



Planning & Transportation Commission Action Agenda: May 12, 2021

Virtual Meeting
6:00 PM

Call to Order / Roll Call

6:02 pm

Mr. Vinh Nguyen, Admin Associate III: Chair Hechtman?

Chair Hechtman: Present.

Mr. Nguyen: Vice-Chair Roohparvar?

Vice-Chair Roohparvar: Present.

Mr. Nguyen: Commissioner Alcheck?

Commissioner Alcheck: Present.

Mr. Nguyen: Commissioner Chang?

Commissioner Chang: Present.

Mr. Nguyen: Commissioner Lauing?

Commissioner Lauing: Present.

Mr. Nguyen: Commissioner Summa?

Commissioner Summa: Present.

Mr. Nguyen: Commissioner Templeton?

Commissioner Templeton: Present,

Mr. Nguyen: We have a quorum. Thank you.

Chair Hechtman: Thank you. We are now moving into oral communications.

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1 **Oral Communications**

2 The public may speak to any item not on the agenda. Three (3) minutes per speaker.^{1,2}

3 Chair Hechtman: This section is for the public to speak on items not on tonight’s agenda. Please
4 raise your hand if you wish to speak. On the Zoom App there is a raise hand button on the
5 bottom of your screen. If you are dialing in from a phone, please press *9. Are there any public
6 speakers for oral communication tonight?

7
8 Mr. Vinh Nguyen, Admin Associate III: Chair Hechtman, we do not have any raised hands for
9 oral communications.

10
11 Chair Hechtman: Well, then we will move to agenda changes, deletions and additions.

12
13 **Agenda Changes, Additions and Deletions**

14 The Chair or Commission majority may modify the agenda order to improve meeting management.

15 Chair Hechtman: Fellow Commissioners, are there any that any of you would like to raise?
16 Alright, seeing no hands we will move to City official reports.

17 **City Official Reports**

18 1. Directors Report, Meeting Schedule and Assignments

19 Chair Hechtman: Ms. Tanner.

20
21 Ms. Rachael Tanner, Assistant Director: Thank you, Chair, thank you. Good evening
22 Commissioners. It’s good to be with you all this evening. Just a few updates for you all. Today
23 the Planning and Development Service Department, as well as the Office of Transportation,
24 were considered at the Finance Committee meeting. And I believe, at least from what I
25 remember, the proposals put forward by those departments were accepted I believe by the
26 Finance Committee and recommended to the Council. They are... they met yesterday, they met
27 today, I believe they may have another meeting and so certainly, they’re going to go back. They
28 have a parking lot they’ve established to take a second look at things after they look at each
29 department. So, they go department by department and then have an opportunity to look back
30 once they’ve finished that. So, the budget process does continue to go on.

31
32 We also have our Housing Element has been underway and so thank you all for joining us on
33 Monday with the joint meeting with the City Council to really kick off... continue to kick off the
34 Housing Element. And so that continues this Saturday with a workshop for members of the
35 public which Commissioners, working group members, anyone is welcome to join. It’s from
36 10:00 am to noon this Saturday and if folks want to find out more they can go to
37 paloaltohousingelement.com. It’s paloaltohousingelement.com. It will be a virtual meeting that
38 will be held via Zoom so folks can join in from the comfort from where ever they have their

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1 internet connection or phone connection if they would like. So again, it's
2 paloaltohousingelement.com, this Saturday from 10:00 to noon.

3
4 And next week, on May 18th, we do have a special City Council meeting that's on a Tuesday and
5 it's going to be all land use items. And so, we're seeing if it might be a way to try to consolidate
6 some of the land use items onto one agenda experiment to see if that ends up being a good
7 way for the Council to tackle sometimes related items but certainly, topically all related land
8 use in Palo Alto. So, on May 18th, we have up for discussion 181 Addison which was a Parcel
9 Map with Exception and Variance that the PTC unanimously recommended to the City Council.
10 And then we also have an ordinance that the PTC also recommended which was updating the
11 state... our local ordinance with the State Density Bonus. So, you may remember that was
12 before us a few weeks ago. There will also be two pre-screenings that Council will hear and
13 Council will also discuss whether or not to direct Staff to appeal the Regional Housing Needs
14 Allocation as proposed by ABAG and approved by the Housing and Community Development
15 Department.

16
17 So, those are our upcoming items and then, of course, we have our upcoming PTC meeting on
18 the 26th where we'll be focused on how to potential policies and strategies to promote
19 affordable ADU development as well as our Boards and Commission items which I think we may
20 finally be able to actually discuss since we only have one other item. So, I know we've advanced
21 that a couple of times.

22
23 So, that's the report that I have for you today. I'm available for questions and of course, we
24 have Nate Baird as well from the Office of Transportation if there are any questions for that
25 office.

26
27 Mr. Nate Baird, Transportation Manager: I could also just give a real quick parking update too.
28 We are... enforcement has resumed, our 2-week grace period is coming to an end and we had a
29 flurry of permit requests so that's all going well.

30
31 Our parking survey is still out there. We're going to probably keep it up for another 2- to 3-
32 weeks, the end of this month at the latest. So, we encourage folks to get more folks to take that
33 survey. You can look for it on our website at Palo Alto Action Plan is a good keyword to find that
34 survey and pass around the link.

35
36 Our Cal Ave item has been pushed to August but we're going to give an informational update in
37 June to the Council about how we're scheduling and thinking about all of our various parking
38 planning efforts including that effort. So, look for information about that presentation to
39 Council in June. I think it will be a good snapshot of all the pieces that we've got going on right
40 now.

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1
2 Chair Hechtman: Alright, thank you, Mr. Baird. Other information from Staff? Ms. Tanner, let
3 me ask a question. This land use meeting of the City Council on the 18th, which is a Tuesday, is
4 that right?

5
6 Ms. Tanner: That's correct.

7
8 Chair Hechtman: Is PTC liaison expected to attend that?

9
10 Ms. Tanner: It would be great if the liaison is available recognizing it's not a date that normally
11 the liaisons would have in their calendar. I do think that the good thing is that the two items
12 that they're considering that I believe they were both unanimously recommended by the PTC.
13 So, that's a pretty strong statement and the other items didn't come to the PTC; the pre-
14 screenings and then the RHNA discussion. So, if the liaisons are not available, I think it will be
15 ok. I wouldn't want anyone to feel imposed upon if they're not available.

16
17 Chair Hechtman: So, Commissioner Templeton, you're the lead this month with Commissioner
18 Summa as your backup. So, hopefully off line the two of you can work out whether or not either
19 of you can attend and I do see Commissioner Templeton's hand up. Commissioner Templeton.

20
21 Commissioner Templeton: Thank you, Chair. I would recommend that if any other
22 Commissioners want to join, it would be helpful. Just reminded that last or earlier this week we
23 had a unanimous recommendation get overturned by City Council. So, sometimes there is
24 power in numbers and the ability to have... to share our viewpoint from numerous different
25 perspectives could be helpful. So, you're all welcome to attend, not just me, but I've just
26 marked it down on the calendar and will plan to be there. Thank you.

27
28 Chair Hechtman: Commissioner Lauing.

29
30 Commissioner Lauing: Yes, that's a good segue, Commissioner Templeton. That's what my hand
31 up. Would you like to give us a few sentences on how it went that way?

32
33 Commissioner Templeton: Yes, so the Staff presented our recommendations and halfway
34 through Council deliberations, one of the Council Members asked for our input and I
35 reemphasized that we did come to a unanimous recommendation. And Council was split and it
36 came down to the Mayor and I believe, in his words, it came to a coin toss. He said he could go
37 either way but decided to go against our recommendation and [unintelligible].

38
39 Commissioner Alcheck: Sorry, can anyone clarify (interrupted)

40

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1 Commissioner Lauing: I figured that was a good time to have dinner that hour because we had
2 recommended unanimously. So, that's the one part I missed so thanks.

3
4 Commissioner Templeton: You should have been there, Ed [note – Commissioner Lauing]. It
5 would have been great.

6
7 Commissioner Alcheck: What was their final motion then?

8
9 Commissioner Templeton: They went with Option One.

10
11 Ms. Tanner: [unintelligible – crosstalk]

12
13 Commissioner Templeton: That was the one that does not widen the landing strip between
14 Alma and the railroad track for addition and pedestrian staging.

15
16 Ms. Tanner: And this is the grant-funded project to try to increase the safety at the rail crossing.

17
18 Commissioner Alcheck: Right.

19
20 Commissioner Templeton: Right, so the good news is both of these options meet the
21 requirements for that grant so good. We had recommended a little bit extra additional safety
22 measures and those were not adopted.

23
24 Chair Hechtman: So, Commissioner Templeton is inviting those of us who can attend on the 18th
25 to lend our voices to the cause, so I encourage you all to do that. Alright, anything further on
26 official City reports? Seeing none, I will move us on with our agenda to Agenda Item Number
27 Two.

28 **Study Session**

29 Public Comment is Permitted. Five (5) minutes per speaker.

30 2. Study session to discuss possible implications of parking data analysis provided by
31 students at California State Polytechnic University, Pomona and to provide related
32 feedback to the Office of Transportation about City of Palo Alto parking planning
33 efforts.

34 Chair Hechtman: A study session to discuss possible implications of parking data analysis
35 provided by students at California State Polytechnical University, Pomona and to provide
36 related feedback to the Office of Transportation about City of Palo Alto parking planning
37 efforts. Staff report, please.

38

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1 Mr. Nate Bate, Transportation Manager: Hi, this is Nate Baird, your Parking Manger. I'm going
2 to turn the mic over to the class but Professor Kim was my graduate advisory 10 some years ago
3 at Cal Poly Pomona. And I have a lot of confidence in his class and their ability to give a
4 visualization of our parking schemes and scenarios and related data in Palo Alto. So, we... at the
5 beginning of the quarter, Professor Kim and I touched base and we talked about what could be
6 possible? What could we look at? We shared some of the data that we've already previously
7 shared publicly about our parking occupancy data and I just thought it would be helpful for us
8 be able to visually see a lot of this data. And also, just learn from the students and their
9 processes about what they see and how it relates to our larger regional context as well. With
10 that, I'll turn it over and they've got about a 30-minute presentation for us just on the mapping
11 and analysis they've done.

12
13 Chair Hechtman: Welcome students.

14
15 Mr. Do Kim: Let me start first. First of all, thank you for having us here and thank you for the
16 introduction and [unintelligible]. It is a great honor for us, for me and my students to be here.
17 My name is Do Kim, I'm a professor at Cal Poly Pomona and I've been teaching this for GS
18 application in planning studio with... in this semester with six students. I was... I managed this
19 class and we're kind of a small class but what we did is not small. So, let me briefly introduce
20 the goal of this class and project that we've done in this class and I'll pass the microphone to my
21 students.

22
23 So, let me share my screen first. So, the purpose of this class, is this is a studio class. The main...
24 the primary purpose of this class is that so we can have... give an opportunity to students to test
25 their real-world planning issues and problem. And especially, specifically, we try to handle and
26 solve the planning problem whether it's technology or GIS into mapping and spatial data
27 analysis technology. So, in this particular semester, I can [unintelligible] for the City of Palo Alto,
28 because of Nate's approach to me and we developed this project together. And as Nate
29 introduced briefly the goal this semester was to focus on the GS database, to build a GS
30 database for the City's parking facility. And so, we collected and analyzed what's going on in
31 downtown and Evergreen Park [unintelligible] the City of Palo Alto in terms of the residents, the
32 business, and employee, and everything that is related to parking demand. And then my
33 students also analyzed there's sort of a relationship within in parking occupancy rates and
34 those characteristics. So, let me pass the microphone to my students and my students will go
35 over the presentation.

36
37 Mr. Michael Delgadillo: Hi, hello Council. My name is Michael Delgadillo and I will be going over
38 the current parking facilities within Palo Alto. Next slide, please. For our study area, we're going
39 to be focusing on the areas of downtown and Evergreen Park and also the surrounding districts

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1 as well including Southgate, College Terrace, Old Palo Alto and the Crescent Park area. Next
2 slide, please.

3
4 In the downtown and Crescent Park areas, the areas that are highlighted in dark green
5 represent the current Resident Preferential Parking District. Light green represents areas that
6 are eligible for the RPP but are not yet activated. The areas located in orange, closer to
7 University Avenue, are areas that do not have a residential RPP in the downtown area. Over on
8 the side where Crescent Park is in red, that actually represents no overnight parking. However,
9 residents are able to purchase a permit in order to park overnight and focusing back on the
10 downtown area. We also are inventorying the public surface lots and parking garages and then
11 for sake of comparison. We've elected to include private parking lots within surrounding areas.
12 As you can see, most of those facilities are localized and concentrated around University
13 Avenue. Next slide.

14
15 And next, the area... one of the other areas that we're focusing on would be the area
16 surrounding Evergreen Park and the surrounding districts. Old Palo Alto, Southgate and College
17 Terrace. Again, in green, represents the areas that have the RPP activated and unique to this
18 area, specifically around California Avenue, we have areas where people can park for free for
19 up to 2-hours. And again, around California Avenue, we have the public surface lots and parking
20 garages and also, we've included private parking lots within the surrounding area for basis of
21 comparison on these maps. Next slide, thank you.

22
23 In terms of rates for residents in the RPPs, for downtown, Evergreen Park and Southgate.
24 They're similar in that the first permit is free and every additional permit costs \$50 with a
25 maximum of four. Residents also have the option of purchasing hand tags... sorry, hang tags
26 that are \$50 with a maximum of two. There's also daily permits that they can purchase for \$5.
27 In Old Palo Alto and College Terrace, it's slightly different where every permit residents can
28 purchase is \$50 with a maximum of four except in College Terrace where the maximum is two
29 and also there's a daily parking permit of \$5. Also, to point out, there is a daily... there's a
30 permit cap for daily permits in downtown, Evergreen Park and College Terrace. Downtown and
31 Evergreen Park have a permit... daily permit cap of \$50 where as College Terrace has a slightly
32 increased cap at \$80. Next slide.

33
34 And then focusing on the employee rates for the RPP, these employee permits are renewable
35 on a 6-months basis. For employees that qualify as low-income, these permits cost \$50 in
36 downtown and Evergreen Park. Except in Southgate where those permits cost \$25. For a
37 standard permit in downtown for employees, it's \$403, however in Southgate and Evergreen
38 Park that cost is \$201.50. They also have the option of purchasing a \$25 daily permit with the
39 maximum of 24 permits per district. There also employee caps, within the downtown area
40 there are roughly 10 subdistricts that have various limits but the totality of those permit caps is

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1 at 1,000. In Southgate, there's a maximum of 30 employee permits and in Evergreen Park that
2 number is 290. Next slide.

3
4 And then to round off the parking facility demonstration, we have surface lots and garages in
5 the downtown area. As you can see on the map, light blue are the surface lots, dark blue are
6 the garages and their total number of spaces is displayed. The totality of these spaces are
7 3,085, total permit spaces is 1,658 with a permit capacity... total permit capacity of 1,898 and as
8 the data that was provided to us indicates there are a total of 3,227 permits issued for these
9 lots. Also, the annual rates for these permits in the parking garages... some parking garages is
10 \$806 with also daily permit rates of \$25. Next slide.

11
12 And then focusing on the surface lots and garages in the Evergreen Park District along California
13 Avenue. Again, light blue is the surface lots and dark blue are the parking garages. Here we
14 have a totality of 879 spaces with 735 permits issued and a permit capacity of 800... sorry, 980
15 and then next slide. And then we'll be moving onto the resident, employee and business
16 analysis.

17
18 Mr. Aaron Hernandez: Hi everyone, I'm Aaron, so thank you Michael for presenting that part.
19 I'm going to go over some of the demographic characteristics we explored in part of the parking
20 analysis. Next slide, please.

21
22 First, we wanted to see the population density in the general areas of downtown Palo Alto and
23 Evergreen Park. In this study area the density... the average density is 13 people per acre which
24 is three times higher than the overall density of the City. In the map, you can see that the
25 higher population densities exist around the downtown core and the immediate area of
26 Evergreen Park.

27
28 On to the next slide we also looked into the housing tenure of renter-occupied households. The
29 map reflects the previous population density map where there's a correlation of areas with
30 high renter occupation rates and high population density.

31
32 In the next slide, the information gathered on median income per the household shows that
33 there can be a discrepancy in the level of income and renter-occupied units. Areas with less
34 renter-occupied units are more likely to have higher median incomes. On the map, this is
35 reflected more in the Crescent Park areas. Next slide, please.

36
37 We also consider the characteristics of business location and employment. The map on the
38 bottom shows the level of employment by Census blocks and the map on the top right shows
39 the locations of individual businesses in the studied area. When relating information between
40 both maps, Evergreen Park has a Census block with high employment levels but with a small

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1 number of businesses. Represent that this area consists of large-scale businesses. The
2 downtown area has a significantly high employment level and a high number of businesses. So,
3 that implies that the downtown consists more of small, local businesses. Next slide, please.
4

5 We gather information on where workers from the downtown area commute from. The map
6 on the left shows the regional scale of commuters while the map on the right is a zoomed-in
7 map of commuters that are within a 10-mile radius maximum from the downtown Caltrain
8 Station. The transit routes on the map area routes with direct connections to the downtown
9 and are meant to show Census tracts that have a high level of commuters but with no
10 immediate access to transit.

11
12 On the next slide, the same analysis is applied but is specific to people commuting to Evergreen
13 Park. On the regional map, the Census tracts skew more down south into Santa Clara County
14 and finally in the last slide of this section.

15
16 We also took into consideration of the rate of commuters that drive alone in San Mateo,
17 Alameda and Santa Clara Counties. The data on commuters driving alone on this map is not
18 specific to Palo Alto commuters but we wanted to show... we wanted to use this information to
19 show any possible correlations of Census tracts that may have a high rate of Palo Alto
20 commuters and also have a high rate of commuters driving alone.

21
22 And with that, I'm now going to pass it on to [unintelligible – audio cut out]
23

24 Mr. Brian Delirey [note – phonetics]: Thank you, Aaron. My name is Brian Delirey [note –
25 phonetics]. I will start the discussion pertaining to downtown Palo Alto followed by my
26 teammate Edris Nyeazi. Next slide, please.
27

28 So, based on the characteristics that we noticed about Palo Alto, we analyzed a few
29 demographics compared to the parking occupancy in the downtown area. Those included hotel
30 density, distance around University drive, job density, business density, vehicle ownership,
31 population density, renter rates, transit hubs, street hierarchy and bus stops. Next slide.
32

33 When we considered our density, we took into account the business firm size in regards to the
34 employment ranges. We can see there's a relation between disbursement of jobs and a
35 demand for parking very centroid to the University Drive and the blocks around it. Next slide,
36 please.
37

38 When considering the business density, we looked at the business location and disbursement
39 around the downtown area and again we see a relationship within the parking demand.

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1 Whether it is 9:00 am or 6:00 pm, the demand stays constant with minor fluctuations. Next
2 slide, please.

3
4 Then we also looked at the distance from University Drive using three intervals of 500, 1,000
5 and 1,500-feet; equating to about 1-block to 3-blocks with the majority of demand around the
6 corridor which also lines up with the business and employment maps. Next slide, please.

7
8 We thought it was prudent to also include hotel density, While there are not a lot of hotel
9 locations within Palo Alto since Stanford is a magnet to a lot of outer towners in normal
10 conditions. Their presence is very important to downtown Palo Alto's environment and their
11 economy. So, taking into account how the disbursement of the hotels in conjunctions to their
12 relationship to parking around them is prudent and in order to understand whether outer
13 towners do affect the supply and demand in that area. After this, I will pass it on to Edris who
14 will go over the rest of the demographics for downtown.

15
16 Mr. Edris Nyeazi: Thank you, Brian. Hello, my name is Edris and I'll be covering the rest of this
17 analysis for downtown parking occupancy. So, this next graphic as you can for the four times of
18 data that we've been using for total number of vehicles by block group and we see that there is
19 some concentration around higher density of vehicles where parking demand is higher. This is
20 relatively intuitive but it's good to see how the spread works out in relation to the amount of
21 sheer... the sheer amount of vehicles as we see right there indicated in the denser part of total
22 vehicle count. Next slide, please.

23
24 We move into population density of... in relation or correlation to the same parking
25 occupancies that we've been using and so this has a strong relationship with the density of
26 vehicle numbers as the more amount of people, the more amount of vehicles. And as we can
27 see, it's a... we see a similar spread here and a similar relationship between the parking
28 occupancy, parking demand, and the density of residents. Next slide, please.

29
30 Now we have the next correlation test on the renter rate for occupied units around the Palo
31 Alto downtown area. As you can see, we can see a strong concentration of renters in that
32 downtown core and that's going to provide higher density of... higher population density as well
33 as higher demand for parking as we can see right in that central core. The... these relationships
34 are all interconnected and they pick up some pretty interesting observations as we mentioned.
35 Next slide, please.

36
37 We picked out the center or this spread of the or reach of the Caltrans transit hub and to see if
38 there was some sort of relationship with parking demand there as well. And it seems that
39 despite that there may not be a cause and effect relationship here. It may have something to

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1 do especially with the amount of off-street parking in those parking lots and parking garages in
2 relationship to where this Caltrans... Caltrain transit hub is. Next slide, please.

3
4 Next where we examined some of the road hierarchy here. In particular, we see the major
5 arterials and collector roads in relationship to where on the right you see the parking demand.
6 Here, we want to pay specific attention to the on-street parking demand as the major... the
7 larger streets are going to have that increased capacity as well as that increased demand. And
8 the fact that it's so closely... in such close approximation to the downtown core, we're going to
9 see a large relationship there.

10
11 That concludes the downtown portion of... oh, just kidding, one more. Density, so we also
12 analyzed the density of bus stops and to see how parking demand is related to the use of local
13 transportation in some of these systems. And so, the darker shades areas in blue you're going
14 to see that there is a lot of close proximity to that parking demand. Especially higher parking
15 demand right there in the downtown area, especially in that northwest area. This again is not...
16 none of these are suggesting a cause and effect relationship but in combination will have some
17 sort of lead into why there's such a high parking demand in those areas and that concludes the
18 downtown area analysis.

19
20 Mr. Lucas Drumonde V.: Perfect, alright thank you, Edris. We will be going over the parking
21 occupancy for our other area, Evergreen Park. Next slide, please. So, as a brief overview, here
22 are the variables in which we analyzed. So, as you can see, some of the analysis factors are
23 similar to that of the downtown area, while others differ slightly. This is basically because these
24 two areas are not the exact same and different variables must be used to better understand the
25 difference between the two.

26
27 So, for Evergreen Park are variables include job density, total business density, food points of
28 interest which is basically restaurants of different kinds including bakeries, fast food, etc. Retail
29 business density, total workers younger and older than the age of 29, total workers earning less
30 than or more than \$1,250 a month, population, vehicle ownership, and owner and renter-
31 occupied housing units. Oh, and median income and also something that we found throughout
32 the analysis is that the overall demand for on-street parking was moderately to significantly
33 greater than that of off-street parking. So, that's something to keep in mind so go ahead and go
34 to the next slide, please.

35
36 Ok, so here we have a couple of maps outlining the job density and the business density. And as
37 you can... as can be seen the maps, the areas in the district that are most concentrated...
38 densely concentrated with jobs and businesses have the greatest overall parking demand near
39 by them. So, the majority of the jobs and businesses can be found along California Avenue with
40 other hot spots on El Camino Real. And as one might expect, where there are the most jobs,

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1 that's where people need to park. Where businesses are, people need to park there and it's
2 most convenient to park on the street directly in front of or directly nearby to these businesses.
3 So, I think that's also why we see more demand for on-street parking. Go ahead and go to the
4 next slide.

5
6 Similar results can be found for restaurant and retail business density. The impact on parking
7 occupancy is highly correlated where the majority of businesses in the district can be found
8 which is along California Avenue. We wanted to point out these two types of businesses
9 because these seem to be the main types, at least as far as the "number of businesses". We are
10 aware that there are a large number of offices in the area but one office could be home to say
11 100 employees while one restaurant could be home to say 15-20. Say it again, the majority of
12 the parking occupancy is located right onto California Avenue on-street parking which is where
13 the majority of the businesses are. Next slide, please.

14
15 So, we also wanted to examine the relationship between the types of jobs and the workers who
16 fill those positions and the parking demand created by that. So, typically workers who are
17 younger than 29 are more commonly working part-time "non-career" type positions. Seeing
18 more typically, of course, you do have people who are younger than 29 working in career-type
19 positions but it's more common. So basically, what can be seen here is that majority of the
20 workers in the district are older than 29 which is suggesting that the district is home to office
21 type, more professional positions. And while the color scheme is... well, the color scheme is the
22 same but you can see in the legend that those who are younger than 29. That just the sheer
23 number of workers in that age group is significantly smaller and this does also have a high
24 correlation to the parking occupancy. Something that we found is that this did have more
25 impact on off-street parking. Suggesting that people who are coming into work, they need to
26 park off-street typically for longer times; 4- to 8-hours a day, etc. Next slide, please.

27
28 This is the total earnings less than and more than \$1,250 a month and this relationship that I
29 outlined in the previous slide can also be seen in these maps because the vast majority of
30 workers within the district earn more than \$1,250 a month. Basically, and just for some
31 background, that amount, \$1,250 monthly, is about a minimum wage job and we are aware
32 that the earnings in Bay Area/Silicon Valley are higher but it's still important to note. So, this
33 basically just furthers supports that the area is supportive of more "career-type" positions, full-
34 time jobs, more professional-type positions. So, that ends it for my portion, I'll go ahead and
35 pass it on to Daniel. Thank you.

36
37 Mr. Daniel Y. Kim: Alright, thank you. I'll finish up our analysis by comparing parking occupancy
38 against demographic data by block groups. So, these two maps compare population per block
39 group again parking occupancy and on the right total vehicles compared to parking. These are
40 group uses, you can see the rates indicated by color intensity similar as one might anticipate

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1 since population and total vehicles owned is closely correlated as we also saw in the downtown
2 area. The results, although it's already intuitive, show that high population in vehicles in
3 neighboring areas add to higher parking occupancy levels throughout the day. And so, an
4 observation to keep in mind is that the area has a smaller population living within the study
5 area compared to downtown which leads to unknown numbers of how many cars parked on
6 the streets are attributed to block groups not evaluated in these analyses.

7
8 In the next two maps, we also compared owner-occupied and renter-occupied residences with
9 parking which depicts a weak or at the very least an inconclusive relationship with parking. Not
10 much information can be gleaned off these maps, these two but add for a holistic approach.

11
12 And in the final map, at a glance, median household income depicts a weak correlation to
13 parking, but it's also worth noting that population of vehicle numbers have a negative
14 correlation with median household income, or least from the data we've collected. We cannot
15 assume higher median income correlating to more parking.

16
17 And on this one slide, as a quick aside, I'd like to mention that this parking analysis does not
18 contain specific analysis supporting parklets, but may be potentially useful to anticipate
19 productive parklet locations to recreate maybe a similar program such as the Summer Streets
20 Program. Analysis of parking occupancy by time can add data to determine which parking
21 spaces can be better utilized as parklets instead parking spaces and this concludes our analysis.
22 Thank you.

23
24 Chair Hechtman: Alright, thank you Professor and Cal Poly Pomona students. Excellent
25 presentation. I want to find out if there are clarifying questions from the Commissioners before
26 we go to public comment and then come back to Commission discussion so students don't go
27 away. I see a hand... I see a couple hands. I'll start with Commissioner Summa.

28
29 Commissioner Summa: Thank you so much. It seems from the presentation as if the Evergreen
30 Park Neighborhood, Mayfield Neighborhood and the California Avenue Business District were
31 regarded as one area. Can the... can that be clarified?

32
33 Mr. Baird: Hi, this is Nate. I think it's probably just a little familiarity issue in terms of the
34 neighborhood names. When I supplied the parking district data that we have and so the names
35 that they provided correlate with the parking district data information that we provided. So,
36 yeah, we weren't looking at parking data for all of Palo Alto because we don't have that parking
37 occupancy data for those other neighborhoods. So, we were specifically looking at these are
38 our parking districts.

39

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1 Commissioner Summa: Sure, but the demographic and parking-related information for the Cal
2 Ave Business District for instance was conflated with Evergreen Park and Mayfield. Is that
3 correct?
4

5 Mr. Baird: I believe the Census data and other sources of data they have probably are
6 geographic and not specific to those separations. But I'll let Professor Kim respond to that or
7 one of the students.
8

9 Commissioner Summa: Thanks.
10

11 Mr. Kim: The data that we used is pretty much public data and in this social [unintelligible] data
12 is majority to social [unintelligible] data comes from Census and since the study that we worked
13 on was kind of a small latitude. It's smaller so we tried to go with the smaller geological unit so
14 typically the Census block group and some of them in the Census a block [unintelligible] go a
15 little to the smaller than block group. Some of the data Census [unintelligible] which is larger
16 than block group. So, this... the definition of a geography boundary that we use is by the Census
17 definition. So, it would be slightly different from any of the restricted boundaries that you guys
18 are familiar with.
19

20 Commissioner Summa: Ok so I think I understand that you did conflate the Evergreen Park
21 Neighborhood, the Cal Ave Business District, and the Mayfield Neighborhood as one district for
22 the purpose of your studies. That's (interrupted)
23

24 Mr. Kim: So (interrupted)
25

26 Mr. Baird: Is that (interrupted)
27

28 Commissioner Summa: That's just what I'm trying to understand. I'm sorry.
29

30 Mr. Baird: The data actually comes... the Census block data is actually smaller than the parking
31 district data that we were studying. So, I wouldn't say that they were conflated. I would say that
32 we applied the Census block data is smaller so you're able to... we're able to visualize the
33 Census block data sitting atop of our parking district.
34

35 Mr. Philip Kamhi, Chief Transportation Official: And apologies, this is Chief Transportation
36 Official Philip Kamhi and I'm tuning in a little bit late here but I also want to note that the
37 parking occupancy data that we collected. Just noting that that was all a snapshot in time per
38 pandemic and then we typically inner relate parking issues in the California Avenue Business
39 District with the neighboring Residential Preferential Parking Districts. Evergreen Park, Mayfield
40 and to a less extent Southgate as well because somebody that's parking that works for say Visa

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1 in Evergreen Park could be parking in a garage in California Avenue District or they could be
2 parking in either Evergreen Park, Mayfield.

