



CITY OF PALO ALTO CITY COUNCIL FINAL MINUTES

Regular Meeting
April 8, 2019

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:06 P.M.

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

Absent: Kniss

Study Session

1. Joint Study Session With the Palo Alto Youth Council.

Alyssa Sales, Palo Alto Youth Council President reported the Palo Alto Youth Council (PAYC) was comprised of 15 teenagers who attended Gunn High School, Palo Alto High School, Castilleja School and Kehillah Jewish High School. The purpose of the PAYC was to address youth needs and to advocate for teens. The PAYC used funding to connect with the youth community through various projects and events.

Grant Cheng shared information about the Finals Study Cram Slam, where the PAYC provided therapy dogs, mentors and food to more than 200 participants.

Divya Ganesan, Palo Alto Youth Council Secretary advised that the PAYC manned a booth at the Racing Hearts event to raise awareness and to recruit members to PAYC.

Faisal Ojje shared results of the Teen Vaping Survey.

Ms. Ganesan related that the PAYC compiled a list of opportunities and experiences for students to be involved in the community. The list was found on the PAYC's website.

Jonathan Kao stated the Moldaw Senior Community Visit was intended to establish bonds between youth and seniors.

Anshika Agarwal and Amber Lim provided information about the Palopalooza inter-school bonding event.

Ms. Ganesan indicated PAYC events targeted the needs of the youth community. The PAYC found small events were more effective than large

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events in engaging the teen community. The PAYC collaborated with the Teen Advisory Board and the Teen Art Council.

Claire Cheng, Palo Alto Youth Council Vice President related the goals of the PAYC.

Raj Shetty requested the Council's support in advertising PAYC events on the City website, providing venues for events, attending meet and greet events and participating in communication.

Council Member Kou requested Staff comment on the City's Vaping Ordinance.

Ed Shikada, City Manager reported Staff continued to collaborate with Palo Alto Unified School District (PAUSD) in areas of mutual interest such as vaping.

Council Member Kou summarized the City's Vaping Ordinance. She enjoyed working with the PAYC.

Vice Mayor Fine appreciated the PAYC presenting the Council with information about topics that impact youth. He inquired about actions the PAYC would take if its budget was \$10,000 or \$15,000.

Ms. Sales suggested additional funding could support additional events focused on specific teen issues.

Ms. Ganesan wanted to utilize additional funding for a weekly tutoring program and additional surveys.

Vice Mayor Fine asked Castilleja students to comment regarding Castilleja's plans for expansion.

Ms. Ganesan felt there was a divide between the community and the school. Humanizing the issues, as well as having clear communication, was important.

Ms. Cheng understood Castilleja's purpose in expanding the school was to provide students with resources and to facilitate learning.

Council Member Cormack was pleased to learn of the event to foster inter-school connections. She inquired regarding actions the City Council could take that would support the PAYC.

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Mr. OjjeH stated vaping was common among Palo Alto High School students. Vaping was perceived as harmless, so information about its harmful effects needed to be publicized.

Council Member Cormack encouraged the PAYC to attend and participate in the Council and the City School Liaison Committee meetings.

Council Member Tanaka expressed interest in hearing the teen voice. He liked the concept of a PAYC liaison to the City Council. Separately, he inquired whether two businesses were selling vape products to minors.

Mr. Shikada promised to follow up with the County of Santa Clara (County) regarding the issue.

Council Member Tanaka requested to know the approximate percentage of students who vaped.

Mr. OjjeH believed 20-30 percent of students at Palo Alto High School vaped. In a survey, 67 percent of the students reported that their friends vaped.

Council Member Tanaka asked about the percentage of Gunn High School students.

Ms. Cheng assumed the percentage would be about the same as Palo Alto High School students.

Mr. OjjeH felt a lower percentage of Gunn High School student's vaped over Palo Alto High School students.

Council Member Tanaka inquired about Castilleja.

Ms. Ganesan thought the percentage was likely small, perhaps 10-15 percent.

Council Member Tanaka inquired about enforcement of vaping in schools.

