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July 10, 2006

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ADJOURNMENT: The meeting adjourned at 10:51 p.m. 23

The City Council of the City of Palo Alto met on this date in the Council Conference Room at 6:10 p.m.

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

Absent: Kishimoto

STUDY SESSION

1. Presentation for Future Affordable Housing Development at 801 and 841 Alma Street

The City Manager gave a brief overview of the potential use of the Alma substation property as an affordable housing site. He described how the proposed housing product on the site has changed from senior housing to workforce housing with the inclusion of the adjacent site at 801 Alma St. He introduced Eden Housing and Community Housing Alliance (CHA) who are proposing to jointly develop the site with 53 units of affordable housing targeted to very low income households. Rob Quigley, the project architect, presented initial design concepts for the project including its "green building" components. Linda Mandolini from Eden Housing described the anticipated financing for the project and the community need for this type of housing product. Don Barr from CHA stated that CHA was pledging at least \$0.5 million toward the project and will raise more funds if necessary.

The Council Members discussed the conceptual plans. Several Council Members requested more information regarding the profile of the future tenants anticipated in the development. Concerns were expressed regarding the high cost for acquisition of the additional 801 Alma property and the loss in General Fund revenue currently generated by the utility lease on the substation site. The City Attorney was asked to explore the possibility of the City acquiring the 801 Alma site and leasing both sites to Eden/CHA instead of Eden/CHA acquiring the sites. Concerns were also expressed regarding the \$3.6 million gap between identified funding sources and development costs.

ORAL COMMUNICATIONS

David Schrom, 381 Oxford, spoke about Planning Commission appointments.

No action required.

ADJOURNMENT: The meeting adjourned at 7:05 p.m.

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:15 p.m.

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

Absent: Kishimoto

MOTION: Council Member Morton moved, seconded by Barton, to move Oral Communications forward before the Pre-Screening Public Hearing.

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

MOTION: Council Member Klein moved, seconded by Morton, to only move forward the Oral Communications from the Study Session Agenda.

MOTION PASSED 8-0, Kishimoto absent.

ORAL COMMUNICATIONS

Doris Petersen, 1803 Edgewood, spoke regarding the League of Women Voter's support for the affordable housing project at 801 and 841 Alma Street.

Sally Probst, 735 Coastland Drive, spoke regarding legislation for extremely low income affordable housing.

Mark Sabin, 533 Alberta Avenue, spoke regarding the importance of opportunities to increase the housing stock for the lower income end of the City.

PUBLIC HEARING (7:00 – 8:00 p.m.)

1. Pre-Screening Public Hearing: A request by Keenan Land Company for Preliminary Review "Prescreening" of Concept Plans for a Planned Community (PC) Rezoning Including Development of a Four-Story Retail/Office Building on the Vacant Corner Lot at Hamilton Avenue and High Street Currently Zoned CD-C(GF)(P) [Downtown Commercial with Ground Floor/Pedestrian Combining Districts], and Construction of a 146-Space, Five-Story Parking Structure on City Lot 'P', Currently

Zoned PF [Public Facilities] at 135 Hamilton Avenue and City Lot 'P'
[06-PLN-00154]

Director of Planning and Community Environment Steve Emslie said the Palo Alto Municipal Code (PAMC) authorized the process and was intended to be a preliminary review by the Council or the Planning and Transportation Commission (P&TC) to look at the merits of a project on a policy basis at an extremely high level. The review was not intended to be detailed but rather a way for staff to hear from Council.

Chop Keenan, Keenan Land Company, said Plan A was the existing zoning which allowed for a 1:1 Floor Area Ratio (FAR) plus density transfer rights. Plan B was a 30,000 square foot building which would include ground floor retail, possibly second floor retail, and office space on the top two floors. The proposal was to build 146 spaces on a lot that currently had 52 spaces and, in return, two things were requested: to build 3:1 FAR; and to have an easement on 60 of the parking spaces from 8 a.m. to 4 p.m., Monday through Friday. During peak demand times, all 146 spaces would be available to the City.

Council Member Barton said his understanding was the larger project would be zoned Planned Community (PC).

Mr. Emslie said that was correct.

Council Member Barton clarified the PC ordinance did not allow use of offsite improvements for the public benefit component of the PC.

City Attorney Gary Baum said that was correct. The Council could not consider offsite benefits.

Council Member Barton asked what would be the public benefit onsite.