3
4 Commissioner Summa: Ok. I get that but there aren't... well, I'll just leave it at that. It seems like
5 an odd way to group, especially Evergreen Park, in with the Cal Ave Business District in terms of
6 jobs and other demographic data that was presented. So, I'll just leave it there and could you
7 clarify and maybe I miss it, I'm sorry, the time period in which the study was done.

8
9 Mr. Kim: For the occupancy data you mean? The time period of the occupancy rates?

10
11 Commissioner Summa: Well, I guess the time period the whole study was (interrupted)

12
13 Mr. Kim: Ok, so the whole study (interrupted)

14
15 Commissioner Summa: [unintelligible] that one. I just did (interrupted)

16
17 Mr. Kim: Go ahead.

18
19 Chair Hechtman: Commissioner Summa, is there more to your question?

20
21 Commissioner Summa: No, I didn't catch the answer there but it may be a problem with the
22 phone. So, I'll leave it at that Chair, thank you.

23
24 Chair Hechtman: Actually, I think Professor Kim was wanting to answer it but there was talking
25 over each other and so Professor Kim, I think Commissioner Summa is asking was this... is this
26 as a point of time that the study took place or is it over a period of months and if so, what
27 months are those? I think that was the question.

28
29 Mr. Kim: So, the data that we collected is not actually... it's not a snapshot of a very specific
30 date or month. It's sort of like a more yearly data, social economy data that we used as yearly
31 data. I know there's a little bit of a time gap between the data so for example, social economy
32 data, the demographic data that we collected is a majority of is in like 2018-2019 data. And the
33 business data we collected was based on Cities [unintelligible] data. I think that's 2016 data and
34 occupancy rate data I just received from Nate, I believe Philip mentioned earlier just snapshot
35 data that collected in 2016. Am I correct Nate?

36
37 Mr. Baird: Yes.

38
39 Mr. Kim: So, there's like a... it's not like a longitudinal analysis. It's kind of a lot mixes with
40 annual data.

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1
2 Commissioner Summa: [unintelligible – choppy audio] thank you so much. So, the data was
3 gathered over a period from 2016 to 2019. Is that (interrupted)

4
5 Mr. Kim: Yeah.

6
7 Commissioner Summa: Would that be fair to say?

8
9 Mr. Kim: Yeah.

10
11 Commissioner Summa: Ok, thank you so much.

12
13 Chair Hechtman: Commissioner Chang, questions?

14
15 Commissioner Chang: I just wanted to... I had the same question about the timing for the
16 different batches of data. So, I just wanted to clarify and ask Professor Kim or Nate. The
17 occupancy data was gathered when?

18
19 Mr. Baird: 2016 as part of the previous planning work that has been done in the City and, you
20 know, that occupancy data kind of shows what everybody is familiar with if they visited
21 downtown 2016 to 2019. That there's a peak around noon to evening time in the downtown
22 and also in the Evergreen Park/Mayfield/California Avenue area as well.

23
24 Mr. Kamhi: And if (interrupted)

25
26 Commissioner Chang: And then (interrupted)

27
28 Mr. Kamhi: If I can just add to that, [unintelligible] I'm sorry, this is Philip Kamhi again. I'm sorry
29 to jump in but just wanted to note that previously when we collected this kind of parking data.
30 This was actually hiring a consultant to go walk down each of these streets and count how
31 many cars on each block face and that was kind of the practice and it was something that we
32 did. Typically, we did for the formation of parking districts, for the formation of RPPs to assess
33 them and then as a follow-up, to evaluate what the impacts of those established RPPs are. So,
34 just noting that moving forward in the future, we're going to have a lot more dynamic data
35 collection occurring in these neighborhoods as we've got license plate recognition software
36 that will be implemented in these districts that will be collecting dynamic data for us. And that's
37 one of the reasons why this effort of these students is really interesting because it will provide
38 us this snapshot in time to look at.

39

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1 Commissioner Chang: So, my follow-on question is I think I was having a hard time hearing. So,
2 for the demographic data, so for example the Census block, that's not from 2010 Census. That's
3 from this 2018 to 2019 timeframe, is that correct?

4
5 Mr. Kim: Yes, that's correct.

6
7 Commissioner Chang: Ok, thank you and then finally, I was hoping to ask a... to go back to the
8 Palo Alto commuter charts. The one with the concentric circles and ask the students and thank
9 you all students and Professor Kim for your work. It's very interesting to see it. You know a
10 picture says 1,000 words so it's very interesting to see it in this format. I was wondering what
11 conclusions you guys thought might be able to be gathered from the two commuting origin
12 charts.

13
14 Mr. Kim: Aaron, why don't you start? Yeah, why don't you start?

15
16 Mr. Hernandez: Definitely, since I was in charge of this section. So, I think... well, generally just
17 by the visualization of the map it seems that most of the... most commuters that commute to
18 Palo... into the downtown at least here. They come from... most come from the immediate 3-
19 mile to 5-mile area with some pouring in like for example, down to the southeast portion of the
20 map on the right in the 10-mile area. So, I think the mission in showing this map overall was to
21 identify which transit routes that have that immediate one-way connection to the downtown
22 Palo Alto Caltrain station; which basically relates that to the Census tracks that may not have
23 those routes going into the downtown area. And that's kind of... basically we want to inform
24 you, the Commissioners, and the public in that visual representation of that.

25
26 Commissioner Chang: So, a clarifying question here, so the different shades of red. Is that
27 Census data or Palo Alto specific data?

28
29 Mr. Hernandez: That is actually Census data. Do

30
31 Mr. Kim: Go ahead (interrupted)

32
33 Mr. Hernandez: Oh ok, yeah, that is actually Census data that we [unintelligible -audio cut out].
34 Basically, Census data that has the number of commuters that commute to Palo Alto and we
35 used this... it's called LODS (interrupted)

36
37 Mr. Kim: [unintelligible]

38
39 Mr. Hernandez: Yes, Origin Destination Employment Statistics so that's provided by the Census.
40

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1 Commissioner Chang: Ok so but it is specific to... it's not just oh these are populations. These
2 are populations of people who commute to Palo Alto.

3
4 Mr. Kim: Right, this is (interrupted)

5
6 Commissioner Chang: Got it.

7
8 Mr. Kim: Right, this is the worker who had a job at downtown Palo Alto and showing where
9 they live.

10
11 Commissioner Chang: Fantastic, thank you. Can I... can you just page ahead to the other one
12 because I think you had a separate chart for Evergreen Park and there it actually looks kind of
13 different.

14
15 Mr. Kim: So, the... actually my intention that the way we created this kind of map is that I want
16 you guys to kind of think about is there any place that you may want to extend your public
17 transportation for example. Obviously, people who live in some area where they're further
18 away than 10-mile from where they work and this area is like a concentration of where the
19 commuters live. In this area, they don't have good public transportation to get to where they
20 work. So, if you guys compare... the reason why we overlay with the public transportation
21 network that if you contrast public transportation network and where they live. And then you
22 can see where's the gap and you may want to consider some public transportation service for
23 that area.

24
25 Commissioner Chang: Final question, I don't see a legend on this chart in terms what the
26 relative pink-red colors mean. Is it... do you have that at the ready or could you share it with us?
27 Maybe email it to Mr. Baird later on and he can share it with us.

28
29 Mr. Kim: Yeah, definitely we can share all that information. The grey area is just like a
30 background map to give you a little more compass. The grey does not have any particular data
31 or information. Grey coverage just background.

32
33 Commissioner Chang: Thank you.

34
35 Chair Hechtman: Alright, we are going to go to public comment on this study session item and
36 then we'll bring it back for Commission discussion. So, I do want to now open the floor for
37 public comments. Please raise your hand if you wish to speak. On the Zoom App, there's a raise
38 hand button on the bottom of your screen. If you are dialing in from a phone, please press *9.
39 Mr. Nguyen, are there any public speakers for this item?

40

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1 Mr. Vinh Nguyen, Admin. Associate III: Chair Hechtman, we do not have any raised hands for
2 this item. Actually, I apologize, we just have one raised hand that just came up. So, if we can
3 please get the speaker timer. Our speaker is Saint Mark.

4
5 Ms. Carol Scott: Hello, it's actually Carol Scott. Sometimes I disguise myself as Saint Mark
6 Episcopal Church but it's really Carol Scott. So, I just wanted to ask and I think it's a follow-up to
7 Doria Summa's comment but when you're looking at parking and the density of parking in the
8 various areas. I understand that you cannot tell whether that density is resident parking or
9 permit parking. Is that correct?

10
11 Chair Hechtman: So, question from the public don't go directly to the speakers, the presenters,
12 but having stated the question, we'll see if when it comes back to the PTC discussion,
13 Commissioner Summa for example wants to pick up on that concept and follow up. Please
14 continue your comments.

15
16 Ms. Scott: That's it. Thank you.

17
18 Chair Hechtman: Thank you very much.

19
20 Mr. Nguyen: Chair Hechtman, that concludes public comment for this item.

21
22 Chair Hechtman: Alright, thank you and let's bring it back to the PTC for discussion, additional
23 questions, or comments of Staff or our presenting team. Commissioner Summa followed by
24 Commissioner Templeton.

25
26 Commissioner Summa: Thank you, Chair Hechtman. I will... I found the boundaries and the
27 information presented about Cal Ave Business District and how it was described as being one
28 with Evergreen Park and Mayfield Neighborhoods confusing. So, I will go ahead per our Chair's
29 prompt and ask for the member of the public, Carol Scott I think, who wanted to know if the
30 study determined... I think she was probably talking about on-street parking but maybe not
31 related to that. But to what extent the study could distinguish between residential parking and
32 other parking... other parkers?

33
34 Mr. Kim: Right so the answer to that question is that we didn't differentiate the residential part
35 versus employee parking. So, that the data that we presented is altogether. Actually, the data
36 that Nate provided has that detailed classifications but we didn't use that classified data. We
37 just used the overall sum.

38
39 Mr. Baird: That is an interesting point though and I do think there's probably a future
40 opportunity for us to think a little bit more clearly about how our different users and different

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1 employees versus residents. And I think that is something that will be useful about the kind of
2 background work that the students have provided with us and the future data that we'll be
3 collecting and we'll be able to visualize.

4
5 Mr. Kim: I mean that's absolutely correct. I think the intention that we analyzed in the parking
6 occupancy rate by time of days. That's sort of our intention is see if there's some different
7 relationship or different dimensions over the residential users versus employee users.
8 Obviously, noon occupancy rate or the parking facility will differ from 6:00 pm where everybody
9 comes... get back to their home. So, that was out intention but we didn't really specify the
10 parking occupancy rate data as to the residential versus the employees.

11
12 Chair Hechtman: Alright thank you. Commissioner Templeton.

13
14 Commissioner Templeton: First I just want to thank the presenters. I... this is such an interesting
15 presentation and has a lot of data that we haven't seen before and certainly not in this way. So,
16 congratulations on putting this together. It's very interesting and I'm sure we will refer back to
17 it in coming months because there's definitely a lot of talk about parking and how to solve the
18 commute, the traffic, the parking, and all these problems combined. So, I just want to say thank
19 you for bringing this to us and sharing your work product with us because it's absolutely
20 fascinating.

21
22 I am also intrigued and maybe this is a riff off of what Commissioner Chang was talking about.
23 I'm very intrigued by how much parking is demanded by people who live nearby and that's just
24 absolutely fascinating. Because one of the challenges we often discuss in Palo Alto is that the...
25 that we have... we believe we have a lot of external commutes from people who don't
26 necessarily live in Palo Alto and comes to the City for numbers about how many more jobs we
27 than residences and things like that. And so, it's really interesting to see that some of our
28 parking districts are so readily used by our residents and I was wondering if... I'm sorry I don't
29 remember which presenter mentioned this, but that programs that we can have within the City
30 could significantly reduce demand for Palo Alto resident's need for parking at our destinations
31 like California Avenue and downtown. So, what kinds of programs are you thinking about, and
32 maybe this is a question for our Staff that could address that, to at least make the locals less
33 reliant on cars to go 1 or 2-miles down the road to reduce the local demand?

34
35 Mr. Kim: Nate, do you want to answer or I mean ok, so let me [unintelligible] to that question.
36 Actually, I mean to the answer we didn't get into that kind of a finding answer too much. The
37 purpose of this project was kind of more getting together data and putting sort of good data set
38 rather than go into an equally policy recommendation letter. But obviously, one way that I can
39 answer to that is kind of the way as I response back to Commissioner Chang earlier. If we want
40 to reduce automobile dependence so that we preserve... not preserve, minimize using the

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1 parking facility. It's that we have to develop our transportation mode like public transportation.
2 So, then we have to... basically, we have to understand the dynamics of this commuting
3 patterns and all those people who live there and who commute to there. So, public
4 transportation... promoting public transportation can be definitely one option. So, then the
5 workers and employees in the downtown will drive less. Then more parking space will be
6 available for the residential around the downtown area for sure.

7
8 And also, we didn't do much of in-depth analysis but if we... as I mentioned briefly if we
9 understand the dynamics of that parking occupancy time of date. Then Nate and the City I
10 believe can come up with a really, really good program that can make a permanent balance
11 between the demands of the residents and employees by time of different date. Let's say,
12 there's a [unintelligible] amount of parking space in the morning time and in the early
13 afternoon, large space will be occupied by employee. And in the early morning and late evening
14 that place will be able to occupy by residents. So, that's parting sharing... not sharing but kind of
15 my... you know sharing the parking space between the resident and employee. Together
16 another perfect resolution for the parking issues. Nate?

17
18 Mr. Baird: I'll build off Professor Kim a little bit. I mean when I look at it, you know we have
19 these shared parking resources but we have a lot of demand for these shared resources. I think
20 that's a big takeaway just looking at the socio-economic data and the residential data and the
21 business data. We have a success... we have successful areas and so there's going to be high
22 demand for them but we also have good transit resources in those same locations. And we also
23 have a variety of different user groups who actually need the parking at different times of day,
24 right? So, workers need it 8:00 to 6:00 and many of our programs are set up to encourage
25 parking turnover but then we also know that employees need parking all day. So, then we want
26 to think about how to address these different levers in different ways. And so, one of the things
27 that's exciting to me about the work that the students have done is that in the future we'll be
28 able to monitor quite regularly the parking occupancy and demand for any particular block. And
29 furthermore, we'll be able to know whether that block say in a residential district, is it more
30 used by employees 8:00 to 6:00 or is it visitors that are coming in at lunchtime who like to use
31 that particular block? You know we have the instruments and the programs that we've set up
32 previously that were done based on the previous studies that we've done. It's very likely that
33 we're in new territory now and there may be different demands than we want to tailor our
34 programs to meet and to parse out differently.

35
36 Commissioner Templeton: I think it's really exciting that you're going to be getting more data
37 and more specific and fine grain data. That's definitely going to help but I also just wanted to
38 point out. One of the things that I see from these maps and I'm sorry, I'm looking at another
39 screen so I can zoom in here. But the public transportation does a great job going up and down
40 the El Camino corridor or parallel to it with the railroad, but we don't have that from the east of

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1 Alma down towards the business center. We don't have a lot of transit there. You can see with
2 these maps that there's certainly additional potential demand there and that may be outside of
3 the scope of parking. So, we don't have to answer it tonight but I think there's some potential
4 that if we did want to look at providing some options. That might be the intersection
5 perpendicular to the railroad and to El Camino might be a great way to start. (interrupted)

6
7 Mr. Kamhi: And so (interrupted)

8
9 Commissioner Templeton: If we made that easier people might walk or bike or whatever more
10 there.

11
12 Mr. Kamhi: Apologies, Commissioner Templeton. I wanted to jump in but there was so much
13 great information being shared on the screen but I just wanted to mention it. This is really... I
14 think this is the perfect opportunity to talk about when we talk about providing mobility
15 options for people within Palo Alto. So, that they don't have to drive and I just wanted to plug
16 and I'm trying to remember who all I've told. But we're going to be getting awarded a \$2 million
17 grant to develop an on-demand transit system within Palo Alto and we expect to be getting that
18 grant award very soon. So, we're going to have an on-demand transit service go live here in
19 Palo Alto in the very near future and I think maybe that better addresses some of the concerns
20 that you are stressing.

21
22 Commissioner Templeton: That's wonderful. I know you and I have long talked about what we
23 can do for the public transit options for the locals and that would be really exciting. So, with
24 that, I'll let it go. Just thank you to everybody who's presented and discussed this. Thank you.

25
26 Chair Hechtman: Commissioner Chang. You're muted.

27
28 Commissioner Chang: Thank you. Sorry about that, wouldn't be Zoom without that. So, this
29 presentation reminded me about the differences in parking pricing that we have for
30 commuters. So, the garage pricing is \$800 and the on-street RPP pricing either \$400ish or
31 \$200ish. And the students made the same... you know the data shows exactly what the
32 students observed which is the on-street parking particularly, I can't remember who it was who
33 was doing the Evergreen Park presentation. The on-street parking... right, Lucas I think, said the
34 on-street parking is much more heavily utilized than the garage parking. Well, it's no surprise
35 would be my observation given our [unintelligible – audio cut out]. So, I wanted to ask Nate
36 what the thoughts are about specifically the garage pricing relative to the RPP pricing? Because
37 basically, we are... we are currently incentivizing people to get a \$400 every 6-month discount
38 by purchasing... no sorry, even more than that, \$600 a month discount. And given that when we
39 look at the chart of people making under \$1,250 a month, that's a significant savings that

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1 they'd be getting. So, I just wanted to ask what our thoughts are regarding specifically that
2 difference between RPP and garage parking?

3
4 Mr. Baird: So, that is actually something that we'll be looking to suggest a correction to in the
5 future. We really do want to incentivize folks who are parking not for a short trip but for if
6 you're spending the whole day. You know we want them to be using the garages and lots and
7 the garages probably more likely. So, that is something that we'll be looking at.

8
9 I think the other piece of it too is that we do have... we're trying to accommodate as much
10 visitor parking as possible you know across the RPP and the commercial zones. And so, you've
11 got typically your on-street commercial is the highest demanded space. Those are the spaces
12 when people are new, they're looking to get as close as possible so those are usually much
13 higher demand. So, I think that's probably why historically those on-street spaces were made a
14 little bit more affordable but I do think that all these levers do influence each other and we
15 want them to be influencing each other in a way that's incentivizing the parking behavior that
16 we want to see. And also encouraging folks to just other modes or to use the micro transit. So,
17 we'll be looking at ways to use pricing in the future to have these work together a little bit
18 better than they currently do.

19
20 Chair Hechtman: Other Commission questions or comments? Commissioner Lauing.

21
22 Commissioner Lauing: Just a quick sort of objectives and process question may be directed to
23 Mr. Baird. So, is this sort of overall, what's the use of this data? How does it overlap with what
24 you've done before, or were you looking here for an incremental methodology to come at it in
25 a different way? I'm trying to look at the integration, not literally, but how this conceptually
26 integrates with what you're doing already. And then if the get the methodology is just the
27 question of funneling in the new data for 2021 and we're good to go? So, just kind of how that
28 all works together.

29
30 Mr. Baird: So, for me, I'm a visual-spatial thinker and I'm just... we have a lot of information. We
31 have eight different programs so the first part of the presentation was really great for me just
32 to be able to visualize where our districts are, how they map to each other. We have maps now
33 that we'd previously made when we were a different department and so I've got these
34 individual maps. But it's really fantastic for me to see all these maps overlaid over each other.
35 Yes, we have the six different residential districts and then we have the two different
36 commercial districts but they're not... they're all right next to each other. You know the
37 downtown is surrounded by some Evergreen Park and Mayfield neighborhoods are surrounded
38 or have the Cal Ave right in the middle and then you've got Old Palo Alto. To me just being able
39 to visualize it is fantastic and it is quite a huge lift and labor-intensive to just visualize the
40 information that we already have.

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1
2 And then in terms of moving forward, having... just being able to visualize the information I
3 think will help us think about what is the best attachment area for the micro-transit service
4 later? What are ways that we can use our TDM Ordinance that we'll be developing to help our
5 TDM efforts and our parking pricing efforts work together really well. And being able to
6 visualize in the future taking in the occupancy data that we'll be getting from the LPR efforts
7 and being able to regularly overlay onto the base geographic databases that the students
8 provided for us will be really invaluable.

9
10 And then I think their analysis work that they've done in terms of just thinking about there's
11 different user groups that we can think about who want to use the parking. And, you know, it
12 takes some thinking to design a program, to think about a program so that it's encouraging. It's
13 not working against ourselves in terms of our larger City goals in terms of sustainability and
14 getting people to walk and bike and take transit. But also providing parking availability and
15 parking services that are very customer-centric. And for me, that all starts with just having a
16 good understanding of what's going on and again just visualization on a map is really helpful for
17 me.

18
19 Commissioner Lauing: So, you see this in short as pretty high ROI with the I being transportation
20 time on this investigation?

21
22 Mr. Baird: Yeah, I see this work continuing to help us think about how we move forward.

23
24 Commissioner Lauing: Ok, thank you.

25
26 Chair Hechtman: Other Commission (interrupted)

27
28 Commissioner Alcheck: I can jump in if that's alright?

29
30 Chair Hechtman: Sure, Commissioner Alcheck.

31
32 Commissioner Alcheck: Well, first I just want to say thank you for the work and the
33 presentation. It's really a first. I think this was the first time we've had a group of graduate
34 students or undergraduate students work together on something and then presented to our
35 Planning Commission. So, that's exciting and I'm glad that you all took that upon yourselves.

36
37 I guess I'd like to hear from the presenters, you know maybe one by one or those that have a
38 perspective on this. What surprised you the most in your work? Was there something that you
39 didn't expect that you found?

40

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1 Mr. Drumonde: I'll go ahead and jump in. So, I was primarily focused on the
2 Evergreen/California Avenue area and I was already expecting there to be a higher occupancy
3 rate for on-street parking. But seeing the disparity between the rates of on-street parking
4 versus off-street parking and that was really surprising. I think it definitely has to do with the
5 cost but given that, I think there are also opportunities to better utilize or best utilize these
6 parking spaces that are in really high demand. Now, what those opportunities, I mean it
7 depends on what the City wants. What... yeah, basically... I mean yeah, it depends on what the
8 City wants but seeing... just being able to visualize and see the difference between those was
9 really surprising, really interesting.

10

11 Chair Hechtman: Other students want to chime in?

12

13 Commissioner Alcheck: Anybody else have a thought about anything that surprised them?

14

15 Mr. Hernandez: Definitely or do you want to go ahead, Eddie?

16

17 Mr. Nyeazi: Sure, thank you. Yeah, kind of how I believe it was Ms. Templeton was mentioning
18 how we are, or at least when we first started our study we were examining the rates that we
19 had... that the City of Palo Alto had established for different areas of parking and parking
20 modes. I mean we found or the one thing that did stick out to me was that the pricing didn't
21 seem to incentive the parking structures. Even though I have personally... my experience is that
22 I would prefer parking in a structure even in California having hot weather a lot of the time of
23 the year. The shade and the coolness provided by these structures, the amount of space, and
24 the space between cars offer some sort of safety. I know a lot of people care about the
25 cosmetics of their vehicles if it gets dinged by someone's door nearby. Of course, if you're
26 trying to pack in as much parking on the street, you're not really protecting that.

27

28 And through pricing, I'm... I've always been an advocate for pricing incentivization and how
29 powerful a tool that can be. But it seems that the City has already recognized that and I'm
30 excited to see those changes be made soon.

31

32 Commissioner Alcheck: You know I think that's a really interesting point you just made and it
33 makes me wonder if Palo Altans are really aware of our parking garages. You know are they...
34 maybe are they too well hidden. It's kind of makes you wonder if a big sign that was like hey,
35 really awesome parking garage where your car won't get nicked right over there, would work
36 better than just the blue piece sign that we have. I know in a City like Redwood City, for
37 example, they installed these monitors that... these video... basically TVs that were extra-large
38 that demonstrated how many spots were open in a parking garage. So, you literally couldn't
39 drive by without being like I can't believe I'm going around the block again. Look how many
40 spots that are in there.

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1
2 There was... I didn't want to cut off Aaron if you wanted to jump in and say something.

3
4 Mr. Kamhi: Sorry Commissioner, can I just jump in really quickly? And apologies, I'm out on the
5 road with my family right now. But Commissioner Alcheck, I just wanted to mention that we
6 have recently installed in the new California Avenue garage that was called automated parking
7 guidance system which provides how many spaces are available. And we also have plans to
8 install in the downtown garages in the next fiscal year.

9
10 Commissioner Alcheck: It might be time for a fun design competition for tongue-in-cheek
11 directional signs pointing people to... anyway, sorry. Go ahead, Aaron.

12
13 Mr. Hernandez: Thank you. I think there's a lot that I think we've experienced along the way
14 doing this project and well since I was presented more on the demographics side. At least from
15 what I learned... well, what I thought was really interesting is just really just seeing how much of
16 an influence Palo Alto is in terms of its... the data on commuters of origin destination commuter
17 data. As what I think Commissioner Templeton was saying is that there is... there's a lot of
18 commuters that don't live too far from downtown for example. They live less than 5-miles away
19 and then when you expand to that the regional level. Well, you see... you can see how different
20 areas of the Bay Area get commuters... has people going to Palo Alto but then there's actually
21 other things behind the scenes. I mean we didn't present it because it wasn't relevant but at
22 least in terms of what data can provide. We actually... there was actually commuters coming
23 from all over the state. A few coming from the south California area and I think we actually had
24 some coming from the east coast like in Ohio and all that. So, I think it just... it's really
25 fascinating to see how data collection and the significance in data can really tell a story.

26
27 Commissioner Alcheck: Alright well, thank you all for that. I really appreciate it and I hope you
28 guys stay in state once you finish your studies and help us with these challenges. And I wish all
29 of you good luck. I really appreciate your presentation.

30
31 Chair Hechtman: Commissioner Summa.

32
33 Commissioner Summa: Thank you and I apologize. I'm having internet connectivity problems
34 this evening so hopefully, that hasn't been a trouble for anyone. With regards to license plate
35 readers, LPR, I think we're only talking about deploying that in residential neighborhoods.
36 Maybe Nathan or Philip could clarify that.

37
38 Mr. Baird: Yeah, so we haven't announced this very much but the LPR will be used for
39 enforcement in the RPPs but we've also discussed and coordinated with both PD and our
40 enforcement contractors. That what we're going to do is we're going to send the... our

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1 enforcement contractors into the commercial areas to get occupancy counts semi-regularly as
2 well. So, we will be able to use that technology to just get the occupancy counts. It won't be
3 used for enforcement in the commercial areas, but we'll at least be able to collect data with
4 those tools and thank you for the question.

5

6 Chair Hechtman: Commissioner Summa, more? She might be having more internet problems.

7

8 Commissioner Summa: I am, I'm sorry. I don't know if you can say anything more about the
9 grant to develop an on-demand transit service and if you can, it would be interesting to hear
10 more about that. Like who you would be developing it with.

11

12 Mr. Baird: So, I don't know that we have a partner yet. I know that when the... when Sylvia's
13 team was writing the grant, they were in conversation with a few different providers just to see
14 what the scope and possibilities were. So, I think as we move... once we get an agreement with
15 the funder and then we'll do a solicitation and then process. But I do think there's a lot of
16 potential for the parking program and this micro-transit rollout for us to take advantage of that
17 to decrease parking demand hopefully by helping to incentives the micro-transit service over it.

18

19 Commissioner Summa: Ok, thank you so much, everyone.

20

21 Chair Hechtman: Other Commission comments? Well, I would like to commend Professor Kim
22 and his students for the presentation and for their responses to fielding questions. On this
23 Commission, we see a lot of presentations from a lot of consultants and I want to tell you I
24 thought this one was professional grade so job well done.

25

26 Commissioner Lauing asked the question I was going to ask of Mr. Baird, what will you do with
27 this information, and Commissioner Alcheck asked the question I was going to ask of the
28 students, what were the surprises. So, I think I just want to close to amplify something that
29 Commissioner Alcheck said and that is I hope that you students through this experience, and
30 particularly through Mr. Baird's answer to what he's going to do with your information, excited
31 you and maybe made you recognize the importance of smart planning and analytics in smart
32 planning and that maybe some, if not all of you, are envisioning the possibility of a career doing
33 the kind of work with Cities that Mr. Baird and Mr. Kamhi are doing. Because I think you all
34 would be great at it so I want to thank you again. Sorry about the dog. So, Cody was echoing my
35 comments there.

36

37 Mr. Kim: Let me quickly respond back to the comments. I mean first of all, once again, thank
38 you for the opportunity for my students. That being the best experience for my students from
39 my perspective for the entire project is I believe this moment. Not doing the process and
40 project is also a great experience but as you're... except Danny, all of the other students will

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1 graduate by next week and they're going to go to professional work in the field as a
2 professional planner. So, sitting in this kind of meeting and presenting in front of the
3 Commissioners and Committees and the response back to your questions. I think that's a great
4 way education and experience. So, I mean once again, thank you so much for the opportunity. I
5 believe my students learned a lot from the entire semester as well as from this meeting.

6
7 Chair Hechtman: Alright, thank you, Professor Kim. So, with that, we are going to conclude this
8 agenda item and move to Agenda Item Number Three.

9
10 **Action Items**

11 Public Comment is Permitted. Applicants/Appellant Teams: Fifteen (15) minutes, plus three (3) minutes rebuttal.
12 All others: Five (5) minutes per speaker.1,3

13
14 3. Review and Recommendation to Finance Committee and the City Council on
15 Proposed 2022-2026 Capital Improvement Plan and Comprehensive Plan Compliance

16 Chair Hechtman: It's an action item to review... for review and recommendation to the Finance
17 Committee and to the City Council on proposed 2022 to 2026 Capital Improvement Plan or CIP
18 and Comprehensive Plan compliance. Staff report, please.

19
20 Ms. Rachael Tanner, Assistant Director: We have Chitra Moitra here who will be doing the
21 presentation on behalf of the City and I will also note that we have a number of departments
22 represented who represent the departments who have the new seventh... seven new Capital
23 Improvement Projects. So, if Commissioners have questions, we do have those resources here
24 as well, so I'll hand it over to Chitra.

25
26 Ms. Chitra Moitra, Planner: Good evening, Commissioners. Just give me a second to share my
27 screen. Can you guys see my screen? Hello.

28
29 Chair Hechtman: Yes.

30
31 [note – many people started talking at once]

32
33 Ms. Tanner: Yes, we can see it but you want to go to the top and you want to go your display
34 settings at the very top left. And click the arrow down and you should say to swap that. There
35 you go. Great.

