Presentations from the

December 10, 2018

City Council Meeting

City Manager Comments

December 10, 2018

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AERIAL
VIEW

City Manager Comments

December 10, 2018

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Previous bay trail on the right
New bay trail below

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City Manager Comments

December 10, 2018

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COUNCIL MEETING
12/10/2018
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14

Palo Alto Aquatics

Public/Private Partnership

December 10, 2018

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Proposed Aquatics Contract

- Masters swim team (subcontract with Rinconada Masters)
- Youth swim team (subcontract with PASA)
- Swim lessons for all ages and skill levels
- Summer swim camps for children
- Year-round Lap Swim programs
- Spring, Summer and Fall Open/Recreational swimming

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What Do We Want to Achieve?

- Collaborative long-term partner
- Quality programming
- Highest safety standard
- Accessible, inclusive and equitable
- Welcoming environment

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Timeline

Request For Proposals Issued	July 19th 2018
Pre-Proposal Meeting	August 7th 2018
Proposals Due	August 21st 2018
Selection and Contract Preparation	September – October 2018
PRC Presentation	October 23rd 2018
Contract to City Council	December 10th 2018
Contract Commences	January 1st 2019
Contract Expires	December 31st 2023

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Why Team Sheeper?

- Relationship with City since 2015
- Shared vision of building community
- Comprehensive programming
  - Safety
  - Quality services
  - Cost-effective
  - Expansion of programs and services
- Commitment to excellent service

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Aquatics Achievements - 2018

- Open and Lap Swim
  - Increased from 53k to 63k visits per year
  - 10% increase in weekly lap swim hours
  - 75% residents
- Lessons
  - Extended season by 22 weeks
  - Increased from 460 unique students to 885
  - Increased from 2,100 lessons to 8,800
  - 78% residents
- Summer swim camps
  - New offering in 2017 (126 campers)
  - Increased to 354 campers in 2018

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Financial Projections

- Revenue share model
- Reduces costs by approximately $150,000 annually while expanding and enhancing services
- Largest City cost driver – utilities and maintenance

	City In-House Est. FY 20	*Contract Est. FY 20*	*Contract Est. FY 2021*
Revenue	$ 430,000	$ 10,000	$ 20,000
Staffing	$ 560,000	$ 20,000	$ 20,000
Supplies/Materials	$ 70,000	$ 40,000	$ 50,000
Utilities and Maintenance	$ 310,000	$ 310,000	$ 310,000
Total Net Cost	**$ 510,000**	**$ 360,000**	**$ 350,000**

City in-house is estimated by projecting FY 2017 Original Budget out to FY 20

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New Contract Highlights

- Resident and senior rates
- Beyond Barriers Athletic Foundation
  - Scholarships
    - Group swim lessons
    - Lifeguard certification course
  - $25,000 cap for 2019
- Expanded lap swim hours by 28%
- New programming
- Minor cost increases for lap swim and lessons

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Questions?

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12/10/2018
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15

