add to the Motion:

A. Add more check-ins with Council. Redefine the Working Group (WG) meetings to cover more ground;

B. Alternatives:

i. Allow the WG to brainstorm some alternatives such as Embarcadero, Palo Alto Avenue, Meadow and Charleston;
ii. Remove city-wide tunnel;

iii. Minimize viaducts/elevated trains located behind people’s homes; and

iv. Consider the trench alternative minimizes construction impacts

**MOTION AS AMENDED RESTATED:** Vice Mayor Fine moved, seconded by Council Member Cormack to:

A. Approve the Rail Grade Separation Work Plan as a follow up to the March 18th Committee of the Whole recommendation including a timeline and process by which the City Council would select a preferred solution to begin environmental review;

B. Add more check-ins with Council. Redefine the Working Group (WG) meetings to cover more ground;

C. Approve Alternatives to be studied by the Community Working Group including:

   i. Allow the WG to brainstorm some alternatives such as Embarcadero, Palo Alto Avenue, Meadow and Charleston;

   ii. Remove city-wide tunnel;

   iii. Minimize viaducts/elevated trains located behind people’s homes; and

   iv. Consider the trench alternative minimizes construction impacts

D. Direct Staff to return to Council with an amendment to contract C18171057 with AECOM to reflect scope changes and extension to October 2019 for Council selection of a preferred solution.

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER** to delete Part C. iii. from the Motion.

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER** to remove from the Motion Part C. i. “Palo Alto Avenue.”

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER** to remove from the Motion Part C. “…by the Community Working Group…”
AMENDMENT: Council Member Tanaka moved, seconded by Council Member Kou to remove Part C. ii. from the Motion.

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to minimize viaducts/elevated trains located behind people’s homes.

AMENDMENT WITHDRAWN BY THE MAKER

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion Part C. ii and add to the Motion “Direct Staff to return to Council with an update on the city-wide tunnel.”

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to amend the Motion Part C. ii. to change the word “consider” to “ensure.”

MOTION AS AMENDED: Vice Mayor Fine moved, seconded by Council Member Cormack to:

A. Approve the Rail Grade Separation Work Plan as a follow up to the March 18th Committee of the Whole recommendation including a timeline and process by which the City Council would select a preferred solution to begin environmental review;

B. Add more check-ins with Council. Redefine the Community Working Group (WG) meetings to cover more ground;

C. Approve Additional Alternatives to be studied including:
   i. Allow WG to brainstorm some alternatives such as Embarcadero, Meadow and Charleston;
   ii. Ensure the trench alternative minimizes construction impacts;

D. Direct Staff to return to Council with an amendment to contract C18171057 with AECOM to reflect scope changes and extension to October 2019 for Council selection of a preferred solution; and

E. Direct Staff to return to Council with an update on the citywide tunnel.

MOTION PASSED: 5-0 Filseth, Kniss recused

Adjournment: The meeting was adjourned at 11:51 P.M.