

Regular Meeting
September 10, 2002

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ADJOURNMENT: Meeting adjourned at 9:15 p.m.25

Chairperson Kleinberg called the meeting to order at 7:05 p.m. in the Council Chambers, 250 Hamilton Avenue, Palo Alto, California.

Present: Beecham, Freeman, Kleinberg, Mossar
Absent: None

MOTION: Council Member Beecham moved, seconded by Mossar, that the Policy and Services Committee reverse the order of Agenda Items 2 and 3.

Council Member Freeman opposed a change in the order of agenda items because the order was publicized and she believed the public should be given the opportunity to speak first.

Chairperson Kleinberg agreed.

MOTION FAILED 2-2, Freeman, Kleinberg "no."

1. Oral Communications

None.

2. Request for Council Direction Regarding Issuing a Request for Proposal to Relocate, Repair and Lease the Former Sea Scout Facility at 2560 Embarcadero Road

Assistant to the City Manager Chris Mogensen explained that in May 2002, the Council adopted the Historic Resources Board (HRB) recommendation to include the Sea Scout Building in the City's historic inventory. At that time, the Council referred two issues to the Policy and Services (P&S) Committee associated with the Sea Scout Building. The first was related to how the Sea Scout Building could become a viable element in the Baylands while being used by the Sea Scouts and other organizations committed to preserving the building for youth and other community organizations. The second direction was to review, as expeditiously as possible, issuing a Request for Proposals (RFP) to encourage other nonprofit organizations to participate at the Sea Scout Building.

Real Property Manager Bill Fellman said two separate items were presented for P&S Committee consideration in the staff report (CMR:375:02), both of which were appropriate because of the conflicting policies involved. The P&S Committee was asked to address each item separately because constituents were present to speak to each. The first item involved whether or not to issue an RFP. The second involved the location of the facility. The Council

directed staff to present to the P&S Committee the question of whether the City should enter into a direct lease agreement with the Lucie Stern Maritime Center (LSMC) or issue an RFP to other nonprofit organizations interested in leasing the space not only for their own use, but to allow the Sea Scouts and other youth activities to share the space. The conflicting policy issue involved allowing youth activities versus a use more compatible with the Baylands Master Plan and the wildlife refuge. The Council included a condition that the building was made available to the Sea Scouts and other nonprofit organizations. The building was 2,209 square feet, slightly larger than an average home. Therefore, organizations like the Wildlife Rescue or San Francisco Bay Bird Observatory (SFBBO) would not have sufficient space for their own programs, as well as making it available to others. If the P&S Committee recommended an RFP, staff asked the condition be dropped so the building could be made available to a variety of uses more applicable to the Baylands, as well as the Sea Scouts.

Chairperson Kleinberg asked the staff to provide as complete a presentation as possible in order to allow members of the public to speak to their particular issues.

Mr. Fellman said the staff report (CMR:375:02) also addressed the issue of the location of the Sea Scout Building. The back of the staff report included a Geographical Imaging System (GIS) map of the site, showing the three possible locations. Consideration and preference was being given to the three locations because of the increase in cost and whether the building would remain intact with a move. Each location had both pluses and minuses. Sites 1 and 2 would locate the Sea Scout Building in the Priority 8 area which, under the Baylands Master Plan, was an area anticipated and envisioned to be returned to its natural state. If the building were relocated to Site 2, the cost would be less because the building would not have to be moved as far and would probably remain intact. Relocation of the building to Site 3 might incur the expense of an Environmental Impact Report (EIR) because it would be removed from an historic location. Site 1 required picking up the building, temporarily moving it, building a new foundation and driving pilings, and then restoring the building to its original location. Because the building would be moved twice, there was a greater likelihood of something happening to it. Moving the building to Site 2 involved the least disturbance. A new foundation would be built and the building would be moved only once. Although Site 3 involved only one move, the distance was greater and the move was more costly because of the distance.

Planning Specialist Dennis Backlund said staff took the item to the Historic Resources Board (HRB) on August 7, 2002, to consider only the location

options for the building. The HRB was asked to consider the historic consequences of each of the three options, as identified by staff. Option A would retain the building on Site 1, the original site. Option B involved relocating the building to Site 2, immediately adjacent to the original site. Option C relocated the building to Site 3 in the parking lot area near the Harbor Master's cottage and the Interpretive Center. Staff recommended Options A and B as preserving the historical integrity of the building. After considering Option C, under the National Register's aspects of integrity and what the HRB regarded as most relevant, e.g., location, setting, and association, it was rejected. Option C would not preserve the historic integrity of the building. Rather, it would constitute an adverse impact on the building and on the cultural landscape. Most recent state-of-the-art preservation sciences indicated a cultural landscape was one that included all of the natural elements associated with an area, including historic buildings on the original site in the landscape for a long time. The portion of the Baylands where the Sea Scout Building was located was a cultural landscape. The HRB generally concurred with the staff recommendations. The HRB motion favored Option B, the Yacht Club location, because the foundation could be prepared in advance and the building moved only once. The building was in fragile condition. However, the HRB recommended Option B with a provision that Option A, the original location, be considered to determine whether the building could have a minimal move that would still preserve it, if economically and technically feasible. If the first two sites were not feasible and demolition was considered, the HRB would consider Option C under the proviso: "Parking lot site C would cause significant loss of historic significance, but was preferable to demolition." The language on significant loss of integrity, which was also the staff recommendation, was the type of finding to trigger an EIR, according to the documents from California Environmental Qualities Act (CEQA), which was included as an attachment to the HRB report. When an adverse impact on an historic resource was likely, an EIR would be prepared on the proposal. Comments by members of the public, Planning staff and the HRB agreed with the adverse impact of Option C.

