The City Council of the City of Palo Alto met on this date in virtual teleconference at 5:00 P.M.

Participating Remotely: Burt, Cormack, DuBois, Filseth, Kou, Stone, Tanaka

Absent: None

Study Session


City Manager Ed Shikada noted that the Agenda Item was scheduled in response to the Council's desire to revise the contract with the Office of Independent Review (OIR).

OIR Consultant Michael Gennaco reported OIR monitored the Palo Alto Police Department's (PAPD) internal investigation and review of misconduct allegations and prepared reports of its findings and recommendations. The Council increased OIR's scope of work in the summer of 2021 to designate the frequency and timing of reports and regular interactions with the Council. OIR was currently reviewing cases received in the past year and planned to issue a report no later than December 1, 2021 and meet with the Council in early 2022. Similarly, OIR was going to issue a subsequent report prior to meeting with the Council in August 2022. When PAPD received a complaint or completed an investigation, it notified OIR and provided a package of materials for OIR's review. OIR was provided unlimited access to PAPD materials.

OIR Consultant Stephen Connolly advised that OIR's scope of work now included review of certain human resources (HR) cases in which the public was interested and that related to the overall functioning of the agency. The Council also increased OIR's review of use of force cases and included supervisory inquiry investigations in OIR's scope of work. PAPD developed a multi-level system to review all use of force incidents that met a certain threshold of significance. PAPD provided its investigation package to OIR for review and recommendations. OIR's review focused on the rigor and legitimacy of PAPD's process. The December 2021 report included four Internal Affairs investigations, two complaint cases from members of the
public, four supervisory inquiry cases, two Taser deployments, and four other use of force incidents. OIR received regular notifications and timely responses from PAPD. Several times a year, OIR served as the liaison for complainants. OIR provided PAPD leadership and the Police Association with draft reports to ensure their factual accuracy.

Mr. Gennaco indicated that the report provided to the Council in August 2021 discussed three cases. With the new scope of work, the next report was going to discuss 16 cases. State law required all agencies to receive complaints from the public and inform the complainant of the outcome of an investigation. PAPD’s reports of outcomes were formulaic and essentially identical and did not inspire confidence that PAPD conducted a thorough investigation. OIR recommended PAPD revise its reports to discuss the investigative process. PAPD now customized its response to each complaint and investigation. OIR's new scope of work included discussion of trends and general findings based on the cases reviewed.

Winter Dellenbach remarked that the improper processing of complaints as informal inquiries was unacceptable. If the informal inquiry process was not used properly, it needed to be discontinued. In November 2020, the Council directed the IPA to prepare an audit plan, but an audit plan had not been prepared.

Aram James hoped the Council issued a report regarding the internal complaint against Zach Perron including any disciplinary action. The Council needed to reevaluate the use and value of Tasers. He questioned PAPD's and the Police Association’s review of the IPA's reports.

Vice Mayor Burt appreciated OIR's approach of providing full transparency and supporting continuous improvement in PAPD. PAPD’s highest and best calling was to protect and serve the safety of all members of the public. He inquired regarding the timeliness of the reporting process and any recommendations to streamline the process.

Mr. Gennaco believed the new schedule was likely to improve the turnaround time for reports. PAPD's and the Police Association's review of reports was not expected to delay reports.

Vice Mayor Burt asked if OIR had adequate staffing to handle an increased workload.

Mr. Gennaco answered yes.

Vice Mayor Burt supported PAPD's improved response to complainants. He requested any additional best practices that the Council needed to consider.
Mr. Gennaco explained that in the coming months, OIR was going to discuss with the Council any additional ways in which PAPD’s performance could be improved.

Council Member Stone inquired whether the report provided to the Council indicated any changes made by PAPD or the Police Association.

Mr. Gennaco advised that neither PAPD nor the Police Association revised any findings or recommendations. PAPD and the Police Association corrected factual inaccuracies contained in reports.

Council Member Stone asked if body-worn cameras and in-vehicle cameras were consistently activated.

Mr. Gennaco related that PAPD's activation of cameras was above average in comparison to other agencies with which he worked. PAPD's policy clearly stated expectations, and OIR recommendations provided additional guidance. In more and more cases, district attorneys were not filing charges when an officer failed to activate the body-worn camera.

Council Member Kou felt communications with a personal touch invoked community policing. She inquired about the process for community members to submit a complaint to OIR.

Mr. Gennaco advised that members of the public contacted him through email or a phone call because they were uncertain about the process or did not want to file a formal complaint at the police station. He would explain the process or facilitate filing a complaint for the individual. Understanding that OIR followed a complaint through the process and evaluated PAPD's investigation and response caused members of the public to feel the process was objective and fair. Members of the public needed to participate in the process to achieve an effective investigation.

Council Member Kou requested the location of OIR's contact information on PAPD's website.

City Manager Ed Shikada believed it was on the PAPD webpage under accountability and in OIR reports.

Council Member Kou inquired about the audit plan.

Mr. Gennaco indicated that OIR’s scope of work included an option for the Council to request performance audits. Once the Council identified a project for OIR, OIR collaborated with the Mayor and City Manager to develop a plan to perform an audit.
SUMMARY MINUTES

Council Member Cormack found OIR's written reports informative and appreciated OIR's recommendation to revise PAPD communications to complainants.

Council Member Filseth asked if the City was at a point to request performance audits and requested the process for initiating a performance audit.