Jim Baer said findings could not be made for approval of a project consistent with the Comprehensive Plan (Comp Plan) and if the City was unable to make the findings independent of the public benefit that occurred offsite. The public benefit was a building that provided retail.

Council Member Barton said Mr. Keenan wanted an easement on the 60 top spaces but that would leave the building underparked.

Mr. Keenan confirmed

Council Member Barton said he had a difficult time with two parking garages across the street from each other on High Street as an urban design.

Mr. Keenan said if there was enough parking, Palo Alto would have shoppers. Parking at night and weekends was difficult. The proposed parking garage had a nice architectural feature that would not have a storefront.

Council Member Barton said he was intrigued with the concept of two levels of retail. He said the floor plan looked like ground floor retail and offices above.

Mr. Keenan said he had a two-story tenant in mind.

Council Member Morton said he had concerns about the parking structure on one corner and a building on the other.

Mr. Keenan said the parking structure would have an architectural elevation. Parking was the essence of retail success. A plaza could be on the street side, but retailers wanted to be out front.

Council Member Beecham asked whether the parking deficit was in the daytime, evening or weekends.

Mr. Keenan said the parking deficit occurred during evenings and weekends. Approximately 30 additional permit spaces would be added during the day.

Council Member Mossar said her least favorite building Downtown was the Cheesecake Factory. She said Lot P did not have good urban design.

Mr. Keenan agreed that Lot P was not attractive.

Council Member Drekmeier said he liked the retail component of the project but was not as excited about the office space. He asked Mr. Keenan whether housing on the third and fourth floors had been considered.

Mr. Keenan said he was not a housing developer and estimated that only a few expensive condos would fit the project.

Council Member Klein said he was enthused about Plan B.

Mayor Kleinberg agreed with Council Member Klein.

Council Member Beecham said he liked Plan B and the strength of the retail was of value.

Martin Bernstein, P.O. Box 1739, said Plan B would be a great attribute. Five conditions were suggested: (1) exterior lighting had a cutoff at the property line; (2) the dumpster would be located behind the building; (4) the dumpster would be behind a locked gate; (3) the acoustical screening of the mechanical equipment on the roof was important and (5) the paseo in the rear was recommended to minimize noise impact on his residence.

Faith Bell, 536 Emerson Street, said a five-story structure next to her property would eliminate her ability to provide solar subsidized photo voltaic energy. Her customers used Lot P for many years and preferred open lots to structures.

Irvin Dawid, 753 Alma Street, Apt. 126, said he understood the extra parking was considered a community benefit. The City needed to institute a managed type of parking where a price system was used.

Mayor Kleinberg asked the City Attorney to comment on the issue of public benefit.

Mr. Baum said the public benefit must arise from the site itself. The offsite parking could not be considered by the Council to satisfy requirements in the PC zone.

Mayor Kleinberg asked each of the Council Members to indicate whether they would be happy with the developer proceeding with more detailed plans on Plan B.

Council Member Beecham said he wanted to see Plan B developed further.

Council Member Drekmeier said if a housing component were added, he might support Plan B.

Council Member Cordell said she did not support Plan B because of recent issues raised by the owner of Bells Books. She did not believe the proposal was a public benefit.

Council Member Morton said he supported Plan B being to be investigated further.

Council Member Mossar said she agreed with Council Member Morton.

Council Member Barton said he shared the interest in Plan B but had concerns about the parking and public benefit.

Mayor Kleinberg said she wanted to see more details on Plan B but was concerned about shadows cast on neighboring projects.

No action required.

SPECIAL ORDERS OF THE DAY

2. Selection of Applicants to be Interviewed for the Planning and Transportation Commission (P&TC)

MOTION: Council Member Klein moved, seconded by Morton, to interview all the candidates for the Planning and Transportation Commission.

MOTION PASSED 8-0, Kishimoto absent.

ORAL COMMUNICATIONS

Edie Keating, 3553 Alma Street #5, spoke regarding the proposal for 100 percent affordable housing on Alma Street.

Victor Frost, 425 High Street, #201, spoke regarding the new community garden.

Khashayar Alaei, Supervisor, Recreation Program, 1305 Middlefield Road, introduced Devan Williamson a new intern at the Community Services Department of the City of Palo Alto.

Devan Williamson spoke about her work on the Strategic Plan for Community Services Department and the growing baby boomer plan.

Marilu Serrano, 211 Gardenia Way, East Palo Alto, spoke regarding property in East Palo Alto.