New California Avenue Area Parking Garage

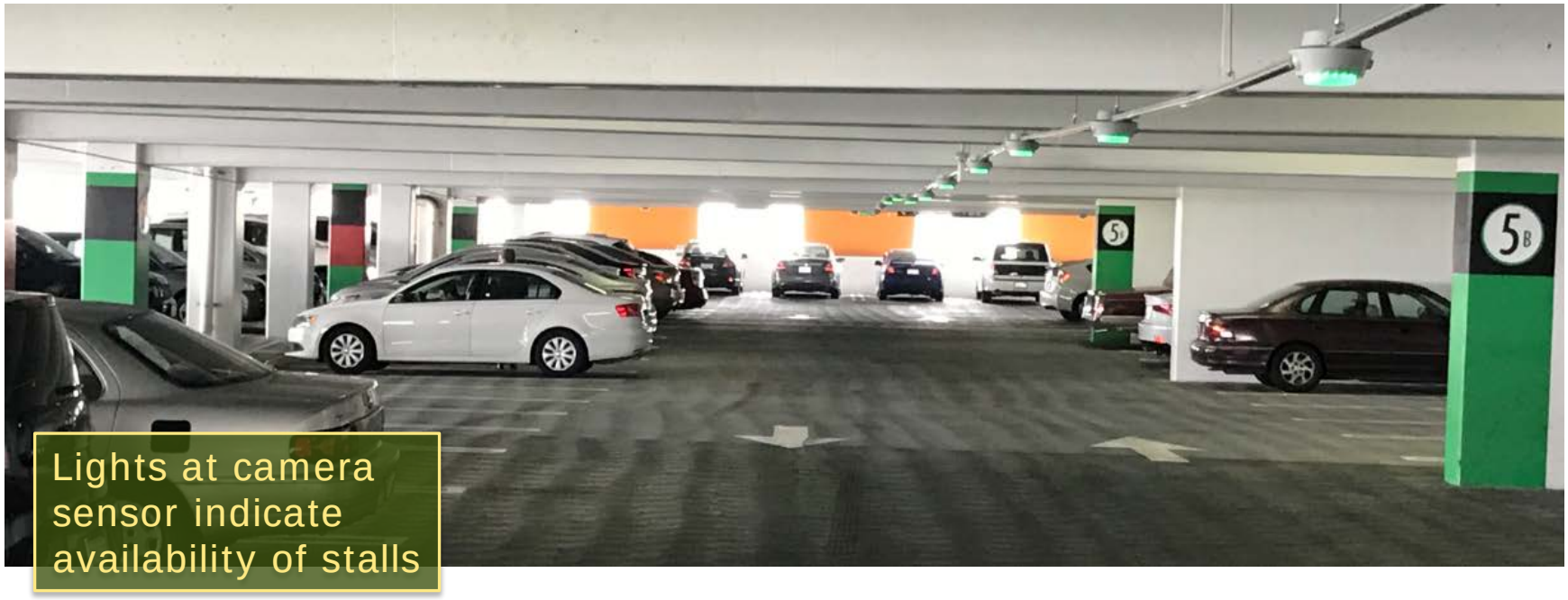
December 10, 2018

Action Item Overview

1. Award of contract for New California Avenue Area Parking Garage
2. Authorization for construction contract contingency
3. Amend contract with Nova Partners, Inc for Construction Management services
4. Amend contract with Romig Engineers for geotechnical services
5. Authorization to negotiate and execute four easements for underground shoring tiebacks
6. Authorization to negotiate and execute a short-term lease for parking from Santa Clara County
7. Authorization to negotiate and execute a short-term lease for parking from Caltrain
8. Amend the Capital Budget for the new garage

Automated Parking Guidance System (APGS)

- Camera-based system is specified
- Each sensor unit typically covers six parking stalls
- System will display open stall count(s) at garage entrance for driver decision to go up or down



Lights at camera sensor indicate availability of stalls

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Automated Parking Guidance System (APGS)

- Individual stall indicator lights not recommended due to significant cost increase ($180,000)

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Parking Mitigation Summary Table

Item	Description	Spaces Lost / New Demand	Spaces Gained / Demand Reduction	Notes
-	Garage Construction on Lot C-7	143		Existing surface parking
-	Garage Construction Staging around C-7	22		On-street parking that will be unavailable during construction
1	Reconfigure Lot C-6		30	Net gain from added stalls and re-sizing sub-standard stalls.
2	Lease Courthouse Lot B		43	
4	Make Mimosa Lane one-way and add on-street parking		5	Under evaluation; Requires updated signage and striping.
5	Improve demarcation of existing on-street parking to improve efficiency		5	Several potential locations identified in Cal Ave Business District.
6	Allow non-EV parking in EV spaces during peak hours (11am-2pm)		4	Under evaluation
7	Stanford Shuttle Service		20	Estimated demand reduction. Started in Sept. 2018.
	TOTAL	**165**	**107**	Net loss = 58

Note: Contractor parking to be limited to 44 spaces leased in Caltrain parking lot.

