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May 2, 2005

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The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:30 p.m.

PRESENT: Beecham, Burch, Cordell, Freeman (arrived at 5:35 p.m.), Kishimoto, Kleinberg, Morton (arrived at 6:15 p.m.), Mossar, Ojakian

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATOR  
Agency Negotiator: City Manager and his designees pursuant to the Merit Rules and Regulations (Frank Benest, Austris Rungis, Russ Carlsen)  
Employee Organization: Local 715 Service Employees International Union AFL-CIO (SEIU) -- SEIU Hourly Unit  
Authority: Government Code section 54957.6(a)
2. CONFERENCE WITH LABOR NEGOTIATOR  
Agency Negotiator: City Manager and his designees pursuant to the Merit Rules and Regulations (Frank Benest, Austris Rungis, Russ Carlsen)  
Employee Organization: Local 715 Service Employees International Union AFL-CIO (SEIU) -- Classified Unit  
Authority: Government Code section 54957.6(a)
3. CONFERENCE WITH LABOR NEGOTIATOR  
Agency Negotiator: City Manager and his designees pursuant to the Merit System Rules and Regulations (Frank Benest, Austris Rungis, Russ Carlsen)  
Employee Organization: Unrepresented Employee Group Management Professional Employees  
Authority: Government Code section 54957.6(a)

The City Council met in Closed Session to discuss matters regarding labor negotiations, as described in Agenda Item Nos. 1, 2 and 3.

**Mayor Burch announced there was no reportable action taken.**

ADJOURNMENT: The meeting adjourned at 6:45 p.m.

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:55 p.m.

PRESENT: Beecham, Burch, Cordell, Freeman, Kishimoto, Kleinberg, Morton, Mossar, Ojakian

SPECIAL ORDERS OF THE DAY

1. Selection of Candidates for the Historic Resources Board (HRB)

**MOTION:** Council Member Mossar moved, seconded by Morton, to interview all of the candidates.

**SUBSTITUTE MOTION:** Council Member Ojakian moved, seconded by Kleinberg, to reappoint the incumbents to the Historic Resources Board.

**MOTION PASSED** 7-2, Kishimoto, Morton no.

Mayor Burch noted the appointments would be agendized at another meeting.

Vice Mayor Kleinberg said it was first time she voted in favor of reappointing the incumbents without interviewing all the candidates. She encouraged the community to continue to come forward for public service, and thanked the applicant who did apply.

2. Appointment of Candidates to the Public Art Commission

FIRST ROUND OF VOTING FOR THE PUBLIC ART COMMISSION

VOTING FOR NANCY CHILLAG: Burch

VOTING FOR RON COOPER: Beecham, Burch, Cordell, Freeman, Kishimoto, Kleinberg, Morton, Mossar, Ojakian

VOTING FOR LAURA DEEM: Beecham, Burch, Cordell, Freeman, Kishimoto, Kleinberg, Morton, Mossar, Ojakian

VOTING FOR KAREN FRANKEL: Beecham, Burch, Cordell, Freeman, Kishimoto, Kleinberg, Morton, Mossar, Ojakian

VOTING FOR DAVID NEGRIN: Beecham, Freeman, Mossar,  
Ojakian  
VOTING FOR MERRIDEE TAYLOR: Cordell, Kishimoto, Kleinberg,  
Morton

City Clerk Donna Rogers announced that Ron Cooper, Laura Deem, and Karen Frankel were appointed on the first ballot with nine votes each.

SECOND ROUND OF VOTING FOR THE PUBLIC ART COMMISSION

VOTING FOR NANCY CHILLAG: Burch

VOTING FOR RON COOPER:

VOTING FOR LAURA DEEM:

VOTING FOR KAREN FRANKEL:

VOTING FOR DAVID NEGRIN: Beecham, Freeman, Mossar,  
Ojakian

VOTING FOR MERRIDEE TAYLOR: Cordell, Kishimoto, Kleinberg,  
Morton

City Clerk Rogers noted that none of the candidates received the required five votes, so there needed to be another ballot taken with votes only for the top two candidates, David Negrin and Merridee Taylor.

THIRD ROUND OF VOTING FOR THE PUBLIC ART COMMISSION

VOTING FOR DAVID NEGRIN: Beecham, Burch, Freeman, Mossar,  
Ojakian

VOTING FOR MERRIDEE TAYLOR: Cordell, Kishimoto, Kleinberg,  
Morton

City Clerk Rogers announced that David Negrin was appointed on the third ballot with five votes.

ORAL COMMUNICATIONS

John K. Abraham, 736 Ellsworth Place, spoke regarding Antonio's Nut House.

Tony Klein, 576 E. Crescent Drive, spoke regarding Children's Theatre, Wingspread.

Ken Freiberg, 842 Clara Drive, spoke regarding Wingspread.

Beth Broderson, 745 La Para, spoke regarding Children's Theatre.

Don Letcher, 788 North Rengstorff Avenue, Mountain View, spoke regarding Police Review oversight.

Edward R. Holland, 1111 Parkinson Avenue, spoke regarding pressure building for BART to San Jose and biking on Alma Street.

William Landgraf, 762 Stone Lane, spoke regarding storm drains.

Policewatch.org spoke regarding police issues and an article in the newspaper.

