



## **CITY OF PALO ALTO OFFICE OF THE CITY CLERK**

**May 14, 2018**

**The Honorable City Council  
Attention: Finance Committee  
Palo Alto, California**

### **Approval of Action Minutes for the April 30 2018 Council Meeting**

Staff is requesting Council review and approve the attached Action Minutes.

**ATTACHMENTS:**

- Attachment A: 04-30-18 DRAFT Action Minutes (DOCX)

Department Head: Beth Minor, City Clerk





# CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting  
April 30 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:02 P.M.

Present: DuBois, Filseth, Fine; Holman arrived at 5:06 P.M. Kniss; Kou arrived at 6:44 P.M., Scharff arrived at 5:04 P.M., Tanaka, Wolbach

Participating remotely: Kou participating from Bay Area Council-Shanghai Office Suite 905-907, 9F, 333 Songhu Rd., KIC, Shanghai 上海市淞沪路333号9楼905室-907室

Absent:

## Closed Session

### 1. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Ed Shikada, Michelle Flaherty, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Molly Stump, Terence Howzell, Charles Sakai, Lalo Perez, Kiely Nose, Robert Jonsen, Eric Nickel)

Employee Organizations: Palo Alto Peace Officers' Association (PAPOA); Palo Alto Fire Chiefs' Association (FCA); International Association of Fire Fighters (IAFF), Local 1319; and Palo Alto Police Managers' Association (PAPMA)

Authority: Government Code Section 54957.6(a).

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

**MOTION PASSED:** 6-0 Holman, Kou, Scharff absent

Council went into Closed Session at 5:03 P.M.

Council returned from Closed Session at 6:44 P.M.

Mayor Kniss announced no reportable action.

# DRAFT ACTION MINUTES

## Study Session

2. Initial Presentation of the Proposed Fiscal Year (FY) 2018/19 Budget.

## Special Orders of the Day

3. Selection of Applicants to Interview on May 9, 2018 for the Historic Resources Board and the Human Relations Commission.

**MOTION:** Council Member Scharff moved, seconded by Council Member Holman to interview all applicants for the Historic Resources Board and Human Relations Commission.

**MOTION PASSED:** 9-0

4. North Ventura Coordinated Area Plan: City Council Appointment of Working Group Members.

**MOTION:** Mayor Kniss moved, seconded by Council Member DuBois moved to vote for all positions in one round:

- A. Allowing voting for "residents within Mayfield" positions from the "residents within NVCAP or greater N. Ventura neighborhood (north of Ventura Ave)" or "residents within the greater Ventura neighborhood" categories; and
- B. Voting for one member from the "business owners or work in NVCAP or surrounding area" category and one member from the "property owners (not single family home)" category , and one additional member from either category.

**MOTION PASSED:** 9-0

First Round of voting for three positions on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, residents within NVCAP or greater North Ventura neighborhood (north of Ventura Ave).

Voting For: David Adams

DuBois, Filseth, Holman

Voting For: Marian Cobb

Scharff

Voting For: Angela Dellaporta

DuBois, Filseth, Holman, Kou, Tanaka

Voting For: Chris Donlay

DuBois, Filseth, Holman, Kou

Voting For: Kirsten Flynn

Fine, Holman, Kniss, Scharff, Wolbach

# DRAFT ACTION MINUTES

Voting For: Waldemar Kaczmarek Fine, Kniss, Kou

Voting For: Peter Lockhart Scharff, Tanaka

Voting For: Lakiba Pittman DuBois, Filseth, Wolbach

Voting For: Yunan Song Fine, Kniss, Kou, Scharff, Tanaka, Wolbach

David Carnahan, Deputy City Clerk announced that Angela Dellaporta with 5 votes, Kirsten Flynn with 5 votes, and Yunan Song with 6 votes were appointed to the Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee.

First Round of voting for two positions on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, residents within greater Ventura neighborhood.

Voting For: Christine Gabali Filseth

Voting For: Rebecca Parker Mankey DuBois, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Voting For: Heather Rosen Fine, Kniss

Voting For: Siyi Zhang DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Mr. Carnahan announced that Rebecca Parker Mankey with 8 votes and Siyi Zhang with 9 votes were appointed to the Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee.

First Round of voting for two positions on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, residents within Mayfield.

Voting For: Terry Holzmer DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Wolbach

Mr. Carnahan announced that Terry Holzmer with 8 votes was appointed to the Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee.