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Project Timeline

December 10, 2018: Contract Award

January 7, 2019: Notice to Proceed

540 Contract Days

Garage Construction

Summer 2020: Substantial Completion

TENTATIVE

Fall 2020 14: Public Safety Building Construction Begins

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Recommended Motion

1. Approve and authorize the City Manager or his designee to execute the attached contract with Swinerton Builders (Attachment A) in an amount not to exceed $39,395,153 for the New California Avenue Area Parking Garage, Capital Improvements Program project PE-18000;
2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Swinerton Builders for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $2,954,636;
3. Approve and authorize the City Manager or his designee to execute Amendment Number 3 to Contract Number C16163034 with Nova Partners, Inc. (Attachment B) to add construction management for the New California Avenue Area Parking Garage to the scope of services and increase compensation by $1,249,193 for a total contract amount of $5,808,928;
4. Approve and authorize the City Manager or his designee to execute Amendment Number 1 to Contract S18171787 with Romig Engineers, Inc. (Attachment C) to increase compensation by $99,000 for a total contract amount of $149,000 as a sole source contract, exempt from competitive solicitation as impractical and unavailing under PAMC 2.30.360(b)(2);
5. Authorize the City Manager or his designee to negotiate and enter into easement agreements with four adjacent private property owners for shoring tie-backs beneath those properties;
6. Authorize the City Manager or his designee to negotiate and enter into a short-term lease agreement with the County of Santa Clara for the parking lot on the southeast corner of Grant Avenue and Birch Streets;
7. Authorize the City Manager or his designee to negotiate and enter into a month-to-month lease agreement for up to 44 parking stalls on the California Avenue Caltrain Station parking lot; and
8. Amend the Fiscal Year 2019 Budget Appropriation for the Capital Improvement Fund by:
    1. Increasing the New California Avenue Area Parking Garage project (PE-18000) Fiscal Year 2019 appropriation by $2,450,000; and
    2. Decreasing the Infrastructure Reserve by $2,450,000.

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New California Avenue Area Parking Garage

December 10, 2018

(Final Slide)

NON-COMPLYING FACILITIES

December 10, 2018

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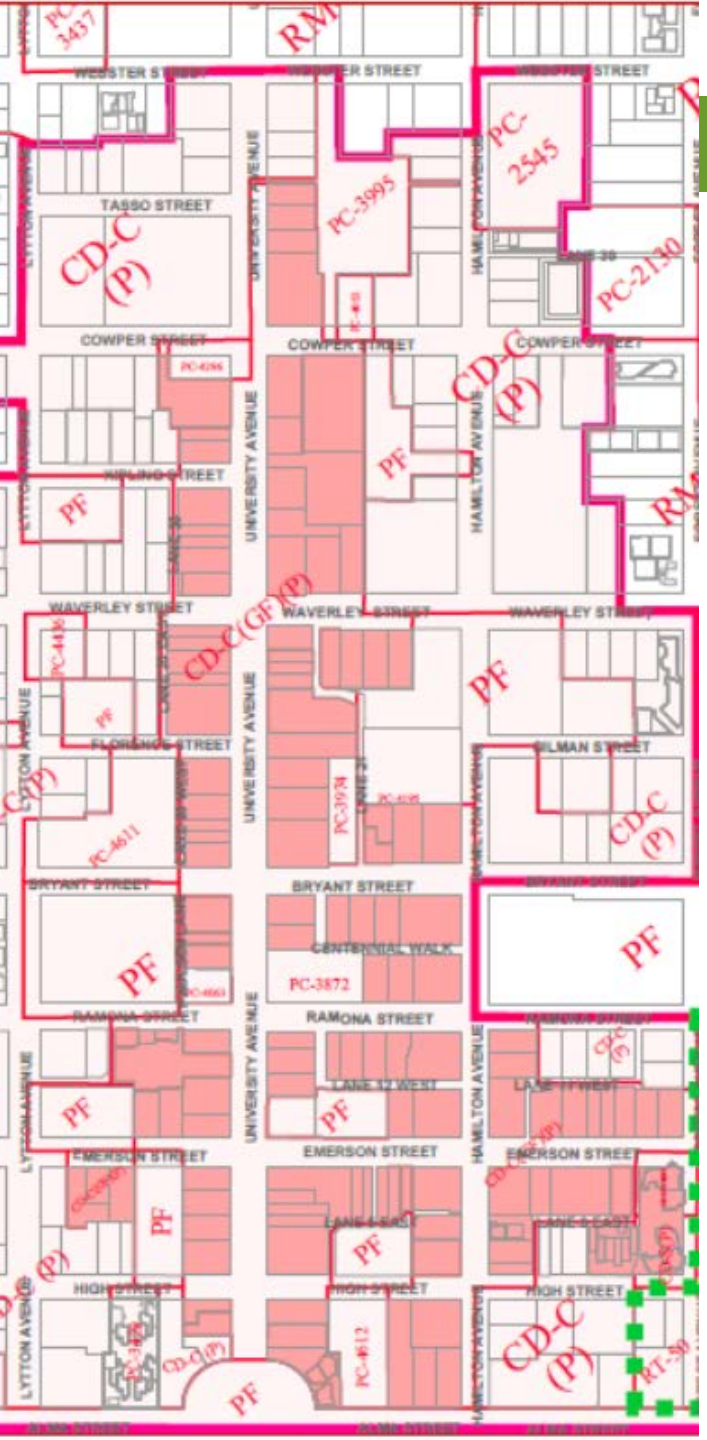