Mr. Fellman said members of the public included members of the LSMC and the SFBBO.

Chairperson Kleinberg invited members of the groups to submit cards if they wished to speak, as well as any other members of the public.

Council Member Beecham asked about staff's reference to Priority 8 in terms of the structure remaining on the waterfront versus moving the structure to the parking lot.

Mr. Fellman asked whether Council Member Beecham's question was whether Priority 8 included Site 3 (parking lot), which it did not. Priority 8 only included the shoreline along the harbor. Priority 8 involved installing a buffer to keep the public away from the actual shore itself. Site 3 was not in any priority.

Council Member Beecham asked about the importance of Priority 8 on the list.

Mr. Fellman said Priority 8 was the last priority. Harbor Point was Priority 1 through 4, excluding 2. Exhibit 1 of Attachment F of the staff report (CMR:375:02) showed a map of the priorities.

Council Member Beecham clarified Priority 8 barely made it to the priority list and was the least of the priorities.

Mr. Fellman said that was correct.

Vice Mayor Mossar said the staff report (CMR:375:02) mentioned concerns about the reaction of the San Francisco Bay Conservation Development Commission (BCDC) of leaving the building either at Site 1 or 2.

Mr. Fellman said when the City applied to the BCDC for its permit, the Sea Scout Building was to have been eliminated. Currently, the City would have to amend the permit in order to allow the building to remain in its current location. A letter issued by the San Francisco BCDC and sent to the LSMC, which he had just received, included the statement: "Therefore, the permit would have to be amended to allow the structure to remain and be converted to the museum and public meeting room spaces. While we do not anticipate any significant policy conflicts or other problems, there may be certain public benefits in considering such a proposal." A proposal would have to be submitted to the BCDC before it would officially respond.

Vice Mayor Mossar asked whether City staff had conversed with the BCDC.

Mr. Fellman said not to his knowledge.

Council Member Freeman said the Sea Scout Building appeared to be two stories.

Mr. Fellman said the larger interior was not a story, but an open area. There was a pilot's wheelhouse on the top that had not been occupied for a long

time. One restroom and a mini-mezzanine were also in the upper story. The room itself was a large open-space area with a fireplace.

Council Member Freeman asked whether the building would have to remain exactly as it was on the interior as an historic unit.

Mr. Fellman understood every applicant would be required to address a list of the historic benefits or issues related to the building in order to preserve the historic significance. The interior of the building added historic significance and would probably need to be retained.

Council Member Freeman asked whether, over the past few months since the Council requested the P&S Committee to review the Sea Scout Building, the LSMC had garnered cash or letters of intent from donors.

Mr. Fellman thought the question should be asked directly of the LSMC, but he understood the LSMC had currently raised \$14,000.

Council Member Freeman asked whether the City had proof of the funds.

Mr. Fellman said no, just the LSMC's word.

Council Member Freeman asked whether the Wildlife Rescue or the SFBBO groups had youth programs or age limitations that prohibited youth from joining.

Mr. Fellman thought there were no age limitations with either group.

Superintendent Open Space and Sciences Greg Betts said Wildlife Rescue, in addition to having a component of rehabilitating orphaned and injured wildlife, was also structured as an educational organization to teach people how to coexist with wildlife. One of their tenets was to provide training classes in the care and treatment of wildlife, which extended to all ages. Some of the classes were taught at Cubberley and some at the Junior Museum and Zoo.

Council Member Freeman asked whether an EIR would be required if the building was retained on Site 1 or 2.

Director of Planning and Community Environment Steve Emslie said staff had not conducted an analysis to determine whether or not an EIR would be necessary if the Sea Scout Building were relocated to either Site 1 or 2. If the building was relocated to Site 3, however, both the HRB and staff agreed

about the loss of the historic nature of the building. Therefore, the proper procedure was to prepare an EIR and override the impact, because there would be no mitigation possible to override the impact of relocating the building to Site 3 (parking lot). The historic character would not be destroyed if the building was kept at its current site or relocated nearby. However, the environmental review had not been conducted. Therefore, other factors might play into the relocation. From an historic standpoint, an EIR would be required for a relocation to Site 3.

Council Member Freeman said once the pilings, foundation, and digging was considered, an EIR might be required for Site 1 or 2.

Mr. Emslie clarified the possibility of an EIR for Sites 1 or 2 could not be ruled out.

Council Member Freeman asked whether the location of Site 1 or 2 would hinder visibility of the Bay from the Duck Pond or whether the issue was part of the Baylands Master Plan.

Mr. Betts said many photographs taken of the Sea Scout Building were taken from across the harbor because of the building's appearance like a boat. The front of the building was on the marsh side. None of the three locations would block the Duck Pond or harbor area of the Baylands.