36
37 Ms. Moitra: Ok. Good evening, Commissioners. I am Chitra Moitra, planner with the Long-
38 Range Planning Section. Tonight, we have in front of the Commission the 2022-2026 new CIPs
39 which are included in the Capital Improvement Budget Book. And as Rachael said, apart from
40 planning Staff we have with us Staff from different departments like Public Works, Utilities,

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1 Police, OES, Community Services, etc. So, and at the end of my presentation, you can ask
2 questions to them.

3

4 So, as other previous years, this year also, different City departments have identified new CIP
5 programs to be included in the Capital Budget. These CIPs are basically based on... the selection
6 of these CIPs are based on funding sources, different level of funding sources, City Council
7 preferences and priorities and suggestions from the City's Infrastructure Blue Ribbon
8 Commission's reports, etc. So, these CIPs this year, seven of the CIPs have been identified. So,
9 this Capital Budget is reviewed by the Finance Committee as well as the City Council. I think it's
10 going on right now and the City Council... and as a part of the PTC review. PTC would also be
11 reviewing this same new CIPs but for a different purpose which is for the purpose of finding
12 compliance with the Comprehensive Plan.

13

14 Then this slide says that the Section 19.04.040 of the Palo Alto Municipal Code, this section
15 defines the role of PTC and as I said before it's for reviewing for Comp Plan consistency. PTC can
16 also review and comment on individual projects and they can suggest improvements to the
17 projects to increase the efficiency of the process. And thirdly, PTC can also identify projects
18 which seem to be missing from this year's CIP list so that they can be added to the next year's
19 list. And through a letter, PTC conveys these findings to the Finance Committee and the City
20 Council.

21

22 So, for Staff, what is the role? For Staff's role is to find the individual CIPs in compliance with
23 the Comprehensive Plan. So, how do they do that? They just link it with the Comprehensive
24 Plan Element, individual goals, policies, or programs which are appropriate and then the Staff
25 generally also adds information on the types of Boards and Commission review required for the
26 CIPS as well as any environmental review as required for the project.

27

28 This slide is a snapshot of the proposed Capital Budget Book and the total number of CIPs they
29 have. So, this year we have 171 Capital Budget projects included in the Capital Budget Book and
30 of that, only 4 percent are new CIPs. And the remaining 164 CIPs you have already reviewed
31 that previous years so we won't be going into them anymore.

32

33 So, this year, this is the list of the seven new CIPs which have been put forward by the different
34 departments and each of these CIPs are the... I... in my Staff report, I have given an explanation
35 of how... the justification of each of these CIPs. Why they are needed and what needs to be
36 done. And I have also identified funding... the funding sources for these projects as well as the
37 Comp Plan program and policies which aligns with these projects.

38

39 Based on the analysis, we found that this year of the seven new programs, four of them have
40 been aligned with the Natural Environment Element, two with the Safety Element, and one

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1 with the Land Use and Community Design Element. And for the Natural Environment Element,
2 the goals which we have referred to are Air Quality Goal N-5, Water Resources and Quality...
3 Water Quality Storm Management which is Goal N-4 and Climate and Climate Adaptation which
4 is Goal N-8. For safety, we have referred to the Community Safety Sections and the Natural
5 Hazard Sections. And lastly, for the Land Use and Community Design Element, the CIP was
6 related to Palo Alto Airport modular building office building improvements so that's Goal L-10
7 of the Land Use Element which we were referring to.

8
9 And this slides shows the total number of CIPs presented in this year's CIP book and it says that
10 about 48 percent of these CIPs comply with the Natural Environment Element, and 29 percent
11 with the Community Services Element, and 8 percent for both Transportation Element, and
12 Land Use Element each and 5 percent for Safety Element.

13
14 The next steps would be these CIPs would be reviewed by the Finance Committee and the City
15 Council. As I said they are reviewing it right now through the month of May and June and City
16 would June 21 adopt the final budget and the CIPs would be adopted. So, the next would be
17 Staff recommendation, so tonight Staff is requesting PTC to find the proposed new 2022-2026
18 Capital Improvement Plans, which are listed in Attachment B, to find them in consistency with
19 the City's Comprehensive Plan. So, that's the Staff recommendation so, with this, I am... I will
20 end my presentation and we have a lot of Staff here. All City Staffs here to answer your
21 questions if you have any questions on the new CIPs. Thank you.

22
23 Chair Hechtman: Great, thank you, Ms. Moitra. We'll start with Commission clarifying questions
24 of Staff before going to public comment. Vice-Chair Roohparvar.

25
26 Vice-Chair Roohparvar: Thank you for the presentation. I had just a general process question.
27 How does prioritization for these CIPs work? Not these seven but all of them and you might...
28 just maybe I don't remember and you've addressed this in the past. And then do you guys...
29 does Staff change prioritization if there are major events? For example, when COVID happened,
30 did the CIP prioritization change? How does that work in terms of what you decide, you know,
31 which ones you decide to do and which one you spend money on because you're not doing the
32 160 per year? You're not doing all of them.

33
34 Ms. Tanner: I'm going to turn it over to Paul Harper who is from the Office of the Management
35 and Budget and he can help to explain overall the budget process and how the 5-year CIP
36 differs from the actual annual appropriation by City Council to the projects. And of course, the
37 last year we did some moving around of money from our CIPs to other projects and so Paul,
38 perhaps you can share a bit about that.

39
40 Vice-Chair Roohparvar: Thank you.

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1
2 Mr. Paul Harper, Principle Management Analyst: Sure. Again, Paul Harper with the Office of
3 Management and Budget. I will direct you, if you go into the Capital Budget itself, on Page 15
4 we have a section called the Budget Process and Document. If you're going on the online
5 version, the numberings going to be a little bit off. You need to add about 30 pages to that so
6 it's actually PDF Page 43. But in there we talk about the budget document itself, the process
7 that we use to develop projects and in there, there is actually a section about prioritization and
8 things that we consider when planning for the current or the upcoming year and the 5-year
9 plan. Things that we consider are mainly health and safety issues, Council priorities. One of the
10 big Council priorities that we've been keeping in mind over the last few years are the
11 Infrastructure Plan projects which was a set of nine projects. One got added so now there are
12 10 but that was approved back in 2014 as kind of the most important projects to be finished
13 within the General Fund Capital Fund before starting other new projects.

14
15 It's kind of depends on the fund in terms of how we decide which projects are going forward
16 because one of the main components is whether there's funding available. And I guess one
17 thing that I will just point out is that when Council adopts the budget, they are only adopting
18 the first year of the 5-year plan. The rest of the 4-years are really just for planning purposes and
19 those can change once we get through the first year. And like you said, COVID or something
20 changes to cause us to need to restructure funding and the projects that are being done in any
21 given year.

22
23 Vice-Chair Roohparvar: Got it. That was really helpful. Thank you.

24
25 Chair Hechtman: Commissioner Chang.

26
27 Commissioner Chang: This is a follow-on, general, education question for me about... to follow
28 on what Commissioner Roohparvar [note – Vice-Chair Roohparvar] asked. So, how fungible are
29 the funds between the different various capital funds? Right because there's the Technology
30 Fund and the Wastewater Fund. How fungible are the funds and also, how fungible is the
31 Capital Budget... the CIP Funds versus the other stuff that has been in the news lately?

32
33 Mr. Harper: Sure, I'll take a crack at that and then if somebody wants to jump in. Essentially, the
34 funds within the funds themselves, they are not very fungible. For example, a lot of the funds
35 are Enterprise Funds that are related to rate payers paying for electric costs for gas cost and
36 things like that. And so, we really want to make sure that they are paying their rates for things
37 that will benefit those capital programs.

38
39 The fund I guess that is maybe a little bit more fungible in terms of what it can be spent on is
40 that Capital Improvement Fund because it's mainly funded by the General Fund. And it's not a

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1 large portion but it a portion of the funds that fund it. You know is a direct transfer from the
2 General Fund. We have some TOT, sorry Transient Occupancy Tax, related funding that Council
3 approved a few years ago to go directly towards infrastructure.

4
5 But in terms of fungibility, we can't really move a project from one fund to another unless
6 there's a really direct link for why that should be funded by a specific fund and we really try to
7 designate that before we set up where the capital project is going to go.

8
9 To your other question about the portion of capital versus other things. Within most funds,
10 capital is I guess a piece of that funds so again, going back to electric or gas. When you're
11 looking at the Operating Budget, the Operating Budget actually includes the capital portion and
12 so capital is a piece of the overall electric funding for that year. The only one that's really
13 separate, well two that are separate, the Capital Improvement Fund like I mentioned and then
14 there's a Cubberley Property Infrastructure Improvement Fund that was set up a few years ago
15 to specifically fund the repair and maintenance of items out of the Cubberley property.

16
17 Commissioner Chang: Thank you, that's very helpful and so for example, the vehicle and
18 equipment per the Vehicle Fund. That's not something that can be moved else ware then?

19
20 Mr. Harper: The Vehicle Fund and the Technology Fund, those are Internal Service Funds. So,
21 essentially the other funds and departments within the City pay their share of their portion of
22 vehicles, their portion of technology upgrades and so that is allocated out each year. So,
23 everything that goes into those funds, it kind of pays for itself and so money collected for
24 example from the Stormwater Management Fund would pay for stormwater management
25 vehicles. And then within each capital project that are set up each year, the fleet management
26 goes through and determines which vehicles are in line with the replacement schedule. And
27 then they determine which vehicles have enough funding that has been collected and are up
28 for replacement and can be part of that budget year's capital program.

29
30 Commissioner Chang: Thanks. Super helpful, really appreciate it.

31
32 Chair Hechtman: Alright, Commissioner Alcheck, clarifying questions of Staff?

33
34 Commissioner Alcheck: Yeah, it might be helpful also before public comment. I think maybe Ms.
35 Moitra and Ms. French might be the only two people here that have been here longer than I
36 have. My question is, can you recall in the history of the Commission CIP process any instance
37 when a Commission did not find proposed Capital Improvement Project consistent with the
38 Comprehensive Plan?

39

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1 Mr. Moitra: I have been doing this for the last 10-years and I haven't found this incidence of not
2 finding compliance.

3
4 Commissioner Alcheck: Ok, that was my only question.

5
6 Chair Hechtman: Alright, then let's now open the floor for public comments. Please raise your
7 hand if you wish to speak. On the Zoom App, there is a raise hand button on the bottom of your
8 screen. If you are dialing in from a phone, please press *9. Mr. Nguyen, are there public
9 speakers for this item?

10
11 Mr. Vinh Nguyen, Admin Associate III: Chair Hechtman, we do not have any raised hands for
12 this item.

13
14 Chair Hechtman: [unintelligible – no audio] few seconds to see if any hands pop up and I'm not
15 seeing any. So, we will now end the public comment session, bring it back to the Commissioners
16 for further questions, discussions and a motion. Commissioners? Commissioner Lauing, thank
17 you.

18
19 Commissioner Lauing: Two things, one just commenting on the process. I see Daren Anderson is
20 on tonight from Community Services Department and I was able to get into immense detail
21 with Mr. Anderson when I was on the Parks Commission and worked CIP from the bottoms up.
22 While as Mr. Harper said, you're working from the strategy and objectives down, somewhere
23 that has to meet and there's a lot of negotiating done between the level of a Parks
24 Commissioner and Mr. Anderson and his boss and back and forth. I feel confident assuring you
25 that by the time it gets to us at this stage, per Mr. Alcheck's [note – Commissioner Alcheck]
26 comment, it fits the Comprehensive Plan and they've done the best possible job of prioritizing
27 the right CIPs for our City for the year. So, that's just kind of a broad comment.

28
29 I was also just wanted to make I guess a question comment on Item Number Six. The items has
30 referenced here, you have 24 vehicles. That's just for 2022, year 2022 and then there's more
31 vehicles after that, is that correct?

32
33 Mr. Harper: Yes, that's correct. So, each year a certain number of vehicles come up for
34 replacement so yeah, that would be the number of vehicles scheduled for replacement in that
35 particular year.

36
37 Commissioner Lauing: Right and I realized that these vehicles are not just cars. They can be
38 trucks and all that kind of stuff but to kind of state the obvious but to underscore it because it's
39 so important to us. You commented in this section in the Staff report, Staff will first consider
40 electric vehicles and then other alternative fuel. I mean obviously, we'd like to have as many

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1 and as fast as we can get to electric vehicles which would make it even more consistent with
2 the Comprehensive Plan with respect to climate change. So, I don't know if awarding is
3 necessary. I would just like to awarding change is necessary. I would just like to carry that forth
4 as we do the replacement so that's just my one specific comment.

5
6 Chair Hechtman: [unintelligible] Sorry, I got muted. Commissioner Chang followed by
7 Commissioner Alcheck.

8
9 Commissioner Chang: Mines really quick. It's actually, I wanted to clarify my understanding on
10 something with Mr. Harper. Commissioner Lauing had asked regarding the vehicle and
11 equipment replacement item, Number Six, whether that amount was specifically for 2022? And
12 because I'm a nerd, I went back and actually looked at the CIP and it looks like this item VR-
13 26,000 is actually for 2026. There's a separate item already on the CIP that would be the one
14 for this year and it's of a different amount but am I understanding that correctly Mr. Harper?
15

16 Mr. Harper: Yes, that's correct. I'm sorry, I didn't hear him say Fiscal Year 2022 but yes, these
17 are usually looked at 5-years ahead of time. So, the Fiscal Year 2022 project would have been
18 reviewed probably back in 2017 when it first appeared and so the number of vehicles can
19 change depending on if things happen within the Vehicle Fund within the fleet itself. But we
20 really just tried to put it out there as far as possible to say you know, we're planning ahead and
21 these are the vehicles that we anticipate needing to be replaced in 2026.

22
23 Commissioner Chang: Perfect, thanks. I just wanted to make sure there wasn't that piece of
24 misinformation out there and then finally, I just wanted to echo Commissioner Lauing's
25 comment about yes, electric vehicles would be a wonderful thing to do assuming it can be done
26 within budget. Thanks.

27
28 Chair Hechtman: Commissioner Alcheck.

29
30 MOTION

31
32 Commissioner Alcheck: Either by virtue of just well-articulated Capital Improvement Projects or
33 we have a very... such a broad Comprehensive Plan that consistency is easily found. I'd like to
34 move that the proposed Capital Improvement Projects listed in Attachment Boulevard are
35 consistent with the Comprehensive Plan 2030 policies and programs.

36
37 SECOND

38
39 Commissioner Chang: I'll second that. This is Bryna.
40

-
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1 Chair Hechtman: Commissioner Chang has seconded the motion.

2

3 Commissioner Alcheck: Alright, I'll quickly speak to the motion. I to have been reviewing these
4 things for almost 10-years and I don't know that... I agree with Ms. Moitra's characterization
5 that we have never once found something inconsistent with the Comprehensive Plan. I think
6 that's actually a very hard ask to find something inconsistent with the Comprehensive Plan the
7 way the Staff articulates the Capital Improvement Projects. And I would also add that while I'm
8 prepared to make the recommendation that the projects are consistent with the
9 Comprehensive Plan. I don't... I can't say that I have any insight into whether they're... they
10 should be the top priorities of our Cities spending with respect to Capital Improvement. I think
11 that task is left to other Commissions. So, when someone wants to discuss these in more depth
12 as to... you know I hope that they know where to go to have that discussion because I don't
13 think it's here. I don't know where it is actually but I don't think... I mean maybe it's at the
14 Council level or maybe it's at some of these smaller budget meetings. But I guess it may be
15 helpful for Staff to just let people know that if they wanted to dive into these things, where
16 they would go. That might be helpful if anybody who's watching if there is anybody.

17

18 Chair Hechtman: Commissioner Chang, you wish to speak to your second?

19

20 Commissioner Chang: I have nothing to add. I wholeheartedly agree with everything that
21 Commissioner Alcheck said.

22

23 Chair Hechtman: Alright, any other Commissioners wish to speak on this item before we vote?
24 Seeing Commissioner Summa.

25

26 Commissioner Summa: Again, sorry for my problems... technical problems this evening. In the
27 past, I think we have had a more comprehensive Staff report on this and I think that was... I sort
28 of miss the richness of comparing these to all the other programs in a written material we
29 received but it's a different year this year. So, with that being said, I wholeheartedly agree with
30 the maker of the motion and the seconder. But in the future, I do think it would be nice to have
31 more... a little bit richer information and maybe the public would enjoy that also. And most
32 particularly, maybe in the Attachment B which is the chart, and it mentions that five of the
33 seven will go to different... for different public review and public hearings. I think if that was
34 stated which public hearings it would go to if there were persons in the public interested. That
35 might be information they would have liked. So, just a little additional boost maybe.

36

37 VOTE

38

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1 Chair Hechtman: Thank you, Commissioner Summa. I'm not seeing any other Commission
2 hands so we have a motion and a second. Mr. Nguyen, please conduct a roll call vote for the
3 motion on the floor.

4

5 Mr. Nguyen: Commissioner Alcheck?

6

7 Commissioner Alcheck: Yes.

8

9 Mr. Nguyen: Commissioner Chang?

10

11 Commissioner Chang: Yes.

12

13 Mr. Nguyen: Chair Hechtman?

14

15 Chair Hechtman: Yes.

16

17 Mr. Nguyen: Commissioner Lauing?

18

19 Commissioner Lauing: Yes.

20

21 Mr. Nguyen: Vice-Chair Roohparvar?

22

23 Vice-Chair Roohparvar: Yes.

24

25 Mr. Nguyen: Commissioner Summa?

26

27 Commissioner Summa: Yes.

28

29 Mr. Nguyen: Commissioner Templeton?

30

31 Commissioner Templeton: Yes.

32

33 Mr. Nguyen: The motion carries 7-0.

34

35 MOTION PASSED 7(Alcheck, Chang, Hechtman, Lauing, Roohparvar, Summa, Templeton) -0

36

37 Chair Hechtman: Alright, thank you and thank you with Staff for the presentation and the
38 answers to the questions. It is now 7:57. We're going to take a break until 8:05 and come back
39 for our next agenda item, 855 El Camino. Thank you.

40

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1 [The Commission to a short break]

2

3 **Commission Action:** Motion by Alcheck, seconded by Chang. Pass 7-0

4 4. 855 El Camino Real (20PLN-00252): Recommendation on an Applicant Request and
5 Council Direction to Consider Establishing a Retail Health Definition and to Allow for
6 Limited Ground Floor Retail Health Uses at Town & Country Village.
7 Environmental Assessment: Exempt From CEQA in Accordance With Guideline
8 Section 15301 (Existing Facilities). Zoning District: CC (Community Commercial). For
9 More Information Contact the Project Planner, Claire Raybould at
10 Claire.Raybould@cityofpaloalto.org

11 Chair Hechtman: So, we will move now to Action Item Agenda Item Number Four. 855 El
12 Camino Real, its file 20PLN-00252, recommendation on an applicant request and Council
13 direction to consider establishing a Retail Health definition and to allow for limited ground floor
14 retail health uses at Town & Country Village. May we have a Staff report please? Ms. Tanner,
15 you're muted.

16
17 Ms. Rachael Tanner, Assistant Director: Has to happen at least once. So, we have Sam Gutierrez
18 who has taken over this project from Claire Raybould and he'll be presenting. We also do have
19 the applicant, Dean Rubinson and Jim Ellis who will also have time for a brief presentation I
20 believe as well and then we'll turn it over to the Commission. So, Sam, take it away.

21
22 Mr. Sam Gutierrez, Planner: Thank you for the introduction. As our Assistant Director Rachael
23 Tanner pointed out, I am newly assigned, well somewhat newly assigned to this project. Sam
24 Gutierrez taking over for Claire Raybould and if you give me one moment I will share my screen.
25 Can everyone see the screen now? No, let me (interrupted)

26
27 Ms. Tanner: Yes, we can see it. Oh, now we can't. We could though.

28
29 Mr. Gutierrez: Oh, I clicked the wrong button.

30
31 Ms. Tanner: Alright.

32
33 Mr. Gutierrez: Let me do that again. Ok.

34
35 Ms. Tanner: We got it.

36
37 Mr. Gutierrez: Ok, everyone can see the presentation, perfect. So, let's start over, sorry for that.
38 Again, this is the project, Town & Country Village for a Zoning Code Text Amendment. This is
39 the second PTC hearing for this item.

-
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1
2 Here you can just see for reference the location of 855 El Camino which is where Town &
3 Country is located just for those in the public who may not be familiar and just to remind
4 everyone for this hearing. And then again, we're here to discuss an amendment to the Palo Alto
5 Municipal Code Chapter 18.6 [note – Chapter 18.16?] to allow limited ground floor retail/ retail-
6 like uses within the Town & Country Village to be replaced with medical office like uses.

7
8 To provide some background here, the PTC previously reviewed the applicant's request to
9 amend the Municipal Code on February 10th, 2021 and made a recommendation to the City
10 Council. The City Council then reviewed the PTC's recommendation on March 22nd of 2021, this
11 year, and provided direction on the proposed ordinance language.

12
13 Specifically, the City Council directed during that hearing that the proposed ordinance be
14 amended to include a Retail Health definition and a 2-year period during which leases may be
15 executed. The Council also required the ordinance to be brought back to the City Council prior
16 to the Council's summer break. So, we are on a little bit of a tight timeline.

17
18 To get into the specifics of the Council's recommendation, we just wanted to highlight that the
19 5,000-square foot limit on the size of any individual medical tenant space is maintained. The
20 Council wanted more clarity in terms of what retail health would be defined as so what is that
21 use and limiting the retail health use to Town & Country. Again, with in the Municipal Code
22 Chapter 18.16 and then the Council directed Staff to include a 2-year limited time period to
23 execute any leases for this retail health type use.

24
25 And here, just in brief, this is just for reference for the PTC. This is the revised ordinance per the
26 Council in terms of the Retail Health definition. Where we wanted to tidy this up a bit more per
27 the Council discussion to be more specific and to see this, you could refer to Packet Page 30 of
28 the Staff report.

29
30 And then continuing on, this is where the Municipal Code Chapter 18.16.050(a), which is where
31 we introduce the retail health uses parameters in that Municipal Code chapter. Again, for
32 reference purposes and you could find this language in Packet Page 30 to 31 of the Staff report.

33
34 Some key considerations of the PTC is that per the Council direction is to review the proposed
35 Retail Health definition and impose a 2-year limit for execution of the retail health leases.
36 Something to note about, that the applicant's original request did not include that and the
37 applicant does not feel it's necessary for the 2-year leasing requirement based on all the other
38 parameters from 18.16 and the revised or clarified Retail Health definition. And then, of course,
39 the... to provide the Council with the recommendation on the revised ordinance and here's the
40 recommended motion from Staff.

-
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To recommend approval of the proposed ordinance for inclusion of the Retail Health definition and the 2-year limited lease or 2-year limit to execute a leases for said uses as directed by the Council, and recommend that the Council adopt the revised ordinance allowing for limited ground floor Retail Heath uses at Town & Country Village. And that concludes Staff's presentation.

Ms. Tanner: Thank you, Sam. Through the Chair, we would like to ask the applicant to have a few minutes and then to come back to the Commission.

Chair Hechtman: Yes, please. I think in these situations and good evening, I think we typically give the applicant up to 15-minutes to make a presentation. I don't know that you'll take that much time but welcome.

Mr. Dean Rubinson: Thank you very much. My name is Dean Rubinson. I'm the Director of Development with Ellis Partners and that you for your time tonight. We're excited to be back here. As you know we've started this process in the fall and have met with you in February and been to Council and hopefully, this will work to move us forward.

And I want to share my screen if I can to pull up a few slides. Can you see this presentation?

Ms. Tanner: Yes, we can.

Mr. Rubinson: Ok, you can see it? Yes?

Ms. Tanner: Now we can.

Mr. Rubinson: Alright, you see a beautiful sunny day at Town & Country?

Ms. Tanner: We do.

Mr. Rubinson: Alright, very good, thank you. So, as we've discussed in the past, Town & Country is struggling. It's an incredible place for all of us to enjoy but at the moment our retail vacancy is at unheard-of levels and we are over 20 percent vacant in the retail. And as we've discussed, it is in our view a result of a gradual decline in sales and an increase in vacancy that was... begun several years back and exacerbated mightily by the COVID epidemic.

We understand that there has been some commentary in some of the letters that were submitted that Ellis Partners was somehow contributing to this vacancy situation. I can assure you that our... that we are not in this situation because of lack of flexibility or empathy with our

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1 tenants. If that was in fact the case, the vacancy would probably double what it is now. We
2 have agreed to rent concessions and adjustments with over half of our tenants. Several of
3 whom are here to speak this evening about their experience with us.

4
5 We also understand there is some concern that approving this application will have a negative
6 impact on Town & Country and its wonderful vibe. We believe this concern is unfounded. We
7 have put 16-years of hard work into Town & Country and we believe we've made it into a
8 community treasure. And we've carefully curated the merchandising mix since 2005. We've
9 gone through the great recession and back. We've gone through now COVID and hopefully back
10 and I want you to trust me that we are more focused than anyone on avoiding any leasing
11 decisions that would upset the careful balance that we've curated here.

12
13 As you know, we've been requesting some flexibility, recognizing that there have been some
14 trends in retail health that is increasing at shopping centers around the country. And we've
15 been back to the Council which recommended that PTC explore giving some flexibility to
16 medical retail use with some constraints and limitations. And we hope that you can grant us
17 your recommendation and some flexibility in this important issue tonight.

18
19 We assume that many of you visit T&C periodically and hopefully enjoy it, but I want to clarify
20 that our team lives and breathes T&C every day. We are chasing dozens of potential leases at all
21 times, we are talking constantly to our tenants about how their sales are going, what trends are
22 impacting them and where things are headed. The bottom line is, e-commerce is killing
23 traditional retail. Town & Country is not immune to this trend. Apparel, books, home good
24 retailers at Town & Country are getting beaten every day by Amazon, Zappos, and Target.com
25 and many others and unfortunately, are closing their doors in Palo Alto. COVID will come and
26 go hopefully, but these online retail trends will not go away. And unless all of us agree not to
27 buy anything from our phones or computers and promise to walk or bike or drive to Town &
28 Country instead. This trend will continue.

29
30 Unfortunately, it's unlikely that the residents of Palo Alto are going to make that commitment,
31 so we ask you to seriously consider this request for a modest amount of leasing flexibility and
32 trust us to manage the retail mix that we have managed since 2005. We believe this will fill up
33 some of the critical vacancies that we have with appropriate health and wellness users. And it
34 will not only prevent a downward spiral at Town & Country but will actually boost sales at all
35 the remaining retailers that are desperate for more foot traffic so they can survive.

36
37 Town & Country, when we bought it, was 50 percent vacant. We have put our heart and soles
38 into everything there and we ask you tonight for our trust... for your trust and understanding.
39 So, our tenants can avoid further closures and bankruptcies.

40

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1 A couple of slides here just to highlight the facts. Town & Country retail sales began to decline
2 in 2017. It increased year over year in 2018 to a 6 percent decline and obviously last year was
3 dramatic. Even after COVID passes, we believe that the decline that began in 2017 will continue
4 with or without these changes. So, we are asking you to help us make these changes to mitigate
5 the decline.

6
7 Mirroring the decline in sales is the increase of vacancy. They can see started rising in 2016,
8 went up further in 2017-2018, and hit 6.4 percent before COVID and is not over 20 percent.
9 These trends, as I mentioned, are national in nature, in fact, global in nature. According to ICSC,
10 the International Council for Shopping Center, retail sales including online and traditional are
11 virtually flat between 2018 and 2020. While the share of retail sales owned by the online
12 retailers has increased dramatically. In 2018 to 2019 it was a 15 percent increase, from '19 to
13 '20 a 32 percent increase. So, essentially, the share of the pie is moving away from traditional
14 retail and unless traditional retail is allowed to evolve with trends and given some flexibility to
15 do so. It will continue to spiral.

16
17 The good news here is that there is a growing sector within the retail market. It is called health
18 retail and the traditional medical office building and pediatrician or dermatologist office that
19 we all went to has been evolving as well to more pedestrian retail, customer-oriented
20 conditions. And these are some of the names of the tenants that we are considering if we are
21 granted the flexibility for some health retail at Town & Country. These users create wonderful
22 attractive spaces that are consistent with the retail environment. They create an open entry
23 space with retail displays and reception areas and their open store fronts are transparent and
24 inviting.

25
26 In fact, health retail nationally has changed such that 70 percent of US adults visited a
27 healthcare provider at a shopping center in 2020. Most visits were primary care physicians and
28 dentists and diagnostic and urgent care facilities. 41 percent who visited health care providers
29 at their shopping centers, now go to those shopping centers more often than they use to and
30 74 percent shopped at other retail tenants during that visit.

31
32 The Zoning Change that we originally requested would allow us 20 percent of our ground floor
33 for [audio cut out]. PTC and the Council and Staff in full agreement and understanding that 10
34 percent is a reasonable and acceptable amount. In fact, it's almost accessory to the remaining
35 retail uses there and de minimis in nature. We believe that 10 percent would make a significant
36 difference for us and for our tenants.

37
38 Furthermore, over the past few months, additional restrictions have been recommended by
39 Council and Staff. The vast majority we believe are understandable and entirely acceptable.
40 Obviously, limiting the retail... limiting the uses to a subset of the medical office use that is

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1 more specific and appropriate for retail settings. Furthermore, not permitting retail health on
2 the primary retail primary frontages, limiting it to 5,000-square feet per tenant, and creating a
3 requirement for an entry and reception area of minimum of 15 percent of the space. And
4 adding a requirement for store front transparency to make sure that there is no void or
5 opaqueness for the pedestrian.
6

7 The last one I want to mention, we believe and when the Council suggested it we believe it is
8 unjustified and feel that it is unnecessary and unacceptable is the requirement to limit it to 2-
9 years of leases that would be signed within the first 2-years. Firstly, as we believe we've
10 demonstrated, this trend is a long-term trend. It's not a 2-year trend. The trend began in '17, it
11 will likely continue well beyond COVID and we feel that the limitations that have been added by
12 Council and after Council had added them. Provides more than enough controls such that the
13 amount of retail health use that would be allowed and the type of retail health use that would
14 allow provides a situation that should be of no concern to anyone if it is allowed on a long-term
15 basis. Furthermore, for us to try to run to fill in a percent of our space over the next 2-years
16 would be virtually unachievable and defeat much of the purpose of what we'd be doing. So, we
17 do request you to consider this application and perhaps if you feel willing, to make a
18 recommendation to Council without the 2-year limitation.
19

20 As a visual for you, this is what the 10 percent might look like and the under 5,000-square foot
21 space might look like if we were to fill all of it with medical office or with health retail. The red
22 area gives you a glimpse of what the entry area percentage at 15 percent might amount to. And
23 I want to stress that Sale Tax impacted by this change is truly de minimis. Even if we converted
24 100 percent of this potential space, 15,000-feet, the amount of Sale Tax impact would be no
25 more than \$39,000 to the City. Less than half a percent of the Citywide Sales Tax and we believe
26 that if we are allowed to fill these spaces with medical retail. The customers that would come
27 there would more than offset that \$39,000 annual Sales Tax revenue number by shopping at
28 Trader Joe's and CVS and other struggling retailers at Town & Country.
29

30 I want to thank you again for your time and consideration. And again, we don't ask for your
31 appreciation or your kiddyos for our stewardship here for the last 16-years creating Town &
32 Country as the wonderful place it is. We just ask for your trust and your understanding that we
33 know our business, our tenants know their business and we ask you for your understanding and
34 flexibility. Thank you so much for your time.
35

36 Chair Hechtman: Thank you, Mr. Rubinson. Questions of the applicant before public comment?
37 Alright, I'm not seeing any hands.
38

39 Commissioner Alcheck: Chair Hechtman, are you going to entertain questions just for the
40 applicant or questions for the applicant and Staff?