#### APPROVAL OF MINUTES

**MOTION:** Council Member Ojakian moved, seconded by Morton, to approve the minutes of April 4, 2005, as submitted.

**MOTION PASSED** 9-0.

#### CONSENT CALENDAR

City Manager Frank Benest referred to Consent Calendar Item No. 4 noting that staff was requesting Council approve the change order with Baker & Taylor in the amount of \$68,000 for fiscal year 2004-2005, but staff would return for Council approval for the second and third contract years for books, audio visual items, and library continuations when the upcoming fiscal years 2005-2007 budget was adopted.

Council Member Freeman queried whether the resolution for Consent Calendar Item No. 6, Approval to Subscribe to the Central Valley Project Corporation Seasonal Energy Exchange Program, allowed the use of funds for water rights legal issues without pre-Council authority, as identified in 8. Definition of Terms, Section 8.18, page 3.

Mr. Benest said staff would provide a response at a later date.

Council Member Freeman registered a no vote on Item No. 6.

**MOTION:** Council Member Morton moved, seconded by Ojakian to approve Consent Calendar Items Nos. 3 through 7 with noted changes on Item No. 4.

### LEGISLATIVE

3. Resolution 8517 entitled "Resolution Declaring its Intention to Levy an Assessment against Businesses within the Downtown Palo Alto Business Improvement District for Fiscal Year 2005-2006 and Setting a Time and Place for Hearing Objections Thereto"

Resolution 8518 entitled "Resolution Approving the Report of the Advisory Board for Fiscal Year 2005-2006 in Connection with the Palo Alto Downtown Business Improvement District"

### ADMINISTRATIVE

4. Approval of Change Order to Purchase Order with Baker & Taylor in the Amount of \$68,000 for Purchase of Library Books and Authorization to Renew Purchase Orders with Baker & Taylor for the Second and Third Years
5. Approval of a Utilities Enterprise Fund Contract with Can-Am Communication, Inc. in the Amount of \$402,470 for Installation of the Electric and Street Light Substructure for the Holly Oaks/Ames Avenue/Cork Oak Way and Christine Drive System Rebuild Project

### COUNCIL COMMITTEE RECOMMENDATION

6. From Finance Committee the City Council approve the resolution  
Resolution 8519 entitled "Resolution of the Council of the City of Palo Alto Authorizing the City of Palo Alto to Subscribe to the Central Valley Project Corporation Seasonal Exchange Program"
7. From Finance Committee and Policy and Services Committee: Recommendations re Approval of Criteria that Would Identify Which Capital Improvement Projects Require Policy Direction from the City Council before they are Included in the Adopted Capital Improvement Budget

**MOTION PASSED** 9-0 for Item Nos. 3-5, and 7.

**MOTION PASSED** 8-1 for Item No. 6, Freeman no.

### PUBLIC HEARINGS

8. Public Hearing: Proposed Development Agreement Between City of Palo Alto and Stanford University Concerning the Stanford Research Park, the Mayfield Site Community Recreation Fields, and Housing

Sites on El Camino Real and California Avenue and Related Zoning and Comprehensive Plan Amendments. *(Continued from 04/04/05)*

Council Member Cordell stated she would not participate in the item due to a conflict of interest because she was employed by Stanford University.

Council Member Freeman stated she would not participate in the item due to a conflict of interest because she owned property within 500 feet of the project.

Council Member Mossar stated she would not participate in the item due to a conflict of interest because her husband was employed by Stanford University.

City Manager Frank Benest said based on Stanford University's Offer Letter of June 2003, the City Council authorized the City Manager, City Attorney, and City staff to negotiate the Stanford Development Agreement. Unlike a standard development application whereby a developer proposed a project and the Planning and Transportation Commission (P&TC) and City Council imposed conditions, it was a negotiated business partnership where both parties received value. Key elements of the agreement included: 1) Stanford's lease of six acres of the Mayfield site to the City of Palo Alto for \$1 per year for 51 years; 2) Stanford's construction of a soccer complex; 3) the demolition of 330,000 square feet of office space to build housing; 4) Stanford's construction of a total of 250 units of housing, including approximately 70 Below Market Rate (BMR) units on two sites; 5) Stanford's right to relocate 300,000 square feet of research and development (R&D) and/or office space elsewhere in the Stanford Research Park; and 6) Stanford's agreement to a Transportation Demand Management (TDM) framework, including a TDM coordinator for the Stanford Research Park, carpool shuttles and other public transit. The Mayfield Soccer Complex (MSC) responded to a report issued by the Palo Alto Fields Advisory Committee (PAFAC) and accepted by the City Council in 2002, which showed a lack of playing field space in Palo Alto. The MSC included two full-sized soccer fields, a practice field, shielded lighting, snack facilities and restrooms, a carpool drop-off area, a landscaped gateway into the Stanford Research Park. It also included 92 parking spaces and 38 bicycle spaces. The City would pay for an upgrade involving synthetic turf for year round use. If approved that evening, the MSC would be constructed by the end of October 2005. After the lease had expired on El Camino Real and Upper California Avenue, Stanford would demolish 330,000 square feet of office space and build housing.

Larry Horton, Associate Vice President/Director Government & Community Relations Stanford University, said the agreement before the Council was a



culmination of nearly five years of negotiations and collaboration between the City of Palo Alto and Stanford University. The agreement had many community benefits, including playing fields, BMR housing, and the reduction in the total commercial square footage on Stanford land. He expressed his thanks to the City Manager and City staff for their diligent and professional work in negotiating and reviewing every element of the agreement. In response to suggestions from the Parks and Recreation Commission (PARC), the Architectural Review Board (ARB), and the Planning and Transportation Commission (P&TC), Stanford adopted technical changes that improved or clarified parts of the agreement. If the Council approved the recommended actions listed in the staff report (CMR:236:05), Stanford would sign and execute the agreement jointly with the City.

