

Special Meeting  
October 16, 2006

1. CONFERENCE WITH LABOR NEGOTIATOR.....4

ADJOURNMENT: The meeting adjourned at 6:55 p.m. ....4

1. Presentation of the Voice of the People Awards .....5

2. Proclamation Honoring the Stanford University Shopping Center on its 50<sup>th</sup> Anniversary .....5

ORAL COMMUNICATIONS .....5

APPROVAL OF MINUTES .....5

3. Ordinance 4922 - Ordinance of the Council of the City of Palo Alto Amending the Budget for the Fiscal Year 2006-07 in the Amount of \$157,892 to provide additional appropriation to Capital Improvement Program (CIP) Project PE-05002, Palo Alto Main Library Space Reconfiguration .....6

4. Ordinance 4920 entitled "Ordinance of the Council of the City of Palo Alto Adding Section 22.08.400 to Chapter 22.08 (Park Dedications) of the Palo Alto Municipal Code to Dedicate For Park Purposes a 6.2 Acre Parcel of Land at the Corner of El Camino Real and Page Mill Road to be Known as the Stanford University/Palo Alto Community Playing Fields for the Term of the City's Lease of Such Property" .....6

5. Confirmation of Appointment of Diane Jennings as Library Director .....6

6. 195 Page Mill Road, 2825, 2865, 2873, 2891 & 2901 Park Boulevard [05PLN-00281]: Consideration of whether to schedule an appeal by Courthouse Plaza Company of the Director of Planning and Community Environment's denial of a Major Architectural Review Board application to allow the construction of a three story building for research and development space on the ground floor and two floors of residential apartments, plus a subterranean parking garage and related site

	improvements. <i>*(This item was quasi-judicial and subject to The Council's Disclosure Policy)</i> .....	6
6A.	(Old Item No. 6) 195 Page Mill Road, 2825, 2865, 2873, 2891 & 2901 Park Boulevard [05PLN-00281]: Consideration of whether to schedule an appeal by Courthouse Plaza Company of the Director of Planning and Community Environment's denial of a Major Architectural Review Board application to allow the construction of a three story building for research and development space on the ground floor and two floors of residential apartments, plus a subterranean parking garage and related site improvements. <i>*(This item is quasi-judicial and subject to The Council's Disclosure Policy)</i> .....	7
7.	Public Hearing - To consider the Adoption of an Ordinance Amending Section 18.10.070 "Second Dwelling Units" of the Palo Alto Municipal Code to Prohibit Individual Sale of Second Units in the RMD and R-2 zoning districts, and declaring the urgency thereof, to take effect immediately. ....	9
8.	Public Hearing - To consider Adoption of Zoning Ordinance Amendments Deleting Chapters 18.41 (Neighborhood Commercial), 18.43 (Community Commercial), 18.44 (Community Commercial Combining District), 18.45 (Service Commercial), and 18.49 (Commercial Downtown) of the Palo Alto Municipal Code (Zoning Ordinance) and Adding Chapters 18.16 (Neighborhood, Service, and Community Commercial) and 18.18 (Commercial Downtown) Providing for Allowable Uses and Development Standards in Commercial Zones, including Mixed-use Criteria, and Amending Sections 18.94.070 and 16.20.120 to Delete Amortization Requirements and to Allow Additional Signage for 3200 Park Boulevard/340 Portage Avenue (Fry's Electronics); Environmental Assessment: Comprehensive Plan Environmental Impact Report. ....	10
9.	Public Hearing - To consider a request by Steve Pierce on behalf of John Woodworth to subdivide a single 16,507 square foot parcel back to the two original parcels, one at 7,503 square feet and one at 9,004 square feet at 705 & 711 Cowper Street [06PLN-00102] Exceptions to lot design would be required to allow a lot area of 7,500 square feet at 705 Cowper Street where 8,500 square feet would normally be the minimum lot area, and site widths of 50-feet for 705 Cowper Street and 60-feet for 711 Cowper Street, where a 75-foot lot width would normally be required. Environmental Assessment: An Initial Study had been completed and a Negative Declaration had been prepared in accordance with California Environmental Quality Act (CEQA) requirements. Zoning Dwastrect: RM-30. <i>(Item to be continued at the request of the applicant)</i> .....	19

10.	Colleagues Memo from Council Members Beecham, Drekmeier and Mossar re: Direction to staff to work with the Board of Friends of the Palo Alto Junior Museum and Zoo to Develop a Public/Non-Profit Partnership .....	19
THE	COUNCIL COMMENTS, ANNOUNCEMENTS, AND REPORTS FROM CONFERENCES .....	22
11.	CONFERENCE WITH CITY ATTORNEY -- EXWASTING LITIGATION .....	23
12.	CONFERENCE WITH REAL PROPERTY NEGOTIATOR.....	23
13.	CONFERENCE WITH REAL PROPERTY NEGOTIATOR.....	23
FINAL	ADJOURNMENT .....	24

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:00 p.m.