Vice Chair of HRB, Beth Bunneberg, 2351 Ramona, said the staff report (CMR:375:02) failed to include the HRB's vote in favor of preserving the Sea Scout Building and favoring Option B or Site 2. The HRB also suggested an amendment to the City's Master Plan referencing protection of all historic buildings on the Baylands. The City should also take steps to stabilize the Sea Scout Building as soon as possible. In the 1970s, the Baylands Master Plan was designed to protect the environment of a natural marshland. In 1979, the Master Plan preserved the Harbor Master's house, which was an historic building, and the Duck Pond. Since that time, major changes had occurred in Federal and State law concerning historic buildings in parklands, which were much more protected than in 1979. The P&S Committee was urged to approve Site 2.

Kevin Murray, 2091 Harvard Street, spoke about the extensive support LSMC had been able to secure, which included a free structural engineer, a house moving firm at 50 percent of the cost, \$3,200 for a soil sample analysis, a pledge for an additional \$14,000 contingent upon receiving the lease, and they had spent the last three years working on the project. The LSMC would encourage other organizations to rent the facility on a nonprofit

level once it had secured the lease. LSMC specifically built the building for the youth and the Sea Scout program, for which he had supporting documentation. The SFBBO shut down the harbor in 1986, reducing it from a living, breathing environment to its current status. To have the SFBBO displace the Sea Scouts from a building earmarked for its use would add an insult beyond description. The historic designation for the Palo Alto Sea Scouts was long-standing. Although the current location was emotionally the better place, he was persuaded by experts that it should be moved to Site 2 because it was less expensive and was safer for the building. Comments made by Mr. Borock, were corrected. He was also the skipper of the Palo Alto Sea Scout base unit C, the sponsor was the Palo Alto West Marine, and was affiliated with the Santa Clara Council of the Pacific Skyline Council. The skipper of the Palo Alto-based unit Intrepid, Pat Siddons, was committed to continuing to use the facility for the Sea Scouts.

Chairperson Kleinberg asked about the implication in the staff report (CMR:375:02) that because of the small square footage of the building, it was not conducive to shared space between the Sea Scout uses and others. Mr. Murray seemed to imply the possibility of shared uses.

Mr. Murray said the LSMC would maintain the facility for training and meetings, open it to the public as a maritime museum, and open it to the general public as a meeting facility anytime other than Tuesday and Wednesday nights and Saturdays.

Rocky Trujillo, 848 Via Poudre, San Lorenzo, urged the P&S Committee to examine the report from the HRB carefully. A packet was given to each Committee member which included the bylaws of the LSMC, a letter from the BCDC from which Mr. Fellman had quoted, an engineering report inadvertently left out of the staff report (CMR:375:02), a letter to the HRB from John Lensick dated May 17, 2000, a letter from the HRB in Sacramento stating that to move the building would create problems with historic registration, BCDC permits, and the Baylands Master Plan. The Baylands Master Plan summary dated January 1987 stated that the building did not require an EIR. Another section stated, at that time, the Council approved \$150,000 to create a community center, which was not recommended by staff. Another section addressed the adobe building and any historical Indian artifacts in the original planning. The staff report (CMR:375:20) contained many errors based on information given by the LSMC. As the project manager for the LSMC, he was aware of what was and was not sent to the City. He had many more comments, but was out of time.

Chairperson Kleinberg invited Mr. Trujillo to put his comments in writing and direct them to the City Clerk, who would distribute them to the Council.

Emily Renzel, 1056 Forest Avenue, urged the P&S Committee to vote to issue an RFP for an option to lease the Sea Scout Building without limiting it to Site 3, as indicated in the staff report (CMR:375:02). The RFP should not be so constrained as to limit the number of nonprofits who might respond. She also agreed with the staff recommendation to remove the direction that the building also be used for Sea Scouts and other youth activities. The RFP timeline should be fairly short so restoration of the facility was not unduly delayed. The genesis of the BCDC requirement for a master plan was to identify dredge spoil disposal sites for the duration of the Harbor lease, which was a condition of the 1975 dredging permit. Other policies were included in the Master Plan. Preserving the building on any of the three sites would require an amendment to the Baylands Master Plan and might or might not require an amendment to the BCDC permit. In 1977, when the Master Plan was completed, the Sea Scout Building was not eligible for historic designation. It was also thought that the Sea Scouts would be moving the building to the same location as the boats were being relocated. A number of decrepit outbuildings were contained in the policy for demolishing. The buildings had been removed and the yacht club burned down, leaving just the Sea Scout Building. Based upon the letter, the BCDC would look favorably on a plan to restore the historic building on Site 1 or 2, as long as there was public access provided. She shared the concerns that Site 3 would impact historic eligibility. The building was designed to look like a ship and should be on the edge of the water. She spoke with Bill Bussy, architect for the Baylands Interpretive Center, who authorized her to tell the P&S Committee that when he designed the Interpretive Center, a major criteria was to blend in with the marshland, thus rustic wood was used and the building was designed with a strong horizontal element. The Sea Scout Building would seriously overwhelm the Interpretive Center if it were located on Site 3. Sites 1 or 2 were far preferable. The P&S Committee was urged to recommend to the Council that staff prepare an RFP allowing applicants to analyze the site in a way that worked best for them and did not overly constrain building use.