First Round of voting for one position on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, residents within Barron Park.

# DRAFT ACTION MINUTES

Voting For: Gail Price DuBois, Fine, Holman, Kniss, Scharff, Tanaka, Wolbach

Voting For: Carolyn Templeton Kou

Voting For: Maryanne Welton Filseth

Mr. Carnahan announced that Gail Price with 7 votes was appointed to the Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee.

First Round of voting for two positions on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, business owners or work in NVCAP or surrounding area.

Voting For: David Adams Holman, Kou

Voting For: Stephanie Baltzer

Voting For: Kirsten Flynn Tanaka

Voting For: Christine Gabali Wolbach

Voting For: Rebecca Parker Mankey Filseth

Voting For: Yatin Patel Scharff

Voting For: Lakiba Pittman DuBois, Holman, Kou

Voting For: Carolyn Templeton DuBois, Fine, Kniss, Tanaka, Wolbach

Mr. Carnahan announced that Carolyn Templeton with 5 votes was appointed to the Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee.

First Round of voting for one position on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, property owners (not single family home).

Voting For: Peter Lockhart Filseth

Voting For: Yatin Patel

Voting For: Lund Smith Fine, Kniss, Scharff, Tanaka

Voting For: Tim Steele DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Voting For: Marcus Wood

# DRAFT ACTION MINUTES

Mr. Carnahan announced that Tim Steele with 9 votes was appointed to the Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee.

First Round of voting for one position on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, does not fit in any category.

Voting For: David Hirsch

Voting For: Arthur Keller

Second Round of voting for one position on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, residents within NVCAP or greater North Ventura neighborhood (north of Ventura Ave) or residents within greater Ventura neighborhood.

Voting For: David Adams DuBois, Filseth, Holman, Kou

Voting For: Waldemar Kaczmarek Kniss

Voting For: Peter Lockhart Tanaka

Voting For: Heather Rosen Fine, Scharff, Wolbach

Second Round of voting for one position on the North Ventura Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee, business owners or work in NVCAP or surrounding area or property owners (not single family home).

Voting For: Lakiba Pittman DuBois, Filseth, Holman, Kou

Voting For: Lund Smith Fine, Kniss, Scharff, Tanaka, Wolbach

Mr. Carnahan announced that Lund Smith with 5 votes was appointed to the Neighborhood Coordinated Area Plan (NVCAP) Advisory Committee.

**MOTION:** Mayor Kniss moved, seconded by Council Member Scharff to appoint Heather Rosen to the NVCAP Advisory Committee.

**MOTION PASSED:** 5-3 DuBois, Filseth, Holman no, Kou absent

**MOTION:** Council Member DuBois moved, seconded by Council Member Scharff to appoint Lakiba Pittman as an Alternate to the NVCAP Advisory Committee.

**MOTION PASSED:** 8-0 Kou absent

# DRAFT ACTION MINUTES

**MOTION:** Council Member Holman moved, seconded by Vice Mayor Filseth to appoint David Adams as an Alternate to the NVCAP Advisory Committee.

**MOTION FAILED:** 4-4 Fine, Scharff, Tanaka, Wolbach no, Kou absent

**MOTION:** Council Member Scharff moved, seconded by Mayor Kniss to appoint Waldemar Kaczmarski as an Alternate to the NVCAP Advisory Committee.

**MOTION PASSED:** 6-2 DuBois, Holman no, Kou absent

*Appointed to the NVCAP Working Group:*

- |                          |                       |
|--------------------------|-----------------------|
| 1. Angela Dellaporta     | 7. Lund Smith         |
| 2. Kirsten Flynn         | 8. Yunan Song         |
| 3. Terry Holzmer         | 9. Tim Steele         |
| 4. Rebecca Parker Mankey | 10. Carolyn Templeton |
| 5. Gail Price            | 11. Siyi Zhang        |
| 6. Heather Rosen         |                       |

*Appointed as Alternates to the NVCAP Working Group:*

- |                        |                   |
|------------------------|-------------------|
| 1. Waldemar Kaczmarski | 2. Lakiba Pittman |
|------------------------|-------------------|

The NVCAP Working Group includes one representative from the Architectural Review Board, one from the Parks and Recreation Commission and one from the Planning & Transportation Commission.

## Agenda Changes, Additions and Deletions

None.