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

Absent: Morton, Mossar

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, Sandra Blanch, Darrell Murray, David Ramberg, Nick Marinaro)  
Employee Organization: Local 1319, International Association of Fire Fighters Authority: Government Code Section 54957.6(a)

**Mayor Kleinberg stated no reportable action was taken.**

ORAL COMMUNICATIONS

None

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

The 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. Presentation of the Voice of the People Awards
2. Proclamation Honoring the Stanford University Shopping Center on its 50<sup>th</sup> Anniversary

Director of Mall Marketing Julie Kelly said events were held Saturday and Sunday, which included children's activities and a fashion show with local celebrities modeling; Brian Street Gallery had five local artists in attendance.

**No Action Required.**

Mayor Kleinberg said the City was working in conjunction with various organizations preparing for the potential Pandemic Flu. The City's website had details and three public outreach events would be scheduled.

City Manager Frank Benest introduced the new Director of Utilities, Valerie Fong, who came from the City of Alameda.

Director of Utilities Valerie Fong said she was honored to have been selected by the City of Palo Alto.

ORAL COMMUNICATIONS

Sanford Forte, 280 College, spoke regarding the Library staff recommendation.

Elaine Meyer, 609 Kingsley Ave., spoke regarding the Comprehensive Plan.

APPROVAL OF MINUTES

**MOTION:** Council Member Klein moved, seconded by Morton, to adopt the minutes of September 18, 2006, as submitted.

**MOTION PASSED** 7-0 Mossar absent, Cordell abstaining.

CONSENT CALENDAR

Council Member Cordell stated she would not participate in Item No. 4 due to a conflict of interest because she was employed by Stanford University.

Council Member Klein stated he would not participate in Item No. 4 due to a conflict of interest because his wife was employed by Stanford University.

**MOTION:** Council Member Cordell moved, approved by Morton and Beecham, to pull agenda Item No. 6 from the Consent Calendar to become Item No. 6.A.

**MOTION:** Council Member Morton moved, seconded by Beecham, to approve Consent Calendar Items No. 3-5.

3. Ordinance 4922 - Ordinance of the Council of the City of Palo Alto Amending the Budget for the Fiscal Year 2006-07 in the Amount of \$157,892 to provide additional appropriation to Capital Improvement Program (CIP) Project PE-05002, Palo Alto Main Library Space Reconfiguration

Approval of a Contract with Page Construction Company in the Amount of \$269,300 for Palo Alto Main Library Space Reconfiguration - Capital Improvement Program Project PE-05002

4. Ordinance 4920 entitled "Ordinance of the Council of the City of Palo Alto Adding Section 22.08.400 to Chapter 22.08 (Park Dedications) of the Palo Alto Municipal Code to Dedicate For Park Purposes a 6.2 Acre Parcel of Land at the Corner of El Camino Real and Page Mill Road to be Known as the Stanford University/Palo Alto Community Playing Fields for the Term of the City's Lease of Such Property"
5. Confirmation of Appointment of Diane Jennings as Library Director

~~\*6. 195 Page Mill Road, 2825, 2865, 2873, 2891 & 2901 Park Boulevard [05PLN-00281]: Consideration of whether to schedule an appeal by Courthouse Plaza Company of the Director of Planning and Community Environment's denial of a Major Architectural Review Board application to allow the construction of a three story building for research and development space on the ground floor and two floors of residential apartments, plus a subterranean parking garage and related site improvements. *\*(This item was quasi-judicial and subject to The Council's Disclosure Policy)*~~

**MOTION PASSED** 8-0 for Items 3 and 5, Mossar absent.

**MOTION PASSED** 6-0 for Item 4, Cordell, Klein not participating, Mossar absent.

- 6A. (Old Item No. 6) 195 Page Mill Road, 2825, 2865, 2873, 2891 & 2901 Park Boulevard [05PLN-00281]: Consideration of whether to schedule an appeal by Courthouse Plaza Company of the Director of Planning and Community Environment's denial of a Major Architectural Review Board application to allow the construction of a three story building for research and development space on the ground floor and two floors of residential apartments, plus a subterranean parking garage and related site improvements. *\*(This item is quasi-judicial and subject to The Council's Disclosure Policy)*

Mayor Kleinberg stated the Council had two options: 1) to hear public testimony and adopt the Director's findings and deny the appeal; or 2) hear public testimony and direct staff to set a public hearing.

Council Member Cordell clarified the City Manager's Report option discussed the appeal, adopted findings and took actions based on the Architectural Review Board findings.

City Attorney Gary Baum stated the Council could deny the appeal based on the findings of the Architectural Review Board and the Director's denial.

Council Member Cordell inquired how the Council would proceed.

Mr. Baum said the Council should direct staff to set a public hearing for a future date.