Rob Quigley, Architect, said the challenge of the project was to ensure that quality and neighborhood compatibility would not only work for the present use, but well into the future. A set of design principles were set up for future architects and developers to include: 1) stitch the seam of the College Terrace neighborhood with the Stanford Research Park (SRP); 2) hierarchy of form and texture to match the scale of the buildings; and 3) buffer the transition between new housing and existing land uses.

Vice-Chair Planning and Transportation Commission Bonnie Packer, said the P&TC first reviewed the project in late 2003, and expressed their support for the plans at that time. In 2005, the P&TC heard from the community on the Draft Environmental Impact Report (DEIR) and began in-depth discussions on the important issues raised by the project. In addition to the P&TC's unanimous support of the project, they asked that a number of issues be addressed relating to housing on the Upper California Avenue site, which included: 1) clarification of the design principles and development standards; 2) whether the height limit of the units on the Upper California Avenue site could be less than 50 feet; 3) whether the density could be limited to approximately 12 units per acre; 4) whether the units at the front of California Avenue could be based on R-1 development standards ; and 5) for Stanford to consider an ongoing community outreach program as the development agreement remained in effect.

Parks and Recreation Commissioner Paul Losch said a number of people who represented the City's youth sports organizations came together to address what collectively, and within each sport, was a chronic problem of a shortage of playing fields. Shortly thereafter, a fields committee was established which influenced a major part of Stanford's thinking about the situation. The PARC unanimously endorsed the project.

Director of Planning and Community Environment Steve Emslie spoke on behalf of ARB Board Member Judith Wasserman. He said the application for

design approval of the playing fields was treated like any other major ARB development, which included: 1) several public hearings; 2) review of the parking layout; 3) review of the landscaping and entry feature; and 4) the location and intensity of lighting. A majority of the ARB members recommended the design be approved by Council that evening.

Mr. Benest asked Mr. Emslie to review some of the responses the City negotiated with Stanford in regard to certain aspects of the development agreement as well as other technical clarifications.

Mr. Emslie said the first point of clarification was the design principles and standards related to Upper California Avenue. Since the site was nestled between College Terrace and the Stanford Research Park, compatibility with the adjoining neighborhood was paramount. The development agreement was subsequently modified to elaborate on design principles to ensure that the edge of California Avenue reflected the rhythms, massing, scale and spacing of the neighbors to the northside of California Avenue. Secondly, height was an issue as it could be determined to be visible from California Avenue residents. Site lines were established and heights were reduced in the intervening setbacks. Thirdly, the P&TC asked to establish a density limit. A housing limit of 209 units was established for the Upper California Avenue site. The 209 units represented a density of 12.3 units per acre, which was reflective of the existing density of the Upper California Avenue and College Terrace neighborhoods. The AS-2 zoning standards had been designed and incorporated in the Upper California Avenue site to reflect the edge in terms of setbacks and other requirements typical of an R-1 neighborhood. Lastly, the ongoing outreach program had been developed in two ways. The development agreement required an annual report from staff to the Council at a public hearing to report on the progress and monitoring of various aspects of the implementation of the agreement. The annual reporting would occur every year for the duration of the agreement. In addition, Stanford was committed to early consultation with its neighbors as plans were put together for the development of the two sites on El Camino Real and Upper California Avenue. Additional concerns related to the Peter Coutts neighborhood were also addressed. In the current case, heights were also decreased and setbacks increased. Because of the grade change between Peter Coutts and the Upper California Avenue site, 300 feet was adequate to provide protected views and promote compatibility. The P&TC recommended the Council approve the development agreement and certify the Final Environmental Impact Report (FEIR) as adequate to cover the impacts generated by the proposal.

Mr. Benest said the City was excited to achieve a number of substantial community benefits. He urged the Council to approve staff's recommendations.

Mayor Burch declared the Public Hearing opened at 8:02 p.m.

Amar Basi, 514 Rhodes Drive, said some of the benefits of establishing the Mayfield Soccer Complex (MSC) included having the fields built correctly, and being able to hold a bigger Tall Tree Tournament.

Tom Senter, Arastradero Road, asked the Council to discourage traffic on Arastradero Road by not widening the Charleston/Arastradero corridor or putting in signal lights. He would like to see the speed reduced to 25 miles per hour.

Mayor Burch announced at 8:10 p.m. that no more speaker cards would be accepted.

Paul Koo, President of Palo Alto Soccer Club, said he saw the sport of soccer continuing to grow and encouraged building proper fields.

Abdul Hakim, 769 Seminole Way, expressed support for the soccer complex.

Sarah Hainstock, 1560 College Avenue, said she believed additional housing in the College Terrace neighborhood would produce additional traffic. She also felt the height limit should be lowered to 40 feet, and the setback reduced to 20 feet.

Jeff Traum, 1040 Ramona Street, said when new playing fields were built, it took the field pressure off local parks, which was a benefit to neighborhoods throughout the community.

John Barton, 360 W. Charleston Road, spoke on behalf of the Palo Alto Chamber of Commerce and expressed support for the project.

Richard Stolle, 984 S. California Avenue, expressed support for the soccer complex. He was concerned about the lack of traffic mitigation at the Upper California Avenue site.