Shauna Wilson Mora spoke regarding electric vehicles.

Danielle Martell spoke regarding the Media Center.

Susan Fineberg, 3498 Janice Way, spoke regarding the Comprehensive Plan.

John K. Abraham, 736 Ellsworth Place, spoke regarding demographics.

APPROVAL OF MINUTES

MOTION: Council Member Morton moved, seconded by Barton, to adopt the minutes of June 5, 2006 and June 12, 2006, with a minor amendment requested by Mayor Kleinberg to the minutes of June 5, 2006 on page 23, the last comment to be changed to: Mayor Kleinberg stated that she was already having a proclamation prepared.

MOTION PASSED 8-0, Kishimoto absent.

CONSENT CALENDAR

MOTION: Council Member Barton moved, seconded by Morton, to approve Consent Calendar Items Nos. 3 through 10.

MOTION: Council Member Klein moved, seconded by Mayor Kleinberg, to remove agenda item No. 5 from the Consent Calendar to be discussed, as agenda item No. 16.

3. Ordinance 4908 entitled "Ordinance of the Council of the City of Palo Alto Approves Amending Sections 12.16.010 thru 12.16.100 to Revise the Administrative Procedures Governing the Formation of Underground Utility Districts"
4. Ordinance 4909 entitled "Ordinance of the Council of the City of Palo Alto Approves Amending Section 16.11.020 and Adding New Section 16.11.070 of Chapter 16.11 of Title 16 of the Palo Alto Municipal Code Pertaining to Storm Water Pollution Prevention Measures"
5. ~~Adoption of a Budget Amendment Ordinance Totaling \$415,000 for Fiscal Year 2006-07 and Creation of Capital Improvement Program Project PF-07011, Roth Building Maintenance~~
6. Resolution 8630 entitled "Resolution of the Council of the City of Palo Alto Approves the Memorandum of Understanding in Support of the Bay Area Water Forum (BAWF)"
7. Request from Daniel Engelhardt, Representing Anchange Productions for Waiver of Permit Fees for Filming
8. Approval of a Utilities Enterprise Fund Contract with West Valley Construction Company, Inc. in the Amount of \$1,771,481 for Gas Main Replacement Capital Improvement Project 15, GS-05002
9. 4243 Manuela Avenue [04PLN-00143]: Request by Cingular Wireless on behalf of Aldersgate Methodist Church for a Conditional Use Permit to Allow the Installation of a Telecommunications Facility. Zone District: R-1 (20,000). Environmental Assessment: Exempt from the California Environmental Quality Act per Section 15303
10. Approval of Revision No. 1 to Purchase Order 4504003179 with Altec Industries Inc. in the Amount of \$3,800 to Enable Payment for minor changes to Two Digger Derrick Trucks Currently Under Construction

MOTION PASSED 8-0, for items 3, 4 and 6 through 10, Kishimoto absent.

REPORTS OF COMMITTEES AND COMMISSIONS

AGENDA CHANGES, ADDITIONS, AND DELETIONS

MOTION: Mayor Kleinberg moved, seconded by Cordell, to move agenda Items 13 and 14 to become Items 10A and 10B to be heard at this point in the agenda.

Assistant City Manager Emily Harrison said the request to move the items was made by the Police Chief and the Chair of the Human Relations Commission (HRC).

MOTION PASSED 8-0, Kishimoto absent.

10A. (Old Item No. 13) Human Relations Commission Recommendation to Approve the Police Department's 2006-2011 Strategic Plan

Police Chief Lynne Johnson said many people in the community had input into the development of the Strategic Plan, and the Plan would be integrated into the Police Department. One goal was to have updates with the City Council, the Human Relations Commission (HRC), and the focus groups on an annual basis.

Shauna Wilson Mora, HRC Chair, said the HRC and other community stakeholders participated in a series of focus groups that the Police Department arranged. The staff report (CMR:292:06) and the Strategic Plan had similarities in what people appreciated in the Police Department and what they saw as weaknesses. The public believed that the Police Department had excellent responsiveness. The focus groups found a lack of communication and a sense that the Police were not participating in the community. Chief Johnson and the people who put together the Strategic Plan came up with good ways to address the weaknesses.

MOTION: Council Member Morton moved, seconded by Cordell, to approve the Human Relations Commission and staff recommendations to approve the 2006-2011 Police Department's Strategic Plan.

