CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting
June 12, 2017

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:12 P.M.

Present: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Absent:

Agenda Changes, Additions and Deletions

Mayor Scharff: I don't think we have any Agenda Changes, Additions, or Deletions.

City Manager Comments

Mayor Scharff: The City Manager Comments.We have the ballots up here. Everyone, you have your ballots. Please vote. City Manager Comments.

James Keene, City Manager: While you're doing that, Mr. Mayor, members of the Council, just a few items to report, most of them from Community Services. First up, related to the upcoming wildland fire season, I wanted to advise you and the community that a joint team from the Fire Department, the Office of Emergency Services, and the open space rangers has been working in partnership with the Fire Safe Council and residents in the Foothills community to prepare for the upcoming wildland fire season. The Fire Chief specifically wanted to pass along four key messages in preparation. First, several projects including potential or necessary evacuation route planning, grass mowing, and other fuel reduction treatments have already been completed in order to minimize the impacts of fire hazards. Secondly, every residential structure in the Foothills community is inspected annually for vegetation clearance and defensible space in order to keep residents and homes safe in the case of a fire. Third, over the weekend the Fire Department hosted the County's annual wildland training drill in the Foothills. More than 100 firefighters from Santa Clara and San Mateo Counties participated in the 3-day region-wide drill to practice structure protection tactics and other risk-reduction activities. Four, finally the fire station in Foothills Park will be open and staffed during

extreme fire danger days. On the days the station is open, it is staffed 12 hours, from 8:00 A.M. to 8:00 P.M., and can be extended due to fire weather conditions. Next up, this Friday night please join the Palo Alto Art Center for Friday Night at the Art Center, June 16th from 7:00 to 10:00 P.M. to celebrate the exhibition Michael Light*: Planetary Landscape* and Kija Lucas: *Collections from Sundown* with a photo booth, hands-on art activities, food, and more. Switching topics, last week we had 95 new and returning seasonal Staff participate in 5 days of intensive training to prepare them for upcoming summer camps. Staff from our recreation, Junior Museum and Zoo, youth Community Services camp leaders, and aquatic lifeguards helped train young Staff on topics ranging from inclusion and diversity awareness to CPR to Barbecue 101. Interesting curriculum. This summer, the Community Services Department has more than 3,000 youth and teen participants enrolled in various camps and programs, which begin this week and which will run through August 11th. In case you missed this, more than 300 teens participated in the Buoyancy Teen Music and Art Festival on Sunday, June 4th, at Mitchell Park, that included a packed schedule of teen bands and performers, an art gallery, tie dye and other art-making stations, carnival attractions, and food trucks. Community tables at the event included the City of Palo Alto Library, Think Fund, the Teen Arts Council, Santa Clara Behavioral Health, and the Palo Alto High School ukulele club. Lastly, this Sunday, June 18th, Father's Day, World Music Day returns to Palo Alto for its ninth year, turning University Avenue into a music festival. It runs from 3:00 P.M. to 7:30 P.M. this Sunday. At least 50 professional and amateur musical groups will perform a wide variety of genres, jazz, blues, pop, rock, classical, world music, chorale, folkloric dance, and more, for the community. This is an event that actually takes place in cities around the world every year close to the summer solstice. The free event is organized by the Palo Alto Recreation Foundation and sponsored by the City, Stanford Federal Credit Union, the Palo Alto Weekly, Palo Alto Online, the Chamber of Commerce, the Palo Alto Downtown Business and Professional Association, Live SV, and News for Chinese. The actual street closures will be in effect from 11:00 A.M. to 8:00 P.M. on University Avenue between Webster Street and High Street. For more information, visit pamusicday.org. That's it. Thank you.

Mayor Scharff: Thank you.

Oral Communications

Mayor Scharff: Now, we move to Oral Communications. We have a large number of speakers, so you'll have 2 minutes each. Our first speaker would be Dr. Andrew Milne, to be followed by Bill Blodgett.

TRANSCRIPT

Dr. Andrew Milne: Good evening. You may recall last week I shared a story of my own medical emergency in Palo Alto. I began to say I am concerned that further cut to the Fire Department budget and subsequent resource (inaudible) would not be in the best interest of Palo Alto. Consider three points. First, looking at historical data, in the period from 2009 to 2016, medical call responses increased by 20 percent, while in the same period the size of the Staff shrank by 13 percent. There are some real implications associated with these competing trends. For example, on the night of my cardiac arrest, two medical emergency calls came within 2 minutes of each other. Just 20 minutes later, another emergency call came in. Had all the Palo Alto ambulance crews been cross-staffed as a cost-cutting measure, at that point Palo Alto would have had no fire crews available to respond to a call. Note that these were just two of 5,356 medical calls in 2016, and they happened in the evening, a statistical (inaudible) that would say this is a quiet time of the day. Second, given this data, the current proposal to cut the department budget in 2018 seems to be more reaction to an unfavorable negotiation position with Stanford rather than driven by a decrease in service needs. Finally, it seems that any plan to alter the deployment arrangements should not merely make accommodation for cutting the budget, but should create a formula for right-sizing the budget in the face of future service demand. The historical data suggests that at some point the right answer might be to provide more funds rather than less. If there's no formula in place to predict this eventuality, the City's planning is not truly being data driven. I urge the Council to pause, take a deep dive, and understand the factors that go into deployment planning so it can make informed decisions that provide for public safety in a responsible manner both now and in the future. This is not a library renovation or a pedestrian footbridge. Lives like mine and those of my family will be impacted by the decision you make. The Council has a fiduciary obligation to protect the interest of residents in Palo Alto, and protecting lives has primacy in that. Thank you.

Mayor Scharff: Thank you. Bill Blodgett to be followed by Bapu Jadeja.

Bill Blodgett: I'm Bill Blodgett, the Board President at La Comida Senior Nutrition Program here in Palo Alto. I wanted to give you first a quick update on where we stand. As you know, we lose our current home on September 1. We continue to work with the facility in the south part of the City for a partial solution, where we could serve lunches Monday through Friday. I say partial solution because it's a small facility, doesn't really give us the room we need, and it's quite a ways from Downtown so I think it's inconvenient for many of our seniors. We really would like the City's help to find a second location where we can serve meals in the short term and help us find a longer-term solution hopefully in the Downtown area or co-located

with Avenidas. I wanted to mention that a number of our seniors wanted a way to speak out and offer their voice. They've signed a petition. I want to read part of that petition for you. It's been signed by 234 people on the written petition, another 225 have gone online to sign. I'll read it in part. It says "As some of you know, La Comida has approximately—serves 160 diners per day. It's the largest program in Santa Clara County. 42 percent of our diners define themselves as low income, 30 percent live alone, 90 percent are over 65 years old, 31 percent are over 80 years old." In the very brief amount of time, I don't think there's time to read the entire petition. A number of seniors submitted comments. I thought I would just pick out a few of those comments I thought you might be interested in. Number one is "I've seen how popular the program is. The food is delicious and nutritious. The friendships forged and the companionship are invaluable for seniors. Sometimes it's their main meal of the day." Another, "My grandmother died recently but looked forward to having a daily meal with friends at La Comida. She had a hard time making meals for herself due to her disability. When the van service ended, she found a way to get there through outreach. This not only serves food to seniors but also feeds heart and soul with friendship and faces." One last one, "I worked at Avenidas for many years. La Comida is so vital for many participants who enjoy the delicious, low-cost healthy meals and companionship that La Comida gives. For some participants, the special parties and seasonal events are all the celebrations that they have in their lives. La Comida offers good food and good friends to many." Please, help us continue this service. I'll leave the petition with the Clerk.

Mayor Scharff: Thank you. Bapu Jadeja, to be followed by Ingrid Lai.

Bapu Jadeja: Hello everyone. I'm Bapu Jadeja. I just want to say what Bill said. I just want to re-emphasize this within less than a minute if I can help it. I'm speaking on behalf of my wife also, who is a physically disadvantaged lady and a regular member at the La Comida and Avenidas meeting. I want to just say three things. If there is a place in Palo Alto, which has three or four things together, it's food, pharmacy, parking, and social organization, a forum for socially meeting people. As Bill has said, I want to say all that he has said. I want to support him. I request the Council to ensure, if possible, that La Comida and Avenidas be kept together as far as possible. Thank you very much.

Mayor Scharff: Thank you. Ingrid Lai, to be followed by Barbara Hazlett.

Ingrid Lai: Good evening, Honorable Mayor and distinguished Council Members. I am a volunteer at La Comida. I would like to thank the City for helping us find both a short-term and long-term solution to locate a suitable

home that is centrally located and wheelchair accessible. We want to continue to serve the hot and nutritious meals to hundreds of seniors every weekday. Thank you too, City Council, for helping us to start a dialog with Avenidas. Please keep all the seniors in your minds. All they need is a place to have a hot meal and, at the same time, they can socialize with their friends. Please treat them with kindness, respect, and dignity. Treat them like your parents and your grandparents. Please remember we all get old one day. Do not take the bread out of their mouths please.

Mayor Scharff: Barbara Hazlett to be followed by Sea Reddy.

Barbara Hazlett: That's a tough act to follow. Good evening. My name is Barbara Hazlett. I have come this evening to voice my support for Castilleja School's Conditional Use Permit (CUP) application. Having lived in my home on Emerson Street near the school for 37 years, I can attest to its many contributions to our community. Here are a few of the facts of life in living near the schools. Number one, the school has an extensive outreach communication program with its neighbors. I receive notices of all major events and am offered coupons to neighborhood cafes as a thank you for my patience. I'm invited to semi-annual or more frequent neighborhood meetings where the school seeks to have a productive dialog with neighbors. Although, I think very highly of both Paly and Stanford; I have never received such attention or concern from them. Number two, Castilleja's a very respectful neighbor, having gone to great lengths to mitigate traffic and parking demands as the town has grown up around it. This is currently demonstrated by the proposed plans to build underground parking and align the driveway exit with Melville Avenue. Such construction is a very expensive proposition but demonstrates Castilleja's response to neighbors' requests. Number three, the school provides a park-like buffer from Embarcadero for neighbors. The school's master plan enhances this in every way by proposing a green and inspired design and asks for no additional square footage above ground. Number four, Castilleja's opponents often cite their displeasure with the school for being in quote/unquote their R-1 residential zone. The school at its current location predates the introduction of single-use zoning in the United States, not to mention predating all of the neighbors. This single-use zoning concept is in opposition to the now prevailing view of this City as continually evolving. The detractors' complaints are a misleading distraction. Lastly, everywhere we look in Palo Alto, there's construction and expansion. In my mind, the development in Palo Alto has brought tremendous vibrancy. Why should one of our most historic and consequential treasures be denied critical improvements and to extend its reach to a modest number of new students? Schools are a public good, and Castilleja is undeniably good. Thank you.

TRANSCRIPT

Mayor Scharff: Thank you. Sea Reddy to be followed by Rob Levitsky.

Sea Reddy: Good evening, Mayor, the City Council, and citizens of Palo Alto. I'd like to take the opportunity to thank again Joe Simitian and the City Council and the City government for making Buena Vista work again. I think it's a great thing. We have a community that reaches out to the people that work hardest. Also, I'd like to congratulate the College Terrace. 2100 El Camino Real is finally coming to fruition. They tell us that they're going to open on Wednesday, so we can buy milk at reasonable prices, I hope. I haven't checked the prices yet. Please let everybody know that work hardest. I've seen it grow from all the way—taking the old building and all that to the beautiful parking underneath as well as the apartments and the republic banquets going there as well as other things. How wonderful. The third thing is Boeing is working on negotiating 60 airplanes to Iran. I think it's important that we open Iran society, to be nice to them. I think we should support. If you know any one of these, Mr. Trump, Mr. Tillerson, Mr. Ross, Secretary of Commerce, Secretary of State, President, please call them and tell them to not be afraid, to be open to Iran so we can one day gain from Islamic State of Iraq and Syria (ISIS) reduction. They can reduce ISIS' influence; we can't. Thank you.

Mayor Scharff: Thank you. Rob Levitsky to be followed by Jeremy Erman.

Rob Levitsky: Rob Levitsky here. It's been a year since Castilleja dropped their plans on our neighborhood, so I thought I'd give an update on what's happened in the last year. Last Tuesday, we had a 90-minute community meeting at Castilleja School with about 100 neighbors in attendance. Castilleja spoke for 10 minutes, and our group had 15 minutes, and then an hour was spent on questions and answers. There were many questions and statements, but not one person from the audience spoke in favor of the proposal. Community values are written into our zoning laws. By now, you understand that Castilleja's proposal violates many of them, height limits, street setbacks, lot line merging, multiple heritage tree destruction, messing with the Melville storm drain and sewer lines, destruction of houses on Emerson Street, grabbing a traffic lane on Embarcadero, not to mention putting an industrial concrete garage facing several houses and running 6,000 dump truck trips—that's what this one was for—with 3-5 years of construction. It's hard to say this would meet the test of not being detrimental to the neighborhood. In fact, we've recently seen where house values are already being impacted. There are houses on Melville and Kellogg for sale. Yesterday, buyers who came by saw what was going on and said, "Why would I want to buy here? I want to move here with this going on?" No. With the neighbors firmly against it and the project requiring so many variances, why does Castilleja push on with this? The only thing that makes

sense to me is that they assume they have five votes on this Council. Be damned with the neighbors, and be damned with all the variances required because they've got five of your votes. If that's really true, why don't you just vote tonight and give it to them so that we don't have to waste another 2 years fighting this? If you're really leaders, then try to show some leadership. Thank you.

Mayor Scharff: Thank you.

Jeremy Erman: This past week Palo Alto lost one of its most beloved and extraordinary citizens. Patricia Briggs, former Director of the Palo Alto Children's Theatre, passed away at the age of 80. Pat served as Director of the Palo Alto Children's Theatre from 1961 to 2008, 47 years, in which she directed, taught, encouraged, mentored, and wrangled so many children and young adults that her influence and legacy defy description. When Assistant Director Michael (inaudible) passed away unexpectedly in 2008, I found myself trying to understand what made the place so special, what was the special ingredient that they had used to draw us back time and time again. All I could come up with is that they let us be ourselves. They didn't tell us what we should be or what we should do with our lives. They didn't impose their expectations on us except that they expected us to behave decently and treat people decently. Theater to Pat was a means to an end, a way to teach responsibility and leadership, to give children a safe place to grow up, accomplish things, and become confident in themselves. Even if she was here today, it would still—today her wake was held in Chicago, where she was born, studied theater, and began her career. She'll be buried there tomorrow morning. Even if Pat had not passed away and if she was still with us, it would still be appropriate to remember and honor her this day because on this day, June 12th, in 1961 Pat Briggs began her tenure as Director of the Palo Alto Children's Theatre. This is her anniversary, her 56th anniversary of becoming Director of the Children's Theatre. She came to Palo Alto in 1961, 1 month before her 25th birthday. For the next nearly half century, she selflessly and tirelessly devoted herself to this City and its children. Pat rarely gave speeches or sought the spotlight herself but, in her director's notes on the 50th anniversary of *Snow White* in 1987, she wrote "It's been a privilege to have the stewardship of *Snow White* and the theatre in my hands and to be able to guide, direct, lead, and protect a very special theatre which truly belongs to the children and young people of Palo Alto." On this day, as she is prepared to be laid to rest and we celebrate her anniversary, I ask you to remember and honor Pat Briggs now and always. Thank you.

Mayor Scharff: Thank you. Nancy Tuck to be followed by Davina Brown.

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Nancy Tuck: My name is Nancy Tuck; I live at 113 Melville. My home is 394 feet from Castilleja, between Emerson and Alma. I am here in support of both the enrollment increase as well as the renovation proposed by Castilleja. I believe the school brings enormous value to Palo Alto, our community, and even our neighborhood. Castilleja year after year turns out mature, educated, self-confident girls who go on to an amazing list of colleges and then on to an amazing array of careers. While at the school, they become part of our community, giving in so many ways by volunteering in underprivileged schools, libraries, the Art Center, Ada's Café, and dozens more local causes, teaching swimming, reading, physics and more to underprivileged kids in our community. The school's exceptional in our town in that it provides a safe environment for girls, not only where they feel physically safe from crimes we read about every week in the *Palo Alto Weekly* newspaper but also feel safe to participate in class, take risks, seek leadership roles. The school takes in timid, insecure sixth graders and, by using a very personalized and supportive educational process, creates self-assured, confident, passionate, bright and motivated high school graduates. I am astounded that my fellow neighbors don't see the value in this. I can't fathom that anyone who appreciates solid education and opportunity for young women wouldn't sing the praises and also be thrilled to have this institution in their midst. Repeatedly these neighbors say that they value education and have nothing against Castilleja, but this simply is not compatible with their contempt for the CUP and the improvement plans. Secondly, I want to discuss the fact that, as a resident on Melville, I experience zero, absolutely zero, impact from school traffic. There's no backup at drop-off time, which is when I'm leaving for work; no parking in front of my house by Castilleja students, parents, staff, or visitors; and I don't hear any noise from evening or weekend events. What I do experience is that my neighborhood is a very densely populated one. The house next door to me has three apartments with five licensed drivers. Across the street, four adult renters plus another home in the back. I'm aware of one landlord who owns five homes and has 38 tenants. More homeowners have converted their garages into storage or living units and are forced to park on the street. This is what causes tension plus the noise of the trains, the Palo Alto football games, the construction, and even Stanford fireworks. There is constantly home construction on my block. Currently, the duplex …

Mayor Scharff: Thank you.

Ms. Tuck: … on the corner of Melville and Alma has been in total disarray for over 2 years.

Mayor Scharff: Thank you.

Ms. Tuck: Thank you.

Mayor Scharff: Davina Brown to be followed by Stephanie Beach.

Davina Brown: Good evening. I hope we have this problem solved. I'm from La Comida. I've come before you before to plead for your help. We still need it. We're still in negotiation. We have no home at this date. I know; I'm the move chairperson. Nothing's finalized. We need the City's help. Rents are super, super expensive. This is such a good problem. On the petition, they've said things like "my dad's life was extended and the quality improved as a direct result of the senior nutrition program in the town. My father loved going to the senior center for lunch. This is where he met so many last friends in the last few years of his life. Do not take it away." I know that we're going to meet with the City. I do appreciate your setting this up for us. I hope it comes to fruition and I don't have to come back to talk to you anymore, that we're settled in a new place. Thank you.

Mayor Scharff: Thank you. Stephanie Beach to be followed by Fred Balin.

Stephanie Beach: Hi. I'm Stephanie Beach, and I'm a long-term resident of Palo Alto. As a full disclaimer, I am also on the Board of La Comida. I'd like to thank you for your past support. On behalf of the citizens of Palo Alto, seniors and others, I'd like to implore your help to find a permanent place for La Comida, one that has affordable rent, a kitchen that's capable of creating and serving 160 meals at one time, and a dining space capable of serving 160 diners at one time. Finally, just in case you didn't get it in today's mail, I'd like to issue a personal invitation to all of you to clutter up your Friday menu again. Please come. Help celebrate La Comida's 45th anniversary Friday from 11:15 A.M. to 12:30 P.M., at the La Comida dining room, 450 Bryant. I hope to see you all there. Thank you.

Mayor Scharff: Thank you. Fred Balin. Was that Stephanie? Yeah. Fred Balin to be followed by Jonathan Erman.

Fred Balin: What will you cut in Fire Department services to meet a proposed $1.3 million savings? Citizens have a right to know. The purpose of the budget process is to elicit informed public reaction. Bring forth the details. These cuts if approved will most likely come at the expense of engine service while seeking to increase revenue-generating ambulance transports. We've been at this key decision point before. Fiscal Year 2013 proposed an increase from one to two full-time ambulances, which went forward. It also proposed $1.1 million in savings by shutting an engine when daily staffing was low. Then as now, daily staffing is always low as the department operates with up to 15 fewer bodies than budgeted positions. Shutting an engine every day would reduce overtime costs and meet the

reduction target. That plan was not enacted. Now, with the aid of opacity, the City seeks to impose its equivalent. You need at least three engines very rapidly at a structure fire to save lives and contain loss. Engines also handle all kinds of other rescues, technical rope vehicle extrication, hazmat. Our six engines with paramedic and crew are strategically located. In the lifesaving response to Andrew Milne's sudden cardiac arrest detailed here last week, an engine was the first responder as it almost always is. Key numbers continue to rise, population, resident and commuter, densities, construction, congestion, call volume in Palo Alto, on campus, at the Veterans Affairs (VA). Dry weather remains a perennial. Logistics will soon be tested when the Rinconada engine moves near the Baylands for 18 months during station reconstruction. These proposed cuts to public safety demand full disclosure and a serious public conversation. If you are unable or unwilling to bring that information forward and engage in the follow-on dialog, then you should not be on this dais. Thank you.

Mayor Scharff: Terry Holzemer to be followed by Bill Ross.

Terry Holzemer: Good evening, Council Members. I've come tonight to talk about an individual homeowner issue. I live next door to a commercial project. It's called 255 Park that this Council approved. I'm very worried about this project because it makes tremendous noise throughout the day and night. It's making this noise from the tremendous amount of water that's being poured down the storm drains. I estimate that there are thousands, maybe millions, of gallons being wasted every day at this project. Something needs to be done to stop this noise. It's disturbing the sleep of the residents who are less than 30 yards away from this complex. This noise is constant; it's 24 hours a day, 7 days a week. I encourage every single one of you Council Members to go to this site, stand there on the corner of Park Boulevard and Grant Avenue, and listen for this waterfall. It's a tremendous waterfall. It's loud, especially at night, midnight. If you go out there late at night, it's the most notable sound that you'll hear in the entire neighborhood. It's louder than the train even. Something needs to be done about the wasted water that's happening at this site. Thank you. One more thing really quick. I reported this on the 3-1-1 system. I have gotten no response at all, zero. More than a week ago.

Mayor Scharff: Thank you. Bill Ross.

Bill Ross: Good evening. I'd like to comment in a comparable manner to Fred Balin with some additional remarks on the proposed $1.3 million reduction to the Fire Department. I don't think you've vetted this properly. Among the issues that aren't considered and haven't been considered is the representation of the Fire Chief to the Santa Clara County Emergency

Medical Services (EMS) agency that Station 8 would be fully staffed through the 2017 fire season. There's no relationship back in any of the analysis so far to Finance Committee about how this relates to standards of cover and response times. Literally, every agency, Federal, State, and regional, has come out with this year being an extraordinary fire risk year, meaning the demands under the mutual aid system will be extraordinary. Correspondingly, as a citizen and resident, I'm concerned about the reliance on mutual aid, particularly from Santa Clara County EMS, formerly Rural Metro. It's an agency that's in bankruptcy that was taken over by American Medical Response (AMR). AMR deploys a rotating method of response. The idea that response times can be maintained with that has not been analyzed. I appreciate the analysis to meet and confer with the union, but I would respectfully suggest that you should meet and confer with the public first, and it should involve risk management. I don't want to be on the losing end of a 10-minute response time when 9 or 8 or 7 or 6 could have been maintained. Thank you.

Mayor Scharff: Karen, you have something?

Council Member Holman: Yes, having to do with one of the Oral Communications. Before we get entertained with all the other things we have on our agenda this evening, if we could make note to adjourn tonight's meeting in honor of Pat Briggs and maybe look to working with the community in other ways that the community is looking to honor her.

Mayor Scharff: Council Member Wolbach, already asked me if I'd adjourn the meeting in that. I intend to honor that request. I think you've both made the same request. That's good. You actually wanted to say something too. Is that good enough for you?

Council Member Wolbach: I was just going to say that, as somebody who had participated in Children's Theatre Conservatory for a couple of years in my youth, I remember Pat very fondly. She'll be deeply missed.

[At this time the Council moved to Minutes Approval.]

<u>Special Orders of the Day</u>

1. Appointment of Three Candidates to the Library Advisory Commission for Terms Ending May 31, 2020.

First Round of voting for three positions on the Library Advisory Commission with terms ending May 31, 2020:

Voting For Doug Hagan:	DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach
Voting For Amy Murphy:	DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach
Voting For Brigham Wilson:	DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Beth Minor, City Clerk: Thank you, Mayor Scharff. All nine Council Members voted for Doug Hagan; all nine voted for Amy Murphy; and all nine voted for Brigham Wilson. All three have been appointed to the Library Advisory Commission for terms ending May 31st, 2020.

Mayor Scharff: Congratulations to our Library Advisory candidates, if they're here. Are any of them here? I guess not. Congratulations.

[At this time the Council returned to the Consent Calendar.]

Minutes Approval

2. Approval of Action Minutes for the May 22, 2017 Council Meeting.

Mayor Scharff: I need a Motion to approve the Minutes.

Vice Mayor Kniss: So moved.

Mayor Scharff: I'll second that.

MOTION: Council Member Wolbach moved, seconded by Mayor Scharff to approve the Action Minutes for the May 22, 2017 Council Meeting.

Mayor Scharff: If we could vote on the board. That passes unanimously.

MOTION PASSED: 9-0

Consent Calendar

Mayor Scharff: I need a Motion to approve the Consent Calendar. I'll move that then.

Vice Mayor Kniss: Second.

Mayor Scharff: We've got to—I'm sorry. We have a bunch of these things. I'm going to take public comment, and then I'll go to Council Member Kou. Let's see here. Carla Carvalho—before we do that, you wanted to give the announcements.

TRANSCRIPT

[The Council heard Item Number 1 and returned to the Consent Calendar.]

Mayor Scharff: Now, we have Carla Carvalho speaking on Item Number 8, to be followed by Neilson Buchanan, speaking on Item Number 8.

Carla Carvalho, speaking on Agenda Item Number 8: Good evening, Council. I just returned this weekend from a nice trip with my family to the Napa Valley. We had some great food, and I'm really excited to have a Napa-inspired meal at 260 California Avenue quite soon. However, what I can't palate is an exemption to zoning laws simply to appease a developer so that a space that was already over legal size can become even bigger. I ask you to please rethink the current status of this to be respectful to other business owners who have adhered to zoning laws and to all of the residents who are frequently here speaking about the overcrowding and traffic problems in this City. Please remove this item from your Consent Calendar this evening. Thank you.

Mayor Scharff: Neilson Buchanan to be followed by Bill Ross.

Neilson Buchanan, speaking on Agenda Item Number 8: I'm Neilson Buchanan at 155 Bryant Street in Palo Alto. I'm here to make a few comments for myself and also for two Evergreen Park residents who cannot possibly be here tonight. Those two people from Evergreen Park have been intimately involved with this project that's described on Consent Item Number 8. I am not a detail person, but for the last 5 years I've been thrust into details to try to understand the very basic cause and effect of parking intrusion on the neighborhoods. We've been probably negligent about framing the parking problems as a neighborhood problem. It's just as much a problem to adjoining properties. It's just as much a problem to other businesses Downtown when various properties do not carry their full load of parking. Back to this particular project. I have followed it from a bit afar, but I do think this does warrant your attention. It is a very complicated set of details that's almost beyond my ability to comprehend it. Basically, it boils down to how do you measure square footage in a building, and then how do you allocate it especially in a mixed-use property. That allocation process then triggers a formula about how much parking there ought to be. To say that developers play games with their architectural plans would be the understatement of the year. I understand that game. The game is here before you tonight. Details have been ironed out over the last several months. I am convinced that one important detail has not been ironed out, and that's your role to consider adjudicating a major question. That question, I think, applies to future projects. In fact, it may implicate projects that have already been approved about square footage. I don't want to belabor the matter anymore. You'll hear about it in more detail.

There is one thing that's not a detail. I mentioned it at the Planning Commission. In both University Avenue and in California Avenue, there is still a major, big detail that's never been settled, and that's namely the entitlements that come from parking assessment districts. I barely understand University Avenue Parking Assessment District, and I can guarantee you I only have the faintest idea of how entitlements accrue to properties from the now-expired parking assessment district on California Avenue. Thank you very much for listening.

Mayor Scharff: Thank you. Bill Ross to be followed by Becky Sanders, speaking on Number 8.

Bill Ross, speaking on Agenda Item Number 8: Good evening. My address is 2103 Amherst; I'm a resident and taxpayer. I think there are three on the current Council that remember when 260 originally came before you in the same condition as it is now. A very eloquent man, a lifelong resident of Palo Alto, Dan DeCamp, a very senior pilot for American Airlines, presented a very thorough analysis as to why there needed to be further environmental review and analysis about General Plan consistency and the impact on the Evergreen neighborhood. You didn't hear the matter. At that time, the applicant made several representations, and the applicant has continued to make representations to the business community, maybe in excess of a half dozen times, with respect to the idea that the retail/office combination would foster existing businesses in the area including Terry Shuchat's business and including Homma Brown Rice Sushi. As we know, the latter no longer exists. I would respectfully represent that City records, which are not disclosed to you tonight, indicate that the reason is that the applicant scheduled utility work during holidays so as to prohibit access to that very famous and, I think, patronized restaurant. Also, this is the same applicant that violated your own construction management plans and regulations of the Regional Water Quality Control Board and discharged directly into the storm drain. City Staff corrected it when that was brought to your attention. The idea that there is a miscalculation of square footage here, I think, has to be examined in the context of the truthfulness of the applicant. I certainly think that the appellant should not be criticized for raising that issue. Thank you.