Mr. Gennaco recommended the Council work with City leadership to develop a topic, and OIR would prepare an audit plan. A performance audit was an opportunity to learn more about certain aspects of PAPD functions.

Council Member Filseth requested the process for the Council to propose a topic for a performance audit.

Mr. Shikada related his view of a performance audit from a fiscal standpoint. The process involved the nature of the work and the party performing the work. A performance audit was likely going to be some form of a sole source contract with OIR. If the Council proposed a topic, Staff would obtain a proposal from OIR and return to the Council with the fiscal impact and a procurement process.

Council Member Filseth recalled that the Council previously discussed a review of internal controls to ensure all complaints and issues were investigated and reported. This was a good topic for a performance audit.

City Attorney Molly Stump advised that the contract with OIR allowed the Council to request OIR conduct additional performance reviews. The Council and OIR should discuss and shape the work so that it was feasible and efficient. OIR would then provide an estimate of time and costs, which the Mayor and City Manager were able to approve on a task order basis. Funding was allocated in the contract for a moderate and reasonable amount of additional work.

Council Member Filseth requested clarification of the process for Council to request additional work.

Ms. Stump indicated that the Council needed to act as a body and discuss a topic with OIR in a scheduled meeting.

Council Member Filseth asked if the audit he described was feasible.

Mr. Gennaco replied yes. OIR planned to review the Alvarez incident when the investigation was complete and the length of time before PAPD became
aware of the incident. However, the Council was able to request additional review with respect to PAPD culture in general.

Council Member Filseth remarked that there was value in reviewing the Alvarez incident from the perspective of internal controls and their adequacy.

Mr. Gennaco suggested regular audits of body-worn camera footage was an example of an internal control that could be increased.

Ms. Stump noted that the Agenda Item was noticed as a Study Session. When the OIR report was ready for the Council was a good time for Staff to prepare a broader Agenda Item so that the Council was able to act.

Council Member Filseth wanted a broader Agenda Item when the OIR report was presented in January or February 2022.

Council Member Tanaka inquired whether OIR reviewed the effectiveness of Police services and crime prevention.

Mr. Gennaco explained that OIR's foci were accountability and appropriate use of force.

Mayor DuBois supported Council Member Filseth's suggestion for a performance audit and an annual performance audit.

**NO ACTION TAKEN**

**Agenda Changes, Additions and Deletions**

Mayor DuBois announced Agenda Item Number 6 was removed from the Agenda and would be heard at a later date.

City Manager Ed Shikada noted an at-places memorandum was provided to the Council and posted to the City website.

**Oral Communications**

Aram James disclosed a productive meeting with Deputy Police Chief Andrew Binder and an email listing his concerns about Police Department recruitment of African-Americans and transparency regarding diversity within the Police Department. The Assistant Police Chief requested Mr. James' input, which he intended to provide.
Consent Calendar

**MOTION:** Vice Mayor Burt moved, seconded by Council Member Cormack to approve Agenda Item Numbers 2-4 and AA1.

2. Approval of Minutes from August 30, 2021 City Council Meeting.


4. Policy & Services Recommend Approval of the Office of the City Auditor's Fiscal Year (FY) 2022 Task Orders.

AA1. **SECOND READING:** Adoption of **Ordinance 5530** Amending Title 9, Public Peace, Morals and Safety, of the Municipal Code to Add Chapter 9.07 Requiring Safe Storage of Firearms in Palo Alto Residences to Prevent Improper Firearm Access; Adoption of a Resolution Amending the Administrative Penalty Schedule to Add Conforming Penalty (FIRST READING: August 30, 2021 PASSED: 6-0, DuBois absent)

**MOTION PASSED:** 7-0

The City Council took a break at 6:15 P.M. and reconvened the meeting at 6:30 PM.

City Manager Comments

Ed Shikada, City Manager, reported that a dashboard for COVID-19 pediatric cases was available at bit.ly/CDTped. Information for COVID-19 vaccinations and testing was available at sccfreevax.org and cityofpaloalto.org/testing. During the Citizens Corps Council, medical providers announced the rollout of booster vaccinations. Together Again Palo Alto was hosting a series of events during the week. Ballots for the Gubernatorial Recall Election could be placed in the ballot box outside City Hall and Rinconada Library. The annual Coastal Cleanup Day was scheduled for September 18, 2021. An Uplift Local community meeting was scheduled for September 14, 2021. Palo Alto Art Center's new exhibit, *Art of Disability Culture,* opened on September 17, 2021. Upcoming Agenda Items included the Project HomeKey application, objective standards for accessory dwelling units (ADU), and a commercial linkage fee study.

Action Items

5. **TEFRA HEARING:** Regarding Conduit Financing for the Silicon Valley International School Project Located at 151 Laura Lane, Palo Alto, and Approving the Issuance of a Tax Exempt Loan by the California
SUMMARY MINUTES

Municipal Finance Authority for the Purpose of Financing and Refinancing the Acquisition, Construction, Improvement, Equipping and Maintenance of Educational, Support and Administrative Facilities Owned and Operated Within the City by Silicon Valley International School.

Mayor DuBois reported the Agenda Item allowed the Silicon Valley International School to obtain tax-exempt financing as a nonprofit. There was no financial impact or obligation to the City.

Public Hearing opened at 6:36 P.M.

Public Hearing closed at 6:39 P.M.

**MOTION:** Council Member Cormack moved, seconded by Mayor DuBois to adopt Resolution 9986 approving the issuance of the bonds by the California Municipal Finance Authority (CMFA) for the benefit of Silicon Valley International School.