Mr. OjjeH personally saw daily observations of one or more student's vaping in school bathrooms. The school administration attempted to enforce restrictions but the small size of vaping devices made it easy to hide.

Council Member Tanaka asked who was responsible for enforcing drug use in schools.

Bob Jonsen, Police Chief advised that he would explore an operation with the Alcoholic Beverage Control (ABC) to investigate the allegations of businesses selling vaping products to minors. Law enforcement was typically

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responsible for enforcement of drug laws on school campuses and anywhere in the community. School Resource Officer's (SRO) were able to assist with enforcement.

Council Member Tanaka asked if the Police Department enforced vaping and drug laws.

Mr. Jonsen was not able to speak to the amount of time SRO's dedicated toward enforcing vaping. The City's vaping Ordinance provided a monetary penalty for violation.

Council Member Tanaka inquired about the number of students cited for violating the Ordinance in schools.

Mr. Jonsen promised to provide the information at a later time. He suggested PAUSD may have information.

Ms. Cheng advised a fine may be more effective in reducing the number of students who vape, in comparison with providing information about its harmful effects. Most students were probably not aware of the fine.

Mr. Jonsen committed to a campaign to increase awareness of the City's Ordinance.

Ms. Sales believed an understanding of the harmful effects of vaping could be effective in reducing the number of students who vape.

Council Member Tanaka asked about observations of drug use in schools.

Mr. Shikada recommended Council Members not inquire about observations of illegal activities when responses were being recorded and would be publicly available for viewing.

Council Member Kou noted the County could provide educational materials about vaping.

Mr. Jonsen remarked that questions about illegal drug use could be addressed with statistics, which he would provide at a later time.

Mayor Filseth asked if the PAYC conducted surveys on other topics.

Ms. Sales recalled the PAYC's survey on traffic in 2018. Surveys were one method to advocate for the youth voice.

Mayor Filseth asked if PAYC events were limited by a lack of access to venues.

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Ms. Ganesan indicated the Library was a good location for the Finals Study Cram Slam. The venue used for the Palopalooze event constrained activities. Venues did have the potential to constrain any event promoting inter-school connections.

Ms. Cheng felt a centralized venue was needed to encourage students from all schools to attend events and added additional funding could reduce the venue issue.

Council Member Kou congratulated Ms. Cheng for a successful campaign to become Gunn High School's liaison to the PAUSD Board of Education.

Ms. Cheng noted many students did not feel the PAUSD Board of Education or the City Council wanted to hear their comments. She was interested in conducting more surveys to relay teens' concerns to both bodies.

Mayor Filseth inquired about committees of PAYC focused on specific topics.

Ms. Sales explained that PAYC committees were based on events.

Agenda Changes, Additions and Deletions

None.

City Manager Comments

Ed Shikada, City Manager announced the Great Race for Saving Water and Earth Day Festival were scheduled for April 13, 2019. The Utilities Department earned its fifth consecutive Tree Line U.S.A. Award from the National Arbor Day Foundation. VMware and the City of Palo Alto were finalists for the 2019 World Changing Ideas Award in the energy category. On April 14, 2019 the Palo Alto Police and Fire Departments were holding a Battle of the Badges softball game for charity. A time capsule buried 25 years ago was going to be opened on April 28, 2019 as part of Palo Alto's 125th Anniversary celebrations.

Oral Communications

None.

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Minutes Approval

2. Approval of Action Minutes for the March 11 and March 18, 2019 Council Meetings and the March 18, 2019 Committee of the Whole Meeting.

MOTION: Council Member DuBois moved, seconded by Council Member Cormack to approve the Action Minutes for the March 11 and March 18, 2019 Council Meetings and the March 18, 2019 Committee of the Whole Meeting.

MOTION PASSED: 6-0 Kniss absent

Consent Calendar

MOTION: Mayor Filseth moved, seconded by Council Member DuBois to approve Agenda Item Numbers 3-5.