Mayor Scharff: Becky Sanders to be followed by Jeff Levinsky.

Becky Sanders, speaking on Agenda Item Number 8: Good evening, everybody. I'm Becky Sanders, 369 Margarita Avenue, moderator of the Ventura Neighborhood Association. First of all, I'd like to thank my fellow residents for their diligent study of this project. They are rigorous in their research and speak for many of us concerned about parking, traffic, and

Code enforcement. I gather that the applicant is blaming their mounting costs, delays, and frustrations on watchful residents. I don't think it's fair to shoot the messengers, when the applicants are the ones playing fast and loose with the Zoning Code, which is the actual cause of the delay. With regard to 260 California Avenue (Cal. Ave.), the bottom line is that had the owner added sufficient parking, not tried to exceed legal building size limits, and submitted proper plans, we would all be having dinner there today. The applicant's latest chicanery, the new stairwells to the garage exemption, is the next in a series of ploys to appear to be in compliance while reducing the number of parking spaces required. If you say that the 514 feet is now magically exempt from Floor Area Ratio (FAR), we will see a spate of existing and new projects using this ludicrous interpretation of the Code as precedent for their own stairway exemption. I ask you to not go along with the farce but ask this applicant and all applicants to take their responsibilities seriously when petitioning the City. The applicant has changed their story so many times in hopes of sneaking one past you and then, when they aren't successful, they are called out on their subterfuge by residents. Then, they cry to the press that their rights to build are being violated. Seriously. Anyway, I'm not fooled. I don't think any of you are either. For whatever reasons you have for doing so, if you vote in favor of the exemption, I just don't understand what they are. It will send a clear signal that it continues to be open season on Palo Alto's Building Code, that you don't respect it, and that you encourage others not to respect the Code. Frankly, it's actually immoral to promote developers over the interest of housing for people who are underserved, under-resourced, and are poor. Thank you.

Mayor Scharff: Jeff Levinsky to be followed by Rita Vrhel, speaking on Number 8.

Jeff Levinsky, speaking on Agenda Item Number 8: Good evening, Council Members. Let me try to simplify the whole 260 Cal. Ave. situation for you tonight. Although the Staff Report doesn't explain this, in order to make a larger restaurant legal, the building is being granted a new exemption for gross floor area and parking for 514 square feet of stairways and corridors. This is a huge exemption. It appears to be a new interpretation of our Building Code. Other buildings recently approved by you, such as the Olive Garden and 429 University, didn't claim it. 260 Cal. Ave. didn't claim it either until just a few weeks ago. Here's the real problem. If you let this item go through on Consent, tomorrow morning other buildings across Palo Alto will suddenly be able to claim this new exemption. Buildings that never had it before. That will let them turn formerly uncounted areas such as lunch rooms into, say, offices without adding any new parking. This is millions of dollars of new office space that you'll be enabling. It's a jaw dropper. You probably had no idea that this little project contained a giant

Trojan horse; neither did I or others. It wasn't mentioned in any Staff Report, and the calculations using it first appeared during the Planning Commission meeting, not even in the packet. Please take this project off Consent so you can find a good way to solve this one building's problems without creating a precedent so potentially harmful to our entire City. Thank you.

Mayor Scharff: Thank you. Rita Vrhel to be followed by Terry Holzemer.

Rita Vrhel, speaking on Agenda Item Number 8: Good evening. I strongly object to Mr. Secviar's and Mr. Kelly's statements as quoted in the *Palo Alto Weekly*. "We should not be held hostage in order to provide a forum to debate the City policies and how you uphold and enforce the laws." "We should not suffer simply because Mr. Levinsky does not trust the City to do its job." Finally, "We're being used by Mr. Levinsky as his whipping boy or battering ram to promote his own political agenda." I emailed Mr. Levinsky; he does not have a political agenda. He's just trying to stand up for the residents' rights in the City of Palo Alto and ask them to enforce the Building Codes and not make exceptions on a project-to-project basis. I agree there should be no exception made for lack of the required parking space. Thank you, Jeff, for all your hard work on this and so many more issues. I will not ask all those here who do not trust the City to do its job to stand up. If anybody who supports Mr. Levinsky wants to stand up, please do so. The parking spaces are required. If you don't provide them, then the builder/developer/owner has the right to decrease his business space. He is not being held hostage to the City or to Mr. Levinsky. It is a very simple matter, decrease your restaurant size or provide the parking space, but don't whine. I think everyone in the City is tired of developers coming before the City Council with plans that do not meet the requirements and then whining month after month after month. Some, like Elizabeth Wang or Wong getting their way on 426 University; that set a very bad example. I hope you do not set another example tonight. Thank you.

Mayor Scharff: Terry Holzemer to be followed by Phillip Hill, our final speaker.

Terry Holzemer, speaking on Agenda Item Number 8: I'll keep my comments short. I'm here to support please pulling the 260 California from the Consent Calendar and insisting that all developers play by the same rules. This developer is not playing by the same rules that all the owners must abide to, especially on California Avenue. No one really opposes a restaurant or other offices at this location; however, you can't change the rules or the square footage to allow the restaurant to have an exception to this project. It's time for the City to follow its own rules. Thank you.

Mayor Scharff: Phillip Hill.

Phillip Hill, speaking on Agenda Item Number 8: I live right across from the proposed hotel.

Mayor Scharff: That's a different Agenda Item.

Mr. Hill: I'm sorry.

Mayor Scharff: Thank you. No concern. With that, we'll come back to Council on the Consent Calendar. Council Member Kou.

Council Member Kou: I'd like to pull Number 8 from the Consent Calendar.

Council Member Holman: I second.

Mayor Scharff: Seeing no third, that doesn't get pulled.

MOTION: Council Member Kou moved, seconded by Council Member Holman, third by Council Member XX to pull Agenda Item Number 8 - QUASI-JUDICIAL: 260 California Avenue [16PLN-00289] … to be heard on June 27, 2017.

MOTION FAILED DUE TO THE LACK OF A THIRD

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: I have a disclosure. This is a quasi-judicial item. I did talk with …

Female: What number?

Council Member Tanaka: … Dennis Kelly. Number 8. I just want to make this disclosure. I talked to him briefly over the phone. He basically said what was similar which (inaudible) in the *Palo Alto Weekly*. Nothing really new there.

Mayor Scharff: You don't really need to do disclosures on the Consent Calendar. Or do you?

Council Member Tanaka: I don't know, what's the rule?

Mayor Scharff: I look to the City Attorney.

Molly Stump, City Attorney: Council Member Tanaka makes a good point. We don't typically have quasi-judicial items on the Consent Calendar. It is appropriate actually to do a disclosure even on the Consent. Thank you.

Mayor Scharff: Continue.

Council Member Tanaka: It was a brief conversation. That's basically what happened. I have a few other items that I wanted to—we're talking about Item 8.

Vice Mayor Kniss: Consent first.

Council Member Tanaka: I have other items I want to talk about too. Are we just talking about 8 first? On 8 on the Consent …

Mayor Scharff: No, no. You can't talk about it. Do everything you want to talk about on Consent as long as it's—we don't talk about items on Consent. Is it a disclosure or a question to pull?

Council Member Tanaka: I just saw Dan Garber's letter on Number 6 in regards to the Community Theater. I think he makes a really good point about the ticket surcharge beyond what it is today in terms of increasing it. I agree with him on that, so I want to pull that one too.

Mayor Scharff: You want to pull Item Number 6?

Council Member Tanaka: Yes.

Mayor Scharff: Do we see any seconds? Nope, I see no seconds.

MOTION: Council Member Tanaka moved, seconded by Council Member XX, third by Council Member XX to pull Agenda Item Number 6 - Approval of the Renewal of a Public-Private Partnership …

MOTION FAILED DUE TO THE LACK OF A SECOND

Council Member Holman: (Inaudible) understand why you wanted to pull it.

Council Member Tanaka: Based on Dan Garber's letter.

Council Member Holman: What about it? I read (crosstalk).

Mayor Scharff: We don't really have a discussion. A Council Member says, "I want to pull or not pull."

Council Member Tanaka: The last one I want to pull is Number 3. I sent questions in on Wednesday on this one. I did not receive a response. I just got an email from the City Manager saying that, because I sent it at 8:00 P.M. instead of 5:00 P.M., it was past the deadline. I didn't realize we had a 5:00 P.M. deadline. I heard that we had to get emails in by Wednesday. An

email in at 8:00 P.M., to me, is similar to 5:00 P.M. because they go home at 5:00 P.M., and they can read it in the morning. I'd like to pull that one to get my answers question [sic].

Mayor Scharff: Anyone want to pull Item Number 3? Seeing no interest in pulling Item Number 3, that fails.

MOTION: Council Member Tanaka moved, seconded by Council Member XX, third by Council Member XX to pull Agenda Item Number 3- Approval of a Contract With AECOM…

MOTION FAILED DUE TO THE LACK OF A SECOND

Mayor Scharff: Council Member DuBois.

Council Member DuBois: First of all, I'd like to say I don't like to see quasi-judicial items on Consent. I did think that was pretty odd. Disclosure, I did talk to Jeff Levinsky about the item. I just wanted to register a no vote on Item 8.

Mayor Scharff: I'll give a quick disclosure. I spoke with Mark Conroe, the applicant, and didn't learn anything that's not in the record.

Ms. Stump: Maybe just a point of information for Council Members. The quasi-judicial items in the land use area occasionally appear on Consent because our Code and our procedures provide for a two-part process. It's not an ad hoc or Staff decision to do that; it's following our regular procedure. It's placed on Consent, and then there's an opportunity to remove it and set it for a discussion and hearing if three, or in some cases four, Council Members are actually required to do that. It's pursuant to our current procedure.

Mayor Scharff: Now, if we could—Council Member Filseth.

Council Member Filseth: I better disclose that I spoke with Mr. Levinsky too.

Mayor Scharff: Now, if we could vote on the board. You have your light on as well? Let me take Council Member Holman first.

Council Member Holman: Thank you. I need to disclose also that I spoke with Mr. Levinsky. Also, I would like to register a no vote. After the vote, I'll explain why.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: A no vote on 3 and 6.

TRANSCRIPT

Mayor Scharff: Council Member Kou.

Council Member Kou: I want to register a no vote on Item Number 8 also on the Consent Calendar.

Mayor Scharff: Now, if we could—anyone else? Did I miss anyone else?

Council Member Holman: Did I say no vote?

Mayor Scharff: You did. Now, if we could vote on the board.

Beth Minor, City Clerk: We need a Motion first.

Mayor Scharff: I'll move the Consent Calendar.

Vice Mayor Kniss: Second.

MOTION: Mayor Scharff moved, seconded by Vice Mayor Kniss to approve Agenda Item Numbers 3-8.

3. Approval of a Contract With AECOM in the Amount of $330,000 for the Development of the Baylands Comprehensive Conservation Plan (PG-17000).

4. Approval of Amendment Number 2 to Contract Number S15155738 Between the City of Palo Alto and American Reprographics Company, LLC for Document Scanning Services to Increase Costs by $414,726 for a Total Amount Not-to-Exceed $847,961 and Amend Other Terms and Conditions.

5. Adoption of an Ordinance Requiring Expedited Permitting Procedures for Electric Vehicle Charging Stations (AB 1236).

6. Approval of the Renewal of a Public-Private Partnership Agreement Between the City of Palo Alto and TheatreWorks, Palo Alto Players and West Bay Opera for the use of the Lucie Stern Community Theatre.

7. Approval of a Contract With Tandem Creative in the Amount of $90,000 for Graphic Design and Printing for the Quarterly Production of the Enjoy! Catalog Classes and Activities Guide and Annual Summer Camp Guide.

8. QUASI-JUDICIAL: 260 California Avenue [16PLN-00289]: Request for a Hearing on the Tentative Approval of a Conditional Use Permit to Allow the Sale of Beer, Wine, and Liquor in Conjunction With a Restaurant With an Outdoor Seating Area and Deferral of Director's

Action to the City Council of an Architectural Review Application Pursuant to Palo Alto Municipal Code (PAMC) Section 18.40.170. Environmental Assessment: Exempt From the Provisions of the California Environmental Quality Act (CEQA) per Guideline Section 15301 (Existing Facilities).

Mayor Scharff: I thought we did that, but that's fine. That passes with the registered no votes, which the Clerk has.

MOTION FOR AGENDA ITEM NUMBERS 3 AND 6 PASSED: 8-1 Tanaka no

MOTION FOR AGENDA ITEM NUMBERS 4-5, 7 PASSED: 9-0

MOTION FOR AGENDA ITEM NUMBER 8 PASSED: 6-3 DuBois, Holman, Kou no

Mayor Scharff: Did you just put your light back on? Tom, did you just put your light back on? Council Member DuBois.

Council Member DuBois: I just wanted to explain the no vote. I too had concerns about the process. It does appear the building is under-parked. I'm concerned about the shifting exemptions and just the appearance that we were changing things right at the last second to make the project work. I do want to see Staff apply consistent rules. I also want to note that it looked like the delays in the process were caused by incomplete applications. It does look like Staff responded timely to many filings. I'm not sure what was going on there, but it didn't look like the City was the cause of a lot of that delay. Again, I would vote against the project because of the circumstances and details.

Mayor Scharff: I'm just going to go down the line. Council Member Kou.

Council Member Kou: I too want to explain my no vote on Number 8 on the Consent Calendar. Mostly, Council Member DuBois has already spoken in regards to it. However, with all the shifting numbers through the years and during this process in order to change your retail back to restaurant. From the very beginning, I felt that if you came in with an application with this property on the first floor being retail and all the calculations have been done for all the impacts such as parking, then when you want to change it to a restaurant you need to give us real, true numbers. At this point, it's just playing a fudging game, putting numbers here and there. Actually, I was horrified to see the Minutes and also to watch the video of the night of the Planning & Transportation Commission (PTC) meeting when the numbers were just being calculated right there and then. Also lastly—actually not lastly. The last drawing in the architectural drawings with the 514 square

feet exemption was put in front of PTC on the night of. Did they even have time with information to help them make their decision, to analyze what they're actually deciding on? If we're going to do a quasi-judicial matter on Consent Calendar, then these Boards and Commissions should have been given the correct information with enough time to decide. Thank you.

Mayor Scharff: Council Member Tanaka, did you want to explain any no votes? You're more than welcome to.

Council Member Tanaka: I already did.

Mayor Scharff: Fair enough. Council Member Fine, you have your light on?

Council Member Fine: Yeah. Am I allowed to explain a yes vote?

Mayor Scharff: No, you're not. Council Member Holman.

Council Member Holman: Nice try. I associate myself with the comments already made by Council Members DuBois and Kou. I would add to that. I'm not sure why, as I understand it, when the applicant is putting in a grease trap, that isn't a trigger to say this is going to be a restaurant. That wasn't called out and flagged at that point in time. I agree we should have an even playing field for everyone. We should apply the rules consistently. If we're going to have an exception to floor area ratio, it needs to, at a minimum, come forward as a variance and not some kind of shifting and new interpretation of Code that I'm not familiar with in all the years that I've been doing Planning Commission and City Council. What's really unfortunate about this is the restaurant tenant has suffered delay because it looks like applicant delay and trying to shoehorn this project into fitting into the requirements, both Floor Area Ratio (FAR) and parking being very related to each other. I look forward to the new restaurant. I also look forward to not having another project that follows this kind of process.

Mayor Scharff: I called everyone, I think.

Action Items

9. PUBLIC HEARING: Resolution 9682 Entitled, "Resolution of the Council of the City of Palo Alto Confirming the 2017-18 Report of the Palo Alto Downtown Business Improvement District Advisory Board and Levying Assessments for Fiscal Year 2018 on Businesses in the Downtown Business Improvement District."

Mayor Scharff: Moving on to our first Action Item, which is the Business Improvement District (BID) at this time and place for the public hearing on

the levy of an assessment on businesses in the Palo Alto Downtown Business Improvement District for Fiscal Year (FY) 2018. In February 2004, the City established the Palo Alto Downtown Business Improvement District. Annually, the City Council must hold a public hearing to authorize the levy of an assessment in the next Fiscal Year. On May 22, 2017, the Council set this time and day as the time and date of the public hearing on the proposed levy of an assessment for Fiscal Year 2018. The Council appointed the Board of Directors of the Palo Alto Downtown Business and Professional Association as the advisory board for the BID. The advisory board has prepared its annual report for the 2018 Fiscal Year and submitted it to the Council. The City published the required notice in a local newspaper of record regarding reauthorization of the BID for 2018 as required by the BID law. All interested persons will have an opportunity to provide testimony this evening. At the conclusion of the public hearing, the Council will determine whether a majority protest exists. A majority protest exists or will exist if the owners of businesses that will pay 50 percent or more of the proposed levy of an assessment have filed and not withdrawn a written protest. Now, do we have a brief report, introduction, of the BID from Staff?

James Keene, City Manager: I don't think we have a Staff Report on this.

Mayor Scharff: Then, we go to the public hearing. Do we have any speaker cards?

Beth Minor, City Clerk: No speaker cards.

Mayor Scharff: If anyone wants to put in a speaker card, you've got about 30 seconds. Seeing no speaker cards on this item, I'm going to close the public hearing.

Public Hearing opened and closed without public comment at 6:12 P.M.

Mayor Scharff: Were there any protests? No protests. In that case, there's no majority protest since there are no protests. I'm going to make the Motion, but then I'm going to take Council comment because I already see one light. The Motion is to adopt a Resolution confirming the report of the advisory board and levying an assessment for Fiscal Year 2018 on the Downtown Palo Alto Business Improvement District. I need a second to that.

Vice Mayor Kniss: Second.

MOTION: Mayor Scharff moved, seconded by Vice Mayor Kniss to adopt a Resolution confirming the report of the Advisory Board and levying an

assessment for Fiscal Year 2018 on the Downtown Palo Alto Business Improvement District.

Mayor Scharff: Seconded. I will note here that Staff recommends the approval of the Agenda Item, which will re-authorize the Business Improvement District for Fiscal Year 2018. On May 22, 2017, the City Council adopted a Resolution that preliminarily approved the report filed by the BID Advisory Board for Fiscal Year 2018 and adopted a Resolution of intent to levy the annual assessment for Fiscal Year 2018. The City provided the legally required notice in a local newspaper on the authorization of the BID. The individual assessments levied on businesses are based on business size, type, and location. Now, Council Member Holman.

Council Member Holman: I have some questions for representatives of BID. They're kind of questions and comments.

Mayor Scharff: You can do questions, comments. Feel free.

Council Member Holman: My questions—like I say, they're both kind of questions and comments. One is why does the BID support the Downtown Streets Team. It's an organization that I fully support, but I'm not quite clear why the BID does that when there are many other avenues for support of the Downtown Streets Team, given the small budget of the BID. Is there a particular reason for that? What I'm looking for and interested in—I'll just be blunt about this—and a little disappointed in is the effectiveness and maybe accountability of the BID. For instance, there were four questions in 2016 that were raised about the BID. One of them was about lobbying. We haven't seen this question come back to us until a year later, wanting to know what is meant by lobbying. Why did it take a year for that question to come back to the Council? That seems unusual. The accomplishments include Shop Small, the American Express event. Why isn't the BID here promoting that event in front of the Council and for the City and for the retailers? When we discussed at Council—I stand to be corrected on this if I'm incorrect—having transparent windows to support and help and encourage retail, I don't remember the BID being here to even speak on that. I remember a couple of years ago there was going to be a map done to identify and locate the retail that's in Downtown. That's been 2 years. I'm still not aware of a map that's been done. It's not a lot of money that the City is putting into this. If you're a retailer—the retail pays the most money into this—it seems like the best effort should be put towards supporting retail. I just don't see it coming forward. I don't see it being proactively advocated for. A couple of times there's something mentioned about the Downtown brand. I don't know what the Downtown brand is. I've lived here since 1975. I don't know what the Downtown brand is. Is there a

brand? If it is, I'd like to know what it is and how do we build on that, promote it, and how does it help promote retail. Those are my questions and comments. I don't know if anybody was making note of those. I want to have more confidence that the BID is representing the retailers and is worth even the small amount of money. Added to that, there is a fair amount of Staff time that's put into this. Thank you.

Russ Cohen, Downtown Business Improvement District Executive Director: I'm sorry?

Mayor Scharff: I said I'll allow you to speak, but we usually have to ask. Go ahead, speak.

Mr. Cohen: I thought it was implied that I was to answer some of Council Member Holman's questions. Some good questions. Let me see if I can remember them all. The map. The map was produced in conjunction with the Chamber of Commerce. We have a City-wide map, and the center spread is devoted to Palo Alto Downtown. Rather than produce our own standalone map, it was much more efficient to work with the Chamber to do that map. Those maps are available at the Palo Alto Visitors Center.

Council Member Holman: Mr. Mayor, do you want follow-up questions as he goes or what?

Mayor Scharff: I'm going to give you discretion, but if we could hold to a reasonable amount of time. Let's not get too far into the weeds.

Council Member Holman: Understood. When I go to retailers Downtown, I ask if they have maps, and they say no. If they're just over there—I didn't even know one existed. Distribution to the retailers would be really helpful and appreciated.

Mr. Cohen: We can look at a different distribution method, of course. The other question was American Express Small Business Saturday, I believe. We also work very hard promoting that event door to door with flyers. We gave out multiple banners, flags. We posted on social media, which was very successful. We consider that event very successful, and we did quite a bit of outreach to individual business owners. I can send you links to that. We got very, very positive feedback from all of the retailers based on that event. We did that the year before as well. Hundreds and hundreds of bags, paraphernalia. We did promote that quite heavily. What were the other questions?

Council Member Holman: What is the Downtown brand? Did you come and support retailers with transparent windows? Having to do with Shop Small, great for the retailers to know it, but everybody else needs to know it too.

Mr. Cohen: That's where the social media came in. We've gotten lots of comments. Again, I can send you links to that. I'm not sure what else we could have done besides maybe traditional advertising. American Express does a lot of outreach to the community, commercials on TV, radio, newspaper. We can certainly talk about that in the future. Transparent windows, we didn't come to speak on that. I think one of the issues is that there are already sign codes in place regarding that issue. If you want to take a look at how much businesses are allowed to cover their windows, that's something that we'd have to go back and look at. It's an idea that we've tossed around before, if you are going to cover up a window, let's say for an office, rather than the frosted windows, have some sort of decorative item much like A-9 has done with their windows. We haven't come up with a particular program that's devoted to that. You're absolutely right about that. The question about lobbying. We met very early on after the Council first brought that up last year. It has not taken a year. If you look at the report, we met soon after that. We formed a task force; we consulted with the City Attorney. I can turn to the City Attorney to address any of those concerns that we discussed. Did you want to weigh in, Madam Attorney?

Mr. Cohen: We did form a task force and looked at that issue. We wanted to get a definition of what lobbying is so that we could attack the issue head on. Staff responded that their resources were thin and didn't have a lot of time to devote to that particular issue. That's reflected in the report.

Council Member Holman: Downtown brand? The Council hasn't heard anything about it. Downtown brand, what is it?

Mr. Cohen: We've worked really hard over the last few years to establish the Downtown brand through our advertising efforts. We redesigned our logo; we redesigned our website. We've redesigned our Facebook page. We even have a Facebook page and a Twitter feed. We didn't have those things before. Also, if you look at the last 2 years of banners that you see on the lampposts, those also promote our brand. What we try to do with those banners—you will see that again with our new set of banners that should be installed in about 2-3 weeks. We hope sooner. We try to differentiate Downtown Palo Alto from any other downtown that exists in our area, in fact in the whole State of California. There is something about this Downtown that is different than any other downtown, and I'll tell you what it is. It's the brain trust that's here. It's the center of innovation. You can come here to Palo Alto, and you can literally sit in a restaurant or a coffee shop, and you

can overhear a conversation about how people want to change the world. You can't find that in downtown Burlingame, Mountain View, Millbrae, Foster City. You can only find that here. While we can find the traditional dining experience, shopping experience, strolling experience, you cannot find that kind of experience. That's how we're trying to differentiate Downtown from any other.

Council Member Holman: So I heard. This is my last thing. I heard how the BID has gotten its own identity with a website, Facebook, all of that. I haven't heard what the Downtown identity is. The Downtown is not the BID. The Downtown is a separate entity. Maybe I'm missing something, but I'm just not hearing that.

Mr. Cohen: If you look at our advertising in the *Palo Alto Weekly* and you look at all the banners that we've produced, which is our way of spending money on traditional advertising media, you will see that messaging does differentiate our brand from any other. That's how we've chosen to do it. Thank you.

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: Russ?

Mayor Scharff: Russ, I think you might be up here for a while.

Vice Mayor Kniss: If you don't mind?

Mr. Cohen: Sure, no problem.

Vice Mayor Kniss: You may not be tracking this. It would be interesting to know when cities around us are building up substantially in their retail area. Do you have any idea what our vacancy rate is in Palo Alto in general?

Mr. Cohen: Two percent at the moment.

Vice Mayor Kniss: That's very helpful to know. Thanks. Do you know how we compare with the other cities?

Mr. Cohen: I don't have those figures, but I can certainly find out.

Vice Mayor Kniss: It would be helpful to know that.

Mr. Cohen: There are certainly more vacancies in other downtowns just from my own windshield survey. I don't have any scientific survey. From my visits from other downtowns, we certainly have a very low vacancy rate compared to those. I will add a personal comment. Sometimes when you

visit downtowns, including our own, you'll see vacancies. What's really happening is they're not vacant at all; they're just in transition. Downtowns are always in a constant state of transition. We heard about a permit delay here tonight. Things like that happen where you might see paper on a window, you may see signs on a window. It looks vacant, but it really isn't. It's in transition.

Vice Mayor Kniss: Thanks.

Mayor Scharff: Don't go anywhere just yet. Council Member DuBois, did you …

Council Member DuBois: Yeah. Just one question and some comments. I'm just curious if you're happy with the events we're doing Downtown? What do you think would boost shopping?

Mr. Cohen: We are taking another look at the events that we're producing. As you know, our annual summer concert series is coming up quite soon. July 13th will be our first concert series of the summer. We're actually reinventing that a little bit to bring people to the core of Downtown. For the last 3 years, we've had the concert series at Civic Center Plaza. What we're doing this year is we're moving it to Lytton Plaza because we feel that people will shop and dine more when they're in the heart of Downtown before and after and during those concerts. We're actually going to close off Emerson for that first block. That will create more of a festival atmosphere. We're hoping that will help. We're also going to take a look at coming up with other events that are not necessarily 6-week events, but perhaps 1-day events or 1-weekend events, perhaps closing off the street. We're a little bit concerned about closing the street because we do get merchant push-back from that. We're actually going to take a comprehensive look at some of the events that we put on and either make them better, maybe not have them at all, and create new ones.

Council Member DuBois: Thank you.

Mayor Scharff: Don't go anywhere.

Council Member DuBois: Just a few comments, not questions but comments. I did think it was a poor response to last year's review in the Staff Report. We asked for four items. Two were partially worked on; two were slated for Fiscal Year '18. I'm willing to be patient, but I hope everything will be completed a year from now. It'll be 2 years from the request. I do see many cities around the Bay Area having multi-events in their downtowns, like a First Wednesday or First Thursday event. I've been going to some in other cities. They're interesting events. They close the

street, like you said. They have music. A lot of people come out and shop. I think it'd be really interesting to compare us to what other cities are doing and get an idea if those kinds of things would work here in Palo Alto.

Mayor Scharff: Council Member Kou.

Council Member Kou: This is all new to me, so I just have a couple of questions. How much time does Staff spend on this? Do they spend any time on this project, on this BID, on your program?

Molly Stump, City Attorney: Jim can answer the core of that question in terms of the regular and ongoing work with the BID. The special requests that were made from Council last year really involve the partnership between the City Manager's Office and my office as much as they did a response by the BID itself. I think this is what Director Cohen was asking me if I wanted to comment on earlier. The Council may not fully appreciate that the request is not just of the professional association but of the Staff itself. Given the small size of this program and the many other priorities that we have, it was as much on us as on them to work on some of those items and to push them off into a subsequent year.

Council Member Kou: I see the balance sheet, the expense and income sheet, is mostly what you do on assessments in order to support the BID. I also see under the agreement of the City and the organization we're responsible for invoicing and collecting the revenue. There must be some Staff time.

Mr. Keene: There's a small amount. In the past year or so, I think we outsourced that actually. I think there's an expenditure of $8,000 or something to handle that. I would say that the routine work of the City in supporting the apparatus of the BID itself is pretty small. That said, the events or work that the BID does—we work a lot with the BID and with merchants on events and all of those sorts of things. Clearly, if you were to add when our Police Department gets involved in any sort of Downtown event that we're going to do, there are some substantial costs, but that's really in line with the mission of trying to enliven the Downtown itself.

Council Member Kou: First, I want to say thank you and good job. Also, the overview as I'm reading it says the Downtown is now a dynamic, youthful, entrepreneurial neighborhood that boasts clean and safe, walkable streets. I hope as you go along you can also involve other age groups because our Downtown should be available to the elderly, the seniors. It's not just a youth component.

Mr. Cohen: We don't discriminate. That's just an observational fact.