## Minutes Approval

5. Approval of Action Minutes for the April 9 and 16, 2018 Council Meetings.

**MOTION:** Council Member Scharff moved, seconded by Council Member DuBois to approve the Action Minutes for the April 9 and 16, 2018 Council Meetings.

**MOTION PASSED:** 9-0

## Consent Calendar

**MOTION:** Council Member Scharff moved, seconded by Vice Mayor Filseth to approve Agenda Item Numbers 6-10.



# DRAFT ACTION MINUTES

6. Policy and Services Committee Recommendation to Accept the Auditor's Office Quarterly Report as of September 30, 2017.
7. Policy and Services Committee Recommendation to Accept the Auditor's Office Quarterly Report as of December 31, 2017.
8. Policy and Services Committee Recommendation to Accept the Triennial External Quality Control Review of the Office of the City Auditor.
9. Ordinance 5435 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Chapter 4.6 (Permits for Retailers of Tobacco Products) of the Municipal Code to Allow Fees to be set by Ordinance (FIRST READING: April 16, 2018 PASSED: 8-0 Filseth Absent)."
10. Ordinance 5436 Entitled, "Ordinance of the Council of the City of Palo Alto Amending the FY18 Municipal Fee Schedule to Amend the Golf Fees (FIRST READING: April 16, 2018 PASSED: 8-0 Filseth Absent)."

**MOTION PASSED:** 9-0

## Action Items

11. Ordinance 5437 Entitled, "Ordinance of the Council of the City of Palo Alto Authorizing an Amendment to the Contract Between the City of Palo Alto and the Board of Administration of the California Public Employees' Retirement System (PERS) to add Cost-sharing Pursuant to Government Code Section 20516 (FIRST READING: April 2, 2018 PASSED: 8-0 DuBois absent)."

**MOTION:** Vice Mayor Filseth moved, seconded by Council Member Wolbach to adopt an Ordinance amending the City's contract with the California Public Employees' Retirement System (CalPERS).

**MOTION PASSED:** 9-0

12. PUBLIC HEARING: Adoption of an Ordinance Amending Palo Alto Municipal Code (PAMC) Chapter 18.40 (General Standards and Exceptions) of Title 18 (Zoning) to add a new Section Imposing an Annual Office Limit and Setting Forth Related Regulations, and to Repeal the Respective Regulations From Chapter 18.85 (Interim Zoning Ordinances). The Proposed Ordinance Will Perpetuate the Existing Annual Limit of 50,000 Square Feet of new Office/R&D Development per Year With Modifications Regarding the Review

# DRAFT ACTION MINUTES

Process, Unallocated Area Rollover Provisions, and Exemptions. The Planning and Transportation Commission Recommended Approval of the Ordinance on February 14, 2018. This Ordinance is Within the Scope of the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution Number 9720 (Continued from April 16, 2018).

Public Hearing opened at 9:01 P.M.

Public Hearing closed at 9:18 P.M.

**MOTION:** Council Member Scharff moved, seconded by Council Member Wolbach to:

- A. Adopt an Ordinance amending the Palo Alto Municipal Code to establish Annual Office Limit (AOL) regulations to replace the interim regulations, replacing in Section 18.40.190 (c)(2), "non-office" with "non-office annual limit land"; and
- B. Find the action within the scope of the Comprehensive Plan EIR certified on November 13, 2017.

**SUBSTITUTE MOTION:** Council Member Holman moved, seconded by Council Member DuBois to:

- A. Adopt an Ordinance amending the Palo Alto Municipal Code to establish Annual Office Limit (AOL) regulations to replace the interim regulations, replacing in Section 18.40.190 (c)(2), "non-office" with "non-office annual limit land", eliminating the rollover provision and adding a competitive approval process; and
- B. Find the action within the scope of the Comprehensive Plan EIR certified on November 13, 2017.

**SUBSTITUTE MOTION FAILED:** 4-5 DuBois, Filseth, Holman, Kou yes

**AMENDMENT:** Vice Mayor Filseth moved, seconded by Council Member Holman to only eliminate the rollover provision.

**SUBSTITUTE AMENDMENT:** Council Member Wolbach moved, seconded by Council Member XX to limit the rollover provision to 25,000 square feet per year.

**SUBSTITUTE AMENDMENT FAILED DUE TO A LACK OF A SECOND**

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

# DRAFT ACTION MINUTES

**AMENDMENT:** Mayor Kniss moved, seconded by Council Member Fine to add to the Motion, "return the Ordinance to Council within two to four years."