Background

Since 1986 Through 2015 – N/C Downtown Regulations Generally Consistent

2016 Noncomplying Regulations Changed

Change Believed to be Error

2018 – Summer, Staff Became Aware of Change

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PRE 2016 Non-Complying Facility Language

(b) Grandfathered Facilities

(1) Any noncomplying facility existing on August 28, 1986 and which, when built, was a complying facility, may remain as a grandfathered facility and shall not be subject to the provisions of Chapter 18.94.

(2) The grandfathered facilities specified in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site, provided such remodeling, improvement, or replacement:

(A) shall not result in increased floor area;

(B) shall not shift the building foot print;

(C) shall not result in an increase of the height, length, building envelope, or any other increase in the size of the improvement;

(D) shall not increase the degree of noncompliance, except pursuant to the exceptions to floor area ratio regulations set forth in Section 18.18.070.

CITY OF PALO ALTO

POST 2016 Non-Complying Facility Language

(b) Grandfathered Facilities

(1) Any noncomplying facility existing on August 28, 1986 and which, when built, was a complying facility, may remain as a grandfathered facility and shall not be subject to the provisions of Chapter 18.70.

(2) The grandfathered facilities in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site for continual use and occupancy, by the same use, provided such remodeling, improvement, or replacement complies with all of the following:

(A) shall not result in increased floor area;

(B) shall not relocate below grade floor area to above grade portions of the building;

(C) shall not result in an increase of the height, length, building envelope, building footprint, or any other increase in the size of the improvement;

(D) shall not increase the degree of noncompliance, except pursuant to the exceptions to floor area ratio regulations set forth in Section 18.18.070;

(E) The Director may approve minor changes to the building's footprint, height, length, and the building envelope through Architectural Review of minor aesthetic architectural improvements and to improve pedestrian-orientation provided there is no increase to the degree of any non-complying feature.

(Ord. 5373 § 15 (part), 2016; Ord. 4923 § 3 (part), 2006)

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PRE 2016 Non-Complying USES Language

(2) The grandfathered uses in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site, for continual use and occupancy by the same use, provided such remodeling, improvement, or replacement:

(A) shall not result in increased floor area;

(B) shall not shift the building footprint;

(C) shall not result in an increase of the height, length, building envelope, or any other increase in the size of the improvement;

(D) shall not increase the degree of noncompliance, except pursuant to the exceptions to floor area ratio regulations set forth in Section 18.18.070; or

(E) in the case of medical, professional, general business or administrative office uses of a size exceeding 5,000 square feet in the CD-S or CD-N district that are deemed grandfathered pursuant to subsection (1), such remodeling, improvement, or replacement shall not result in increased floor area devoted to such office uses.