3. Approval of Amendment Number 2 to Contract Number C15157160 With Traffic Data Services for the Provision of On-call Traffic Data Collection Services to Extend the Term Through June 30, 2020 and Increase Maximum Compensation by \$75,000 for a Total Not-to-Exceed Amount of \$175,000.
4. Approval of Construction Contract Number C19174815 With O'Grady Paving, Inc. in an Amount Not-to-Exceed \$679,033, and Authorization of Contract Contingency in an Amount Not-to-Exceed \$67,904 for the University Avenue Resurfacing Project, Capital Improvement Program Projects WS-12001, GS-12001, EL-98003, FO-10001, and PE-86070.
5. Request for Authorization to Increase the Legal Services Agreement With the Law Firm of Conrad Metlitzky, LLP by an Additional \$12,000 for a Total Not-to-Exceed Amount of \$277,000.

MOTION PASSED: 6-0 Kniss absent

AT THIS TIME COUNCIL HEARD ORAL COMMUNICATIONS

Oral Communications

Tina Chow, speaking for Amrutha Kattamuri, Phil Coulson and Victoria Velkoff shared recent news regarding 5G wireless projects. The City was able to impose requirements on wireless facilities for setbacks from homes and schools and minimum spacing between facilities. The Planning and Transportation Commission (PTC) and Architectural Review Board (ARB) recommended the Council consider setbacks. A minimum spacing

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requirement of 1,500 feet was appropriate. The exception provision of the proposed Ordinance needed strengthening. A moratorium on wireless facilities was possible.

Kathleen Goldfein advised that the Caltrain 2040 project included a four-lane passing track between Mountain View and California Avenue, which could replace two or three lanes of Alma Street. She thought reducing the number of lanes on Alma Street would severely increase traffic congestion.

Action Items

6. PUBLIC HEARING/QUASI-JUDICIAL: 3225 El Camino Real [18PLN-00166]: Request for Approval of a Final Map to Create a two lot Vertical Airspace Subdivision for a Retail/Office Space, Four Apartments and Four Condominiums. The Final Map Also Includes Access and Utility Easements. Environmental Assessment: Exempt From the Provisions of the California Environmental Quality Act (CEQA) in Accordance With Guideline Section 15268(b)(3) (Ministerial Projects). Zoning District: Service Commercial (CS).

Council Member Cormack disclosed no ex parte communications.

Council Member DuBois disclosed no ex parte communications.

Mayor Filseth disclosed no ex parte communications.

Vice Mayor Fine disclosed no ex parte communications.

Council Member Kou disclosed no ex parte communications.

Jonathan Lait, Director of Planning and Community Environment reported the City Council had reviewed the Tentative Map for the project.

Public Hearing opened at 7:09 P.M.

Andrew Vakil requested permission to increase the size of signage for We Fix Macs during construction of the project.

Mr. Lait offered to discuss the issue with the speaker.

Public Hearing closed at 7:11 P.M.

Vice Mayor Fine requested the regulations for demolition of projects.

Mr. Lait advised that normally demolition followed the granting of the entitlement. A demolition permit was granted for the project, and the

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building was demolished. A condition for the Tentative Map stated no building permit shall be issued prior to adoption of the Final Map. Issuing a building permit for construction that crossed property lines created regulatory challenges.

Council Member Cormack requested the rationale for the item appearing as an Action Item.

Mr. Lait explained that the Code required it to be presented as an Action Item.

Council Member Cormack asked if the applicant made a decision regarding the Below Market Rate (BMR) requirement.

Mr. Lait clarified that the BMR requirement applied to five or more ownership units at the time the application was filed. The project proposed four ownership units and four rental units.

Council Member Cormack noted the Council Packet referred to in-lieu fees.

Mr. Lait understood the applicant would have paid an in-lieu fee if there was a fractional requirement for affordable housing. The issue was resolved through the vesting of the Tentative Map and the Architectural Review Board (ARB) approval was not determinative of any Council action.

Council Member Kou asked if the applicant would have to build one of the eight units as BMR housing or build a ninth unit as BMR housing rather than pay the in-lieu fee.

Mr. Lait explained that a project was required to pay an in-lieu fee for a required fractional affordable housing unit. Therefore, the project did not include an affordable housing unit. Should the applicant choose to include one BMR unit in the project, Staff was able to administratively approve it.

