



**CITY COUNCIL  
COMMUNITY DEVELOPMENT AGENCY  
MINUTES**

**Tuesday, June 19, 2007  
7:00 p.m.**

**701 Laurel Street, Menlo Park, CA 94025  
Menlo Park City Council Chambers**

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**4:30 p.m. CLOSED SESSION** (First Floor Conference Room - Administration Building)

**ROLL CALL** – Fergusson, Cohen, Boyle, Cline, Robinson

**A. CLOSED SESSION**

1. Closed Session pursuant to Government Code Section §54957 to discuss selection and appointment of the City Manager position. Parties present: City Attorney William McClure, and Personnel and Information Systems Director Glen Kramer.

**5:00 p.m. STUDY SESSION**

1. Consideration of options on the next steps on the El Camino Real/Downtown Visioning and Planning Process. (Staff Report #07-110)

The Study Session began at 5:24 p.m. with all Council Members present. Mayor Fergusson announced that there was nothing to report from the Closed Session.

The Mayor introduced staff present, followed by Shawna Wilson Mora, with Peninsula Conflict Resolution Center, who facilitated the Study Session. Mayor Fergusson made opening remarks commenting that this effort is one of the most important projects the City will be addressing this year and that the Council is expecting that this will be an excellent process involving residents and producing results that everyone can be proud of. Ms. Wilson Mora outlined the agenda for the evening and read a goal statement previously agreed upon by Council. Council consensus was that public comment would be heard after the staff report.

Justin Murphy, Acting Community Development Director, presented an overview of the progress to date. Council Member Robinson asked if Dyett and Bhatia were under contract to do the review of historical documents. Mr. Murphy explained that Dyett and Bhatia prepared a draft scope of work and that staff will be continuing to work with them to refine the scope. He further stated that Dyett and Bhatia are on track to report out at the end of August. Mr. Murphy clarified that the consultant is not officially under contract.

**Public Comment**

Chris Bui thanked Council for holding a meeting on this issue. He spoke about interactive meeting tools whereby residents can use a voting mechanism in real time to establish a baseline of people's preferences.

The Council subcommittee members provided a brief summary of what work has been done thus far. Council Member Cline explained that this has been a 2 1/2 month process and many consultants have been interviewed. In addition, the subcommittee also researched what other communities have done. Council Member Boyle said that a good process has to build trust and inclusion. The Mayor added her support for the educational speakers' series, the community engagement process and the Request for Proposal (RFP). Council Member Cline clarified that the RFP was for the design portion of the process. Council Member Robinson does not want artificial timelines because he believed that a good process will be ongoing with the vision rolled out in the next 10 to 15 years and there will be a need for a body to carry it through. His preference was to get the process started through a community meeting that is well advertised and pose specific questions to the public. He would like something started sooner rather than later. Council Member Boyle agreed in part with Council Member Robinson but he struggled with the fact that for him the design of the process is a gray area. He is not clear on who

does what. Council Member Boyle would like clarity on the desired outcome. He suggested a Precise Plan as the goal but he wondered about its elements. Council Member Cline concurred that the result will probably be a Precise Plan and he reiterated that he sees this as being a large endeavor with a newsletter, a web page and many opportunities for residents to form work groups and provide input. Council Member Robinson stated that most people would probably agree with the big picture vision for the downtown which includes a walkable downtown, a vibrant retail, some sort of housing, traffic that flows freely and a good transit center. Council Member Cline added that the process needs to include marketing efforts and an allowance for the community to drive it. He opined that once it is a Council or staff effort it dies with an election because it is not community driven. Vice Mayor Cohen said that the process cannot be defined from beginning to end before the first meeting and there should be a second stage that gets us close to the final vision. He had questions about the steering committee and/or subcommittee and what authority each should have, what they are going to do, and who should be on it. He further suggested separating the two-phases: 1) community engagement and 2) creating the deliverables.