Council Member Morton complimented the Police Department's community effort.

Council Member Cordell said she was appreciative that the City Council understood public safety was the number one priority.

Mayor Kleinberg said during the prior months, since the draft Strategic Plan was prepared, issues arose with regard to increase staffing to have better coverage in neighborhoods where there were issues of property and personal danger. There was reason to consider whether the Council had allocated enough resources in the Police Department to do the type of work that could be done with more resources. There were additional demands on the Police Department in terms of emergency and disaster preparedness, pandemic flu, and long-term emergencies. The City could do a better job working through the policies and communicating with the public when emergencies arose.

Chief Johnson said one of the strategies under Goal 1 was to provide community alerts to residents and businesses about hazardous situations or

public concerns in a timely manner. The Police Department staff had discussions about what more it could do with its resources as far as community alerting. An informational staff report would be forthcoming to Council.

Mayor Kleinberg said the Police Department was complimented on long-term goals of obtaining a mobile command vehicle and increasing staffing to address community concerns.

Council Member Klein said he agreed public safety was the first responsibility, but there were currently nine vacancies and, therefore, they were not close to increasing staff at this time.

Chief Johnson said there were nine vacancies and one more anticipated.

Council Member Klein said before adding staff, the current vacancies needed to be filled.

Chief Johnson said it was important to fill the positions and then look at additional staffing. According to a report published by Police Office Standards and Training (POST), 97 percent of the departments in California rated retention and hiring of police officers as their number one priority and issue. The report projected between 2002-2010 there would be 68,000 vacant positions needing to be filled in California.

Mayor Kleinberg asked what Palo Alto did to attract police officers.

Chief Johnson said the Police Department attracted qualified applicants but fewer people were going into law enforcement. Issues related to housing costs, constant scrutiny, and criticism.

MOTION PASSED 8-0, Kishimoto absent.

REPORTS OF OFFICIALS

10B. Ordinance 4910 (Old Item No. 14) entitled "Ordinance of the Council of the City of Palo Alto Approves Adding Section 9.09.010 (a) - (c) Regulating Public Nuisance to the Municipal Code"

Police Chief Lynne Johnson said the Police Department was asking the Council's approval for the Ordinance to ensure the safety of the City.

Council Member Mossar said she was on the Council when the two toilets were installed Downtown. The City had not received any statistics or reports on usage or reduction in problems.

Chief Johnson said the addition of the two toilets did not work as well as the City had hoped, and she was unaware whether Public Works had any statistics.

Council Member Mossar said Council received an amendment to the ordinance "at places" which included language in section 9.09.010 (b) "To willfully and maliciously disturb any lawful assemblage or procession of persons by loud and unreasonable noise or offensive words which are inherently likely to provoke an immediate violent reaction." The language sounded like a First Amendment prohibition.

City Attorney Gary Baum said the wording was changed to reflect the Penal Code Section 415. There had been two cases that upheld the constitutionality of the provision. The wording was changed to conform to State Law.

Council Member Mossar said the Ordinance was written in a general manner and drafted as a tool for the Police force to deal with problems in the Downtown area, specifically for people who urinate in public. The question was asked as to how the ordinance would be used.

Chief Johnson said the primary focus was on the Downtown area where the majority of complaints came from retail owners and visitors. Situations occurred when people came to Palo Alto, got intoxicated, and found no bathrooms open after the bars were closed. The result was that people chose the nearest alcove or entry into a retail establishment. The Public Works staff found garages were used as bathroom facilities. The emphasis on enforcement would be Downtown.

Council Member Cordell said her concern was dealing with an issue of selective prosecution. The statute did not specify "in the Downtown area."

Mr. Baum said he did not believe selective prosecution would be a valid defense. If there were an issue at a party in a neighborhood, the Police had no choice but to enforce. He personally prosecuted public nuisance ordinances in the local courts for many years and consistently heard the defense of selective prosecution, which had never been upheld.

Council Member Klein said the ordinance would be enforced primarily on a complaint basis.

Council Member Morton said the Council needed to go on record to say the appropriate place to urinate and defecate was a lavatory. The community needed the ability to prosecute these violations.

MOTION: Council Member Morton moved, seconded by Beecham, to adopt the ordinance adding Palo Alto Municipal Code, Title 9: Public Peace, Morals and Safety: Section 9.09.010 (a)–(c) Regulating Public Nuisance and

wording revisions to Section 9.09.010 (b) to read: "To willfully and maliciously disturb any lawful assemblage or procession of persons by loud and unreasonable noise or offensive words which are inherently likely to provoke an immediate violent reaction."