Council Member Kou requested the location for trash pick-up.

Mr. Lait replied on the street. The item before the Council was a subdivision of air space.

Council Member Kou inquired about subsequent Council review of the project.

Mr. Lait indicated the project was reviewed and approved. Once the Tentative Map was approved, then approval of the Final Map was perfunctory.

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Council Member Kou asked if the ARB would review the project again.

Mr. Lait answered no. With the Council approval of the Final Map, the applicant was able to obtain a building permit and begin construction.

Council Member Kou inquired about an enhanced sidewalk to accommodate foot traffic.

Mr. Lait related that the guidelines would have required a 12-foot setback, which the ARB had already reviewed. A request for a larger sidewalk had to have been made during review of the Tentative Map.

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

- A. Find the Project exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15268(b)(3) and in conformance with the previously adopted Initial Study/Mitigated Negative Declaration prepared for the associated development application (15PLN-0003); and
- B. Approve the subject final map pursuant to Palo Alto Municipal Code Section 21.16 and the Subdivision Map Act.

MOTION PASSED: 6-0 Kniss absent

7. Direct the City Manager or his Designee to either: 1) Sell 335 Webster Street; or 2) Pursue the City's Right to Purchase the Former City Manager's 33.8 Percent Interest in the Property Located at 335 Webster Street (Assessor's Parcel Number 120-02-089).

Ed Shikada, City Manager recused himself from the item.

Kiely Nose, Chief Financial Officer and Interim Director of Administrative Services reviewed the proposed options.

Sunny Tong, Real Estate Manager reported the property was owned by the James and Iris Keene Trust. The 2,000 square-foot residence was located on a 5,625 square-foot lot. The property was located in a two-family residential (R-2) zoning district. The City's contract with the former City Manager identified events that triggered the sale of the property. The former City Manager had indicated his desire to sell the property. It was either possible for the property to be sold to the public or the City could acquire the property. If the property was sold outright, the net proceeds were to be divided into two, 33.8 percent to the former City Manager and 66.2 percent to the City, with the outstanding balance of the former City Manager's loan deducted from the City's portion of net proceeds. The City's

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portion of net proceeds was unrestricted. If the property was sold to a nonexempt entity, the entire property would be assessed on the Property Tax roll. If the Council chose to acquire the former City Manager's share of the property, then Staff planned on obtaining an appraisal. If the two parties were not able to agree on an appraiser, each would obtain its own appraiser, and the two appraisals were to be averaged to determine the property's value. He thought funding for the acquisition could be taken from the Budget Stabilization Reserve (BSR) Fund or the Infrastructure Reserve Fund. If the City acquired the former City Manager's share, the entire property was removed from the Property Tax roll.

Bob Moss recommended the Council acquire the former City Manager's interest and utilize the property as housing for senior Staff. In addition, real estate was a good investment for the City. The City's cost had the potential to be \$700,000-\$800,000.

Council Member Cormack requested the outstanding balance of the former City Manager's loan, if the Council was permitted to know the amount.

Ms. Nose answered approximately \$487,000, as of January 2019.

Council Member Cormack asked if the sitting City Manager was required to reside in Palo Alto and if the City was required to purchase a residence for the City Manager.

Terence Howzell, Chief Assistant City Attorney said he would respond at later time.

Council Member Cormack inquired regarding an estimate of the City's cost under Option B.

Ms. Nose responded \$858,000-\$900,000 based on a value of \$4 million.

Council Member Cormack requested an estimate of the City's portion of net proceeds under a sale of the property.

Ms. Nose answered the amount depended on the sale price.

Council Member Cormack asked Staff to provide an estimate based on a sale price of \$4 million. She calculated the City's portion as approximately \$3.5 million and wanted to know whether the title as tenants that were in common was typical for a City Manager's residence.

Ms. Nose did not know.

Council Member DuBois inquired about closing costs under Option B.

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Mr. Tung indicated closing costs would be a part of the transaction.

Council Member DuBois asked if an agent's commission would be a closing cost.