Council Member Cormack noted that the Resolution indicated loan proceeds were to be utilized in Menlo Park and Palo Alto.

Council Member Tanaka asked if a default for nonpayment affected the City's credit rating.

Assistant City Manager Kiely Nose replied no.

**MOTION PASSED:** 7-0

6. Request for City Council Interpretation of Palo Alto Municipal Code Section 18.70.070(b)(2)(E) and Related Direction to Staff Regarding Nonconforming Uses at the 340 Portage/3200 Park Site. Environmental Analysis: Not a Project, as Defined in Public Resources Code 21065.

7. Discuss and Provide Direction on a Request for Proposals (RFP) for an Economic Development Strategy Consultant and an Internal Staffing Plan to Support Economic Development Issues.

City Manager Ed Shikada reported Staff was providing information pursuant to prior Council direction. Prior to the pandemic, the City's relationship with the economic community, especially the business community, was somewhat incidental. For at least the next year, next steps required ongoing communications and partnership with the business community.

Assistant City Manager Kiely Nose reviewed the Council's selection of Community and Economic Recovery (CER) as one of four priorities for 2021,
approval of the workplan in March 2021, and direction to Staff regarding a Request for Proposals (RFP) in June 2021. Staff sought Council direction regarding the RFP and next steps. The Council asked Staff to focus the RFP on four areas and to conduct a survey of the business community. The survey revealed that many types of businesses were located in and near the Uplift Local area, there was no clear alignment regarding the economic impacts of the pandemic, there was no consensus regarding street closures, and some agreement regarding challenges to local businesses. The top challenges were retaining and hiring employees, cost or availability of supplies, lack of capital or time, and paying deferred or increased rent. Businesses needed assistance with hiring employees, accessing capital, marketing and promotions, and all levels of business regulation.

Consultant Aaron Aknin shared the duties being performed by interim Economic Development Staff, the responsibilities of an Economic Development Specialist, Coordinator, and Manager, the continued need for consultants, and the recommendation to hire an Economic Development Coordinator at a total cost of $245,000 to $290,000. The Council previously identified four economic strategy priorities and outlined parameters for the priorities. The four priorities were separated into six tasks for the RFP scope of work. Next steps included preparation and issuance of an RFP in early 2022, Council approval of a contract, completion of an Economic Development Strategy, and preparation of Budget adjustments.

Jessica Roth suggested the Council fill an economic development position as soon as possible.

Karen Holman believed filling an economic development position needed to be prioritized and supported the hiring of an Economic Development Manager. The roles and responsibilities of the economic development position needed to be stated clearly. Culture and the arts contributed to economic development in significant ways. The presentation omitted businesses and enterprise to support existing businesses.

Council Member Cormack emphasized that services needed to focus on residents. Hiring an Economic Development Coordinator and utilizing strategic investment funding were acceptable. The need for employees was not surprising. An emphasis on emerging industries would be beneficial. The economic development position needed to partner with managers of the Stanford Shopping Center, Town and Country, and Stanford Research Park. She requested Staff comment regarding accelerating the process.

Ms. Nose stated Staff was attempting to fill positions concurrently in an effort to complete the RFP and manage through the pandemic and day-to-
day issues. If the Council wished, Staff could include milestones in the RFP to address the highest priorities first.

Consultant Leslie Parks noted that challenges for timing were consultants' handling of multiple projects and inability to control all aspects of the process. Having a Staff member dedicated to managing the consultant's work was important.

Mr. Shikada related that the current job market favored candidates. Council direction allowing Staff to proceed with a strategy indicated the expectations for candidates. If the Council wished to accelerate the timeline, the Council needed to consider focusing the strategy on a smaller geographic area.

Council Member Kou believed the strategy needed to focus on residents' desires for retail businesses and services. She favored hiring an Economic Development Manager because of the focus on economic recovery. Morgan Hill's job description was robust, and its recruitment sought a manager and a director at salary ranges of $126,000 to $165,000 and $135,000 to $217,000 respectively. The economic development position could help ensure a mix of businesses and services and rebrand Palo Alto. The position should be filled before the RFP was prepared so that the person put forward the tasks and scope of work for the RFP.

Council Member Stone requested an estimated annual cost to maintain a consultant as proposed.

Ms. Parks reported few consulting firms provided staffing and the cost may not be less than that of a full-time employee.

Council Member Stone understood that the consultant would provide the services of an Economic Development Manager and Coordinator. He asked if the recommendation for an Economic Development Coordinator and a consultant was intended to divide the responsibilities between the two.

Mr. Aknin clarified that the consultant prepared the economic development strategy, and the Staff person implemented it. In the future, consultants were probably going to be needed to provide other specific services.

Council Member Stone questioned the recommendation for an Economic Development Coordinator at the equivalent classification of Assistant to the City Manager and with a salary of $245,000 to $290,000. Surely, the City could hire an Economic Development Manager at that salary and with the responsibility of implementing the strategy.
SUMMARY MINUTES

Ms. Nose explained that Staff presented a salary range at the high end of a Coordinator position knowing that the Council wanted a Coordinator with some Manager experience and skills.

Mr. Shikada added that staff attempted to overlay the position with the City’s existing classification system. Just as an Assistant to the City Manager provided a broad range of skills, the duties of an Economic Development Coordinator were going to shift continually. Hiring a Manager assumed additional Staff would be hired in the future. Staff recommended a Coordinator to provide leadership and hands-on work.