-
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1
2 Chair Hechtman: I'm sorry, questions for yeah, it could be the applicant or Staff. Clarifying
3 questions in advance of public comment.

4
5 Commissioner Alcheck: Ok, I'll go after Giselle [note – Vice-Chair Roohparvar].

6
7 Chair Hechtman: Vice-Chair Roohparvar.

8
9 Vice-Chair Roohparvar: Thank you for the presentation both Staff and the applicant. I had a
10 quick follow-up question regarding the 2-year time limit. I hear that you feel... that the
11 applicant feels it's unjustified. What do you feel would be a reasonable time limit? I'm just
12 curious, you know what is your perspective on what would be a reasonable time limit to fill the
13 current vacancies?

14
15 Mr. Rubinson: Well, like with any of the other uses that we have at the site. They are deemed
16 acceptable uses and there's no time limit. So, it's... it would be the first time that we would ever
17 have a shopping center with a particular time limit. So, it's not a question that I'm necessarily
18 prepared to answer but certainly the longer the better than you could consider. We see that
19 this is a longer-term trend and that there's no real reason to provide limits on it. I think there
20 was some thought at the origin that this might just be COVID-related and when the Pally High
21 kids came back. All of sudden they'd be buying expensive boutique dresses but that's not the
22 case. So, our apparel retailers are getting creamed and I don't think that's necessarily going to
23 change. So, some of those spaces long-term would ideally be given some flexibility, but we
24 would ask for whatever time that you are willing to offer.

25
26 Vice-Chair Roohparvar: Thank you.

27
28 Chair Hechtman: Commissioner Alcheck.

29
30 Commissioner Alcheck: Quick question for Assistant Director Tanner for the first one. I know
31 this not an emergency ordinance but does Staff consider this a COVID-inspired or COVID
32 responsive ordinance that is highly time-sensitive?

33
34 Ms. Tanner: Certainly, it's time-sensitive. I think Council was pretty clear that they also wanted
35 us to ask quickly to return the matter to them but I would say it is a time-sensitive item.

36
37 Commissioner Alcheck: So, just to be really clear, you're not suggesting this is a COVID-inspired
38 or COVID responsive measure?

39

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1 Ms. Tanner: Well, I think the applicant has expressed I think both COVID is related to this as
2 well as longer-term retail trends. I think that is a pretty accurate description of what... I mean
3 again, this is an ordinance inspired by an application from a private party like many of our
4 applications. And so, what inspired it for them, they've explained I believe and so the City is
5 responding and has responded thus for the direction from the Council. I don't know if that
6 answers your question but it isn't something that (interrupted)

7
8 Commissioner Alcheck: Like I would suggest (interrupted)

9
10 Ms. Tanner: City took up to try to do this.

11
12 Commissioner Alcheck: Yeah, I would suggest that the decision to let restaurants sort of occupy
13 space in the public right of way was COVID inspired or COVID responses. I'm trying to
14 understand if... my understanding last time around was that Staff felt strongly that this was
15 responsive to impacts from COVID. I'm trying to get a better sense if that's the same case this
16 go around.

17
18 Ms. Tanner: Yes, that has not changed.

19
20 Commissioner Alcheck: Ok, alright, this second question is for Attorney Yang. If you could help
21 clarify if enacted as written, would this ordinance allow retail health uses at any other location
22 other than Town & Country?

23
24 Mr. Albert Yang, Assistant City Attorney: No, it will only be... they will only be... I guess retail
25 health is a subset of medical office and so any place that medical office is permitted. By
26 definition, they'll also be able to have retail health. But (interrupted)

27
28 Commissioner Alcheck: Where they... are there uses that you could not formally have in a
29 medical health zoned space?

30
31 Mr. Yang: No, every retail health use is a medical office. Not every health (interrupted)

32
33 Commissioner Alcheck: Ok, so this doesn't confer any flexibility to any other parcel other than
34 Town & Country?

35
36 Mr. Yang: That's right. This would allow Town & Country to have some small portion of medical
37 office as long as it conforms to this definition of retail health.

38
39 Ms. Tanner: I do think it I would (interrupted)

40

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1 Commissioner Alcheck: Another (interrupted)

2

3 Ms. Tanner: And I think the way that we've structured it is that because we're both doing the
4 definition but then we also have another part of the ordinance that dictates where this can
5 occur in the City. That's kind of how we've structured the legislation. I do want to confirm
6 though Albert, is this not also impacting the Stanford Shopping Center?

7

8 Mr. Yang: No, it's not.

9

10 Ms. Tanner: Ok, great and that's the only other parcel... other area that has the same zoning at
11 Town & Country but that's... we've structured it so that it's not applicable there.

12

13 Commissioner Alcheck: Another question for Attorney Yang. Turning to Packet Page 31, looking
14 at the language of capital letter D there, fourth... third paragraph. If a 5-year lease is signed this
15 summer under this ordinance as written, could the tenant and landlord sign a new lease in 2026
16 for the same space?

17

18 Mr. Yang: So, as currently written and the way that we understood the Council direction. The
19 lease had to be executed... that blank would be 2-years from the effective date of the
20 ordinance. Whenever that was we would fill that in and so as written it would not allow a
21 subsequent lease for the same space for similar use.

22

23 Commissioner Alcheck: So, just to be clear, if a 5-years lease is signed in the summer under this
24 ordinance or a 7-year lease or a 10-year lease, the tenant could not sign a new lease in 2026,
25 2028, or 2031 for the same [unintelligible].

26

27 Mr. Yang: Correct.

28

29 Commissioner Alcheck: Ok and then last question for you. Why are the names of the authors of
30 the letters redacted at the end of the Packet? I'm looking at Packet Page 30, on Packet Page 41,
31 on Packet Page 40, 41, 42, 43, 44, 45, 46.

32

33 Ms. Jodie Gerhardt, Planning Manager: So, if I may? We had wanted to redact addresses and
34 phone numbers. Names could have been left in so sorry for that.

35

36 Mr. Yang: Yeah, I think that was just a (interrupted)

37

38 Commissioner Alcheck: I would suggest that maybe you reprint the report or repost it. At that,
39 in the 2 ½-terms, I've been on the Commission, I've literally never seen that before and struck

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1 me as really odd that the... it's not just names. It's email addresses so there's no identifying
2 information (interrupted)

3

4 Ms. Tanner: It's a clerical error.

5

6 Commissioner Alcheck: By any of the individuals who tried to provide input. Other than a major
7 road.

8

9 Mr. Yang: Yeah, that's a clerical mistake and we'll make sure it's fixed on what's posted online.

10

11 Commissioner Alcheck: Those are all my questions of Staff at the time.

12

13 Chair Hechtman: Thank you. Commissioner Chang followed by Commissioner Summa,
14 questions.

15

16 Commissioner Chang: Thank you. First, I have to apologize, my internet went down and so I
17 missed the better... the vast, vast majority of the presentation. So, if I am asking questions that
18 have already been answered, I apologize. My first question is for Mr. Yang. I'm just trying to
19 clarify my understanding of how the Ordinance 5517 interacts with what is being proposed
20 today. So, on Packet Page 25 it says that as a result of Ordinance 5517 retail health uses will not
21 require a Condition Use Permit to establish at Town & Country Village. But my understanding is
22 that still... but I think based... I thought my understanding was that based on current code
23 18.16.050 still not retail... no office use whatsoever is allowed on the first floor at Town &
24 Country. Can you please explain how the two interact?

25

26 Mr. Yang: So, right now office use is not permitted on the first floor and that is a regulation
27 that's specific to Town & Country. But the zoning district that applies to Town & Country more
28 generally now allows medical office without a CUP. So, if we didn't have that Town & Country
29 specific limitation that says no office on the ground floor. Then they'd be able to have medical
30 office without a CUP and that change to the CC Zone more generally is what was accomplished
31 in Ordinance 5517. And what's being proposed here is to modify that Town & Country specific
32 limitation that says no office on the ground floor to say you can have office on the ground floor
33 as long as it's retail health. And so now that we'd be allowing retail health on the ground floor,
34 they'd be allowed to have it without CUP because that's the more general rule for the CC Zone.
35 Does that make sense?

36

37 Commissioner Chang: Yes, that makes sense and then my follow-on question is read Ordinance
38 5517 but does it sunset in any date? Is there an end date to it or is it a permanent change as of
39 right now?

40

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1 Mr. Yang: I believe those are permanent changes and I'll... I just want to (interrupted)

2

3 Ms. Tanner: I think that we do need to come back with those changes because they did not
4 come through the PTC. I don't know if there's an actual sunset date or just that we know it's
5 temporary and we need to come back through.

6

7 Commissioner Chang: Ok and then my final question to Mr. Yang is as current written
8 Ordinance 5517 would then allow medical office on the second floor of Town & Country,
9 correct?

10

11 Mr. Yang: Yes.

12

13 Commissioner Chang: And that would be new?

14

15 Mr. Yang: Yes, that is correct but technically (interrupted)

16

17 Ms. Tanner: There were (interrupted)

18

19 Mr. Yang: Practically it's not possible because of accessibility requirements for medical offices.
20 So, theoretically yeah, but in reality, no, that's not going to happen.

21

22 Commissioner Chang: Ok, thank you and then I separately have a question for Mr. Rubinson
23 and Mr. Ellis. I'm wondering if you have any data showing what the typical foot traffic for
24 different types of medical office use? I think I saw a slide flash right as I was... my internet
25 started again talking about percentage of people who go to medical office and then also visit
26 retail. But I'm curious if you have any data comparing medical office foot traffic versus
27 traditional retail foot traffic? Like per square foot say, you know as (interrupted)

28

29 Chair Hechtman: Mr. Rubinson, you're muted.

30

31 Mr. Rubinson: I'm sorry. I'm happy to read that slide if you'd like but I think your question is a
32 good one and I think it would very much depend upon the type of retail because different retail
33 has different foot traffic patterns generally. You know supermarkets are much more active than
34 furniture stores of example. And I would imagine that these types of retail health uses have
35 greater foot traffic than a regular retailer like a furniture store or book store because people
36 are making appointments and it's a more of a destination trip. Not just a one-off or impulse
37 trip. So, I can certainly try to get back to you if there's any data on it but in terms of the slide.
38 Did you want me to read you some of the pieces (interrupted)

39

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1 Commissioner Chang: No, that's ok. It's ok, I got the gist of it. That there's an increasing number
2 of people in malls going to medical offices and that they often make a retail visit in conjunction
3 with their medical visit. Let me rephrase the question slightly. I guess I'm wondering do you
4 have a sense of whether the proposed medical office or how the proposed retail health use will
5 generate foot traffic in comparison to Town & Country's historical pre-pandemic foot traffic?
6 Because that's really the relevant question is retail use like at Town & Country or maybe you're
7 average foot traffic over the entire real estate... entire retail real estate at Town & Country.
8 How... what you think that the medical... the retail health piece foot traffic will look like in
9 comparison to that?

10
11 Mr. Rubinson: I can't say I have data to back it up but from my experience, different retail has
12 different foot traffic. Obviously, a Trader Joe's for example, I would imagine is a peak foot traffic
13 both in terms of the region that they draw and the repetition of your visit. On the other side, an
14 antique store would probably be the other end of the spectrum. It may draw a large area but
15 you're not going to go to an antique store as often as you're going to go to the grocery store.
16 My sense is that a One Medical or a Carbon Health Urgent Care is going to have somewhere in
17 the middle. It may not be as much as Trader Joe's but certainly more than an apparel retailer or
18 a furniture retailer because people... it will draw from a larger area, people will make
19 appointments and their calendar is going to constantly be full. The people walking into a
20 furniture store is not a constant so I would say somewhere in the middle. Definitely, it would
21 help on average the foot traffic at Town & Country as compared to where we were several
22 years ago.

23
24 Commissioner Chang: Ok and I suppose that also depends on the success of the individual retail
25 health outlet, right?

26
27 Mr. Rubinson: Absolutely.

28
29 Commissioner Chang: Because if they're not busy, then it wouldn't generate any foot traffic.
30 Ok, thank you, appreciate it.

31
32 Mr. Yang: So, I just have one follow-up clarification on Ordinance 5517, Commissioner Chang.
33 So, that ordinance does sunset on June 30th, 2022 unless it is replaced with permanent
34 legislation which will... Staff will be bringing through to the Commission shortly. Sometime in
35 the next year. So, I guess how that interacts with the change that's proposed here is if that does
36 sunset and it's not replaced. A tenant looking to occupy health... spaces as retail health in Town
37 & Country would just need to get a CUP whereas between now and 2022 they don't.

38
39 Commissioner Chang: Thank you very much. That's very helpful.

40

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1 Chair Hechtman: Commissioner Summa followed by Commissioner Alcheck, questions of Staff
2 and the applicant.

3
4 Commissioner Summa: Thank you. Some of my questions were asked by my colleagues. I was
5 wondering the slide that... and this is for Mr. Rubinson or Mr. Ellis I guess. The slide that
6 showed Sales Tax revenue for the City. Did that include restaurants and other food service or it
7 was just retail in a more narrow sense?

8
9 Mr. Rubinson: Muted again. The relative change in Sale Tax that we calculated here was just for
10 the potential reduction in converting up to 15,000-feet of retail to health retail. So, it's not
11 retailed to food or grocery. It would just be if the let's say 15,000-square feet of vacant retail
12 we have was either released as clothing stores or released as medial... as health retail. So, we
13 looked at our inline apparel and books sales and the relative Sales Tax of those and if basically,
14 we said 5-years from now those were all filled with apparel stores. There would be \$39,000 a
15 year of Sales Tax. If they were filled with health retail, there would not be the \$39,000 in Sales
16 Tax.

17
18 Commissioner Summa: Oh ok, so it didn't contemplate of those vacancies or potential vacancies
19 being filled by restaurants or cafes or that kind of thing I guess. And then I think this is a
20 question for (interrupted)

21
22 Mr. Jim Ellis: I would just interject real quick, excuse me.

23
24 Commissioner Summa: Thank you.

25
26 Mr. Ellis: We're not allowed to add any more restaurants or food. We're limited on that as well
27 so we couldn't just fill that 15,000-feet with more food.

28
29 Commissioner Summa: Ok, I didn't realize that you're... ok, thanks, that's good to know.

30
31 Mr. Ellis: Sorry to interrupt.

32
33 Commissioner Summa: No, thank you very much and then I... I guess this is a question for
34 Rachael Tanner or maybe... and maybe Albert Yang but I mean, so I have a question about
35 medical versus wellness. Wellness sort of falls in the category of what can become personal
36 services and medical is regulated by the State of California. So, are we going to run into any
37 problems with kind of picking and choosing some... sense it's regulated by the state which is
38 higher authority. Are we going to run into problems when we try to pick and choose amongst
39 the medical uses? Does that make sense?

40

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1 Ms. Tanner: Problems with trying to determine if it's a personal service or if it's a medical use?

2

3 Commissioner Summa: No, I already know what a personal service is because there's a lot of
4 wellness and health-related things that are not medical. They're not regulated by the State
5 Medical Board.

6

7 Ms. Tanner: Like a spa or something.

8

9 Commissioner Summa: Yeah, like a facial and even cryogenic therapy is not regulated. So, are
10 we running into some sort of butting heads with the state on this?

11

12 Ms. Tanner: I don't believe there's any conflicts that we would have with the state but Mr.
13 Yang, just came off mute so he may have something to add.

14

15 Mr. Yang: I agree. I don't perceive any issues. We have the ability to control land use through
16 zoning and that is squarely a local problem.

17

18 Commissioner Summa: So, even if we... are we running into any problems where we have some
19 medical uses we think are the kinds we want that are retail like and will other medical providers
20 object to that distinction? I'm just kind of worried about the nuance of the distinction.

21

22 Ms. Tanner: Well, certainly that someone could object because people can object to lots of
23 things. I think what we've tried to do with the definition is distinguish it based on part of the
24 typology of the space itself. So that's part of the reason for requiring the lobby, the frontages,
25 again that retail orientation and so if a provider of a services wanted to say hey, I want to have
26 that format and I'm medical. I provide this service, certainly, that argument could be made and
27 perhaps it could be considered. I don't think we'd run into any issues though. In particular,
28 we're talking about 15,000-square feet which in this case can be... could be several retailers but
29 none can be larger than 5,000-square feet in the individual retail space. And so, I think the
30 amount of potential nuance is somewhat limited and I think we could manage to figure that out
31 as the Staff if there were any I think issues. Mr. Yang, did you want to add to that?

32

33 Mr. Yang: I think just to reiterate what I said that this is really just a question of our land use
34 regulation through zoning and it's not the City choosing amongst medical services providers. It's
35 just about what sort of uses do we think are appropriate where?

36

37 Commissioner Summa: Ok, thanks.

38

39 Chair Hechtman: Commissioner Alcheck followed by Commissioner Chang. Questions?

40

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1 Commissioner Alcheck: Yeah, quick questions, a couple of quick questions for Staff. I'm looking
2 at Page... Packet Page 24. What does... most of my... I guess with the acceptance of Sunglass
3 Hut. Most of my interactions with optometrists involve a retail-like presentation. I need some
4 clarity here. Would a shop that checks eyes and also sells eye wear, what would that... what is
5 that in our code?

6
7 Ms. Tanner: So, if... as proposed it would... could qualify as retail health.

8
9 Commissioner Alcheck: What is it now though?

10
11 Ms. Tanner: Right now, I believe it would be medical office. Is that correct, Sam? Do you have...
12 I'm not sure who did Warby Parker downtown but perhaps that's Sam.

13
14 Mr. Gutierrez: Can everyone hear me?

15
16 Ms. Tanner: We can.

17
18 Commissioner Alcheck: Yeah.

19
20 Mr. Gutierrez: Ok, perfect. The Zoom presentation locked my screen so. Yes, so the
21 optometrist are a bit interesting because depending on what type of optometry, we have by
22 practice maybe designated it as retail or medical office. For example, an optometrist that
23 merely checks your eyes for prescriptions and has a retail component, meaning that they are
24 selling eye wear or contact lenses. Our understanding is that actually half or potentially more
25 than that of their revenue comes from retail sales. So, in that way they kind of function more
26 like a standard retail use. You know no different than kind of another retailer but then they
27 have an axillary medical use. So, we've seen them as a retailer for that purpose but then if you
28 have an optometrist who might perform procedures. Those optometry offices typically don't
29 have as much as that front-of-house kind of sale of glasses and contact lenses. So, those would
30 be more in the medical office category.

31
32 Commissioner Alcheck: It sounds like you're making the distinction between an optometrist and
33 an ophthalmologist.

34
35 Mr. Gutierrez: Correct.

36
37 Commissioner Alcheck: Because I don't know if optometrists can do medical procedures. So, let
38 me ask this question a different way. If an optometrist wanted to open up a shop that sells a lot
39 of eye glass wear at Town & Country right now. Does he need a CUP or is he ok? He or she.

40

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1 Ms. Tanner: So, I think the distinction that Mr. Gutierrez is drawing, and I'll ask Ms. Gerhardt if
2 she wants to join in, is kind of part of what we look at is what... you can have the primary use
3 and then you can have the axillary or accessory uses that are there. And part of why Mr.
4 Gutierrez is referencing the revenues is that's one metric to determine what the primary
5 activity that's happening are the sales. So, Jodie do you know for Town & Country if an
6 optometrist wanted to locate there with eye glass for sales how we might process that
7 application for Town & Country today without the definition?

8
9 Ms. Gerhardt: So, for the most part, we do have a 50 percent requirement when we're talking
10 about restaurants and things but we don't have the same sort of thing when it comes to retail.
11 So, I think really if there was any sort of doctor's office as part of the selling of glasses. Then it
12 starts to become more of a medical office so we would look at it more that way. And so that's
13 why we're trying to come up with this hybrid use and give it a name such as retail health.

14
15 Commissioner Alcheck: Ok so I'm not trying to understand how Staff perceives this ordinance
16 moving forward. I'm trying to understand for example if there's an optometrist in downtown
17 Palo Alto in a building, let's say the ground floor. Would his space be considered a space that
18 must be preserved in the Retail Preservation Ordinance because it's currently viewed as retail,
19 or would his space be considered medical office? I'm trying to understand... I didn't... maybe I
20 don't quite... maybe the real question is for the applicant. Do you consider the space that you
21 currently have leasable to someone who has an eye glass shop, an optometrist who sells
22 frames? I assume in Palo Alto high-end frames. Is that something that you think you can or
23 cannot do at the moment? I'm just trying to get a sense for whether that's... I'm just trying to
24 understand that specific application of use. Whether that only falls into medical office and is
25 currently restricted in places like Stanford or Town & Country?

26
27 Mr. Rubinson: I'm happy Mr. Alcheck to clarify that we have Lisa Berkowitz over near Pete's
28 Coffee and I believe that tenant pre-dated our ownership and we consider them as an office
29 use that is grandfathered in that location. So, we list them in our parking calculations for
30 example as an office user. It's the one and only ground floor office use that we have on our
31 books currently.

32
33 Commissioner Alcheck: So, it's a... are you suggesting that in your view if that lease terminated
34 you couldn't replace that... that you couldn't lease any of your other ground space to
35 optometrist who have eye glass shops. Is that what I'm understanding?

36
37 Mr. Rubinson: That's my understanding. I mean it would be up to Staff but you know we would
38 hope that this would be passed so we could at lease to optometrists and not limit it to 2-years.
39 We have not leased to any other optometrists since.

40

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1 Commissioner Alcheck: Ok and I... just to be clear Staff, is that also the case at Stanford? That
2 we don't have... I mean is it a CUP if you want optometrists at Stanford Shopping Center or and
3 does it work differently downtown if the space is not zoned for medical office?
4

5 Ms. Tanner: So, the Conditional Use Permit I believe I required currently or well, I guess now
6 we've changed it to change the threshold that which a CUP is required for medical office. But as
7 Mr. Rubinson was stating, the optometrist can be considered medical office. You know some
8 eyeglass places are different and don't have the doctors and the exam rooms. They just sell the
9 eyewear itself and that would be pure retail in that type of sale environment.
10

11 Commissioner Alcheck: Ok, alright, one quick question cross over here. I see that the definition
12 on this page includes for example a chiropractor. Sort of the envisions of a chiropractor for
13 example using the space. Is... do the happy feet massage places, are those also considered
14 medical office or health, or do those qualify as retail? How does that work?
15

16 Ms. Gerhardt: Those would be personal service.
17

18 Ms. Tanner: Yeah, there's not a licensed (interrupted)
19

20 Commissioner Alcheck: That's personal service.
21

22 Ms. Tanner: Professional providing the service like a chiropractor has a certain level of
23 education and degree for providing that medical service. So, that's the distinction (interrupted)
24

25 Commissioner Alcheck: So, that's like nail salon?
26

27 Ms. Tanner: Yes, that's correct.
28

29 Commissioner Alcheck: And is that currently permitted at Town & Country?
30

31 Ms. Tanner: Personal services permitted at Town & Country? Is that your question?
32

33 Commissioner Alcheck: Yeah.
34

35 Ms. Tanner: Sam or Ms. Gerhardt, do you have... I believe (interrupted)
36

37 Mr. Gutierrez: Personal service uses are allowed within the CC Zone. That is correct which is
38 what zones Town & Country.
39

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1 Commissioner Alcheck: That's what I thought. Alright, that was my final question for Staff.
2 Thank you.

3
4 Chair Hechtman: Thank you. Commissioner Chang.

5
6 Commissioner Chang: Thank you. I think I'm headed down the path where Commissioner
7 Summa and Commissioner Alcheck were headed. So, I'm going to try and restate Commissioner
8 Summa's question because I'm not sure it was answered and at least the question I have is...
9 wasn't answered. So, for... this is a question for Mr. Yang. So, medical office, medical is
10 regulated under the state. If we start trying to say we're ok with this medical like chiropractic
11 and this medical, dentists, and this medical, I don't know ophthalmologist or something like
12 that. But we're not ok with certain other medical because right now as currently drafted. My
13 understanding is almost... pretty much everything that's allowed at PAMF next door, with
14 exception of the surgery center, would be allowed provided it was under 5,000-square feet. So,
15 we haven't really put anything other than anesthesia, overnight stay, or square footage
16 limitation on the medical office usage. And so, but... so my question is if we start trying to parse
17 out certain types of medical office, does that then cause us to start running into issues with the
18 state legislation?

19
20 Mr. Yang: I see so you're asking not what does the ordinance do right now but if you wanted to
21 add more to this ordinance to do that more detailed regulation.

22
23 Commissioner Chang: Correct.

24
25 Mr. Yang: I'll be honest, I don't know. I'd have to look into that. My gut sense is that there's
26 some degree in which we'd be alright and you know there's probably some line at which we
27 would be treading in an area where the state has intended to occupy the field of regulation. But
28 I think... you know we wouldn't be... yeah, I think I have to see a particular proposal to really
29 provide a meaningful response.

30
31 Commissioner Chang: Ok, thanks.

32
33 Chair Hechtman: So, Commissioner Alcheck, your hand is still up. I have a question for I think
34 Mr. Rubinson on the example diagram which I don't know that you need to pull up. But it's
35 Packet Page 37 and you've highlighted in yellow one scenario where you've identified space in
36 yellow that could be occupied by this retail health and it would be consistent with the other
37 requirements. The max square footage and not on Embarcadero or El Camino. What I'm
38 wondering is this space that you've shown in this hypothetical example, are those all currently
39 vacant spaces which if this ordinance were passed you would be pursuing filing those with retail
40 health as well as retail opportunities?

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Mr. Rubinson: I believe those are all vacant, yes and that's not to say that there aren't other vacant places that would be chosen by those particular tenants but this was just a theoretical visual to help you understand.

Chair Hechtman: Sure, sure. If I'm understanding that particular diagram, you've made an effort to label those spaces where you have a current tenant with the tenant's name and then in addition to the yellow spaces you show some spaces in just pure white which I assume are also current vacancies.

Mr. Rubinson: Correct.

Chair Hechtman: That was my question. So, I see Commissioner Summa has another question and I'm hoping pretty soon here we're going to get to public comment and then onto some discussion. So, Commissioner Summa?

Commissioner Summa: Thank you so much. Just really quickly there's already an ophthalmology... I believe Four Eyes has ophthalmology... ophthalmologist there but it's primarily a retail store. But would this... would they have to reconfigure their space to have a lobby and put the rest of it behind the lobby? I mean so the eye doctor thing is kind of a grey area it sounds like already and it's maybe just the way eye doctors have associated themselves compared to other doctors with retail sales but would they have to change?

Mr. Gerhardt: Existing permitted uses would not need to change.

Commissioner Summa: So, they wouldn't need to have a lobby?

Ms. Gerhardt: As long as their existing and permitted and continuous.

Commissioner Summa: Ok, thank you.

Chair Hechtman: Commissioner Templeton.

Commissioner Templeton: Thanks. Hopefully, this is a quick question. When... Mr. Rubinson, I don't know if you... if Day One was there when you guys started managing the property. Do you remember if Day One, what kind of use that was?

Mr. Rubinson: We brought Day One to the shopping center I think it was maybe 2006. I believe that was considered retail use. They did have very minor classes and so forth but I believe it was primarily retail.

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2 Commissioner Templeton: Great, thank you. Yeah, I was reminded that they had lactation
3 consultants there and it was a nurse. So, I was wondering if would that be considered
4 something like medical retail or it would just be straight-up retail?

5
6 Mr. Rubinson: I guess I would assume that they amount that Day One had would be an ancillary
7 component of the retail store.

8
9 Commissioner Templeton: Ok, alright, thanks for clarifying.

10
11 Mr. Rubinson: But not my call so.

12
13 Chair Hechtman: Alright, I'm going to move us now to public comment and open the floor for
14 that purpose. Please raise your hand if you wish to speak. On the Zoon App, there is a raise
15 hand button on the bottom of your screen. If you're dialing in from a phone, please press *9.
16 Mr. Nguyen, I see we have public speakers for this item.

17
18 Mr. Vinh Nguyen, Admin Associate III: Yes, we currently have three raised hands and the order
19 of the speakers shall be first shall be Aruna, followed by Rick, and then followed by Michael. Ok,
20 so up first [note – audio cut out].

21
22 Ms. Tanner: Vinh, I think you went on mute and I don't know if we heard the name of the
23 person you called.

24
25 Mr. Nguyen: I'm sorry. Up first is Aruna.

26
27 Ms. Aruna Busacca: Yes, hello, can you hear me?

28
29 Mr. Nguyen: Yes.

30
31 Ms. Busacca: Hello, my name is Aruna Busacca. I'm the Chief Operating Officer of Crossroads
32 Trading Company and we are nationwide reseller of men's and women's apparel. Been in
33 business for 30-years. We are also the parent company of Fillmore and 5th and Fillmore and 5th
34 is a resell boutique located at Town & Country and we have been there since 2012.

