

Special Meeting
June 5, 2006

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The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:50 p.m.

CITY COUNCIL

Present: Barton, Beecham, Cordell, Drekmeier, Kishimoto, Klein, Kleinberg, Morton, Mossar

ORAL COMMUNICATIONS

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATOR
City Manager and his designees pursuant to Merit Rules and Regulations (Frank Benest, Emily Harrison, Russ Carlsen, Carl Yeats, Keith Fleming, Lalo Perez)
Employee Organization: Local 715, Service Employees International Union (SEIU) - Classified Unit
Authority: Government Code Section 54957.6(a)

Mayor Kleinberg reported there was no reportable action taken.

ADJOURNMENT: The meeting adjourned at 6:55 p.m.

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:08 p.m.

Present: Barton, Beecham, Cordell, Drekmeier, Kishimoto, Klein, Kleinberg, Morton

Absent: Mossar

SPECIAL ORDERS OF THE DAY

1. Proclamation Honoring Reserve Officer Ken Dueker

No action required.

2. Proclamation Honoring Apparatus Operator Leland Taylor

No action required.

3. Selection of Applicants to be interviewed for the Utilities Advisory Commission (UAC)

MOTION: Council Member Morton moved, seconded by Cordell, to interview all the candidates for the Utilities Advisory Committee.

Council Member Klein did not support the motion because he felt the three who reapplied for the position had outstanding qualities and the Council would choose the three incumbents.

Council Member Beecham did not support the motion since all three incumbents had previously been interviewed by the Council.

MOTION PASSED 6-2, Beecham, Klein voting no, Mossar absent.

ORAL COMMUNICATIONS

Christianne Cook spoke regarding cameras in patrol cars.

APPROVAL OF MINUTES

MOTION: Council Member Morton moved, seconded by Barton, to adopt the minutes of April 17, 2006, May 1, 2006 and May 8, 2006, as submitted.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to make a correction to the minutes of April 17, 2006, on page 9 to add "there was no Plan "B" before the word "Federal."

MOTION PASSED 8-0, Mossar absent.

CONSENT CALENDAR

MOTION: Council Member Morton moved, seconded by Klein, to approve Consent Calendar Items Nos. 4 through 14 and, at the request of staff, to remove Item No. 15 to be included on the June 12, 2006, Council Agenda.

Herb Borock, P.O. Box 632, spoke regarding the Planning and Community Environment Department's restructuring process. As the process moved forward and as leadership roles left the Transportation and Inspection Services Divisions, he hoped Council would make progress in adjusting the restructuring of the Department.

Enid Pearson raised concern regarding the sale of 2460 High Street and spoke on how little pieces of properties served as open space and buffered concrete developments. She said selling the property contradicted the Quimby Act. Funds received from parks should go into funding Parks and Open Space and should not be put to other uses. Rather than selling off the land, she urged the Council to search elsewhere for park funds.

Joy Ogawa said proceeds from the sale of public facility zoned lands were to be used to maintain or improve the infrastructure of the City and not be used to develop affordable housing. The sale of 2460 High Street would impact the residents' pocket books.

Council Member Cordell registered a "no" vote on agenda item No. 9.

4. Ordinance No. 4904 entitled "Ordinance Adding Chapter 18.90 to the Palo Alto Municipal Code to Allow the Creation of Easements through the Execution and Recordation of Covenants"
5. Restructuring Plan for the Department of Planning and Community Environment: Approval of a Budget Amendment Ordinance Amending the Table of Organization for the Department of Planning and Community Environment and Two Resolutions Amending the Compensation Plans for the Service Employees International Union and Management and Professional Groups

Ordinance No. 4898 entitled "Ordinance Amending the Budget for Fiscal Year 2005-06 for Reorganization of the Department of Planning

and Community Environment, Including Changes to the Table of Organization”

Resolution No. 8593 entitled “Resolution Amending the Compensation Plan for Management and Professional Personnel and Council Appointees Adopted by Resolution No. 8554 to Add Two New Classifications, Modify One Classification and Amend Compensation of One Classification”