Council Member Robinson wanted to ask some questions but not overwhelm the public with consultant expertise. He did not want the options on the table before the public had a chance to share its vision. Council Member Boyle suggested hiring a consultant that has done this before and have them work with the community. He suggested that the subcommittee come up with an RFP for a process. Council discussed the various approaches. Council Member Boyle explained that he believes that the education needs to occur first and he does not see a community meeting starting in parallel. The Council discussed when a working group should be created and Council Member Cline commented that it should be at the kick-off meeting. Mayor Fergusson suggested August 28 as a date for the kick-off meeting with broad community participation and having all Council Members present. In addition, she asked that the Council use all its abilities to invite residents to attend this meeting and have PCRC facilitate it. Such a meeting would precede the educational sessions, she said she supports a subcommittee to shepherd the process and she liked Council Member Robinson's idea of the "blank slate".

Vice Mayor Cohen stated that he did not agree with the timeline presented by Council Members Cline and Boyle. He was regretful that because of Brown Act concerns he was unable to work with anybody on this issue. Vice Mayor Cohen encouraged the two previous subcommittee members to continue working together on this issue. He suggested that the steering committee be formed by the community and the Council. Vice Mayor Cohen acknowledged the work done by Council Members Boyle and Cline.

Mayor Fergusson added that Vice Mayor Cohen's suggestion of getting PCRC involved in this meeting was good. Mayor Fergusson was content with having the speaker topics arranged by the subcommittee. She mentioned some of the topics she would support such as transfer of development rights. Council Member Boyle said he would be glad to be re-engaged in the subcommittee since there is no clear picture or a plan. Council Member Robinson wanted to allow Council Members the flexibility to provide additional ideas for the speaker's series. Council reached agreement on the subcommittee being composed of Council Members Boyle and Cline and the following items: i) holding a community kick-off meeting on August 28, 2007; ii) creating a Working Group by Council appointment; iii) holding educational meetings (speaker's series) with Dyett and Bhatia leading that process after the August meeting (possibly weekly meetings); iv) having the working group set-up the parameters for the RFP process and look at the topics for the speaker's series. No formal action was taken at the Study Session.

*Mayor Fergusson announced a three-minute break. The Council resumed at 7:10 p.m.*

## **7:00 p.m. REGULAR BUSINESS MEETING – COUNCIL CHAMBERS**

**ROLL CALL** - Fergusson, Cohen, Boyle, Cline, Robinson

Mayor Fergusson reported that there was nothing to report from the Closed Session.

**Staff present** – Interim City Manager Steffens, City Attorney McClure, Acting Assistant City Manager Heineck and City Clerk Vonderlinden. Other City staff was present in the audience.

## **PLEDGE OF ALLEGIANCE**

### **A. COMMISSION REPORTS**

1. Commission member and Chamber of Commerce reports. None.

### **B. PRESENTATIONS AND PROCLAMATIONS - None**

### **C. PUBLIC COMMENT #1**

Joe Webb recommended a book on State of Emergency and the pledge of allegiance. He said that the United States has lost Miami and will probably lose Los Angeles to the Hispanic population. He commented on an incident that occurred and that he believes he was the victim of a hate crime.

Louis Calabro said he is the President of the European American Issues Forum and he is upset with the incident that presumably occurred with the previous speaker. He said that the Police Chief witnessed the threat. He noted that he would pursue the matter with the District Attorney.

Kristi Breisch addressed the Council saying that she is a member of the Project Read Advisory Board and she highlighted events that have taken place promoting this program. Ms. Breisch complimented Ms. Roberta Roth, City Staff, for her work with this program. She also complimented Mara Mintzer, City Staff, for her collaborative efforts with the school.

### **D. CONSENT CALENDAR**

1. Authorize City Manager to enter into a contract with BMI Imaging Systems Inc. in the amount of \$41,619 to convert historic records stored on microfiche and aperture cards to a digital format for the Building Division. (Staff Report #07-104)
2. Authorize the City Manager to enter into a contract with the Ravenswood City School District in an amount not to exceed \$80,000 for the delivery of food services at the Belle Haven Child Development Center. (Staff Report #07-105)
3. Approval of the minutes for the City Council meeting of May 8, 2007. (attachment)