35
36 In late 2019 we expanded our space and doubled the size of our store. We finished construction
37 and reopened our store 3-weeks before the pandemic hit and we were shut down by the
38 government-mandated closure. We are a business who's only real asset is in operating and so
39 as you can imagine, the shutdown presented an existential threat to our company. We
40 immediately reached out to our 40 plus landlords to figure out how we were going to survive

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1 the closure and the terrible uncertainty we knew was to come. We were met by a spectrum of
2 responses. Some landlords showed no mercy and threatened to find us in default if we didn't
3 immediately pay full rent. Others were flexible and understood that our fates were intertwined
4 with theirs and that we would both be better off if we made it through to the other side of the
5 pandemic. In addition to being flexible, some landlords were also very kind and supportive.
6 Even though they to were facing exceedingly difficult circumstances.

7
8 Ellis Partners are in that ladder group. They were understanding, flexible, and willing to
9 negotiate and come to terms that allowed us to get to the other side where are now and
10 finding some measure of recovery. Ellis Partners are very good landlords and they operate an
11 excellent center. I support their proposal to add health retail users to the center because they
12 have an amazing track record of providing a great tenant mix and I trust that they will continue
13 to add users who are a good fit. Vacancies are also bad for our business and I would like to see
14 the center return to its former vibrancy. Thank you very much for your time.

15
16 Mr. Nguyen: Thank you for your comments. Our next speaker is Rick. Rick, if you're there?

17
18 Mr. Rick Juncker: Sorry, sorry, I was muted. So, I'd reiterate a lot of what Aruna said but my
19 name's Rick. I'm sorry, back to the beginning. My name is Rick. I own Kirk's SteakBurgers. It's a
20 very small business, we've been in Palo Alto for over 70-years. We're the third family to own it
21 and the pandemic, of course, was brutal for all of us but restaurants were hit in a certain way.
22 And I will say that Ellis Partners were helpful and cooperative and flexible which was not my
23 experience with some other businesses that I'm involved with. And in way, it was both personal
24 in terms of the conversations I had with them, with Sarah specifically, about what our specific
25 needs were, what the challenges were. They put in time and effort and energy and money to
26 put in all the outside seating for a lot of the restaurants largely at their own expense and we all
27 know that was sort of the life blood of restaurants for a long time; months on end.

28
29 Additionally, they were very helpful for a lot of small businesses of getting information out.
30 We... they were regularly communicating whether it was PP Loans or what the City was doing or
31 what was happening and as a small business, especially when you are so stressed with all that
32 was going on. It was nice to have the help and the support in what might be available to... might
33 be available for us in terms of just general support and financial support and sort of safety
34 alliance.

35
36 And I will also say regarding this specific proposal, I'm no expert. You guys clearly have a lot
37 more information than I do about how retail health or medical impacts shopping centers. But it
38 seems to me the vibrancy that they might bring, especially in a limited fashion, the type of
39 business speaking to what Commissioner Chang I think talked about and alluded to a little while
40 ago in terms of what I would call the channels of business. It's a different sort of business than

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1 the up and down retail. It's regular, it's a different customer and if that's brings us something
2 else. Especially, speaking selfishly, especially if it fills the vacancies, that would be huge for us a
3 very small retailer, very small restaurant in Palo Alto. So, my times up, thank you, guys.
4 Appreciate the effort.

5

6 Mr. Nguyen: Thank you for your comments. Our next speaker is Michael followed by Joel.

7

8 Mr. Michael Tucker: Hello. Can you hear me?

9

10 Mr. Nguyen: Yes, we can hear you. Thank you.

11

12 Mr. Tucker: Great. Michael Tucker and I'm an owner and former president and CEO of Books Inc
13 and we were one of the early leases signed up when Town & Country was first being revamped.
14 And it was just chain link fences and sort of tumble weeds coming through and I didn't have
15 tremendous confidence going in as to what Ellis Partners would be able to do with that space.
16 And they were true to everything that they said they were going to put together. Particularly,
17 being able to bring in a number of independents which was critical for me. And not only with
18 the response to the COVID but with the great recession, we weathered that by being able to
19 come to them and getting relief through that whole dilemma. So, I have had to great trust in
20 what they're doing, so much so that when Prune Yard came up and that was an Ellis property.
21 And I looked at that in some what the same way as Town & Country to be able to see what they
22 were able to do with this. I have tremendous faith in what they can put together for a mix and
23 have done to turn the Town & Country into a center for the City of Palo Alto which really didn't
24 exist in that way. It's just a meeting place.

25

26 To the point earlier about the retail sales falling off. It's been a dilemma for a number of years
27 and the foot traffic is critical for us as the book store. So, being able to fill those spaces and I
28 think that the health sector is a tremendous prospect for that would be tremendous help to us
29 and I think to all the other tenants. So, I very much throw our weight behind a favorable
30 response to them being able to do what they do best and have done for years. I'm very
31 impressed with how they've handled everything that they've done to date. Thanks so much and
32 I thank the Commissioners.

33

34 Mr. Nguyen: Thank you for your comments. Our last speaker is Joel.

35

36 Mr. Joel Gott: Hello, my name's Joel Gott. I've been a tenant with Ellis Partners for 8-years now.
37 I own and operate Gott's Roadside on the corner of Embarcadero and El Camino. I guess after
38 the other tenants had already spoke, the thing that I would say is that I entrust in Ellis in their
39 tenant selection and management of their properties is having a diverse group of us tenants.
40 So, when I look at this retail medical offices, I think that it will add to the mix. You know they're

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1 such an active landlord. Not... most landlords are not this active. That they really do manage the
2 tenants and the space very well. So, I believe in their tenant mix and how they manage and
3 [unintelligible] so that we don't overlap with each other; or for instance, during the pandemic,
4 be able to provide services for everybody that was needed. As the guy from Kirk's said as well,
5 right, we needed outdoor seating which was managed very well. I think it was well-received in
6 the neighborhood as well. So, my vote is with Ellis just as a great operator and a very smart
7 tenant mixture and manager of the facility. So, I believe that their selection would do well for
8 the City and the center. That's about all I can add other than good trust in them.

9
10 Mr. Nguyen: Thank you for your comments. Chair Hechtman, that concludes public comments
11 for this item.

12
13 Chair Hechtman: Alright, thank you. So, we will bring it actually back to the applicant. If you
14 have any response to any of the comments from the public, all of whom happen to be your
15 tenants. So, you may not but if you do, this is your opportunity to make those comments.

16
17 Mr. Rubinson: I'll let Jim jump in on that one because he's the one who's the... who focuses
18 mostly on the tenant mix. So, he deserves all those kudos.

19
20 Mr. Ellis: All I can say is obviously thank you to our tenants that were willing to speak. It... I hope
21 you can appreciate that it can be pretty frustrating for us to see letters with no names on them
22 alleging all sorts of things and it just doesn't really represent what we believe is reality. And we,
23 Dean and Sarah who is our Asset Manager on the property and many people at Ellis Partners,
24 work day in and day out to try to make this property the best experience it can be for Palo
25 Alternative and Dean referenced trust several times. I mean really what we're looking to do is
26 have a level of limited flexibility that allows us to implement what we believe to be the optimal
27 merchandising plan for the center. And as Joel just mentioned, how you merchandise the
28 center and create the mix of tenants and where those tenants are is really the secrete sauce in
29 having a successful shopping center. And we're just asking that the City give us a little more
30 flexibility to keep the center current in terms of best practices for merchandising. Thank you.

31
32 Chair Hechtman: Alright thank you and I will bring it now back to the Commission for discussion
33 and eventually a motion. So, what I'd like to do here is give Commissioners up to 5-minutes to
34 make some remarks and so we get a sense of the direction that the Commissioners want to go.
35 And then maybe in a second-round, we can hear a motion so who would like to lead off? Thank
36 you, Commissioner Alcheck followed by Commissioner Templeton.

37
38 Commissioner Alcheck: I'll jump into some of my thoughts on this. To quote the applicant,
39 Town & Country is struggling, brick and mortar retail is getting killed by e-commerce, they're
40 asking for serious consideration of their request for flexibility. Not 2-weeks ago we had a

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1 discussion on this dais about retail and I walked away from that discussion thinking that a great
2 majority of us were very interested in pursuing flexibility and diagnosing and treating the
3 problem that is what I would suggest is existential to the retail environment.
4

5 I just want to say to the applicant, this has nothing to do with trust. I'm very impressed by the
6 words of the public businesses that came to speak on your behalf. I don't like that pitch that
7 much because I appreciate that this is flexible. That this is a sign of what's to come. This is a
8 flexibility we need to begin to entertain.
9

10 I will tell you that I opposed the application of this flexibility on a retail-specific parcel by parcel
11 basis. What is do different about Edgewood Shopping Center, Midtown Shopping Center,
12 Charleston Shopping Center? Why couldn't the chiropractor or optometrist occupy space that
13 those shopping centers?
14

15 I think the notion that a loss in Sale Tax revenue should dictate how we approach this decisions
16 is non-sensical. The flexibility in retail uses should be granted to save our retail from an
17 existential attack. We need to set aside some of the concerns we have about Sales Tax. I really
18 think that that's... that's like... that would be... that would deprive us of what we really need to
19 do.
20

21 I think the materials... the meeting materials do a very poor job of providing the reasoning
22 behind our recommendation to Council. I suspect the same is true for the Council materials.
23 One of the reasons the conditions we added to the recommendation were such was because
24 spot zoning did not have broad support at this Commission. The important element... this
25 important element wasn't articulated. It was articulated in this Packet well. I don't think it was
26 articulated well to the Council. The Commission isn't ignorant of the impracticality of a 10-year
27 limit on a lease. We're not oblivious to the fact that a 10-year limit may require the
28 determination of a healthy business as the Staff points out on Packet Page 25. The only reason I
29 supported allowing retail use before was because Staff took the position that we view this
30 context in... we view this use flexibility in the context of the pandemic and its impact on retail.
31 And I was skeptical that retail health uses would be the golden ticket to save Town & Country or
32 retail in general. I don't... that is not... that is one micro-step towards flexibility that we talked
33 about 3-weeks ago or 2-weeks ago but it's a step. I'm not going to suggest that I would support
34 that step.
35

36 But I was supportive of the motion the first go around only in the context of the impacts of the
37 pandemic. That's... there was such pressure from Staff that I was willing to support this spot
38 zoning and I suggested listen if this is about now. Give them the calendar year to do the lease.
39 Let the lease run 10-years. Not because I thought oh, the lease should terminate in 10-years but
40 because I figured that in the span of 10-years. We would have come up with a more

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1 fundamental flexible approach to retail everywhere in the City and they wouldn't need this
2 ordinance anymore.

3
4 I emphasized multiple times that this City should review its comfort level with retail health uses
5 not just for Town & Country, but for all similarly situated properties. Why should Town &
6 Country benefit from this flexibility alone? What, Midtown doesn't have this problem?
7 Charleston? Edgewood? For real, they're... or any other retail property.

8
9 The crazy part is that at one point I think Assistant Director you said that Staff takes... gave clear
10 direction. I mean Council gave clear direction. Nothing about what Council did was clear. It was
11 at best incoherent. They took away the 10-year lease limit but Staff and Council are
12 comfortable with the requirement that you can only sign a lease in the next 2-years. What
13 happens when the lease ends in 5-, 7-, or 10-years? Does that not present the exact same
14 problem you write about that a healthy business would have to terminate? It's like... it's
15 illogical.

16
17 Our recommendation was responsive to the suggestion by Staff and the applicant that this...
18 that we needed to host these new health-related uses and that was dire. That without it, Town
19 & Country would suffer dramatically and something needed to be done quickly and I am
20 amendable to that. Our response was in part we hear you, we don't support retail zoning
21 flexibility on a parcel by parcel basis, but we will support it in this particular case. Only because
22 of the dire circumstances presented and the conditions that we put on it that were supported
23 by a majority of the Commission at the time were designed to bring this issue back. So that we
24 could approach it holistically; globally. How do we want to rethink retail? This wouldn't cause
25 termination of leases in 10-years. This would become redundant in 10-years because we would
26 have a more flexible approach to these properties.

27
28 I think the implication was clear. I don't think Council understood that and I'll tell you what.
29 Starting with Section 1 of Packet Page 29.

30
31 Chair Hechtman: Commissioner Alcheck, Commissioner Alcheck can I interrupt you?

32
33 Commissioner Alcheck: Yeah.

34
35 Chair Hechtman: I think you've hit the 5-minute mark on this first round. Will you yield and let
36 us hear from other Commissioners? We'll come back to you.

37
38 Commissioner Alcheck: Yeah, then I'll end on this one last point that I started which is that I
39 would suggest to you that Findings One and Two are exactly why I have a problem with this
40 ordinance. That this is so specifically focused on one retail center. As if we have nothing else in

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1 the City that could be experiencing this problem and I don't understand why Council sent this
2 back to us. If they have strong opinions about this, just do it. This feels like they're kicking it to
3 us and they just don't want to make a decisions. I'd be... let me put it to you this way. I'd be
4 astonished if City Council passed this because I don't think their hearts are in it. But we need
5 the flexibility and I wish that Staff did a better job of communicating exactly why we were
6 concerned about it. Because we would be in a different place today if the approach Staff took
7 was we want to think about retail in a different way and it should apply broadly. Just like our
8 Retail (interrupted)

9

10 Chair Hechtman: Commissioner Alcheck (interrupted)

11

12 Commissioner Alcheck: Preservation Ordinance. I'll yield.

13

14 Chair Hechtman: Will you yield? Thank you. Commissioner Templeton, followed by
15 Commissioner Lauing, then Commissioner Chang.

16

17 Commissioner Templeton: Thank you. Yes, I'm also a bit perplexed about Council's
18 interpretation and I really appreciate Commissioner Alcheck breaking it down because maybe
19 there was a communication gap somehow. I'm not sure that what we're looking at as a Staff
20 recommendation today reflects the discussion... the previous discussion that we had.

21

22 Specifically, I'm concerned about the 2-year limitation. It doesn't make sense. I'm wondering if
23 it might be better for us to have milestones like we do with some of the other guidance that we
24 give in our code. So, I think Commissioner Chang mentioned on a different topic that there was
25 a check point. Maybe that's the better way to frame this, that in 5-years we check and see how
26 it's going. But currently, the way the Staff recommendation is reding, it doesn't quite jive with
27 what we had discussed before. Those are my initial comments. Thank you.

28

29 Chair Hechtman: Thank you, Commissioner Templeton. Commissioner Lauing... oh, I'm sorry,
30 Ms. Tanner, you have your hand up.

31

32 Ms. Tanner: Yeah, I just wanted to be clear if it wasn't already that we took this Council and
33 Council made the direction to bring it back to PTC. So, I think there's been some suggestion that
34 Staff are doing this or doing that, but Staff is following the direction of Council. So, if the PTC
35 disagrees with that direction, certainly that can be included in the motion or motions that the
36 PTC makes and the recommendations to Council. But this is what the Council has directed the
37 Staff to do and we work at their pleasure and are bringing it back to the PTC as directed. So, if it
38 doesn't reflect the previous motion the PTC made, it's because Council took that
39 recommendation and then made their own interpretation and decision. And then asked for the

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1 PTC to look at the Retail Health definition and so that's not to say that you can't disagree with it
2 but just it isn't what we have made up. It's what we've been asked to do.

3

4 Commissioner Templeton: Chair, may I?

5

6 Chair Hechtman: Chair Templeton [**note – Commissioner Templeton**], that was a response to
7 your question. You have a follow-up?

8

9 Commissioner Templeton: I do. I just wanted to say that I apologize if it came across that
10 somehow Staff have inserted themselves in this. I'm looking at the Staff report and I could have
11 been clearer but (interrupted)

12

13 Ms. Tanner: No, it's ok.

14

15 Commissioner Templeton: I totally understand. I watched that discussion and I think is a
16 reflection of what Council directed us to do and the Staff report reflects it accurately. So, my
17 confusion is that the whole conversation seems to have lost something in translation and I
18 don't believe that is on Staff necessarily. It happens so I apologize that that came across
19 incorrectly.

20

21 Ms. Tanner: No offense, I just wanted to just make sure we're on the same page. That's all.

22

23 Commissioner Templeton: Yes, of course.

24

25 Chair Hechtman: Alright, Commissioner Lauing followed by Commissioner Chang.

26

27 Commissioner Lauing: Excuse me, thanks. So, in addressing the assignment tonight of adding
28 some kind of retail health store front. The specifics in the Staff report are, you know, direct us
29 to do this in leu of allowing medical office. And I believe that clearly part of Council's original
30 intent on this issue with Town & Country starting in 2020 was to see if this new definition could
31 help T&C and only T&C in the pandemic. So, I think both of those things are on the table coming
32 back from Council.

33

34 Overall, here's how I thought about this request and then I'm going to say wanted to be in sync
35 with previous comments. First of all, what would retail health category include and exclude? So,
36 in other words, what goes... what's going to go into this definition? Secondly, can any of these
37 new types of retailers, medical retailers, contribute to what we always call vibrant retail which
38 is how we universally describe the goal of retail for our residents? That includes the key retail
39 term of draw which means appealing to customers to come shop there. Does the assortment of
40 shops have goods I want? Do the windows catch my interest with merchandise? When I look

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1 through them is the interior compelling me to walk in and browse and maybe buy? That we also
2 refer to this as creating a dynamic retail experience. So, that's the second thing.

3
4 The third thing for me is can conversion of 10 percent of retail space of some kind of medical
5 retail help T&C in the pandemic? And fourth, as an extension of that, is T&C a special
6 circumstance retailer in the pandemic? Now, I think we have a lot of work to do tonight or
7 beyond possibly on what this new definition can or should be and I have some comments on
8 that. Including whether or not they can be vibrantly retail but I want to go to the second half of
9 this since this is on the table now.

10
11 Can we help T&C in this pandemic? I believe that as a pandemic response, the clock has pretty
12 much run out. If you just look at the likely going forward timeframe from here, this gets to
13 Council in June, it passes... if it passes it goes to a second reading. Ellis starts to market medical
14 office leases in August. Think forward on lease negotiations. It could be 2022 before there's a
15 tenant open. So, I don't think this anymore is pandemic-oriented. It could be long-term which
16 could be also fine. That's what we're trying to discuss here.

17
18 For the record and we're all predicting the future. You know, I don't by the argument that retail
19 is forever changed. Before and after the pandemic, that consumers are now trained to stop
20 shopping in retail stores because depending on the category. Online is sometimes the very
21 efficient experience but it's not a vibrant retail experience. A lot of retailers have a bricks and
22 clicks approach which is superior to clicks only and some former online-only retailers such as
23 Warby Parker and the RealReal learned that and chose to open stores in other places in Palo
24 Alto. So, I still strongly believe in retail and there are a lot of remarkable positive statistics
25 retailers that are coming out. I quoted some 2-weeks ago of mall traffic up 86 percent.

26
27 Is Town & Country an economically special case? I just don't see that at all. I think the viruses
28 impacted almost all retailers at close to the same rate in Palo Alto. Stanford Mall being the
29 acceptance and before the pandemic, Town & Country was a rank for national success. I grant
30 the fall off in retail from the statistics. I'm not questioning that.

31
32 The applicant in the Council meeting said that they wanted to maintain vibrancy and create
33 great retail but that's a different set of glasses than what we, as PTC and Council, have to think
34 about when we're talking about land use of retail for our residents. And that's back to can we
35 sustain retail? So, I think that we should be looking at this on a broader case, including retail
36 and others. Sorry, excluding... including Town & Country and more broadly, across the various
37 geographies and that should be incorporated in what we're doing now. Not just look at this
38 from a T&C perspective.

39

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1 But I'll stop there and we need to get back to defining what this would look like and by the way.
2 Council is going to bring this to us, education, financial services and food; which they should so
3 that we can give consideration to what's the future look like and can we get flexibility for
4 retailers because things do change. That's all for now Chair.

5

6 Chair Hechtman: Thank you. Commissioner Chang followed by Commissioner Summa.

7

8 Commissioner Chang: Thank you, Chair Hechtman. I want to focus on what I think is being sent
9 back to us by Council so that whatever we give back to them at least answers that question
10 explicitly. And it sounds like what they wanted was a more narrowly defined Retail Health use
11 so I'm concerned that this... the proposal currently on the table isn't necessarily that. And I
12 appreciate Staff's desire to make this aligned with current medical office definitions as well as
13 aligned with the Emergency Ordinance 5517.

14

15 But if this really is a long-term trend. like other Commissioners have said before me. Then it's
16 important that we look at that question carefully and try and do something that really applies
17 broadly to all retail areas in Palo Alto and that would work.

18

19 And so, my concern right now is that as written, if it didn't have the 2-year sunset date... sorry,
20 the 2-year deadline for the signing of leases. That essentially, like I said before, every single-use
21 at Palo Alto Medical Foundation next door with the exception of the Surgery Center would
22 allowed. And it's such a convenient location and that place is bursting at the seams and I would
23 hate to see kind of just like this extension into Town & Country which is such a lovely place. And
24 regardless of how much I trust Ellis to curate things. The reality is also that again if we didn't
25 have a 2-year deadline, longer term there might be somebody else and so we need to think
26 about what we really want in this place. In this kind of precious retail location that our City
27 versus what we don't want.

28

29 And so, I would be interested, for example, in looking at some of the other definitions that were
30 proposed. So, things like a percentage of revenue that is retail because the square footage of
31 the lobby that's proposed is 500-square feet. That's like 10 x 5. That's the size of a bathroom.
32 That's enough room for a desk and two chairs if you don't want everybody to be on top of each
33 other. And so that... and if it's a waiting room, it's not going to be vibrant space. So, if we were
34 to talk about something like percentage of revenue that's retail. Then we're talking about
35 things like optometrist which we know work, which we... you know there's been the eye
36 glasses... eye glass stores there. There's plenty of examples of that as an example of that does
37 work and if there were some space in the back for maybe small procedures. Ok, maybe but
38 then we've got this significant portion of retail either square footage or revenue. I'm not quite
39 sure what the right definition is there.

40

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1 Similarly, there may be, and I'm very interested in kind of the foot traffic element. If this is an
2 office for therapist which would be allowed under the current usage and therapists are one of
3 the usages I can think of that really need a very small space. Each therapist is going to see at
4 most, at most, two patients an hour but more typically one patient an hour. That's not
5 generating a tremendous amount of foot traffic. So, what we want here is vibrancy and foot
6 traffic and so maybe that there's type of medical office practices that allow for that more so
7 than others. And if we're really going to be allowing a change of use, I would certainly want it to
8 be a vibrant as possible. Both for how it feels as a Palo Alto resident going through there as well
9 as for the benefit of the other retailers in the space. That's it, thank you.

10
11 Chair Hechtman: Thank you. Commissioner Summa, you're next.

12
13 Commissioner Summa: Thank you very much. My colleagues have all spoken really well about
14 this and I would agree that I would... it's problematic to discuss this broadly. Discuss the issue of
15 what retail health is broadly in the same action as preferring one location because of COVID. A
16 special kind of dispensation when COVID is a... COVID didn't just affect Town & Country. So, I
17 find it... I find that the... we're mixing too many things together and I even wonder whether... I
18 agree with... so my concerns. I align my concerns with the findings in Section One with
19 Commissioner Alcheck and then Commissioner Chang with the definition of medical office is
20 very broad and would exclude only very... would exclude tiny portions of medical uses. And I'm
21 not sure that's what we really want to do here.

22
23 I think the timing visa via COVID for helping Town & Country is kind of... it's too little, it's too
24 late and there's no longer an emergency. I find the 10... I find the 5,000-square feet or fewer, I
25 find the maximum of 5,000-square feet at Town & Country problematic. It's very large
26 compared to most of their stores and it doesn't reflect the importance of store front
27 necessarily. I find the little tiny lobby funny. I think this is too specific and it suffers that way,
28 this proposal.

29
30 I think it's not really believable that it's a COVID emergency situation and I think we should be
31 looking at this in a broader way. I think that wellness and health uses are... they're a variety and
32 huge number of them that are not governed by medical that can already go in here. That fall
33 into the category of personal services and I do think that's a big part of the retail field that's
34 growing. I think we see that at the Stanford Shopping Center included many more restaurants
35 and personal services in their recent mix and they're kind of... they're very good at doing that.

36
37 And so, I... whatever this is, it isn't the right thing right now for me for Town & Country. And I
38 think we... I agree with some of my colleagues that we probably need to have a larger
39 discussion about retail health outside of the confines of applying it just to Town & Country
40 tonight. So, I'll leave it at that, thank you.

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Chair Hechtman: Thank you. Ms. Tanner, I see your hand.

Ms. Tanner: Thank you. I just wanted to offer, for what it's worth, to the Commission that we did try to, as Council asked us to look at the definition, think about what would define retail health space. So, that's why there's the 500-square feet or 15 percent whichever is greater. I don't think many folks would want to pay rent for space that isn't somehow useful to their operation. My understanding and Mr. Ellis or Rubinson can confirm if that's desired that many of the spaces at Town & Country are about 2,000-square feet and if it's up to 5,000-square foot max and then that's 500-square feet of that location. It's a pretty good... could be a pretty good sizeable portion of the real estate of the space that is dedicated to the lobby type use.

So, just to try to put in perspective, I think there was concern about the medical center coming over. They could only have one space of up to 5,000-square feet and then a total of 15,000-square feet of this type of use at the Town & Country overall. So, there are some limitations that would prevent these types of uses from proliferating beyond 15,000-square feet. That's all.

Chair Hechtman: Alright, Commissioner Alcheck I do see your hand but I'd like to hold you off until Vice-Chair Roohparvar and I have given our initial remarks. Vice-Chair Roohparvar, you're up.

Vice-Chair Roohparvar: Thank you. So, I feel like we need to... I'll start off with this. I think it's very... I go to Town & Country all the time, literally multiple times a week. I do feel like something does need to be done to solve this issue with vacancies. It is very discerning to have seen what has happened.

That being said I do share similar concerns raised by my fellow Commissioners. This does feel like spot zoning to me and I do have concerns about the broadness and vagueness of the definition of retail health as others have said. And then as Commissioner Chang said, I had the same kind of thought run through my head where it feels like it's going to be a slow creep with the neighboring office use. I also don't agree that I don't think retail is dead. I think you can't take into account what happened to retail during the pandemic and I think that we do need to take... and I also agree that we're out of the COVID situation.

So, all of that being said, I do think we need to take a longer-term view as to what to do with respect to retail and come up with a solution. I'm absolutely on board with coming up with a solution. I just don't think the one currently before us is the right solution but happy to think through ideas and if... I don't know if we can get to the right solution on the dais tonight but happy to think further through it. So, those are my initial thoughts.

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1 Chair Hechtman: Thank you, Vice-Chair. So, I would like to start with a question. Commissioner
2 Chang suggested as an example a therapist in one of these spaces and frankly when I heard her
3 say that I was thinking well that's not retail-like. You know store front or no, that's not retail-
4 like. So, I said the definition we have of retail health, it's got to make clear that that's not what
5 we're talking about and when I read it I really... I think that was the intent of Staff in writing this
6 but I don't think it comes through. So, let me just ask to Staff first, if Staff thinks that a therapist
7 with the 500-foot or 15 percent storefront would be able to qualify under the current version of
8 the definition?

9
10 Ms. Tanner: Yes, if a therapist wanted to have a large lobby, a large portion of their store front
11 be there and not have the room that their meeting with their clients invisible from the front.
12 Then that would be a permitted use. So, if those are... there's certain uses that the Commission
13 would like to see struck from the definition, we would encourage and welcome those uses.

14
15 Chair Hechtman: Thank you for that, that was really helpful and Commissioner Chang thank you
16 for opening my eyes on this issue. Because I do think that there can be a definition and I think it
17 does have to focus a little bit more on the retail nature which I think of as selling products as
18 more than selling services. Therapy I think of as a service whereas braces or Invisalign's, I think
19 that is product. It's applied through a service but it's a product. You're paying for materials and
20 so I think that we could improve the definition to make it not just have a retail look from the
21 outside but more retail activity. So, that's what I want to say about the definition.

22
23 I guess I'm in the minority. Actually, let me stop there because Albert has his hand up. Mr.
24 Yang?

25
26 Mr. Yang: I'm happy to wait for you to conclude your comments.

27
28 Chair Hechtman: Alright, I will come to you afterward unless you feel that I say something that
29 you need to immediately interrupt me, let me know. In terms of... I guess I'm a little troubled or
30 at least I'm not thinking the same way. I'm hearing a lot of talk about oh is this COVID driven or
31 not? We have an application before us and we don't have a law in Palo Alto that says if you
32 have a business or a shopping center, you're not allowed to ask to change the rules for your
33 shopping center. Instead, you must only ask that we change the rules Citywide. So, we have an
34 application before us and in fact, we've already moved it to Council once and Council didn't kill
35 it because it wasn't Citywide. Instead, they narrowed it quite a bit in my view but sent it back to
36 us to further refine. And so, I don't think we penalize applicants, shopping center owners, or
37 business owners for taking the initiative to try to save their business. And I don't think we tell
38 them, you know, come back in a year and a half when we can figure this out Citywide. So, we
39 have an issue that's been presented to us and I think we need to... we have a problem at Town

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1 & Country. Just like we have problems at other shopping areas but Town & Country is the one
2 that has come to us with the problem.

3
4 And I do think that the retail health concept that we're trying to refine here, once we do refine
5 it, the way this is written, that Retail Health definition is a Citywide definition. Now it may now
6 only apply to Town & Country but it can be applied in other places should that be the will of the
7 Council. So, I really don't see a spot zoning issue here. Yeah, I don't.

8
9 So, when I talk about... when I think about this application, for me it's... and I hear Mr. Rubinson
10 talk about trust. For me, it's not really an issue of trust as it is a recognition of experience. You
11 know we hire consultants all the time to bring us information because it's beyond our
12 experience. And sometimes you don't have to hire that expertise because the expertise is the
13 applicant and I think that's one of the... I think that's where we are with this application. I
14 believe Mr. Rubinson and Mr. Ellis when I hear their analysis of where they're at and what they
15 need. And I... then that's not blind belief, that is belief based on my observation of the
16 remarkable success that they brought to Town & Country. Taking what was essentially a stone
17 or what looked to be a stone in 2005 when I was shopping there and polishing it until we all
18 realized hey, this is a diamond. And that is not a fluke, it's not luck. It's what they did and it's
19 because they know their business.

20
21 And so, I want to... where I'd like to go tonight is I'd like to take what Council presented, the
22 direction they gave us which is a pathway to finding some flexibility for them, and I'd like to
23 pursue that. And the issue that I really want to pursue, which I will do on the next round, is this
24 2-year idea because I do have some ideas on how to maybe find a middle road between just a
25 flat 2-year suggestion by Council and the no time limit suggested... requested by the applicant.
26 So, I'll leave it there and I'm going to go to Mr. Yang and then start a second round with Mr.
27 Alcheck.