Joan Tambussi, 1435 College Avenue, urged the Council to ensure that any changes were consistent with the zoning and architecture of her neighborhood.

Dorothy Bender said she recently learned the first 100,000 square feet of Transfer Development Rights (TDR) would be applied to 3401 Hillview in the Hillview Avenue/Foothill Expressway/Arastradero Road triangle. The item was on the May 5, 2005 Architectural Review Board (ARB) agenda. The proposal would destroy 330,000 square feet of office space for 460,000

square feet of new buildings and a parking structure. The staff report indicated the ARB, and not the P&TC would be responsible for identifying traffic impacts and mitigations. She asked whether the P&TC was intentionally eliminated and their roles and responsibilities given to the ARB.

Tom Jordon said the soccer fields were greatly needed; however, he wondered whether the City had sold good planning for a short benefit. The citizen's group from College Terrace raised a number of issues not in the development agreement, such as the tiering.

Graham Summer, 104 Peter Coutts Circle, Stanford, said the Peter Coutts Neighborhood Association (PCNA) had only learned about the project three weeks prior. He had concerns about site lines and his unobstructed view of the bay.

John Meyer, 100 Peter Coutts Circle, Stanford, said he and his neighbors had been poorly informed of the project, and have had little response from Stanford.

Maria Meyer, 100 Peter Coutts Circle, Stanford, urged the Council to delay the project in order for the PCNA to have their ideas and input addressed.

Natalie Wells, 3259 Alma Street, said the staff report (CMR:236:05) outlined details of the AS-2 alternative based zoning standards; however, she did not see that same level of detail for the RM-15 low-density multifamily residential districts standards and guidelines. She inquired which guidelines would govern since Stanford would have the option to choose the RM-15 over the AS-2 designation.

John K. Abraham, 736 Ellsworth Place, said he believed both the Sunrise development and the Mayfield site would have mutual noise issues despite Title 24. He asked the Council to conduct an after projects noise test at Mayfield to show compliance with the City's noise ordinance, including the correct definition of local ambient noise.

Betsy Allyn, Willmar Drive, expressed concern about the project's effects on the Charleston/Arastradero Corridor.

Caroline Lambert, 144 Melville Avenue, said presently many of the soccer practice fields in Palo Alto were parks not playing fields. She expressed support for the proposed Mayfield site.

David Stonestrom, 1000 California Avenue, expressed opposition to the development agreement, and urged the Council to think again before approving it.

Jennifer Trimble, 99 Peter Coutts Circle, Stanford, expressed concern about Stanford's lack of responsiveness. She wanted input because she was a part of the neighborhood.

Kay Culpepper, 2121 Amherst Street, expressed concerns about the stipulations and requirements, which were non-existent. She said in order for compatibility to exist, developments should have stipulations in writing. She felt the values of the College Terrace neighbors leaned heavily to safety, serenity and traffic diversion.

Laura Ferrell, 1020 S. California Avenue, said she was a builder; however, she did not understand why the City would enter into an agreement with a developer and not apply the same rules as they would to any other builder.

Jeff Rensch, 741 Chimalus Drive, expressed support for the project.

Irene Sampson, Palo Alto League of Women's Voters, expressed support for the playing fields and the affordable housing.

Mike Cobb spoke on behalf of Got Space? and applauded the work of City staff. As the President of the Palo Alto Girl's Softball League, he had seen the fields at the Cubberley Community Center heavily used by soccer players.

Paul Garrett, 890 California Avenue, expressed support for the development agreement as amended.

RECESS: 9:10 p.m. to 9:18 p.m.

Colin Mick, 2130 Hanover Street, said the traffic studies he reviewed concerning the Mayfield site were inadequate. If the Stanford Research Park were properly developed, there would have been internal roads, which would have eliminated a lot of the traffic in the College Terrace neighborhood.

Paula Sandas, 2140 Columbia Street, reaffirmed the College Terrace Neighborhood Association's approval of the Mayfield Development Agreement.

Sally Probst, 735 Coastland Drive, said the Mayfield development project was an example of three often-heard expressions: 1) getting to yes; 2) win-win; and 3) for the greater good.

Craig Laughton, 2321 Harvard Street, said he did not believe the proposed development would incur major traffic impacts. He expressed support for the project.

David Goldman, 640 Coleridge Avenue, urged the Council to vote in favor of the project so everyone could hear the sounds of children playing on the fields by fall 2005.

Whit Heaton, 2345 Bowdoin Street, expressed opposition to the Mayfield development.

Roland Vogl, 2125 Bowdoin Street, said he found the AS-2, alternative development standards, difficult to understand and impossible to predict how residential development constructed under the agreement would look.

Stephanie Munoz, 101 Alma Street, said Arastradero Road was originally widened for the development of the Stanford Research Park. Some neighbors lost their gardens and fruit trees, and then had to pay for the improvement. She did not believe additional widening was warranted. She suggested developing the soccer fields by Peter Coutts Road, and the housing on El Camino Real.

Brent Barker, 2331 Amherst Street, said the agreement for City housing should be put in writing. As the housing market got tighter in Palo Alto, he envisioned the housing being utilized by Stanford's faculty and students.

Amanda Vicharelli, 2125 Bowdoin Street, urged the Council to review the traffic analysis before making a decision on the EIR.

Ed Schmitt, 2344 Columbia Street, said the EIR had failed to recognize most of the sites were not office buildings, but Research and Development (R&D) buildings. The density of people in those types of building was much less than in office buildings.