Pria Graves, 2130 Yale Street, spoke about the cultural landscape aspect, a facet of preservation that had garnered increasing importance in the last few years. The California Preservation Foundation, at its annual conference, focused on cultural landscapes. The California Landscape Garden Historic Association was also featuring cultural landscapes in its conference in fall. The Sea Scout Building was an important cultural landscape for Palo Alto, particularly because of the four classes of cultural landscapes. The

definitions of the four classes were read. The Sea Scout Building was of the historic vernacular landscape, which evolved through use by people whose activities or occupancy shaped the landscape. The P&S Committee was strongly encouraged to reject Site 3 unless absolutely necessary to protect the building from demolition. The City was obligated under CEQA to choose the most feasible alternative with the least impact. The staff report (CMR:375:02) mentioned that the applicants for historic preservation discussed the fact that State Historic Resources Funding could be jeopardized, which was not the only problem; i.e., other funding sources could be jeopardized. For clarification, the interior of the building was included in the application.

Janet Hanson, San Francisco Bay Bird Observatory, 1290 Hope Street, Alviso, spoke in support of making the lease of the Sea Scout Building an open process for all nonprofits. The SFBBO, an organization that was 21 years old with approximately 600 members, needed to find a new home close to the Bay. The current location of the SFBBO was on property owned by the US Fish & Wildlife Service and was part of the Don Edwards San Francisco Bay National Wildlife Refuge. The property was not considered good wildlife habitat, so the service would try to divest itself of the property as soon as possible, in one to five years. SFBBO conducted science and research programs on the Bay to conserve birds and habitats around the Bay. Programs include all ages, especially the outreach program. The P&S Committee was urged to recommend issuance of an RFP, to convey its expectations for a nonprofit, clarify its requirements, and delineate the limitations of the building in order for the SFBBO to correctly evaluate its response.

Herb Borock, P.O. Box 632, spoke regarding the two letters he submitted to the P&S Committee. In order to make a meaningful decision, the P&S Committee needed to examine all issues. A third direction from the Council was for staff to obtain a structural engineering report. A structural engineering report had not been conducted, and was recommended only after the building was moved because there was only a 50:50 chance the building would survive a move. The work necessary for a structural engineering report would decrease the probability that the building would be saved. The problem was that the cost to relocate the building was unknown until a structural engineering report was conducted. The cultural landscape was not the building on the water, but the building interacting with the ships, which connection had already been broken. The Sea Scout ships were no longer located on the existing site. The cultural landscape would make more sense if the building were relocated to the place the ships were located. The referral to the attachment of restoration priorities, which was

from a consultant study for implementing the Baylands Master Plan, was not the Baylands Master Plan. The people who had spoken to the P&S Committee about the Sea Scouts did not really represent the Sea Scout organization. The official organization was the Skyline Council, which was part of the Boy Scouts of America and had a policy on sexual orientation that might be difficult for the Council in awarding an option to lease or a lease. The building should not be considered as a use for all types of organizations, because it would urbanize the location.

Council Member Freeman asked whether staff could explain the problem with the structural engineering report such as, how much a structural engineering report would cost. She had not needed a structural engineering report when she had moved her 1896 house.

Mr. Fellman was unsure about the cost involved for a structural engineering report. Included in the information given to the P&S Committee from Mr. Trujillo was a letter from their structural engineer. The letter did not address specific areas where there might be problems, but addressed what would be done to improve the condition. The City was interested in the condition beneath the flooring, which had been subject to flooding since 1979. He had anticipated someone drilling down and taking a sample of the flooring to determine the stability. However, the engineer told him that problems with the subfloor and area beneath would not matter because the subfloor would be part of the new foundation.

Council Member Beecham thought the structural report included in the staff report (CMR:375:02) was very informative and contained many possibilities. The building was quite fragile, but there were techniques that could be used to move the building by framing it out temporarily. He hoped the chances were better than 50:50 to successfully move the building. The chances did not decrease greatly by moving the building to Sites 2 or 3; the move could be conducted equally well.

MOTION: Council Member Beecham moved, seconded by Freeman, that the Policy and Services Committee recommend to the City Council to request staff to remove the direction that the building also be used for Sea Scouts and other youth activities and prepare a Request for Proposals for an option to lease the facility to other nonprofit agencies. A two-year term on the lease should be included and the tenant should be required to pay for all costs associated with the renovation and relocation and obtain all necessary permit approvals prior to entering into a lease.

Council Member Beecham said the objective was to preserve the Sea Scout Building. He had been an early proponent and supporter of the Sea Scouts. The issue had been before the City for several years. An organization with the strength and ability to move forward quickly to take care of the requirements was needed. In a sense, a competition might result between the Sea Scouts and other groups. He expected that any RFP would seek applicants with the ability to provide financial credibility and could follow through. He was uncomfortable about opening the building to other organizations when the Sea Scouts had already put resources into the building. Part of what should be relied upon was the work the Sea Scouts had already done. However, the first objective was to preserve the building. Regarding the sites, Site 1 was more difficult for the building, and he would not want to see the building on stilts at its current location. Site 2 preserved the effect of the building facing out on the slough, which was of significant interest. The competing point of view to return the area to an environmentally productive use, given the fact Priority 8 was the lowest of the priorities greatly reduced that detrimental impact. He would like to see the building remain on the slough. However, he agreed with speakers who would prefer to see the building on Site 3 rather than demolished. He expected the responses to the RFP would reveal what could be accomplished and give the City assurance of why.

Council Member Freeman agreed.

AMENDMENT: Council Member Freeman moved, that the Request for Proposal (RFP) be issued for a timeframe of three months, Site 2 be designated the preferred location, and the structure be opened for some type of regular public use, including youth services.

Council Member Beecham asked Council Member Freeman for her rationalization regarding her recommendation for such a short timeframe. The City had given a full year for the Roth Building RFP to ensure groups were given time to obtain funding and support.