Mr. Tung replied no.

Council Member DuBois requested clarification of the source of the City's funding for Option B.

Ms. Nose explained that the BSR Fund or the Infrastructure Reserve Fund could be used. The Council's priorities for those funds was a factor in the Council's decision.

Council Member DuBois asked if Staff had any concerns about using either of the Reserve Funds.

Ms. Nose reported use of the reserve funds would place a greater strain on budget planning over the next few months. The reserve funds needed to be replenished to maintain the 18.5 percent balance.

Council Member DuBois noted the difficulty of acquiring land, and in this case the City owned a majority of the property. He liked the concept of using the property for senior Staff housing. The Council needed to consider the costs of selling the property and acquiring other property in the future. He favored the City acquiring the City Manager's share of the property.

Council Member Kou believed the City would receive more value by selling the property and utilizing the net proceeds for other City property. Additional bedrooms and an accessory dwelling unit (ADU) had the potential to enhance the property's value for short-term housing.

Mayor Filseth asked if the property contained two bedrooms.

Council Member Tanaka concurred with Council Member Kou. Providing the house to a City employee would be equivalent to providing them with an additional \$220,000 per year in salary. The City's portion of sale proceeds could be used to purchase real property for a park. Providing housing for a few City employees was not egalitarian. It was possible that the housing market was at its peak. He preferred to increase employee compensation rather than provide housing. He suggested Staff could negotiate a lower agent commission if the Council chose to sell the property. He preferred not to drain Reserve Funds.

Vice Mayor Fine requested the current housing subsidy offered to the City Manager.

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Ms. Nose reported the current City Manager's contract provided for rental or lease costs not to exceed \$4,000 per month.

Vice Mayor Fine requested Council Member Tanaka explain his calculation of a \$19,000 per month mortgage payment.

Council Member Tanaka explained that the monthly payment on a \$4 million loan could be \$19,000 with the current low interest rates.

Mr. Howzell read the housing provision contained in the current City Manager's contract.

Vice Mayor Fine stated the City would likely pay \$4,000 per month for a year or so for City Manager housing. He asked if the City owned any other single-family homes.

Ms. Nose replied no.

Vice Mayor Fine remarked that the Council did not know whether housing would be an attractive option in recruiting senior Staff. He questioned whether the Council should subsidize senior positions above other positions in the City or increase compensation. He inquired whether nearby cities purchased housing for their City Managers or senior Staff.

Ms. Nose advised that agreements for City Manager housing were common. Agreements for housing for other senior Staff were less common.

Vice Mayor Fine asked if any other city provided a single-family home for senior Staff.

Ms. Nose related that the Cities of Sunnyvale and Menlo Park provided senior Staff housing.

Vice Mayor Fine noted the City could utilize the sale proceeds to construct housing or contribute to teacher housing. The Council did not often have an opportunity to increase cash flow. It seemed like a good time to sell the property.

Mayor Filseth understood Council Member Kou proposed investing sale proceeds in other real estate, while Council Member Tanaka proposed saving sale proceeds or utilizing them for other City purposes. The City Charter required the City Manager to live within the City limits of Palo Alto. Unless the City hired only residents of Palo Alto as future City Managers, housing had to be a part of the City Manager's compensation package. By selling the property, the City was selling an asset. He was not comfortable with selling

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a City asset that might be needed in the future. In the long run, the City was better served by acquiring the property.

Mr. Howzell advised that legal questions about the enforceability of the City Charter's requirement for a City Manager to live within the City limits were raised.

Council Member DuBois commented that the City could obtain full ownership of a \$4 million asset for an approximate cost of \$900,000. The City could charge market rent for the property. The property would be a recruiting incentive. A two-bedroom property was practical for many people. It was possible for the City to redevelop the property in the future.

Council Member Tanaka remarked regarding the City's needs for capital. Most cities of Palo Alto's size probably did not purchase a two-bedroom home for their City Manager. Senior Staff were likely to prefer cash to housing. The City owned the Roth Building, and it had been vacant for almost two decades.