Mary Walsh, Harvard Avenue, said although the City needed athletic fields and low-cost housing, it did not need new zoning for a small portion of town. Monnir Habib, Bowdoin Street, said although the soccer fields were needed, he expressed concern about the Upper California Avenue housing.

Joy Ogawa, Yale Street, said under the proposed agreement, Palo Alto gave up discretionary review, while Stanford had the flexibility to build whatever it wanted within a very vague, but lenient site development regulation. She believed Council Member Ojakian had a conflict of interest on the item and should not participate in the decision. The potential financial impact to Hewlett-Packard of up to 300,000 square feet of Transfer Development Rights (TDR) was not properly analyzed.

Karen Holman, 725 Homer Avenue, said the P&TC vote was 3-1, rather than unanimous on the adequacy of the EIR recommendation. The Council should ask whether the use of playing fields for 51 years, in exchange for additional permanent housing, passed the test of doing no harm for future generations.

Chris Stirrat, 710 Florales Drive, expressed support for the playing fields and urged the Council to consider it strongly.

Fred Balin, 2385 Columbia Street, said he wrote and distributed a petition that earned 261 College Terrace neighborhood endorsements. In the process, major mistakes were detected in the traffic analysis, as well as key elements of incompatibility. He asked why there was a planned community option, and why the public benefit was deemed satisfactory by the development agreement.

John Mark Agasta, 1648 California Avenue, said a large number of the voices in College Terrace recognized that the core elements and the intent of the development agreement were desirable. He would welcome the new College Terrace residents and expressed support for the project.

Kathy Durham, 2039 Dartmouth Street, said the College Terrace Neighborhood Association Board had invited participation from the residents to provide input and discussion on how to move forward. She suggested monitoring the actual traffic against what was predicted, and if necessary change it.

Stewart Carl, 2334 Amherst Street, said he would like to see the transportation problem solved ahead of time by adding adequate transportation infrastructure for the residents of the planned Mayfield project.

Jerry Arnold, Cornell Street, expressed support for soccer playing fields in a location and manner that was beneficial and helpful for the kids. He believed the Council should give consideration for where the best place for the soccer field should be.

Mayor Burch declared the Public Hearing closed at 10:10 p.m.

Mr. Emslie said comments were made that related to the validity of the traffic assumptions used in calculating the predicted affect of the change in land use contained the development agreement. The traffic team of Gary Black, Hexagon Transportation Consultants, and City staffer Heba El-Guendy, Associate Engineer, were present that evening to discuss the use of the Institute of Traffic Engineers (ITE) trip generation rates and the statistical analysis. Both engineers concluded the traffic assumptions were

the most appropriate for the prediction of traffic generation from the site. There were a number of vacancies that existed in the SRP, particularly on California Avenue. These vacancies were due to a variety of factors including, but not limited to, the downturn in the economy. The boom years showed a significant level of traffic had been reduced. The City of Palo Alto, as well as a majority of cities in Santa Clara County, used the recommended Congestion Management Agency (CMA) and the Santa Clara Valley Transportation Authority (SCVTA) methodology to calculate baselines. A company, for example could reoccupy a vacant building and not need a discretionary permit because the use would be consistent with existing zoning. The Council reiterated its commitment to use the CMA and SCVTA methodology in which full occupancy of a building was used in calculating the baseline, and the proposed traffic report was consistent with that methodology. City staff did an analysis of the SRP and other determined sites where redevelopment was likely to occur. Based upon the age of buildings, residual development potential, and location, staff concluded that 3401 Hillview Drive site was a likely candidate for redevelopment, and the proposed location of the 100,000 square feet to be first conferred from the Mayfield Development Agreement. Of course, the 100,000 square feet could not be conferred to the site until and if the Council were to approve the development agreement. He agreed there was an error in the noticing procedure for the PCNA, which was attributable to the lack of the County area database maintained by the City. Once staff became aware of the County area, steps were taken to include notice to the impacted neighborhood. A community meeting and site visit was conducted by Stanford University to provide various story polls and balloons to give an estimate of building heights. Staff believed the development standards in the AS-2, given the significant grade differential between the two sites, provided adequate protection to prevent view blockage or spoiling of the scenic vista from the site. The vantage point from which the photographs were taken was from the second level decks of Peter Coutts, as opposed to the top of the adjacent hill. An existing hedge blocked the vantage point of the lower decks. The Mayfield site was home to toxic substances that resided in the ground water underneath the site. Toxic sites as well as their cleanup were governed by State agencies, namely the Regional Water Quality Control Board (RWQCB). The RWQCB had approved a remediation plan that was in place and presently ongoing for the cleanup of the site. Staff recommended the use of the gross area on Upper California Avenue because the site was not yet constrained by streets. The total area wide estimate of 12.3 dwelling units per acre for College Terrace was used because the neighborhood consisted of cottages and small single-family lots interspersed throughout the development. However, the down zoning was a result of what was currently allowed, 30 dwelling units per acre.



Senior Assistant City Attorney Wynne Furth said the items for Council's consideration that evening were: 1) Attachment A, the resolution certifying the EIR and adopting a statement to override the one adverse environmental effect the EIR identified, which was short term noise from construction; 2) Attachment B, an ordinance approving a development agreement with Stanford University, as modified by the proposed technical corrections; and 3) Attachment D, a resolution amending the Comprehensive Plan Land Use Classification of the Mayfield Site from Multiple Family Residential to Public Parks.