Council Member Freeman said the primary reason for seeking a shortened timeframe was the length of time that had already gone by during which the building had been discussed. She was concerned about continuing to extend the possibility of the renovation of the building.

Council Member Beecham agreed the issue had been ongoing for a long time, which was why he was interested in opening its use to other groups. However, he wanted to make sure the use was opened up to other groups. He was willing to go out as far as four to six months after issuance of the

RFP. Groups would still be given a chance to respond, obtain funding, and it was not so open-ended. He asked whether staff thought four to six months was reasonable.

Mr. Mogensen said yes.

Council Member Freeman agreed with the timeframe of four to six months.

Council Member Beecham would not accept the second request to limit the motion to Site 2. He was willing, however, to include language that indicated a preference for Site 2.

Council Member Freeman agreed, as long as wording was included that if Sites 1 or 2 were not feasible, the staff be directed to review other sites.

Council Member Beecham only wanted language indicating that the preference was for Site 2.

Chairperson Kleinberg thought Council Member Freeman was interested in opening up the search to a number of other sites, possibly in or out of Palo Alto.

Council Member Freeman was trying to eliminate Site 3 until the City got to the point that if it does not use Site 3, it would not have the building.

Council Member Beecham said the amendment would only include a preference for Site 2.

Chairperson Kleinberg asked whether Council Member Freeman wanted to continue to be the seconder of the motion, since the amendment was not accepted.

Council Member Freeman understood the amendment was changed in two different ways.

Council Member Beecham was willing to modify the motion to give a preference to Site 2.

Council Member Freeman thought the amendment was also modified to include a timeframe of four to six months.

Council Member Beecham said yes. Regarding the language to open the building to regular public use and by youth, he expected the SFBBO would

be somewhat exclusive. If SFBBO was working on wildlife purposes, he could conceive of using the facilities. Concerning the reference for regular public use, he was uncomfortable in part because of a comment made by Mr. Borock about encouraging more urban uses. In the past, no one wanted to use the Sea Scout Building. He would prefer if the City could find a use that was for good wildlife purposes and would not necessarily encourage people trekking into the building just for a meeting room.

Chairperson Kleinberg said rather than arguing for or against the amendment, committee members should merely propose the amendment and then get to conversation.

Council Member Beecham suggested wording to give preference to regular public use and youth purposes.

Council Member Freeman agreed.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that the period of the Request for Proposal (RFP) be four to six months; preference be given to Site 2; and preference or credit be given to regular public use and youth purposes.

Vice Mayor Mossar said she had lost her enthusiasm. The Sea Scout Building had been around for a long time. Every time the Council dealt with the issue, more requirements were added, which was much of the reason the Sea Scout Building issue was still unresolved. The City needed to acknowledge that the goal was to preserve the building. Since the City did not have funding to preserve the building, it was seeking a tenant who would restore and preserve the building in exchange for its use. In order for an applicant to do so, it needed to present a viable proposal and that required time. Four to six months was not a sufficient amount of time for an RFP. A group would need the opportunity to look at the breadth of options for the building and make a proposal to the Council that was both affordable and realistic. The Council would make the choice between applicants as to which one best suited the City's needs. The amendment strained the potential for the applicants to give the City its best proposal, which was a mistake. She wanted to see the Sea Scout Building preserved and the process resolved. By leaving it more open-ended, the City had a greater opportunity for a valuable and successful attempt. She would vote against the motion, but her goal was to preserve the building, and she hoped a more open-ended approach would result.

Council Member Beecham said he was unsure whether there were groups who had not known there was something available in the Sea Scout Building. He would suggest to staff, while keeping the four- to six-month timeframe, to begin to get the word out in advance of the RFP so people would have a longer period to prepare.

Council Member Freeman understood Vice Mayor Mossar's perspective but she had seen projects come through without enough direction for the people who were presenting a case. When the case was presented to the Council, issues might not be addressed and only then would the Council give more detailed direction. The objective was to preserve the Sea Scout Building, but also that the building be of use to the public whenever possible. The goal was to consolidate the requests from Council, the HRB, and the citizens into an RFP for people who were applying. Preference would then be given to the group best able to accommodate the requests.

Chairperson Kleinberg did not like the motion. Having been a non-profit executive for many years, she knew how long it took to prepare a proposal, work through the board of directors, and contact donors. She was also aware of the current lack of funding for capital programs. A four- to six-month RFP process was simply too short. She thought very few people knew about the building and was delighted the SFBBO, Sea Scouts and Wildlife Rescue were interested. To be a truly open process that invited creativity with fiscal responsibility, both of which would be sought as well as compatibility with the Baylands Master Plan, nonprofits needed to be given sufficient time to put together the RFP. While she personally was drawn to the rationale for Site 2, which made the most sense, staff had a different recommendation and she would rather have a more open process that allowed all three sites to be considered, even though it was fairly clear to applicants which way the Council was leaning in terms of what it wanted to see return. She also agreed with Council Member Freeman that the City's criteria for direction in the RFP were not tight enough.

Vice Mayor Mossar said, historically, staff brought RFPs back after completion. The Council would be given the opportunity to make sure the RFP was complete enough to meet the City's objectives. She wanted the original motion without changes.

Chairperson Kleinberg said a motion was already on the floor with a second.