**M/S Boyle/Cline to approve the Consent Calendar as presented. Motion carries 5-0-0.**

### **E. PUBLIC HEARING - None**

### **F. REGULAR BUSINESS**

1. Consideration of options (and possible direction) on the next steps of the El Camino Real/Downtown Visioning and Planning Process. (Staff Report #07-110)

Kent Steffens, Interim City Manager, summarized the Council consensus from the Study Session by stating that the Council Subcommittee would be re-established with Council Members Boyle and Cline, there was Council interest in a speaker's series for which staff would work with Communities by Design to help organize, and there was consensus to work with PCRC to organize a kick-off event on August 28, 2007. He further commented that staff would work with the Council Subcommittee on the details of the kick-off event and that work by Dyett and Bhatia would continue and may come forward with the kick-off event. Mr. Steffens asked that the date of August 28, 2007 be kept flexible so that the event could be scheduled to attract the best community turnout possible. He stated that there would likely be a need for a budget for the speaker's series and suggested a budget of \$25,000 to engage Communities by Design and PCRC. He suggested that the RFP for a consultant to assist with the community outreach and the formation of a possible working group could occur after the kick-off meeting.

Council asked for clarification on the tasks to be completed by Dyett and Bhatia. Mr. Steffens explained that three tasks have been identified, including the assessment of the City's historical planning efforts, a peer review of outreach and planning processes used in other communities, and a study of medical office use, and that the medical office study element would exceed the originally authorized \$25,000 budget. Mr. Steffens stated that staff was hoping that the first two elements could

be completed within the \$25,000, but that this would be somewhat dependent on the end product to be produced by the consultants. Acting City Manager Steffens proposed that the additional work by the consultant be discussed with staff, the subcommittee and PCRC with the understanding that the \$25,000 budget previously authorized by Council would not be exceeded.

Vice Mayor Cohen provided an overview of difficulties regarding the membership of the subcommittee and his activities in the past month, including discussing the concept of a steering committee with some residents. In response to a question by Mayor Fergusson, Acting City Manager Steffens stated that staff would look to using PCRC in the short term but said that following the kick-off meeting, it would be appropriate to do an RFP for the larger outreach process.

**M/S Cline/Robinson to reformulate the original subcommittee of two Council Members (Boyle and Cline), and approve a budget adjustment of \$25,000 for the speakers' series. It was acknowledged by the Council that the previously approved budget of \$25,000 would be used for Dyett and Bhatia's review of historical City planning efforts and the peer review of other communities. Motion carries 5-0-0.**

Interim City Manager Steffens said that he will work with the Council subcommittee and PCRC to organize a great kick off event with the date to be determined.

The Council discussed time management options for the rest of the items on the agenda.

2. Adoption of Resolutions Nos. 5746, 5747, 5758, 5749, 5750, 5751 adopting the 2007-08 Budget and Capital Improvement Program for the City of Menlo Park; and establishing the appropriations limit for Fiscal Year 2007-08; and establishing a reduction in Utility User Tax Rates to be effective October 1, 2007. (Staff Report #07-106)

Mr. Steffens presented a brief presentation on the item, sharing a matrix of various possible rates for the Utility User's Tax (UUT).

Council asked questions of staff regarding the various budget components. Council Member Robinson asked questions about the expenditures over the last five years and Mr. Steffens provided details on the expenses and how staff can never exceed the budgeted amount. The variance on the revenue side was questioned and Ms. Augustine explained factors that impacted it such as property tax revenues, ERAF refunds and sales tax revenues. Council discussed the Information Services (IS) staff addition. In response to a question by Council regarding a comparison of a full time consultant versus a FTE (full-time equivalent), Mr. Steffens said that the dollar value was looked at and the FTE is the better value. He also said that this is a restored position that was previously in existence and that no services were cut when the position was cut. Mr. Steffens noted that staff has struggled to meet the needs of external and internal customers. Council Member Cline asked about the full time cost of this added position. Interim City Manager Steffens said that it will be about \$100K a year, adding that using contract services versus full time staff is a valid option but the best option would be to hire a full time employee.