Resolution No. 8594 entitled “Resolution Amending the Compensation Plan for Classified Personnel (SEIU) Adopted by Resolution No. 8452, By Changing One Classification”

6. Resolution No. 8614 entitled “Resolution Donating Surplus Fire Equipment to Oaxaca, Mexico”
7. Approval of a Utilities Enterprise Fund Contract with D’Arcy & Harty Construction, Inc. in the Amount of \$6,854,652 for Wastewater Collection System Rehabilitation and Augmentation Capital Improvements Program WC-03003 and WC-05003 Project 18
8. Approval of the Second Amendment to Extend the Lease with Thoits Bros., Inc. for City Development Center at 285 Hamilton Avenue
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14. Consultant Services for National Pollutant Discharge Elimination System Permit Assistance: Rejection of Consultant Proposal
- ~~15. Award of Contract with American Truck and Trailer Body Company in the Amount of \$500,000 for Truck Body Fabrication and Truck Equipment Installation Services~~ *(Staff requests item to be continued to 06/12/06)*

MOTION PASSED 8-0 for Items 4-8 and 10-14, Mossar absent.

MOTION PASSED 7-1 for Item No. 9, Cordell voting no, Mossar absent.

PUBLIC HEARINGS

16. Public Hearing – Adoption of a Parkland Dedication Ordinance pursuant to Government Code section 66477 ("Quimby Act") and Amend Palo Alto Municipal Code Chapter 16.58 (Development Impact Fees for Parks, Community Centers and Libraries) to exempt developments that are subject to the proposed Parkland Dedication Ordinance fees from additional park impact fees

Ordinance 1st Reading entitled "Ordinance of the Council of the City of Palo Alto Hereby Approves Adding Chapter 21.50 [Park Land Dedication or Fees in Lieu Thereof] to Title 21 [Subdivisions and other Divisions of Land] and Amending Section 16.58.030 [Exemptions] of Chapter 16.58 [Development Impact Fees for Parks, Community Centers and Libraries]"

Director of Planning & Community Environment Steve Emslie gave an overview of the proposed Ordinance. He said the Quimby Act was State legislation that provided a prescribed formula for cities to use in adding parkland when population increased through subdivision of residential land. The proposed ordinance allowed the City to require dedication from projects of 50 units or greater in size or to collect a fee in-lieu of land dedication for projects less than 50 units. The City had the option to either collect in-lieu fees or to take the land at dedication. The in-lieu fees would purchase the parkland that would serve the population increase. The park ratio calculation for Quimby Act purposes was three acres per thousand of population. The fee varied based on the actual cost of the land. An appraisal determined the current value of the land. The land was used to compute the amount of acreage required to maintain the park ratio of three acres per thousand. The current value of the land was estimated to be approximately \$11,000 per unit and excluded the City's existing park impact fee. The proposed ordinance gave the City the option to require park dedication onsite at the proposed development. The current park impact fee provided only one option to collect the fee for land dedication or implementation of park renovations or improvements. The parkland dedication fee applied to all residential subdivisions that included units required by the City's Below Market Rate (BMR) Housing Program. The ordinance gave the City flexibility to allow credits for certain private open space up to 50 percent of the requirement of the City's sole discretion. That portion of the ordinance provided the flexibility of the City to unilaterally

decide not to include credits in calculating the fee or dedication of land required by the ordinance. Staff recommended the Council adopt the proposed ordinance and suggested two possible amendments to the ordinance to provide a housing exception for 100 percent affordable housing. Staff suggested the Planning and Transportation Commission (P&TC) review the implementation of the ordinance three to six months after the ordinance would become law.

MOTION: Vice Mayor Kishimoto moved, seconded by Morton, to accept staff and Planning and Transportation Commission recommendation to adopt an ordinance for the new Parkland Dedication Ordinance and to amend the current park impact fees, PAMC Chapter 16.58, to exempt projects that are subject to the proposed parkland dedication ordinance fees with the following two changes:

- 1) Section 21.50.030 (a) Strike out: "Where a park or recreational facility has been designated in the Community Services and Facilities chapter of the Comprehensive Plan or a Coordinated Area Plan."
- 2) Strike Section 21.50.100 Credit for Private Open Space.