Council Member Cordell asked whether a public hearing meant oral communication.

Council Member Klein said the motion was to set a public hearing.

Mr. Baum said public comment was limited to 3 minutes or less, on whether there should be a public hearing.

Vice Mayor Kishimoto inquired whether the Council would adopt the Architectural Review Board's or the Director's findings.

Mr. Baum said the Council would adopt the Director's findings.

James Janz, 200 Page Mill Road, disagreed with the City Attorney's ruling.

Harold Hobach, 29 Lowrey Drive, Atherton, requested the City adopt the findings of the Architectural Review Board and hold no more hearings.

Geoff Dale, 345 Sheridan Ave, stated the project would be good for the neighborhood.

Suzanne Bayley, 2553 Emerson Street, requested the City to uphold the denial of the project.

Carolyn Patten, 2535 Emerson Street, requested the City to uphold the denial of the project.

Richard Campbell, 1900 Embarcadero Road, said the project had been scaled down since the original plans and should not affect the Emerson neighborhood.

Council Member Morton said he was interested in the two items Mr. Campbell mentioned.

Mr. Campbell said the issues were the glare from the windows on the back wall of the project and the screening on the ten foot easement.

Jeff Schwartz, 345 Sheridan Avenue, said he would appreciate a mixed building.

Debbie Kullman, 2536 Emerson Street, recommended stoppage of the project.

Hannah Cranch, 2520 Emerson Street, recommended the Council not hear an appeal for the project.

Robert Moss, 4010 Orme Street, urged the denial of the project.

Sanford Forte said the project needed to move forward.

Council Member Morton said he was concerned about the lack of vision given to the public.

**MOTION:** Council Member Morton moved, seconded by Cordell, to direct staff to set the matter for a future full public hearing.

Council Member Cordell stated the applicants appealed the Director's decision and requested a de novo hearing.

Council Member Barton stated he would not support the motion.

Council Member Klein requested guidance from the City Attorney to clarify the zoning.

Vice Mayor Kishimoto stated she was not supportive of the motion.

Council Member Cordell said the motion was whether to have a hearing with no consideration given for or against the project.

Mr. Baum said before the Council that evening was the Architectural Review Board findings and the Director's determination of denial. The Council could approve the findings or hold a denovo hearing.

Council Member Cordell said there were legal and procedural issues that could present problems.

Council Member Klein questioned how the Architectural Review Board received the project prior to approval by the Planning and Transportation Commission.

Council Member Barton clarified the process was out of the bounds of the zoning ordinance and therefore should not go through a public hearing.

**MOTION PASSED** 5-3 Barton, Kishimoto, Kleinberg no, Mossar absent.

Director of Planning and Community Environment Steve Emslie reserved a date in late November 2006 for a public hearing.

City Manager Frank Benest introduced the new Director of Libraries, Diane Jennings.

Director of Libraries Diane Jennings said she looked forward to working with the Council, the Library Advisory Commission, the Friends of the Library, the Library Foundation and the community.

#### UNFINISHED BUSINESS

7. Public Hearing - To consider the Adoption of an Ordinance Amending Section 18.10.070 "Second Dwelling Units" of the Palo Alto Municipal Code to Prohibit Individual Sale of Second Units in the RMD and R-2 zoning districts, and declaring the urgency thereof, to take effect immediately.

Ordinance 4921 entitled "The Council of the City of Palo Alto Hereby Amends Section 18.10.070 of the PAMC Prohibiting Second Dwelling Units under Different Ownership from the Initial Dwelling Unit on an Interim Basis Pursuant to Government Code Section 65858 to take effect immediately".

Council Member Beecham stated he would not participate in the item due to a conflict of interest because his residence was in the RMD zoning district.

**MOTION:** Council Member Morton moved, seconded by Barton, to adopt an Ordinance (Attachment A) on an urgency basis, prohibiting new airspace condominiums within existing buildings in the RMD and R-2 zoning districts.

Council Member Morton stated the motion clarified the intent was never to produce sub-standard lots.

Council Member Barton stated the intent of the R-2 was to produce income as rental units.

Pria Graves, 2130 Yale Street, said the purpose of the zone was to allow second units under the same ownership.

Herb Borock, P.O. Box 632, said the Council should review the Planning and Transportation Department process.

Vice Mayor Kishimoto stated her support of the motion for the purpose of historic preservation in exchange for permanent historic easement.

Council Member Cordell stated the ordinance could be jeopardized if Proposition 90 passed.

City Attorney Gary Baum stated Proposition 90 could affect the ability to pass a final version of the ordinance.

Council Member Morton questioned the possibility the ordinance would return in its final version before November 7, 2006.

Mr. Baum stated the process was 45 days from the date it was voted on, which was past the election date.