Council Member Barton referred to section (c) of the proposed ordinance and asked about the meaning of "to suffer, allow or maintain an outdoor fire."

Mr. Baum said the wording meant to allow it to happen. The wording removed the necessity of the police officer having to observe a person lighting a fire.

Council Member Barton questioned the wording in section (b) "To willfully and maliciously disturb any lawful assemblage or procession of persons."

Mayor Kleinberg said her interpretation was one person reacting violently to something that was said. She asked whether there was a requirement for the Council adopt the ordinance.

Mr. Baum said no.

Mayor Kleinberg said there was a law which gave Police a tool to respond to a violent reaction.

Chief Johnson said item (b) in Section 9.09.010 did not have to be in the ordinance.

Council Member Cordell said the staff report (CMR:289:06) mentioned two concerns: urinating in public places and setting fires. Section (b) did not address either. Her recommendation was to adopt the ordinance with sections (a) and (c).

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to delete Section 9.09.010 (b) "To willfully and maliciously disturb any lawful assemblage or procession of persons by loud and unreasonable noise or offensive words which are inherently likely to provoke an immediate violent reaction." which would make Section (c) become the new Section (b)."

Herb Borock, P.O. Box 632, said he sent the Council a letter by email that referred to a court case that ruled against using the littering statute but said the public nuisance statute could be used. The Council was asked to restore the automatic pay toilet at Lytton Plaza which was moved because of the failure of the Valley Transportation Authority (VTA) and the Joint Powers Board of opening the previously public toilets at the Caltrain Depot.

Mayor Kleinberg asked for guidance about including exact amounts and penalties such as an infraction for first offenses.

Mr. Baum recommended the Council not include the amounts and penalties. Currently, enforcement was treated as a misdemeanor, an infraction, or administrative at the Attorney's discretion and based on what was provided by the Police Department. Setting the fine amount was not within the Council's jurisdiction because that was set by State law and the courts.

Mayor Kleinberg asked what the City did with the ordinance with respect to solicitation of funds at certain intersections.

Mr. Baum said he did not recall Council's action.

Lee Wieder, 637 Middlefield Road, representing Chamber of Commerce, said the Chamber was concerned with what it heard from businesses on the issue and wanted to see the Police have another tool with which they could enforce. Taking section (b) out of the ordinance was a wise direction.

MOTION PASSED 8-0, Kishimoto absent.

PUBLIC HEARINGS

11. Public Hearing – Adoption of an Ordinance to Amend Palo Alto Municipal Code Chapter 16.47 (Approval of Projects with Impacts on Housing) to Remove an Exemption for Hospitals from the In-Lieu Fee Required of Commercial Development Projects with Impacts on Affordable Housing

MOTION: Mayor Kleinberg moved, seconded by Cordell, to continue this item to August 7, 2006.

MOTION PASSED: 8-0, Kishimoto absent.

*12. Public Hearing - Request by James Baer on behalf of Morris Associates for a Site and Design Review Application to Construct a 13,988 Square Foot Mixed-Use Building on a 22,491 Square Foot Parcel in the CS Zoning District. Design Enhancement Exceptions are requested to reduce the required side and front yard setbacks and exceed the allowable encroachment into the side yard daylight plane. Variances are requested to reduce the amount of usable common open space at 2825-2865 El Camino Real [05PLN-00300] Environmental Assessment: An initial study has been prepared and a Mitigated Negative Declaration is proposed in accordance with CEQA guidelines.

** This item is quasi-judicial and subject to Council's Disclosure Policy*

Senior Planner Christopher Riordan said the project was a request by James Baer for the construction of a new three-story, mixed-use building at 2825/2865 El Camino Real in the Service Commercial (CS) District. Because the project was located on El Camino Real, it was subject to the El Camino Real Design Guidelines. The staff report (CMR:283:06) noted that some of

the design suggestions contained in the guidelines were not harmonious with the CS development standards. The inconsistencies would be addressed by the zoning ordinance update. To comply with the intent of the guidelines, the applicant applied for Design Enhancement Exceptions (DEE's); the exceptions were for building setbacks and encroachment into the daylight plane. A variance was requested to reduce the amount of usable open space. The project included a request for an adjustment to parking requirements for a joint use facility. Forty-one parking spaces were required, and 38 were proposed. The Transportation Division reviewed and agreed to the reduction. An Environmental Impact Assessment was prepared for the project. Mitigation measures to reduce lighting and vehicular noise impacts on the new residence were included as conditions of approval. A mitigated Negative Declaration was prepared. The Planning Staff, the Architectural Review Board (ARB), and the Planning and Transportation Commission (PT&C) recommended the City Council approve the project based on the findings and conditions of approval.