Vice Mayor Kishimoto said the reason for her amendments was because it would burden the City to pre-designate placement of the 50 units.

City Attorney Gary Baum clarified under the Quimby Act, Section 6, the City was required to develop a schedule to specify "when and where" the units would be placed. Standards would need to be contained in the Comprehensive Plan (Comp Plan) but the "when and where" could be documented separately and would require Council approval.

Vice Mayor Kishimoto said the City valued dedicated parklands and would not be open to the public. The proposal would not allow credit for private open space and was a zoning requirement.

Mr. Baum said the Attorney General's opinion suggested cities must give, or consider giving, credit for private open space. It could cause a challenge since it was not legally binding.

Council Member Morton said formulizing open space was long over due and ensured funds coming in the future for the additional population.

Council Member Barton asked whether condominiums were considered subdivisions.

Mr. Emslie said yes.

Council Member Barton asked whether a property could be considered a subdivision if a developer were to purchase a large piece of land, divide it in half, and develop a 100 percent affordable project on one half and a market rate project on the other.

Mr. Emslie said for the purpose of calculating the fees it would not be considered a subdivision because it would be a minor land subdivision.

Council Member Barton asked to amend the motion to add an exemption of 100 percent for affordable for sale housing.

Council Member Morton did not accept the amendment but suggested exemption on a case-by-case basis upon approval of a project. He said Federal, State, and local monies were available for funding 100 percent low-income housing projects and would place a burden on non-profits.

SUBSTITUTE MOTION: Council Member Barton moved, seconded by Kleinberg, to accept staff and Planning and Transportation Commission recommendation to adopt an ordinance for the new Parkland Dedication Ordinance and to amend the current park impact fees, PAMC Chapter 16.58, to exempt projects that are subject to the proposed parkland dedication ordinance fees with the following three changes:

- 1) Section 21.50.030 (a) Strike out: "Where a park or recreational facility has been designated in the Community Services and Facilities chapter of the Comprehensive Plan or a Coordinated Area Plan."
- 2) Strike Section 21.50.100 Credit for Private Open Space.
- 3) Add an exemption of 100 percent for affordable for sale housing.

Mayor Kleinberg supported the amendment because it was an opportunity to welcome affordable housing developers to build in the community.

Mr. Baum suggested adopting the Finding "because it increased the supply and reduced the cost of affordable housing generally built by non-profits."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER OF THE SUBSTITUTE MOTION to add the following Finding to the Motion as Section 2 "that the exemption of 100 percent for affordable housing increases the supply and reduces the cost of affordable housing and is generally built by non-profits."

Council Member Beecham supported the Substitute Motion.

Vice Mayor Kishimoto echoed Council Member Barton's question regarding the purchase of land for the intent of utilizing one-half of the land as a 100 percent affordable project and the other half as market rate project.

Mr. Emslie said the ordinance would not apply because splitting the lot for the purpose of a rental project would not create a subdivision that would add a unit on its own separate parcel.

Vice Mayor Kishimoto said she was not addressing a rental project.

Mr. Emslie said anything that was non-rental was ownership and included a subdivision subject to the current ordinance. The ordinance did not address whether it was for affordable or market rate purposes. Any time land was subdivided for the purpose of the unit owning either airspace, such as a condominium or the ground beneath it in a traditional subdivision, those units would be subject to the ordinance whether it was 100 percent affordable or not under the current proposal

Vice Mayor Kishimoto supported the substitute motion. She wanted her colleagues and the public to know that impact fees could go much higher but proposed to maintain the three acres per thousand in population.

Enid Pearson said she was in favor of the ordinance and supported the Vice Mayor's amendments. She felt it was short-sighted to use 50 units as a standard needed before parkland was required. She had concerns regarding the adoption of the Quimby Act and not allowing the parks to be dedicated. She asked whether Palo Alto, as a Charter City, had to conform to the Quimby Act and could it be used only as a model and the City adopt its own Act.