Council Member Kou: I would really like to see that. In regards to—I realize you're really proud of Palo Alto, and so am I. However, some of the things that I read over here, I can see why other cities are extremely envious. I would really like us to be on a more even keel when it comes to saying things like is a globally recognized mecca for innovating the social and the technical without hyperbole. It's not only a valuable asset to the City of Palo Alto; it's a valuable asset for the rest of the Country if not the world. I appreciate that, but I'd really like to see us get along with other cities a little bit more and share and be more cooperative. In regards to you can sit in a restaurant and hear someone else discussing things about innovation and all that, many years ago I heard that at Alice's Restaurant up at Woodside. That's what they're talking about. I love it that our City is so progressive. At the same time, let's get along. Thank you.

Mayor Scharff: Council Member Fine. You didn't have yours. I'll say a few words. I wanted to say that actually I really appreciate the work you do.

Mr. Cohen: Thank you.

Mayor Scharff: When I go talk to the merchants—I do talk to the merchants. I talk to them about what you do; they do appreciate what you do. I would say that you provide a real valuable service, and you do a good job at it. I wanted to say that first. I don't think anyone's said that to you tonight.

Mr. Cohen: Is there a "however" in there anywhere?

Mayor Scharff: There's always a "however." If I was grading it, I would give it—not your performance but where we are on this—it's that A-minus type stuff. I'm sort of where Council Member DuBois is. I do go to other cities, and I see a lot of events they have and stuff. This is purely anecdotal. I could be completely wrong. I also notice it. I think, "It'd be great if we had that kind of event." I think there's a lot of them. If there are opportunities for more events, that would be great too. That's not an implication that you're doing a poor job or anything like that. It's just if there are opportunities, the community and us would enjoy seeing those.

Mr. Cohen: If you're in another community and you do notice an event that you think would be right for Downtown, please let me know. One of the things that we always do with events is a cost-benefit analysis. Sometimes an event sounds great, but it costs too much to do. If you'll notice on our spreadsheet, a lot of the events are underwritten by corporate sponsors. If we can't raise that money, a lot of times we have to put that event aside until we can figure out a way to fund it.

Mayor Scharff: What would be interesting to see is—one of the things just off the top of my head, frankly, is you go to Redwood City. In the summer, I think it's either a Friday they have on their plaza—it's just so much going on. They have the movie night. It's every week. It seems like a great event. It would be interesting if you did a survey a little bit—I know you don't have a lot of time—and figure out what other people are doing and figure out how they pay for it.

Mr. Cohen: I can tell you about that one, if you've got some time.

Mayor Scharff: Now is probably not the time; we can take it offline. I'm just saying we have lots of wealthy corporations and stuff. Maybe they'd be willing to step up; I don't know. I'm sure you've talked to them. Anyway, thank you again for your service on this.

Mr. Cohen: Thank you very much.

Mayor Scharff: Now, we actually need to vote on the Motion unless anyone else has any … That passes unanimously.

MOTION PASSED: 9-0

10. PUBLIC HEARING/QUASI-JUDICIAL: Resolution 9683 Entitled, "744-748 San Antonio Avenue [15PLN-00314]: Review and Certification of a Final Environmental Impact Report (EIR), Adoption of California Environmental Quality Act (CEQA) Findings Including a Statement of Overriding Considerations, Adoption of a Mitigation Monitoring and Reporting Plan, and Consideration of the Applicant's Request for Approval of a Major Architectural Review to Allow the Demolition of Three Existing Buildings at 744 and 748 San Antonio Avenue and Construction of two Five-Story Hotels (Courtyard by Marriott With 151 Rooms and AC by Marriott With 143 Rooms). The Site Will Include Surface and two Levels of Basement Parking, requiring approval of a parking reduction. A Draft EIR was Circulated for Public Comment From March 27, 2017 to May 10, 2017 and a Final EIR was Provided to Agencies and Commenters on May 31, 2017. On June 1, 2017, the Architectural Review Board Recommended Approval of the Project."

Mayor Scharff: Now, for our next item, which is a public hearing, quasi-judicial, on 744-748 San Antonio Avenue. First of all, I'll open the public hearing, and then we have any Council disclosures. I'll just start with Council Member Wolbach, since he raised his hand.

Council Member Wolbach: I just wanted to disclose I had a phone conversation today with Randy Popp, who is working with the applicant. A

couple of things that I heard there, I don't think they're necessarily all new. I just wanted to be very transparent. Randy Popp emphasized to me that the applicant does not intend to have a destination-style restaurant. Also, there are not meeting rooms or conferences and things like that in the project. Those were what he expressed. Also, there wasn't extensive conversation. My sense from the conversation was that there may be interest or at least an opportunity for changing two floors of parking to a single floor with mechanical lift, at least that's something we could discuss. Also, there may be a possibility for partnering with MVgo, which is the Mountain View Transportation Management Association (TMA), which operates shuttles to some of the same destinations in the same general vicinity. I'll just mention that I've also had conversations elsewhere with people affiliated with MVgo, not about this particular project but in general. They had indicated some interest in at least having a conversation about partnering with Palo Alto.

Mayor Scharff: Council Member Fine.

Council Member Fine: Thank you. I have also spoken with the project architect, Randy Popp, about this project and others but nothing that's not in the record, mainly around circulation and some of the parking issues.

Mayor Scharff: Council Member Holman.

Council Member Holman: I just this morning had a brief conversation with a member of the public and didn't learn anything that's not in the reports, as far as I can tell.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: Yesterday, I held office hours. I think it was between 12:00 to 1:00 P.M. the project architect came to my office. I invited members of the public to attend. We got a lot of questions. For about an hour, I asked their project architect those questions. We did a Facebook live. It's actually on my Facebook page; it was recorded so people could see it blow by blow, if they want. The only thing I really learned from this was that the radius of the circle is 35 feet instead of—in the Four Seasons it's, I think, 45 feet or 40 feet. That's the only thing new that wasn't in the record.

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: I met with Randy Popp some time ago. We discussed a variety of things, not simply this. I also visited the site today and walked around, so I'm familiar with the site as well.

Mayor Scharff: I also spoke with several members of the public regarding this. I spoke with Randy Popp, and I spoke with the applicant as well. I didn't learn anything new that's not in the record on any of these conversations. I think the next thing we do is go to Staff.

Jonathan Lait, Planning and Community Environment Assistant Director: Thank you, Mayor. I'm here with our consultant planner, Sheldon Ah Sing. He's going to give the presentation this evening. We're also joined at the table by Amie Ashton. She's our environmental consultant, and she'll be assisting us with any questions regarding the environmental analysis.

Sheldon Ah Sing, Contract Planner: Thank you and good evening. Just a quick overview. The project consists of a demolition of three existing buildings and the construction of two five-story hotels. They're two different brands under Marriott. It's a Courtyard Marriott, 151 rooms. Then, AC by Marriott, and that's 143 rooms. There will also be some surface parking, but there will be a full level of basement parking and a partial second level of parking below that. The request is also for up to 20 percent of parking reduction to include a valet operation. There was an Environmental Impact Report for the project, and it would result in a significant and unavoidable impact to historic resources. We'll go over that in another slide. There are Architectural Review and California Environmental Quality Act (CEQA) findings along with Commission approval and Statement of Overriding Considerations that need to be considered by the Council. There were previous meetings for this subject project as well as some outreach. That included a preliminary Architectural Review Board (ARB) back in 2015. There was also a neighborhood meeting sponsored by the applicant at the project site, that was attended by many people. There was a formal ARB later that year. There was a scoping meeting after that to kick off the Environmental Impact Report (EIR) process. There were two formal ARB meetings this year culminating with the recommendation by the Board back on June 1st. At that hearing, the applicant did respond to some previous comments by the Board. In particular, revisions were made to the project regarding three-story glass elements of both buildings, also providing warmer colors for the AC Marriott building. Also, the Board wanted to see more mature trees in the drawings, some defined, better setbacks and details. Also, the applicant added some more plantings to the step-backed terraces in the front. The project also added some benches to the public areas. The Board, during the whole process, did have some concerns regarding the compatibility and overall massing with the project. The project's response over the period of time, the 2 years, has been to step back the project along the front, along San Antonio, and adding some landscaping and new terraces. Throughout the whole process, there have been a number of neighbors that have been objecting to this project. The

ARB did recommend ultimately approval of this project with the project to come back to the subcommittee regarding the landscaping plan. That's part of the conditions of approval. There is one dissenting Board Member, who stated that the project's design deficiencies remained unresolved. Some of the key issues we have encountered throughout the project. One of them is the cultural resource loss, and that is addressed in the EIR. That's really the only reason why the EIR is complete, because of that significant, unavoidable impact. Otherwise, all other issues can be mitigated. The other issue is both EIR and project-related and would be aesthetics and the context design compatibility. You have traffic, and that's addressed in the EIR. Hydrology, that's in the EIR as well as talked about in the conditions of approval for the project. The parking adjustment is a project-related issue. Briefly going over the cultural resource. There was a building onsite constructed in 1961, used as a mortuary. There was an addition done in the '80s. When we did the historic resource evaluation, it was deemed to be eligible due to the age and its characteristics having elements of mid-modern architecture. The demolition of the structure to incorporate the project. While we have mitigation measures to advertise for salvaging as well as documenting the building so that it can be in the record, the demolition of the building itself, there's no mitigation that would lessen that impact. That's why we have Statement of Overriding Considerations in the EIR. Regarding aesthetics, the context of the area, you have a lot of low-intensity development. This project, because the zoning does allow for more intense building onsite, has a 2.0 Floor Area Ratio (FAR) compared to the surrounding, which would be a maximum of 0.4 FAR. San Antonio Road is a four-lane, divided street, so it does afford some additional right-of-way. There's a special setback of 24 feet from the property line. This exhibit here is diagrams of the existing FAR along San Antonio. You can see that, for the most part, it is low-intensity. You have some that are a little above 0.4, but most of it is actually lower than the 0.4 for the site. There's more context of what's being proposed at Middlefield. At the next intersection, you have the Taube Jewish Center. That's a much bigger building in context. Now, we're getting to the site plan. This has really been an issue where you have two specific brands and two buildings. What we've tried to get the applicant to propose and through the Board is to get one building with two brands. We tried to push that through with some suggestions and recommendations. The applicant has looked at those and decided the two separate buildings is really the way that they wanted to go. That's been one of the issues with aesthetics on the site. Looking at a section there, you can see where the building is set back farther from the other development through the terracing and the step-back of the floors. The first three floors are about the same height as the adjacent residential buildings across the street. The fourth and fifth floors end up being stepped back more. These exhibits—the applicant will go a little bit more into this—show the type of detail that

they've put into some of the articulations along the front as well as the side, and using the different colors and context from the local area. Going to the traffic. The project analysis used the standard methodology that's used in Palo Alto as well as in California. It used standard thresholds of significance. We used the level of service. Through that study, there were no significant impacts that we're addressing. It's still standards (inaudible). Hydrology was another issue. The Final EIR did address and clarify the depth and excavation of the two levels of the basement. That was corrected in the Final EIR in that there would only be a portion of the site at the second level. The location of this basement is not near any structures that would lead to subsidence, if that were to happen. The majority of the site would be dewatered to a depth of less than 10 feet. The type of construction foundation that they're using would also reduce any deeper dewatering. The project would adhere to the very robust Ordinance that the City has regarding dewatering and that was recently adopted by the City. The project is requesting a parking reduction for the site, and it's using valet spaces. That's pretty common for hotels to use valet as part of the operation. There's also a Transportation Demand Management Program proposed, and that would reduce vehicular trips if implemented. As part of the conditions of approval, they would be implemented. As mentioned, the scoping meeting was conducted in March 2016. The document was circulated early this year, and we also distributed the Final EIR in late May. The potential impacts that could be mitigated would be air quality, biological resources, and hazards of hazardous materials. As mentioned previously, the canopy mitigated fully would be the cultural resource. Tonight we're really looking at the Council certification of this Final EIR. That would include the adoption of the CEQA findings, adoption of the Mitigation Monitoring and Reporting Program as well as Statement of Overriding Considerations regarding the cultural resources loss and that impact. These Statement of Overriding Considerations are required because of the lost potential resource that cannot be fully mitigated. Here we are stating in the findings that it is an underutilized site, as mentioned, while the surrounding area is in transition. The City has an Infrastructure Plan with projects that need funding. The transient occupancy tax would help in part fund these types of projects that are in this Capital Improvement Program. While the loss of the historic structure would result in this environmental impact, these are outweighed by the economic benefit of this project in the long run. That is the recommendation by the ARB. The recommendation is to adopt the Resolution certifying the Final EIR, adopting the CEQA findings including the Statement of Overriding Considerations with a Mitigation Monitoring and Reporting Program. The second is to adopt the Record of Land Use Action approving the project including the requested parking reduction based on the required findings is subject to the conditions of approval. That concludes

my presentation. I'd be happy to answer any questions you may have. Thank you.

Mayor Scharff: Thank you very much. Now, I believe we move on to the applicant presentation, which is also up to 10 minutes.

Randy Popp, Applicant Architect: Good evening, Mayor Scharff, Vice Mayor Kniss, Council Members. Thank you very much for having us tonight. Today the project team is seeking approval …

Council Member DuBois: Excuse me. Do we have a copy of this presentation? No.

Mr. Popp: Today the project team is seeking approval from the City of Palo Alto in order to move this project forward to building permit plan review. We've a couple of things to review for you quickly. We'll start with what we've been up to. We'll talk a little bit about the project summary, but Staff has done a great job with that. I do want to go a little deeper into what some of the major topics are from the entitlement process and then close with what our goal and hopeful outcome is. This has been a thoughtful process. We last presented this project to you and some of your predecessors, where we heard encouragement and direction to proceed. We participated in a full and complete EIR process with ample time for feedback and response. The outcome of that process shows this project does not generate any significant impact other than the necessary removal of a building. That building is not listed as a recognized structure. In fact, the report states it would not qualify due to its condition. As Staff mentioned, 2 weeks ago ARB recommended approval of this project. In regard to context, Staff's covered this well again, so I won't dwell on it. The project is in a predominantly commercial and industrial area at the very edge of Palo Alto. The area is a mix of older structures. I would just ask you all to consider if this is what you're striving for today. The ARB agreed we've successfully modified the project from what it was initially proposed to create a proposal that fulfills the compatibility findings. We'll go through that in a moment. First, let's talk a little bit about the project scope summary. The project is a dual brand site, which allows for variety and shared amenities. You're likely familiar with the Courtyard brand. The AC itself is in only a handful of locations across the U.S. currently, but is an upscale, lifestyle brand with a sleek and clean aesthetic. We've reduced the initial proposal from 301 rooms to the 294 we're showing today. The proposal also shows full compliance with parking requirements based on Staff's direction through the use of physical stalls and valet spaces. Simply put, this project as indicated by the ARB approval is in full compliance with our zoning. This view is generated from a photograph taken on San Antonio Road looking north

toward 101. We asked our architectural renderer to insert the building into the site to show accurately how it looks in regard to scale and placement. This so clearly shows the buildings in context. What is evident is a three-story building fronting on the street with upper levels terraced back to reduce the massing. Here we're looking south toward Middlefield. To those in vehicles, the buildings become more evident. The project will appear as a thickly landscaped site tied into the recently added landscaping in the right-of-way. This view is also looking south toward Middlefield but from the viewpoint of a pedestrian. We'll show you more in a moment but, from what you can see here, the new project promotes a much-improved pedestrian experience compared to the existing or to the other projects it's surrounded by. This view, focused on the northwest corner of the Courtyard by Marriott building, is a fully rendered view. Based on a request from the ARB, we generated the next few images to show the landscaping as it will appear within a 15-year timeframe. We also use these to show the color and placement and materials on the buildings. Significant discussion centered around the materials, how they're used, and what they relate to. As an example, the deep green you see here on the AC is a color taken from the mature leaf of a southern live oak. Our goal is to draw from local context to give purpose to the choices we're making. Moving up to the terraces, you can see the detail more clearly. Deep overhangs to create shadow lines. Durable and clean wood grain or metal panels along with hand-troweled plaster that will look smooth from a distance but will resemble stone when viewed up close. These are active spaces, meant to show the life and interest the buildings will encourage. Just a note on the height. While our building approaches the height limit, it only gets there when we are 65 feet back from the curb. The closest residential building is 260 feet away, across a two-lane, divided road. The terracing along with the proportional height to width ratio within which the building occurs will further minimize the perception of height. Shifting to landscaping, the front edge of the property along San Antonio Road has a special condition of a restricted 24-foot setback. No structures can be built in this space, but we're glad for that. We've used it to create a thickly landscaped area that has seating for both guests and the public, bike racks, and other ornamental elements to add interest and variety along the frontage. Trees planted as 36-inch boxes will easily continue to grow to the height of the fourth level of the building. Just briefly on the materials. The palette for the Courtyard is composed of earthy colors. We're using an exterior panel which looks like wood grain and have combined that with a hand-troweled plaster I mentioned earlier. The AC with the more sleek image has a more muted palette of grays and deep green with geometric forms delineated by white metal accents. Both buildings include spandrel and clear glass and aluminum window and railing elements. Why do we need this project? The fact is today we are still 77 rooms short of the peak supply that occurred in June 2005, just before Hyatt

Rickey's closed. Demand is strong, and this location serves both Palo Alto and the Bayshore areas. Financially, a conservative evaluation of the project shows a growth to a third-year Transient Occupancy Tax (TOT) revenue of $3.7 million. With other elements factored in, that extends to more than $100 million over 25 years. Looking back to what occurred at ARB. The ARB was detailed and precise in their review. I think they did a great job. Massing, circulation, design, colors, edges, features, and landscaping were all evaluated and refined through the process. What else have we heard? We've heard concerns about traffic, but the EIR was thorough in studying this. I understand people are concerned about this area, but the EIR says clearly our impact is not significant. In fact, if you look at Vehicle Miles Traveled (VMT) as the new and more appropriate metric, we are actually reducing from the current use by 40 percent. We plan to implement a detailed Transportation Demand Management (TDM) Program as part of this and will incorporate the use of Go Passes and shuttles, seeking coordination with Palo Alto and Mountain View programs already in place. In regard to parking, we comply, but we'd like an opportunity to only provide what studies show is needed, not what our outdated zoning requires for hotels. At a minimum, we intend to remove the deeper excavation and accommodate those 34 cars in mechanical stackers. In regard to the height, if you're interested I could show you a shadow study that models the building and clearly indicates we do not block sun or stars. Just to repeat, this is a fully compliant project that's been through a Council prescreening, four ARB hearings, participated in neighborhood outreach, and was vetted in the 14-month long EIR process. Our only obstacle is removal of the existing building, and you'll be able to discuss that tonight. In closing, the applicant and I along with our team of landscape, civil, transportation, and environmental consultants are all here tonight to answer any questions you may have. Feel free to draw on that. We appreciate the process and believe it has improved the project. Thank you.

Mayor Scharff: Thank you. Now, we'll start with the Chair of the ARB, Alex Lew. Alex, are you here?

Alex Lew, Architectural Review Board Chair: Hi. My name's Alex Lew; I'm the Chair of the ARB. I just wanted to report to you that the Board had five meetings on this project, three hearings as well as a EIR scoping and a preliminary review. The Board voted 3-1 in favor of the project. Generally, the Board had a lot of comments on the project. The stepping of the front facade really did seem to make a big difference in the Board's decision. There was a lot of public comment at all of the meetings. We had lots of neighbors opposed to the project. We also did receive email support for the project. I just wanted to mention a couple of things on the zoning. The zoning does allow 2.0 floor area for hotels, which is larger than other uses

on the site. The context and compatibility requirement is that it could step down to the neighbors and/or provide design linkages to the existing buildings in the neighborhood. The Commercial Service (CS) zoning does not require any side setbacks or rear setbacks. That's zero setback. There are no landscaping requirements in the CS zone on the side or the rear. The height limit is 50 feet if the site were within 150 feet of a residential zone, and that does not include the Planned Community (PC) zone. For example, if the Greenhouse were RM-40, then the height limit would be reduced down to 35 feet within that 150-foot distance. I just wanted to also briefly mention that the Mountain View zoning in back of the proposed site is MM, and that does include manufacturing. The floor area ratios in Mountain View are fairly similar to Palo Alto's commercial zoning, which is 0.35-0.55. The Board acknowledges that there is a lot of existing traffic on San Antonio Road. The Board acknowledges that the building is a big building, but it does meet our requirements. I'm here if you have any questions.

Mayor Scharff: Thank you very much. Now, we'll go to the public. I assume we have public speakers. Our first speaker is Patricia Marker. You'll each have 2 minutes.

Public Hearing opened at 6:59 P.M.

Patricia Marker: Good evening, Council. I have lived in Greenhouse I for 42 years and would like to urge the City Council to review the zoning for the San Antonio corridor before these hotels are approved and before developers turn the corridor into a technology canyon. The traffic on San Antonio is already a nightmare, especially during rush hours when it's gridlocked mostly by Google employees. These two hotels together use the one and same exit. Imagine 50 cars exiting into the gridlock to go to a 9:00 A.M. meeting or to go to a 6:00 P.M. dinner. The movie and business complex now being built on San Antonio in Mountain View has some 2,000 seats and an underground garage of four stories. These are all bound to exacerbate the traffic problem. Please do not approve two new hotels, housing up to 588 people residing in 294 rooms. Over the last 40 years, the City has made San Antonio into an 88 percent residential neighborhood, but it has not updated the Zoning Codes. This City's oversight should not allow these hotels to be built in the middle of a community neighborhood. Please update the Zoning Code so that it maintains our neighborhood and does not allow developers to turn San Antonio into a Google canyon. These two hotels serve guests from outside Palo Alto and do not do anything for us residents. All the buildings on that block are one-story high, and the surrounding neighborhoods are all one-story and two-stories high. The small businesses here do serve us residents, but how you allow …

Mayor Scharff: Thank you.

Ms. Marker: … San Antonio to be developed could drive them away. Finally, I had trouble recognizing the pictures of San Antonio, and I've walked that street for 42 years.

Mayor Scharff: Thank you. Thomas Brosnan to be followed by Steven Bradley. I'll just remind people that we have a policy against clapping.

Thomas Brosnan: Thank you for listening. Two weeks ago, the Architectural Review Board approved this project but not unanimously. Two of the members of the Board told us very clearly that if we were unhappy with the proposed hotels, we should be asking the City Council to modify the zoning for the parcel in question. That's what I'm doing. Why should this parcel have an FAR of 2.0 when most of the surrounding parcels are 0.4 or less, 2 1/2 times less? If you look at the Greenhouse community, that's much less dense than this would be. Why should the City Council approve hotels for this parcel when the City residents overwhelmingly support less traffic, cleaner air, cleaner water, more open space, more affordable housing? We heard that demand is strong for hotels, but we didn't see any data to suggest that. I don't think the residents of Palo Alto are demanding more hotel rooms. Finally, hotel tax revenue can distort the motivations of a city. Why tax your own residents when you can tax visitors instead? This is politically popular but may artificially favor hotels over more important community needs, affordable housing, transit options, open space, clean air and water, and so on. Thank you very much.

Mayor Scharff: Thank you. Steven Bradley to be followed by Pat Starrett.

Steven Bradley: Good evening. I'm Steve Bradley. I'm a 40-year resident/owner at Greenhouse II and served on the Board of Directors there for 10 years. I want to point out that Greenhouse complexes house more than 200 families. If we were single houses, we'd be one of the larger neighborhoods in the City. I think the property in question is a fine location for a Marriott Hotel, but the hotel I'm talking about is on El Camino in Los Altos, where there's a Marriott there. It's far set back from the street. It has only three stories and has a pleasing Spanish Revival appearance. I don't see why Palo Alto has to accept this five-story box that's completely out of context with anything nearby. As part of the approval negotiation, developers always seem to submit things more than they really expect to get because they know the City will pare it back. That doesn't seem to have happened in this case. They seem to have gotten just about everything they want. I don't know who was on the other side of the table representing the 200 families across the street. You may have seen one of the printed

arguments in favor of the hotel. I can only paraphrase it because I don't remember it word for word. It goes like this. Palo Alto is a big league city trying to disguise itself as a quiet, residential town. It needs tall development to assert itself. I don't know who would find this a compelling argument. I remember Super Block Downtown, when we had that controversy. It was the identical boosterism at the same time. I suppose the Super Block controversy turned out okay because we ended up with only one ugly building on University Avenue. I hope this new hotel isn't the one new ugly building that people grow to regret over the years. Thank you very much.

Mayor Scharff: Pat Starrett to be followed by Bill Ross.

Pat Starrett: I'm kind of speechless; however, I genuinely—good evening. First, I would like to thank all of you for your service to our City. I know it is not easy to attend to all of the situations that come before you. You're not experts by any means on all the challenges you face. Tonight, I'm interested in the two hotels proposed for San Antonio Road. The sign on Alma says all trucks, all trucks, go to San Antonio Road. It does set a certain tone, doesn't it? I've lived in Palo Alto 55 years, 40 of them north of Oregon Expressway. I know it's been going on; I've seen it; I've seen the changes, and I've seen the attitude. In the past 4 years, you have listened to several Palo Alto areas regarding parking problems on their streets. With respect for them, understanding, compassion, concerns for their stress, you enacted the parking sticker regulation, which I think is a good idea. Now, what are you giving our neighborhood? Two five-story hotels and trucks. What adjectives did you think about when you were rezoning the parcel on San Antonio? I would like to know. Did you think about the neighbors, the neighborhood, the families, compassion, understanding, respect or was it just the bottom line of that money that you need? Just because the rezoning now can accommodate two hotels doesn't mean you have to approve them. That will be demonstrated by other speakers. I don't think zoning indicates a rubberstamp of approval just to increase the City revenue. I'm glad that Mr. Popp has his hotel coming up on El Camino, but I do not see one word about how his project will benefit the neighborhood. If you can find it, I'd like to know. Thank you very much.

Mayor Scharff: Thank you. Bill Ross to be followed by Nancy Martin.

Bill Ross: Good evening. I'm a resident and taxpayer. I would respectfully note, Mr. Mayor, you didn't note a limitation from 3 minutes to 2 minutes when beginning. I would respectfully suggest that I have 3 minutes. I tailored my presentation for that.

Mayor Scharff: If I didn't, it was a mistake. I've given everyone else 2 minutes. You'll have 2 minutes.

Mr. Ross: I think you should have forewarned people. I think this is one more indication of a lack of a fair hearing under Cohan versus the Board of Supervisors. First of all, on the environmental analysis, the environmental setting section is deficient both in the Draft Environmental Impact Report (DEIR) and the Final Environmental Impact Report (FEIR). It leaves out a critical regulatory setting that's occurred since the distribution of the document, the May 22nd decision of the Secretary of Transportation to fund the Caltrain electrification project. This is significant. It almost doubles the capacity of Caltrain. It's not even mentioned in the DEIR or in the FEIR. It bears on the adequacy of analysis of assessment in Section 3.7 with respect to air quality, greenhouse gases especially. I would respectfully suggest that the wrong standard is employed. It should be, as the Vice Mayor knows, the 2017 standard, not that from previous. It appears that there is no final ARB decision. There's a whole series of emails on the 27th, 28th, and 29th of May indicating that they hadn't forwarded to the ARB concerning both the land use and FEIR. That was remedied by Mr. Carnahan by sending those emails on the 30th to the ARB but not 72 hours before that took place. I would respectfully suggest you cannot cherry pick the issue of consistency with the General Plan. This is for housing. I also think that the Staff Report, when you print it out, doesn't contain accurate information. I'd like to make one last one point. In the findings section of "B," which is your CEQA Resolution, if you adopt it, you're adopting that you exercise your independent judgment consistent with the Native American Commission of the State of California. That's not the applicable section of the Public Resources Code, nor is there any analysis of the personal views set forth by people like Hengehold Trucking, from the beginning of this process, that support your findings that are set forth in "B." Those are personal observations; they are substantial evidence. Both the FEIR and the DEIR need to be recirculated. The Caltrain electrification is not insignificant.

Mayor Scharff: Thank you. Nancy Martin to be followed by Lee The.

Nancy Martin: Good evening. My name is Nancy Martin. I've lived at Greenhouse I since 1976. I'm sure others, as they have and will going forward, are going to talk more about traffic, about the dewatering, the inappropriateness of two five-story buildings in the neighborhood of one and two-story buildings, the massiveness of the architecture, the pollution this project will bring and more and more traffic. It's easy to criticize for what's wrong, and there is a lot wrong with this project. I want to talk about the alternative, housing. The lots are also zoned for housing units, 38-57 units. Many of the Council Members and certainly a good percentage of the

residents of Palo Alto are advocating for more housing. I want to read from the May 19th *Palo Alto Weekly*, which had several articles about the City leaders setting a vision for Palo Alto. "When Vice Mayor Liz Kniss was campaigning for reelection last fall, one issue towered above all others among residents with whom she spoke. It was housing, housing, housing, more housing. Kniss said during the March 20th meeting the Council was deciding how many new housing units to plan." Second, "Adrian Fine who made housing the centerpiece of his Council campaign called it the community's number one concern. The City, he said, has not pulled its weight on housing." Nowhere in this four-page article is there any mention of the need for more hotels in Palo Alto. The ARB at meetings cited the beautiful views for hotel guests, looking out to Stanford. What about us? We live there. We're going to see more and more traffic and ugly buildings. One last quote from Eric Filseth, "Pointed to recent Citizen Survey showing a growing number of citizens reporting that they don't believe the Council is acting in their interests." Build housing units not more hotel rooms. If somebody could please explain to me how valet parking with reduced numbers of spaces is going to solve the parking problems if there aren't the spaces allocated, having somebody drive your car …

Vice Mayor Kniss: Thank you.