**MOTION PASSED** 7-0 Beecham not participating, Mossar absent.

#### PUBLIC HEARDINGS

8. Public Hearing - To consider Adoption of Zoning Ordinance Amendments Deleting Chapters 18.41 (Neighborhood Commercial), 18.43 (Community Commercial), 18.44 (Community Commercial Combining District), 18.45 (Service Commercial), and 18.49 (Commercial Downtown) of the Palo Alto Municipal Code (Zoning Ordinance) and Adding Chapters 18.16 (Neighborhood, Service, and Community Commercial) and 18.18 (Commercial Downtown) Providing for Allowable Uses and Development Standards in Commercial Zones, including Mixed-use Criteria, and Amending Sections 18.94.070 and 16.20.120 to Delete Amortization Requirements and to Allow Additional Signage for 3200 Park Boulevard/340 Portage Avenue (Fry's Electronics); Environmental Assessment: Comprehensive Plan Environmental Impact Report.

City Attorney Baum noted that due to Council Member conflicts, the order on Item No. 8 needed to be reversed in order to hear the conflicted item first.

b) 1<sup>st</sup> Reading - Ordinance Deleting Chapter 18.43 (Community Commercial) and Adding Portions of a New Chapter 18.16 (Neighborhood, Community, and Service Commercial Districts) of Title 18 (Zoning Ordinance) of the Palo Alto Municipal Code.

Council Member Cordell stated she would not participate due to her employment at Stanford University.

Council Member Klein stated he would not participate due to his spouse's employment at Stanford University.

Chief Planning and Transportation Officer Curtis Williams spoke on community and commercial zoning, with regards to limiting residential use in commercial districts and providing incentives for hotel use and enhancing the potential for mixed-use development.

Planning and Transportation Commissioner Paula Sandas indicated wording corrections needed to be made.

City Attorney Gary Baum stated in the event this area was determined a down zone, the City could have some liability if Proposition 90 passed.

Council Member Beecham inquired about reversing the action for a particular parcel.

Mr. Baum stated Proposition 90 did not specify.

Mr. Williams said the City did not consider a hotel to be mixed-use; the understanding was residential was a mixed-use.

Vice Mayor Kishimoto asked where the residential area was in the Town & Country Shopping Center.

Council Member Barton asked the difference between landscaped open space and usable open space.

Mr. Williams clarified the landscaped open space included the landscaped portion of the parking lot, but not the lot itself.

Mayor Kleinberg declared the Public Hearing opened at 8:40 p.m.

Denny Petrosian urged the Council to not pass the ordinance.

Herb Borock, P.O. Box 632, questioned why the item was not put on an earlier agenda so it could have been passed prior to the Proposition 90 vote on November 7, 2006.

Mayor Kleinberg declared the Public Hearing closed at 8:50 p.m.

**MOTION:** Council Member Barton moved, seconded by Kishimoto, to approve staff and Planning and Transportation Commission (P&TC) recommendation to adopt the ordinance to approve specific sections of a new Chapter 18.16 of the Zoning Ordinance for the Community Commercial (CC) zoning district, encompassing revisions to the uses and standards provided in current Chapter 18.43, particularly relative to limiting residential use in that district and providing increased potential for hotels.

Council Member Barton stated the zoning made sense and opened the possibility of mixed-use and housing.

Vice Mayor Kishimoto complimented the Staff and the Planning Commission's work.

Council Member Morton asked about the benefit to attract hotel business.

Mr. Williams stated the increase of twenty-five percent of usable space would be enough of an incentive to attract a hotel.

Council Member Morton said twenty-five percent of usable space could then be residential condominiums.

Council Member Drekmeier inquired about Proposition 90 being considered a down zoning.

City Attorney Gary Baum said if the courts determined there was any type of down zoning, the City paid the difference.

Council Member Drekmeier stated the project appeared to be an up zone, which allowed more development.

Mayor Kleinberg supported the motion.

**MOTION PASSED** 5-1, Morton no, Cordell, Klein not participating, Mossar absent.

a) 1<sup>st</sup> Reading - Ordinance Deleting Chapters 18.41 (Neighborhood Commercial), 18.44 (Community Commercial Combining District (CC(2))), 18.45 (Service Commercial), and 18.49 (Commercial Downtown), adding Portions of a New Chapter 18.16 (Neighborhood, Community, and Service Commercial Districts), adding a New Chapter 18.18 (Downtown Commercial District), and Amending Section 18.94.970 (Nonconforming Uses and Non-complying Facilities) of the Palo Alto Municipal Code (Zoning Ordinance), and Amending Section 16.20.120(A) (Freestanding Signs) of Title 16 (Building Regulations) of the Palo Alto Municipal Code.

Council Member Morton excused himself from the meeting at 9:11 p.m.

Mr. Williams stated commercial and mixed-use standards had been reviewed. Revisions limited residential uses in commercial zones which enhanced the potential for mixed-use and eliminated amortization for Fry's Electronics, and ensured compatibility with neighboring residential.