Mayor Kleinberg declared the Public Hearing opened at 9:30 p.m.

Jim Baer, 172 University Avenue, said the El Camino Real Design Guidelines encouraged elongating buildings along El Camino Real so parking was put to the back of the buildings, which created daylight plane and setback encroachments. The Council approved shared parking for joint use facilities where there were different hours of use.

MOTION: Council Member Barton moved, seconded by Morton, to accept staff, the Architectural Review Board and the Planning and Transportation Commission recommendations to approve the project at 2825/2865 El Camino Real based on the findings and subject to the conditions contained in the draft Record of Land Use Action. The action includes: (1) approval of the Mitigated Negative Declaration, with a finding that the project would not result in significant environmental impacts, (2) approval of the Site and Design Review application to allow the construction of a new mixed-use building and related site improvements in the CS Service Commercial District, (3) approval of all requested Design Enhancement Exceptions (DEE's), and (4) approval of the Variance for a reduction in the amount of usable common open space.

Council Member Barton said the staff report (CMR:283:06) was clear, and the exceptions were reasonable.

Robert Moss, 4010 Orme Street, spoke about significant groundwater contamination at the site. His recommendation was an impermeable barrier be placed beneath the foundation to prevent any evaporation from the contaminated groundwater into the building.

Director of Planning and Community Environment Steve Emslie said the Regional Water Quality Control Board (RWQCB) retained jurisdiction and

approved the Risk Management Plan (RMP). Mitigation measures were set out for the project to proceed. Staff recommended the Fire Department and the RWQCB be consulted prior to the issuance of a building permit to determine whether additional mitigation measures, including a membrane, were necessary.

Mayor Kleinberg said the Council could be open to liability if nothing was done.

City Attorney Gary Baum said the Council could not determine the proper mediation, but a condition could be added to check with the Fire Department and RWQCB before the issuance of a building permit.

Mr. Baer said he would be glad to have the Fire Department determine whether there were any other requirements.

Mayor Kleinberg declared the Public Hearing closed at 9:43 p.m.

MOTION PASSED: 8-0, Kishimoto absent.

COUNCIL MATTERS

15. Colleagues Memo from Council Members Klein and Mossar regarding Innovation in Library Technology

Council Member Mossar said the City/School Liaison Committee had periodic reports from City staff and the Palo Alto Unified School District (PAUSD) staff on library cooperative efforts. Currently, the PAUSD, at the current time, was not interested in pursuing opportunities for collaboration with the City beyond efforts currently being pursued. The discussion highlighted there were many technological innovations that were potentially available to Palo Alto and other cities.

MOTION: Council Member Mossar moved, seconded by Morton, to direct staff to return to Council with a project proposal that would cover:

- 1) Determining possible shared objectives for collaboration with neighboring jurisdictions.
- 2) Hiring a consultant to study potential efficiencies and service improvements to be gained through collaboration, and the estimated costs.
- 3) An estimate of the staff time required to complete the study.
- 4) An estimated time frame.

Council Member Klein said the project proposal would be a potential cost saving measure and a way to improve the efficiency of the Library program.

Council Member Barton said he was concerned with Colleague's Memos that added to the City staff load and suggested an amendment to the

recommendation to put the matter off until a new Library Director was in place.

Council Member Mossar said she was not opposed to the amendment. Staff was interested in pursuing the recommendations listed in the Colleague's Memo, dated July 10, 2006, but could not do anything until the Director was on board. Facility improvements as well as technological improvements needed to be pursued.

Mayor Kleinberg clarified the friendly amendment was to accept the recommendations, which would be handled after a new Library Director was selected.

Council Member Barton said that was correct.

Council Member Klein said he was not in favor of the friendly amendment because staff urged the Council to go forward. Staff was asked about the timeframe for a new Library Director.

Assistant City Manager Emily Harrison said there was no timeframe at the current time. The Interim Library Director was the most technologically knowledgeable of the current Library staff. City staff would work actively on the memo.