Ms. Martin: … to them isn't going to help.

Vice Mayor Kniss: Thank you, Ms. Martin.

Ms. Martin: Thank you.

Vice Mayor Kniss: Next three speakers are—I apologize—Lee The. Have we got it close?

Lee The: Close enough.

Vice Mayor Kniss: Followed by John Petrilla and Joan Larrabee. Are you Lee?

Mr. The: Yeah. My name's Lee The. I've been a homeowner in Palo Alto for 31 years in what is apparently a commercial neighborhood. I thought I lived in a residential neighborhood, but I've been corrected this evening. I live across the street from this. A couple of points I don't think have been mentioned before is that when you talk about traffic increases, it is incremental but it is not linear. At a certain point, when you have to wait through two three-way lights, then people become desperate. They start gridlocking the street, and they start seeking other routes through the neighborhoods even though there aren't any good ones. Right now San

Antonio Road is right at the verge of that waiting through two three-way lights. I'm sure all of you have experienced this on various occasions in your lives. You've been in that kind of traffic jam, like if you were trying to get to Shoreline Park on one of their Friday evening concerts. It's really terrible, and we're really close to that. What I see people doing when they argue about projects like this is they say this one won't increase that much. That one won't increase that much. It's the aggregate of all the projects that we have to deal with. Also, another point I've seen made here is using Jewish Community Center (JCC) as a precedent, but JCC was an exception. Now the exception has magically become a precedent. This is really bogus, and it's just an example of why we're against the use of these things. Also, citing the giant Mountain View development up on San Antonio Road as a precedent, it's nowhere near it. It's like a mile away. As Nancy Martin said, housing is what should really be here. If you look at the old Palo Alto description of the area, you say it's not suitable for housing because it's out of the way. It's not out of the way anymore. It's near Google. It's near Costco. It's near several different—I can walk to any kind of shopping that I want to do from where I live, right across the street. Please consider housing. That really is the better use of this than a hotel. If a hotel, it should be the same height as our buildings across the way, two stories. Thanks.

Mayor Scharff: John Petrilla to be followed by Joan Larrabee.

John Petrilla: Good evening. I'm John Petrilla. I've been a resident of Greenhouse I for over 30 years. The Palo Alto goals for the project include tax revenue and job growth. Construction and operation of the hotel as jobs, there should be local hiring preference requirements. The tax revenue (inaudible) for mils should also be included. We should find a way to make sure that those mils occur in Palo Alto, not in Mountain View, which is probably more convenient and more attractive to that location. Unfortunately, the project is not cost free; there are negative impacts. You'll hear of those from other people. Significant part of those negative impacts are going to fall upon we neighbors. What can be done to mitigate these impacts? Essentially, what's in it for us, the neighbors? None of that has been mentioned so far. For instance, even if you decide that the hotel doesn't significantly impact traffic, traffic is already bad, and we would appreciate it if you'd find a way to improve it. You're getting a lot of tax dollars, so you'll have money to spend on improving the traffic flow. Mitigation opportunities. In the planning phase, you really should ask for an update of the Traffic Impact Report (TIR), traffic impact report, and the Traffic Demand Management Plan. Why? Because the traffic counts were done in 2012 and 2015. They're a little bit out of date. Effective autonomous vehicle traffic, since we're close to Google and basically they're

(inaudible) for their autonomous cars, we see a lot of those. We don't think those were included in the traffic counts that were done in the EIR. In the Traffic (inaudible) Plan, there is reliance upon the bike lanes to reduce the traffic. Those bike lanes share traffic lanes, and they're not conducive to biking in commute times. In the construction phase, we think you should not reduce the traffic lanes or the parking lanes at any time. To avoid flat tires, which occurs near construction sites, you should run a sweeper after every construction day. There should be commitments in the building permits for local hiring, for a living wage, and for using local artists to provide the artwork for the hotel.

Mayor Scharff: Thank you.

Mr. Petrilla: In the operation, you should have the Palo Alto shuttle serve that site or at least San Antonio Road or someplace nearby.

Mayor Scharff: Thank you.

Mr. Petrilla: The Development Plan …

Mayor Scharff: Your time's up. Thank you. Joan Beit-Zuri to be followed by Thomas Irpan.

Joan Larrabee: I'm Joan Larrabee.

Mayor Scharff: Sorry. Say that again.

Ms. Larrabee: My name is Joan Larrabee. Good evening, Honorable Mayor. I'm a longtime resident and homeowner. I told you last week I have the Master's Degree in urban and regional planning. My project was an Environmental Case Study. I worked for many years for the City of San Jose Public Works Department and the Department of Streets and Traffic. I live in Greenhouse I, so I was very interested to read both the Draft EIR and the Final EIR. There's so many inconsistencies and contradictions; it really needs to be sent back to the applicant to be redone. Just one of them is some places it says there's two levels of underground parking. Other places it says there's only one. They never did the final study for water and soils to plan for a second level of parking. The elevation for the Courtyard, where the second level of parking is planned, is only 18 feet above sea level. When the second level goes down, that one is below sea level. That has lots of problems. This is sometimes why we keep hearing the applicant saying, "We're thinking of not having the second level of parking. We're thinking of having the first level of parking." I don't know where, like Nancy mentioned, the valet is going to drive the cars. The parking is coming off San Antonio Road. We have 19 parking spaces in front of Greenhouse I and Greenhouse

II. The City Planning Department has already been out there and telling some of our neighbors that our parking is coming off because of the high congestion of San Antonio Road. They've already told us they're thinking of making it six lanes wide like in Mountain View. I'm requesting that the hotel be made a smaller hotel. I'm requesting that you all send it back to the applicant and to the Architectural Review Board to have a smaller, maybe 200-room, hotel. That is my request, that the EIR be sent back and that the hotel be sent back. Thank you very much.

Mayor Scharff: Thank you very much. I just wanted to remind everyone when the buzzer goes off, that means the time is up, to finish your sentence and to wrap up. Thomas Irpan to be followed by Rita Vrhel. I missed Joan. Sorry, Joan. Joan. Thomas, you'll be next after Joan.

Joan Beit-Zuri: The conclusions of the Draft and the Final EIR for these two hotels of having no significant impact are flawed. Data that is not current is used, and information manipulated to support their conclusions. Our group has attempted to communicate these flaws to the City through our email replies filled with factual data and information as well as attempting to communicate this information at City meetings. In support of the above, our group has a gentleman with a Master's Degree in transportation to address the blatant discrepancies in the traffic EIR. As an example, the delay stated during peak hours at the San Antonio and Middlefield intersection uses 2015 data for morning peak and 2012 data for evening peak. No current traffic studies were done. The fact that Google buses have added to the current traffic congestion was not known. Have any of you read this information? We have several individuals with PhDs who are members of Save Palo Alto's Groundwater, who provided extensive and detailed data and information related to dewatering and strongly questioned how the EIR arrived at it's no significant conclusion. Have you read this critical information? We keep trying to have our voices heard, but it's difficult when we are opposing someone who keeps dangling dollar signs before the City. Tax revenue, money, money, money. Now, we ask that you please consider all the facts. These hotels have no problem saying they offer absolutely no benefits to their neighbors. Architect Randy Popp says they have a café. It's not really a café. You can get water and a soda. I call that a vending machine. These hotels are simply too massive and dense. They are trying to do too much in a small lot. This was one of the conclusions arrived at by a member of the ARB who didn't mention that to you today. Recently, Architect Randy Popp advised the Board that they're going to divide a single room into two rooms, again increasing density and recouping the seven rooms they lost. How many rooms will they actually have? We would like the City to know that our group would not oppose a single three-story, pleasantly designed hotel at this location. However, these two five-story, currently 294-room hotels

with single entry on San Antonio Road are not a fit in our neighborhood. We certainly hope that the City Council will ultimately agree and act accordingly. Thank you.

Mayor Scharff: Thank you. Thomas Irpan now to be followed by Rita Vrhel.

Thomas Irpan: Good evening. Thank you for the opportunity to provide you the necessary input. I'm an owner and a resident of Greenhouse complex, right across from the proposed hotel. I have made ten copy of the Architectural Review Board goals and purposes. My comment is specifically on the Bullet Point Number 4. The Architectural Review Board Member responsibility on Bullet Point Number 4 is to enhance the desirability of the living condition in the adjacent area. Now, you all heard from the Greenhouse residents who fought the project. There are three Architectural Review Board Member who voted for the project and publicly declare compliance. What they have done with their stated goal and responsibility, I strongly believe they have violated their fiduciary responsibility. On behalf of Greenhouse resident, I would like to suggest to the Council Member to put aside their recommendation and listen to our concern. Thank you very much for your cooperation.

Mayor Scharff: Thank you. Rita Vrhel to be followed by Warren Storkman.

Rita Vrhel: Thank you. I'm representing savepaloaltosgroundwater.org. The 2014 geotechnical report included in the project's EIR refers to one level of underground construction parking throughout. On April 6, 2017, the project was modified to add a second level of basement parking. The environmental impacts of this second level of basement parking is not addressed in the provided EIR. The project's geotechnical report explicitly states there are some significantly thick, relatively clean sand layers below a depth of 20 feet that will contain a significant volume of water. It is best not to penetrate this level. They recommend not penetrating into these layers with dewatering wells. The proposed project reports two underground garage levels that will fit—I'm sorry. The project reports the two underground garage levels will fit within 18 feet of underground construction. This number, however, does not include the 2.5-foot thick concrete mat foundation necessary for this garage. Because of the cone of depression, this two-level underground construction will require dewatering wells to be a minimum of 23 feet deep. Thus, penetrating the water-rich layer the geotechnical report recommends not penetrating. Referring to residential construction of last year of the 3,500-square-foot basement, we know that extracted 30.8 million gallons. This basement is 20 percent larger than the residential basement, and 17 percent of their underground garage

is twice as deep. We estimate 600 million gallons of groundwater will be extracted and dumped into the storm drain. Thank you.

Mayor Scharff: Thank you. Warren Storkman to be followed by Phillip Hill.

Warren Storkman: Good evening. The name is Warren Storkman. I've been a resident in the same home in Palo Alto for the last 62 years, which is a couple blocks away from San Antonio Road. All I can say is the people before me has practically said everything that should be said. I have a few remarks to make. What I did is I had 400 of these printed up and went to 400 houses to pass them out. The majority of the people, maybe all of them, which is a pretty hard statement, don't like the idea. They don't want to see these two white elephants on the road. We really don't need them. Please don't do it. Besides, my birthday is next month. I'll be 90 years old. Please give me a present, will you?

Mayor Scharff: Phillip Hill to be followed by Esther Nigenda. Welcome back, Phillip.

Phillip Hill: Thank you. Good evening. Sorry about the mistake just now. My wife and son and I have lived across the road from this proposed hotel since '98. We are really concerned. There's been a lot of talk about environmental impact. I'm thinking about the human impact. There are so many families living across the road from this monstrosity with how many more transient residents coming in and out every day. If you go to Greenhouse II at any weekend, you're going to see lots of little children playing. I'm just concerned about the impact on the quality of our lives there. Before you vote, I would implore all of you to search your conscience. If this hotel is going to be built in your backyard or across the street from your house, would you still vote yes? Thank you.

Mayor Scharff: Thank you. Esther Nigenda to be followed by Bob Moss.

Esther Nigenda: Esther Nigenda for Save Palo Alto's Groundwater. We do not agree that there is no significant impact from this project. As Rita said, we estimate that this underground garage, only for the first level, is 20 times as large as the residential garage of 3,500 feet that dewatered 30 million gallons. At 20 times larger, it would we estimate dewater 600 million gallons of groundwater. Not only is extracting and dumping this amount of water not sustainable, the City also faces regulatory pressure to decrease the amount of water discharged into the Bay. Currently, the Santa Clara Valley Water District doesn't charge for groundwater extracted during construction. If we were to purchase this amount of groundwater at the Santa Clara Valley Water District's current rate of $1,072 per acre foot, it would cost close to $2 million. Mr. Wenzlau's April 11, 2017 letter to the

City Council stated a fee of $10,000 per million gallons of groundwater pumped would replenish removed shallow groundwater through green infrastructure projects. If Mr. Wenzlau's suggestion were followed, this would amount and net the City $6 million. The applicant stated there will be no impact on other properties because dewatering will be stopped as soon as possible. The environmental site assessment for this project's EIR says 10 months of dewatering would be required for a depth of excavation to approximately only 11.5 feet, not the 23 feet that would be required for two because dewatering has to continue until two stories are built aboveground to hold the one-level basement in place. Thank you.

Mayor Scharff: Thank you. Bob Moss to be followed by Amy Sung.

Bob Moss: Thank you, Mayor Scharff and Council Members. I hope you have been paying attention to all the comments about the inadequacy of the EIR. It's one of the worst ones I've ever seen. Among other things it omits is the impact of development in the neighborhoods around it, which are totally ignored. For example, there's a huge project going in at the corner of California and San Antonio. It's going to have apartments, retail, and a theater. There are a number of apartment buildings that Mountain View is allowing to be built along California Avenue and along Middlefield. Those are ignored. They're going to have an impact on San Antonio. I had a personal experience on San Antonio last week. It wasn't during rush hour; it was about 10:30 in the morning. I was at the Hertz building, which is about three doors down from Middlefield. It took me almost 4 minutes to be able to get out of the parking lot because of all the traffic along San Antonio. One of the cars or vehicles along San Antonio coming out at that time of day was a Google bus. They go up and down all the time. Traffic is bad, and this is going to be worse. One of the things that you have to bear in mind is the fact that the zoning allows a 2.0 FAR does mean you are required to accept that. You can find reasons like traffic and compatibility with the neighborhood, that scale down the size of the project, which you allow. You're not allowed to give them the maximum zoning allows. I can cite a number of projects in the City where the maximum was not met because it didn't meet a lot of requirements for the EIR and consistency with the neighborhood. I would suggest strongly you send this back for further study, adequate study, and put on the requirements that it must be compatible with the neighborhood in scale and impacts and in traffic impacts.

Mayor Scharff: Thank you. Amy Sung to be followed by Penny Proctor.

Amy Sung: Good evening, Mayor, Vice Mayor, members of Council. My name is Amy Sung. I'm here tonight to support the project on San Antonio

Road. I wanted to talk about revenues and transportation and traffic. We all heard from the project team that projected the revenue income at $3.6 million and that we are looking at $0.5 million annually that can be put towards the Transportation Fund, something, towards the Infrastructure Plan funding. That is a lot of the revenues that the City can use because it does cost a lot of money to run a City and run it smoothly. The transportation provides an opportunity for Palo Alto and Mountain View to start doing this coordination of the traffic across the City boundaries. We know that the traffic does not stop at the City boundaries, and we know that this project is calling for shuttles to provide connections to North Bayshore and San Antonio train station. That really is an opportunity for us to coordinate our Palo Alto shuttle and Mountain View go. The report says that the traffic impact will provide 88 extra cars on the road during peak hours. That translates to half a second in the wait at traffic lights. Thank you.

Mayor Scharff: Thank you. Penny proctor to be followed by Sheng Lin.

Penny Proctor: I'm Penny Proctor; I live on Greer Road. I agree with other speakers that this project is too massive at five stories. I'm also concerned about the 2,000 acre feet of water from the dewatering for the two-story basement. I was surprised at the ARB meeting to learn that the basement goes to 5 feet from the property line, so there's no room for roots of proper trees on the sides. You see that they just have the Italian cypress, which looks like a column. They don't look like real trees, and they don't screen. You need 15 or 20 feet for trees that would actually screen this enormous building. I was also surprised when the applicant was asked about the large containers on the terraces of the step-back part of it. When they were asked what type of trees, what size, what size containers, they had no idea. I was wondering if they don't do it, is there some sort of enforcement. Thanks very much.

Mayor Scharff: Thank you. Sheng Lin to be followed by Stephanie Munoz.

Sheng Lin: Good evening, City Council. Thank you for having me here. I'm a homeowner at Greenhouse II. I moved to Palo Alto because I work in Palo Alto. Everyday right now I take 101 north through San Antonio, and it takes me about sometimes 5-10 minutes to get to 101 north. I have to wait two traffic lights on that street. I'm pretty sure it's less than 88 cars right now. The same thing for the evening when I came back from work. I can see the traffic is already bad on San Antonio. With this 500-occupant hotel, it only get worse. The other thing is there's a new, renovated San Antonio Shopping Center down the street. That will create a huge problem for traffic. With this new hotel, I'm really concerned about the traffic on San Antonio. The other thing for us is my daughter is 4; she's here today. She

plays with all her friends in the complex every day. For us as a resident of Greenhouse, we are really concerned about this 500 hotel guests coming in and around every day. I hope City of Palo Alto will reconsider this project. Thank you.

Mayor Scharff: Thank you. Stephanie Munoz to be followed by Chris Brosnan.

Stephanie Munoz: Good evening, Council Members and Mayor Scharff. I'm Stephanie Munoz. You might think that, because I live at 101 Alma and it's a very large apartment complex, I'm in favor of dense housing. 101 Alma has an entire park separating it from the rest of Palo Alto. It has the creek on the other side. It's very well integrated into the FAR concept of the adequate open space. I have a voice that has not been heard. How about being a good neighbor? I own property in Los Altos and Los Altos Hills. I'm here to tell you that back in the '50s, when you put that industrial park in, nobody could get out of the driveway in Los Altos. Cuesta and Covington were just so impacted with all the people that had to live where you had not made any provision for the workers to live in Palo Alto. Where do you think Greenhouse came from? All these Greenhouse people who are begging you should have been in the Stanford Foothills where you put Syntex. Couldn't do that, so you had to shove them to the outskirts and make that a residential district. It wasn't good enough for you to be a residential district; now you're making a Manhattanization. It's been 50 years. Bob Debbs, Phil Flynt, people in Palo Alto tried very hard to save the train. Can you believe that there was a railroad, and it was taken out to accommodate this kind of boxing of maximizing a profit? Think twice. Don't do it.

Mayor Scharff: Thank you. Chris Brosnan to be followed by Ralph Cahn.

Chris Brosnan: Good evening, everyone. I'll try to be a little shorter than I was planning. I was here last Thursday for a meeting about this issue, and I decided to take a stroll down Middlefield Lane back to my house on San Antonio. I was shocked how much traffic there was on Thursday at 1:00 P.M. everywhere pretty much, on every street that I encountered. When I got to San Antonio, there were so many cars, it was literally full of cars, San Antonio. There was a car every—maybe like 2 inches between every car from Middlefield until Charleston. I just thought, "Is there really going to be more cars here?" I don't know if there can really be more cars there. I think that's the biggest issue for a lot of people, but another big issue for me and a lot of people is that 50-foot buildings are really big. They're really a lot bigger than the other buildings around. I don't think we're just talking about one building. It seems like things are changing. If there are 50-foot buildings all up and down San Antonio, I just don't know. It's just not as

nice of a place to live as the place that we all live. We're all pretty concerned about those two issues. I think I'll just take this to say thank you and I appreciate you listening to me.

Mayor Scharff: Thank you. Ralph Cahn to be followed by Becky Sanders.

Ralph Cahn: Council Members, thank you for hearing all of us. I'm Ralph Cahn. I live at the Palo Alto Greenhouse. I'm treasurer of the Board of Directors of the homeowners association there. We certainly can't argue with the potential revenue to the City. As treasurer, I certainly understand that. It's something we really can't argue against. The problem is this is not a fit to a residential neighborhood. As others have said, it is a residential neighborhood. All of the recent developments over the past 8 or 10 years have all been residential or educational, the school. This project represents a huge change to the whole character of the street, not only because of the height and the mass and the nature of it, lighting, traffic, but because it's a whole different commercial change to the neighborhood, to this area of San Antonio Road. We aren't going to be like Mountain View (inaudible) for the City. We don't have that kind of land that can be made commercial to this extent. The Greenhouse, both Greenhouse I and II, are planned communities. It's a partnership with the City. We're required to make sure that the things we do on the property are approved. The City has responsibility to its planned communities as well. Seen in isolation this is a great project. It's beautiful, but it's not in isolation. Thank you.

Mayor Scharff: Thank you. Becky Sanders to be followed by Terry Holzemer.

Becky Sanders: Hi. I'm back. I was going to leave, but I thought I would stick around because the Ventura Neighborhood Association is very concerned with the impacts of development. We've been wrestling with the Parmani, another one of Mr. Popp's properties. We're also very concerned about the old Valley Transportation Authority (VTA) lot. There is context here. We have also talked about showing up for our sister neighborhoods to say we totally feel your pain, and we also are getting the squeeze in Ventura. Process again. Process is ignored, disrespected as indicated by the Final EIR not being made available 72 hours in advance. That's just flawed. How about confusing and misgiving signals from—confusing messaging from Council, false promises perhaps. So many of you did campaign for housing but have done nothing to promote this property for housing. I turned around one day and Marriott was taking over a property that I was pretty sure people were thinking was allocated for housing. That just happened so fast. Lastly, penny wise pound foolish. Yes, we all get that money for TOT, but this is a band aid on the pig. This is not going to solve the numbers. I

hope you don't think that this is going to be the panacea. This also just sends a signal that corporate interests trump residential quality of life. I know you resent being lectured by me, but I'm just going to keep coming back and being a broken record. Don't applaud. My mother's applauding for me. You all please consider residential quality of life as important if not more than corporate interests.

Mayor Scharff: Thank you. Terry Holzemer.

Terry Holzemer: I'll try to keep my comments very brief. I'm here tonight, as you well know, many times supporting residents because residents—that's one of the glories and one of the great things about Palo Alto is that its government and the people that represent that government have always been looking at residents and what residents desire in their City first over developers, architects, and those people. I'd like to take a moment to say I'm in support of that as well. I think the residents tonight have spoken. I think they've made a clear message that this is one of those projects that needs to be redesigned. When an EIR says that there's no impact on roads or traffic and we are stuck on traffic on San Antonio Road every day, when something says that, how could that possibly be the truth? It can't be the truth. When you have an EIR that also states that there will be no impact on water, dewatering—I live next to one of those facilities, as I mentioned earlier. I hear the waterfall every day, 24 hours a day. That could not be true. That is a falsehood. I challenge those arguments. I challenge you to investigate it further and to make those necessary changes. Thank you.

Mayor Scharff: Thank you. Now, we come back to the applicant. You have 3 minutes, if you wish to say anything further.

Mont Williams, applicant: Mayor Scharff, Council, Staff, first, we have heard from the neighborhood for a couple of years. I love everything I've heard. I respect them greatly for their passion. I have a neighborhood; I live in it. We care greatly. I think there's a gap between what we want to do and what the neighborhood wants at this site. We respect that; we understand it. I think I've also heard things about our particular project that probably aren't quite true. I'm hoping tonight we spend time on that. I can't bridge the gap that some folks want no hotel, or they want residential, or they want a smaller hotel. That's not something we can do. We're hotel guys. I would say to everybody here that we have been asked by almost everybody at Council or Planning to consider housing. When I hear things like we haven't been asked, we have. We're the guys that own the property. It's not Randy Popp by the way. It's us. We have been asked. You guys have asked us clearly. We want to build this hotel. We think it's compliant. I'd love to

move forward now, tonight, with our consultants and actually answer questions about the things that have been brought up tonight.

Public Hearing closed at 7:55 P.M.

Mayor Scharff: Thank you. Now, we'll return to Council for questions, comments, and Motions. Council Member Fine.

Council Member Fine: Thank you very much, Mr. Mayor. Thank you very much to Staff and to the applicant for these reports. There was a lot of reading this past 10 days. I really appreciate the detail in it. I also want to thank all the residents for coming out tonight. I think you've brought a lot of varied and diverse perspectives, which are really helpful for all of us to understand what's happening on San Antonio, what this project may mean to your neighborhood. There's clearly a gap here. I think there are a lot of questions I could ask of Staff and the applicant that could tease them apart, but we also have to weigh that against our role as supporting the private and vested interests at stake in this decision. I'm going to move that we certify the Final EIR and adopt the Record of Land Use Action. That's my Motion.

Vice Mayor Kniss: Second.

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

A. Adopt a Resolution certifying the Final Environmental Impact Report, adopting California Environmental Quality Act (CEQA) findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program; and

B. Adopt a Record of Land Use Action approving an Architectural Review application, including a parking reduction, based on findings and subject to conditions of approval as recommended by the Architectural Review Board on June 1, 2017.

Council Member Fine: Thank you, Vice Mayor. I have a little bit to speak on it. I would love to hear everyone's questions and open to Amendments to it. First, on process, this issue, this item has gone before the ARB five times, the Planning & Transportation Commission (PTC) one time, this Council once before for a prescreening, and has passed each of them. It does meet our CS zoning, which stands for community serving. I was reading up on this zoning a few nights ago, and it's pretty interesting. Is says very specifically uses that serve the community such as hotels but are not in neighborhoods. I think this is a complicated one. We have a lot of folks saying this is their neighborhood. I get that actually on San Antonio. I really do feel that. At

the same time, when I think about a hotel here, it kind of makes sense here more than many other places. I think the CS zoning is informative to our discussion tonight. This project meets performance criteria of the Municipal Code 18.23 for proximity to planned community zone. Our process hasn't even calculated TDM gains in terms of transit and traffic impacts. Although, it is a 2.0 FAR; that's nearly four times nearby sites. That is something we could address in our zoning. That is not something we're doing tonight. In terms of people, I really appreciate the ARB coming and speaking tonight. I really appreciate the Minutes the ARB and the PTC gave to this. Folks from Greenhouse, I really appreciated all of your thoughts and input on this. I think we may have some work to do on basement dewatering, security around these issues, and traffic on San Antonio. I think those are legitimate concerns our City could address. Finally, just the purpose of this. I did a little bit of quick calling around to a couple of businesses and folks who use hotels here in Palo Alto. The going rate nowadays for a weeknight hotel—this is probably something many of us don't use because we're Palo Alto residents—is $600 or $700 a night. That is way above market compared to many other cities. We're still about 75 rooms short of our peak hotels in 2005. That's about 12 years ago; we still haven't kept up since we got rid of Rickey's. This project produces about $100 million of revenue over 25 years, which certainly is appetizing to this Council. It's not the only decision we weigh. It's one piece of that. Finally, as for request for housing. Yes, I'd love to see housing here. That's not my decision; that's the property owner's. If they came here with housing or a park or a hotel, it's our job to process and look at that application. With that, I've made my Motion. Pass it to the Vice Mayor. Thank you.

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: Thank you for all being here. I'm sure you're glad you're not sitting where we are because this is a tough decision to make tonight. Let me start where Council Member Fine just left off as far as housing. I absolutely am a great fan of housing, an advocate, and so forth. However, more than 2 years ago, those of you who were here then recall that when we were looking at the Comprehensive Plan (Comp Plan) we took housing away from this area. We moved it to another part of town. We said—many of us agreed at that time—that this was not an appropriate area for housing. It should be more in the Downtown area. I voted against it, just so you know. I thought that was a reasonably good area for housing, but that is not designated for housing. Let me walk through several other things. The housing one is extremely important. Let's talk about traffic. I think Amy Sung, who was here earlier, talked about what is actually a small impact on traffic. As I mentioned earlier, I went to the site this afternoon. I was there between 2:00 and 3:00 P.M. It was very light traffic. I know it's heavier.

I'm very used to that road; I know it's much heavier late in the afternoon. I sympathize with that. Also, most of you would know that the amount of traffic that comes from a hotel is erratic. It doesn't all come at the same time in the morning. It doesn't all go back at the same time at night. It's very much across the board. We usually look at hotels as having a lesser traffic impact, for example, than a housing project would. Think of people as they come and go in that way. Someone mentioned the JCC, that it wasn't a good example. Let me say it out loud. I think this is more attractive than the JCC, which puts actually a wall right up against San Antonio at the end that's closest to 101. I realize less than five stories would be very advantageous, but let me then tell you that, given the needs in this City and the amount of infrastructure that we have coming to us on the 27th of June, we would be delighted if we have additional income coming in as a result of our transient occupancy tax, our TOT. As Amy said earlier, that could be $3 million-plus every year. Big difference as we go forth with our Public Service Building, our new garages, and so forth. We're an expensive City to run. While I don't think there's a tradeoff, I'm saying the only reason we did was for X. I think what you heard was Adrian say clearly earlier there actually is a dearth of rooms in this area. For good or for bad, we live in a very successful area of the Country. I also heard somebody say hire local. Great idea. Whenever it's possible, please do that. I want to also discuss the groundwater for just a minute. For my colleagues up here, I would reference Page 27 that is not exactly Page 27. You will find it where it has Comp Plan goals and so forth. It's probably more than a few pages in. Under the Natural Environment Element—you know we're going to go through Comp Plan kinds of things later tonight—it says the project is required to comply with the National Pollutant Discharge Elimination System (NPDES) storm water permit and includes bio-retention areas for storm water management. It is written into this. Bike lanes, I was glad to hear somebody describe bike lanes. I might ask the applicant as soon as I'm done to say something about the bike lanes. Perhaps, I didn't understand what the member of the public was troubled about. To go onto the rest of the traffic that's going to come from the hotels up the street, Mountain View is developing at an intensity that is so far beyond what we could imagine, that I would not plead the case from that angle. I would say that it may indeed be advantageous to widen San Antonio Road at some point. If any of you have—I was there again today. If you drive down San Antonio Road from El Camino toward Middlefield, you will discover there are—I have no idea how many square feet of buildings are there. Not only are they on the south side of the street but, on the side of the street closer to Palo Alto, they're heading for eight and nine-story buildings. With that and with—we've heard you, neighborhood. I do know that the applicant has attempted to work with you, perhaps not always successfully. I appreciate the effort that they have made and also appreciate all of you being here tonight, even

if you may or may not be disappointed with however this vote turns out. Thank you.