**MOTION:** Council Member Morton moved, seconded by Ojakian, to approve the staff and Planning and Transportation Commission recommendations as follows:

1. Resolution 8520 entitled "Resolution of the Council of the City of Palo Alto certifying the Environmental Impact Report and adopting a Statement of Overriding Considerations for the Significant and Unavoidable Impact of Construction Noise, NO-1";
2. Ordinance 1<sup>st</sup> Reading entitled "Ordinance of the Council of the City of Palo Alto Approving a Development Agreement with Stanford University, as modified by the Proposed Technical Corrections";
3. Resolution 8521 entitled "Resolution of the Council of the City of Palo Alto Amending the Comprehensive Plan Land Use Classification of the Mayfield Site from Multiple Family Residential to Public Parks";
4. Ordinance 1<sup>st</sup> Reading entitled "Ordinance of the Council of the City of Palo Alto Amending the Zoning Code and Map in Order to Implement the Development Agreement and Related Ground Lease.

Council Member Morton said playing fields were a much-needed commodity in Palo Alto; however, there were some anxieties about the type of agreement and what it would do. He asked what the required consultation with Stanford would involve.

Mr. Emslie said although he could not speak on behalf of Stanford, their letter did refer to frequent and early consultation with the affected neighborhood as plans became more definite for the redevelopment of those sites. The City of Palo Alto was required, by the development agreement to have no less than an annual review of compliance with the development agreement before the City Council. The annual review would include public outreach, communication with the various stakeholders in the neighborhoods adjacent to the site, and a report out on that at a public hearing with dialogue with the Council.

Ms. Furth said the City and Stanford were required to deal with each other in good faith, but Stanford, while agreeing to consult with the neighbors had not bound itself in a contract, which would be enforceable in Court.

Council Member Morton asked what the height limit was on the low-income housing at Alma Place.

Mr. Emslie said 50 feet.

Council Member Morton said in exchange for BMR units was some consideration for a comparable height limit elsewhere in the community.

Mr. Emslie said that was not his take on it.

Council Member Morton said the City would not exceed the height limit, which was allowed elsewhere for projects, which had significant moderate and low-income impacts.

Mr. Emslie said staff did not believe a trade-off was being made that would sacrifice any neighborhood quality as a result of the 50-foot height limit.

Council Member Morton expressed concern of the Peter Coutts neighbors that the 50-foot limit backed up to them, and there was no gap. He asked whether that was enforceable.

Ms. Furth said when the document originally went before the Council it would have permitted a 50-foot building quite close to Peter Coutts. That was one of the changes being proposed in the development agreement, and could be taken to an arbitrator if there was a dispute. There were two kinds of restrictions that mattered: 1) no development was permitted in the first 20 feet next to Peter Coutts; however, a 30-foot building could be built in the next 80 feet, and a 35-foot building could be built in the 200 feet after that. Once the development was beyond 300 feet, a 50-foot building could be built. There was a 118-foot above sea level lid that prevented a 25-30 foot building close to Peter Coutts. The agreement stated no structure could go higher than the upper edge of the existing Agilent building that was presently on the site.

Mr. Emslie said the reason the site could go up to 50 feet and still not break the 118-foot elevation was because the site sloped down as it moved toward El Camino Real. The California Avenue site was flat.

Ms. Furth said the setback to 50 feet from College Terrace was 400 feet instead of 300 feet.

Council Member Morton said another concern of the community was the ability of the Council and the P&TC to monitor, oversee, and direct traffic impacts. He asked for clarification of Stanford's requirement to partake in the TDM program.

Mr. Emslie said the City would have an ongoing mechanism to monitor predicted traffic behavior from now into the future. The TDM program contained in the EIR would give the City the ability to condition future projects as the SRP continued to change.

Ms. Furth said some years prior the Council asked staff to prepare a comprehensive analysis that would address traffic problems better. She believed there was another 500,000 square feet of undeveloped space in the SRP in which the City could condition future developments.

Council Member Morton asked whether staff had concerns that Council's commitment to the TDM program would be incompatible with its commitment to the Arastradero improvements.

Mr. Emslie said the projects for the Charleston/Arastradero growth included projections for growth in the SRP based on the City's Comprehensive Plan (Comp Plan).

Council Member Morton asked with respect to the change to the dedicated parkland on El Camino Real, was the change subject to the City's ordinance and could not be undone without a vote of the community.

Ms. Furth said the land was leased and could only be dedicated for park purposes as long as the City controlled it.

Council Member Morton said for the next 51 years it would be dedicated parkland.

Ms. Furth said that was correct.

Council Member Morton said he believed the City had taken into consideration the major concerns of the community. He expressed his support for the project.

Council Member Ojakian said he had asked the City Attorney's office to utilize an outside firm to determine whether he had a conflict of interest. He asked whether staff was comfortable with what the outside firm had stated.

Ms. Furth said yes. She was also comfortable with the appraisal that was prepared, which was the basis for the opinion rendered.

Council Member Ojakian said he made a difficult decision on whether to remain on the Council in 2005, but was determined to do so because he had a lot of people who supported and voted for him. He understood some people might want to challenge his standing; however, he was up for it. He asked what could be built in the Upper California Avenue area if there was no deal.

Mr. Emslie said the Upper California Avenue area was presently zoned LM.

Council Member Ojakian said he also understood it was zoned as RM-30 and housing could be built there.