MOTION: Council Member Tanaka moved, seconded by Council Member Cormack to authorize the sale of the former City Manager's property located at 335 Webster Street (Assessor's Parcel Number 120-02-089) and authorize the City Manager to sign documentation authorizing the sale of the property to the highest and most qualified bidder.

Council Member Cormack noted the objective of providing the City Manager with housing had been met. The current and future City Managers could have preferences for the sizes and locations of their homes. The property was not purchased for City use and therefore was not likened to a City asset. The Council was not determining a use of sale for the proceeds at this time.

Vice Mayor Fine agreed that the City could redevelop the property in the future. If a future City Manager did not want to live in that house, the City's interest could be transferred to another property. The City's costs for selling or acquiring the property needed to be addressed in the Fiscal Year (FY) 2020 Budget.

Council Member DuBois felt holding the asset would benefit the City more than holding the sale proceeds.

AMENDMENT: Council Member DuBois moved, seconded by Council Member XX to add to the Motion, "and direct Staff to return with an Agenda Item to discuss reserving sale proceeds for future employee housing."

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Council Member Tanaka stated the current City Manager may want to live in another part of the City.

Mayor Filseth clarified that the current City Manager expressed interest in living in the property.

Michelle Flaherty, Deputy City Manager did not believe the current City Manager had expressed interest in the property.

Council Member Tanaka felt additional compensation would interest City Manager candidates more than housing.

Council Member Kou commented that the use of a City asset must be versatile. The house may have too many custom features for most people.

Mayor Filseth stated a comparison to the Roth Building was not appropriate because the Roth Building was an office building. The property was a City asset.

Council Member Cormack indicated larger homes could be bought for the same price. The asset had achieved its purpose.

Council Member DuBois proposed proceeds be placed in a reserve account for future Staff housing needs.

Mr. Howzell interjected that the current Agenda Item was not described as determining the use of the sale proceeds. A separate Agenda Item would be needed for the Council to discuss use of the funds. He cautioned the Council about characterizing the property in any way that might affect the sale of the property.

Council Member DuBois proposed an Amendment to direct Staff to return with an Agenda Item, possibly on the Consent Calendar, regarding reservation of the sale proceeds in a fund for future housing needs.

Council Member Tanaka wanted to accept the proposed Amendment if it stated "to discuss reserving sale proceeds in a fund for future housing needs."

Council Member Cormack asked if the City Manager housing was included in employee housing.

Council Member DuBois answered yes.

Mr. Howzell suggested the discussion of the use of the sale proceeds be part of the Council discussion in the FY 2020 Budget.

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Ms. Nose recommended the Council refer the discussion to the Finance Committee first.

AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "and direct Staff to refer an Agenda Item to the Finance Committee for discussion of reserving sale proceeds for future employee housing as part of Budget deliberations."

Council Member DuBois reiterated that the property could be redeveloped to contain more bedrooms.

Vice Mayor Fine related that the City could offer the property to City Manager Shikada and, if he chose not to live in it, the City could sell it at that point. He requested Staff prepare term tables for the two options.

MOTION AS AMENDED RESTATED: Council Member Tanaka moved, seconded by Council Member Cormack to authorize the sale of the former City Manager's property located at 335 Webster Street (Assessor's Parcel Number 120-02-089); authorize the City Manager to sign documentation authorizing the sale of the property to the highest and most qualified bidder; and direct Staff to refer an Agenda Item to the Finance Committee for discussion of reserving sale proceeds for future employee housing as part of Budget deliberations.

MOTION AS AMENDED FAILED: 3-3 Cormack, Kou, Tanaka yes, Kniss absent

Ms. Nose reported State regulations controlled the disposition of City assets. Staff needed to research the regulations if the Council chose to acquire the property and sell it at a later time.

Mayor Filseth requested the consequences of the Council not selecting an option.

Ms. Nose advised that the former City Manager had exercised his option to sell the property. In other words, if the Council took no action, the former City Manager could sell the property.

Mayor Filseth clarified that no action would include the City passing on its option to acquire the property.