Questions were posed about the newsletter. Mr. Steffens explained that the newsletter was discontinued as a savings strategy and staff would like to reinstate it. Regarding the IS position, Council Member Boyle said that there are some costs that are not recognized in staff's analyses. Mr. Steffens confirmed that with contract services there is more flexibility. Vice Mayor Cohen shared concerns that certain Council priorities were not funded i.e. El Camino Real and Green Ribbon Citizens Committee (GRCC). He asked about upgrading financial software. Interim City Manager Steffens explained that the current financial software package is robust enough but a forecasting model was included in the budget. Mayor Fergusson spoke about the budget projections over time and Mr. Steffens explained that there have been savings because of vacancies and this has impacted the organization. Mayor Fergusson spoke about staff's recommendation to draw down the General Fund reserve for the Other Post Employee Benefits (OPEB) liability as well as the Menlo-Atherton Performing Arts Center. She welcomed public comment even though the official public hearing had been closed.

Public Comment

John Liu addressed the issue of sidewalks on Woodland Avenue. Mr. Liu spoke about the issue of reverse traffic and the number of cars in that area. He said that the use of Woodland has changed but the regulations have not changed and there are no street lights outside and there are many blind curves within the area that are a concern. He asked for Council to accept a petition and take action.

The Mayor asked the City Clerk to summarize the petition. Ms. Vonderlinden acknowledged receipt of the petition but she had not read the full document. The City Clerk said the document was distributed and was available for public review.

Dana Shields spoke about the petition she submitted to the City Clerk last week and how it included going to 49 homes and receiving 42 signatures. Seven residents were not available. She gave details about the petition to install a sidewalk on a two block area of Woodland Avenue and the fact that the area is unsafe. She said that fear was the motivator for this petition and she submitted a map.

Elizabeth Houck stated that she had not seen the survey that went out to residents. She spoke about the rule of thumb that if a project has a timeline then it should be a consultant position and not an FTE. She implored Council to be good stewards of the public and the UUT and be creative by thinking outside of the box.

Katie Ferrick spoke about the UUT and how it should be based on a general fiscal data. She does not think this should be a political decision. She hoped Council would consider the rate of the UUT based on the truth of the numbers and the needs of the City. She asked Council to base it on the numbers and not on unscientific surveys.

Henry Riggs said that staff has responded to community concerns and he is pleased. He finds the projection quite conservative. He said that Council has been asked to repeal the UUT and he asked Council to respond to these voters.

Council Member Cline found the budget process and documentation very well done. He found that more people understand the budget and it is more transparent. He said the budget is conservative and he agrees that it should be. Council Member Cline does not think an IS position is needed right now. He supports the Finance position but did not feel he could support the Community Engagement and Business Development positions. He said the UUT passed by a small margin because people will help when it is needed but they need to be sure of the numbers. He does not find a real necessity for the UUT and so he supports a zero tax. He believes the budget variance that is typical in most budget years will cover the deficit. He disagreed with the projections because in his opinion property taxes will come in higher.

Vice Mayor Cohen stated that there are unfunded Council priorities and he would like to see the numbers before he reduces the UUT. He is concerned that the City has been on a belt tightening mode for many years and he cannot support a UUT reduction. Council Member Robinson supported the staff recommendation on the budget additions related to staffing. On the Community Engagement and Business Development positions, he did not want to fill the position for six months to give the new City Manager an opportunity for input. Council Member Robinson said he takes the Woodland Avenue petition seriously. He asked staff if something else could be delayed in order to get this done as soon as possible. Council Member Robinson said that regarding the GRCC he would like to see all the items on the list addressed and he would also like some landscape improvements throughout the city. He would like goals associated with trees such as planting 100 trees per year. He spoke about the idea of a management reserve to give the City Manager some flexibility in implementing some of the ideas that are not fully fleshed out. On the UUT Council Member Robinson said that with all due respect the survey does not have much validity to him because it was not scientific and it targeted a small portion of the population. He appreciated the input from the respondents but he found the questions slanted. He is frustrated by quotes that speak about the surplus and he does not agree with these comments. He stated that the reasons for last year's surplus have been explained, and noted the \$3.4 million decrease in the Capital Improvement Project (CIP) fund. Council Member Robinson said he could consider going with a zero UUT but Council will only know in December of 2008 what the real situation is. He said the challenge is figuring out the rate that is sustainable and he believes it is always easier to lower the rate than to raise it.