Council Member Mossar did not accept the amendment.

SUBSTITUTE MOTION: Council Member Morton moved, seconded by Barton, to delay action on the Colleague's Memo until after a new Library Director was in place.

Ms. Harrison said the Colleague's Memo, dated July 10, 2006, asked staff to return with an estimate of staff time and timeframe with the current staff.

Mayor Kleinberg said the recommendation in the Colleague's Memo was to direct staff to return to Council with a proposal which covered the four items listed in the recommendation.

Ms. Harrison said staff would return with a proposal for the resources required and the timeframe to complete the project.

SUBSTITUTE MOTION WITHDRAWN

MOTION: Council Member Morton moved, seconded by Cordell, to table this item.

MOTION FAILED 4-4, Beecham, Drekmeier, Klein, Mossar voting no, Kishimoto absent.

Council Member Beecham inquired why the Council had a Colleague's Memo on the subject and why staff did not work on the project proposal during the normal course of work. The rough cost was \$10,000 to \$20,000 for a consultant and \$5,000 or \$10,000 for direct labor.

Ms. Harrison said the Library staff was stretched and there was no one to devote to the project at the current time.

Council Member Beecham said his understanding was City staff believed money would be saved by technology innovations but there was no staff to do the work. If staff believed a consultant could be hired to save money, he expected staff would return with that request.

Mayor Kleinberg indicated her interest in the Colleague's Memo which mentioned one City librarian spent part of her time working with the PAUSD.

Ms. Harrison said the librarian's focus was on programs which jointly benefited school-age children; the librarian worked with the PAUSD to maximize programs in City libraries that overlapped with the curriculum and programs in the schools.

Mayor Kleinberg said she was confused by comments that the staff was interested in doing the work, but she sensed the idea was not completely vetted by executive staff.

Ms. Harrison said she reviewed the Colleague's Memo with the Library Director and the concern was how quickly staff would be able to return with a proposal. The authors of the Colleague's Memo were careful not to include a specific date.

Mayor Kleinberg said she was concerned with the timing of the proposal. The proposal would return after a new Library Director was hired.

Council Member Klein said the project was staff driven. His concern was a new Library Director would not be selected for six or more months.

Council Member Mossar said the recommendation in the Colleague's Memo was that staff hire a consultant who understood library technology and looked at opportunities and a plan for how staff would proceed. The Library Advisory Commission was interested in moving forward with technological solutions.

Council Member Morton clarified staff would return with a proposal to hire a consultant who would indicate the efficiencies and estimate staff time.

Ms. Harrison confirmed.

Council Member Morton said his concern was an outside consultant might not be familiar with the library system.

Ms. Harrison said staff would not search for a consultant to recreate any of the work currently being done on the long-range plan by the Library Advisory Commission (LAC).

Mayor Kleinberg clarified the consultant would execute the recommendations listed in the Colleague's Memo.

Ms. Harrison confirmed. Staff would return to the Council with a project proposal.

Council Member Beecham asked whether staff had the current authority to hire a consultant.

Ms. Harrison said there was neither budget nor staff to do the work.

Council Member Beecham clarified a Budget Amendment Ordinance (BAO) was needed.

Ms. Harrison said staff would return with an estimate of the resources and a proposal to use the City Manager's Contingency Fund, the Council's Contingency, or another source to provide the resources to complete the project.

Council Member Beecham clarified staff believed spending \$20,000-\$30,000 would be beneficial in terms of innovations and collaborations.

Ms. Harrison said the former Library Director strongly believed spending the money would be beneficial.

Council Member Beecham said he supported the recommendation.

Council Member Cordell said the incoming Director might decide that \$20,000 was not the best way to spend the money immediately.

Wayne Martin, 3607 Bryant Street, said the public was more important than a Director where libraries were concerned, and the public would get access to 5.5 million books if Link Plus were added to the library.

Council Member Klein said the City was proceeding to adopt the master plan for the library system, and the LAC was moving forward with a program that was before the Council a few months prior.

Council Member Cordell asked whether the motion had to do with Link Plus.

Council Member Mossar said Link Plus was mentioned in the Colleague's Memo as a specific example. At the discussion with the PAUSD Board and the Parent and Teachers Association (PTA), it was agreed that Link Plus was an important key. Link Plus was the one specific technological tool.

Council Member Cordell clarified Link Plus was the major piece to the proposal.