28
29 Mr. Yang: Alright, thank you, Chair Hechtman. So, I just wanted to clarify two points. One is I
30 feel like I'm finally understanding Commissioner Summa and Commissioner Chang's question
31 about the state preemption issue. And it's... now I'm understanding the context of could we
32 narrow this to say no therapists or no pediatricists or is that an issue with are we stepping on the
33 state's feet? And I don't believe it is as long as we've got some sort of rationale basis for the
34 distinctions we're making. We're not getting into the field of medical licensure, we're just
35 talking about which types of uses support the goals that we are pursuing with our zoning. So, I
36 think we're ok on that front.

37
38 The second thing I want to clarify is related this issue Chair Hechtman that you just brought up
39 and a question Commissioner Alcheck asked earlier on about the 2-years and could a
40 subsequent tenant come into a space after that 2-years? And I had initially said no, I don't think

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1 that's possible but on further consideration, it strikes me that after the 2-years has passed. That
2 use is in place and it would then become a non-conforming use and so it would be once
3 someone else wanted to come in. We could treat it... consider it under the regulations in 18.70
4 that apply to non-conforming uses and basically as long as the space isn't vacant for a year or
5 more and it's not expanding or intensifying. Then as it's currently written I think we would allow
6 a subsequent tenant come into that space for the same use.

7
8 Chair Hechtman: Second round, Commissioner Alcheck followed by Commissioner Lauing.

9
10 Commissioner Alcheck: I'm going to be try to be as quick as I can because I want to respond to
11 some of the comments but I also want to say some new information [unintelligible] challenge.

12
13 First of all, I want to distinguish my view on this from some of my colleagues who have taken
14 issue with the recommendation because I want to make it really clear both to the applicant,
15 both to the community, both the Council. I am not opposed adding to this flexibility. This is an
16 imperfect; sloppy ordinance and it frustrates me. I didn't sign up for this Commission to
17 recommend poor land-use policy. I joined this Commission with my decades of land use legal
18 background because I know we can do better.

19
20 Let me start by saying that to Attorney Yang that response is, in my opinion, such a sloppy way
21 of getting around the 2-year. It completely circumvents what any reasonable person would
22 understand this document to say. To suggest that oh ok, you know then it would be a
23 grandfather... it's just that's. Write it, write it how you intend it. If any leased space remains un-
24 vacant... remains occupied for no less than a year then it can continue to be released to any
25 future medical retail health users. I mean just write it the way you want it to be so that the
26 Council understands it, and we understand it, and someone doesn't go that... you know, we
27 don't get some member of the public suggesting that some how the Staff didn't... it's just it
28 can't be our goal to have that be the tool.

29
30 And I'll tell you what, if I was this applicant's attorney, I would say find a creative leasing
31 attorney who included five, no less than maybe five 5-year options to extend every single use
32 for unspecific terms that allowed you to renegotiate lease extensions which would still be
33 considered the original lease. That's what you'd do, that's probably while you're not losing your
34 hair on this issue because that's the workaround. It wouldn't get you a new tenant if that
35 person went out of business but it would solve this problem.

36
37 Listening I will... I want to respond to Director Tanner. It says on Packet Page 25 that Staff does
38 not support term limits on a lease for several reasons. Determination of a successful business at
39 10-years. Great reason. I don't support that either. On the following page, it writes that eth
40 Council in its review agreed that a limitation on the timeline for execution should be included

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1 and they said 2-years. And then it goes on to say that Staff does not object to a limit on the
2 timeframe which is illogical because if you didn't have the new perspective that Attorney Yang
3 just brought in which I would argue is sloppy and not clear and unreasonable for a Palo Alto...
4 for a City like Palo Alto to legislate. If you didn't have that new concept, then you've just
5 suggested that the problem you had on Page 25 is not the problem you had on Page 26. That's
6 not (interrupted)

7
8 Ms. Tanner: That's not what I said.

9
10 Commissioner Alcheck: That to me, that's an inconsistency. And my point to you and this is a
11 response to Commissioner Hechtman's [note – Chair Hechtman] comment which is that I
12 wasn't suggesting to Council that we should have a retail health use which I agree, the process
13 of crafting all the uses. If there's... look, to the Commissioners who are getting hung up on
14 distinctions here. Listen, we can decide how many nail salons happen on a certain street. We
15 have tremendous discretion. We can pick and choose exactly what we want. We can say we
16 don't want retailers who have more than 10 stores. So, it's not... this isn't about being specific,
17 it's about being broad, this is about being flexible, this is about what we talked about 3-weeks
18 ago, and so the issue if it's that we need to figure out a solution to your problem
19 Commissioner... Chair Hechtman. My suggestion to you is our recommendation last time was
20 we get...

21
22 Hold on, I have to say one more thing before I say that. I mean no respect but the notion that
23 the changes to the retail trends are not here to stay flies in the face of all the creditable data
24 and analysis in the industry and I don't believe the COVID crisis is over. Not for small
25 businesses. Just open the doors of a book store last week doesn't mean the pain is gone. It will
26 take years to recover from the 14-month pandemic impact. We're far from over when it comes
27 to our small businesses and we need to think through that lens. We have to know that they
28 aren't going to come... the hair salons just lost 12-months of business. They still paid \$14,000
29 worth of rent. That's Midtown Shopping Center. They didn't get out of it so they're still in that
30 situation.

31
32 So, I'm fully prepared to pass to what I would suggest to you in the sloppiest, flexible ordinance
33 but the only reason I added conditions last time is because I wanted to ally with this applicant.
34 Get them in the envelope and say listen, you're jobs not done applicant. You need to show up
35 at more meetings. You need to push Staff. You need to get in touch with Edgewood and
36 Charleston and Midtown and you need to be a part of this discussion about evolving retail
37 because you know better than anyone about the existential crisis and you know what? You
38 weren't at our meeting 2-weeks ago when we needed this input and we need Staff... we need a
39 reason to keep you involved. That's why said 10-year limit and the 2-year thing is... you want a

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1 2-year limit? I'll... you have my support. I support this recommendation even though it's sloppy,
2 even though it's imperfect because I... at the very end of the day we need flexibility.

3
4 But we can do better and the better isn't oh, that the definition of medical are too specific or
5 not to specific and the issues aren't whether or not this responsive to the pandemic. The issue
6 is if Staff had said we want to apply this to Town & Country and promise to be back in 6-months
7 with something that applies to Edgewood and Midtown. You have my full support. If Staff
8 would have said that we... if Staff would have written well Council recommended this. There
9 does seem to be conflict with the 10-year issue. I would have agreed with it. I think that
10 Attorney Yang's first read is everybody's read and while there's a lawyer out there who could
11 figure out how to argue that wait, well, it's grandfathered. That's the backward way that pisses
12 off all the members of the public that care about this stuff.

13
14 So, I would suggest to you Commissioner Hechtman [note – Chair Hechtman] that if you are
15 interested in a motion tonight that I guess in my opinion would have to be abundantly more
16 clear. That we are interested in giving this amazing asset flexibility but we want Council to
17 recognize that that flexibility should be granted temporarily with the vision that a broader
18 application of retail flexibility would be applied Citywide. I would support that motion.

19
20 Chair Hechtman: Thank you, Commissioner Alcheck. Commissioner Lauing followed by
21 Commissioner Templeton.

22
23 Ms. Tanner: Excuse me, Chair? Can I just respond to something? I just want to make sure that
24 we're clear on the timelines. The 2-years that Council passed in their motion is 2-years to sign
25 the lease. The 10-years as I understood it previously was that that use would need to stop
26 within 10-years and so that is what Staff did not support. We did not want to have the City be in
27 position (interrupted)

28
29 Commissioner Alcheck: I know but the average (interrupted)

30
31 Ms. Tanner: To shut down an operating business in 10-years from now. So, I do agree that
32 (interrupted)

33
34 Commissioner Alcheck: I completely concur with that.

35
36 Ms. Tanner: If it would help to clarify for Council and for all members of the public to have
37 included specifically how the 2-years would operate. That certainly would be an addition to the
38 ordinance that we could work on.

39

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1 Commissioner Alcheck: Wait, hold on, just for the sake of better understanding here. If I told
2 you that the average lease at Town & Country was less than 10-years. Do you realize why the
3 logic is problematic? That in effect the 2-year timeline to sign a lease would mean that at the
4 conclusion of 12-years from today if passed tonight. We would be in the exact same position as
5 the 10-year limit. That any viable business could not continue to lease unless you use Attorney
6 Yang's new interpretation of being grandfathered in which I would argue shouldn't be the way
7 you write this law.

8
9 Ms. Tanner: Certainly, can understand that, though our current Municipal Code does provide
10 for how to treat non-conforming uses and that if they are in continuous operation. If there's a
11 gap of less than a year for a new tenant, for example, that use can continue to operate. So,
12 we're just looking (interrupted)

13
14 Commissioner Alcheck: Ok, last question (interrupted)

15
16 Ms. Tanner: At the existing code but again, if you wanted to include something in the ordinance
17 to clarify (interrupted)

18
19 Commissioner Alcheck: Is that what you think Council understood?

20
21 Ms. Tanner: Then we could do that.

22
23 Chair Hechtman: Commissioner Alcheck (interrupted)

24
25 Commissioner Alcheck: [unintelligible] (interrupted)

26
27 Ms. Tanner: What we're saying (interrupted)

28
29 Chair Hechtman: Hold on a minute. Wait. Commissioner Alcheck, please stop talking. Ms.
30 Tanner, Commissioner Alcheck, I'm going to ask you, Commissioner Alcheck, to hold your next
31 question, even if it's your last question, till the next round. Alright, we're going to move now
32 (interrupted)

33
34 Commissioner Alcheck: I just... I can't imagine that Council understood that.

35
36 Chair Hechtman: We move now to Commissioner Lauing followed by Commissioner Templeton.

37
38 Commissioner Lauing: Thank you, Chair Hechtman. We have to come up with a definition that's
39 actionable. We can't just grant complete license and Staff tried to come up with a definition. I

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1 think in reading that about 50 times, it actually left it almost as broad as where it is. So, I think
2 there's a lot of work that we have to do on the definition.

3
4 I started thing about that. You know bouncing options off of Committee Members and figuring
5 out a list of what shouldn't be there which to be included traditional medical care practices and
6 full-service dental practices and surgery centers and the like. And I first thought that Stanford
7 agreed with that because they wanted something in lieu of medical office uses. But apparently,
8 they and the applicant includes folks like One Medical and Carbon Health which are medical
9 practices. Carbon Health, until recently, was strictly an emergency services and we've got PAMF
10 200-yards away. So, if they're thinking that the definition allows those and we're thinking that
11 those are actually primary care facilities. Then we're nowhere yet on this definition and that's
12 going to take some work. So, what would I include? I would include spa services but guess
13 what? They're already there. I'd include personal medical service like, like we use to call it
14 retail-like services. We've referenced before odd things like oxygen inhaling. That would be
15 fine. Clearly, retailers and medical merchandise like eye glasses which is already there and I was
16 aware that they had an optometrist so it's full service. I think that's perfect under an expanded
17 ordinance. Injury equipment like knee and ankle braces and hot and cold wraps. Perfect, that's
18 already covered by the drug store there, And so there's a lot of stuff I think even in the current
19 ordinance that could be expanded, but I do think we have to articulate pretty specifically as
20 we've just seen in our hour and a half conversation on this and we're only at the beginning of
21 the second round. That some people think a therapist is in, some think they're out, some
22 think... etc., etc., etc. So, we may have to come up with a broad one and then put a list of
23 examples that fit and examples that don't if we're going to get it right and I think we should get
24 it right.

25
26 Now, one other thing I want to mention, will these new medical retailers meet our
27 requirements for vibrant retail? I don't think there's anyway they can based on what happens
28 inside their shops other than a perfect example of who does is the eye glass store with an
29 ophthalmologist or optometrist. But this discussion for example of creating beautify lobbies to
30 see through the front window, well yeah that's better than seeing a guy in a dentist chair
31 getting his teeth cleaned like I did this afternoon. On a side street by the way, but from the
32 outside or the inside, it doesn't have any retail interest. It doesn't sell... the retailer doesn't sell
33 merchandise. It's not an exciting draw, pull customers in and another question I had is will
34 other retailers want the space next door to a dentist office? Instead of being surrounded by an
35 ice cream shop and a cool book store.

36
37 And by the way, some of these medical offices of these types won't be open 7-days a week.
38 They might be 5 or 6. Another thing to consider, so with this kind of medical store front, the
39 question is will it make it harder to attract some of the retailers there? So, I think is a
40 compelling point to be considered and if that's collateral damage from having to do this

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1 flexibility then we can make that decision. We want to go... we ought to go in with our heads up
2 on that.

3
4 And at the last meeting... I want to point out one other thing. At the last meeting, I asked the
5 applicant if medical services at Town & Country for example could be grouped in a wing?
6 Mostly us of sight or condensed so it wouldn't interfere with some of the things I just
7 mentioned and I thought the setback area near the former Cheese House would be a very good
8 place for that. But the applicant wasn't interested in that approach, so I still think that that has
9 some opportunities there and in other centers.

10
11 So, my problem right now is that I think we need a lot of work on getting to a definition that we
12 can apply to T&C and other people. I don't want to wait 6-months as was suggested. Maybe we
13 have to wait 2-weeks and then have a couple of Commissioners work offline for the next 2-
14 weeks to come up with a real specific list for something we can debate. And that would be a
15 good way to make progress as opposed to trying to crank on that in the next 2-hours and go till
16 midnight.

17
18 I want to be able to expand retail in all the areas that I mentioned; medical; educational; food.
19 But we got to do it right and we have to do it where it applies. Thank you.

20
21 Chair Hechtman: Thank you, Commissioner Lauing. Commissioner Templeton, before I go to
22 you I'd like to do a time check. It is 10 o'clock. So, forgive the interruption but Commissioners
23 it's 10 o'clock and we ideally end our meetings at 10:00. We recently seldom do but that's our
24 goal. So, I'd like to know what the pleasure of the Commission here is. I would note that
25 Council... I think part of the Council direction is to bring this back to them promptly because
26 they want to make a decision on this before their break. And working backwards, what that
27 means is the second reading of the ordinance would need be on June 21st. The first reading I
28 think would have to be on June 7th and so if the will of the Commission is to continue this to
29 even March 26th, I don't know how realistic it is that we can meet the timeline that the Council
30 gave us. So, I'd like people to consider that as they chime in on whether they want to... what
31 they want to do this evening. So, Commissioner Templeton, you're hand is up I know to speak
32 substantively but since your hands up I'll give you the first opportunity to weight in on how we
33 should handle this tonight.

34
35 Commissioner Templeton: Thank you. I really wish we had seen this earlier so we would have
36 the time to give it that it deserves and be prompt. Ideally, things that have time-critical
37 deadlines shouldn't be the last thing on the agenda. But my observation tonight is that people
38 are very passionate and I don't see us being done with this in an hour. I would love to be able to
39 give my comments that I have prepared tonight but I understand if there are people that want
40 to continue this. I'm ok either way.

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Chair Hechtman: Other Commissioners want to speak to this? If you don't speak, I'm taking that as you're good to keep going for a while.

Commissioner Alcheck: I would just... oh, sorry.

Chair Hechtman: Commissioner Chang.

Commissioner Alcheck: I would suggest to you that if we're going to decide to continue this item. I would appreciate the opportunity to speak for a few minutes to give direction to Staff at what I think would be helpful to me should the item return. So, I wouldn't be a fan of continuing this item simply to the next meeting. I would be... I would continue this item with feedback.

Chair Hechtman: Alright, so hold (interrupted)

Commissioner Alcheck: On the other hand (interrupted)

Chair Hechtman: If you just hold your thought.

Commissioner Alcheck: I just want to say, on the other hand, I'm not opposed to continuing the discussion because maybe we can... maybe there is solution to this or maybe there is a motion that really simplifies this I could support.

Chair Hechtman: Commissioner Chang followed by Commissioner Lauing on the procedural question.

Commissioner Chang: I am in line with Commissioner Templeton. I'm not sure that we can make that much progress on this tonight which is really unfortunate because I do understand the sense of urgency. However, I mean just like up or, down right? I'd love to be able for Town & Country to walk away with a decision given that they brought this before us. However, I do want to hear what Commissioner Templeton has to say. I wouldn't want to end right now. I'd like her thought to at least be finished and I can see the value also in if we decide to continue to this to another meeting to give Staff some direction. So, that we have new information to feed our next discussion about this.

Chair Hechtman: Commissioner Lauing followed by Vice-Chair Roohparvar.

Commissioner Lauing: I completely agree word for word with Commissioner Chang on exactly what she just said. What I would add or refer back to my previous suggestion of about 5-

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1 minutes ago is that I would continue the meeting to the next meeting and I have two
2 Commissioners, maybe Ms. Chang and Ms. Templeton, work on this offline and see if we can
3 come up with something to edit and debate in 2-weeks; as opposed to all of us jumping back in
4 and starting three or four rounds and going on for hours which we may need to do anyway.

5
6 Chair Hechtman: Vice-Chair Roohparvar.

7
8 Vice-Chair Roohparvar: I'm on the same page. I agree with Commissioner Templeton, I don't
9 think we're going to resolve it tonight and I do think we should give direction to Staff. But if
10 folks want to say I'm also happy to stay. I will just let people know, I might have a conflict for
11 the 5/26 meeting that I'm trying to work out. I'm ok either way, just a heads up.

12
13 Chair Hechtman: Ok, thank you. So, I'd like to continue for a while tonight. I'd like to at least get
14 through a second round. I want to hear what Commissioner Templeton has to say and as I
15 mentioned before, I have an idea on the 2-year language that I haven't been able to daylight
16 yet. I do think that there's a possibility that we could have a definitive motion tonight because I
17 don't think it's necessarily our job to write the ordinance or write the definition of Retail Health.
18 I think it's our job to give Staff sufficient guidance so that they can write the definition of Retail
19 Health and I think we can accomplish that tonight. And I don't think it involves a list of
20 companies that count and companies that are excluded. So, I'd be supportive of staying with it
21 for a while and if after a second round, let's see if there's a motion and we'll see what our
22 timing is and maybe there will be a motion later to continue. But right now, any Commissioner
23 who would like to continue right now is welcome to make that motion and we'll see how it
24 goes.

25
26 So, I'm not seeing any hands for that motion so thank you for a pretty brief discussion on that
27 item. I think we're doing better on that and so I'm going to go... we're in the second round now,
28 and I'm going to go to Commissioner Templeton first.

29
30 Commissioner Templeton: Thank you so much Chair. I just wanted to say that I support your
31 comments that this is... the application before us is for this specific applicant and while we have
32 a desire to be more broad and not do spot zoning. That is not what's before us. So, as
33 frustrating as that may be, that could be potentially some additional language that we add into
34 a motion to go back to Council in addition to what is in front of us.

35
36 Regarding the types of medical retail, I agree with what the Chair just said and he probably said
37 it a little bit better. It is late and I am tired so my note was I don't really want to be
38 micromanaging this definition. And I think that the way that the Chair phrased it is much better,
39 was that we can provide guidance to Staff and Staff can write it probably better than we could
40 as a group. So, I'd support that notion as well.

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1
2 Regarding if there were therapists or specific targeted types of medical services in this shopping
3 center. I mentioned this before in a question to the applicant but I want to share with the
4 Commission how absolutely critical having Day One as a shop that I could visit was for me when
5 I first had my... when I had my first child. This was a place where you could go and yes, they had
6 a beautiful store front and retail windows and lots of toys and baby gear. But they also had very
7 specific services that were, I mean I guess I don't know if they were therapy or not, but there
8 was a new moms group there that saved my life. Like literally saved my life because I had other
9 people to talk to about recovering from childbirth. And if a similar store front were to be there
10 that maybe wasn't on the scale of Day One but if it was a therapy that was specific for new
11 moms or parent of autistic children who may need to have therapy but also buy products that
12 will help them at home. I'm ok with that because I feel like that having the retail aspect is
13 enough to keep the vibrancy that we've all been longing for in those store fronts which are now
14 empty. So, also acupuncture, I don't know if any of you have ever seen an acupuncturist but
15 they have products that they sell that you can continue to maintain your health when you're
16 not there to seek treatment.

17
18 So, I'm not as concerned about some of those details of what kind of services might be
19 provided as long as there is a retail component that is useful whether you're seeking treatment
20 or not. And you know, we could have a go-to space like we did with Day One and it would be
21 wonderful. So, I just I want to say it's not always a negative. We can find a way to frame this
22 and to craft our definition that brings the real value to the larger shopping populous. Not just
23 those who seek treatment. So, those were my thoughts. Thank you.

24
25 Chair Hechtman: Commissioner Summa, you're next.

26
27 Commissioner Summa: I couldn't hear but maybe you called on me?

28
29 Chair Hechtman: I did, I'm sorry. Commissioner Summa.

30
31 Commissioner Summa: Thank you. So, I think Commissioner Templeton hit on something. It
32 isn't the use per se, it's do you have a significant or primary use as retail and an ancillary use
33 maybe as some medical. And so, I think the... what's being proposed here didn't get that mix
34 the way I see it.

35
36 And I also will say this was a 3-4 vote at Council. Three Council Members voted against it so I
37 don't see it... and I think the Council Members that vote for it put very strict or severe
38 restrictions on it with the percentages and the 2-years and whatnot. So, I don't see... I don't
39 think they... I think it was a lukewarm recommendation to us and I think it's our job to heat it up
40 and I think Commissioner Templeton got to the right thing. It should be primarily retail with

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1 some sort of medical ancillary use. And if we can get to something that looks like that, I would
2 be more willing to support it than what's presently being supported. I mean suggested.

3
4 So, I don't know if that makes sense to everyone but and I don't know if we say... I don't know
5 how we do it. If we say 80 percent of the square footage has to be retail and you can have a
6 place in the back that's private where you get some sort of medical thing.

7
8 And I also... and one of the reasons I feel strongly about this is because there's medical right
9 nearby. Commissioner Chang mentioned that we don't want this to become an extension of the
10 Palo Alto Medical. We don't want it to become all medical and there could be a camel's nose
11 under the tent creep sort of situation there. We want to retain... you know, when I think about
12 Town & Country, yeah, it's kind of a high end, fancy, small shopping center but it also has CVS...
13 I would say CVS and Trader Joes which are not fancy stores as it's anchor stores. And it's a place
14 where people really love to just go hang out. It's beautiful, it's lively, if you go to Trader Joes it's
15 not Draeger's and you take some time afterward to... maybe with your kids or not. I just don't
16 want to kill that vibe and I'm sure the applicant doesn't want to but I think it's our job to kind of
17 help steer this the right way. So, if we can come up with a solution that demonstrates quite
18 clearly a high percentage of retail and some sort of therapeutic or medical thing that's a small
19 percentage of the same related use. Then maybe I would be able to support it because what's
20 in the Staff report right now I can say I don't support. So, I don't know if that's helpful and also
21 reminding everybody this was not a very... this wasn't an overwhelming recommendation to us
22 by Council.

23
24 Chair Hechtman: Thank you. Other Commissioners for a second-round comment? Ok, there we
25 go. Vice-Chair Roohparvar followed by Commissioner Chang.

26
27 Vice-Chair Roohparvar: I guess I'll be brief. I... this idea of what Commissioner Templeton and
28 Summa are proposing is starting to appeal to me too. So, if we can find consensus around that,
29 that's all I'll say. I could get on board. So, I'd like to see how everybody feels.

30
31 Chair Hechtman: Thank you for your comment and your brevity. Commissioner Chang.

32
33 Commissioner Chang: Commissioner Roohparvar [note – Vice-Chair Roohparvar] must be
34 reading my mind. We're on the same wave length tonight because that's exactly what I was
35 going to say. I am on board with what Commissioner Templeton and Commissioner Summa
36 have said. It's just I don't think we need to... I don't want to be overly prescriptive but I think
37 that there's a way to do this where we can still keep the vibe that we want.

38
39 Chair Hechtman: Let's see, let me give my second-round comments and then we'll go
40 Commissioner Alcheck. Actually, I've got two points. I want to talk about the 2-year for a

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1 minute and then I want to ask for some Staff input on this better defining retail health. So, let me talk about the 2-year for a minute.

3
4 So, Council gave us this on a 4-3 vote as Commissioner Summa said. Once this idea of you've got to sign your leases within 2-years from adoption of ordinance. We heard... before the meeting I thought of the same workaround that Commissioner Alcheck suggested in a little bit different form. I thought well ok, fine, what's to stop the property owner from entering into essentially a 50-year lease with a series of 5-year extensions freely assignable with lots of flexibility. So, you're always on the same lease but it goes forever and that's not really desirable. It's not desirable from our stand point and it's not really desirable from the property management standpoint. Then I hadn't even thought of what Commissioner Chang suggested in this idea of the non-conforming use and that continuing on.

13
14 But so, what I thought is I don't really have an issue if the Council says look Town & Country, you say you're really hurting, you need this flexibility, you need to fill the spaces because you have existing tenants suffering now. And so, we're going to put you to it and give you 2-years to sign leases. I think that concept is fine, although I heard Mr. Rubinson say he'd like as much time as possible. So, instead of 2-years from adoption of ordinance which could be June of 2023. I would say we should give them to the end of 2023 so that's really 2 ½-years, but what I would... on the 2-years, what I would promote is this idea that if you get someone into one of those spaces in the next 2 ½-years before the end of 2023, sorry, sign a lease by the end of 2023, then that space can stay retail health beyond that tenant. It basically... and it's not a grandfathered right. We would write the ordinance and I have drafted some language but I can come back to later if there's interest in it. That basically you've got 2-years to get into the door. If you do, then fine. That could be retail health or revert to retail, whatever you want. But as to any space that you haven't signed a lease on for retail health within your 10 percent limit, then by the end of 2023, then no go. That space is not available for retail health going forward. So, that the concept and again, I have language that I can propose on that.

29
30 Now I want to turn to the definition of Retail Health and really, I wanted to ask a question of Staff because I know Staff started from scratch. They got a direction from the Council to come up with a definition of Retail Health and I'm sure they talked about a lot of ideas and presented something to us. So, I'd like to hear from Staff, now that they've started to hear this flavor from a number of Commissioners about really to bring out the retail component of this concept. Are there some things that Staff talked about that could be folded in that would help us in that direction? Ms. Tanner?

37
38 Ms. Tanner: Certainly, we did talk a goo deal, and sorry if my sounds low, about how to parse out different types of uses. And then it does get to kind of this trying to imagine every type of use that might be medical and how would that would that look and have been to that service?

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1 So, it's not a perfect system but then it started to get a little squirrely and so that's where we
2 kind of said well what do we want it to look and feel like as opposed to what do we want to
3 occur within it? Because there's such a wide variety of medical services that we couldn't even
4 contemplate all of them and I don't think we could get all of them. Things will be changing in 5-
5 years anyways about different medical services. So, that's where we kind of came to the store
6 frontage, the lobby space, things like that.

7
8 What I might suggest if the Commission is interest is to continue to turn that dial upward. So,
9 for example, saying 40 percent of the tenant space must be dedicated to retail sales, displays
10 and related services to the retail. And then to that point then, also that the... if there are exam
11 rooms or private meetings rooms. Those would be not visible from the store front and the
12 things that we've kind of said. That might be a way for the Commission to allow a variety of
13 types of medical uses but again, keep the flavor that I'm hearing you want which is the store
14 front and the retail. You if somebody can just walk in right and do something even if they don't
15 have an appointment they could look at glasses or I think Commissioner Templeton's answer
16 browse the toys. Even if they're not there for a meeting but the meetings can also occur in the
17 back or in another location within the retailer. I hope that's helpful for the Commission.

18
19 Chair Hechtman: It was very helpful to me, thank you. Commissioner Templeton followed by
20 Commissioner Alcheck.

21
22 Commissioner Templeton: Thank you. I just wanted to quickly share my thoughts. We had
23 started... the Commissioner who spoke after me started talking about space and you do... we do
24 want to have your places to meet and have sufficient space. So, I wouldn't want to go too low
25 on that ratio. You know I keep going back to the Day One. I mean I was meeting in their office
26 because they didn't have a room where I could meet with a lactation consultant. Like it was a
27 tiny, tiny little space and that was uncomfortable so I would say you know we want to reserve
28 enough space for the meeting rooms while making sure that the retail space is sufficient and
29 attractive enough for people... multiple people to be browsing around in it. So, I'm not sure
30 what size... looking at our diagram on, I don't know, Packet Page 38... 37. You know roughly the
31 Cara's Space might be a minimum and it looks like if it's... if we're approximating from this
32 diagram which I know is now is not precise. But you know maybe instead of 15 percent, maybe
33 we're talking 30 percent 1,000-square feet or something like that. So, that... I just wanted to
34 throw that out there if we are starting to come together on that aspect of what retail health is.

35
36 And then regarding the Chair's suggestion on how to be flexible. I'm open to that as well. I think
37 regarding the timing [unintelligible], your suggestions is pretty good. So, I differ to you folks
38 who are more in this field to hear your thoughts. I hope others will share. Thank you.

39
40 Chair Hechtman: Commissioner Alcheck, you're up.

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1
2 Commissioner Alcheck: First let me respond to the Retail Health definition component of this
3 discussion. I am in favor of more flexibility, not less. I hope that Commissioner Templeton and
4 Commissioner Summa's initial sentiments about proving general direction as opposed to
5 specific direction is in line with that thinking. Let me expand on that for a minute. I think it's
6 unreal that... let me say this. It's not surprising to me that our antiquated ordinance doesn't
7 allow an optometry/high-end frame store exist without a CUP in Town & Country. I'm not
8 surprised by that, but we should change that. That should be completely allowed. I'm surprised
9 that we haven't had that change. That seems like a late to the game.

10
11 [unintelligible -audio cut out] sorry, can you hear me alright?

12
13 Chair Hechtman: Now we can.

14
15 Commissioner Alcheck: So, you know I think a chiropractor at Edgewood or an eye glasses
16 stores at Edgewood is equally acceptable. I know that's not what we're talking about here yet
17 but I would also like to suggest that I would support a recommendation that suggested to
18 Council that we would be in favor of retail health uses like the one suggested here; like a
19 chiropractor; like a One... Day One; like an optical frame store to exist not just in Town &
20 Country. But also, at places like Edgewood and the Midtown Shopping Center and the
21 Charleston Shopping Center.