Mayor Scharff: Thank you. Council Member DuBois.

Council Member DuBois: Thanks to everybody for coming out to speak tonight. I think public sentiment was pretty clear. I do think this is pretty premature for a Motion. I have a lot of questions. We had about 5 feet of Staff Reports tonight. If it's all right, I'd like to ask some questions and then maybe come back with comments in a second round.

Mayor Scharff: Ask your questions and give your comments. We have a lot to do tonight.

Council Member DuBois: For Staff, the valet exception, is that something that's described in our Ordinances, how that works?

Mr. Lait: The request for the valet operation is part of the reduced parking permit. That is a provision that exists in the Municipal Code. It also has the requirement of a TDM, transportation demand management, Plan. These are elements that may be sought from an applicant.

Council Member DuBois: Does it specify what reduction in parking you can have?

Mr. Lait: A maximum of up to 20 percent parking reduction.

Council Member DuBois: Was the construction that people have been talking about, the second phase with the movie theater and San Antonio, included in the EIR analysis? The impacts of that construction.

Amie Ashton, David J. Power & Associates: Construction impacts and you're talking about the development. I apologize. This is the one occurring …

Council Member DuBois: It's two phases in the San Antonio Shopping Center. The first phase was completed. The second phase is a movie theater and …

Ms. Ashton: Yes, we did include that within our analysis as well as the project at 450 San Antonio, which is a large residential structure that the City of Mountain View is—I think it's about eight stories right now that they're reviewing. That was all included in our background conditions.

Council Member DuBois: I think there was some mention about closing a lane of San Antonio during construction. Would the City allow that?

Mr. Lait: We haven't seen the construction logistics Plan proposed by the applicant yet. I'll note that there is a 24-foot special setback, which allows for staging and operations. We don't anticipate that a lane closure would be required.

Council Member DuBois: That'd be a big hit to close a lane on San Antonio. For loading space requirements, this says they're required for two for buildings up to 70,000 square feet. This is like 166,000 square feet. Does it need more loading zones? It wasn't really clear.

Mr. Ah Sing: The project has two loading zones in the rear of the property. That's required.

Council Member DuBois: There was a note in the Staff Report that says for buildings up to like 90,000 square feet, but it wasn't clear what happens when you go over that.

Mr. Lait: We could take a look here. Just one second. It looks like the Municipal Code says that for 100,000 square feet up to 200,000 square feet, there are two loading zones required. That's set forth in Table 3 in Section 18.52.040.

Council Member DuBois: It's a total of two, not four? The TDM says they'd provide a free shuttle to San Jose. First of all, I wanted to thank the applicant for all the TDM programs. That was great. I was wondering if there was any discussion of the frequency of that shuttle.

Mayor Scharff: Are you asking the applicant a question?

Council Member DuBois: Staff first if they have the answer.

Mr. Ah Sing: At this time, we have Commission approval where the applicant would need to come in to get the City's approval on the specifics of that Plan. The applicant may at this time have some insight into that. We don't have specifics on that.

Council Member DuBois: If you have an answer, you could provide it. If not, that's all right.

Mr. Williamson: We have a lot smarter people here than me. When we offer a shuttle, we usually buy a vehicle, and it's available. The details of how it gets used are probably going to be unfolded. I don't know how much detail you need tonight. It is a later submittal.

Council Member DuBois: I'm just curious if it's once an hour, twice an hour, on demand.

Mr. Williamson: I think it's probably on demand.

Council Member DuBois: The TDM said they'd join the Palo Alto TMA, but that TMA doesn't cover that part of the City. I was curious how that would work.

Mr. Lait: This was an Amendment that we made to the Code earlier this year. Where somebody is seeking a parking reduction or if they meet other criteria, one of the measures is that they would support the TMA when it is expanded to that area.

Council Member DuBois: It's kind of a future agreement?

Mr. Lait: That's right.

Council Member DuBois: There was a question about one level of basement or two levels of basement. Would one level of basement support the hotel of this size?

Mr. Lait: I think we heard from the applicant this evening their interest in wanting to not have the second partial level of subterranean parking and instead use the parking lifts. Again, we've recently amended the Code to permit hotels specifically and other land uses to use parking lifts. If they met certain requirements including 10 percent of the required parking being available, not part of the parking lift system, and a number of other criteria, then they could put those lifts inside the development and meet our Code for parking. It is conceivable that they could eliminate that second level of subterranean parking and use the parking lifts as provided by our Code.

Council Member DuBois: Did the EIR contemplate the two levels?

Mr. Lait: I'll be corrected here if I'm wrong. Initially, there was one level planned, and then there was a second level contemplated that we received a geotechnical report and some other information that analyzed the second level as well. That's included in the final impact report.

Council Member DuBois: Do you know where that is?

Ms. Ashton: It's in Section 3.0, responses to comments. Actually there's a diagram on—excuse me while I find it. There's a diagram on Page 19 in Section 3, response to comments. It's a large document. I apologize. That shows a section drawing of that first level and the second level. It should be noted that the second level would only be on a small portion of the lot if it were to be constructed. It would house, I believe, 36-38 parking spaces only. It would be a very small lower level.

Council Member DuBois: Is the detail for that in Volume 3 of the EIR? I was reading …

Ms. Ashton: It is in Volume 1, Section 3, responses to …

Council Member DuBois: I see what you're referring to. I'm asking where the detail analysis for the second-story basement is. Volume 2 talks about one level and implications of hitting groundwater.

Ms. Ashton: The entire Draft EIR did address the two levels. We had one typo in there, where we had the one reference to one level being there. The entire EIR does address two levels of below-grade parking.

Council Member DuBois: That was considered.

Ms. Ashton: Yes, absolutely.

Council Member DuBois: Thank you. Again, it got very complicated in the construction section. Is there any discussion about using the secant walls or techniques to minimize groundwater pumping?

Mr. Lait: That will be part of the report that we get from the geotechnical report submitted by the applicant and reviewed by the City, to understand the water rate and methods for addressing how we would handle that. It's possible that—we'll explore the different options including using walls to block that off as a methodology.

Council Member DuBois: I don't know if the applicant's aware. You probably got a taste of it. We've been discussing a lot about groundwater impacts and considering changing construction techniques next year to minimize the amount of groundwater by placing walls to block some of that water during construction.

Mr. Popp: Thank you very much. We are very aware of the new regulations that are going into place. I do want to very clearly state that the 34 spaces that are in that lower level of parking, now that this new opportunity to use the mechanical stackers is in place, it's our intent to not go that deep. We are going to let go of that in place of the mechanical stackers, and just do a single level of garage.

Council Member DuBois: Would those be for employees?

Mr. Popp: It's all valet. The entire program is a 24/7 valet system. There are 234 physical spaces in that first level of garage. We would add to that an additional 34 stackers …

Council Member DuBois: I guess my question is where does Staff park.

Mr. Popp: They'll be valeted just like everyone else.

Council Member DuBois: Those are my questions. Some quick comments. First of all, I think we're behind on ARB Minutes. We didn't have any ARB Minutes for this item. We didn't have any for 260 California Avenue (Cal. Ave.) I'd appreciate getting those. I think in terms of mass and scale, this is definitely a building surrounded by one-story buildings. I think the setback across the street with the residential property helps. I appreciate the setback here and the landscaping, but it's quite a transition to go from 0.4 FAR to 2.0 FAR. I think it's clear it's not really compatible with the surrounding buildings. We have a 2.0 FAR to incent the construction of hotels. There's been discussion about upping that number to 2.5 or 3.0. I think it's clear that those are going to be extremely massive, incompatible buildings. If you're in the audience and you're concerned about size and you want to change the zoning, I think you need to let existing Council Members know and let Council Members who support reducing that FAR rather than increasing it. I want to say to the applicant that I do appreciate the changes you've made since we did the Study Session quite some time ago. The setbacks and stepping back the higher stories does help. My biggest concern now is really the description of the TDM. We as a Council are counting quite a bit on TDMs. There are some good things in your TDM, and there was a lot of stuff that seemed a little fluffy to me. Things like information about transportation, things that most hotels provide. I appreciate the shuttle from the San Jose airport. I'd really like to see a shuttle to San Francisco International Airport (SFO) airport as well. We're right in the middle of the two, and just providing SFO passengers information about Caltrain feels a little light, feels a little weak if we're going to be counting on TDMs to address traffic. I also hope that those shuttles can be fairly frequent. The other thing I was most concerned about was the ground conditions. There's stuff in the EIR that talks about liquefaction and earthquake dangers. It says it's significant in that area. It also talks about the amount of groundwater being so close to sea level. It actually even calls out the potential for subsidence to adjacent buildings. Again, those construction techniques and how you go down are going to be critical. There's a lot of sensitivity in the community to groundwater usage. The things you can do to minimize that will be highly appreciated. I would offer an Amendment, that Staff works with the applicant to strengthen the TDM measures to include shuttle transportation from SFO in addition to San Jose.

Mayor Scharff: (Inaudible) ask the applicant if that would be acceptable.

Mr. Williamson: It is.

Council Member Fine: I'll accept it.

Mayor Scharff: Would you accept it?

Vice Mayor Kniss: Yes, it's fine.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff to work with the Applicant to strengthen the Transportation Demand Management (TDM) measures which shall include shuttle service to the San Francisco International Airport (SFO)." (New Part C)

Mayor Scharff: Council Member Holman.

Council Member Holman: A question about what was just there. Is the intention of the response from the applicant to work with the applicant to provide a shuttle to SFO or are you agreeing to provide a shuttle to SFO? Can you clarify what you just agreed to.

Mr. Williamson: I'm agreeing to provide the shuttle to SFO.

Council Member Holman: Can we reflect that in the language in the Amendment?

James Keene, City Manager: He just said that, and they were acceptable to it.

Council Member Holman: That's not what it says on the screen as part of the Motion.

Mayor Scharff: Council Member Holman, why don't we say direct Staff to work with applicant to strengthen the transportation demand management measures and to include a shuttle service to SFO or which shall include a shuttle service?

Council Member DuBois: I'd be interested in additional strengthening, but this is great.

Council Member Holman: I need to start with something that's akin to what Council Member DuBois started with. I'm a little concerned about our process. The Council Members didn't have a round of questions. We had no discussion before there was a Motion put on the floor. This is a very large, significant item that has brought out a lot of people who have concerns, interests, suggestions. I'm really concerned about the process. I need to say this. This is supposed to be a deliberative process. If we have a Motion on the floor too quickly—if I could get your attention—it's not possible for it

to be a deliberative process. We can't influence each other, persuade each other or not. It's just there's a Motion on the floor and then everybody else is in a defensive position if they don't agree because the maker and seconder have the ability to accept or reject Amendments. It really precludes a deliberative process. It follows on last week's meeting where we had no discussion on the Sustainability Implementation Plan. We had a round of questions, and then we had a couple of comments by one Council Member, and then a Motion, Amendments. There was no discussion. I'm really concerned that—I don't know if this is the clock driving our process. I'm really concerned about it. If I was a member of the public, I'd be pretty appalled. I don't want to speak for them; I'm not speaking for them. I'd be pretty appalled that I'd spent all this time for—I don't know how many months, 2 years—and then come to the Council and there's no discussion. I just need to get that out there. I do have a number of questions. A couple of comments first that go along with, akin to what Council Member DuBois said. There were no ARB Minutes. This is not unusual. Also, we have a huge Packet this week. I don't know. It's probably closer to 1,500 pages if not 2,000 pages. This project was particularly difficult to get through because things are mislabeled. We're sent to Attachment B, and it's Attachment C. We're all going through—I talked with another Council Member. They had the same issues. I'm sure we all had the same issues. It's very, very difficult. With aesthetics, there was a comment—I think it was a quote from the ARB. I'll try as best I can to refer to pages. Again, I've already stated why it's sometimes pretty difficult to do that. I've got all kinds of tabs here. That's true for the FEIR. There was a comment that this is a transforming area. That was a justification for this project and the size of this project. It may be a transforming area, but it's not transformed. That's why we need transition. That's why the Comp Plan talks about transition. I absolutely appreciate that the applicant stepped back the project. It's absolutely the right thing to do. I'm not sure it transitions enough to the neighboring projects because it is five stories. The question I have that actually goes further than that is on the drawing sets, the plan sets. On A3.0, A3.1 and A3.2, there are large sections of the buildings that go as high as 60 feet 1 inch. They're such large sections of the building—it's not just elevators. I don't know what it is. Again, for the Staff, if you can respond. It's sheets A3.0, A3.1, and A3.2. It's just really large sections and more than one section. It's in a number of occasions. There are these pop-ups. It can't surely just be the elevator shaft. It's too big. I'll keep going; you can look at that and respond back to that. Under the conditions of approval …

Mr. Keene: Is there any problem with letting the applicant respond rather than us fumbling through the pages to find something they may be able to directly answer?

Council Member Holman: There may be more than one thing that Staff and the applicant might want to respond to. I have no problem with the applicant responding.

Mr. Keene: Is that okay?

Mayor Scharff: I'm fine with the applicant responding.

Council Member Holman: Do you want to do it now or do you want to wait and see if there are other things you want to respond to?

Mr. Popp: Whatever you prefer. We can wait.

Council Member Holman: Why don't we see if there's more than one they might also want to respond to. Of course, I'm happy for you to respond. Under Conditions of Approval—another issue with this is there are no page numbers. Under conditions of approval—God help me. I don't know how to tell you where it is. It's in the Staff Report, of course.

Mr. Lait: What condition is it?

Council Member Holman: It is having to do with—if I can find it. It's a condition under planning division. It's Number 9, and it is queuing on San Antonio Road. It's not clear to me if that also includes during construction or after the project is built.

Mr. Lait: This condition relates to operations.

Council Member Holman: Operations.

Mr. Lait: The logistics plan will address queuing and onsite circulation and so forth.

Council Member Holman: On that same Page, Number 13 talks about mitigation measures. It talks about all diesel-powered off-road equipment larger than 50 horsepower—I don't need to read all of that. It does reference the kinds of equipment that can be used. It doesn't say anything about idling or limiting idling or queuing. Again, if those things are in here and I didn't find them, I'm happy to be told that they're here. I didn't find them.

Mr. Lait: The idling is addressed in some other mitigation measures we have in the noise section, mitigation measure Number 1-1, where we prohibit unnecessary idling of internal combustion engines.

Council Member Holman: Is queuing during the construction also addressed somewhere?

Mr. Lait: Queuing is going to be addressed in our logistics plan. Let me see if we have it elsewhere.

Council Member Holman: Can I make a request that we include page numbers on everything coming forward?

Mr. Lait: I think this was …

Mr. Keene: We put out 2,000 pages usually each week. This is …

Council Member Holman: I understand that. We're trying …

Mr. Keene: … just something missed. We understand.

Council Member Holman: I know, and we're trying to get through 2,000 pages and help Staff find what our questions are about. Did you find it?

Mr. Lait: With respect to construction?

Council Member Holman: Yes, please. Truck routes also, akin to that.

Mr. Lait: All of that is in the logistics plan. Let me get you to that condition. Condition Number 40 at the bottom of—I don't know what it's the bottom of. It's under the Public Works Engineering conditions, Condition Number 40. We have a requirement for a logistics plan, which talks about pedestrian control, traffic control, truck routes, material deliveries, contractor parking, onsite staging, storage areas, concrete pourers, crane lifts, working hours. There's an extensive list that is reviewed not only by our Public Works Department but Transportation and other departments that may touch those issues.

Council Member Holman: I don't see queuing here, and I don't see idling here.

Mr. Lait: That's easy enough to insert those words as part of a Motion if that's where Council would like to go.

Council Member Holman: I'll come back to logistics and offer an Amendment there. I know that's one of the things that really is important to neighbors to projects. I had questions about the FEIR and timing. I remember seeing an email or emails from members of the public asking for copies of the FEIR. The report says it was released to the public and the ARB on May 31st. The ARB hearing was the very next day. I guess I'll look

to the City Attorney. Does that satisfy the requirements of public notification in CEQA? Maybe it's Director Gitelman.

Mr. Lait: Maybe I'll just make an initial remark, and then if the City Attorney wants to add to that. The way our system is set up the Architectural Review Board is not the final decision-making board or authority. It is not required to have a final document for them to make their recommendation to the Director or, in this case, to the City Council. What is important, however, is that the document be available 10 days in advance for the decision-making body. That would be the City Council. With the release of the document on either the 30th or 31st and the hearing tonight on the 12th, we have satisfied the requirement for the document to be disclosed to the public.

Council Member Holman: Can I suggest that maybe the Council—I know we can be more restrictive than CEQA itself is. That may satisfy CEQA, but the ARB could be further informed when reviewing a project if they have adequate access to the EIR so they can see what maybe they need to further address during project review. Getting three volumes of documents the night before does not accomplish that.

Mr. Lait: I'm sorry. To that point, the ARB did review the other two volumes. It was the response to comments that was the new substantive part. Your comment is well taken.

Council Member Holman: Thank you. Lighting, I had a question about lighting. If you go to—again no page numbers. There are a few of these in here. I presume they're all the same. It's one of the zoning comparison tables; Attachment C is the one I'm looking at. Right behind that talks about lighting, the performance criteria. It says propose exterior lighting that's sufficient to provide safe circulation and is directed downward to reduce glare and impacts to the neighborhood residents. Maybe the ARB member is still here. Alex is still here? There are two ARB members here. Outside light on the proposed building would be limited and focused at the ground level and comparable in brightness for the ambient lighting in the surrounding area. I had understood that exterior lighting was not to scatter off the site, but this doesn't say that and doesn't accomplish that. I read the same language two different places.

Mr. Lait: The ARB actually did have a conversation about this at their last meeting. They did review the lighting plan that is included in the architectural plans. They found that the lighting was uplit against the building or downlighting. They felt that it was meeting the performance standard, which you called out as in Attachment E. It was reviewed.

Council Member Holman: What continues this same lighting result if it's not a condition of approval? Could the lighting be changed from the plans that are submitted? How is the neighborhood assured that this lighting impact or lack thereof is going to continue for the life of the project?

Mr. Lait: There's a couple of things I'd say about that. One is when plans are approved, there are some details that change from the conceptual approval to building permit issuance. If it is a minor adjustment, at a Staff level we will say that this is consistent with the approved plans if we believe that to be the case. If not, we would say you need to go back to the Architectural Review Board to get the approval. That's how we would address that. If there's an interest in enhancing that protection about lighting due to the location, we do know that the applicant is going back to the Architectural Review Board for signs and also to a subcommittee of the Architectural Review Board for landscape planters on the terraces. If the Council feels that this has not been sufficiently addressed or if you want to ensure there's another look at it, you could have the lighting plan be considered at the subcommittee level.

Council Member Holman: Local hiring that Vice Mayor also said would be a good idea. I guess it's a question I'll ask when the applicant comes up to address a couple of things. That would be one of the things if you'd be open to that. Dewatering, if we're going to use lifts, we could make it a requirement that the project would not go two levels.

Mr. Lait: You certainly can. I don't think that's going to be hard for the applicant to accept.

Council Member Holman: I don't think so either. I'm still not sure how to address the—I don't know how many millions of gallons of water that would be coming offsite. I'll look for Staff to respond to that. Going back to Attachment C, which is the loading requirements—this is Attachment C that's the zoning comparison table, and it's on the back side of that. It says loading space, what's required is two loading spaces for 30,000 to around 70,000 square feet. The project is 167,000 square feet and has two spaces. I'm not sure how that's consistent with requirements.

Mr. Lait: If we're looking at the same thing, it's top of the page, context-based design criteria, 18.16.090. Is that where you are?

Council Member Holman: I'm looking at Attachment C, one of the zoning compliance tables.

Mr. Lait: That's a reference to our retail standards. That is improperly noted. The one I mentioned earlier to Council Member DuBois is the

standard. It says for hotels, 100,000 square feet of hotel to 200,000 square feet of hotel requires two onsite loading spaces. That's the Code standard. What's written here is the retail standard, not the hotel standard.

Council Member Holman: There is a retail—it seems light, but also there's going to be a restaurant here. Wouldn't that require one more because restaurants always have deliveries, restaurants and bars?

Mr. Lait: There would be some additional delivery needs for those different amenity spaces, but they are amenities to the hotel, and amenity space is not parked. That's the loading spaces that we have identified. The Code-required loading spaces for the project is the two loading spaces that are provided.

Council Member Holman: I'm starting to wind down here. There was a comment by a member of the public, and then another Council Member and I had a conversation earlier. These are all the same sort of category. Some of these rooms being divided into half to make up for the prior room count, I don't know if that's accurate or not. Can we limit the number of hotel rooms onsite? There's also comments that this won't be a destination restaurant. These three things are all kind of related. This wouldn't be a destination restaurant, and also that it wouldn't have conference rooms. If those things were present, wouldn't the parking requirement be different and traffic impacts be greater? Can we condition that those don't happen in the future? The reason I say that is because, once the building is built, couldn't an applicant come back later and say, "We have this great restaurateur. We want to make this a destination restaurant. We've discovered there's a demand for conference facilities, so we want to convert some of the hotel to conference facilities." What do we do about that?

Mr. Lait: The plans do not show any conference rooms inside any of the floor plans. I think the first condition under the planning division conditions requires conformance with the plans. We would consider adding a conference room to this hotel to be a significant departure from what got recommended by ARB and if approved by Council this evening. They would have to get an amendment to their plan. That addresses the conference rooms. You're more than welcome to add a condition to amplify that fact. The restaurant, as we understand it, is intended to be used as an amenity for the guests of the hotel. There's a condition that we've added—I think it's in the first dozen or so—that talks about no signage being visible from the public right-of-way to further reinforce that this is serving the hotel. If they did change that and they wanted to have a destination restaurant, that would have a different parking standard. We would need to look at that and address that.

Council Member Holman: Thank you for identifying those conditions. I had not found those. The thing about dividing the rooms into smaller rooms to make up for the room count, is that …

Mr. Lait: I don't understand that question. I missed that.

Council Member Holman: It was something a member of the public brought up. I hadn't run across it before. The plans indicate the number of rooms, so I'm good with that. Probably my last question is about the Statement of Overriding Considerations, if I can find it. The Statement of Overriding Consideration, which is probably other places, is on Page 15 of the Staff Report. When this came forward as a preliminary review, it was not known that there was an historic building onsite or a cultural resource onsite. I'm a little concerned about what these Statement of Overriding Considerations are. The first one is that the site is an underutilized parcel that is transforming from low-intensity commercial development to higher intensity commercial development. Hotels are encouraged, adaptive reuse of historic (inaudible) cannot feasibly accommodate (inaudible) hotel. I don't know how it being on an underutilized parcel in a transforming area is part of a Statement of Overriding Consideration. I just don't understand that. Number 2 talks about the infrastructure plan and wanting the TOT income. It feels like you can more or less buy your way out of a Statement of Overriding Consideration. That's not what the applicant is portending. I'm not trying to demean you on that. I'm just saying that the way this is written it sounds like you can demolish an historic resource, which is counter to CEQA, and the Statement of Overriding Consideration is going to be—because the project is providing a lot of income to the City, then king's X. I'm really concerned about how this is written and the premise of this.

Mr. Lait: I'll take that as a question.

Council Member Holman: It's a question and a statement.

Mr. Lait: Let me ask you this. Do you want a response from Staff?

Council Member Holman: I would love a response to it.

Mr. Lait: There's a couple of things here. Amie can talk more about this if I miss some of the key components. The Statement of Overriding Consideration basically gives the decision-making body an opportunity to look at the unmitigable impacts that were identified in the EIR and draw a conclusion that based on other City policies that we're going to forego, we're going to recognize that there is this unmitigable impact but that impact, that loss is okay because these other City policies are advanced or we're achieving other certain goals. Without the Statement of Overriding

Consideration (SOC), the Statement of Overriding Considerations, that process is in place by State law for this very reason, to give decision-makers the chance to adopt an Environmental Impact Report even though it will have significant, unavoidable impacts. The Statement of Overriding Considerations includes some findings to document what those impacts may be or what those overriding considerations may be. We've listed two from a Staff perspective. The Council may have others or may want to modify these; that's perfectly fine. There's nothing magical about the number that we have here. Number one, if you don't find that to be reflective of the Council's perspective, you could suggest that be deleted. That's perfectly fine. Number two, what we've tried to do here is recognize that this Council has an ambitious infrastructure plan, and it's underfunded, and the tax revenues from—this is a policy consideration that the Council will consider about whether 2 percent of the TOT that's generated from this would go towards continued support for that Infrastructure Plan. We believe that meets the standard for adopting a Statement of Overriding Considerations should you choose to go down that path.

Council Member Holman: There are two statements. The first statement, I just can't comply with that being one of the conditions. An underutilized parcel, mmm. Transforming area, that's not part of a Statement of Overriding Consideration from my perspective. It says that hotel projects are encouraged in the zoning district and supported by the City's Comprehensive Plan. In many, many locations, it's historic preservation. Those are competing goals. It's not an overriding goal.

Mr. Lait: That's perfectly fine, Council Member. Again, that's something that we could strike from the record if that's where the Council wanted to go.

Council Member Holman: Number two—I do want to make sure I'm very clear with the applicant. This is questioning for Staff because I'm sure you've been working with Staff on this for some time. This is directed to Staff, not at you all. I want to be very clear on that. I do have a question on the Statement of Overriding Considerations. My background in those kinds of things, which thankfully don't come up very often, is you get something in real-time for a loss of something else or some other impact. I was wondering if Staff thought about part of the rooms of the hotel to be provided for housing of hotel staff. That would be part of a Statement of Overriding Considerations because we're providing some housing, especially for hotel staff.

Mr. Lait: If that were part of the applicant's proposal, if that were part of the request, we would certainly highlight that the production of housing

would be an overriding consideration to document. This is not a negotiated document. The SOC is not a negotiated document. There may have been other projects that you've considered that required an SOC, but maybe also required a planned community permit or some other kind of legislative action, maybe such as a development agreement. I don't know which one you may be thinking about. That would have been the mechanism to require some kind of public benefit. The SOC itself is not one of those legislative actions where we would require housing.

Council Member Holman: I think we're down to the questions for the applicant. One is the plan sets, those three pages, where there are large areas that go up to 60' 1". What are those? Why are there so many? Why are they so large? The other is would you consider some residential units to accommodate hotel staff as part of a Statement of Overriding Considerations. I appreciate your responses.

Mr. Popp: Thank you very much for the questions. The 60-foot that we're showing on the plans is coordinated around mechanical equipment that is on the roof. We've actually aggregated placement of those relative to the architecture to enhance the roofline of the building. We are choosing to only go to 60 feet where our Code would allow us to go 15 feet above the height limit. We're minimizing that to the degree that we can. We want to be certain that the equipment that is up there is fully concealed. Those 60-foot elements are for elevator penthouses, stairs that go up to the roof, and mechanical equipment.

Council Member Holman: It really requires—you would be the one that would know—that much square footage on the rooftop in each of those occasions? There are a number of occasions.

Mr. Popp: Different types of buildings have different mechanical systems. A hotel by nature of the design of the rooms and the demand of heating and cooling has a more distributed system. There are more pieces of equipment, and it's spread across the roof, more than you might see at the JCC building. There's this single large plant right in the center of the building, and everything is housed inside that one spot. That's not how this building works.

Council Member Holman: Is it not how hotels would work?

Mr. Popp: Not how hotels work.

Mr. Williamson: I might add that the overriding goal was to actually screen the equipment. If you see those walls, the intent is to gather equipment and put it behind walls so it looks more pleasing.

Council Member Holman: The second question was converting some of the hotel rooms even if they're smaller for hotel staff.

Mr. Williamson: I remember talking about this 2 years ago. The idea of taking a whole floor or something and making it residential is something that in certain markets can be accommodated. Certain hotel brands will allow you to segregate a building. Unfortunately, it takes many years of negotiations with the hotel licensing brand itself to accomplish. We don't have the ability to do that to start with. With our licenses with Marriott Courtyard and AC, they don't allow a mixture of residential and hotel. Like I said before, Karen, we talked about this years ago. It's something we could have tried maybe a completely different hotel brand and separate one whole floor off. The market might accept that. I don't know if you would actually find people wanting to live in one room in a hotel. It sounds good, but it's not something that the brands would allow, and probably something the market wouldn't accept. I would respectfully say I would prefer not to pursue that.

Council Member Holman: It used to be and actually still is in some places that some of the wonderful hotels people live in them.

Mr. Williamson: Especially the owner operated. I understand.

Council Member Holman: Last question for you. I'm sorry; there were three. The local hiring, is that a program that you would employ?