Dennis Martin, Home Builders Association Representative, 69 Lester Avenue, San Jose, said home builders and developers of market rate construction and merchant housing had concerns regarding the ordinance because it collected fees to be used for parkland. The Association supported parks in the community because it was good for residents and marketing. The ordinance had a spiraling effect on the cost of development as the cost of development continued to rise across the Bay Area. It would triple the fees resulting in over \$30,000 per unit. He urged the Council to take a look at what they were imposing on the cost of housing and to develop a plan on how the money would be spent specifically and where to get the land for the parks. Credits for private recreation provided by the developer should be included in the ordinance.

Herb Borock, P.O. Box 632, spoke regarding affordable housing. He said affordable housing should be defined if it was to be included. Any housing

should not be exempted. The zoning ordinance had a provision for private open space that applied to the general zoning district. If there was an opinion but no case law it would be more acceptable to dedicate the land for public use.

Council Member Morton asked whether it was possible to have nothing qualify for exemption if 100 percent rental projects and 100 percent affordable housing were exempted that resulted in a class with no members.

Mr. Emslie said no. When property was redeveloped and turned over for the purpose of a residential subdivision there was potential for projects to continue to be applied for that would be subject to the ordinance in the future.

Council Member Morton asked whether there were 100 percent low-income projects that would not be rental projects.

Mr. Emslie said he did not think that would happen and rental housing would be at the upper-end. In order for developers to qualify, they would have to agree to long-term deed restrictions that would keep the rents low. There could be the possibility of some rental housing being proposed but he did not believe that would be subject to the affordability criteria.

Council Member Barton said it was important to not put a substantial burden on affordable for sale housing. It helped and allowed people in different income levels, the disabled, police officers and teachers to live in the community.

MOTION PASSED 8-0, Mossar absent.

21. Colleagues Memo from Council Members Beecham, Drekmeier, and Mossar regarding Water Recreation

MOTION: Council Member Beecham moved, seconded by Kishimoto, to remove agenda Item No. 21 from the agenda to be brought back at a future date.

MOTION PASSED 8-0, Mossar absent.

17. Public Hearing – Request by Peery Arillaga for a Vesting Tentative Parcel Map for the Construction of a Previously Approved Office Building. This Map is required to Combine Two Lots into One Lot Totaling Approximately 5.6 Acres at 2300 East Bayshore Road/2450 Watson Court

Mayor Kleinberg said the item was noted as 2300 East Bayshore Road and 2460 Watson Court on the agenda. The actual address on Watson Court was 2450 and asked how it could be corrected.

Mr. Baum said it would have been incorrect if it was noticed only as 2460 Watson Court, but the item was noticed with a dual address which was adequate.

Mayor Kleinberg said the actual recorded address was 2450 Watson Court.

Assistant City Manager Harrison said the City Attorney believed the notice was adequate, but it was up to the Council to correct the item.

Mr. Emslie said it was not a noticed item and not a public hearing item. It related back to the posting of the agenda and whether or not the agenda conveyed the essence of the action proposed by staff.

Council Member Beecham said the item was previously discussed with the P&TC.

Mr. Baum said approval of the final map was ministerial and what the Council was asked to approve was it conformed to the approved vesting tentative map and not required that it be a public hearing. The public was given adequate notice since it was listed as 2300 East Bayshore Road.

MOTION: Council Member Klein moved, seconded by Morton, to accept staff and the Planning and Transportation Commission recommendation to approve the proposed Vesting Tentative Parcel Map, in order to merge an approximately 3.8 acre parcel with an approximately 1.8 acre parcel to form a 5.6 acre parcel at 2300 East Bayshore Road/2450 Watson Court for the purpose of constructing a previously approved office building, based upon findings and conditions contained within the Record of Land Use Action.

Council Member Klein concurred with the City Attorney and felt the address error was trivial and would not confuse anyone.

Council Member Morton concurred with Council Member Klein and the City Attorney.

Joy Ogawa said it was a bad decision for the Council to approve a Comprehensive Plan amendment to change the land use designation of the property from service commercial to research office, and rezoning the parcel from Planned Community (PC) to Limited Industrial/Research Park District/Site and Design Review Combining District (LMD3). It led to a proposal to consider converting the Municipal Service Center (MSC) for auto

dealerships use. An auto dealership would be better located at 2300 Bayshore Road making it visible from the freeway, better accessibility, not close to residential area and not adjacent to the Baylands. Office buildings at this location will stand as a memorial of poor land use decisions by the City.