SUBSTITUTE MOTION: Vice Mayor Mossar moved, seconded by Kleinberg, that the Policy and Services Committee recommend to the City Council to have staff remove the direction that the building also be used for Sea Scouts

and other youth activities and prepare a Request for Proposals for an option to lease the facility to other nonprofit agencies. A two-year term on the lease should be included and the tenant should be required to pay for all costs associated with the renovation and relocation and obtain all necessary permit approvals prior to entering into a lease.

Vice Mayor Mossar agreed and thought the sense of the conversation was clear that Site 2 was more attractive than Site 3. If the most fabulous acceptable proposal was on Site 3, she thought the Council should have the opportunity to consider it. The current meeting was not the proper venue to preclude Site 3. She also wanted to make sure all organizations that might have an interest in restoring the building and using the facility for their programs be given adequate time. Four months was a very short time. The City should allow organizations the same amount of time the Roth Building was given. By constraining the time, the Council might find it would not have a proposal it could accept and would have to start all over again.

Chairperson Kleinberg thought Council Member Freeman's amendment meant the Council would not exclude Site 3, only that it would return to the P&S Committee. She agreed that having a longer RFP process was helpful to organizations to develop a proposal. Some of the interested parties had experienced difficulty raising money, which was why the building was being put out for an RFP. The Council needed to be sure of the financial stability of the organization to not only lease the building, but also maintain and continue to protect it. She was more interested in doing everything she could to keep the building in Palo Alto and close to where it was originally placed than who used it. She wanted the use to be compatible with the Baylands. The most important thing was that the building was historic with a wonderful heritage to keep in the City.

Council Member Freeman said the comments about the original motion during the creation of the substitute motion were what she considered not in the spirit of the original motion and should be corrected. She stated that Council Member Beecham did not accept the change and revised the wording to indicate a preference for Site 2. Site 3 was not precluded, although she preferred to have it removed. The motion was to indicate a preference for Site 2, which was basically the same as the substitute motion. The second issue was that there was an opportunity for public and youth uses, to include a different timeframe if that was the only differentiation.

Chairperson Kleinberg thought it was helpful to have Council Member Freeman clarify her amendment.

Council Member Beecham agreed with Council Member Freeman's clarifications on the original motion. He was willing to vote for the original motion.

Chairperson Kleinberg asked staff whether the RFP could reveal the type of services and programs that might be offered through use of the building while not making it a requirement.

Mr. Fellman said typically an RFP was based on the financial and the public benefit. The Sea Scout Building public benefit could be restoration of the building to its historic condition and to also provide activity for youth. The public benefit was part of the selection process.

Chairperson Kleinberg asked about public access once a year or every Tuesday night, and whether that was something that should be included in the substitute motion.

Mr. Fellman said any applicant would submit a list of public benefits it would be providing. Preferences could be given in the discussion for the RFP. The applicant could address the list by indicating which of the public benefits would be provided.

Council Member Beecham thought action would be incompatible with the motion, given the fact the amendment had included wording to give preference to youth and then it was removed in the substitute motion.

Chairperson Kleinberg had been unhappy with only part of the amendments to the original motion; others she liked.

Council Member Freeman reiterated the motion did not have any requirements. The motion had preferences. The point was that if youth and public uses were contained in the proposal, it would be preferred.

Vice Mayor Mossar said preservation of the Sea Scout Building was in the public benefit. Anything else that came along as part of the application was attractive. It was not necessary to give preference to youth services or senior services, etc., because what was important was the preservation of the building.

Chairperson Kleinberg clarified some of the public benefits might include serving seniors or observing birds, which would be included in the RFP.

Mr. Fellman said staff would make sure such language was included in the RFP.

Council Member Freeman thought the motion had been circumvented because the issues in the motion did not require a motion and that the request for youth services and preference for Site 2 would automatically be in the RFP.

Mr. Fellman said the RFP would not be that specific. The P&S Committee had made it very clear regarding what it wanted to see included in the RFP.

Chairperson Kleinberg understood the P&S Committee had specific public benefits that would be in RFP.

Vice Mayor Mossar said the motion was found on page 2 of the staff report (CMR:375:02) beginning with "removing the direction that the building..."

Mr. Fellman said considerable discussion by the P&S Committee centered on the ability of the nonprofit to raise funds. Typically, which was the case with the Roth building, not only was 18 months being given to get a tenant in the Roth building, but an option agreement would be entered into for two years. Within that two year-period, the funding would be raised. If the funding could be raised in a shorter period, then the tenant could go ahead and exercise the options for the lease.

Vice Mayor Mossar suggested amending the motion to state the timeframe for the RFP and subsequent commitments between the City and the applicant be commensurate with what the City had done with the Roth building, one year for the RFP and a two-year option period.

Mr. Fellman said the option period was two years. The Council agreed to the option and the lease. The successful tenant could exercise the option any time within that two-year period.

Vice Mayor Mossar thought the Council was wise to allow ample time with the Roth building for the applicants to produce the project.

Council Member Freeman asked whether the substitute motion was exactly the same as the recommendation on page 2 of the staff report (CMR:375:02).

Vice Mayor Mossar said no. The motion deleted the phrase "on Site 3," and did not include number one.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to propose a one-year RFP process with a two-year timeframe to fulfill the requirements to exercise the lease option.

Council Member Freeman clarified that no site was specified.

Vice Mayor Mossar said that was correct.

SUBSTITUTE MOTION PASSED: 3-1, Freeman "no."