Mr. Williamson: What I can say is we will hire local. We hire wherever we can hire within the surrounding area. We're not going to—I don't think—say we're only going to hire within a 2-mile radius. The market won't respond. What I can say is we'll advertise locally. We will hire locally, but we'll hire wherever folks in the marketplace want to work in these hotels.

Council Member Holman: Oftentimes it's called first source. It isn't a requirement; it's a preference.

Mr. Williamson: It's a priority. We will comply. I don't completely understand the terminology, but we will certainly comply with that attempt to hire local first.

Council Member Holman: Thank you for that. I have a couple of Amendments to add to the Motion. One was the logistics. Jonathan, do you remember where? The logistics which would address queuing and idling of construction equipment. Is that agreeable to …

Mr. Lait: I think it's amending the Logistics Plan condition. I think it's Condition Number 40.

Council Member Holman: I believe it was 40.

Mr. Lait: That would be to Condition Number 40.

Council Member Holman: Address construction queuing and idling. Is that agreeable to the maker and seconder?

Council Member Fine: I'll accept that.

Mayor Scharff: Is it agreeable to the applicant?

Council Member Holman: It's a condition that the City would impose. It isn't a condition that the applicant has to accept.

Mayor Scharff: I understand. I want to know if the applicant would accept it.

Mr. Williams: Yes.

Council Member Fine: Thank you. I'll accept this.

Council Member Holman: Vice Mayor.

Vice Mayor Kniss: It's fine.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "add to Conditions of Approval 40. Logistics Plan, address queueing and idling." (New Part D)

Mayor Scharff: She said yes.

Council member Holman: The Lighting Plan. When it goes back to the ARB, if they could strengthen the language around that so that there isn't spillover lighting.

Mr. Lait: This one is not currently required to go back to the ARB.

Council Member Holman: I thought you said earlier—did I misunderstand?

Mr. Lait: The condition would be to send it back to the ARB or to the ARB subcommittee with specific direction to address the concern that you're trying to address.

Council Member Holman: I thought you had said earlier it could go back to the ARB subcommittee at the same time they're doing the signage.

Mr. Lait: It can. I was just helping with the wording. The Amendment would be something to the effect of require the Lighting Plan to return to the Architectural Review Board or the Architectural Review Board subcommittee, your choice, for review. There's something you're concerned about; it's light spilling away from the property site. I would document that.

Council Member Holman: ARB subcommittee is fine; it doesn't need to go to the full ARB. If there's a way to combine this with signage review, then it's one trip.

Mr. Lait: Signs may come later, but I get your idea. It's to be reviewed.

Council Member Holman: It's no extra time requirement for the applicant or the Staff or the ARB subcommittee. Is that agreeable?

Mayor Scharff: Is the applicant okay with that?

Mr. Williamson: We're fine, yes.

Council Member Fine: I'll accept it.

Vice Mayor Kniss: Yep.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "add to Conditions of Approval, require the Lighting Plan and signage to return to the Architectural Review Board sub-committee to address light spilling away from the building." (New Part E)

Council Member Holman: Lastly, it's a question for Staff perhaps. The applicant has said they won't go more than one level of parking garage because they can use the lifts. Should you make that a condition of approval or is Staff confident that the plans will be amended to address that?

Mr. Lait: I have not seen a plan that shows the lifts, so I can't speak authoritatively about whether it's going to happen. The applicant's architect may have drawn something up, and they may have the confidence of knowing that. I've not looked at it. It would be up to the Council if you wanted to eliminate that second level.

Council Member Holman: Mr. Popp, through the Chair?

Mr. Popp: We'd be fine with that.

Council Member Holman: It would be an Amendment then, Amendment F, to limit the underground parking to one level. That's understood because they will be employing lifts.

Council Member Fine: I won't accept this.

Council Member Holman: Even though the applicant has said fine? I'll look for a second to that then.

Council Member DuBois: I'll second.

AMENDMENT: Council Member Holman moved, seconded by Council Member DuBois to add to the Motion, "add to Conditions of Approval, limit underground parking to one level." (New Part F)

Council Member Holman: Quickly speaking to that second. I'm a little puzzled that the maker wouldn't accept this as an Amendment given the applicant has said they're fully in agreement with it. I ask my Colleagues to support this.

Council Member DuBois: I think that says it all.

Mayor Scharff: Would you like to speak to your second?

Council Member DuBois: No.

Mayor Scharff: Adrian, would you like to speak to your …

Council Member Fine: I just don't see it our place to be dictating from the dais whether it's one parking level or two. Other small things are on the edges. This is a big change I don't think this City Council really should be doing.

Mayor Scharff: Anyone else wish to speak? You better just tell me because I have a bunch of lights. Council Member Wolbach.

Council Member Wolbach: This Amendment addresses one of my major concerns with the project. I appreciate that the applicant has said that they're comfortable with it. Because the applicant is comfortable with it, I don't think it's an undue burden for us to include and provide security and certainty for the community. I'll support the Amendment.

Mayor Scharff: Anyone else wish to speak? Don't put your light on; just tell me. Anyone else? Let's vote. That passes on an 8-1 vote with Council Member Fine voting no.

AMENDMENT PASSED: 8-1 Fine no

Council Member Holman: Thank you all for your patience with all the questions. It's a complicated item and a lot of complicated issues and a complex Staff Report and FEIR. Thank you.

Mayor Scharff: Council Member Filseth.

Council Member Filseth: I had a few questions primarily for Staff. I'm still a little confused on the whole parking thing. Can you just briefly walk through the numbers? How many required by Code? How many are there? How many will be served by lifts? How many are going to be valeted? Does it all add up?

Mr. Lait: As I understand it, there's 294 parking spaces required, one for each of the hotel rooms. Applicant is now proposing to provide 194 parking spaces and not requiring the reduction. Many of those would be in parking lifts. As I understand it—Randy can correct me if I'm wrong—the parking is met for the project.

Mr. Popp: I'm just going to correct Mr. Lait. He just misspoke in the midst of this. It's actually 294 spaces. For the 294 rooms, we are planning to provide parking for 294 vehicles. Within that, 236 spaces will be physical spaces in a combination of within the parking garage at-grade and within mechanical lifts. There's a limit to how many we can put in mechanical lifts of course. The remainder, which are 58, will be provided as valet spaces within the aisles. The requirement for that is that we maintain free-flowing access through the garage. We can only park one side of the aisle at any time. It's easy for us to accommodate 58 cars within the garage footprint. We only do that when we get to capacity, which we expect will be never.

Council Member Filseth: I understand. Thanks. That's helpful. The 236 physical ones include the ones in the lifts?

Mr. Popp: Yes. It's a combination of—however that ends up playing out.

Council Member Filseth: I wanted to ask Staff on the dewatering issue. I had a similar question to Council Member DuBois earlier on this. What mitigation measures are we going to use? If I understand what he said, he said we're going to wait until we see the geotechnical review, and then we're going to decide what we have to do. Is that accurate?

Mr. Lait: Decide what we have to do in terms of …

Council Member Filseth: Mitigation measures to minimize dewatering.

Mr. Lait: I want to be technically clear on this because there's a distinction between mitigation measures that you find in the California Environmental Quality Act, which would be an impact, and we'd have to have identified that. Our conclusion was this is not an impact. The reason it's not an impact and does not require a mitigation measure is because the City has adopted its own local standard, which is applied to every project. This is a standard condition that we impose. That standard condition includes getting the geotechnical report. There's a whole list of criteria that the Council has recently adopted that has to be met and satisfied.

Council Member Filseth: Thank you for correcting me. I think I've misused the word "mitigation."

Mr. Keene: Jon also had mentioned the fact that we have a planned evolution in our dewatering regulations that would add some of these measures in 2018. Our expectation is to probably be back to the Council by the end of calendar year 2017 in order to have those in effect when this next construction season takes place.

Council Member Filseth: Is this project subject to those measures?

Mr. Keene: I think it's going to be dependent upon where they are in the process. I would imagine that we're going to have that next round of dewatering regulations in place when the project is under review.

Council Member Filseth: The question I'm asking is how much water are we talking about here. I'm struggling a little bit on Council because you're asking us to approve the EIR, and yet we don't know exactly what we're approving until we know how much water is going to be gone. We don't know that until we know the plan for how we're going to dig. That's what I'm grappling with a little bit here. Do we have an estimate on what the maximum amount of water that we're going to pump out is?

Ms. Ashton: We don't have estimates on the amount of water that would be dewatered. First of all, we don't know yet if it's one story or two stories. The geotechnical investigation …

Council Member Filseth: We just heard it was one story.

Ms. Ashton: It did not address the volume of water. We looked very closely at the City's guidelines and Ordinance for dewatering. Not only does

the applicant have to provide a detailed Geotechnical Study, they have to outline the radius of influence as far as how much water is going to be sucked out, how far will that radius of influence go, will it address adjacent structures, what's anticipated to occur, what avoidance measures could be implemented. Elevations on adjacent properties have to be marked. Vegetation has to be watered in anticipation of the drawdown of the dewatering. That's just the start. The applicant will also have to provide a groundwater use plan. This will all be reviewed as part of the grading permit. There's performance bonds to make sure that adjacent structures aren't damaged. There is already a very robust set of requirements that the City has, which makes our conclusion of less than significant impact really possible because you've addressed this through your existing requirements. That's really why we came to that conclusion.

Mr. Lait: If you're interested in additional information, I believe the applicant's team has brought their expert if you want to hear that perspective and have that information provided as testimony for the Council.

Council Member Filseth: I'm just trying to get my arms around how do we know what we're signing off on. What you've said is we're signing off on "no significant impact." I think that's what you said.

Mr. Lait: From a CEQA standpoint, we're saying that there is not a significant impact. The reason there's not a significant impact is because we have a standard—first of all there's no threshold of significance that we have locally for what an impact would be. What we do have are some standard conditions that we would apply. If we have a set of standard conditions that are applied to every project, that is not a mitigation measure that is required under CEQA. It doesn't mean we aren't looking at it and we're not concerned about it. We will look at that. We have this mechanism in place to do that.

Council Member Filseth: I think there's room for this process to be crispened [sic] as we go through 2018.

Mr. Keene: I think we'll have more specific regulations in play. Without the risk of over-simplifying it, what they will deal with is less the volume of dewatering but what happens to the water when it is pumped out, and to what extent is it reused and kept onsite versus pumped out. The real adjacent neighbor we have here is Mountain View. They have no dewatering regulations close to where we are. We do share an aquifer in this area with them. I just wanted to state that our City is making some efforts to address this problem. By 2018, I think we'll have the other tools in place.

Council Member Filseth: I wanted to ask about traffic for a second. Generally I believe the traffic report. I had a couple of questions about it. On Page 135—sorry to drag you through the weeds here. I won't take too long. On Page 135, there's a table. It's in the back of Volume 1. It shows that—it's Table 3.13-3. It shows that the intersection of San Antonio Road and Leghorn Street, the delay in the morning actually decreases. Given that every single car that leaves that hotel in the morning is going to go through that intersection, I thought that was a little bit counterintuitive. I was curious whether there was any color on that.

Ms. Ashton: We might have to have our traffic expert fill us in on the math behind the numbers here.

Mayor Scharff: Is this the traffic expert?

Mr. Lait: There's two folks here; you decide who you want to hear from. There is the applicant's—we've made a shift in how we do traffic and parking analysis. Now the City goes out and hires the consultant. This project predated that policy. The applicant's traffic consultant is here. That's Hexagon. We had the document peer reviewed by our contracted consultant, who agreed to the analysis. Your choice on this to who you want to hear from for this question.

Council Member Filseth: Let's go with the gentleman standing up. I assume, since this is a scientific process, we'll get the same answer in either case.

Gary Black, Hexagon: Yes, let's hope so. Gary Black with Hexagon Transportation Consultants. We prepared the traffic (inaudible) peer reviewed. Sometimes we have a case—if you add traffic, delay can slightly go down. That's because the delay is a weighted average of—most four-way intersections have 12 movements. It's a weighted average of the delay of all 12 movements. If you add traffic to movements that have delays less than the average, then sometimes you can have a slight increase. It's kind of a mathematical artifact. I think part of the reason that—just to expand a little bit. There's a lot of testimony about how the traffic on San Antonio is very busy. It certainly is, and the Traffic Study does acknowledge that. The policy that the City follows is a weighted average level of service, which means that the traffic can be busy in one direction and not busy in the other direction, and that causes the weighted average to meet the standard. This intersection does meet the standard. You look unconvinced. I want to emphasize we don't make up the rules and procedures. Those are set by City policies that we follow.

Council Member Filseth: It's a curious result. Part of the reason I read the traffic report as reasonable at least for Palo Alto is my assumption is the overwhelming majority of clientele for this hotel is going to be in the north Mountain View area. Having some familiarity with that street and part of town, I just assume everybody's going to turn right and drive down Leghorn Avenue instead of going down San Antonio and getting on Rengstorff. I hope they're going to widen Leghorn as well, but it's Mountain View's problem. They all do have to go through that intersection. You're probably going to give me a similar answer about algorithms and weighting and so forth. The cumulative analysis, which is a couple of pages later, projects that traffic on San Antonio at those intersections is going to increase over the next 13 years by 2, 3 and in some cases 4 seconds for the delays at those intersections. That seems awfully conservative given the massive build-out that's going on along San Antonio in Mountain View.

Mr. Black: I guess the easiest way to answer that is to say that the methodology we follow—it takes a lot of cars to change the delay. To change an entire level of service, to go from D to E or E to F or something like, it would probably take between 500 and 1,000 cars to be added to an intersection to make it move that much.

Council Member Filseth: Which we're not going to get from this hotel.

Mr. Black: No, we're not going to get from this project. One way to think about it is to think about signal cycles. This is the way I think about it a lot, how many times does the signal cycle through an hour. If you take Leghorn for example, I don't recall the cycle exactly. Let's say it's 2 minutes. It cycles 30 times in an hour. This project would add 88 cars to that intersection. That's three cars every cycle. If you think about the number of cars that are already on San Antonio, now there's three more every cycle. I would submit to you it's a pretty small number. It takes …

Council Member Filseth: I understand the argument. Thank you very much. I had just a couple more questions. In Volume 1 of the EIR on Page 43 in the redlines, in Section 3.1.2.2 there's a discussion of compatibility, which has been struck out. Why was that struck out?

Ms. Ashton: This came to us at the request of the City. I believe we have a very smart—compatibility language.

Mr. Lait: I can speak to that. I'm just trying to build my recollection on this. This was in response to a comment that we received from a Board Member. We were talking about this, and we were wanting to make a distinction between what is an environmental impact from a CEQA standpoint versus what is an area of local interest in terms of context-based

design compatibility. We were talking about—what this responds to is some thresholds of significance in the aesthetics section of the California Environmental Quality Act. It says substantially degrade the existing visual character or quality of the area or its surroundings, alter public view sheds or corridors, view corridors, or scenic resources such as trees, rocks, outcroppings, create a new source of substantial light and glare, and shadow public spaces. We didn't think that the—the way that the original struck-out language read is that it's not an impact because the Architectural Review Board is going to review the project for context-based design compatibility or whatever the standard is. We said that's not quite right. They're going to review that, but they're going to review that for the local standard. We're not reviewing context-based design criteria for these high level issues that CEQA's concerned about.

Council Member Filseth: I understand. This is a CEQA area as opposed to an ARB area, which is …

Mr. Lait: Exactly. Thank you.

Council Member Filseth: One more thing briefly. Along with Council Member DuBois on the TDM, the implementation and success of the TDM is not required for this project to—the Traffic Study and the Parking Study don't depend on the TDM, which is important. Like Council Member DuBois, I had some trouble getting to the 20 percent employee travel and 30 percent guest reductions from what we see in the plan. It's a mile to the Caltrain station. People aren't really going to walk that a lot. Have you folks thought or is it too premature—I'm assuming that most of the traffic is going to go to the North Bayshore area. There's a discussion of shuttles in the North Bayshore area. Any idea how often those would run? How many shuttles are we talking about? Have we thought about that?

Mr. Lait: These are the hotel shuttles?

Council Member Filseth: Yeah.

Mr. Lait: No. That's an area where, if Council wanted to give us some guidance on that, we would appreciate that.

Council Member Filseth: Do we have any idea how many employees are expected to ride Caltrain? At least what percentage.

Ms. Ashton: There's no estimate like that in the EIR because we didn't rely on it for any sort of reductions. We didn't dial in on that.

Council Member Filseth: Caltrain at that station runs once an hour except during rush hours where they add a couple of other trains. Given that it's a mile away, if we're expecting a lot of people to ride the train, then there's going to be some kind of last-mile problem there. Given that this isn't necessarily a requirement for this project to meet its parking and traffic objectives, we as a City are asking people to do these TDMs. I'm with Council Member DuBois. We need to go to the next level on these kinds of things. It shouldn't be just a laundry list and then a check-off, and we say we've got some effort-based stuff. If we really mean it, then we've really got to do it.

Mr. Lait: I would say that the request to put—the TDM is a requirement. That's, in part, because of the parking in the aisles. The expectation of that TDM can certainly be modified based on Council's direction.

Council Member Filseth: I understand. What I'm saying is the TDM projects that they're going to get a 20 percent reduction in employee trips and a 30 percent reduction in guest trips. I'm having trouble seeing that from what's in here. If we're going to require these things of projects, we need to see some teeth in some of these things. Maybe that's not a good word.

Mr. Lait: When you say teeth, I think enforcement and monitoring and all that kind of stuff, but there's the other part before that, which is we want to make sure it's effective and it's going to achieve the kind of reduction that we're stipulating it's going to achieve.

Council Member Filseth: That's what we want. It isn't obvious to me that buying train passes is going to fix the last-mile problem, for example. I think we really need to understand all that kind of stuff.

Mr. Lait: It may be worth, if your Colleagues concur, amplifying that interest. Maybe it's part of the one that's already been made or, if there's additive language that we want to address with respect to (crosstalk).

Council Member Filseth: I think a Motion has already been made on this, which can cover it as long as we cover it. Thanks.

Mayor Scharff: Before we go to Council Member Wolbach, these issues of TDM have come up before. What I've always been told by Staff previously was that you work with the applicant and develop a robust TDM Plan. That's what you do. Are we doing anything differently?

Mr. Lait: No. We look at each project based on what their—there's probably a sliding scale for how we address this depending on what the project is,

what the reduction is. We do sort of address this on a project-by-project basis.

Mayor Scharff: You didn't mention that. You are planning on doing the traditional process where you work with the applicant and come up with a robust TDM Plan?

Mr. Lait: Yes, that's correct. Thank you.

Mayor Scharff: Got it. Council Member Wolbach.

Council Member Wolbach: Thank you to everybody, Colleagues for great questions and Amendments, to the applicant, the public, the Staff for helping us work through a very, very complex issue. Frankly, it's a mixed bag item. I really appreciate the comments and the Amendments offered by Council Member Holman. Maybe the one place where I might disagree was I actually think we've had a really good discussion tonight so far. The conversation is not over yet. We've had an opportunity for everybody from the public who wanted to, to speak. Had an opportunity for every Council Member to speak as long as they want, ask as many questions as they want, offer any Amendments they want, offer Substitute Motions if they feel so moved. On the question of our process, in particular our process this evening, I think we're following the right and normal process. We sometimes will do a round of questions and then comments and then Motions. Sometimes we'll mix them together. Either way, the opportunity for questions, comments, Motions, Substitute Motions, etc.—I feel totally confident and comfortable that if I have any more to offer, those opportunities are there. I just wanted to say that for the record and for the members of the public. Aside from the question of the process tonight, I really agree with all of the Amendments that Council Member Holman offered. They've actually made me a lot more comfortable with this project, but it's still a mixed bag. I think there's a danger in ignoring the benefits of the project, and there's also a danger in ignoring the challenges. Ultimately, what we have to do is decide pros and cons based on what our legal obligations are and what the impacts will be for the neighborhood and what the impacts will be for the City as a whole. There's a lot of pros; there's a lot of cons. There's no getting around that, so we've got to make the best call and just do a cost-benefit analysis and use our best judgment. That's kind of how I'm looking at this. There are a couple of things that are really good. I'll start with some positives. I didn't want to ignore those. Returning to only one floor of parking is really important, and it addresses a really deep concern in the community. The color palette used is really good. I have mixed feelings about the architecture, but I'm not an architect. That's why we have an ARB. Even the ARB wasn't unanimous on everything

because some of this is subjective, and it's tough. I actually do think the color scheme is pretty good for each of the buildings. The landscaping is good, and the effort to focus on TDM is good. The fact that there are not conference rooms is good. A lot of these things interact. The question about what's the traffic impact, it can't be overstated how serious the traffic problem is on San Antonio. I live in that corner of Palo Alto, and I use San Antonio all the time. My gym is a block away on Leghorn. I go down to Middlefield or San Antonio all the time for shopping, whether it's in Palo Alto at Piazza's or going down to Sprouts or other things in the San Antonio area, just into Mountain View. Any time I get on the freeway heading south, I go right past the Jewish Community Center, another block away. There's no getting around how bad the traffic is there. The way I'm thinking about this is something is going to go there. I used to be more supportive of housing in that area. I've been convinced and the direction that this Council has decided—the decision has been made by this Council to focus less on the housing sites on San Antonio and prioritize more in the Cal. Ave. area and the Downtown area. We've concluded that decision, so it's not going to be housing. We actually indicated at the last prescreening we had, as a body the Council indicated—I thought pretty clearly—a strong preference for some kind of hotel project like this. I think it's important to note that in a couple of pre-screenings recently we're actually changing the tide of who leads and who sets the tone for what we want. When we had a prescreening a couple of years ago about the VTA Park and Ride lot over at El Camino and Page Mill, we said what we'd really rather see, instead of a bunch of offices with a teeny bit of housing, more housing with smaller units. A different developer came by and said, "We're going to try that." Now, that's that conversation there. On this project, the Council has been really clear about what it is that the Council as a whole has been looking for. It's important to note we are getting to the point where the Council is setting the tone and setting the direction and telling developers what we want rather than the other way around. I feel that is the case with this project even though I wasn't initially super enthused about a hotel here. I think that's what we've seen here. I think that history is informative. When it comes to TDM, when it comes to traffic in that area, I've had a couple of conversations with Council Members in neighboring cities, in Los Altos and especially in Mountain View. I've chatted a little bit with folks who are involved with the TMA in Mountain View, MVgo. There really is an opportunity for the City of Palo Alto and current and potential future businesses on San Antonio to work with Mountain View and their TMA, MVgo, to explore how do we pool resources or coordinate resources because there are going to be a lot of people moving in and out of this project and up and down San Antonio. There already are a lot. The people are there, but how do we get more of those people—how do we provide them with opportunities to not to have to drive in a car by themselves, how do we get more of them into shuttles, whether that's the

shuttles that this applicant is saying they're going to run or MVgo shuttles. I hope as part of the discussions, as Staff is working with the applicant, that you'll sit down or at least reach out to MVgo, Mountain View MVgo, and talk to them about pooling resources to coordinate your efforts. Mountain View has properties and key destinations at the north end of San Antonio. It's their version of the Stanford Research Park at North Bayshore. They also have key destinations at places like San Antonio Shopping Center. A lot of the segment in the middle is Palo Alto, some residents, some services like the Jewish Community Center. It looks like we'll probably be seeing hotels, and we have other businesses there as well. An opportunity for collaboration along San Antonio, which really is a shared street between the two cities—I think there's a real opportunity here. I think that would exist whatever happens with this project. That's something for us on the Council and the community and Staff to really think about. If this project does move forward, that could be a real support. Connected with that, I wanted to ask a few questions. By switching from two floors underground to one floor underground, besides improving or besides reducing the amount of dewatering and reducing the concerns that we have around that, the applicant's going to save some money as I understand it. My question is with some of the financial savings that the applicant will enjoy from having mechanical lifts, which are frankly less expensive than building a whole other floor of basement, can some of those savings, maybe half of those savings, be used to further support either the City of Palo Alto, the TMA, TDM programs in general? I'm not sure whether that needs to go in the Motion or whether it could, but I'm curious if the applicant is open to that kind of a discussion. I think it would go a long way to show the community that you're really serious about really contributing to address not just the issue of fiscal health of the community through TOT but the issues right in that area and the concerns about traffic in that neighborhood.

Mr. Williamson: Cory, what I can say is from day one in this City, when we came here a few years ago, we have wanted to be a strong part of the community. What I can tell you is we want to work with Staff. I love the ideas you had about, instead of having our own shuttle, contribute greatly to some program that's much more efficient, that really accomplishes something in town. We're all for those ideas. We want to be an active part. If this idea of we save some money on the garage and that goes to a program, we're all for it. I don't care how you want to do it, if you want to put it in the Motion. Whatever you guys want to do, we want to be part of this program, part of the community. We want to do positive things. It's hard to sit here tonight and predict what that means. If everybody's head is trying to do the right thing, we're going to be a good contributor to it.

Council Member Wolbach: I appreciate that. If it's okay with the maker and the seconder, I'd like to offer a friendly Amendment. The savings from going from two floors of basement to one floor with lifts, half of that money be returned to transportation efforts.

Mayor Scharff: The applicant's fine with that?

Council Member Fine: I'm not going to …

Mr. Williamson: (Crosstalk) accept that language of (inaudible).

Council Member Fine: I'm not going to accept that.

Council Member Wolbach: Would anyone else be willing to second that?

Council Member Holman: Yes.

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Holman to add to the Motion, "direct the Applicant to direct half of the money saved from reducing underground parking to one level towards additional transportation mitigation measures." (New Part G)

Council Member Wolbach: I'll just speak to it briefly. Thank you for the second, Council Member Holman. Thank you for the support, it sounds like, Vice Mayor Kniss. Real briefly, applicant says they're okay with it. I think it addresses one of the key concerns around this project. It makes me more comfortable with the project. I hope you'll support it.

Mayor Scharff: Let's vote on the board. That passes on a 7-2 vote with Council Members Tanaka and Fine voting no.

AMENDMENT PASSED: 7-2 Fine, Tanaka no

Council Member Wolbach: Thank you. I appreciate that. There was a concern that was raised earlier …

Mr. Lait: Excuse me. I'm sorry, Council Member. I know that we heard from Mont, who said he accepted that, but I think he was off the microphone. Since we're adding that condition, if we can get his acceptance of that condition on the record, that would be helpful.

Mr. Williamson: Accepted.

Council Member Wolbach: Thank you. Thank you, Staff, for confirming that. A lot of my concerns have already been addressed by Council Members Filseth and Holman in particular. Again, it's a mixed bag. I think I'm going

to be supporting the Motion with these Amendments that address some of my biggest concerns that I had coming in here this evening. I appreciate particularly members of the community. I understand that this isn't the project you want to see across the street. Based on previous direction that this Council has given and the process that's happened, I think it would be inappropriate for us at this point, especially with these Amendments, to turn the other direction and reject the project. I'll be supporting the Motion.

Mayor Scharff: Council Member Kou.

Council Member Kou: I'd like to find out approximately how many—we know that there's 294 rooms with 294 parking spots. Approximately how many employees do you expect at one time at the premises?

Ms. Ashton: According to the information provided to us for the EIR, they said a maximum of 15 employees onsite at once at any time.

Council Member Kou: Fifteen.

Ms. Ashton: Up to 50 total employees.

Council Member Kou: With the cumulative impacts that were listed in one of the pages—I forget which one—I didn't really see—you did mention that you have 400 South San Antonio and 405 San Antonio in there. I noticed there were a few others. What I didn't notice was 2645 and 2655 Fayette, 1740 West El Camino Real, 1984 El Camino Real, 2268 El Camino, 2300 El Camino. Let me see here. 1984 El Camino has 160-unit apartment. 2268 El Camino has a 204-unit residential apartment. 2300 El Camino Real has a 117-room hotel. The other ones, I think, you can also find out yourself. Those are also down the line cumulative impacts. I'd like to find out how does that impact the EIR. In a way, I look at this EIR as somewhat missing in stuff.

Ms. Ashton: It sounds like—correct me if I'm wrong—most of those projects, as far as cumulative impacts, we're really talking about traffic. They sound like they're a little farther. Are these in Mountain View or Palo Alto? I apologize; I'm not familiar with that.

Council Member Kou: They're all in Mountain View, right around the San Antonio Center.

Ms. Ashton: A lot of activity over there. I can tell you that, for the purposes of—here we go. I've got my list here.

Council Member Kou: This is also listed in Mountain View's February 2016 Planning Division update.

Mr. Lait: What was the date on that one?

Council Member Kou: It just says February 2016. I don't expect you to discover it right now because it wasn't in there.

Mr. Lait: Amie can speak more to this. When we do the Notice of Preparation—State law provides that we have to send this Notice of Preparation, (NOP), out that says we're about to embark on this effort to prepare an EIR. That's the starting place for our baseline. If projects were filed after that date, they wouldn't be on this list because we analyzed those as part of the cumulative impacts. It's only the project that—I'm not making a comment as to whether they should or shouldn't be on this list right now. As a reference point, projects prior to that timeframe should be on that list. Projects after that timeframe would not be on that list because there has to be a place where we have our pens down and we start analyzing the project. That's at the Notice of Preparation by State law.