Herb Borock, P.O. Box 632, said the Council was being asked to approve a tentative map. The land use action allowed applicants to file a final map if the tentative map was approved. Voting on a tentative map would determine how it would affect the motion.

Steven Snyder, 950 South Bascom Ave., San Jose, said he was the site and design engineer for the parcel. The tentative map was discussed with the Planning Commission and the public was able to speak on it. It was a long and difficult project and staff had assisted with every step in the process.

Council Member Cordell said the accurate address was 2450 and she believed the error was a typo. She concurred with the City Attorney's assessment that there had not been any impropriety to preclude the Council from moving forward on the item.

Vice Mayor Kishimoto asked what difficulties were encountered in the project.

Mr. Emslie said perhaps the speaker was referring to the discretionary portion, which was the Architectural Review Board (ARB) decision that was appealed to the City Council.

Vice Mayor Kishimoto did not support motion.

Council Member Morton asked whether the City Attorney was concerned regarding the Council approving a tentative map as opposed to approving a final map,

Mr. Baum said there was a difference. It was a vesting tentative map and not a final map; fundamentally, it was the same because it reflected the prior discretionary act making it a ministerial act.

Council Member Morton said he supported the approval of a tentative map.

Mayor Kleinberg did not feel a need for a large office building throwing the housing balance more out of balance. She did not support the motion.

MOTION FAILED 4-4, Cordell, Drekmeier, Kishimoto, Kleinberg no, Mossar absent.

Mr. Baum said the Failed Motion constitutes no action taken.

Council Member Barton asked whether the item needed to be brought back to the Council.

Mr. Baum advised to affirmatively bring the item back for the Council to take formal action at another date.

Council Member Beecham asked what would happen if the Council denied the map.

Mr. Baum said the denial would be upheld in Court if the Council made adequate findings that the map was inconsistent prior to discretionary approval. If the Council was unable to make such findings, the Court could overturn the matter. If the Council did not bring the matter back, under the Permit's Streamlining Act where the developer would notice the public, the matter would be deemed approved by law.

Council Member Beecham asked his colleagues who voted no, to consider whether the tentative map was in agreement with the previous action of the Council even if they had disagreed with the action at the time.

MOTION TO RECONSIDER THE VOTE: Mayor Kleinberg moved, seconded by Morton, to reconsider the previous vote.

MOTION PASSED 8-0.

MOTION: Mayor Kleinberg moved, seconded by Morton, to accept staff and the Planning and Transportation Commission recommendation to approve the proposed Vesting Tentative Parcel Map, in order to merge an approximately 3.8 acre parcel with an approximately 1.8 acre parcel to form a 5.6 acre parcel at 2300 East Bayshore Road/2450 Watson Court for the purpose of constructing a previously-approved office building, based upon findings and conditions contained within the Record of Land Use Action.

MOTION PASSED 7-1, Kishimoto no, Mossar absent.

REPORTS OF COMMITTEES AND COMMISSIONS

18. Approval of Comprehensive Plan Amendment Work Plan

Planning Manager Julie Caporgno gave an overview of the work plan to amend the Comprehensive Plan (Comp Plan) and the Planning and Transportation Commission review as outlined in staff report (CMR:253:06).

Council Member Klein asked for the cost breakdown for staff and outside consultants.

Ms. Caporgno said the \$850,000 was all outside costs for consultants. The Environmental Impact Report (EIR) was estimated to cost \$550,000, production estimated at \$100,000, two design studies \$75,000, an economic analyst to look at the retail-serving uses at \$40,000 and the facilitation to work with the community regarding the two special areas estimated at \$20,000. Work would be done with the Administrative Services Department to develop a financing package and provide a detailed budget to the Council.

Council Member Klein asked what the cost was for outside consultants in 1990's.

Ms. Caporgno said the previous Comp Plan cost was well over \$1 million and took approximately five years to complete.