3. Fiscal Year 2002-03 Consultant Agreements Greater than \$65,000

Assistant to the City Manager Chris Mogensen said annually both the Policy and Services and Finance committees reviewed consultant agreements in excess of \$65,000. The current review was for the Fiscal Year (FY) 2002-03 consultant agreements. Attachment A to the staff report (CMR:376:02) listed the current agreements with a designation as to which committee would review the contracts. The goal was for the P&S Committee to indicate which agreements it wanted staff to return with the Scope of Services.

Director of Planning and Community Environment Steve Emslie said the two major groups of contracts related to two major projects for the Planning & Community Environment: 1) the traffic calming projects, primarily Downtown north and the Lytton Study; and 2) the Zoning Code amendments. Both were multi-year projects that transcended years and were part of the Council's top five priorities.

Director of Public Works Glenn Roberts said the first two projects related to the Public Works Department and were related to the Community Facilities Bond Program Measure, Mitchell Park design and Children's Library Design. He wanted to address the policy and schedule implication if the P&S Committee chose to review the projects. Given the fact that there had been a tremendous amount of design work conducted on the projects and the scope had been well defined to date, the P&S Committee and the Council might want to consider the fact that if it chose to conduct further review, four months would be added to the process before an RFP could be issued. If the City wanted to continue in an accelerated project schedule mode, the P&S Committee might want to take that into account. On the Roth Building Project, staff was working consistent with prior Council direction on the demolition of the wings, a well-defined scope, preservation of the spine, and staff was in the process of negotiations with Summerhill Homes over the potential for Summerhill to do the work more cost effectively than having

City staff design it . He would prefer the flexibility and not have the scope review, given prior Council direction. The Municipal Service Center (MSC) Seismic Upgrade and the Civic Center Infrastructure projects were multi-year projects that were already underway. The design money was in the FY 2001-02 budget. The current amount was for construction, so it was somewhat superceded by the status of the projects.

Council Member Freeman asked whether the Downtown North trial project had already been designed and approved, and if the current budget was for implementation.

Mr. Emslie said yes. The Council already approved the concept of the Downtown North traffic calming in 2000. Staff had been working with a community group, various users, the Utilities, Police, and Fire Departments, and was in the process of refining the details, which would come back through the P&S Committee and the Architectural Review Board (ARB). A specific proposal would be presented to the ARB and the P&S Committee with the details. Staff had also received consensus from the working group with whom it had been working. An ARB meeting date was already scheduled.

Council Member Freeman asked whether the same process would occur with the Lytton Study.

Mr. Emslie was unsure because the Downtown traffic calming involved actual closures in the design.

Chief Transportation Official Joe Kott said the Lytton Study involved a traffic engineering analysis of the Lytton neighborhood, the traffic effects of any Downtown North trial on the neighborhood, and associated data collection before and after the trial commenced. It would be very similar to what was done with Downtown North. No construction or provision of physical measures would be involved in the study.

Mr. Mogensen said the Downtown North trial was currently in committee, so the P&S Committee would not need to identify the item at the current meeting.

Council Member Freeman asked whether the Zoning Ordinance Update would have an RFP for the environmental review consultant.

Mr. Emslie said yes.

Council Member Freeman asked whether the Zoning Ordinance Update would contain information that would be the basis for some future decisions for the Council.

Mr. Emslie said yes. Staff would engage an environmental consultant to work with staff to prepare the environmental analysis for the eventual adoption of the Zoning Code by the Council.

Council Member Freeman asked if the P&S Committee would be given an opportunity to review what the consultant would do for the Zoning Ordinance.

Mr. Emslie said yes. Work was already progressing on the contract and if the Council looked at the scope and changed or added to the extent it had not been accomplished, the P&S Committee would still have that opportunity.

Council Member Beecham said since he lived in the Downtown North area and was affected by the traffic calming, his vote would not be relative to either of the first two contracts on the list.

MOTION: Vice Mayor Mossar moved, seconded by Kleinberg, that the Policy and Services Committee accept the recommendations that it review all of the contracts on the list of fiscal year 2002-03 proposed consultant service agreements greater than \$65,000.

Vice Mayor Mossar said the issue of reviewing the scope of services for contracts over \$65,000 was one of Council consideration and conversation for years. Review of the proposals was an opportunity for the Council to make sure staff was asking for what the Council ultimately wanted. The clearest example was the use of the Downtown Library as a site for the public safety building. There was miscommunication and the Council had not had the opportunity to give clear direction at the front end. She recognized Mr. Roberts' concern that it added time to the schedule and recommended doing everything possible to ensure that the Council's review would not add time but find ways to expedite the contract. When the items came to the committees, she did not recall needing long, extensive conversation. It was an appropriate checkpoint to make sure the Council and staff was working in parallel. When projects then came to the final stage, things would not have to be redone or sent back for additional work.

Chairperson Kleinberg agreed. The current time was sensitive to the issue of public expenditures. Oversight of the funds, which were sometimes huge,

was worth an extra half-hour of the Council's time to make sure the public knew there was a check-and-balance system in place.

Council Member Beecham thought the P&S Committee was missing the point. The amount of time was not just a half an hour of Council time, but a substantial delay to the community in getting some of the items completed.