Council Member Mossar said Link Plus was a major piece, and she and Council Member Klein would not have brought forward anything they thought was not feasible, practical, and essential.

Council Member Klein said Link Plus was a major piece of the program and the consultant would be asked to help improve the technological abilities at the library.

Ms. Harrison said she would need to discuss the matter with the new interim Director. Staff would research how much time it would take to finalize the proposal.

MOTION PASSED: 7-1, Barton no, Kishimoto absent.

16. Ordinance 4911 (Old Item No. 5) entitled "Ordinance of the Council of the City of Palo Alto Adopting a Budget Amendment Ordinance Totalling \$415,000 for Fiscal Year 2006-07 and Creation of Capital Improvement Program Project PF-07011, Roth Building Maintenance"

Council Member Klein said he pulled the item from the consent calendar because he became increasingly concerned about the City's expenditures on the Roth Building and what seemed to be a pattern of significant overruns.

Assistant City Manager Emily Harrison said staff could not provide absolute assurance. The Roth Building had severe issues and was deteriorating.

Council Member Klein asked whether additional studies were contemplated to see whether other large items would come along.

Director of Public Works Glenn Roberts said rather than cost overruns, there was a significant scope change from what was originally proposed and budgeted by staff. The Council was approached by interested parties, and staff was directed to change the scope of the project in order to save the spine of the building which increased the costs. Other items to go before the Council with regard to the building were unknown at the current time.

Council Member Klein asked whether a thorough inspection of the building was contemplated to see if there were any further deferred maintenance items.

Mr. Roberts said there were additional items that needed to be taken care of by the tenant. There were no other items that staff proposed to do.

Council Member Klein clarified the City had two or three years before being relieved of its obligations under the lease.

Mr. Roberts said staff assumed the proposed work would improve the drainage and provide interior ventilation which would stabilize the building for the next two to three years.

Council Member Mossar said during the Sea Scout building negotiations, the Council was clear about timing, and had a policy about how the building would be leased. She believed the Roth Building had gone past the original timeframe authorized by the Council.

Ms. Harrison confirmed.

Council Member Mossar said when she questioned the completion of the Roth Building, nothing was certain.

Ms. Harrison said the Palo Alto Historical Association's (PAHA) proposal did not conform to the guidelines approved by the Council for an option to lease.

Council Member Mossar said when the Council initially agreed to a Request for Proposal (RFP) to see whether a nonprofit could use the facility for the community, the Council spoke about the financial liabilities and opportunities of the building. There were reasons for the City to sell the building for private use because of the financial situation and the long-term financial obligations of the building.

Council Member Morton said the Roth Building did not have heat, ventilation, or electrical. The current proposal was for electrical and waterproofing. If funds were put into the project, would the new tenant reimburse the City for the necessary improvements.

Ms. Harrison said PAHA believed it would be unable to raise funds and was requesting the City to pay for the renovations.

Council Member Morton suggested continuing the item until PAHA could make comments.

Council Member Beecham said since the City owned the building, it was the City's obligation to take care of the building.

Council Member Barton said the rainy weather was around the corner, and the work needed to be done.

MOTION: Council Member Beecham moved, seconded by Klein, to: 1) Approve creation of Capital Improvement Program (CIP) Project PF-07011, Roth Building Maintenance (Attachment A); and 2) Approve the Budget Amendment Ordinance (BAO) in the amount of \$415,000 to provide an appropriation for CIP Project PF-07011, Roth Building Maintenance (Attachment B).

Council Member Cordell said the Council needed to authorize the money to get the work done.

Beth Bunnenberg, 2351 Ramona Street, said there were two basic problems; one had to do with the roof and the other was the gutter system.

Karen Holman, 725 Homer Avenue, said PAHA had submitted its proposal two years prior. The Council had unanimously approved PAHA's proposal to develop the Roth Building as a history museum. Palo Alto lacked a facility for cultural, societal, economical, technological, and environmental education.

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

COUNCIL COMMENTS, ANNOUNCEMENTS, AND REPORTS FROM CONFERENCES

Council Member Cordell invited her colleagues to read the Op Ed piece she authored in the July 10, 2006, Mercury News concerning the District Attorney's Race and "Three Strikes."

Mayor Kleinberg announced the City of Palo Alto won the International City-County Management Association and the National Research Center, 2005 Voice of the People Award, for five different excellent services; emergency medical, fire, garbage collection, park, and police.

ADJOURNMENT: The meeting adjourned at 10:51 p.m.