Mr. Baum confirmed the ordinance had nothing to do with the locations of the commercial zones.

Mr. Williams recommended limiting residential to mixed-use only except for housing opportunity sites and the Housing Element.

Mr. Baum stated if a court determined these changes were a down zone, the City could be liable for the payment of damages.

Mayor Kleinberg declared the Public Hearing opened at 9:13 p.m.

Art Kraemer, 1116 Forest Avenue, urged the Council to keep Fry's in Palo Alto for sales tax revenue.

Claire Elliott, 271 Chestnut Avenue, supported mixed-use with affordable housing.

David Jeong, 4056 Park Boulevard, stated residential use was the best use for the property.

Denny Petrosian urged the Council to retain the amortization.

Herb Borock, P.O. Box 632, stated had this item been heard sooner, the election date would be null and void.

Mayor Kleinberg declared the Public Hearing closed at 9:25 p.m.

**MOTION:** Council Member Beecham moved, seconded by Klein, to approve staff and the Planning and Transportation Commission (P&TC) recommendation to adopt the ordinance to approve specific sections of the new Chapter 18.16 and the entirety of new Chapter 18.18 in the Zoning Ordinance for the Neighborhood Commercial, Service Commercial, Community Commercial Combining District, and Downtown Commercial zones, encompassing revisions to the current commercial zoning districts (Chapters 18.41, 18.44, 18.45, and 18.49) particularly relative to limiting residential use in those districts, providing increased potential for hotels, specifying more realistic and flexible mixed-use criteria, and requiring a conditional use permit for late night (10 p.m. to 6 a.m.) uses adjacent to residential areas. The Council also approves the recommended modifications to Section 16.20.120 to allow additional off-site signage for large retail uses without frontage on an arterial roadway at 65 square feet, specifically affecting 3200 Park Boulevard/340 Portage Avenue (Fry's Electronics) and removes the amortization date.

Council Member Klein stated support for signage and removal of the amortization.

**INCORPORATED INTO MOTION WITH THE CONSENT OF THE MAKER AND SECONDER TO** allow medical/dental offices to be permitted by a Conditional Use Permit (CUP).

Mr. Williams stated the CUP process retained flexibility and a process at staff level.

Council Member Beecham recommended having a bypass process in place with the Planning and Transportation Department for approval.

Director of Planning and Transportation Steve Emslie stated the CUP does not come through the Council unless there was an appeal.

Vice Mayor Kishimoto questioned the daylight plane, the direct abutment, and the 50 foot standards in the ordinance.

Mr. Williams said his concern was height where the daylight plane was applicable.

Vice Mayor Kishimoto recommended the draft ordinance amendment change from commercial to retail/commercial and asked what office space was in use.

Robert Wheatley said larger retail, research and development companies were currently in use on the property.

Vice Mayor Kishimoto asked the square footage of Fry's.

Mr. Wheatley stated the square footage of Fry's was 80,000 square feet of retail space plus warehouse space.

Vice Mayor Kishimoto said the ordinance indicated retail space should not exceed 60,000 square feet.

Mr. Wheatley recommended the wording change from commercial use to retail/research and development.

Vice Mayor Kishimoto agreed with retail/research and development wording.

Council Member Beecham said research and development was defined to prohibit standard office space use.

Mr. Williams recommended large retail/research and development/warehouse in lieu of commercial.

**INCORPORATED INTO MOTION WITH CONSENT OF THE MAKER AND SECONDER** to delete the word "commercial" from the amendment language and change to "retail/research and development.

Mr. Baum said if changes were made after the public hearing was closed, the applicant had the right to comment on the change.

Council Member Beecham recommended the applicant be invited to comment.

Mayor Kleinberg said the applicant could speak before the Council voted.

Vice Mayor Kishimoto supported the amortization terms.

Mr. Williams recommended the addition of wording "without significant loss of existing retail" in the amortization terms.

Council Member Beecham recommended the amortization language reflect that any use other than retail would not diminish current retail provided.

**INCORPORATED INTO MOTION WITH CONSENT OF THE MAKER AND SECONDER** to add the phrase after "storage uses are permitted" to state "at roughly the same ratio of uses that presently exist as of this date, October 16, 2006."

Council Member Drekmeier asked how Fry's had approached the City on signage enlargement.

Mayor Kleinberg asked what dimensions Fry's had specified for signage.

Council Member Beecham recommended increasing the signage to 65 square feet.

Mr. Emslie said signage was desired by Fry's due to lack of frontage on a major arterial street.

Mayor Kleinberg asked where the 65 square feet signage size originated.

Mr. Emslie said Fry's signage combined with the Foot Locker signage together was approximately 65 square feet.

Council Member Drekmeier had a concern that other businesses would request larger signage along El Camino Real.