Ms. Parks advised that most cities used the title of Manager but rarely hired more than one person for economic development. Job descriptions for a position varied widely and depended on the City's needs, what the City wished to accomplish, the City’s resources, and the extent of the business community.

Council Member Stone indicated that the Coordinator appeared to be more of a liaison to the community than a strategic thinker. The City needed someone with the expertise to implement the strategy in a dynamic environment. Earlier in the year, Mountain View created a similar position and hired an individual with 20 years of experience at a salary of slightly more than $170,000.

Vice Mayor Burt supported the phased approach of the consultant developing a strategic plan and the Coordinator implementing it. The proposed salary range for a Coordinator may limit the candidate pool. Expanding the salary range was acceptable regardless of the title of the position. A salary increase of $20,000 was not as critical as obtaining a candidate who was able to make a big impact. The economic downturn was caused by the pandemic and the transition to online shopping. The real return on investment in the near term was going to be an increase in hotel occupancy. If issuing the RFP sooner was not possible, it was likely to be released in mid 2022, and the City did not have that much time. Community experts were willing to assist the City. He inquired about the person responsible for overseeing the Economic Development Coordinator and the consultant prior to hiring a Coordinator.

Mr. Shikada assumed the position would be located in the City Manager's Office.

Vice Mayor Burt wished to ensure the position included a strong planning component whether it reported to the City Manager's Office or the Planning Department.
Mayor DuBois agreed with conducting parallel employee and consultant searches. The proposed salary range appeared to be appropriate, but salary ranges for comparable positions would be helpful. He inquired about the person who staffed meetings with Downtown and California Avenue business groups.

Mr. Shikada replied someone from the City Manager's Office.

Mayor DuBois noted the 22 percent response rate for the survey. The Council needed to reduce the scope and focus on independent and brand retail for Downtown and California Avenue. Proactive outreach to fill vacant space and boost sales tax revenue should be the primary focus. Attending meetings was not likely to alter the status quo. Stanford Research Park, Stanford Mall and Town and Country were well managed. Limiting the geographic focus of the plan may allow a faster implementation. Palo Alto was a difficult location for restaurants. He preferred the RFP focus on a strategy for coming out of the pandemic and active scenario planning so that the Council determined the overall strategy. Scenarios needed to consider commuters returning at pre-pandemic levels, two days a week, and a few days a month to help the Council and Staff think through an active strategy and policy.

Council Member Filseth indicated that the RFP covered a huge amount of territory at an extremely high level. Focusing on well-defined and actionable items was logical. The Council had not defined actions and accomplishments. The Business Registry needed to be fixed rather than analyzed. The Council needed someone with real domain knowledge of retail. He questioned whether the Council was willing to expend the funds necessary to market the City as a travel and shopping destination.

Council Member Tanaka concurred with comments regarding the broad scope of the RFP, scenario planning, and a focus on retail. Aspects for the Council to consider included flexible business regulations and accommodating changes in retail. He proposed an incentive program for the consultant and a delay in recruiting permanent staffing until the strategy was determined. Engaging the business community was critically important.

Mr. Aknin noted the Council's focus on retail. The RFP addressed the ecosystem required to support retail. The strategist could explore marketing Palo Alto hotels to commuters traveling to the City one or two days a week. A key part of the strategy was implementation, which may change yearly. Including an implementation component in development of the strategic plan allowed the Council to focus on specific tasks to be accomplished over a shorter period of time.
Ms. Parks explained that the RFP was framed to address the Council’s four strategic priorities. The strategy provided an analysis and prioritization of the City’s assets that aligned with specific goals. A retail strategy had a life of its own, which was the rationale for requiring the consultant to provide a market-based, experienced, retail professional. Redirecting the focus to priority areas was possible, but base analysis and research was needed to understand community assets that supported the desired goals.

Council Member Kou agreed with Council Member Filseth’s desire for expert knowledge to determine what the City needed. The previous economic development Staff member was not an appropriate model for the current position. Palo Alto’s high rents were another aspect for the new position to consider. An Economic Development Director needed to focus on working with existing local businesses.

Council Member Cormack related that implementation of a strategic plan was likely to require changes to zoning in addition to executing the plan. She requested clarification of the RFP and the Staff position.

Mr. Aknin reported the processes to find a consultant and to recruit an Economic Development Coordinator were scheduled to begin concurrently. The RFP resulted in the City hiring a consultant to draft a strategic plan as outlined in the Staff Report. The Staff person was likely to be hired during the middle of development of the strategic plan and would be present during the development, adoption, and implementation of the strategic plan. The consultant provided experts in the travel and retail industries to create the strategic plan. Staff’s creativity was most often present during the implementation phase as the economy and Council priorities changed.

Council Member Cormack concurred with the desire to increase hotel occupancy. She was not convinced that the City was obligated to fund a marketing plan for hotels. Deciding between narrowing the geographic focus to Downtown and having a Citywide plan was a challenge. Focusing the strategic plan on retail only was a mistake.

Vice Mayor Burt believed references to retail included the full retail ecosystem and revitalizing business districts. The upcoming hybrid work model was likely to increase the demand for hotels and provide revenue to backfill losses. The community valued local services and retail. City revenue and community desires were equally important. Marketing needed to address the current assets and vitality. The two downtowns were probably going to become greater entertainment and social centers than in the past if the City nurtured that. No one proposed any methods for the City to facilitate the hiring of public and private employees. The Council needed
to consider comprehensively and carefully the most important staff positions to fund if a certain amount of funding was available. The Economic Development Coordinator could be a priority if it provided a return on investment.