Council Member Boyle agreed with Council Member Robinson on the budget variance and he said that for the past 10 years there has been an average variance of \$4.2 million and so he believes that is the real issue. He said that so far there is a \$2.2 million dollar variance this year and he recognizes that the budget is designed to be conservative. He is comfortable with setting the UUT at 0% noting that it could be revisited later. He said that the UUT was sold on not cutting services and now there are no cuts on the table and in fact the Council is talking about expanding. He said the budget is about increases and not decreases and so if we are talking about expanding then we should not keep the UUT. He believes that General Fund reserves can support the worse case scenario of a \$10 million decrease. In his opinion the City is in good solid financial shape. Council Member Boyle said he would like to revisit some of the initiatives in six months but set the UUT at 0%. Council Member Boyle supported Council Member Robinson on the Woodland Avenue issue but he hesitates to jump at whatever he characterized as the hot issue at the dais. He would encourage pushing staff to prioritize the sidewalk master plan to get it done by the end of this year and then review it at the mid-year report. On the staffing additions, Council Member Boyle supported allocating the funds but not filling the positions. He believed the new City Manager needs to be in place prior to making these hiring decisions. He believes there are hidden costs in hiring employees whereas when consultants are used there is greater flexibility.

Mayor Fergusson commented that the City has made a concerted effort to get finances in order and she believes that everything needs to be looked at in a long term context. She explained that philosophically this is not a corporation but a municipal government. She is not comfortable with not filling vacant positions and she supported the staff recommendation on the UUT. On the staff positions that are being proposed she thinks these positions represent services that residents will benefit from and will pay off in real revenues like the Business Development area. In fact, Mayor Fergusson shared her frustration with not meeting the top 50 sales tax producers in the city due to lack of staff time and not enough time to follow up on it.

Vice Mayor Cohen thanked Council Member Robinson's read on the GRCC report and for the freshness of his analysis and the new information he brings to him. He supported the idea of a manager's reserve and he said that the trees issue is a really good one and he supports addressing this issue. Regarding Woodland Avenue, he said that it needs to be fixed. With the other items he believes that \$2 million dollars should be put aside to cover the El Camino Real, the GRCC issue and the Woodland Ave. issue. He repeated his resistance to lowering the tax and he said that this has been a political football and so he does not agree with the statement that the tax can be easily increased. Vice Mayor Cohen said that looking at the tax impact on his own life he insists that the wisest act is not to act on the tax. He acknowledged the belt tightening mode the City has endured for the last five years. Council Member Cline said that the simple reason why he cannot support the tax is that the City is doing well and so he is fine without the tax. He said that Council Member Boyle did a good job showing the historical items related to this. He does not find a justification for the tax in the current context. He believes the City will do well again this year and the financial indicators seem to be showing things in that direction and he does not want to rely on the voters' pocket books. He believes Menlo Park is in a healthy position and he agreed with Council Member Boyle that it is easier to increase the tax than to lower it.

Mayor Fergusson outlined the various items before Council and the action needed. Council discussed specific questions regarding the UUT and how it works to lower or increase it. Finance Director Augustine said that there were notification requirements to the utility providers as they are collecting and remitting the tax and there are also notification requirements so large utility users can discern if the \$12,000 fixed cap is still beneficial at a lower rate. She added that staff needs lead time to communicate with these customers. Mayor Fergusson would like to compare the City's reserves with other cities' reserves and she is looking to the Financial Analyst position to do some of this analysis. Ms. Augustine made comments about the current Menlo Park reserve. She added that the level of reserves the Council wishes to maintain is a topic for Council discussion and it is a Council decision.

**M/S Robinson/Fergusson approving the staff recommendation on staffing additions including, the Information Systems position, Finance position, two traffic enforcement Police positions and the Transportation position. The motion included allocating funds for the Business Development and Community Engagement positions but not filling the positions until the new**

**City Manager has an opportunity to review the situation and return to Council with a recommendation.**

Council Member Cline said that he would not support the IS position because he wants no tax and he finds that a consultant could be used instead of a permanent position. Vice Mayor Cohen made a case for the IS position because of the increased demands on this area of the organization. Council Member Cline supported allocating the funds but not for the IS position. Council Member Boyle said that these additions represent an increase of 15 people whose positions are hard to change down the road. He would prefer being careful because there is already over \$1 million being spent on IS support to staff. Council Member Boyle would support allocating the money for IS and the Community Engagement but not adding FTEs.