Mr. Williams said locations requesting larger signage were required to be over 10 acres in size with over 50,000 square feet of retail.

Council Member Drekmeier recommended after 2018, the site would be used for commercial or mixed-use and not just housing.

Mr. Williams said similar mix of uses would need to maintain the same amount of retail for the square footage.

Council Member Drekmeier had concerns of locking the Fry's location into commercial zoning.

Mr. Emslie said he was assigned to return to the Council with a proposal that preserved Fry's and presented strategies.

Council Member Drekmeier said the vote was scheduled for October 26, 2006.

Mr. Emslie said he was requested to prepare a recommendation, with strategies, for retaining Fry's and the retail components.

Council Member Drekmeier said he thought staff had returned the recommendation that evening.

Mr. Emslie said research would take time to develop the economic, land use, architectural and environmental analysis to maintain compatibility with surrounding areas.

Council Member Drekmeier said the explanation was not clear.

Mr. Emslie said the Council discussed the Planning and Transportation Commission's recommendation on Pedestrian and Transit Oriented Design (PTOD). It was decided not to be included. The Planning Department was requested to propose a land use recommendation that addressed retail on the ground floor.

Vice Mayor Kishimoto asked to wait on the vote until the recommendation was returned.

Mr. Emslie said any action taken would not preclude options.

Council Member Barton supported removal of the amortization.

Mayor Kleinberg said the zoning ordinance chapters, the amortization, and the signage items would be voted on separately.

**MOTION:** Council Member Beecham moved, seconded by Klein, to approve staff and the Planning and Transportation Commission (P&TC) recommendation to adopt the Ordinance Deleting Chapters 18.41 (Neighborhood Commercial), 18.44 (Community Commercial Combining

District (CC(2)), 18.45 (Service Commercial), and 18.49 (Commercial Downtown), adding Portions of a New Chapter 18.16 (Neighborhood, Community, and Service Commercial Districts), adding a New Chapter 18.18 (Downtown Commercial District), and Amending Section 18.94.970 (Nonconforming Uses and Noncomplying Facilities) of the Palo Alto Municipal Code (Zoning Ordinance), and medical/dental offices would be permitted by a Conditional Use Permit.

Council Member Cordell recommended eliminating the termination date for the nonconforming use. The recommendation was supported by the owner of the property.

Mr. Emslie said the understanding provided more flexibility for the future use of the site.

Council Member Cordell asked Mr. Smith's views on the zoning changes.

Boyd Smith said this property was zoned residential and the use had proceeded in a residential manner to date, rezoning would not affect him.

Council Member Cordell asked Mr. Smith how not having an amortization and a nonconforming use termination date would affect his interest in the property.

Mr. Smith said it would not affect it.

Mayor Kleinberg asked for clarification on the section dealing with sustainability with the green building design.

Mr. Williams said the Architectural Review Board has its own set of sustainability issues.

Mayor Kleinberg asked whether the Architectural Review Board or the Planning and Transportation Commission would handle it.

Mr. Williams said the Architectural Review Board would review and respond, the Planning Department would receive it along with the Planning and Transportation Commission or the Council.

Mayor Kleinberg said she would like more consideration placed on ordinances about green building design in the future.

Council Member Klein requested proposals be received by Earth Day 2007 on the what and how of green building design.

Mayor Kleinberg asked about the setback change along El Camino, allowing properties to move closer to the street and if the sidewalks would be widened.

Mr. Williams said the plan calls for twelve foot wide sidewalks.

Mayor Kleinberg asked if there would be room for landscape with the building close to the sidewalk.

Mr. Williams said there were provisions for landscape.

Council Member Beecham said by removing the amortization date, the City would lose control over the site. With the changes made that evening it was clear the uses were to remain similar to what they were.

**MOTION PASSED** 7-0 Morton, Mossar absent.

**MOTION:** Council Member Beecham moved, seconded by Klein, to amend Sections 18.94.070(b)(2)(E) (Nonconforming use – required termination) of the Palo Alto Municipal Code (Zoning Ordinance) to read as follows: "(E) The nonconforming use(s) of the property at 3200 Park Boulevard/340 Portage Avenue/Olive Avenue for retail/research and development, warehouse, and storage uses are permitted, at roughly the same ratio of uses that presently exist as of this date, October 16, 2006, subject to the following limitations: (1) retail uses shall not exceed 60,000 square feet, and (2) truck deliveries and other noisy outdoor activities shall be limited to the hours of 8:00 a.m. to 9:00 p.m. weekdays and 9:00 a.m. to 9:00 p.m. weekends."

**MOTION PASSED** 7-0 Morton, Mossar absent.

**MOTION:** Council Member Beecham moved, seconded by Klein, to approve the recommended modifications to Section 16.20.120 to allow additional off-site signage for large retail uses without frontage on an arterial roadway at 65 square feet, specifically affecting 3200 Park Boulevard/340 Portage Avenue (Fry's Electronics).