Council Member Filseth related that the Council was enthusiastic about helping businesses, but it had to delineate the role of government from the role of businesses. Council Member Tanaka wisely suggested the Council determine the strategic plan before filling the economic development position. He liked Section E of the RFP regarding retail with the caveat that the City needed domain knowledge. He requested the City Manager provide a list of needs to help determine a strategy.

Mr. Shikada reported the recommendation represented Staff's best guess of how to proceed. Given the broad range of interests, the strategy was going to lead to decisions about priorities, focus areas, geographic areas, and the City's role. The City needed an Economic Development Coordinator to deliver on the strategy. The position was not going to lead a team.

Ms. Parks added that a good economic development person was going to know how to implement a plan, know the major players, and make the best opportunities happen. The Council's role was to support the plan and the position. A good study would help the Council understand the opportunities and constraints of retail or hotels.

Mr. Shikada believed a good economic development person would have the knowledge to deal with specific situations and negotiate with the tools that the City provided.

**MOTION:** Council Member Filseth moved, seconded by Mayor DuBois to direct Staff to complete actions necessary for:

A. An internal staffing plan to support a connection to the business community; and

B. Issuance of a Request for Proposals (RFPs) for an economic development strategy consultant based on the identified scope for services, with a primary focus on retail.

Council Member Filseth stated macro trends were occurring. The Council needed to think about how this evolved in Palo Alto. The demand for office space in Palo Alto crowded out other kinds of businesses. The strategy needed to address the impact of changes on Palo Alto.

Mayor DuBois asked if Mr. Guagliardo's position was going to be filled.
Ms. Nose reported Staff were realigned.

Mayor DuBois concurred with comments regarding changes to commutes, the downtowns as entertainment centers, and fixing the Business Registry. Some of the asks for businesses were lower priorities for the Economic Development Coordinator. Hopefully, the consultants understood the Council's comments in order to narrow the scope and focus of the Economic Development Coordinator position.

Council Member Kou proposed amending the Motion to proceed with recruitment of an Economic Development Coordinator and to contract with a recruitment firm with an expedited timeline.

Council Member Filseth preferred not to constrain Staff's development of a plan.

Council Member Kou felt an urgency to hire someone to help businesses.

**AMENDMENT:** Council Member Kou moved, seconded by Council Member Stone to add to Part A of the Motion, “Proceed with the recruitment of an Economic Development Coordinator/Manager for a permanent position and contract with a recruitment firm with an expedited timeline."

Council Member Stone related that Council Members needed expert knowledge to inform discussions.

Vice Mayor Burt inquired regarding the intent of an expedited timeline.

Ms. Nose clarified that the processes for recruitment and the RFP were going to occur concurrently.

Council Member Tanaka supported hiring someone to help businesses, but the plan needed to be developed first to ensure the job description was accurate.

Council Member Cormack did not support the Amendment as it specified an Economic Development Manager. The City was not in a position to hire more than one person for economic development.

Mayor DuBois supported hiring an Economic Development Coordinator rather than Manager.

**AMENDMENT PASSED:** 5-2, Filseth, Tanaka no

Vice Mayor Burt proposed amending Part B of the Motion to focus on retail and hotel occupancy.
Council Member Filseth inquired regarding potential City actions to increase hotel occupancy.

Vice Mayor Burt believed the City had a range of options including hotel stays for commuters and promoting the City as a hotel destination.

Council Member Cormack did not support the Motion as it omitted huge sections of Palo Alto's economy. Perhaps the Council wished to refer the RFP to the Finance Committee to review and refine it.

Vice Mayor Burt commented that Part B did not direct an exclusive focus on retail and hotel occupancy.

**MOTION AS AMENDED**: Council Member Filseth moved, seconded by Mayor DuBois to direct Staff to complete actions necessary for:

A. Proceeding with the recruitment of an Economic Development Coordinator/Manager for a permanent position and contract with a recruitment firm with an expedited timeline to support a connection to the business community; and

B. Issuance of a Request for Proposals (RFPs) for an economic development strategy consultant based on the identified scope for services, with a primary focus on retail and hotel occupancy.

**MOTION AS AMENDED PASSED**: 5-2, Cormack, Filseth no

The City Council recessed at 5:58 PM and reconvened the meeting at 9:07 P.M.

8. **Staff recommend Council**: (a) **Adopt Resolution 9987** Authorizing the City Manager to Close University Avenue and California Avenue and Some Intersecting Streets Until a Date the Council Determines and Provide Direction Regarding Associated Fees or Charges; (b) **Provide Direction Regarding the Duration of the Temporary Parklet Program and Development of Associated Fees or Charges**; (c) Receive Updates regarding the Permanent Parklet Program the Downtown and California Avenue Streetscape Designs.