**AMENDMENT PASSED:** 5-4 DuBois, Filseth, Holman, Wolbach no

**MOTION AS AMENDED RESTATED:** Council Member Scharff moved, seconded by Council Member Wolbach to:

- A. Adopt an Ordinance amending the Palo Alto Municipal Code to establish Annual Office Limit (AOL) regulations to replace the interim regulations, replacing in Section 18.40.190 (c)(2), "non-office" with "non-office annual limit land";
- B. Find the action within the scope of the Comprehensive Plan EIR certified on November 13, 2017; and
- C. Return the Ordinance to Council within two to four years."

**MOTION AS AMENDED PASSED:** 5-4 DuBois, Fine, Holman, Kou no

Council took a break from 10:31 P.M. to 10:42 P.M.

- 13. Finance Committee Recommendation Regarding Potential 2018 Ballot Measure to Address the Funding Gap for the 2014 Infrastructure Plan and Funding for Unplanned Potential Community Assets Projects, Discussion of Next Steps for Addressing the Funding Gap Needs, and Potential Refinement of Survey Elements and Objectives for a Follow-up Survey.

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

- A. Explore a two percent Transient Occupancy Tax increase and a \$1.10 per \$1,000 increase in the Real Estate Transfer Tax, including moving forward with the necessary creation of a ballot statement, polling, testing, and authorizing Fairbank, Maslin, Maullin, Metz and Associates to perform associated tasks; and
- B. To discontinue consideration of a Sales Tax or a Parcel Tax.

# DRAFT ACTION MINUTES

**SUBSTITUTE MOTION:** Council Member Kou moved, seconded by Council Member XX:

- A. To discontinue consideration of a Sales Tax or a Parcel Tax; and to discontinue consideration to explore a Real Estate Transfer, continue to explore a two percent Transient Occupancy Tax increase;
- B. To direct Finance Committee to consider and explore the following:
  - i. a Business License Tax, Employee Transportation Tax, Business Payroll Tax and Business Gross Receipts Tax, Commercial Users Tax, Commercial/Residential Rental Income Tax, Tax on all commercial transactions;
  - ii. Regulating and creating a tax or fee structure for Uber, Lyft and like kind app based taxi and shuttle services;
  - iii. Creating a fee and/or tax for all transportation and personal services using AI service pilot programs;
- C. To Direct Staff to report back to Council by end of Council summer break, the following:
  - i. Update on the Business Registry, including the regulations and implementation, its successes and failures and recommendations to improve;
  - ii. Provide accountability of the parking spaces in the Parking Assessment Districts. Provide number of spaces and its allotments to all developers/property owners who have paid into the assessment districts;
- D. For Council to appoint a task force specifically to consider revenue generating sources for the infrastructure projects, community assets and grade separation and reports to the Finance Committee; and
- E. For Council to review and discuss alternative scenarios of the 2014 Infrastructure projects, include grade separation and community assets and possible/potential deferment of certain projects.

**SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND**

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion Part A, "sugar sweetened beverage tax of 1 to 2 cent per ounce" after "Transfer Tax."

# DRAFT ACTION MINUTES

Council Member Kou left the meeting at 12:28 A.M.

**AMENDMENT:** Council Member DuBois moved, seconded by Council Member Tanaka to remove from the Motion Part A, "a \$1.10 per \$1,000 increase in the Real Estate Transfer Tax."

**AMENDMENT FAILED:** 2-6 DuBois, Tanaka yes, Kou absent

**AMENDMENT:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "poll for a business tax."

**AMENDMENT FAILED:** 2-6 DuBois, Holman yes, Kou absent

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

- A. Explore a two percent Transient Occupancy Tax increase and a \$1.10 per \$1,000 increase in the Real Estate Transfer Tax, sugar sweetened beverage tax of 1 to 2 cent per ounce, including moving forward with the necessary creation of a ballot statement, polling, testing, and authorizing Fairbank, Maslin, Maullin, Metz and, Associates to perform associated tasks; and
- B. To discontinue consideration of a Sales Tax or a Parcel Tax.

**MOTION AS AMENDED PASSED:** 7-1 Tanaka no, Kou absent

State/Federal Legislation Update/Action

None.

Adjournment: The meeting was adjourned at 1:00 A.M.