SUBSTITUTE MOTION: Council Member Beecham moved, seconded by Freeman, that the P&S Committee not review four of the contracts: 1) Public Works-Roth Building; 2) Public Works-MSA Seismic Upgrade; 3) Public Works-Civic Center Infrastructure Improvements; and 4) Planning & Community Environment-Zoning Ordinance Update.

Council Member Beecham said the Zoning Ordinance was going through substantial discourse at the Planning Commission and would go to the Council. It was one thing to oversee policy requirements, but to oversee engineering and technical aspects was not saving money, it was simply wasting effort.

Council Member Freeman asked whether the \$125,000 for the MSA seismic upgrade was for the design services or for the feasibility study that offered the Council options.

Mr. Roberts said the \$125,000 was for the subsequent phase after current work was completed in developing alternatives. Currently, the City was in the preliminary stages of a Council- approved contract authorizing both phases to be conducted with the current consultant. The \$125,000 was part of an ongoing activity, previously approved by the Council, which included a second phase of work should the City be satisfied with the consultant's first phase of work. It was somewhat superfluous to return for review of the scope when the Council already authorized the activity.

Council Member Freeman asked whether it was for conceptual design or a feasibility study with several options.

Mr. Roberts said it was for the conceptual design.

Council Member Freeman clarified it would be after the Council had approved one of the options.

Mr. Roberts said yes, and the work was already underway.

Council Member Freeman made an amendment to include on the list of items the P&S Committee would not review such as, the Downtown North Trial since the trial had already been approved.

Chairperson Kleinberg suggested, since Council Member Beecham could not vote on the Downtown North Trial, to simply vote on the motion without including the Downtown North Trial.

Council Member Freeman said the reason she was seconding the substitute motion was because of the timesaving. The Council already knew what was happening with the Roth Building and demolition of the wings. There was nothing more that was engineering-wise that could be added to the subject. There were certain items that had already been decided or were not policy issues but repair issues.

Chairperson Kleinberg found the motion partly acceptable because some of items asked not to be reviewed at P&S would be reviewed at the Finance Committee.

Vice Mayor Mossar said the Finance Committee had not chosen which items it would review.

Chairperson Kleinberg was concerned the Finance Committee might not choose an item the P&S Committee had not chosen. She agreed that the Roth Building was the one she could skip, but the others needed some oversight.

Vice Mayor Mossar agreed there was nothing to add to some of the projects. However, the experience that things showed up in the scope of services that were policy issues that might not have surfaced for discussion because no one thought there was an issue. It was better to examine the item before it went out; to make sure it was okay than to assume there would be no problems. If the substitute motion failed, perhaps the original motion could clarify the intent that at least one of the Council committees review all of the projects and the P&S Committee was willing to take on any project the Finance Committee did not review.

Mr. Mogensen said the recommendation was to determine whether or not the P&S Committee had an interest in reviewing the contracts, not recommending that the committee review all of the contracts. Of the contracts Council Member Beecham recommended be excluded, two would be reviewed by the Finance Committee on September 24, 2002.

Chairperson Kleinberg offered a compromise by suggesting that if the Finance Committee did not choose to review a contract, the P&S Committee would.

Council Member Beecham said the Council should not be afraid to let a contract go out without having committee review. The contracts were engineering contracts and staff was just doing what the Council told it to do.

Council Member Freeman said Vice Mayor Mossar made some good points about the value of a third or fourth set of eyes just to ensure that the little policy issues did not find their way into the RFPs. She hated to delay the projects and wanted staff to know that on the engineering issues, she trusted staff in moving forward. However, for quick reviews, to make everyone feel fiscally responsible, that might be what had to be done.

Chairperson Kleinberg had had the experience of seeing scopes of services that required modifications and for which questions were raised. Although in an engineering scope of services, she may not know how to determine a policy issue, in a design scope, she had seen situations where the Council posed questions. It was a good way to make sure everyone was on the same page, as long as costs were not added by delaying work.

Council Member Freeman recalled the term "scope creep," which was a valid term. Scopes can creep, which might be another reason the scope should be contained.

SUBSTITUTE MOTION FAILED: 1-3, Freeman, Kleinberg, Mossar "no"

SUBSTITUTE MOTION: Vice Mayor Mossar moved, seconded by Kleinberg, that the Policy and Services Committee accept the recommendations that it review all of the contracts on the list of fiscal year 2002-03 proposed consultant service agreements greater than \$65,000, with clarification that either one committee or the other review all of the projects on the list. If the Finance Committee chose any or all, the Policy and Services would take up only the remaining items.

SUBSTITUTE MOTION PASSED: 3-1, Beecham "no"

Chairperson Kleinberg said the vote was to make sure the public knew the Council was adding oversight to the scopes of service for a contract when of substantial dollars.

Council Member Beecham had not made the substitute motion to cause a long discussion, but wanted to make a point.

Chairperson Kleinberg thought the discussion was extremely valuable.

4. Discussion for Future Meeting Schedules and Agendas

Assistant to the City Manager Chris Mogensen said no P&S Committee meeting would be held in October. The next meeting would be held on November 6, 2002, and the agenda would include City Auditor recommendations and the continued discussion on Council Protocols. The following meeting would be held on November 26, 2002. The agenda would include the rights of way and Telecommunications Ordinance. The agenda for the December 10, 2002 meeting was not yet formulated.

Chairperson Kleinberg clarified if everything was taken care of by November 26, 2002, the December 10, 2002 meeting would not be held.

ADJOURNMENT: Meeting adjourned at 9:15 p.m.

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