Assistant Director of Planning and Transportation Rachael Tanner reviewed the Council's direction to Staff at the end of September and the ending of the Proclamation of Local Emergency. Staff sought Council direction regarding a date to end street closures and associated fees or charges and the duration of the Temporary Parklet Program and associated fees or charges. Options for the Council were to continue street closures until
September 30, 2021, reopen streets on a specific date, fund personnel to facility weekly opening and closing of Downtown streets, and authorize the City Manager to suspend closures based on weather considerations. Staff conducted and provided traffic counts for Downtown, compared Sales Tax remittances, and performed case studies. Generally, Sales Tax increased in 2021 compared to 2020 but decreased significantly in 2020 compared to 2019. The findings did not clearly indicate that street closures alone were the contributing factor to Sales Tax activity. Retail activity in California Avenue, Downtown, and Citywide decreased greatly from 2019 to 2020 and increased from 2020 to 2021. Generally, food service throughout Palo Alto significantly decreased from 2019 to 2020 and modestly increased from 2020 to 2021. In Downtown, a restaurant located near the street closure outperformed a restaurant located inside the closure. Along California Avenue, a restaurant located inside the closure outperformed a restaurant located near the closure. The Council was allowed to institute fees to recover costs associated with street closures. Staff recommended the Council extend the Temporary Parklet Program to June 30, 2022 to provide time for development and adoption of a Permanent Parklet Program. In 2020, the Council waived encroachment permit fees for temporary parklets. Staff planned to develop a fee or charge for a Permanent Parklet Program and did not recommend development of a fee or charge for the Temporary Parklet Program. A Request for Proposals (RFP) was issued for the Downtown Streetscape Project, and responses were due at the end of September 2021. For the California Avenue Streetscape Project, Staff was developing a long-term plan and working to ensure the Permanent Parklet Program enhanced the streetscape.

Giuseppe supported extending street closures as parking was plentiful and restaurants needed additional time to recover. In the short term, parklets were too little too late. A uniform appearance of parklets was a good idea.

John Shenk, Thoits Brothers, believed the Downtown needed to return to normal after it was cleaned and safety was improved. Opening the street was critically important.

Cedric de la Beaujardiere supported extending street closures to June 2022 and waiving fees. If outdoor spaces were viable in rainy and cold weather, the Parklet Program could be permanent. Opening and closing streets would be a burden on businesses.

Andrea Gara suggested street closures were likely to attract holiday shoppers and benefit businesses. Street sales would also benefit businesses during the holiday season.
SUMMARY MINUTES

Jessica Roth believed California Avenue was not functioning to its full capability because patrons typically were present after 5:00 p.m. The street needed to be open during the colder months, especially during the holidays. A carefully crafted street closure plan and additional art and entertainment was likely to make California Avenue the most amazing destination in the Bay Area.

Victor Tsaran and Karo Caran supported street closures to reduce noise and increase walkability.

Charlie Weidanz advised that the Council's decision regarding street closures was critical to the success of all businesses and the overall economic recovery of the City. Restaurants achieved some success through the use of parklets and outdoor dining. Retailers continued to experience decreases in sales. Weekend traffic was critically important for retailers.

Nancy Coupal, Coupa Café, emphasized the ongoing crisis for retail businesses and restaurants. If streets were opened, most restaurants were not going to survive.

Megan Kawkab advised that her parklet was successful and benefited her restaurant. Many restaurants previously received federal funding, and retail stores needed open streets. University Avenue was not attractive, and only one restaurant was succeeding.

Kelsey Banes urged the Council to continue street closures and to implement permanent street closures. An improved streetscape in Downtown would benefit businesses.

Mike Stone, Molly Stone's Market, advised that sales continued to be below 2019 levels and supported opening streets.

John McDowell urged the Council to listen to residents who supported street closures.

Mistie Boulton concurred with Mr. McDowell's comments. People did not want to walk on crowded sidewalks. Palo Alto had nothing to offer visitors.

Mora Oommen supported street closures and directing pedestrian flows toward retail stores.

Michael Ekwall related that outdoor dining supported his restaurant. People were not interested in dining indoors. He supported extending street closures into 2022 and encouraged residents to patronize local retail businesses.
SUMMARY MINUTES

Council Member Filseth inquired about the possibility of opening streets and subsequently closing them for short periods when the weather was fine.

Public Works Director Brad Eggleston related that it was possible. However, staffing and planning were challenging. The problem was businesses having to move furniture and equipment.

City Manager Ed Shikada added that providing lead time for businesses to prepare for street openings and closures was a challenge.

Council Member Cormack requested the number of restaurants utilizing University Avenue.

Ms. Tanner estimated ten restaurants.

Council Member Cormack inquired about the cleaning of University Avenue.

Mr. Eggleston explained that street sweepers were deployed three times per week. Sidewalks were blown to remove trash and debris and steam cleaned monthly.

Council Member Cormack indicated University Avenue was a dilemma. A streetscape analysis was logical. A Permanent Parklet Program was needed. She supported permanently closing Ramona Street.

Ms. Tanner stated Staff was reviewing new legislation pertaining to permanent closure of streets.

Mr. Shikada suspected an environmental analysis would be needed.

Council Member Cormack inquired whether Lytton had twice the traffic volume as Hamilton.

Senior Engineer Ripon Bhatia responded yes. It was likely due to the diversion of traffic from University. Accessibility, traffic circulation, building safety, and emergency response needed careful study to inform a decision for permanent street closure.

Mayor DuBois asked if the Agenda Item was noticed for permanent street closures.

Ms. Tanner answered no.

Council Member Kou reported that the appearance of portions of University Avenue was disappointing. Uniform guidelines for structures were needed. Restaurants had received federal funding. Restaurants were obstructing
retailers' storefronts and signage. Sidewalks were crowded with furniture and signage and not usable. A large retail business shared with her that employees were afraid to park in City garages and not able to find parking. The Staff Report did not indicate whether stakeholder outreach included residents. The Staff presentation noted a monthly cost of approximately $35,000 for maintenance. The cost for garbage removal was an additional $15,000 per month.