**SUBSTITUTE MOTION:** Vice Mayor Kishimoto moved, seconded by Kleinberg, to retain the signage at 50 square feet instead of 65 square feet.

Vice Mayor Kishimoto supported Fry's, but not the signage increase.

Mayor Kleinberg supported Fry's, but not the signage increase.

Council Member Klein supported the 65 square foot signage.

Council Member Beecham supported the 65 square foot signage.

**SUBSTITUTE MOTION PASSED:** 4-3 Barton, Beecham, Klein voting no, Morton, Mossar absent.

City Attorney Baum said the ordinance required five votes to be passed.

**MOTION FOR RECONSIDERATION:** Council Member Beecham moved, seconded by Kleinberg, to reconsider the previous vote on the Substitute Motion.

**MOTION FOR RECONSIDERATION PASSED** 7-0 Mossar, Morton absent.

**RECONSIDERED SUBSTITUTE MOTION PASSED** 6-1, Barton no, Morton, Mossar absent.

9. ~~Public Hearing~~ To consider a request by Steve Pierce on behalf of John Woodworth to subdivide a single 16,507 square foot parcel back to the two original parcels, one at 7,503 square feet and one at 9,004 square feet at ~~705 & 711 Cowper Street~~ [06PLN-00102] Exceptions to lot design would be required to allow a lot area of 7,500 square feet at 705 Cowper Street where 8,500 square feet would normally be the minimum lot area, and site widths of 50 feet for 705 Cowper Street and 60 feet for 711 Cowper Street, where a 75 foot lot width would normally be required. Environmental Assessment: An Initial Study had been completed and a Negative Declaration had been prepared in accordance with California Environmental Quality Act (CEQA) requirements. Zoning District: RM-30. *(Item to be continued at the request of the applicant)*

**MOTION:** Vice Mayor Kishimoto moved, seconded by Beecham, to continue Item No. 9 to November 6, 2006, at the request of the applicant.

**MOTION PASSED** 7-0, Mossar, Morton absent.

Council Member Drekmeier asked why there was a meeting on November 6, 2006, the day before an election.

Mayor Kleinberg said the Council normally does not meet the day before an election.

Assistant City Manager Emily Harrison said when elections were City of Palo Alto elections, there would not be a Council meeting the previous day.

### COUNCIL MATTERS

10. Colleagues Memo from Council Members Beecham, Drekmeier and Mossar re: Direction to staff to work with the Board of Friends of the Palo Alto Junior Museum and Zoo to Develop a Public/Non-Profit Partnership

Council Member Beecham said the objective was to have a non-profit organization acquire the Palo Alto Junior Museum and Zoo.

Adela Morris, 1755 La Honda, Woodside, requested the public be kept informed on the status of the project.

John Walton, 310 Leland Avenue, supported collaboration with a non-profit organization.

Ron Lee, 922 Celia, said the museum should maintain professional staffing.

Courtenay C. Corrigan, 13441 Roldeda Road, Los Altos Hills, said the facility was in a dilapidated state.

Aletha Coleman, 296 Bay Road, Atherton, said she wanted a commitment from the Friends of the Palo Alto Museum and Zoo.

Virginia Chang Curaly, 2181 Gordon Avenue, Menlo Park, supported collaboration with a non-profit organization.

Carol Jansen, 575 Hawthorne Avenue, supported collaboration with a non-profit organization.

Herb Borock, P.O. Box 432, said the Council needed to consider whether the Policy & Services (P&S) Committee should continue to operate as a committee.

Council Member Beecham requested staff to speak on the impact of the work plan.

Assistant City Manager Emily Harrison spoke for the Community Services Director; retirements had caused a delay in the golf course management study.

Council Member Beecham asked how long of a delay.

Ms. Harrison said the delay would be a six-month period but would include details on labor, liability and management issues.

Council Member Beecham said it was not the intent to delay.

Council Member Drekmeier supported having a non-profit organization take a substantial role.

Council Member Cordell said she was concerned about staff layoffs with a non-profit organization taking over. She recommended a public/private partnership vote be taken at the next P&S meeting.

Vice Mayor Kishimoto questioned the golf course study delay.

Mr. Benest stated it was a management privatization study; the Council included it in the budget work plan for the upcoming year.

Vice Mayor Kishimoto inquired about the anticipated timeline.

Ms. Harrison stated she did not know.

Vice Mayor Kishimoto stated the projects were going in the direction the City needed.

Council Member Barton stated his concern about labor issues and the process.

Mayor Kleinberg stated public/private partnerships were not easy to create in terms of sustainability. The City had utilized that type of partnership in previous developments. She was concerned about the golf course project delay.

Ms. Harrison stated an alternative was to bring in consultant resources to complete the golf course management study.

Mayor Kleinberg stated that would be fine.