CITY OF PALO ALTO

POST 2016 Non-Complying USES Language

(2) The grandfathered uses in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site, for continual use and occupancy by the same use, provided such remodeling, improvement, or replacement complies with all of the following:

(A) shall not result in increased floor area;

(B) shall not relocate below grade floor area to above grade portions of the building;

(C) shall not result in an increase of the height, length, building envelope, building footprint or any other increase in the size of the improvement. For purposes of this section, "building envelope" shall mean the three dimensional shape and size occupied by an existing building. It is not the maximum, buildable potential of the site;

(D) shall not increase the degree of noncompliance, except pursuant to the exceptions to floor area ratio regulations set forth in Section 18.18.070; or

(E) in the case of medical, professional, general business or administrative office uses of a size exceeding 5,000 square feet in the CD-S or CD-N district that are deemed grandfathered pursuant to subsection (1), such remodeling, improvement, or replacement shall not result in increased floor area devoted to such office uses.

(F) The Director may approve minor changes to the building's footprint, height, length, and the building envelope through Architectural Review of minor aesthetic architectural improvements and to improve pedestrian-orientation provided there is no increase to the degree of any non-complying feature.

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2016 Non-Complying Facilities Change

(2) The grandfathered facilities in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site, for continual use and occupancy by the same use, provided such remodeling, improvement, or replacement complies with all of the following:

(A) shall not result in increased floor area;

(B) shall not ~~shift the~~ relocate below grade floor area to above grade portions of the building;

(C) shall not result in an increase of the height, length, building envelope, building footprint, or any other increase in the size of the improvement.

(D) shall not increase the degree of noncompliance, except pursuant to the exceptions to floor area ratio regulations set forth in Section 18.18.070;

(E) The Director may approve minor changes to the building's footprint, height, length, and the building envelope through Architectural Review of minor aesthetic architectural improvements and to improve pedestrian-orientation provided there is no increase to the degree of any non-complying feature.

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Affected Properties

4 Known Properties Current Impacted

~242 Downtown (CD-C) Properties

112 / 220 Properties Exceed 1.0 FAR

22 Residential Properties (186 Units)

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Option #1.

- Restore the Code to Prior (Pre-2016) Language

(b) Grandfathered Facilities

(1) Any noncomplying facility existing on August 28, 1986 and which, when built, was a complying facility, may remain as a grandfathered facility and shall not be subject to the provisions of Chapter 18.70.

(2) The grandfathered facilities in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site ~~for continual use and occupancy, by the same use,~~ provided such remodeling, improvement, or replacement complies with all of the following:

(A) shall not result in increased floor area;

(B) shall not relocate below grade floor area to above grade portions of the building;

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Option #2

- Retain the Current Language
- Add Exception Where Applicant Demonstrates Requirement Violates State or Federal Law

(2) The grandfathered facilities in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site for continual use and occupancy, by the same use, provided such remodeling, improvement, or replacement complies with all of the following:

(3) An applicant may request that the requirement of subsection (2) to retain the same use be adjusted or waived based on a showing that applying the requirement to the applicant's property would cause a violation of state or federal law.

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Option #3

- Allow Commercial Uses to Change Over Time
- Preclude Existing Residential Uses from Changing to a Non-Residential Use
- Authorize Exception Where Applicant Demonstrates Requirement Violates State or Federal Law

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Option 3 Detailed

(b) Grandfathered Facilities

(1) Any noncomplying facility existing on August 28, 1986 and which, when built, was a complying facility, may remain as a grandfathered facility and shall not be subject to the provisions of Chapter 18.70.

(2) The grandfathered facilities in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site ~~for continual use and occupancy, by the same use~~, provided such remodeling, improvement, or replacement complies with all of the following:

(A) shall not result in increased floor area;

(B) shall not relocate below grade floor area to above grade portions of the building;

(C) shall not result in an increase of the height, length, building envelope, building footprint, or any other increase in the size of the improvement;

(D) shall not increase the degree of noncompliance, except pursuant to the exceptions to floor area ratio regulations set forth in Section 18.18.070;

(E) The Director may approve minor changes to the building's footprint, height, length, and the building envelope through Architectural Review of minor aesthetic architectural improvements and to improve pedestrian-orientation provided there is no increase to the degree of any non-complying feature.