Ms. Tanner clarified that the monthly cost of opening and closing streets weekly was $27,000 to $35,000, and $15,000 was the cost of cleaning and trash removal that Mr. Eggleston described.

Vice Mayor Burt related that the Council had not discussed the objectives for street closures. The impacts of the pandemic on shopping patterns and work patterns were longer lived than anticipated. The City was transitioning from a pandemic to an endemic period. The Council chose to extend street closures through September 30, 2021 and determine subsequent actions in August or September 2021. If the Council reopened streets, many restaurants were going to lose half to two-thirds of their outdoor dining business. The Council had an opportunity to allow a limited expansion of parklets. The Council needed to expand outdoor dining if it considered reopening streets. Survey responses were not separated by food and beverage providers and goods retailers.

Council Member Tanaka asked if Staff was able to conduct before and after analyses on only four businesses.

Ms. Tanner clarified that the case study analyses were based on Sales Tax.

Assistant City Manager Kiely Nose explained that Staff was not able to accurately tag geographical areas to perform aggregations. In the absence of aggregations and subject to anonymity requirements, Staff utilized case studies to demonstrate general occurrences.

Council Member Tanaka noted that data from the limited sample supported anecdotal evidence. The goal was to maximize overall revenue.

Ms. Nose reported that retail in the University Avenue area was struggling.

Council Member Tanaka stated street closures were harmful for retailers based on the analysis of four stores.

Ms. Nose clarified that the number of retailers was not sufficient for Staff to disaggregate data by University Avenue and California Avenue.
SUMMARY MINUTES

Council Member Stone commented that making the correct decision without expertise was difficult. Council Member Kou raised legitimate concerns. Ramona Street appeared to be the perfect location for a permanent street closure. He was inclined to support extending street closures to November 8, 2021 to benefit both restaurants and retailers. Businesses needed a hard end date to street closures.

Mayor DuBois requested the source of funding for the additional trash removal expense.

Mr. Eggleston explained that savings generated by vacant positions in Public Works were funding the trash expense.

Mayor DuBois noted that the pandemic was likely to continue for the foreseeable future, but many places were returning to normal operations. Continuing low sales in the retail sector were a concern. The low response rate to the survey was notable. Traffic volumes appeared to be back to normal. He was able to support a policy requiring COVID-19 vaccinations for indoor dining and shopping. He supported ending street closures for University Avenue on September 30, 2021. He wanted to understand the process to charge businesses for opening and closing streets. The City needed to charge fair market value to businesses for the use of public space and learn the number of businesses interested in permanent parklets.

Council Member Filseth felt outdoor dining was a permanent fixture and, consequently, parklets. He supported development of a Permanent Parklet Program and charging market value for parklets. The Council did not appear ready to make a decision to permanently close University Avenue. Therefore, the Council needed to determine the date and conditions for reopening University Avenue. Early November 2021 seemed to be the right timeframe for reopening it. Weekend closures were worth considering but a great deal of trouble in the rainy season. Restaurants were not required to provide outdoor dining when streets were closed. A permanent closure of Ramona Street was a possibility.

City Attorney Molly Stump advised that the Council was able to direct Staff to return with a discussion of permanently closing Ramona Street.

Council Member Filseth inquired whether the Council was required to set the same opening date for University Avenue and Ramona Street.

Ms. Stump replied no.

Mayor DuBois suggested reopening streets on October 1, 2021 as the Council previously indicated streets were closed until September 30, 2021.
The Streetscape Project was fairly large. He inquired whether phasing the project was possible.

Mr. Eggleston explained that the scope of services addressed all phases, but the intent was to proceed with the first phase.

Mayor DuBois wanted to consider the project's impacts on businesses and traffic.

Council Member Tanaka concurred with reopening University Avenue and understanding traffic patterns for closing streets on weekends and supported a Permanent Parklet Program and permanently closing Ramona Street. The Streetscape Project was needed to increase the vitality of University Avenue. If the City extended street closures, outdoor dining should be located in the center of the street so that pedestrians traveled the sidewalk or adjacent to the sidewalk. An option was to provide one lane of traffic. Data was needed to inform decisions.

Vice Mayor Burt wanted to accommodate additional parklets and encourage retailers to utilize outdoor space. Whatever the Council decided about opening or closing streets, the City needed a stronger marketing approach. Reopening University Avenue in mid-October or a few days after Halloween was reasonable. The RFP for the Streetscape Project did not provide stakeholder engagement.

**MOTION:** Vice Mayor Burt moved, seconded by Mayor DuBois to:

A. Direct the City Manager to reopen University Avenue on October 15, 2021;

B. Adopt **Resolution 9988** to continue with a partial closure on Ramona, extending until June 2022;

C. Modify the parklet rules to accommodate additional parklets adjacent to restaurants where they are not interfering with retailers that oppose, and extend the Parklet Program until June 2022;

D. Direct Staff to return with a set of marketing measures to promote downtown vibrancy; and

E. Direct Staff to proceed with a Streetscape RFP including stakeholder input and that the consultants’ recommendations would build off the learning experiences in the re-opening of the coming months.

Mayor DuBois reiterated his concern about the extent of the Streetscape Project. Packet Page 133 described community outreach.
Vice Mayor Burt concurred regarding the Streetscape Project.

Council Member Kou inquired about direction to charge for parklets.

Vice Mayor Burt clarified that there was no charge for temporary parklets.

Council Member Kou noted that parklets were scheduled to expire December 31, 2021, but Staff recommended extending the date to June 2022. She inquired whether parking was going to be discussed in June 2022.