Council Member Kou: I guess my issue with that would be it's not updated. We don't actually know the traffic count when these projects are going to be done. Somebody mentioned in the audience, I think—I don't remember who—that the traffic report was not updated. It was 2015. If I remember, it was 2016. With the project that is the hotel, the cinema, and the offices, they've come along progressively. At what point are those going to be updated in terms of the traffic?

Ms. Ashton: For the cumulative traffic conditions analysis, because traffic conditions are analyzed a little differently in a cumulative scenario as opposed to …

Council Member Kou: I noticed that (crosstalk).

Ms. Ashton: … aesthetic impacts or dust impacts, things like that. For the cumulative conditions scenario for traffic, they used a horizon year of 2030, which is the forecast year of the ongoing Comprehensive General Plan update process in Palo Alto. They also used Mountain View's General Plan and San Antonio Precise Plan forecast years of 2030. That growth was actually built into the traffic analysis. For other areas of impact—again, I'm thinking aesthetics, noise, those other resource areas—you're talking about very localized cumulative impacts. Those projects are too distant to really be considered. Again, for traffic the list wasn't used. They used a cumulative scenario horizon that already incorporated all of that growth that

we foresee in our General Plans, for both us and Mountain View. That's built into the traffic cumulative analysis.

Council Member Kou: Considering San Antonio Road is such a thoroughfare from east to west and it's a big connection point, to be so isolating in viewing your traffic counts is disturbing. After all, one place affects another. I'm kind of disappointed with this FEIR. Another question I have is—if that's the case, then 2580 California Avenue, which is the old Safeway, since it hasn't even been thought about what is going to go in there, it's impact is completely not looked at when we know it will be developed, which is why it's another concerning point for me. Is the potential closing of Castro Street to pass through onto Central Expressway something you guys took into consideration on how it might impact traffic going onto San Antonio?

Ms. Ashton: Castro Street, we can pull Gary up. It might be a little too far away from this particular project. I think this project would generate approximately 1,200 new trips. To incorporate a closure of a street like Castro, I don't believe it was included only because intersection impacts wouldn't extend that far.

Council Member Kou: I think enough Council Members have spoken about dewatering. I think our local standard is very low. That's a big resource that we're losing out on, and we're not fast enough to act on it. Even though Mountain View has nothing, that doesn't mean to say that we shouldn't up our standards on dewatering and ensuring that we save our water. Those are some of the highlights that are missing in this FEIR for me. Thanks.

Mayor Scharff: I wanted to say a few words. First, I'd like to thank the public for coming out. I wanted to thank my Colleagues for the Amendments that were made. When I listened to the public speakers, I heard a bunch of different concerns with traffic being the overriding one. One short Amendment I'd like to make to it myself is where it says "direct the applicant to direct half of the money saved from reducing underground parking to one level towards additional transportation mitigation measures," I'd like to add the words "with preference to relieving congestion on San Antonio Road." If that would be acceptable to—it's to Adrian.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part G, “with preference to relieving congestion on San Antonio Road.”

Mayor Scharff: What I heard the neighborhood come out and say is "what are we getting out of this?" I wanted to address that a little bit. I heard some neighbors suggest that they would prefer a housing project there. In

general, when you look at these traffic studies, housing projects create more traffic than hotels. If we built a housing project there, frankly, you would have more traffic than you will have with this hotel. I believe with this Amendment there will be money to hopefully do some mitigation on relieving congestion on San Antonio Road. At the end of the day, after the hotel is built, the hotel will actually not create congestion and will hopefully even relieve some congestion on that. I also think Citywide having a hotel in this location will relieve congestion in that people won't drive from other parts of the City to get to North Bayshore. Basically, people aren't going to be coming to these hotels to vacation. I think that's somewhat unlikely. These are business hotels in which people will go to North Bayshore, probably Google, LinkedIn, places like that. They won't be driving through the City. With the addition of the shuttles to SFO and to San Jose airport, one of the great things that's going on right now around the Country is people aren't renting cars anymore. If you can get on a shuttle, get to this hotel, and then take a shuttle down to Google, you're not going to rent—it's much more convenient than a car. I think we'll actually see less traffic than we anticipate even in our Traffic Study from this. I think we've done the best we can to mitigate those issues. It's also really important not to lose sight of the fact that a hotel does create TOT. The estimate is $3.6 million, which is probably a little low in my estimation. We tend to say $3.6 million; we actually always tend to get more when it first comes out. My guess is it's probably around four, somewhere in that number. That's every year. Residents asked what they get out of that. What you get out of that is faster response times on your fire. Fire is extremely expensive. We're spending a fortune on fire. We get longer library hours. We get all sorts of services throughout Palo Alto that are funded, that other communities don't have and can't afford frankly. If we don't have growth in our hotels, in our TOT, our sales tax, and our property taxes, we won't be able to sustain those services. We saw that when the recession hit in 2008-09 basically. I forget exactly, but it was something like $20 million we had to cut out of the budget. That was quite painful and quite difficult. In fact, if I recall, we basically got rid of the traffic team. A lot of people have focused on the fact that, for a while there, there was not a traffic team. Traffic enforcement was way down. We saved crossing guards. I remember that, but that was close. I remember that there were several Council Members that wanted to do away with the $1 million subsidy to Children's Theatre, arguing that it only serves a small number of students; therefore, we should cut that. When you go through and start to do that—we had as many or more people on each one of those issues coming to talk to Council as we went through those issues. I don't think we can underestimate the fact of how important it is to have a strong fiscal health in the City. That doesn't mean you should approve the project just based on that. I'm not saying we should. What I'm saying is it's a balancing. At the end of the day, what I heard from the

public here is really traffic on San Antonio is terrible. I believe what we're doing here is we're addressing that issue while also creating more revenue for the City and frankly building two hotels which will actually look really nice. The way it steps back, the architecture, the color palette, the applicant has worked hard to make this—and has gone through the ARB I forget how many times. It was five times I think it was said, which is a significant amount. I'm also going to support the project. I actually wanted to thank the applicant for being very cooperative and working with us tonight on a number of these things as we sprung them on you, which I actually admire. Thank you very much.

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

A. Adopt a Resolution certifying the Final Environmental Impact Report, adopting California Environmental Quality Act (CEQA) findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program; and

B. Adopt a Record of Land Use Action approving an Architectural Review application, including a parking reduction, based on findings and subject to conditions of approval as recommended by the Architectural Review Board on June 1, 2017; and

C. Direct Staff to work with the Applicant to strengthen the Transportation Demand Management (TDM) measures which shall include shuttle service to the San Francisco International Airport (SFO); and

D. Add to Conditions of Approval, 40. Logistics Plan, address queueing and idling; and

E. Add to Conditions of Approval, require the Lighting Plan and signage to return to the Architectural Review Board sub-committee to address light spilling away from the building; and

F. Add to Conditions of Approval, limit underground parking to one level; and

G. Direct the Applicant to direct half of the money saved from reducing underground parking to one level towards additional transportation mitigation measures with preference to relieving congestion on San Antonio Road.

Mayor Scharff: With that, let's vote on the board. That passes on a 8-1 vote with Council Member Kou voting no. Thank you very much.

MOTION AS AMENDED PASSED: 8-1 Kou no

Mayor Scharff: Let's take a 5-minute break. I think people could use that. We'll come back and do the Comp Plan.

Council took a break from 9:47 P.M. to 9:54 P.M.

11. Comprehensive Plan Update: Review of the Introduction, Governance, and Implementation Sections Recommended by the Citizens Advisory Committee and Referral of the Entire Draft Comprehensive Plan Update to the Planning & Transportation Commission.

Mayor Scharff: It's the Comprehensive Plan Update. Does Staff have a report?

Hillary Gitelman, Planning and Community Environment Director: We do. Thank you, Mayor Scharff and Council Members. I'm Hillary Gitelman, the Planning Director. I'm joined by my trusted Colleagues Elaine Costello and Joanna Jensen. Elena Lee is in the audience backing us up this evening. We have tonight for you another discussion of the Comprehensive Plan (Comp Plan) Update. There are really three goals for this evening's discussion. One is we'd like Council review and comments on some last pieces of the draft Comp Plan Update, the introduction, governance, introduction to the implementation chapter, and the glossary. We'd like to review with you a handful of revisions to the elements based on your prior comments and a couple of other issues that have come up during our preparation of your souvenir copy of the draft Comp Plan Update thus far. This copy is clean; it doesn't show the track changes, but we do have track changes available on our website. You received tracked copies of the sections that we're focusing on this evening in the Staff Report. We're also hoping that this evening you will formally refer the draft of the Comp Plan Update to the Planning and Transportation Commission for their formal review. As we've discussed before, it's a 90-day review. Our intention would be to start that on June 30th, which is about the time it will take us to prepare and transmit your comments to the Commission. I should mention that the Commission had a discussion about how they would conduct their review and asked me to pass on a request for more time and for a time period that would start later in the summer. I said that I would convey that request to you. Just briefly talking about the sections that you have in front of you this evening. First, there's an introduction. You'll find, if you review that closely, it really perpetuates most of the major themes from the existing Comp Plan Update. There are a few updates there, and we're happy to hear your comments on

those. We've also provided an updated governance chapter. Most of the updates are clarifications to reduce redundancy, make it a little more clear and, of course, we also wanted to update the chapter to reflect today's technologies. The implementation section, we provided you the whole shebang with the table and everything, but we're asking you please to focus on the introductory text. I think the table still needs some work, and we will bring that back to you after the Commission's review for your final consideration and adoption. In the introduction, you'll find we spent some text and time explaining how the programs are intended to be used. These are programs that also appear in other elements of the Comp Plan. Also, we make it clear that the priorities will be necessarily adjusted over time. All of these sections were recommended to the Council by the Comp Plan Citizen Advisory Committee (CAC). There are some key revisions to other elements that are mentioned in the Staff Report. Most of these are per your prior direction. I do want to mention a few of them. First, of course, we've added an autonomous vehicle policy, which was one of the Council's requests. We've also revised the level of service policy based on a Council—actually it's a program—request. Actually, the Council's request caused us to make a few other wording changes. That's presented in the Staff Report. There's a revised program about transportation impact fees. We got a letter this afternoon from Stanford raising some concerns about this, so I'm going to ask the Council, if you wouldn't mind, to hold your review of that set of changes. I think we'd like an opportunity to meet with Stanford and bring that back to you with some changes after the Planning Commission's review later in the fall. We included at your request a revised version of the school impact policy that was formerly in the Community Services Element—now, it would be in the Land Use Element—and a revised policy and program regarding historic resources, and then a small change in the natural environment section based on a Council request about the urban forest as natural infrastructure. Our recommendation this evening, just as a big picture, we'd like the Council to recommend or refer the current draft to the Planning & Transportation Commission (PTC) for their 90-day review effective June 30th. In the course of doing that, if the Council has any changes to the section we're presenting this evening or to the policies we included in the Staff Report, we'd be happy to discuss those and hear your comments. Thank you.

Mayor Scharff: Thank you very much. We have one public speaker, so I'll go to the public. Whitney McNair.

Whitney McNair: Thank you. I believe Hillary addressed my concerns. Good evening. My name's Whitney McNair. We submitted a letter today on behalf of Stanford University and the Stanford Research Park. It was just concerns about programs T-1.2.3 and T-1.24.1. It's about transportation

mitigation and impact fees. We've been following the Comp Plan process and the Environmental Impact Report (EIR) very closely. I was on the Citizens Advisory Committee. The changes actually shift the City's focus from looking at peak hour trips to daily trips. Although it's categorized as a minor change, we feel that it is a significant change. There are some concerns with that. It's inconsistent with the discussions that have occurred throughout the Council, through the program of the Comp Plan. It's inconsistent with the CAC discussions and the text in the EIR as well as the City's new Transportation Demand Management (TDM) Ordinance. The concerns we have are things like employee flex time. If you move to a four by ten schedule, which does reduce weekly commute trips and shift vehicle trips out of peak hours, that will be devalued. Also, we've been working with our Research Park tenants to ensure that they are able to meet a 30 percent reduction from Institute of Transportation Engineers (ITE) standards as it's drafted in the Draft EIR (DEIR). Although, we feel it's aggressive but feasible; we felt like we were going to be able to accomplish it if we moved to a daily trip rate instead of a peak hour trip rate. We're concerned that nowhere else this has been done, and we will have a difficult time meeting that standard. I support Hillary's position tonight. If you could continue that item and allow further discussions and analysis to occur before you make any decisions on it, we'd appreciate it. Thank you.

Mayor Scharff: Thank you for that. We have all of this before us. I'm just going to make the Staff recommendation Motion, which is that we approve the introduction, the governance, the implementation, the glossary, the revisions on transportation, land use, and the natural environment but that we defer revised TDM Program T-1.2.2 and the transportation impact fee program for Staff to have further review.

Council Member DuBois: I'll second.

Council Member Filseth: Second.

Mayor Scharff: That was seconded by Council Member Filseth. The other thing we're going to do tonight and is part of the—I don't think I need to put it in part of the Motion unless—I guess I will put it in the Motion. When it comes to the table, we'll defer a review of the table tonight and allow Staff to come back on the table. Instead, I would ask Council Members to focus on the narrative. I'll put that in the Motion as well. Is that okay with you?

Council Member DuBois: What are you calling the table? The Implementation Plan?

Mayor Scharff: Yes, the Implementation Plan. That's correct. It will focus just on the narrative of that to the extent—when Staff comes back with this.

There's another part of this that I'm supposed to say. We will also refer the entire draft of the Comprehensive Plan Update to the Planning and Transportation Commission for review and recommendation within 90 days of receipt of an updated draft document reflecting the Council's direction. That's the Motion. Thank you, Council Member Filseth, for seconding it. Thank you, Council Member Wolbach, for trying to second it. I also appreciate that. And Council Member DuBois and whoever else.

MOTION: Mayor Scharff moved, seconded by Council Member Filseth to:

A. Refer the draft Introduction, Governance, Implementation and Glossary Sections to the Planning and Transportation Commission; and

B. Refer the Transportation (with the exception of Programs T1.2.1 and T.1.24.1), Land Use, Natural Environment, Safety, and Business & Economics Elements to the Planning and Transportation Commission; and

C. Refer the entire draft of the Comprehensive Plan Update to the Planning and Transportation Commission (PTC) for review and recommendation within 90 days of receipt of an updated draft document reflecting the Council's direction.

Council Member Filseth: Can I speak to my second?

Mayor Scharff: You can speak to your second when I'm done speaking. I did want to thank Staff for putting this together. With that, that's really all I have to say on this. Council Member Filseth.

Council Member Filseth: I want to thank Staff as well. I'm really glad that we're getting to this point in this whole process. I just wanted to comment briefly on the table. That was Staff's recommendation that we defer the discussion.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: First, a question. We got a couple of copies of this. One was freestanding; it looked like this. We also got one in our Packet. I noticed at least one wording difference between the two. On G-4.1.5, it looked like there was a typo in this version. In our Packet, that would have been on Packet Page 454. If you're looking at the freestanding one, it's G-10. I just wanted to check.

James Keene, City Manager: You found it. We put that in to see whether the Council is really reading the whole thing.

Council Member Wolbach: There are probably others. I hate to proofread, but I wasn't clear about which one was the final one. It looked like the one in our actual Packet was more grammatically correct and is probably the right one. I just wanted to double check.

Elaine Costello, Management Partners Consultant: We will double check that. The Packet is the more up-to-date, slightly more recent one. There probably are some—that's going to be one of the things we do as we go through the Planning Commission. There are definitely typos that we continue to find. We have time during the Planning Commission to clean all that up and make sure we bring a …

Council Member Wolbach: That's great. That's just the reassurance that I was looking for. Just to speak briefly to the Motion, I actually really like the work that we've seen so far. Even the table was excellent. If more work is going to go into fine-tuning it, that's great to hear as well. We're starting to see the light at the end of the tunnel on this. I'm really proud of where the whole community has come in putting this together.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: If I understood you, Hillary, you said the PTC asked to have more time. Is that …

Ms. Gitelman: That's right. We had a discussion with the PTC; actually we've talked them twice about how they would conduct their review. At our last discussion, they asked me to convey to the Council their request for additional time and if their review could start after the vacation season. I said that we had already discussed with the Council, and you had the expectation of the 90 days, but I would convey their request.

Council Member DuBois: What are they asking for specifically?

Ms. Gitelman: They all had different ideas about how much time it would take. I think they wanted to see if the Council was open to more than 90 days, maybe double that, and if it could start in September instead of in June.

Council Member DuBois: They wanted both of those things?

Ms. Gitelman: Yes.

Council Member DuBois: I'll make the Motion that we amend "C" to say within 120 days from September 1st, 2017.

Vice Mayor Kniss: You mean 4 months, right?

Council Member DuBois: Yeah.

Mayor Scharff: (Inaudible) actually 7 months.

Council Member DuBois: Seven months, but they're saying they're going on vacation. The Comp Plan's important. Going into summer here, so 60-90 days we'll probably not get a lot of progress. There's a second.

AMENDMENT: Council Member DuBois moved, seconded by Council Member Holman to replace in the Motion Part C, "90 days of receipt" with "120 days from September 1."

Council Member DuBois: I'm open to adjusting these dates, but I think we should respect the PTC request and give them some additional time. I just heard this from the Director of Planning and tried to come up with something that meets what they were requesting. I do think we need to take into account the summer. We also need to give them time; they haven't been involved in the process for quite some time.

Mayor Scharff: Council Member Holman, you want to speak to your second?

Council Member Holman: Just briefly. I appreciate the sentiment, and I appreciate also the Commission has asked for this. Like us, the PTC members are going to be taking their summer breaks. I don't think we want to shortchange this. The PTC doesn't itself take a break. That's not what I'm trying to say, Jim. I'm just saying that PTC members as individuals will be taking summer vacations, so we don't want a Commission of four members being in a position of having to make significant decisions in terms of review. I think it's prudent to make a Motion as best we can to assure that the full Commission is going to be participating in this.

Mayor Scharff: I'll speak to this briefly. I know that the Chair of the Commission doesn't agree with this and believes that they can absolutely do this within 90 days. We've talked about getting this done by the end of the year. They have July, August, and September. That's more than enough time to have a number of meetings on this issue and to delve into it. I think the PTC can add quite a bit of value here in terms of looking at things on a high-level basis. I'm hoping the PTC will not go into wordsmithing and will take a much more high-level look at this. We've spent a considerable amount of time on it, and the CAC spent a considerable amount of time on it. It's referred to them based on the Code; they have a choice of whether or not to do a report. They can come back to us at that point with any concerns or any high-level thoughts they have on it. At that point, we can then look at the whole Comp Plan and make a discussion where we are and move forward. Council Member Fine.

Council Member Fine: Thank you, Mr. Mayor. I think your points are well made that at this point we are not sending the Comp Plan to the PTC for wordsmithing. We are reaching the end of this process, and it's more important to get high-level input from them. I'm encouraged that the Chair of the PTC has said 90 days is acceptable. I'm more open to the 120 days potentially, but the September start date is problematic because that really does push us into the new year. I won't be supporting it in this form, but I may be persuaded on 120.

Mayor Scharff: Just to correct it, it's seconded by Council Member Filseth. Not the Amendment, the original Motion. Council Member Filseth.

Council Member Filseth: I understand the sentiment here. From a practical perspective, if we schedule 7 months, then it's not going to be any sooner than 7 months. Whereas, if we stick to the current schedule and the PTC gets half way through it and goes, "This is going to take a lot more time than we thought," then we always have the latitude to move out the date. I think we should proceed on the original schedule.

Mayor Scharff: Council Member Kou.

Council Member Kou: May I make a friendly Amendment? I guess there's no friendly Amendment. Could we instead just say start August 1st or August 15 instead?

Council Member DuBois: I'd be willing to change the 90 to 120 days in the original Motion.

Council Member Kou: That's even more open-ended, right?

Council Member DuBois: Yeah, that's shorter. Is that acceptable?

AMENDMENT RESTATED: Council Member DuBois moved, seconded by Council Member Holman to replace in the Motion Part C, “90 days” with “120 days.”

Mayor Scharff: That was acceptable to you, Council Member Holman? Vice Mayor Kniss.

Vice Mayor Kniss: Let me just ask Staff a couple of questions. When did we begin this process? What year?

Mr. Keene: 2006.

Ms. Gitelman: The Council decided to begin in 2006. I think we really got started in 2008.

Vice Mayor Kniss: We're running almost 10 years to do the Comp Plan. Is that correct?

Ms. Gitelman: Yeah.

Vice Mayor Kniss: When is the next Comp Plan due?

Ms. Gitelman: 2030.

Vice Mayor Kniss: 2030. At the rate we're going, we ought to be putting a new Committee together now to look at the next Comprehensive Plan. Am I right? I think there's some urgency in this. It's so easy for us to say, "Let's just push it off a little further. It's summer." We're going to go, "But we'll be back." It just pushes it out one more time. I really feel committed to getting it done this year. I think it's important for us to finally deliver something that is over and done with. I'm not completely kidding about—you do have to look toward the next Comprehensive Plan. I would stay with what we've got. I won't be heartbroken if we go 120 days, but we are going to have to look at this again after it comes back from PTC. We're going to have to set time aside for that. I'm sure we'll have more additions to make then. At this point, I'd like to hold with the 90 days, end of September. As Eric just said, this might slip a little, but this allows for some slippage. With 120 days, you're at the end of …

Mayor Scharff: October.

Vice Mayor Kniss: At the end of October.

Mayor Scharff: No—yeah, the end of October.

Vice Mayor Kniss: By that time, you're …

Mayor Scharff: That means we'd just have November and December.

Vice Mayor Kniss: Then, you're into Thanksgiving and Christmas, believe it or not. For those reasons, I'm staying with the 90 days.

Mayor Scharff: Let's vote on the board. That fails on a 6-3 vote with Council Members Wolbach, Kniss, Scharff, Filseth, Tanaka, and Fine voting no.

AMENDMENT FAILED: 3-6 DuBois, Holman, Kou yes

Council Member DuBois: I had just started, if I could continue. I had a question about the language around schools. I wondered if we'd looked at what other cities have in their General Plans.

Ms. Gitelman: Actually the language derives from a review of our current policy and a consultation with our City Attorney's Office about what's in State law and what do we think the outside boundary is of what we could do in terms of asserting the importance of our relationship with the schools and school impacts. We went back and forth a few times with the Attorney's Office. We didn't then go back and compare it to other jurisdictions. We felt like this was pretty forceful in terms of where we could be with this policy.

Council Member DuBois: I do think it's an important issue to consider peak trip reduction versus daily trip reduction. I actually think both are important. We're seeing traffic throughout the day in some places, and then congestion is important. As Staff goes back and looks at that, maybe we just need different targets. We need a target for peak reduction, and we need a target for daily trip reduction. I don't think it's an either/or thing. I had a question on the glossary. I saw some interesting items that were deleted. Bulb-out, the Cal-Ventura neighborhood was deleted. Corporate citizenship was deleted. I wondered what determined what terms were added and deleted.

Joanna Jensen, PlaceWorks: We did a search of the terms that are used in the existing draft of the Comp Plan, and we deleted those terms that are no longer used in the Comp Plan. Please don't take it as a comment on the importance or the validity of those terms. It's really just a matter of whether or not it appears in the document.

Council Member DuBois: That makes sense. Thank you. I think Council direction on autonomous vehicles was that we wanted to encourage the development of autonomous vehicles. What Staff came back with was a bit different. I understand what you did, but I'm not necessarily in favor of it. I'd like to hear what my colleagues think. Saying that they need to be shared fleets is prescribing potentially a business model.

Mayor Scharff: Do you want to just go to where we are on the page? It makes it easier.

Council Member DuBois: Sorry. I'm looking at Packet Page 424 at the top, the Staff Report. The language that came back was support the introduction of fleets of autonomous, shared, electric motor vehicles. There's the idea that it's a shared vehicle, that it's in a fleet. I think those are just additional things. We should actually just support the development of autonomous vehicles and let whatever business models emerge, whether they're privately owned autonomous vehicles or part of a fleet. I'm not sure that was the intent.

Ms. Gitelman: Thank you, Council Member DuBois. Our Staff felt very strongly that, unless autonomous vehicles are shared and electric, we're not really going to see any benefits from them. In fact, we'll see impacts from them. The effort was to craft a policy that was supportive of autonomous vehicles, looking forward to the kind of changes in technology that will come but make sure that those are used in a way that creates positive change and not more congestion and more emissions.

Council Member DuBois: What was the idea of the word "fleets"?

Ms. Gitelman: I think that is extra words there. It could just say support the introduction of autonomous, shared, electric motor vehicles.

Mayor Scharff: I'm fine with taking out the word "fleets."

Council Member DuBois: If a company was going to sell an autonomous vehicle, would we be against that?

Ms. Gitelman: I'm sorry?

Council Member DuBois: I'm just trying to understand. If a company was going to sell an autonomous vehicle to individuals, is that a program we wouldn't support? We'd have separate Single Occupancy Vehicle (SOV) initiatives just like other private vehicles.

Ms. Gitelman: The transportation policy experts that we work with are looking forward into the future and seeing that autonomous vehicles can either be this great boon and gift to society or they can just double down on some of the problems we currently experience in terms of congestion and air emissions. The idea is to embrace this technology but in a way that will accrue benefits.

Council Member DuBois: Again, I'm interested in what my colleagues think about this one. Again, I think we cover those other things in other policies, and we just lumped three policies into one here where this one could be specific to autonomous but still fall under all our other SOV reduction and greenhouse gas reduction policies.

Mr. Keene: Could I make a statement? There's certainly this possibility. It's not definite. I'm just curious what influence we could have on individual ownership of autonomous vehicles. That doesn't sound like that would be something in the purview of the Comp Plan, but an emphasis on shared, electric, autonomous vehicles would be appropriate. I don't even know how we would Plan to regulate private ownership.

Council Member DuBois: I think we mean clean vehicles too, right?

Mr. Keene: Yes.

Council Member DuBois: It could be hydrogen or something. We had the discussion about how long the PTC has. What are we asking the PTC to do?

Ms. Gitelman: I think our thought is that the PTC can really add value at a high level, looking at each element and the key issues that are dealt with in each element. Our thought is to help them by identifying the key issues and asking for their input on those as we move through each element.

Council Member DuBois: They would come back with options for the Council again?

Ms. Gitelman: Our thought is that they would adopt a series of Motions, just as the Council has been doing, recommending each element with a list of changes or adjustments for your consideration.

Council Member DuBois: I wanted to go to Governance Goal G-5. I don't have the page number.

Mayor Scharff: Where are you going, Tom? Sorry.

Vice Mayor Kniss: Governance, G-5.

Council Member DuBois: Packet Page 454. When I read this goal, the changed language seems much weaker than the original language. I understand the idea of shifting from specific parties to stakeholders and also talking about collaboration where change is desired versus shifting to managing change. Can you talk a little bit about those edits?

Ms. Gitelman: We're having trouble remembering exactly the derivation of that change. I think it was an attempt to make this a little broader.

Council Member DuBois: I'll make a quick Motion, and then I have one last comment. I would move that we restore the original language. I think it's good to identify the specific parties. The original language was clearer. I have a second from Council Member Holman.

AMENDMENT: Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, “restore the original language in Goal G-5.”

Mayor Scharff: I may accept this. I'm trying to actually read what it would say.

Council Member DuBois: I think the original language was new ways to encourage collaboration among the public, property owners, and the City in areas where change is desired.

Mayor Scharff: We can have a discussion on it. I'll listen to the discussion. I'm not sure I see much of a difference. I guess I won't accept it just for the moment. Do you want to speak to it?

Council Member DuBois: Again, I think we talked about this last time. I think Council Member Filseth spoke a little bit about just watering down the language. Being a little more specific here makes this a stronger goal.

Mayor Scharff: Council Member Holman.

Council Member Holman: I wish both versions or either version was stronger, but I do think the original version is stronger and levels the playing field more than what the new language does. That's why I support this.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: As a goal for how we go about governance in the City, I think it's important that we are thoughtful, inclusive in our approach regardless of whether we think change is happening in our City, in our region, in our world are beneficial or not. Maybe the change is not beneficial, and that's the time we really need to jump in and manage it. So much of what we do in government is trying to mitigate challenges, which we are not the originators of. We're trying to handle that, trying to ride a wave rather than be crushed by it. We don't always get to determine whether change is going to happen or whether it's desirable. I like the amended language more than the original, but I'd be open to some middle ground perhaps.

Mayor Scharff: Anyone else wish to speak? I have no other lights on this. Council Member Fine. I thought I saw you put your light on. No. I guess I'll just speak to it. I'm trying to understand. Tom, your point is that it is stronger to encourage where change—it's stronger to say who the stakeholders are and lay them out. Cory's argument is that it's broader to say stakeholder collaboration. It's hard for me to read this. Stakeholder collaboration to effectively manage change is much simpler and shorter. The difference in—I'm thinking as we talk about it. The practical difference is one says changes desired to, and the other one talks about all change. Most change in this City is—I wouldn't say it's desired. I would say there are pros and cons to it, and people battle it out frankly. I actually think I'm going to support Cory's interpretation on this. Let's vote unless anyone else wants to

speak. We're voting on the Amendment. That fails on a 5-4 vote with Council Members DuBois, Kou, Filseth, and Holman voting yes.