22
23 I want to suggest to you that for those of you who said there were concerns about this
24 becoming an extension of was it PAMF? Or what... I don't know the... whatever it is next door.
25 Maybe it's not PAMF, maybe it's something else, but I would suggest to you that this limit of 10
26 percent should address that discomfort. There's only 10 percent of the ground floor under this
27 ordinance as written that could be converted into these retail health uses. Not medical office
28 and so if this applicant did succeed at all 10 percent. I don't think that would create that
29 problem where oh, suddenly the whole shopping goes this direction. Well, there's a 10 percent
30 limit.

31
32 I want to address this suggestion by Commissioner... Chair Hechtman about the 2-year rule. I
33 completely agree. I want to suggest to you that this is exactly the sort of unclear articulation of
34 what is imaginable that led to the lawsuit at Edgewood. Where residents around Edgewood
35 understood the agreement differently and then encouraged their leadership to sue the
36 shopping center and put us in a lawsuit that cost unreasonably ungodly amount of money. So,
37 this idea that could be 10-years from now a lease that gets signed when Letter D says any lease
38 for this use must be executed within 2-years of X. That to me is the kind of thing we would
39 absolutely want to follow Commissioner Hechtman's advice here and be specific. If your

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1 intention is that once you've leased this space and it's turned into medical retail health. Then it
2 can be that way in perpetuity.

3
4 I want to suggest to you Commissioner Hechtman [note – Chair Hechtman] that we have to be
5 even smarter especially, in light of the Edgewood results that occurred in our neighborhood.
6 Which is to say that should three of those spaces become vacant and landlord decide to engage
7 in a lease for a space that was not used before, which would increase the ground floor use to
8 more than 10 percent. Not current and then because they're still within that year of vacancy.
9 Resigning... what I'm trying to suggest to you is the logic that Attorney Yang used could create a
10 situation where more than 10 percent of space could get leased up if done in a
11 nonchronological fashion. What I'm trying to suggest to you is if we follow your language
12 specifically saying that once a space is leased up. Then they could continue to lease it for that
13 use but if the space becomes vacant. Then in that moment it is not technically used and
14 doesn't... it would be under the 10 percent criteria if they had reached it. And if they were to
15 lease a different unit or suit for the first time as medical office and then 3-months later sign a
16 lease for space that had been vacant but previously used as retail health. It could increase the
17 total percentage of use. So, I think we need to be even more specific. We need to say that the
18 space can be used in perpetuity, however, at no time can the total space at the shopping center
19 exceed 10 percent. Because I wouldn't want to get into a situation where a City attorney
20 explained to me in 10-years well, actually, because of the timeline here. They're allowed to
21 have 14 percent.

22
23 So, I may not have been able to articulate how that works specifically but the point I'm trying to
24 make is if we have a clear vision of what we want. We need to articulate that and so I am
25 supportive of providing general direction in regards to the definition of Retail Health. I think
26 that would be better than specific direction. I am supportive of encouraging the Council to
27 consider applying the retail health use definition to all shopping centers in Palo Alto. And I am
28 supportive of including the language that would allow the space that's leased in the next 2 or 2
29 ½ years, whatever everybody can agree on, to be continued... to be leased again in the future
30 beyond the 2-year limit. And also, to be very specific that we want the leases to... we want that
31 space to at a maximum at all times be no more than 10 percent. So, that we can hedge this
32 problem that people are concerned about too much retail health. So, I'm supportive of that. If
33 there's someone who wants to make that motion, I think it would be better than me making it
34 and I would be... I move this forward.

35
36 Chair Hechtman: Ok, I don't think we're quite ready for a motion but let me just point out,
37 Commissioner Alcheck, that if you take a look at Subpart 7(a) as proposed by Staff, total retail
38 health uses on the ground floor shall not exceed 15,025-feet, 10 percent, of the ground floor
39 area.

40

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1 Commissioner Alcheck: I'm in agreement with you but the they are grandfathered... you can
2 grandfather things in that would exceed. For example, this optometry thing isn't currently
3 allowed but it's grandfathered in and my assumption is, is that a follow-up optometrist wanted
4 to come in. They could probably use the space. I'm just trying to say that I want to avoid a
5 situation where someone down the road says to us well, yeah, technically this could happen. I
6 want to avoid that and I want it to be specific.

7
8 Chair Hechtman: So, let me... while we're on this 2-year topic, let me just daylight the specific
9 language that I would... that I'm suggesting for Item D, Subpart D and we can get some takes on
10 that. I'm not wedded to the language but I try to capture this concept of really what the lawyers
11 in the room will understand. I'm trying to capture the concept of having this right essentially
12 run with the land. The land being the specific space where the lease is. So, and I'll repeat this a
13 couple times.

14
15 So, Item D would read, retail health uses shall only be permitted for ground floor space for
16 which an initial lease for this use is executed by December 31st, 2023. I'll read it again. Retail
17 health uses shall only be permitted for ground floor space for which an initial lease for this use
18 is executed by December 31st, 2023. So, I give us the roughly 2 ½-years to get it done. I used the
19 term initial lease to reflect the fact that there can be other leases beyond that and we limit
20 where retail health can be to these spaces where an initial lease was signed by the end of 2023.
21 So, that's the language I had in mind and if other people want to pursue it, perhaps I think what
22 Mr.... Commissioner Alcheck is saying is, having not heard that language, he's concerned that
23 somehow there could be a loophole between that language and what appears to be pretty
24 clear limitation in Subpart A which is total retail health uses shall not exceed 10 percent.

25
26 Commissioner Alcheck: Commissioner Hechtman [note – Chair Hechtman], if I could just clarify?
27 What I was concerned about was a situation where a tenant that signs a lease this summer in
28 several years, 10-years, decides they want to expand into a suit next door. I know under your
29 new terms that wouldn't be possible.

30
31 Chair Hechtman: Right.

32
33 Commissioner Alcheck: Which arguably I don't know if we would necessarily be opposed to that
34 but let's just say it wouldn't be possible. But my previous concern was if that happened,
35 someone expanded to a suit next door. They didn't necessarily sign a new lease. They
36 essentially amended their lease to include greater square footage and at that same time
37 another suit that had been leased had gone vacant after the 10-years, but it was still considered
38 grandfathered. You could in theory have a situation where well now the new space but the
39 open space was grandfathered. That was my concern and I don't want that to be the issue. So,
40 that was my point. I think your solution solved that problem.

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1
2 Chair Hechtman: Great, great. Alright, so I think everybody's now heard the potential language
3 on the 2-year and so really, I think what I'd like... and I'm hoping what we can do is talk a little
4 bit more about the retail definition and whether we can give Staff sufficient direction to revise
5 it that we're comfortable making a recommendation tonight. I see... oh, I don't see it. It came
6 up, it went down. Oh, it went back up. Vice-Chair Roohparvar.

7
8 Vice-Chair Roohparvar: I just had a technical question for you Chair Hechtman. Do we need any
9 sort of... I'm just thinking through it but I don't think it's an issue. Do we need any sort of so
10 long as the tenants remain the same? So long as like it is not assignable? So, any sort of another
11 loophole that could create problems that we need to anchor it on with the tenant or with the
12 assignability or anything like that or no?

13
14 Chair Hechtman: No, let me... perhaps my language is not clear enough. Under my concept, you
15 can have in the next century 17 different tenants come and go in the same space with 17
16 different leases. All for retail health but you get... if you get the first one in the door in the next
17 2 ½-years. Then that becomes a space and again, it's space-based rather than overall square
18 footage space because you already limit it. So, let's say it's whatever, Unit 107. They lease that
19 for retail health the next 2 ½-years. Then whatever happens to that tenant, that particular
20 tenant 3-years from now. They can re-lease that space for retail health or if they get better
21 retail they can do that.

22
23 Vice-Chair Roohparvar: Can you read the language one more time? I'm not sure that... ok, can
24 you read it one more time?

25
26 Chair Hechtman: Retail health uses shall only be permitted for ground floor space for which an
27 initial lease for this use is executed by December 31st, 2023.

28
29 Vice-Chair Roohparvar: So, it seems confusing... and we don't need to get into the semantics
30 but let me just tell you what I'm thinking. To me it sounds, I hear you but I think we should be
31 more direct and what... do you have a concern with saying something like if any personal
32 property and I can't craft it on the fly but if just saying it exactly how you mean it. If it is leased
33 for retail health by May whatever, then forever this piece of property shall be used for retail
34 health in perpetuity for whatever. Do you know what I'm saying?

35
36 Chair Hechtman: Yeah and that's what I'm (interrupted)

37
38 Vice-Chair Roohparvar: Because this is a little bit... it's not clear.

39

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1 Chair Hechtman: That's what I'm trying to... right, that's what I'm trying to say but I'm not
2 wanting to limit them to retail health uses forever in the future because again, depending on
3 what happens in the market, a retail health user may leave and their best offer is from a retail.
4 You know a straight retail.

5
6 Vice-Chair Roohparvar: Yeah but then we can say may. Then we can if this unit is... if this
7 property is lease by whatever for retail health then in perpetuity it may be whatever used for
8 retail in addition to any other uses. Just because I think it's a little bit more clearer than. I mean
9 you're better at crafting language. I'm better at planning legal so I would differ to your
10 neighbors the language but that's where I could see wiggle room to argue around your... think
11 about it.

12
13 Chair Hechtman: Let see, Mr. Yang you had second thoughts about... you need to say anything?

14
15 Mr. Yang: Yeah, no, I think... I had a question. It was answered so.

16
17 Chair Hechtman: Commissioner Lauing, then Commissioner Summa.

18
19 Commissioner Lauing: I think that I want this to get done but I want to get it done right. So, if
20 the plan now is try to redo the definition of retail on the fly as someone just said. That might
21 not be the best approach. Why wouldn't we be giving Staff direction and they come back with a
22 new definition so that we know what we're actually voting on? So, maybe I'm missing what
23 you're looking for in terms of the definition but they worked a couple weeks for a month to get
24 to this definition and we don't like it. Let's let them have a week. If you want to do a special
25 meeting in a week or whatever and come back and vote on it. So, tell me if I'm missing
26 something?

27
28 Chair Hechtman: I don't think you're missing something. Just a different idea. Different
29 direction to hand it off to... give Staff sufficient direction, hand it off to them and this is a place
30 where I will use the word trust, trust them to craft something that expresses our motion and
31 take it to Council.

32
33 Commissioner Lauing: I'll have to see what you come up with then because I know to know
34 what I'm voting on. So, if it's just conceptual, that's a little bit more problematic.

35
36 I think this is still the biggest issue in the room and the 2-years or 2 ½-years, that can be worked
37 out. That's all.

38
39 Chair Hechtman: Thank you. Commissioner Summa. Commissioner Summa.

40

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1 Commissioner Summa: So, I think we're getting a little lost in the details of the lawyer chat here
2 and kind of losing sight of... totally respect the lawyers but and I'm not one but I think we're
3 getting lost in those details and we're forgetting the main thing here. The more we talk about it,
4 the more I think I'm uncomfortable with the whole motion. I think there are plenty of wellness
5 options, personal services that are not medical and I think we should just stick with that for
6 now. I think the timing is wrong. I was really excited when Chair Templeton [note –
7 Commissioner Templeton] expressed such a... expressed a great idea which is oh this has to be
8 a retail facility with a little bit of office for some kind of therapeutic something or other. I'm not
9 even sure we couldn't do that under personal services. I think we're straying from the main
10 issue here and I'm not going to support... from what I'm hearing tonight. I don't think I'm going
11 to be able to support the medical use change here. I don't think the timing is right and I think
12 there's so many options for this wellness options that aren't strictly medical. That I think we
13 should leave it at that for now and I'm happy to make a motion. And nobody has recovered or
14 we don't even know what recovery from the pandemic looks like. So, I would be more willing to
15 look at this in a more holistic way sometime in the future and not feel pressured to make this
16 decision right now for Town & Country which even during the pandemic has been incredibly
17 busy as I noticed. So, I'll make a motion to... if you want me to but I don't know where this is
18 going other than that. It just seems to me getting bogged down in nuances and details without
19 dealing with the main issue. So, I don't know what you think about that but.

20

21 Chair Hechtman: If you're asking me I feel like I'm hearing some Commissioners that see some
22 light at the end of the tunnel and want to pursue it. Although, I don't know how much longer
23 they're going to want to pursue it this particular night. So, my sense is that motion would not
24 succeed but it would take some time. So, I'll you decide whether you want to make it. While
25 you're thinking about it I'm going to go to Commissioner Alcheck.

26

27 Commissioner Alcheck: I share your sentiments Commissioner Hechtman [note – Chair
28 Hechtman]. I think that you do... I think you're... I think that between you and Commissioner
29 Templeton, there is some consensus here. And I think what we need to do... I've been
30 approaching this the following way. The first question is, do we want to be flexible or not? I
31 think that's yes. Second question is, how long do we want to be flexible for? That answer is a
32 little less clear and we've kind of lawyered it up if you don't mind me saying. And when I say
33 lawyered it up, you know we've worked this hard to kind of make this specific and as you're
34 drafting the language. I'm sitting here going so if they succeed at leasing 5 percent, half of the
35 space by the end of 2023 and in 2025 they want to add one more suit that takes them up to 6
36 percent and we were comfortable with 10 today. Why are we not comfortable with 10 then?
37 Like what are we so... why are we so concerned with how long they have to use the 10 percent?
38 Which if they're successful at using now we're comfortable with. From my perspective it's like
39 either we're comfortable with 10 percent being this additional potential use or we're not.

40

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1 And it doesn't matter to me whether it's signed in the next 2-years. The only reason I focused
2 on that language 5-weeks ago, whenever it was, was because I wanted to create a reason for
3 Council and for this applicant to bring it back to us. So, we could talk about it as a community-
4 wide application. Not just for Town & Country and so what I would suggest to you is I will
5 support your language. I would also support language that said that we recommend that City
6 Council adopt an ordinance that allows for retail health flexibility and I would ask for
7 Commissioner Templeton maybe or someone to be a little more specific about what they would
8 change about the general definitions that would make them more comfortable. Because I
9 would support it and then I would also suggest that in keeping with that. We found that the 10
10 percent was enough and it doesn't particular... I don't think anybody on this Commission, and I
11 may be speaking for you so tell me if I'm wrong, but I don't understand the logic that anybody
12 has with this fear that if they don't sign the lease in 2-years. Well, then they shouldn't be able
13 to have the flexibility.

14
15 We are talking about two things. A response to the COVID pandemic which that's a good reason
16 to be quick and hasty. But also, we're talking about fundamental changes in retail which I think
17 majority of us understand are there and flexibility is a good approach. So, what's the logic for
18 just... why are we comfortable... are we concerned that it's going to ruin the shopping center so
19 we want to see what happens? Ok, so then that's where we daylight... you sunset this
20 ordinance. You don't create a perpetuity that allows them to lease 10 percent forever.

21
22 So, my... what we do today can always be changed. We can create 10 percent and if in 5-years
23 we're not happy with that. Then we can change it back and you're right. They'll have the
24 grandfather but who knows. I would just suggest to you that the... I think there's support for
25 your language. I would support it even though I find it imperfect. I support the broadening of
26 the Retail Health Ordinance to include some of the examples that Commissioner Templeton
27 made. But also, I don't want to get too specific because I feel like we don't really know and I
28 think that the definition of not having medical procedures done is a very good one. That
29 distinction between ophthalmology and optometrist, for example, I think that's a good
30 distinction because that does in my mind separate medical office from retail health.

31
32 And then I would finally suggest to you that at the ever end of the day what we're really
33 suggesting to... and I think most of the people here are on board which is to say we're... we
34 want Council to be responsive to the kinds of landlords that are in the room tonight. Who's
35 tenants show up and tell us that they're working hard to help them in every way they can and
36 we want a vibrant shopping center. We don't want vacancies that last forever and are this
37 tenant who has the support of his... this landlord who has the support of his tenants saying
38 listen, I can't fill this place up without flexibility and you know what? 4-weeks ago or 3-weeks
39 ago we talked about this. We knew it.

40

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1 So, I would... I'm prepared. I don't want to make the motion because I think there's some
2 specific things that maybe Commissioner Templeton has in mind. I think that between
3 Commissioner... Chair Hechtman and Commissioner Templeton, you guys could do this and I
4 would encourage you to do it because it sounds to me like maybe between Commissioner
5 Chang and Commissioner... I think you've got it.

6
7 And I just want to say that it's not a gift. It's not a giveaway. They got to go lease the space and
8 they have to fill this shopping center. And if they had some tenant that was interested in the
9 space, they would have leased it. So, I don't feel like this is them taking advantage and... but I
10 do feel like it's a disadvantage to Edgewood and Midtown. That they don't have some level of
11 flexibility as well and I would really love it if whatever motion you make. You would allow me to
12 make a friendly amendment that requested that the City Council consider directing Staff to
13 investigate whether the same approach should be taken at other shopping centers in the
14 community.

15
16 Chair Hechtman: Commissioner Templeton. Commissioner Templeton.

17
18 MOTION #1

19
20 Commissioner Templeton: Thank you. I see Commissioner Summa's hand went down so I was
21 prepared to make a motion but you were first. So, if you wanted to go first, you could. Ok, so it
22 looks like maybe not. So, I would like to move that we adjust Staff recommendation... we
23 recommend Staff's recommendation with the following adjustments. The text of the lease
24 duration should reflect Commissioner or Chair Hechtman's text and the definition of retail
25 health should be amended to include in PAMC 18.04.30(a) that not requiring convalescence,
26 general anesthesia, local anesthesia, or emergency services. And then later where it says
27 minimum of 500-square feet or 15 percent. If we could change that to 1,000-square feet or 30
28 percent.

29
30 Ms. Tanner: Can you repeat the middle part for Section A just so we can make sure
31 (interrupted)

32
33 Commissioner Templeton: Oh, I'm sorry. I couldn't hear that, Ms. Tanner.

34
35 Ms. Tanner: Oh, sorry. Can you repeat what you wanted Letter A to say?

36
37 Commissioner Templeton: Yes, so where it starts talking about not requiring convalescence or
38 general anesthesia. I wanted to suggest local anesthesia or emergency services be added to
39 that list of exclusions because I think that will address the concerns around dentistry, regular
40 medical... you know standard medical care that might be provided at your primary care

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1 physician. Things like that or emergency services which would be like urgent care, doc
2 [unintelligible], that kind of thing.

3

4 Ms. Tanner: Ok and then 1,000-square feet and was there (interrupted)

5

6 Commissioner Templeton: And 30 percent.

7

8 Ms. Tanner: 30 percent, ok.

9

10 Commissioner Templeton: I don't know... you know I'm open to suggestions from other
11 Commissioners if 30 percent is too much but the image that Commissioner Chang gave us about
12 how small 500-square feet is. We do want multiple people to be able to be in the store and
13 browse at the same time. So, I think that's kind of what we're targeting. Any... that's it for my
14 motion.

15

16 Chair Hechtman: Mr. Ellis, I do see your hand but hold on a second. We have got a motion
17 without a second at the moment. So, let's take care of some formalities along that and I will
18 come back to you. Ms. Tanner, I see your hand up.

19

20 Ms. Tanner: The other question that I wanted to clarify which may help for the Commissioners
21 if there is a second. For the 1,000-square feet or 30 percent, as currently written it's directed to
22 be a lobby or sales area. Do you want to emphasize that it should be for sales and display of
23 retail merchandise? Is that important?

24

25 Commissioner Templeton: Great suggestion. Thank you for clarifying. It is late so I appreciate
26 that. You caught the good one.

27

28 Ms. Tanner: No, I just want to make sure.

29

30 Commissioner Templeton: Yes, that's exactly the intention.

31

32 Ms. Tanner: Ok, thank you.

33

34 Chair Hechtman: Let's see, Commissioner Chang.

35

36 Commissioner Chang: Commissioner Templeton, can you repeat... I'm sorry, it's late and so
37 I'm... how... what language are you using to exclude PCPs and or I heard the emergency and
38 urgent care but.

39

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1 Commissioner Templeton: Yes, absolutely. I'm looking at the slide... the revised slide deck that
2 was sent out today on slide 7. So, if anybody is around that could bring that slide up that would
3 be super helpful. Revised ordinance per City Council slide 7. Oh, you have it right there in the
4 Packet Page instead. It's the same text. So, here where it says under point A on line three, not
5 requiring and then it has a list of two, convalescence or general anesthesia. I was suggesting...
6 the motion says to add to that list, so convalescence, general anesthesia, local anesthesia, or
7 urgent care services.

8
9 Commissioner Chang: Local anesthesia or general or urgent care (interrupted)

10
11 Commissioner Templeton: General is where you're knocked out but local means
12 [unintelligible](interrupted)

13
14 Commissioner Chang: Yeah, I know, I understand but it doesn't... but just urgent care doesn't
15 necessarily eliminate a PCP then. No? I'm just trying to understand.

16
17 Commissioner Templeton: Right, it would have to be a PCP who was willing to have a retail of
18 some time of services. So, they would have to incorporate retail which is what we include on
19 line five when we changed that to 1,000-square feet and 30 percent.

20
21 Commissioner Chang: So, I'm not quite willing to second. I think I would need to up the retail
22 percentage some and I don't know. I need to think about this. It might be too fast for me
23 tonight. Alright, that's it for me.

24
25 Chair Hechtman: Let's see, we're still looking for a second. Commissioner Alcheck, your hand is
26 up.

27
28 SECOND

29
30 Commissioner Alcheck: I will absolutely second this. Bravo to you Commissioner Templeton for
31 taking a stab at this. It is rare that the exact wording that you choose is adopted by City Council.
32 So, obviously, we know going into this, this is more about broad strokes than it is about
33 specifics. But I applaud that you're... I really, really am appreciative that you got specific
34 because that's I think what we needed. We needed something that anchored the concerns that
35 people had. It may not be perfect but I think friendly amendments could fix that if there were
36 real concerns and we wanted to push for strong consensus. So, thank you.

37
38 Chair Hechtman: So, I do (interrupted)

39
40 Commissioner Templeton: Can I speak to it?

-
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Chair Hechtman: Pardon me?

Commissioner Templeton: Should I speak to it?

Chair Hechtman: Oh you... yeah, I was wondering if you wanted to hear... so the applicant I think has a reaction which do you want to speak first or hear (interrupted)

Commissioner Templeton: I'm happy to hear from the applicant, of course.

Chair Hechtman: Ok, I would like to do that because you know we're here designing your shopping center in a sense and we want to respect your expertise and get your feedback. So, that we can do it in a way that works for you but also fills our intention. So, Mr. Ellis, can you (interrupted)

Mr. Ellis: Thank you, Chair. We appreciate it and we have worked with Staff at great lengths to make sure that the language that's put forth addresses Staff's assignment as well as actually as a piece of ordinance that actually could work for us as you said. Two comments, one I noted the suggestion that local anesthesia be included and I am not doctor or medical expert but I fear that inserting the local anesthesia may eliminate a lot of potential future outpatient, you know convenience related treatment that could be anything from cosmetic to normal dentistry if you will. I believe they use local anesthetic when you have your teeth worked on so I would caution against precluding a bunch of future uses through that language change.

And then with regard to the modification to the minimum amount of retail area. That is something we've thought about very carefully and gone back and forth with Staff on. And you know going to the 15 percent or 500 I think is what's in the proposal was difficult. I would... I fear that the 30 percent is going to preclude probably half of the prospects we're currently looking at. It's just too much area being dedicated to something that they can't utilize. Some mix... some of these retailers... health retailers absolutely do have products to offer in-display but some don't have as much and are still offering what we believe to be a very additive service. And so, we will try to work with a 20 percent or 750-square foot minimum but I think for us, any more than that it really becomes more futile as an ordinance for us to try to mitigate our problems with. Thank you.

Chair Hechtman: Thank you for the feedback, Mr. Ellis. Let's see, so Commissioner Summa, I see your hand up but I'd like to know from the maker of the motion any reaction to what you've just heard from the applicant?

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1 Commissioner Templeton: Thank you and thank you so much to the applicate for speaking up.
2 The reason why I put these... maybe I should have spoken first. The reason I suggested these
3 changes was to in an effort to gain support for changing this ordinance, this application at all.
4 What I'm hearing from the other Commissioners is that the... there was not an appetite for
5 dentistry and or regular medical services at this site. And we were... in including those, my
6 intention was to exclude those types of retail establishments because that's what I heard from
7 others. And I'm happy to accept amendments to this motion if there is an appetite to includes
8 those back in by changing the language.

9
10 Regarding the minimum square feet, I'm comfortable with changing that to 750 and 25 percent.
11 Is that what the applicant requested?

12
13 Chair Hechtman: I think he said 20 percent and 750.

14
15 Commissioner Templeton: Ok, if my seconder would be happy with that change I'm willing to
16 do that.

17
18 Chair Hechtman: Mr. Alcheck. Commissioner Alcheck.

19
20 Commissioner Alcheck: Yeah, allow me just say for the record that I don't... I would welcome a
21 loosening of the... I will suggest to you that if there is broad support for not allowing dentistry.
22 Then I'm on board because I think that whatever flexibility this group can confer is worth it.

23
24 I think that the 750 versus what was it, 500 before? I think that sounds like we're being tough
25 but I don't think that's necessary either. I don't think a chiropractor needs to have 750-square
26 feet or retail in order to be the kind of tenant that would be a great fit for a space. You know
27 chiropractors normally have between 20 and 35-minute appointments and they see lots of
28 people. And when you walk out of a chiropractor you don't mind going and sitting down and
29 having lunch. Maybe that can't be said about a dentist appointment. You get your teeth worked
30 on, you're not ready to go eat. So, but my point is that I don't know that this requirement of
31 500 or 750 or even more does anything but sound like we're oh, we're being hard. And I don't
32 want to be hard on retail. Not I don't want to be hard on Town & Country. I don't want to be
33 hard on retail and so I would accept if you're willing to change your motion. I will continue to
34 second it and I would even consider continuing to second it even if you were a little more
35 lenient than there but you have my support.

36
37 I think the dentistry question I would rather open up to the rest of the Commission. If there's a
38 friendly amendment and there seems to be support for that and you're willing to accept it.
39 Then I would accept it of course too. I still would like to, at one point, make a friendly

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1 amendment or a second component which recommends that the Council consider using this at
2 other locations but I'm going to save for the end.

3
4 Chair Hechtman: Alright so what I'm hearing is a suggested amendment to your motion to
5 change the 1,000-square feet and 30 percent to 750-square feet and 20 percent and I'm
6 hearing acceptance of that by the maker and the seconder. I'm not yet hearing clear revision on
7 the language local anesthesia which is part of the current motion. Alright, but we've heard from
8 the applicant some concerns about the inclusion of that language so be that as it may.

9
10 So, now we have a motion and a second and with that revision, I see Commissioner... I'm sorry,
11 Mr. Ellis your hand is still up. Is that up again or? Ok, thank you. Commissioner Summa followed
12 by Commissioner Lauing.

13
14 Commissioner Summa: Thank you. So, a few things I'm really uncomfortable with right now.
15 One is that I appreciate Commissioner Alcheck wanting to look at this in a broader way but it is
16 not agendized for the whole City or other locations tonight. So, I don't think we can consider it.

17
18 I... none of us are medical professionals and we're making these nuanced distinctions about
19 medical services that I think are... we're not... we don't have the expertise to make and I think
20 are kind of bizarre. It's either medical or it's not medical and the state regulates that.

21
22 And I will say I think it's a regular for an applicant to take... to participate in motion making and
23 this happened the last time this applicant came and I'm very uncomfortable with that. And I
24 don't think we do that. I don't think we have a process for doing that. I know that an applicant
25 or a member of an applicant team can be called upon at our Chair's discretion but just
26 participating in motion making is to me highly irregular.

27
28 That being said, I cannot support this motion. I don't think we have gotten any further in any
29 understanding of what a retail-like medical use might be. Other than the fact that I have stated
30 before that there are plenty of wellness medical like personal services that are already available
31 to this applicant in this location and that's what I would be comfortable with.

32
33 Chair Hechtman: Thank you. Commissioner Lauing.

34
35 Commissioner Lauing: A couple things on first in terms of content. It's not clear to me that this
36 motion does what I think needs to be done to identify what's in and what's out. I mean it's just
37 the same as it was before which is that it seems like you can do anything you want but I mean
38 who's even going to judge this? Does the Director of Planning have to decide on each retail site
39 if it's fits this or not? You know I just don't feel like this gets us to clarity we're looking for and I
40 don't agree with what I'm hearing from Mr. Alcheck.

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1
2 That as broad as possible, everything should be in. We don't need to go that far. We have to
3 have some demarcation so we know not only what we're voting for, but much more
4 importantly we need to know when somebody applies to become a retailer what's there.

5
6 And with respect to process, you know it's just, here we go again. We're heading towards
7 midnight trying to craft motions. I thought what we had talked about almost an hour ago was
8 to give Staff direction on reworking it and potentially then coming back so we can have the time
9 to in the light of day discuss this. So, I'm uncomfortable with where we are in the current
10 motion and I'm not sure that we should spend another hour trying to amend that motion.
11 Rather than have Staff take some of this consideration and try to build it.

12
13 Now if, as I read this, things like One Medical and Carbon Health and all that are all in the
14 motion and that's part of what I think should be discussed because the specific direction was to
15 get away from medical office uses. And all of those are direct medical office uses so it seems
16 like we're not even accomplishing our objective that we were handed by Council. So, as written,
17 I can't support the motion and I would again rather move this to a week or 2-week from now
18 and get another motion back from Council or sorry, from Staff if we can give the correct
19 direction.

20
21 Chair Hechtman: Thank you. Commissioner Chang.

22
23 Commissioner Chang: Yeah, I think I'm coming out not being able to support it right now. I was
24 really on board when Commissioner Templeton was talking about Day One and this idea that
25 we're going to have kind of a more retail focus. But I'm... I mean maybe because it's so late and
26 I can't think that clearly right now but you know, if we up it only to 20 or if it's only 20 percent
27 or 750, whichever is smaller. So, now I've got two bathrooms worth of space up front for retail.
28 And I do like the addition that Assistant Director Tanner suggested about devoting that space to
29 retail space but that is not a lot of retail space. I understand that if you're doing Invisalign,
30 that's all you need, but I think we're trying to... I mean where I was on board earlier was with
31 this concept of a real retail focus with a couple small office in order to do your lactation
32 consultant or maybe a therapist is there or maybe some... you know.