Mr. Emslie said the City allowed high-density housing in all of its industrial zones. The housing allowed in the present zoning was 30 units per acre.

Council Member Ojakian said under State law, if a person comes forward with a housing project, the City was obligated to try and honor that.

Ms. Furth said under the California Environmental Quality Act (CEQA), as amended in 2002, the City was not permitted to reduce the number of units to reduce an environmental impact.

Council Member Ojakian said he believed there was a misunderstanding by some people that the City could deny any or all housing in the Upper California Avenue area when, in fact, there would be a certain amount of housing built equivalent to or greater than what was being proposed. He asked whether that was a valid statement.

Mr. Emslie said that was correct.

Council Member Ojakian asked whether it was correct there was not a commitment within the agreement by Stanford to run an ingress/egress off Page Mill Road.

Ms. Furth said that was correct.

Council Member Ojakian asked whether it was part of Stanford's consideration and would happen if it were determined to be the best way to develop the site.

Ms. Furth said it was Stanford's choice, but it was not precluded.

Council Member Ojakian said it was at the behest of the City that the project was generated. Staff approached Stanford and asked if there was a way they

could help with the playing fields and housing situation. The playing fields would benefit not only the youth and the soccer players, but also the overall community. Palo Alto would also get a sizeable number of affordable housing units. He felt comfortable putting his trust in those professionals who used top-notch standards to come up with the trip generation analysis and what the effects would be. He expressed his support for the project.

Council Member Kishimoto asked whether the Upper California Avenue site was subject to site and design review if the number of housing units exceeded 209.

Ms. Furth said the Upper California Avenue site was subject to the normal design review process.

Mr. Emslie said the site was subject to the standard review criteria used by the ARB in reviewing major projects.

Ms. Furth said by way of background, Stanford pledged to build 250 housing units and was particularly anxious for the City's approval to build.

Council Member Kishimoto said she understood if the housing was capped at 209 units, the site would not be subject to a full site review; however, if the number of housing units went beyond that it would be opened to a site review.

Ms. Furth said those additional housing units would be subjected to a full site and design review.

Council Member Morton asked for a point of clarification. The development agreement limited the number of units to 209.

Ms. Furth said Stanford had a vested right to build to 209 housing units, and an obligation to build to 250 total units on the two sites, but the zoning dropped from 30 to 15 units per acre.

Council Member Kishimoto asked whether the additional housing units would incur the normal traffic review.

Ms. Furth said yes, but only if there were new impacts.

Council Member Kishimoto said she reviewed a letter from one of the historical societies, which stated the property at 1590 South California Avenue appeared eligible for the National Register. She asked whether it should have been included in the EIR.

Advanced Planning Manager Julie Caporgno said the Final EIR was amended to recognize the aforementioned property.

Council Member Kishimoto asked if Stanford decided not to put housing at the Upper California Avenue site, would the underlying zoning be LM, and if not, why not.

Ms. Furth said assuming Stanford wanted to leave the housing in place for a reasonable number of years, the development agreement would have expired and the zoning would become whatever the seated Council chose. It would be difficult to maintain buildings in a district where there were legal non-conforming uses.

Council Member Kishimoto asked if that was why the staff chose the AS-2 overlay.

Ms. Furth said yes. There were a number of alternative zonings such as, RM-15 or special standards.

Council Member Kishimoto asked for clarification on how wide the sidewalk was in front of the playing fields.

Mr. Emslie said the Project Manager Tricia Schimpp would have an answer before the end of the evening's meeting.

Council Member Kishimoto asked whether it was possible for Arastradero Road to be widened to four lanes.

Mr. Emslie said no widening of Arastradero Road was required as a mitigation measure to the agreement; however, a signal light was a mitigation measure to convert the four-way stop.

**AMENDMENT:** Council Member Kishimoto moved to require a full site review of the internal and external circulation plan for the Upper California Avenue site to be part of the process.

Council Member Kishimoto said the site consisted of 17 acres with substantial potential impacts. She believed it could be improved by a full site review.

Council Member Morton asked for staff's input.

Mr. Emslie said the SRP was zoned LM, and then had specially designated sites with the D-Overlay, which offered an extra level of review. He asked whether Council Member Kishimoto's suggestion that the D-overlay be the site review for Upper California Avenue.

Council Member Kishimoto said no. She understood the circulation review within the site was restricted to the edge of California Avenue.

Mr. Emslie said the suggestion was to add review of the internal and external circulation plan for Upper California Avenue. He said it would be one of the additional criteria the City would exercise over the site.

Council Member Kishimoto said she felt it was important enough.

Council Member Morton asked whether staff could accommodate the additional language.

Mr. Emslie said staff had negotiated each of the criteria during the past several months. There would need to be some evaluation of that with Stanford.

Council Member Morton asked whether the circulation review had been traded or given up in negotiations with Stanford.

Mr. Emslie said staff concentrated on how the site related to its environment, including the areas adjacent to the site. The internal design of the site was left to a future time as the sites developed.

Council Member Kishimoto said the SRP was developed in the 1970's, with its classic undivided large parcels, as opposed to the fine-grained street grid of College Terrace. The concern expressed by many of the residents had been to ask for Stanford's cooperation to make sure there were more of a grid pattern, as well as more choices for the residents.

Council Member Morton said he would not accept the amendment.