Council Member Klein asked whether the work plan had a provision to retain properties used for commercial purposes but zoned for housing and not on the housing inventory.

Ms. Caporgno said it was an item being focused on. There were two ways of looking at the issue: 1) to restrict the housing uses on properties that were designated for non-residential purposes; or 2) determine whether to allow housing on mixed use properties.

Council Member Klein asked what could be done in the short-term.

Mr. Emslie said the work plan did not propose any short-term measures.

Council Member Klein had concerns of losing properties currently being used for commercial purposes during the two-year wait in getting the Comp Plan amendments adopted. He asked what would be the most expeditious way to approach proposing a short-term measure.

Mr. Emslie suggested allowing the Comp Plan to proceed with the zoning update and to direct staff to present a policy on options to protect "at risk" properties. It would involve collaboration with the City Attorney's Office and the Planning Division and would take approximately 90 days to return to Council.

Council Member Klein asked the City Attorney whether the motion could be made at this evening's meeting or would he prefer a colleagues memo and the matter be agendized on a subsequent agenda.

Mr. Baum said he believed it was in the scope of the agenda.

Council Member Morton needed clarification of what was being asked. He understood the Council was to give the zoning update and secondly to approve the budget amendment of \$850,000.

Mr. Emslie said upon approval of the work plan, staff would return to the Council with a separate budget amendment ordinance that would spread the cost and identify funding sources over the two-year period. It would be separate from the upcoming budget hearing scheduled in the upcoming week.

Council Member Morton asked whether the cost would be less if the date of completion were extended beyond the two-year period.

Ms. Caporgno said the cost would be higher because consultants would be involved for a longer period of time.

MOTION: Council Member Morton moved, seconded by Kishimoto, to accept staff and the Planning and Transportation Commission (PTC) recommendation to approve the work plan for the Comprehensive Plan amendment to extend the horizon year of the Comp Plan through 2020. The PTC recommends incorporating an additional work plan task to address two ZOU-related issues: 1) implementing Program H-29 of the Comp Plan; and 2) updating the zoning map if necessary to correspond to any Comp Plan mapping changes. The PTC also recommends the work plan specifically identify ZOU tasks and the Baylands Master Plan update and Baylands commercial design guidelines that would be delayed as a result of the Comp Plan amendment. Furthermore, to include that staff will return with proposals of reverse conversions of commercial to residential.

Council Member Morton said he would like to get through the process as quickly as possible to avoid additional consultant time.

Vice Mayor Kishimoto asked whether recent data would be used on the EIR and whether there would be a special outreach program to ensure people attended the P&TC hearings on the project.

Ms. Caporgno said recent data would be used on the EIR and outreach suggestions made by the P&TC would be incorporated into the outreach program. Staff would try and use the P&TC meetings as effectively as possible to incorporate community's input with the exception of neighborhood meetings in the East Meadow Circle and West Bayshore Area and the Fry's area.

Vice Mayor Kishimoto asked whether staff was requesting input on the Zoning Ordinance Update (ZOU) schedule or was the focus more on the Comp Plan schedule.

Mr. Emslie said the focus was more on the Comp Plan. The ZOU was provided to show how a more focused program would enable staff in meeting the timeline.

Vice Mayor Kishimoto asked to include a provision in the work plan to identify areas in neighborhoods that needed additional parks and community facilities.

Council Member Morton asked which areas needed to be identified.

Vice Mayor Kishimoto said there were no specific areas but she envisioned looking at the overall land use map to determine what neighborhoods were deficient in a park or a particular facility.

Council Member Morton accepted the addition.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to identify areas in neighborhoods that need additional parks and community facilities.

Vice Mayor Kishimoto asked to add to the work plan "to strengthen and support the pattern of walkable neighborhoods and employment centers by reviewing the land use map and policies to integrate transportation and land use."

Council Member Morton asked staff how much more work would be required to add to the work plan to identify, integrate, or enhance walkable neighborhoods.

Mr. Emslie said it would be minimal since the Comp Plan already addressed that goal.