(F) The residential portion of any grandfathered facility referenced in this subsection shall not be converted to another non-residential land use or reduced in size or number of units. An applicant may request that the requirement of this subsection to retain the same residential use be adjusted or waived based on a showing that applying the requirement to the applicant's property would cause a violation of state or federal law.

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Process

- PAMC 18.80.090 Recommendations by Planning Commission

- City Council may change or suspend operation of any provision for temporary periods when necessary for the public health, safety or welfare.

- Based on Council direction, staff will return to PTC for recommendation on future ordinance

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NON-COMPLYING FACILITIES

December 10, 2018

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Change the Grandfathered Facilities Law???

December 10, 2018

Did Keene Promise Anything?

"We would point out that **hotels though are uses permitted by right** in the Downtown so our staff has been encouraging property owner representatives to provide generous relocation packages to tenants."

Jim Keene

Monday, June 11, 2018 Council Meeting

“Uses Permitted by Right”

§18.04.030 (a)(143)(D) “Permitted use” means a use listed by the regulations of any particular district as a permitted use within that district, and permitted therein **as a matter of right when conducted in accord with the regulations** established by this title.

Keene's Remarks Conveyed No Entitlement

- A five- or six-floor hotel in the President Hotel building is not legal under the municipal code
- Keene's statements can't change the law – only City Council or the electorate can
- If his statement granted AJ Capital permission, that means <u>every</u> Downtown building can become a hotel

Don’t be Scared by “The Ellis Act”

- Allows a landlord to stop renting out apartments under certain circumstances
- Explicitly does <u>not</u> override:

  … local governmental authority over land use, including regulation of the conversion of existing housing .. to other nonresidential use

  Chapter 12.75 Section 7060.7(a)

Don’t be Scared by Other Claims

AJ Capital claims the current grandfathering law:

… could force retention of ground-floor office use, instead of allowing their conversion to retail uses, as required by PAMC Section 18.40.180

[August 20, 2018 AJ Capital letter to city, page 11]

That law says the exact opposite – it exempts office to retail conversion!

Don’t be Scared

- No rights have been granted to convert the President Hotel
- Our laws still hold
- City Managers can’t overturn city laws
- You are under no obligation to allow the hotel conversion

What to do Tonight?

- Normally, all zoning changes must first be reviewed by the Planning Commission
- Council may temporarily skip that only if "necessary for the public health, safety or welfare" §18.80.090

Are Health, Safety, Welfare at Risk?

The proposed change allows:

- President Hotel Apartments to become hotel, offices, etc.
- Staller Court / Laning Chateau to end tenancies and become all offices
- Cheesecake Factory to become retail
- North Face to become partly personal services

None of these are vital needs

Instead, Protect Housing

§18.18.120(b) (2) The grandfathered facilities in subsection (1) shall be permitted to remodel, improve, or replace site improvements on the same site for continual use and occupancy, by the same use, provided such remodeling, improvement, or replacement complies with all of the following:

(A) shall not result in increased floor area;

(B) shall not relocate below grade floor area to above grade portions of the building;

(C) shall not result in an increase of the height, length, building envelope, building footprint, or any other increase in the size of the improvement;

(D) shall not increase the degree of noncompliance, except pursuant to the exceptions to floor area ratio regulations set forth in Section 18.18.070;

(E) shall not convert residential use to nonresidential;

(F) The Director may approve minor changes to the building's footprint, height, length, and the building envelope through Architectural Review of minor aesthetic architectural improvements and to improve pedestrian-orientation provided there is no increase to the degree of any non-complying feature.

Palo Alto Weekly Editorial

[People were] wrong to rush this proposal forward and allow the city to become a supporting actor to the three-way deal A.J. Capital is trying to pull off. Instead of facilitating a conversion in use that will sacrifice 75 units of housing for the creation of another hotel, the city should instead be taking advantage of the current zoning rules to block this conversion.

Friday, December 7, 2018

It’s Simple

1. President Hotel Apartments has no legal right to convert to hotel
2. Laws preventing that were in place when AJ Capital purchased
3. No urgent changes to laws are needed
4. Protect existing housing and residents