Vice Mayor Burt answered yes.

Mr. Shikada related that the Motion, with the exception of Part D, was consistent with Staff's workplans. The Council previously allocated $50,000 to the Chamber of Commerce for marketing.

Vice Mayor Burt reported Staff was expected to return with a set of marketing measures. Collaboration with or outsourcing the work to the Chamber of Commerce or someone else was a possibility.

Council Member Kou inquired regarding the possibility of expanding the scope to make Lytton and Hamilton one-way streets.

Vice Mayor Burt recalled that an experiment with one-way streets in the 1980s was not continued.

Mayor DuBois reiterated that the RFP had already been issued.

Mr. Shikada indicated the proposed expansion to the scope of work was significant. The traffic analysis was going to assess the effects of a closure.

Mr. Bhatia added that following Phase 1, another option could be considered separately. Expanding the scope to include one-way streets was a significant endeavor, and funding was constrained.

Council Member Filseth asked if development of a Permanent Parklet Program needed to be part of the Motion.

Vice Mayor Burt did not believe it was necessary.

Mayor DuBois understood Staff sought Council feedback regarding parameters for a program.

Mr. Shikada related that development of a Permanent Parklet Program had been assigned to Staff.
SUMMARY MINUTES

Council Member Filseth wanted to cap the number of hours Staff spent on Part D of the Motion.

**AMENDMENT:** Council Member Filseth moved, seconded by Council Member Cormack to remove Part D of the Motion.

Council Member Cormack felt the direction was broad and premature and addressed in the previous Agenda Item.

**AMENDMENT PASSED:** 5-2, Burt, Stone no

**AMENDMENT:** Council Member Cormack moved, seconded by Council Member Stone to modify Part A to restate the reopening date to November 8, 2021.

Council Member Cormack wished to provide slightly more notice to businesses.

Council Member Kou objected to extending the date again.

**AMENDMENT FAILED:** 3-4, Burt, DuBois, Kou, Tanaka no

Council Member Tanaka suggested the City partner with the Chamber of Commerce to develop a marketing approach.

**MOTION AS AMENDED:** Vice Mayor Burt moved, seconded by Mayor DuBois to:

A. Direct the City Manager to reopen University Avenue on October 15, 2021;

B. Adopt a Resolution to continue with a partial closure on Ramona, extending through June 2022;

C. Modify the parklet rules to accommodate parklets adjacent to restaurants where they are not interfering with neighboring consumer businesses that oppose, and extend the Parklet Program until June 2022; and

D. Direct Staff to proceed with a Streetscape RFP including stakeholder input and sales tax data analysis (to the extent that it can be utilized) that the consultant’s recommendations would build off the learning experiences in the re-opening of the coming months.

**MOTION AS AMENDED PASSED:** 7-0
Mr. Eggleston reported that built parklets were not located on California Avenue.

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

A. Adopt Resolution 9987 authorizing the closure of California Avenue through June 2022; and

B. Direct Staff to return to the City Council for further discussion regarding additional elements on the California Avenue street closure; and

C. Direct Staff to return to the City Council for discussion on a permanent street closure for California Avenue.

Vice Mayor Burt indicated that the Motion provided California Avenue business owners notice of upcoming issues.

Council Member Cormack remarked that continued closure of California Avenue was logical and convenient.

Council Member Tanaka proposed routing pedestrians along storefronts and sidewalks.

Vice Mayor Burt advised that the issue would be discussed when Staff returned to the Council.

Mayor DuBois related that the Council could direct Staff to explore a layout that directed pedestrian traffic to the sidewalk and explore permitted volume levels of music.

Ms. Stump advised the Council to direct Staff to return with an item to discuss additional changes for California Avenue.

Police Lieutenant Kara Apple explained that the Fire Department needed the center of the street accessible to emergency vehicles.

Council Member Kou reported that Molly Stone's Market was able to demonstrate the impact of the street closure on its business. Another business addressed the Council a few weeks ago about the difficulty of elderly patients accessing the business with the street closed.

Vice Mayor Burt stated the Council would discuss the issues when the item returned to the Council.
Mr. Shikada added that Part B could return to the Council on the next Agenda with sufficient time for it. Part C would return after the first of the year.

**MOTION PASSED:** 5-2, Filseth, Kou No

**Council Member Questions, Comments and Announcements**

Mayor DuBois reported he visited Palo Alto's Sister City Heidelberg the prior week. The Finance Committee passed carbon sequestration in Oaxaca, Mexico. Palo Alto's European Sister Cities also expressed interest in purchasing carbon offsets in Mexico. Together Again Palo Alto events on Friday and Saturday were well attended.

**Closed Session**

**AA2. CONFERENCE WITH LABOR NEGOTIATORS**

City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (Ed Shikada, Kiely Nose, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Molly Stump, and Terence Howzell) Employee Organization: Service Employees International Union, (SEIU) Local 521, Utilities Management and Professional Association of Palo Alto (UMPAPA) Palo Alto Peace Officer’s Association (PAPOA), Palo Alto Police Management Association (PMA), International Association of Fire Fighters (IAFF) local 1319, Palo Alto Fire Chiefs Association (FCA); Authority: Government Code Section 54957.6 (a).

**MOTION:** Council Member Filseth moved, seconded by Council Member Cormack to move Item AA2 to a date uncertain.

**MOTION PASSED:** 7-0

**Adjournment:** The meeting was adjourned at 12:12 AM.