AMENDMENT FAILED: 4-5 DuBois, Filseth, Holman, Kou yes

Council Member DuBois: My last comment is back to the school impacts. It says something like—I'm trying to find it actually. The language says mitigation beyond the payment of school fees, but there are cities that are charging Tier 2 and Tier 3 fees, which are quite different. The way it reads is ...

Mayor Scharff: What page?

Council Member DuBois: I'm sorry. Packet Page 426. It says school facilities cannot be the basis for requiring mitigation beyond the payment of fees. I'm okay with the language. I would hope when it goes to PTC you might discuss whether we should acknowledge that there are different tiers of fees that can be charged depending on the situation and the impact itself.

Mayor Scharff: I'm actually not familiar with Tier 2 and Tier 3. I thought I knew most things about this stuff. If you want to maybe ask Staff to explain what that is for the public and for us.

Ms. Gitelman: I don't know a ton about it. If a school district meets certain criteria, they can raise their school fees and go to—I guess Tier 3 is the higher level of fees. Our School District has or is investigating this. It has to meet certain criteria. I don't know more than that, but it is available to school districts in the State.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: I just wanted to accept Council Member DuBois' invitation to weigh in on Policy T-1.5 about autonomous vehicles. As I've been continuing to study the issue—a quick, shameless plug for all of my colleagues. The Peninsula Division of the League of California Cities is going to be hosting a discussion about this on Friday, and I'll be moderating it. Based on my conversations with people who work in this field including our Chief Transportation Official, Josh Mello, it's very clear to me that our Staff has thought very carefully about the implications, positive and negative—also what we heard from Staff tonight—potential implications of autonomous technology. I tend to think that it has tremendous potential benefits. The question that DuBois asked was important. Does this mean that we will be discouraging private ownership? I don't think that's the case. I think this is purely positive rather than negative in doing what we can to especially encourage shared electric, autonomous vehicles, which are more likely to

lead to more benefits, and those benefits are listed here, rather than leading to the opposite, which would be more of the nightmare scenario that was alluded to by Planning Director Gitelman. I really like the language that's here.

Mayor Scharff: Council Member Holman.

Council Member Holman: Just a couple of things because somebody's got to do it. Policy L-7.2, it's also in the Staff Report on Page 8 or Packet Page 426. I'm not sure this is exactly—I didn't find it in our comments. I think there were a couple of changes that are not what we talked about here. Going to the third line, it says City Staff shall consider whether it is eligible for inclusion. I don't think we deleted "local." I think we added "State and Federal." I thought it was "local, State, and Federal." If Staff wants to comment on that first.

Ms. Gitelman: I'm sorry. Could you point me to what you're referring to?

Council Member Holman: It's Policy L-7.2. In the clean version, it's on Page L-41. In the Staff Report, it's on Page 8 or Packet Page 426.

Ms. Gitelman: Your question was?

Council Member Holman: I didn't think that we eliminated "local." I thought we added "State or Federal registers."

Ms. Gitelman: Yes. Again, we gave quite a bit of thought to this and consulted with the City Attorney's Office. We appreciated the suggestion to include State and Federal registers. When it came to including the local inventory, if you look at Title XVI, it's really the Council that determines eligibility for the local register. We didn't think that in this policy it would be appropriate that Staff would be making those determinations. We think this policy, which is a mitigation measure that we're working on in the Final EIR, is sufficiently protective of historic resources and consistent with existing Ordinance in that regard.

Council Member Holman: Then maybe we need a policy or a clarification that the Historic Resources Board (HRB) shall determine whether a project is eligible for the local inventory. I know they can initiate that. I just don't know how we protect them if they don't proactively do something. If a project is being proposed and it doesn't go to them because it doesn't, then what?

Ms. Gitelman: This is a policy that's intended to be protective of resources that have already been identified. It's just older buildings that have the

potential to be substantially impacted by a project. It's calling for the evaluation. While it's true that we focus on evaluation using the State and Federal criteria, our feeling is that those criteria, in particular the State criteria, are sufficiently broad that we will be capturing potential historic resources and protecting them with this policy.

Council Member Holman: When I read Historic Resources Evaluation (HRE) or historic resource evaluation reports, it does reference the local inventory. Wouldn't adding the City's inventory here be consistent with how the HREs come to us?

Ms. Gitelman: Again, we're trying to draft a policy that's consistent with the rules in Title XVI. Currently, it's the Council that determines eligibility for the local inventory. We focused this on State and Federal. It's not to say local inventory isn't important and shouldn't be included in the historic resources evaluation, but we didn't feel like we wanted to put Staff in the position of having to make that evaluation that is really done by the Council.

Council Member Holman: I appreciate that. I don't read this as the Staff's making that decision. It says Staff shall consider whether it is. You can always come to the Council or the HRB to say yes/no, yea/nay. A lot of projects too that the Staff reviews and goes to the Architectural Review Board (ARB) don't even come to the Council after an HRE is done. The Council doesn't see those anyway most of the time.

Ms. Gitelman: That's precisely our point. We're creating a policy here that would apply to projects that never come to the Council. If we required an evaluation of eligibility for the local inventory, it would necessitate everything coming to the Council because it is the Council that makes those determinations.

Council Member Holman: Further down in that it says "examples of minor improvements may include repair or replacement of features in kind or other changes that do not alter character-defining features of the building." I would argue that that actually is internally in conflict because replacement of features in kind could affect the character-defining features. What you want to do is repair, restore, or rehabilitate. My concern is that's inconsistent actually, as I read them, with the Professorville Design Guidelines. I've seen a lot of windows, for instance, on the front facade be replaced with windows that are quote/unquote in kind, but they really aren't because the glass is so different. You can walk around—you and I have had this conversation. You can walk around and say, "That's a new window. That's a new window. That's a new window." I'm really uncomfortable with that "replacement in

kind." It could even be on the front facade. I'd want it to say "repair or other changes that do not affect character-defining features of the building."

Ms. Gitelman: I don't want to disagree with you, but this concept of replacement in kind has been part of our review process and the Secretary of the Interior Standards for a long time. I acknowledge that replacement windows often replace the windows with sufficiently detailed windows with the right depth and complexity of the surround and the mullions but might use contemporary glass instead of wavy glass. That is still considered replacement in kind. I recognize that that might not be sufficient for everybody, but it is an accepted approach to the rehabilitation of an historic structure.

Council Member Holman: Except windows are character-defining features and are supposed to be retained. That's why I feel like this language could really run counter to retention of character-defining features. I would like to strike—examples of minor improvements would include repair or other changes that do not affect character-defining features of the building. I would like to strike in Policy L-7.2 "or replacement of features in kind." That would be my Amendment.

Mayor Scharff: Say it again.

Council Member Holman: I want to strike six words, "or replacement of features in kind."

Vice Mayor Kniss: What line is it, Karen?

Council Member Holman: It is the fourth line from the bottom, again on Page L-41 of the Plan.

Mayor Scharff: I won't accept that.

Council Member Holman: Could I get a second otherwise? If I could take you all on a tour of Professorville, you can just say, "New window, new window, new window, new window." It's not consistent with the Secretary Standards.

Mayor Scharff: Seeing no second.

AMENDMENT: Council Member Holman moved, seconded by Council Member XX to add to the Motion, “remove from Policy L-7.2 ‘or replacement of features in kind.’”

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Council Member Holman: Program L-7.1.2, I don't remember if we had a conversation about this particularly in the University/Downtown area. It says "reassess the Historic Preservation Ordinance to ensure its effectiveness in the maintenance and preservation of historic resources, particularly in the University Avenue and Downtown area."

Mayor Scharff: Where are you?

Council Member Holman: Same page, Program L-7.1.2.

Mayor Scharff: Packet Page 426?

Council Member Holman: Page L-41. Same page. Same page in the Plan.

Mayor Scharff: In the clean version. That's the clean version.

Council Member Holman: I don't know why historic resources—we are a CLG city, so it's our responsibility to preserve our historic resources. I don't know why it is particularly in the University and Downtown area.

Mayor Scharff: I have to ask Staff. Didn't we already do this element, and those are not the changes Staff is … One of the things we're not going to do tonight is go back and look at the whole thing if we've already had the discussion. Staff brought back certain things they changed. I just wanted to confirm this isn't one of those.

Ms. Gitelman: That's right. We did review this element previously. It would take us a lot of digging to figure out if there were changes there and when they happened.

Council Member Holman: Let me go then to Page L-43, and I know we talked about this. I know we did. It's Policy L-7.13. It says "continue to use a TDR Ordinance to allow the transfer of development rights from designated buildings of historic significance in the commercial … ." I know we had this conversation because we talked about it also used the Transfer Development Rights (TDR) Ordinance to allow onsite bonus and transfer of development rights. I remember saying, when we had the discussion, that there seems to be something missing here. There seems to be a lack of understanding that the preservation Ordinance allows both onsite bonus square footage and a TDR. It's not just about TDRs.

Ms. Gitelman: Council Member Holman, we spent quite a bit of time going through all of the Motions that have been adopted by the Council as you reviewed the other elements. I think you'll find those Motions in Attachment E, in that table. I remember our discussion of that policy, but there was not

a Motion that succeeded in making any changes beyond the language that you see here.

Council Member Holman: I could have sworn we did. In fact, we know that this policy is wrong because the TDR Ordinance does allow both onsite bonus and TDR.

Ms. Gitelman: There's nothing about this language that would preclude use of an onsite bonus. This is just saying allow the transfer and consider revising the Ordinance so the transfer can be used for residential as well as commercial square footage.

Council Member Holman: I remember having this discussion because, again, there was no acknowledgement that the Ordinance deals with onsite bonus.

Mayor Scharff: Council Member Holman, may I make a suggestion? We just direct Staff to go back and look at the tape of that evening. When this comes back to us …

Council Member Holman: That's a good idea.

Mayor Scharff: … after the PTC has looked at it, if Staff missed something on the tape, they can come back and tell us they did.

Council Member Holman: That's a good idea. Maybe there's some other place, but this was the place I remember it being. Those are my comments.

Mayor Scharff: I see no other lights. Council Member Tanaka.

Council Member Tanaka: I only have one, which is on Packet Page 449, G-8. Since this is going to be with us for some time, it's important for us to look at best practices from other cities. One thing that I've done is I've chatted with several people from the City of Los Angeles (LA). One of which is Ron Galperin, who's the Los Angeles City Controller, and also Juan Lopez, who's the Director of Tech and Innovation. One of the things they were telling me about is their program where they're trying to increase the transparency. The Mayor in LA, Mayor Garcetti, a few years ago started a program where he was trying to increase the transparency of the data to LA as part of this U.S. City Open Data Census.

Council Member Filseth: Budget data?

Council Member Tanaka: Budget data, yeah. Let me read what his directive—he did this directive in 2013. This is "to promote transparency and accountability, the City of Los Angeles will make publicly available raw data in easy to find and accessible formats. Open data is raw data

generated or collected by government agencies made freely available for use by the public subject to only privacy, confidentiality, security, and other legal restrictions." Since the launch of the open data initiative, Los Angeles has published over 300 data sets, all available on data.lacity.org. They actually recently won an award. They're the number one city now in the U.S. City Open Data Census. One advantage of participating in this program is that it makes it easy to compare against other cities. They try to standardize on all the formats. We are in probably one of the most tech-advanced cities in the world. We have Jonathan Reichental, who is our Chief Information Officer (CIO). He's actually published a course on Lynda called "Open Data (inaudible) Hidden Value." It's an hour-long course. You guys could certainly watch it. It seems like he's quite an expert in this. It has been retweeted many times. It's time for us in Palo Alto to grab this leadership moment. To be bested by LA is not good. I think we could do a lot better right now. What we have in our open data is aggregate department level. In LA, you can get through APIs raw, transaction-level data. I was actually talking to the staff there, asking them, "What benefits have you gotten out of this?" One of the things that Juan, their tech director—one of the success stories is parking tickets. They made all the parking ticket data available. Some industrious person downloaded the data set and found out that three-fourths of the money from the parking ticket program was actually spent on administration. Not a good thing. The other thing he mentioned was they released expense reports. By making expense reports public, amazingly the percentage of expenses actually dropped. Sunshine is actually a really good thing. It builds trust in the community. We have a very tech-savvy community, which has no problem with (inaudible) data. It might actually lower the burden for our Staff in terms of having to generate tons of different requests. It could actually allow them to do more self-serve. Given that the trend is definitely towards more openness—we are here to serve our residents, to serve our constituents—it's really important for us to lower the barrier to government, to make it easier for people to understand and trust the government, that we have nothing to hide. I want to basically add on Page 449, third paragraph, where it says "Palo Alto maintains full transparency of its actual and Adopted Budgets. As part of the City's internet-based open data portal, citizens are able to explore and analyze City expenses and revenues at a transaction level." That's the only thing I want to add, "at a transaction level." A lot of other cities have done this as well. I know Long Beach has. I know of several other Council people who have also started doing this. It's important for us to do this. With the tools out there, there's a lot more technologies that could actually process this data. We can't expect the cities to do everything. It's like an idea of crowd sourcing. This is something that Palo Alto can show its leadership. We have a CIO who's incredibly technically capable and has published countless courses on this and has given Technology, Entertainment, Design (TED)

Talks on this topic. We should at least try to get to the level that Los Angeles has gone. This will actually help improve operations in the City. It will make our residents more engaged. It also may allow us to come up with some better ideas. To think that all the best ideas are only in the Council chambers is wrong. We have a lot of smart—we probably have the highest number of PhDs in Palo Alto. Let's have them at it, and maybe they could help give some insights to the data that we have. Do you accept it?

Mayor Scharff: I'm going to let the City Manager talk to this (crosstalk).

Mr. Keene: I think we just need to understand what that means, transactional. I would say that we haven't adopted open data by default. We were the first client of Open Gov, which is one of the largest and most distributed open data financial programs in the Country that, in some ways, provides a platform for being able to make simple comparisons from one jurisdiction to the next. All of the information that we provide to Open Gov is detailed information that is organized in a way that they can use it and put it out there. I'd like us to understand what "transactional" means before you adopt this. I don't want to not respond by meaning one thing versus something else.

AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion, “add to Governance Element, Framework for Local Decision-Making, Budget Section, Paragraph 3, ‘at a transaction level’ after ‘and revenues.’”

Mayor Scharff: I'll tell you what I would accept. I like everything you said. I would be supportive of it. However, this says that this is done right now. We don't right now have the transactional data on it. I would rather add a sentence—you can wordsmith it—to the effect that the City should consider putting this data at a transactional level, if that would be acceptable to you.

Council Member Tanaka: I would accept it.

AMENDMENT RESTATED: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion, “the City should consider putting its data at a transaction level.”

Mr. Keene: I would just like to say something in general. It would be good for us to find ways to dive deeper in what our own practices are in the organization. We're committed to being leaders in this Country and in the world on open data and transparency. There's no doubt about that at all. To what extent we can be in competition with other jurisdictions and learn from them, that's perfectly appropriate.

Mayor Scharff: The City should consider putting its budget data at a transactional level?

Council Member Tanaka: What the City of LA did was they made every data set available. They had up to 300, and they keep adding more and more.

Mayor Scharff: Do you want to say it's data at a transactional level?

Council Member Tanaka: Yeah.

Mr. Keene: With the understanding of we'd like to talk to LA and other folks too.

Mayor Scharff: That's why I said consider.

Mr. Keene: To be sure we understand what we're talking about.

Ms. Gitelman: Mayor Scharff, I'm wondering if the Council would be acceptable to putting this in as a—directing us to find a place to put this in as a program. We don't really in the narrative usually have to-do lists.

Mayor Scharff: That's a good idea. Create a program, I'm with you on that. You're good with that, Council Member Tanaka?

AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff to create a Program to consider putting its data at a transaction level on the Open Data Portal." (New Part D)

Mayor Scharff: I was going to speak to this a little bit, briefly something else. Are you done? Did you mean to put your light back on, Council Member DuBois?

Council Member DuBois: I just wanted to comment on this Amendment. I wanted to thank Council Member Tanaka for bringing it up. I've actually tried to play with some of the data, and it is aggregated at a level where it's not as useful as it could be. Transactional-level data means the individual transactions. That would let people do new kinds of analysis and discover new things like he pointed out with the parking ticket example.

Mayor Scharff: Any other lights? Anyone want to speak? I'm just going to speak briefly. I wanted to go back to autonomous vehicles a little. Where was it? On Packet Page 424. We should take out the word "fleet." It should say "support the introduction of autonomous, shared." I don't believe that's the future; I think it's the Betamax. I know that the State of California is actually funding a bunch of hydrogen stations, and there's a bunch of other

hydrogen cars. Even as much as I would like to choose electric over hydrogen, I actually think we should say clean, but I'm open to another word.

Ms. Gitelman: Alternative fuel.

Mayor Scharff: Alternative fuel.

Male: Electric drive.

Mayor Scharff: Electric drive, is that …

Male: Fuel cell or electric drive.

Mayor Scharff: I don't know. At the moment, I'm going to say "clean." I think we should say "support the introduction of autonomous, shared, clean vehicles" and leave it at that with the goal …

Vice Mayor Kniss: Instead of electric?

Mayor Scharff: Yeah, instead of electric. I don't think that's the truth. Do you accept that?

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "replace in Policy T-1.5, 'of fleets of autonomous, shared, electric motor' with 'autonomous, shared, clean.'" (New Part E)

Mayor Scharff: I did want to talk a little bit about autonomous vehicles. I think Staff's missing a little bit here. I actually do think we should encourage autonomous vehicles. I'm not going to put it in here because I don't think this says we shouldn't. One of the great advantages of autonomous vehicles is, if everyone adopts autonomous vehicles as opposed to—then we'll basically double our road capacity. If we have mixed flow, you don't get that benefit. What we really want to do is have everyone do it or possibly have dedicated lanes towards that. As the technology develops and we see what happens, that will make itself clear. This notion that we could end up with a lot more traffic is true. On the other hand, it may also be true that if we double the road capacity, the difference in that may well be subsumed dramatically. The other huge advantage of autonomous vehicles is you don't have to drive. You can sit there and do work and other things, which is sort of like taking the train. People are much more willing to have a longer commute. Some people have said that's a negative in that people may actually be willing to have a longer commute. Overall, people

will be happier with autonomous vehicles, not to mention that, if you're old and aged—since I'm heading in that infirm category, I can feel it every day.

Mr. Keene: How much longer will that actually take?

Mayor Scharff: I'm thinking they might take my license any day now. That ability to get out of your house and do that, there's huge advantages to the old and aged and, frankly, for kids—I think we're already seeing that—for drunk driving, for all sorts of things. I think Tom's actually correct that we should be supporting autonomous vehicles. I don't think it makes much difference at this point.

Vice Mayor Kniss: Do you think we're not supporting them?

Mayor Scharff: That's the point. I think we are in fact …

Vice Mayor Kniss: We are.

Mayor Scharff: I think we are too. The fact that we don't actually say that, I'm okay as long as we make those changes. Council Member Wolbach, you wanted to comment on my comments.

Council Member Wolbach: At the risk of sounding argumentative, you just suggested that it's Betamax, so why change electric? If we had Video Home System (VHS) in there, why change it to Betamax? I think electric is the future. That's the broad consensus in transportation experts and the industry. I don't see the need to change it from electric to clean. As far as the benefits for the individual of autonomous vehicles, I absolutely agree. The market's going to take care of that. The question is what do we as government want to do. It goes back to the question about managing change. Change is coming, but how do we want to manage it? The way for us to manage it and the way for us to—where I think this gets at and why I think the language is good is it gets at where we should try and exert our influence to whatever degree we can, whether it's through our lobbying efforts or through our policies in the City, to help emphasize a steering of technology in its utilization in particular ways, which will have the greatest benefits for the many, not just the benefits for the few which are going to happen anyway.

MOTION AS AMENDED RESTATED: Mayor Scharff moved, seconded by Council Member Filseth to:

A. Refer the draft Introduction, Governance, Implementation and Glossary Sections to the Planning and Transportation Commission; and

B. Refer the Transportation (with the exception of Programs T1.2.1 and T.1.24.1), Land Use, Natural Environment, Safety, and Business & Economics Elements to the Planning and Transportation Commission; and

C. Refer the entire draft of the Comprehensive Plan Update to the Planning and Transportation Commission (PTC) for review and recommendation within 90 days of receipt of an updated draft document reflecting the Council's direction; and

D. Direct Staff to create a Program to consider putting its data at a transaction level on the Open Data Portal; and

E. Replace in Policy T-1.5, "of fleets of autonomous, shared, electric motor" with "autonomous, shared, clean."

Mayor Scharff: Seeing no other comments, if we could vote on the board. That almost passes unanimously, but I'll vote for Vice Mayor Kniss since she's not voting. Are you voting? That passes unanimously. With that, that ends that item.

MOTION AS AMENDED PASSED: 9-0

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Scharff: Now, we're on to Council Member Questions and Comments. Let me just see—Council Member Holman, did you just put on your light?

Council Member Holman: Mm hmm.

Mayor Scharff: Council Member Holman.

Council Member Holman: I have a question. Why are we not meeting on June 26th?

Mayor Scharff: Because we're meeting on June 27th. That's why.

Council Member Holman: Why are we not meeting on the 26th? Here's the reason I ask the question. Today we got an email saying that we won't be meeting on the 28th. We'd been holding that date. I'm really concerned about having just one day, one meeting for the budget. We always allow two in case there are spillover issues or carryover issues. I'm really, really

concerned about that. I'm just wondering why we're not meeting on the 26th with the 27th as a carryover, if we cancel the 28th especially.

Mayor Scharff: We were going to meet on the 27th with a carryover to the 28th. I was informed today, today, that we're only going to have—we would be missing two Council Members on the 28th. I'm going to get with the City Manager, and we will talk about whether or not it's necessary to meet on the 26th. We'll make that decision.

Council Member Holman: We won't know whether it's necessary to meet on the 26th until the 27th, when we don't have another date.

Mayor Scharff: I disagree. We'll go through it and see whether or not we think there's a possibility that it'll go over. We'll come to that decision and let you know. We may also doodle for that day, if that's an issue. We don't have a regularly scheduled meeting on that Monday or Tuesday. They're both special meetings. That Monday is not our regular day.

Council Member Holman: I don't understand why. It's the fourth Monday, and we always meet the fourth Monday.

Mayor Scharff: We don't. We don't have a Council meeting scheduled for the fourth Monday. We just always tend to do it because …

Council Member Holman: We almost always do.

Mayor Scharff: That's because people take huge amounts of time to talk, and we end up going over, and we end up having to have more Council meetings than we normally expect. That's why. If I recall, when you were Mayor we had a similar number of Council meetings. Council Member Questions, Comments. Tanaka.

Council Member Tanaka: I have a question about questions. I thought the deadline to get questions in was Wednesday. I sent mine Wednesday, and I was told by the City Manager that basically, because I sent it in at 8:00 P.M. versus 5:00 P.M., which I didn't realize there was a 5:00 P.M. deadline, he wasn't going to answer them or that he was going to ask Staff to answer them. To me, it didn't make sense because Staff usually goes home at 5:00 P.M. What's the difference between 5:00 P.M. and 8:00 P.M.? They're still going to answer it, I assume, the next morning. I guess I just wanted to understand is this a new rule and why do we have this rule. Why not just get it in by Wednesday? Why is there a 5:00 P.M. deadline? Why wasn't that communicated as well? I think that's important.

Mayor Scharff: I'm going to let the City Manager answer that one.

James Keene, City Manager: The end of the workday is 5:30 P.M. The idea is to get the questions in when the Staff is here, not after they leave. There's always a possibility for us to—what we really want to be able to do is get going. That's the day we set it for. Maybe we need to have a longer discussion about this.

Council Member Tanaka: You didn't tell us the time though. You said Wednesday. You didn't say 5:30 P.M. Wednesday or 5:00 P.M. Wednesday.

Mr. Keene: The other issue is the 1-hour rule related to questions. We're getting a lot of questions, and we're really going to have to manage to the 1-hour rule. That doesn't mean, in our view, 1 hour per question. It's 1 hour per Consent Agenda to answer questions. The alternative is the Council can always then on your rules pull items off the Consent Calendar if we haven't answered them in advance.

Council Member Tanaka: One of the reasons why I sent questions in is because I really view Council time as being extremely valuable. I don't want to waste nine people's time here on the dais. I try to send questions in ahead of time so that we don't have to dig through the stuff on the dais. We're kind of prepared. That's why. I'm just trying to save—I think the most scarce time is actually Council time. We want to optimize it. The more we can do outside of Council, the better. That's what I'm trying to do. That's what I was trying to do. I didn't realize we had this arbitrary 5:00 P.M. deadline. That wasn't communicated.

Mr. Keene: It's not arbitrary. What we need to do is have a discussion about capacity in the same way that we were talking about what it takes to get things accomplished. That's what we're really about. If nine Council Members ask us ten questions on three different items, that's a tremendous impact on the Staff. We just need to be able to be transparent about what that is. That's all. The whole Council needs to give us some guidance on this.

Mayor Scharff: I agree with Council Member Tanaka a little bit in terms of 5:00 P.M. wasn't communicated. Now, it has been communicated; we've had this discussion at Council. The rule is 5:00 P.M. on Wednesday before the Council meeting.

Mr. Keene: It's not arbitrary. This was part of the whole push-back on us getting the agenda out a whole week in advance, so the Council had 11 days before a Council meeting. This idea that you could get these in time for us to be able to prepare responses, particularly sometimes when we have a Friday that's a 9/80 Friday and people aren't available. We want to be sure

we can get them out in the Packet the next day on Thursday. That's what the thinking is.

Mayor Scharff: I think there's one other issue on the 1-hour rule. It's hard for a Council Member to know when they ask questions how much time it's going to take and what's included in the 1-hour rule. I'm wondering what's a good solution to that. Should Council Members prioritize their questions in order of what they want answered? It's an interesting question. If you get five questions from a Council Member and the first three take up the hour, do you just not answer the second two? That's probably the simplest way to do it. Or does Staff just pick and choose? That's the default—we haven't really had that discussion.

Mr. Keene: We just need to have a longer discussion. Maybe you ask Policy & Services Committee (P&S) to take a deeper dive at that. They are the ones who work on the Council procedures and protocols.

Mayor Scharff: I'm going to leave it up to you. Instead of referring it to P&S, I'm just going to let Staff generate that, if they want, to P&S or would you prefer us refer it to Staff right now for P&S?

Mr. Keene: I can take it to P&S also.

Mayor Scharff: That's right. The City Manager has that authority. Council Member Holman.

Council Member Holman: Related to this, two things. It's not clear, I think, if there's—for tonight's meeting, we got as late packets on Thursday of just last week the items of the Marriott Hotel and 260 California Avenue. It's not clear at all when questions on those items could be submitted. Where that leads me is that every year it's in our procedures and protocols that the Policy and Services Committee review our procedures and protocols. It did not happen last year to my recollection. It needs to happen this year. This is one of the topics that should be taken up.

Mr. Keene: Right. I think the whole discussion about the Council being effectively informed and the Staff effectively being able to support the Council fairly equally with an understanding of what you all need and to understand the reality of the capacity we have on our Staff. That's it.

Council Member Holman: Is it up to the Chair or the City Manager and Chair of Policy and Services to agendize a review of the procedures and protocols?

Mayor Scharff: It's up to the Chair and the City Manager. I'm hearing they're going to do it.

Mr. Keene: Happily.

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: Just a report that last week I was in Pittsburgh, Pennsylvania, for the national Air, Water, and Waste Management conference. Climate change was the big discussion. We discussed oil and gas and all the kinds of things that we seldom discuss around here, except that we do at Air Board. I just wanted to share a little bit. Much of the Country does not believe climate change exists. I heard a couple of very strong arguments about that. Also, probably one of the most interesting people I heard talk was a consultant from Oklahoma, who spoke at length about how difficult it is to have to adhere and accommodate to incredible regulations that come out of the government. It's fascinating. For all of you, when you have a chance, get out of town. Pittsburgh is, by the way, very pretty. We really admired it. It's always a shock to think there is such a different way of thinking. If you wonder why we have the current president we do, I heard a lot at this conference about why people supported him. Anyhow, I was obviously being sponsored by the Air Board. If any of you get a chance to do something like that, I'd urge you to do it.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: I just wanted to look back on something that Council Member Holman had raised earlier this evening and ask that, as she mentioned, we adjourn the meeting in honor of Pat Briggs.

Mayor Scharff: I agree. We'll definitely adjourn the meeting in honor of Pat Briggs. Council Member DuBois.

Council Member DuBois: I actually wanted to go back to the question about Monday meetings. I would just say generally I book all my Mondays for Council meetings. It really is hard on the schedule when they appear on a Tuesday or a Wednesday. It wasn't clear why the Monday meeting was canceled or not used on Monday. I would just urge us to look at Mondays first.

Mayor Scharff: Council Member Fine.

Council Member Fine: I just wanted to note, since no one has yet, that the Warriors won.

Mayor Scharff: That's good. I will just report that Metropolitan Transportation Commission (MTC) and Association of Bay Area Government

(ABAG) have merged their staffs. That is effective July 1st. With that, I'll adjourn the meeting in honor of Pat Briggs.

Adjournment: The meeting was adjourned in honor of Pat Briggs at 11:10 P.M.