Council Member Morton agreed to add to strengthen and support the pattern of walkable neighborhoods.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to strengthen and support the pattern of walkable neighborhoods.

Joy Ogawa said if the Comp Plan was to be extended through 2020, she hoped issues between now and then would be explored more

comprehensively and the community would be allowed to provide more input and not be limited to the three minutes at the P&TC meetings.

Council Member Barton addressed the need to connect the unfinished ZOU to the Comp Plan, the need to update the Comp Plan, and to update only certain components of the ZOU. He felt the Council needed to prioritize and decide on how to achieve completing the goals in a rational manner. He did not think it was appropriate to cut the ZOU in half and he opposed the short-term policy change to protect "at risk" properties.

Council Member Drekmeier asked to include a provision to reduce greenhouse gases and address climate change.

Council Member Morton asked how these policy changes impact staff's workload.

Ms. Caporgno said incorporating the additional policies could be done easily. However, more time and money would be required if additional analyses were required, as it would mean more consultants.

Council Member Morton said he would accept Council Member Drekmeier's amendment if it could be done without defined measures.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the environmental section the goal that greenhouse gases be reduced.

Council Member Beecham said it was not logical to view a Comp Plan eight years old and out of date, and to update it now and work on extending it through 2020.

Council Member Klein said his concerns were included in Council Member Morton's motion and asked the motion incorporate the following "To direct staff to return to the Council within 60 days with recommendations on short-term measures to prevent properties that are presently in commercial use but zoned for possible residential use and not listed in the housing inventory from being converted to housing."

Council Member Beecham requested the last incorporation be addressed separately.

Council Member Morton said it would help prioritize staff's direction and he did not want to divide the motion.

Vice Mayor Kishimoto said she would accept the motion either way.

Council Member Cordell said when the Council directed staff to develop a work plan it was one of the most important votes the Council had taken in addressing the future of the community. The community supported the Council to look at its development and the growing imbalance in housing, retail, and public services. She was in favor of the motion in its entirety and supported voting separately on both parts.

Council Member Barton asked Mr. Emslie how many project applications had been submitted in the past six months to the Planning Department for formal review on current retail or commercial sites for housing.

Mr. Emslie requested clarification whether he was referring to new or approved projects.

Council Member Barton said new applications that have reached the Architectural Review Board (ARB) or the Planning and Transportation Commission (P&TC).

Mr. Emslie said there were no new projects in the East Meadow Circle or Bayshore areas but there had been many inquiries regarding the areas.

Council Member Barton registered a "no" vote on both motions.

Mayor Kleinberg asked how the comprehensive planning around the El Camino Boulevard area would be integrated and compatible with the work plan's timeline.

Mr. Emslie said it was part of the timeline since most of the commercial area was along the El Camino Boulevard. Work that already had been completed was detailed, more of an urban design plan and architectural guidelines. Staff needed to re-evaluate the combined plan use and ensure the balance between commercial and residential use was appropriate.

Mayor Kleinberg asked whether the timeline would not get out front in the process.

Mr. Emslie said the El Camino process was ongoing and had been out front because the City initiated the work with CalTrans.

Mayor Kleinberg said the P&TC minutes draft of May 24, 2006, reflected several of the Commissioners' concerns regarding the ZOU and the El Camino guidelines, work deferrals, and staff's capability with a shortage in staffing and work being performed by outside consultants. She asked P&TC Commissioner Garber what his feelings were regarding the P&TC resolving the issues.

Planning and Transportation Commissioner Dan Garber said he was not able to answer the question directly. There was discussion regarding staff's presentation of the work plan and questions on how the work would get done and to bring it to the Council's attention. There were concerns regarding how the Comp Plan development went through the work plan, and getting the results back in the ZOU was the second critical piece of the P&TC motion.

Mayor Kleinberg raised a concern regarding the issues and deferral of the Baylands' Master Plan.

Mr. Garber said the P&TC took the colleagues memo seriously and wanted to act on it as sufficiently and directly as possible.