Council Member DuBois inquired regarding timing constraints contained in the former City Manager's contract regarding the option for sale of the property upon mutual agreement.

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Ms. Nose clarified that only one of the options had to occur. The former City Manager had exercised his option to sell the property.

MOTION: Vice Mayor Fine moved, seconded by Mayor Filseth to direct Staff to pursue the City's Option to purchase the former City Manager's 33.8% interest in the property located at 335 Webster Street (Assessor's Parcel Number 120-02-089) and direct the Finance Committee to include these costs as part of Budget deliberations.

Vice Mayor Fine reiterated that no Council action meant the property would be sold. The Council needed to decide whether to acquire the property or whether they wanted to retain or sell it over the next few months.

Mayor Filseth added that the City could sell or lease the property a few months after acquiring it.

MOTION FAILED: 3-3 DuBois, Filseth, Fine yes, Kniss absent

Mayor Filseth inquired regarding the process for obtaining additional information and returning to the item at a later time.

Ms. Nose reported the Council could direct Staff to return with additional information or continue the item.

Mayor Filseth asked if Council Member Kniss would be allowed to participate in a future discussion of the item.

Ms. Flaherty advised that the Council could direct Staff to bring the item on the next Agenda.

MOTION: Mayor Filseth moved, seconded by Vice Mayor Fine to direct Staff to return with this Agenda Item on April 22, 2019 with additional financial information and a full City Council.

Ms. Nose requested clarification of the additional financial information.

Vice Mayor Fine wanted the City's costs with respect to 2009 dollars versus 2019 dollars, to be anticipated in lease amounts, have an anticipated sale price prepared, and have the estimated costs in selling the property ready.

Ms. Nose noted Staff did not have the expertise of a property management firm, and some of the requested information could require financial resources.

Mayor Filseth asked if the Council should continue the item.

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Mr. Howzell indicated the Council should determine whether Council Member Kniss would be present for a subsequent discussion if that was the purpose of continuing the item. The Council's inaction resulted in a sale of the property.

Mayor Filseth requested the date on which the City's option to acquire the property would expire.

Ms. Nose indicated the contract was silent on the point.

Council Member Kou objected to continuing the item until Council Member Kniss could be present.

Council Member DuBois explained that the purpose of continuing the item was to break the deadlock.

Ms. Nose reported Staff was struggling to comply with the Council's direction for \$4 million in savings. The Finance Committee provided direction regarding services and programs that were not to be impacted by cuts. Acquiring the former City Manager's property was going to have financial impacts.

Vice Mayor Fine wanted to continue the item for a week in order to obtain additional information and for Council Member Kniss to be present. It was possible that the property could sell within the next week.

Council Member Cormack asked if a majority vote was required to continue the item.

Mr. Howzell replied yes.

Council Member DuBois urged his Colleagues to support the Motion.

MOTION FAILED: 3-3 DuBois, Filseth, Fine yes, Kniss absent

MOTION: Council Member DuBois moved, seconded by Council Member Tanaka to authorize the sale of the former City Manager's property located at 335 Webster Street (Assessor's Parcel Number 120-02-089) and authorize the City Manager to sign documentation authorizing the sale of the property to the highest and most qualified bidder and direct Staff to refer an Agenda Item to the Finance Committee for discussion of reserving sale proceeds for future employee housing as part of Budget deliberations.

MOTION PASSED: 4-2 Filseth, Fine no, Kniss absent

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State/Federal Legislation Update/Action

Ed Shikada, City Manager reported the Cities Association of Santa Clara County adopted a position regarding Senate Bill (SB) 50. A Study Session with the City's State legislative advocate was scheduled for May 6, 2019. SB 50 passed from the Senate Committee for Housing on April 3, 2019.

Council Member Questions, Comments and Announcements

Vice Mayor Fine advised that the Santa Clara Valley Transportation Authority (VTA) decided not to proceed with many of its proposed changes to bus service routes.

Mayor Filseth congratulated Deputy City Clerk Carnahan on being named the City Clerk for the City of Sunnyvale.

Adjournment: The meeting was adjourned at 8:40 P.M.