33
34 So, I actually am more on board with sort of space restrictions but I don't think 20 is enough
35 and you know, whether we use general anesthesia or sorry, not general. Local anesthesia or
36 not, I don't care. If there's a ton of retail space, Botox all you want or whatever it is that you
37 want to do in the backroom or but if there's sufficient retail space. I don't want to limit it and I
38 don't think I know enough to know what I might be limiting by putting that in there. And
39 actually, you know if we want to do urgent care and 50 percent of it is retail space. Ok, maybe
40 that's a creative... I'm having hard trouble visualizing what that business plan looks like for that

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1 tenant but that's not my job. But if there's retail space that's inviting, that with product there
2 that people want to go in and look at. Ok, that works too. So, I think where it right now is not... I
3 think it's kind of missing the mark in both directions and I am not sure I can support it right
4 now.

5
6 Chair Hechtman: Alright, thank you, Commissioner Chang. I'll provide a few remarks. First of all,
7 just to get us all spatially thinking the same way. Just to clarify, 750-square feet is like two
8 bathrooms? Is that what you said?

9
10 Commissioner Chang: No, sorry, just to clarify. 20 percent of some of the small spaces here
11 would be two bathrooms. 750 is great, 750 is pretty good for a small space. Now for a big
12 space, I'm a little bit less clear on that.

13
14 Chair Hechtman: Ok.

15
16 Commissioner Chang: So, I would be wanting to up the percentage and I'm hearing from the
17 applicant that may not work and now I don't know what to... you know (interrupted)

18
19 Chair Hechtman: Alright (interrupted)

20
21 Commissioner Chang: I'm not sure I can be on board with it.

22
23 FRIENDLY AMENDMENT

24
25 Chair Hechtman: Right, thanks for the clarification. So, a couple things, first on the retail health
26 definition. So, I don't... and this really plays off of what Commissioner Chang was just saying. I
27 don't know that the size of the space matters as much as what's happening in that storefront
28 space. And this is where I think we were having a conversation earlier about retail activity
29 upfront and again, you can have very small, very exclusive boutiques that they have a counter
30 and they're only selling three things in that store. You know they're high-end things so I was
31 wondering if instead of expanding the space requirement beyond what we're hearing from the
32 applicant may be workable, if really, we want to have some language in here about drawing
33 revenue from product sales because that's really... to me that's the thing that I've heard a lot of
34 Commissioner talk about. This retail experience that isn't captured right now and that's what
35 would happen in that 20 percent.

36
37 And I guess... so I think we could come up with some language there. What I want... and I
38 looked at it. What I wanted to be careful about is I don't want to demand too much. I don't
39 want to say oh you've got to have 40 percent of your revenue from product sales or any

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1 percentage. It's just it has to be an amount of product sales that's legitimate so as people walk
2 by that there's a store aspect to this retail health business. So, that's a concept I have on that.

3
4 And then I did listen to Vice-Chair Roohparvar on her concerns with the language that I came up
5 with that maybe could be clearer and so I've actually written a follow-up sentence to that to
6 expand it a little bit more. I was thinking I could read that and see if that would address a
7 concern of the Vice-Chair's that might keep her from voting against this motion because right
8 now there's a hole in what I wrote which has been incorporated into the motion. So, let me
9 just... so, I'm going to read the first sentence again and then the new sentence that I've written.
10 Retail health uses shall only be permitted for ground floor space for which an initial lease for
11 this use is executed by December 31st, 2023. The specific space leased for retail health by
12 December 31st, 2023 shall thereafter be allowed to be used for retail or retail health uses. So, I
13 would like to ask the Vice-Chair if that sentence addresses the concern that she was expressing
14 before and she's nodding that it does. And so that being so, I would offer that as a friendly
15 amendment to the motion.

16
17 Commissioner Templeton: I accept.

18
19 Chair Hechtman: Ok and the seconder, Mr.... Commissioner Alcheck? Accepts. Ok, alright so
20 then (interrupted)

21
22 Commissioner Templeton: Are you also going to make an amendment for the other part? Well,
23 I... let me first give you a brief response (interrupted)

24
25 Chair Hechtman: Yeah, thank you.

26
27 Commissioner Templeton: To what you said. I included that because I was trying to incorporate
28 the sentiments that Commissioner Summa indicated were important to her. However, what
29 we've heard in the comments since that this just overall isn't palatable to her. So, I think I'm
30 more flexible in that area. So, if you want to make an amendment, please do.

31
32 Chair Hechtman: So, are you talking about the sale of products idea or the local anesthetic
33 idea?

34
35 Commissioner Templeton: Sale products.

36
37 Chair Hechtman: So, I (interrupted)

38
39 Commissioner Templeton: I don't recall your local anesthetic idea.

40

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1 FRIENDLY AMENDMENT

2

3 Chair Hechtman: Well, I didn't mention it but Commissioner Chang mentioned and I kind of
4 agree that I don't really need that language in the... that carve-out, the local anesthetic. I don't
5 really need that particular carve-out in the definition of retail health. So, I like the (interrupted)

6

7 Commissioner Templeton: And yeah, that's fine with me. I included that because several of the
8 Commissioner had mentioned this interest in services like dentistry. And so, since the applicant
9 is not interested and that's maybe a misinterpretation on my point. We can change that.

10

11 Chair Hechtman: Ok, we have that from the maker of the motion. The seconder, are you ok
12 without including local anesthetic?

13

14 Commissioner Alcheck: Yeah, I said this earlier. I said earlier, I think this concept of flexibility
15 for 5 or 8 or 10 percent included the belief that maybe a dentist office would move in. I thought
16 that was the whole idea and I get if we don't... if we can't get consensus on that. Fine but if we
17 can I'd support that. This is... just to be clear, just so you know Commissioner Hechtman [note –
18 Chair Hechtman] before you make your last amendment. It's like we're talking about flexibility
19 here. So, we can't say we want... you know we want to give you flexibility but it has to look just
20 like retail. There's no lactation consultant that's going to... that's also in the business of selling
21 25 or 35 or 50 percent of a revenue is about selling products. She's not pushing products.

22

23 Commissioner Templeton: Not true, not true.

24

25 Commissioner Alcheck: Well maybe there are. Maybe there are lactation consultant who
26 daylight as product salesman but I think Bye Bye Baby or Bed... whatever that store is, is really
27 taking over that space and frankly Amazon is too. So, all I'm trying to say is, is I think what
28 they're asking for it mix it up and I think one thing that really could have helped tonight's
29 application would have been if Staff brought to us something that was done maybe in a
30 different City or if the applicant demonstrated some examples from other shopping centers.
31 Because I think we're having a hard time imagining but anyways, I support it. I want to hear
32 your amendment.

33

34 Chair Hechtman: So, Commissioner Alcheck, just to clarify. The question put to you is
35 (interrupted)

36

37 Commissioner Alcheck: I support the amendment of not carving out the anesthesia and I'd like
38 to hear what you have to say about the retail selling.

39

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1 Chair Hechtman: The product, right and actually I'd like to hear a little bit from other
2 Commissioners on that concept before I try to hazard some wording. Vice-Chair Roohparvar.

3
4 Vice-Chair Roohparvar: So, I... as you know I agree with the change in the language that you
5 provided in the second part. So, I agree, I think we need to get away from a percentage of the
6 space and focus... that doesn't really mean much to me and focus on the sue. What we want is
7 that retail forward use so either doing it by-product or saying... or being super vague and saying
8 the primary purpose of the space needs to be for retail use with ancillary... I don't know how
9 we want to do it. But my only concern is if we do it with product and say well your revenue has
10 to be 40 percent derived from products. It's hard to track or monetize. So, I'm within concept, I
11 just think we need to flush out and think through how do we focus on having it be retail
12 forward use. I'm open to ideas.

13
14 Chair Hechtman: So, let me ask... well, oh? Ok. Let me ask Staff if we're... you hear us now
15 wrestling with this idea of folding into the definition some flavor or product sales. You know
16 retail sales, not the service side. In your discussions and trying to come up with the language,
17 did you come up with thoughts that might help us with that?

18
19 Ms. Tanner: So, the sales is not a metric that we like to use. So, if you can imagine, what we do
20 as planners is someone proposes an application. Here's my footprint, here's what's going to
21 happen there, here's what I'm going to be doing. It gets approved, they build it out, they
22 operate. We never talk to them again unless they need to change something. So, if you have a
23 brand-new use that does not operate, are they going to show us their business plan of what
24 they think they're going to sell? I guess that's something. If it's an existing use, it's a chain or
25 another brand. They could show us something. It's very difficult to have that be meaningful in
26 my opinion to rely on the sales because at the time of application they have none for that
27 location. So, that's why we kind of went to the percentage dedicated to display and retail. To
28 your point, maybe it's not that many products. I mean I think about your hair salon. I don't
29 know how much shampoo they really sell but they got it at the front. How much percent is
30 that? Again, not a great example but that's kind of why we went to this size because that is
31 what we do review when folks are applying is what the size is located. I have asked Staff if there
32 other metrics that we might use to try to do it but you know we can use it. It's just... I think we
33 would just want to know... the Commission to know that going into it. It's an estimate from the
34 applicant of what they project their revenue sources would be.

35
36 Chair Hechtman: So, I think that was very helpful to me because the phrase you used there was
37 retail sales. and when I look at the language I'm wondering... first of all, I agree entirely that
38 trying to qualify this in terms of a volume of sales or having to track it or measure it, it should be
39 a non-starter, but if we can make clear our intent that there shall be sales, to me, that might be
40 enough and so when I look at the sentence "the use shall include a storefront and entry lobby

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1 design”, it gives the size, “that is consistent with the retail environment.” I’m wondering if we
2 said instead of storefront and entry lobby design. If we said something like storefront and... I’m
3 sorry, it is late. Sales... what was the language you had? Sales... something sales.

4
5 Ms. Tanner: Retail sales?

6
7 Chair Hechtman: Yeah, retail, right. Storefront and retail sales area minimum the square
8 footage. What about changing entry lobby design which could be pretty office like to storefront
9 and retail sales area?

10
11 Ms. Tanner: I don’t know what the other Commissioners think but for Staff, I think that does
12 help to convey the dress of what the Commission may want.

13
14 Chair Hechtman: Any Commission comments on that? Commissioner Lauing, I see you hand up.

15
16 MOTION #2

17
18 Commissioner Lauing: I think these are all very good brainstorming ideas but in this example,
19 for example, the counter would be hey, if we have two chiropractors and we think that’s an ok
20 practice and they don’t have any product to sell. Why wouldn’t we let them lease it? Which
21 brings me to the point of I think we’re kind of waiving here late at night. So, I would like to
22 move to table the motion and move it to a date uncertain which is hopefully 2-weeks from
23 now.

24
25 SECOND

26
27 Commissioner Summa: I’ll second that.

28
29 Commissioner Templeton: Don’t we have a motion in progress?

30
31 Commissioner Lauing: I move to table that.

32
33 Ms. Tanner: The motion to continue supersede the motion on the floor.

34
35 Chair Hechtman: [unintelligible]

36
37 Commissioner Summa: Well, we... actually now we can have substitute motions. It’s in the new
38 handbook so.

39

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1 Chair Hechtman: Yeah but you don't need it here because as Ms. Tanner just said, the motion
2 supersedes and so you've explained your motion. Do you (interrupted)

3
4 Commissioner Lauing: The motion would come back exactly as is and we can be discussing it
5 with the insight from Staff that they bring back and we hear so that they've had to study it.

6
7 Chair Hechtman: Commissioner Summa, do you have any additional information regarding your
8 second that you want to share?

9
10 Commissioner Summa: No, I just think this is... we've gone in the wrong direction I think this
11 evening and I thought we were going in a good place where we were going to have some good
12 direction from Staff. But I think we've gone down a rabbit hole, particularly when we get into
13 thinking we understand what local anesthesia is and how that might be different. I had major
14 surgery and I didn't... on my wrist and I have 16 screws in my arm, not under general
15 anesthetic. So, I think we're just getting into stuff... definitions of things that we're not experts
16 at and that we don't understand and I think we should continue this discussion.

17
18 Ms. Tanner: Might the Commission consider if there is a motion to continue to the 26th of May?

19
20 Chair Hechtman: Commissioner Lauing, is that acceptable to you as the maker of the motion?
21 He's... your... I think you're saying yes. You're muted.

22
23 Commissioner Lauing: I wanted to say that that was preferable. That's what I was hoping for.

24
25 Chair Hechtman: Preferable, ok and Commissioner Summa as the seconder?

26
27 Commissioner Summa: Yes.

28
29 Chair Hechtman: Thank you. Alright, ok we will hear from Commissioner Templeton. Sorry,
30 you're muted.

31
32 Commissioner Templeton: Thank you. I appreciate that it's late and I also don't want to go too
33 much longer because I don't think it's going to be terribly productive. I would love to see this
34 motion just dealt with. You know I think if we vote on it and then we can decide to continue
35 that would seem to be more fair given the investment that we've already made into discussions
36 tonight. I would hate to short circuit it. With all due apologies to Commissioner Lauing, I won't
37 be supporting this motion.

38
39 Chair Hechtman: Vice-Chair Roohparvar.

40

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1 Vice-Chair Roohparvar: I agree. I'd like to see what happens with this motion and I think we're
2 close.

3
4 VOTE

5
6 Chair Hechtman: Mr. Nguyen, will you conduct a roll call vote on the motion on the floor,
7 please?

8
9 Mr. Nguyen: Yes. Commissioner Alcheck?

10
11 Commissioner Alcheck: No.

12
13 Mr. Nguyen: Commissioner Chang?

14
15 Commissioner Chang: Yes.

16
17 Mr. Nguyen: Chair Hechtman?

18
19 Chair Hechtman: No.

20
21 Mr. Nguyen: Commissioner Lauing?

22
23 Commissioner Lauing: Yes.

24
25 Mr. Nguyen: Commissioner... Vice-Chair Roohparvar?

26
27 Vice-Chair Roohparvar: No.

28
29 Mr. Nguyen: Commissioner Summa?

30
31 Commissioner Summa: Yes.

32
33 Mr. Nguyen: Commissioner Templeton?

34
35 Commissioner Templeton: No.

36
37 Mr. Nguyen: The motion does not carry.

38
39 MOTION #2 FAILS 3(Chang, Lauing, Summa) – 4(Alcheck, Hechtman, Roohparvar, Templeton)

40

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1 FRIENDLY AMENDMENT

2

3 Chair Hechtman: Alright, so we have a substantive motion on the floor, nearly 15 and a second
4 and so let me to follow up on the conversation we were having. Let me propose another
5 friendly amendment for consideration by the maker and the seconder of the motion. And that
6 in the definition of retail health to replace in the fourth line after storefront, to replace “and
7 entry lobby design” with “/retail sales area”.

8

9 Commissioner Templeton: Accepted.

10

11 Chair Hechtman: Commissioner Alcheck?

12

13 Commissioner Alcheck: I accept this, I think it’s good guidance.

14

15 Chair Hechtman: So, I think we have... let’s see, let me then restate the changes that are being
16 proposed to the retail health definition A. Adding after general anesthesia the language “or
17 emergency services”, replacing in the fourth line “an entry lobby design” with “/retail sales
18 area”, replacing the 500-square feet with 750-square feet and replacing the 15 percent with 20
19 percent. Do I have all of the changes correctly identified?

20

21 Ms. Tanner: I had that urgent care services was along with emergency services not being
22 allowed but I don’t know if that was the will of the group.

23

24 Chair Hechtman: Was that part of the motion? Sorry, you’re muted.

25

26 Commissioner Templeton: That’s how it was. I... if anyone wants to change that, speak now. I’m
27 very flexible on that.

28

29 Commissioner Alcheck: Sorry, Director Tanner will you repeat that one more time?

30

31 Ms. Tanner: So, there were... so what I have remaining in terms of I think it was letter A was
32 listing certain types of things that could not occur. Certain services and one of the services that
33 could not occur would be emergency services. An additional service that could not occur would
34 be urgent care services.

35

36 Commissioner Alcheck: I don’t believe that Commissioner or Chair Hechtman’s amendment
37 intended to change that. Did it?

38

39 Ms. Tanner: No, it was going back to Commissioner Templeton’s original letter A restatement.

40

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1 Commissioner Alcheck: I think his amendment... my understanding was his amendment was
2 to... was as it related to anesthesia and... well, go ahead Mr. Hechtman.

3
4 Chair Hechtman: Yeah, no, I think the problem is that I didn't include it in trying to restate the
5 motion and that was an unintentional oversight on my part. So, in addition to after general
6 anesthesia or emergency services or urgent care.

7
8 Ok and then the motion also includes a rewrite of Subpart D which is now comprised of two
9 sentences which were read into the record earlier. And then I heard Commissioner Alcheck
10 mention a couple times that he has a friendly amendment regarding really just direction to
11 Council I think to have Staff look at other places throughout the City that might benefit from
12 being able to use retail health and I'd be supportive of that concept.

13
14 Commissioner Templeton: Let me correct, I don't believe he can direct Council.

15
16 Commissioner Alcheck: I literally could not have said it better. I could not have said it better so
17 if you don't mind maybe you could make (interrupted)

18
19 Commissioner Templeton: Lets... I don't think direct is the right word.

20
21 Chair Hechtman: Sorry, recommends to Council that instead of direct Council.

22
23 FRIEND AMENDMENT

24
25 Commissioner Alcheck: Yeah, I think that's exactly the language. Look, everything we're doing is
26 a recommendation and I would recommend that Council consider application of this retail
27 health flexibility to other shopping centers in the community. I wish that was what was before
28 us tonight. And I hope that... I think Council might say well if they want it, let them ask for it and
29 I hope they do if they want it and I hope they know. But we're suppose to do this at some point,
30 retail discussion, it's coming and this is a precursor to some extent so.

31
32 Chair Hechtman: So, I think that's a proposed friendly amendment. I put that to the maker of
33 the motion. Commissioner Templeton says accepted, Commissioner Alcheck accepts. Ok, so we
34 have a motion and a second. Is Staff clear on the motion? I'm seeing Ms. Tanner say yes. So,
35 Mr. Nguyen please conduct a roll call vote on the motion on the floor.

36
37 Mr. Nguyen: Commissioner Alcheck?

38
39 Commissioner Alcheck: Thankfully yes.

40

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1 Mr. Nguyen: Commissioner Chang?

2

3 Commissioner Chang: No.

4

5 Mr. Nguyen: Chair Hechtman?

6

7 Chair Hechtman: Yes.

8

9 Mr. Nguyen: Commissioner Lauing?

10

11

12 Chair Hechtman: Muted.

13

14 Commissioner Lauing: Yep, sorry, no.

15

16 Mr. Nguyen: Vice-Chair Roohparvar?

17

18 Vice-Chair Roohparvar: Yes.

19

20 Mr. Nguyen: Commissioner Summa?

21

22 Commissioner Summa: No.

23

24 Mr. Nguyen: Commissioner Templeton?

25

26 Commissioner Templeton: Yes.

27

28 Mr. Nguyen: The motion carries 4-3.

29

30 MOTION #1 PASSED 4(Alcheck, Hechtman, Roohparvar, Templeton) -3(Chang, Lauing, Summa)

31

32 Chair Hechtman: Alright thank you to members of Staff who hung out for the duration of that
33 dialog. Thank you for the... to the applicant and thank you to my fellow Commissioners for what
34 is just always respectful conversation, even when we're not seeing eye to eye so I greatly
35 appreciate that. We're going to move now to approval of minutes, Item Five. We have April 14th
36 draft PTC minutes as revised.

37

38 Commissioner Lauing: Excuse me, Chair?

39

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1 Chair Hechtman: Did I miss... oh, I did. I'm sorry, it's the lateness of the hour. I did not ask
2 people to speak to their no votes. Forgive me.

3
4 Commissioner Lauing: Yes.

5
6 Chair Hechtman: So, thank you for reminding me. So, we'll start with you Commissioner Lauing.

7
8 Commissioner Lauing: Yes, so I think that the... there's a huge problem with the definition that
9 we ended up with because there's no jurisdiction on what's in and what's out. Which means
10 that not only is it extraordinarily broad but there's no deciding factor as to what's in or what's
11 out in my view.

12
13 Secondly, as I said in my comments, I support the extension of a valid retail medical ruling to
14 other areas and I do not think it should just be applied. So, I would kind of supported that last
15 amendment. Thank you.

16
17 Chair Hechtman: Sorry, I'm in transit here between rooms. Commissioner Summa, would you
18 like to speak to your no vote?

19
20 Commissioner Summa: Sure, thank you so much. Yeah, I don't think we add to any clarity. I
21 think this is a confusing and weak direction to give. I don't think it satisfies any sense of retail
22 and I don't think it's going to result in anything clear or good and I'm very sorry that it went
23 down the way it did. And I also... I just want to mention again that I don't think it's typical that
24 we allow an applicant to participate in making the... clarifying the motion and I wouldn't like to
25 see that again. That's the second or third time it's happened now and I'd be happy to hear our
26 legal representative chime in on that. Thanks.

27
28 Ms. Tanner: I don't know if you want that response now or if that was (interrupted)

29
30 Chair Hechtman: I'm having (interrupted)

31
32 Ms. Tanner: I mean I would offer no legal advice but if we were in a room together, the
33 applicant might raise their hand and indicate they want to speak. So, we could go over what our
34 Zoom protocols are for such interaction because if in the Chamber and then if you physically
35 see the hand. Then the Chair can decide to recognize or not recognize and so you know we
36 could review that type of protocol for the Zoom meetings. I don't know Mr. Yang if you had any
37 legal to advise upon in terms of participation by applicants and other [unintelligible – audio cut
38 out].

39
40 Mr. Yang: I guess if the Chair... with Chair's permission?

-
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Chair Hechtman: Please.

Mr. Yang: As Commissioner Summa mentioned earlier, the Chair is always able to recognize the applicant and I think it is actually fairly typical. If there is a motion that is made that differs from what the applicant has initially sought for... before there is a vote on that motion to seek the applicant's input. So, you know, I'm not sure if there is a difference in the precise timing of seeking that input from what the Commission has done in the past but in general, the overall structure is fairly typical of any governing body.

Chair Hechtman: And frankly that has been my experience representing applicants in front of Planning Commissions and City Council all over the south bay. That there are times when they raise some new piece of information and I want to speak to it. And I raise my hand and the Chair has the discretion to recognize me or not. Sometimes they do and sometimes they don't but it's always been my understanding that that's within the Chair discretion. Commissioner Chang, would you like to speak to your no vote? Please do.

Commissioner Chang: Thank you. So, I was really excited the direction this was heading but then now I'm just concerned that we've don't done enough to make this truly retail health. I'm worried that what we've done is essential forced just any medical office to have a larger lobby. So, that's why I voted no. Thank you.

Chair Hechtman: Thank you for your brevity and explanation. Commissioner Alcheck, I see your hand up but you voted yes. So, is it related to this item?

Commissioner Alcheck: I want to suggest that I think this is the second or third time that the... you're allowing applicant to speak has been challenged and I think it's the second or third time our legal counsel has clarified that it's not legally problematic. And I think that we should address that and we should deal with that because I don't like the insinuation. I particular... I have been consistently attacked in the press with... or even in the forums suggesting that somehow the relationship with applicants is too close. I've never met this applicant, I don't know this applicant, and what did you tonight allowing the applicant to provide clarity is totally within the reasonable expectations of Planning Commissions all over the state. And already twice, in this calendar year, our legal counsel has suggested that. So, the continued statement and the continued challenge gives the impression in my opinion to the community that there's an unethical act. And it calls into question the way we are working and I think that that's unhealthy. And so, I'm... I decided to raise my hand and make this point because I take it personally and I find your integrity to be above reproach and I appreciate your leadership. And I will consistently appreciate the legal counsel stepping in to defend what you're doing and I thank them for that.

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2 Chair Hechtman: [unintelligible – muted] Commissioner Alcheck, I guess I will say that it's... the
3 hour is late and while this did come up at a prior meeting, not 10-minutes ago I forgot
4 something that Ms. Tanner said not 30-seconds after she said it. I couldn't repeat it even
5 though I was trying to. So, the fact that at this late hour, Commissioner Summa may have raised
6 something that was raised before and maybe didn't remember that, I don't have any problem
7 with that and I do think it's important for us to have rules that we all understand and so
8 hopefully now this rule is understood and won't come up again. But I don't fault Commissioner
9 Summa for making sure she understands. So, with that, I would like to move now to the
10 approval of the minutes.

11 **Commission Action:** Motion by Templeton, seconded by Alcheck. Pass 4-3 (Chang, Lauing,
12 Summa against)

13 **Commission Action:** Motion by Lauing, seconded by Summa. Fails 3-4 (Alcheck, Hechtman,
14 Roohparvar, Templeton against)

15 **Approval of Minutes**

16 Public Comment is Permitted. Five (5) minutes per speaker.^{1,3}

17 5. April 14, 2021 Draft PTC Meeting Minutes

18 Chair Hechtman: And I see no hands but I'd like to see a hand to approve the April 14th minutes
19 as revised. Commissioner Summa.

20
21 MOTION

22
23 Commissioner Summa: So, moved.

24
25 Chair Hechtman: A second, please? Please.

26
27 SECOND

28
29 [note – Commissioner Alcheck held up two fingers to second the motion]

30
31 Chair Hechtman: Thank you. Commissioner Alcheck, seconds that motion. Mr. Nguyen, can we
32 have a roll call vote, please?

33
34 Mr. Vinh Nguyen, Admin Associate III: Commissioner Alcheck?

35
36 Commissioner Alcheck: Aye.

37
38 Mr. Nguyen: Commissioner Chang?

-
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Commissioner Chang: Yes.

Mr. Nguyen: Chair Hechtman?

Chair Hechtman: Yes.

Mr. Nguyen: Commissioner Lauing?

Commissioner Lauing: Yes.

Mr. Nguyen: Vice—Chair Roohparvar?

Vice-Chair Roohparvar: Yes.

Mr. Nguyen: Commissioner Summa?

Commissioner Summa: Yes.

Mr. Nguyen: Commissioner Templeton?

Commissioner Templeton: Yes.

Mr. Nguyen: The motion carries 7-0.

MOTION PASSED 7(Alcheck, Chang, Hechtman, Lauing, Roohparvar, Summa, Templeton) -0

Chair Hechtman: Thank you.

Commission Action: Motion by Summa, seconded by Alcheck. Pass 7-0

Committee Items

Chair Hechtman: Are there Committee items?

Ms. Rachael Tanner, Assistant Director: I think the one Committee we had, the XCAP is concluded and then Housing Element, I think everybody's pretty much up to speed. We did have our first working group which Commissioner Lauing is on but it was similar I think information to the joint meeting on Monday. So, I don't think there are any updates from the Housing Element group and the NVCAP is chugging along. I will say we are bringing NVCAP to City Council on June 14th so mark your calendars.

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1 Chair Hechtman: Thank you for that.

2 **Commissioner Questions, Comments or Announcements**

3 Chair Hechtman: We will move to Commissioner questions, comments, announcements, or
4 future agenda items. Commissioner Lauing.

5
6 Commissioner Lauing: Yeah, let's end this meeting on a high note. I just wanted to report that
7 the Lauing fleet is now 50 percent electric. We traded in a carbon-spewing automobile and got
8 a bolt. A Chevy bolt. Very tiny, very effective and we're taking Zoom meetings now with Aptera
9 to learn how to run it and charge it and everything. So, put our money where our mouth is. Just
10 reporting it.

11
12 Chair Hechtman: Commissioner Templeton.

13
14 Commissioner Templeton: Thank you, Chair. Commissioner Lauing, I have to say wise choice. I...
15 we have a bolt and we love it and I've never appreciated having an EV so much as this week
16 watching the east coast troubles with their ICEs. So, congratulations, I hope you love it as much.
17 What color did you get?

18
19 Commissioner Lauing: Greyish, greyish. Silver greyish.

20
21 Commissioner Templeton: It's pretty, it's great. I hope you love it. The comment I wanted to
22 make, also wanted to address the tone in the room is that I thought we had a really good
23 discussion tonight. And I anticipated that we might continue and continue our discussion and
24 that you would make that motion to continue after we vote on my motion. So, I... it wasn't my
25 intention to cut that conversation short, just as I'm sure it was not your intention to cut the
26 conversation on the other motion short. I think we have a lot of say and there is still a lot of
27 work to do on this. So, I'm glad that we included the idea of diving in further on a broader... in a
28 broader on this topic so that we can refine things and get to the level of specificity that you are
29 hoping for. So anyway, Commissioners I appreciate the chance to have had the dialog tonight
30 and I hope that we will come out at the end of it.

31
32 Chair Hechtman: Vice-Chair Roohparvar.

33
34 Vice-Chair Roohparvar: I'll be brief and maybe we don't want to take this up right now but at
35 one of our prior meetings two things. We discussed whether we want to... we'll we discussed
36 coming back as we got closer to the date whether to take 7/28 and 8/11 off and those were
37 called to the start week and I think it corresponded with City Council's summer session that
38 they take off. So, I don't know if we wanted to pick that up now or maybe at a subsequent
39 meeting but we did say at a prior meeting we would do that.

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2 And then I guess the secondary issue, I don't know if you want to raise is Chair Hechtman or we
3 do it now but the retreat. It might be too late to open up these topics but I just wanted to put it
4 on people's radars. So, we do have those two outstanding issues.

5
6 Chair Hechtman: Yes, thank you Vice-Chair. So, I would like to use what you just said to really
7 tie these two potentially related items up for Commission discussion at the end of our next
8 meeting which I am thinking is going to be shorter. It looks like it from the agenda. Whether we
9 want to recess for the last meeting in July, first week... first meeting in August and potentially
10 related to that, I'd like some feedback from those five Commissioners who have been to
11 retreats in the past, whether they think it's worthwhile and we should think about one this
12 year. So, those are things for next time. Commissioner Summa.

13
14 Commissioner Summa: So, oops, oh, I'm on. So, we are supposed to do our... Assistant Director
15 Tanner will help me remember.

16
17 Ms. Rachael Tanner, Assistant Director: Work plan.

18
19 Commissioner Summa: Our work plan for the Council. So, we should probably do that before, I
20 don't know, half the year is up because that's a new requirement. So, I think we need to think
21 about that.

22
23 Chair Hechtman: Good point. Alright, any other Commissioner comments or announcements? I
24 will point out... well, you can't really see me pointing. How do I do that? That the... perhaps the
25 next time we meet that connecting piece will be in place. We'll keep our fingers crossed and
26 with that, I am going to adjourn tonight's meeting. Thank you.

27 **Adjournment**

28 11:56 pm

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