**MOTION:** Council Member Beecham moved, seconded by Drekmeier, to direct staff to work with the Friends of the Palo Alto Junior Museum and Zoo to develop the following for review and approval:

- Memorandum of Agreement/Understanding detailing what responsibilities would be assumed by the new organization or retained by the City of Palo Alto.
- Transition plan and timeline detailing how the transition to non-profit oversight would occur. The plan would identify and address key feasibility issues for the proposal, including labor issues.
- Process for hiring a Junior Museum and Zoo (JMZ) Executive Director to guide the Palo Alto Junior Museum and Zoo (PAJMZ) and to work with both the Friends and the City through the transition.

**INCORPORATED INTO MOTION WITH CONSENT OF MAKER AND SECONDER TO** change the words "Memorandum of Agreement/Understanding" to "Contract."

Mayor Kleinberg recommended the golf course study be held to follow the adoption of a public/private partnership policy.

Council Member Beecham said the golf course study would be revised to be consistent with the policy coming out of P&S. He stated approval of the motion that evening with modifications to include any changes made be consistent with the P&S policy.

Council Member Cordell suggested approval of the motion to be conditional upon it being consistent with the adopted P&S policy.

**INCORPORATED INTO MOTION WITH CONSENT OF MAKER AND SECONDER** that this approval was conditioned upon being consistent with the policy subsequently adopted.

Vice Mayor Kishimoto stated clarification on pursuing staff proceeding on both simultaneously.

Ms. Harrison said based on what was heard that evening, there would be a pursuit of a golf course study in parallel with the use of consultant resources.

Mayor Kleinberg requested to have Ms. Harrison inform the Council of who was retiring.

Ms. Harrison stated Paul Dias was retiring on January 16, 2007.

Council Member Klein questioned why the Council could not move forward if P&S would be heard within 30 days.

Ms. Harrison stated the timeline of the return of minutes was a 30-day turn around so it might not be on the agenda prior to the holidays.

Council Member Klein questioned whether the Council's final action would be prior to the end of the year. Preliminary work should be moved forward with the Junior Museum and Zoo with the understanding that if a development was inconsistent in the guidelines of public/private partnership that it would require a change.

**MOTION PASSED 7-0.**

#### THE COUNCIL COMMENTS, ANNOUNCEMENTS, AND REPORTS FROM CONFERENCES

Council Member Klein repeated his opposition to Proposition 90.

Council Member Barton reported he attended the City's employee picnic the prior week which honored many employees for up to 45 years of service in the City of Palo Alto. He expressed the Council's gratitude to Emily Harrison and Carl Yeats for their service in co-directing the Utilities Department during the past eighteen months, while performing their regular duties.

Council Member Drekmeier mentioned he received a call from a reporter alerting him that there was debris, as well as logs marked for removal, in the creeks along Highway 101. The Water District Director said there was an issue that Palo Alto would not allow disposal of the debris in the dump. Steelhead spawning would be affected if the creek was not cleared of debris.

Council Member Beecham noted he attended the Annual Meeting of the Northern California Power Agency (NCPA) meeting with Council Member Mossar two weeks ago. The main topic was global warming and the impact on utilities and electric generation.

Mayor Kleinberg noted she heard Senator Diane Feinstein speak today regarding global warming and she was proposing legislation which affected Palo Alto.

### CLOSED SESSION

Herb Borock spoke regarding items 12 & 13.

ADJOURNED INTO CLOSED SESSION AT 11:05 p.m.

Council Member Klein stated he would not participate in the item due to a conflict of interest because he previously represented Embarcadero Publishing Company.

11. CONFERENCE WITH CITY ATTORNEY -- EXWASTING LITIGATION  
Subject: The Embarcadero Publishing Company, dba The Palo Alto Weekly v. The City of Palo Alto, SCC #1-05-CV-049362  
Authority: Government Code section 54956.9(a)
  
12. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Authority: Government Code Section 54956.8  
Property: 1925 Embarcadero Rd., Palo Alto, CA 94303- APN- Portion of 008-06-001  
Negotiating Party: John Anderson, AR Automotive, LLC dba Anderson Honda  
City Negotiator: City Manager, City Attorney, Director of Administrative Services, and Director of Planning and Community Environment  
Subject of Potential Negotiations: Price and Terms of Payment
  
13. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Authority: Government Code Section 54956.8  
Property: 1237-1275 San Antonio Rd., Palo Alto, CA 94303 APN-116-01-013  
Negotiating Party: John Anderson, AR Automotive, LLC dba Anderson Honda

City Negotiator: City Manager, City Attorney, Director of Administrative Services, and Director of Planning and Community Environment

Subject of Potential Negotiations: Price and Terms of Payment

**Mayor Kleinberg stated no reportable action was taken.**

FINAL ADJOURNMENT: The meeting adjourned at 12:01 a.m.