## **AMENDMENT DIED FOR LACK OF A SECOND**

**AMENDMENT:** Council Member Kishimoto moved to conduct public outreach to Peter Coutts and the Hillview Avenue neighbors.

Council Member Kishimoto said the Peter Coutts neighborhood had less than a month to digest the complex deal. She also heard a large number of the Los Altos Hills neighbors on the other side of Arastradero Road were not informed about the project.

Council Member Morton clarified that Stanford had expressed in writing its intent to involve the neighbors more directly, although it was not part of the agreement.

Council Member Kishimoto asked whether it included the Hillview Avenue area.

Council Member Morton said he would defer to staff although he did not believe Palo Alto had any jurisdictional oversight over the Los Altos Hills portion of Hillview Avenue. The City's impact would only be with respect to the portions that fell within Palo Alto.

Mr. Emslie said as the plans for 3401 Hillview Avenue moved forward staff had direction to outreach with the Palo Alto and Los Altos Hills neighbors. The applicant had already conducted its own outreach to neighborhood groups and leaders in the surrounding area.

Council Member Kishimoto asked if there was unhappiness with the proposed mitigation of adding traffic lights.

Mr. Emslie said the development agreement represented that all of the traffic impacts were fully mitigated. How it would be executed and implemented involved making choices.

Council Member Kishimoto asked whether certification of the EIR meant acceptance of the traffic signal mitigations.

Mr. Emslie said that was correct. In order not to do that, the Council would have to make statements of overriding consideration, stating the mitigation was infeasible.

Council Member Kishimoto said she preferred an overriding consideration instead of putting in traffic signals.

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

Vice Mayor Kleinberg said she sympathized with Council Member Kishimoto and expressed support for the amendment; however, she did not believe there would be enough support for it.

**AMENDMENT:** Council Member Kishimoto moved to incorporate the compatibility findings from SOFA II.

Mr. Emslie said staff recalled considerable time was taken going over the compatibility standards.

Council Member Kishimoto said it was the first time the Council had reviewed the details of the agreement.



Mr. Benest said staff believed the added language in the agreement ensured compatibility with the homes and character of the neighborhood.

Council Member Kishimoto said when she glanced at the compatibility findings she thought more detail would be beneficial.

### **AMENDMENT FAILED FOR LACK OF A SECOND**

Council Member Kishimoto said she disagreed with staff regarding the trend of trying to element private open space on multi-family housing. She disagreed with the significant standards for the tire index of 0.2 as assumed in the EIR. She did not believe it was something the Council adopted as a standard. Although she would like to see housing on California Avenue rather than industrial buildings, she was upset the project was presented to Council on a "take it or leave it" basis. She said she would not support the motion.

Council Member Beecham said he did not believe the overall impact of 100,000 square feet out of 10 million was significant, and would have little to no impact other than a localized intersection or so. The zoning rights on the Upper California Avenue were RM-30, and there was no right to anyone in that area to prohibit building to the 50-foot limit. He was concerned about the channeling effects on a number of streets, but he put his faith in the professional evaluators. Although it may be a detriment to the College Terrace area, the best way to get cars off the road would be to get the residents closest to where they worked. The benefits were many: 1) soccer playing fields; 2) moving 300,000 square feet away from College Terrace; and 3) down-zoning from RM-30 to RM-15 or AS-15. He expressed his support for the motion.

Vice Mayor Kleinberg said for the past five years when the item was discussed she was conflicted out. It had only been in the last five weeks that she could participate in the item. She expressed concern about the height or viewscape from Peter Coutts. Granted, it would be different but residents would still be able to see the Bay. She regrets the lack of outlets to Hanover Street and Page Mill Road because, even though there was no assurance those outlets would have caused traffic to go the other direction, there would have been some comfort built into the neighborhood. She would like to see a monitoring of traffic on Arastradero Road first to see if signalization was needed. It was unfortunate to take the City's rural edge and change it. She expressed support for the motion because of the benefit for the youth, and affordable housing. It was a package she found hard to turn down.

Mayor Burch said Palo Alto was dealing with change and would continue to do so. He believed it was time to move forward. He expressed his support for the motion.

Mr. Emslie asked Mr. Black from Hexagon Transportation Consultants to make a brief statement regarding his continuing confidence in the traffic report.

Gary Black, President Hexagon Transportation Consultants, said his group prepared an independent traffic study for the City of Palo Alto. He heard testimony from members of the public who criticized some of the traffic study methodology and assumptions; however, in his professional opinion, the criticisms were not valid. He stood behind the methodology and conclusions of the traffic study.

**MOTION PASSED** 5-1, Kishimoto no, Cordell, Freeman, Mossar not participating.

9. Public Hearing: Finance Committee Recommendation re: Proposed Fiscal Year 2005-2007 Community Development Block Grant (CDBG) Funding Allocations and Draft 2005-2010 Consolidated Plan and Draft Action Plan

**MOTION:** Vice Mayor Kleinberg moved, seconded by Beecham, to approve the continuance of Item No. 9 to May 9, 2005.

**MOTION PASSED** 6-0, Cordell, Freeman, Mossar absent.

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Council Member Ojakian attended a recent Library Advisory Commission meeting when Commissioner Paula Skokowski summarized the state of the libraries in Palo Alto, and moved that the \$300,000 be utilized in the best way possible for the libraries. Ms. Skokowski thanked the Council for the funds.

ADJOURNMENT: The meeting adjourned at 11:43 p.m.

ATTEST:

APPROVED:

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City Clerk

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Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.