Mayor Kleinberg said when writing the memo she was interested to see what needed to be deferred. Some of the work that had to be deferred was critical and central to the decision-making that needed to be faced in the following twelve months. A department with future issues and organization changes was asked to perform at their best to handle all of what was being asked and help guide the Council through critical decision-making and to add in important ideas such as climate protection. She had gained a better understanding of how the work plan would work and its impact in making other decisions. She supported the motion.

MOTION PASSED 6-2 Barton, Beecham no, Mossar absent.

MOTION: Council Member Morton moved, seconded by Klein, to direct staff to return within 60 days to provide recommendations on measures that might be adopted to retain commercial areas that are not identified within the housing inventory.

MOTION PASSED 7-1 Barton no, Mossar absent.

COUNCIL MATTERS

19. Response to Santa Clara County Civil Grand Jury's Final Report, Absentee Ballot and Mail-In Voting Processes

MOTION: Council Member Beecham moved, seconded by Klein, to approve the proposed response letter to the Santa Clara County Civil Grand Jury Final Report on the Absentee Ballot and Mail-In Voting Processes.

MOTION PASSED 8-0, Mossar absent.

20. Colleagues Memo from Vice Mayor Kishimoto and Council Member

Mossar regarding Heritage Park - Proposal for a Public/Private Partnership

MOTION: Vice Mayor Kishimoto moved, seconded by Morton, to direct staff to work with the Friends of the Palo Alto Parks and the local resident team to develop a public/private partnership that would complete a playground project in Heritage Park. This agreement would return to City Council for final approval before the Council break in August 2006.

Vice Mayor Kishimoto said the initial funding for the complete renovation of the park was supposed to have come from a water reservoir project, however, it did not happen and would need to wait for several years in improving to the park. Council Member Mossar and Vice Mayor Kishimoto were grateful they had been approached by the Friends of the Palo Alto Parks to proceed with a 50/50 partnership.

Council Member Morton said it was another exciting moment in the history of the Heritage Park and he supported the motion.

Herb Borock, P.O. Box 632, spoke regarding setting priorities and questioned if priorities should be determined by spending money according to community contributions, or should the Council set the priorities and the people contribute to the priority rather than changing the priority when someone come in with funding.

Vice Mayor Kishimoto said Mr. Borock had a legitimate concern regarding the bumping of projects already scheduled. Heritage Park was a particular case because the Friend's offered to install the project and did not involve competing for staff's time to design and install the park, making the Council's choice easier.

MOTION PASSED 8-0, Mossar absent.

COUNCIL COMMENTS, ANNOUNCEMENTS, & REPORTS FROM CONFERENCES

Council Member Beecham reported on a recent NCPA meeting in Lompoc noting that one of the rating agencies has upgraded geothermal and hydro projects by three levels to AA+.

Council Member Morton referred to a letter at places this evening from Congresswoman Eshoo announcing the feasibility study for San Francisquito Creek is one of 32 projects approved for funding in the amount of \$225,000.

Mayor Kleinberg referred to the letter also and thanked Congresswoman Eshoo for putting the funds back into the Army Corps of Engineers' budget

for 2006-07.

Council Member Drekmeier wished his colleagues a happy World Environment Day on June 5, 2006; the international version of Earth Day started in 1972 in Stockholm.

Council Member Klein announced the funding for the San Francisquito Creek feasibility study is the first step in the process and, also, the funding was reduced from the \$350,000 requested.

Council Member Cordell recognized the following Gunn High School students in the audience, who have stayed for the entire Council Meeting; Jonathan Cho, Desun Oka and Sebastian Bertsch.

Mayor Kleinberg congratulated the Palo Alto PTA Council, which received two California State PTA awards at Anaheim last month in the areas of outreach and advocacy. She also congratulated the City Auditor's Office for receiving the 2005 Knighton Silver Medal Award in the Small Audit Shop Category for the Audit of Parks Maintenance at the National Association of Local Government Auditors' Conference in San Jose on May 23, 2006.

Council Member Morton requested the Mayor consider a proclamation in honor of the Palo Alto PTA Council.

Mayor Kleinberg stated that she was already having a proclamation prepared.

FINAL ADJOURNMENT: The meeting adjourned at 10:10 p.m.

ATTEST:

APPROVED:

City Clerk

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

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