**As a compromise Council Member Boyle offered to allocate the funds for the Information Services, Business Development, and the Community Engagement positions and have staff come back after the permanent City Manager is in place. This was a friendly amendment that was accepted by maker and seconder of the motion.**

City Attorney McClure asked for clarification on what this represents and Council Member Robinson said that the expectation is that the City Manager will have to come back to Council regarding these positions.

**Motion carries 5-0-0.**

Council discussed the UUT and Council Member Boyle said that he was working under the premise that the UUT was to prevent cuts. Vice Mayor Cohen explained that part of preventing cuts is looking at what the City needs and he looks back and he knows that we are 30 FTEs down from four years ago and so adding these 15 is only half of what we originally had. Mayor Fergusson reiterated that for the Dispatch Center it is not fair to include them because the revenues are coming in to fully cover those added employees. Mayor Fergusson explained why each position to be added will be saving the City money and providing added services to the public. Council Member Boyle said that the UUT was to prevent further cuts and what the Mayor is referring to is restoring prior cuts, for him there is a difference and that is not how the tax was pitched.

In regard to the list of recommendations from the GRCC, the issue of trees was discussed and Council Member Robinson asked Mr. Steffens to elaborate on this topic. Mr. Steffens explained that in terms of the reforestation programs there is currently \$100,000 for the study but there is no funding for implementation. Mr. Steffens explained that at \$800 per tree replacement on City property, the sum of \$80,000 would fund approximately 100 trees. At the request of Vice Mayor Cohen Mr. Steffens explained what the tree plan is supposed to review. Council discussed the addition of bike racks and bike lanes. Interim City Manager Steffens explained that bike racks are easy to install but in some less suitable locations it takes staff time to make those happen. Council discussed the urban forest reforestation plan and Mr. Steffens provided details on what is currently being done. Council Member Robinson said that the City should be planting trees every year. Mr. Steffens said that the City plants trees every year in the neighborhood of 15 new trees per year.

**M/S Robinson/Cline to fund all items in column A and from column B include LEED training for staff, identify best practices for landscaping, funding for up to 100 trees (\$80,000) in this years' budget and installing bicycle racks at \$5,000. The maker of the motion also asked for possible inclusion of a solar heating approach for the Burgess pool and the GRCC recommendation at mid-year for a total of \$100,000.**

Council Member Boyle stated that the GRCC recommendations seem to be taken casually. He does not support this approach and he does not like what he called a piece meal approach. He would rather defer spending this \$100,000 until mid-year. Council Member Robinson disagreed with Council Member Boyle's characterization of the situation. Council discussed the GRCC.

**The motion was reworded by City Attorney McClure:**

**M/S Robinson/Cline to add to the budget an additional \$100,000 for the following items: LEED training for staff, practices for landscaping, planting up to 100 trees per year and adding bike racks at \$5,000. Motion carries 4-1-0 with Council Member Boyle opposing.**

The Woodland Avenue issue was discussed and the cost was explained by the Interim City Manager. He said that the cost to do this section of Woodland Avenue is estimated at \$200,000 based on comparative figures. In terms of timeline, he said the sidewalk master plan is well on its way and subsequently the Council will be making choices. Mr. Steffens said that if Council wants to add Woodland Avenue then something else will need to be deleted from the project priority list and he suggested the storm drain/water funding study could be delayed. Speed humps and speed tables were discussed and Interim City Manager Steffens provided details on the difference between the two and when these may be appropriate. Mr. Steffens said staff is willing to work with the neighborhood to find mitigating measures as long as staff resources are in the budget.

**M/S Boyle/Cline to have staff expedite the sidewalk master plan study and at that point look at Woodland Avenue and if need be amend the budget at that time.**

Mr. Steffens said this is possible but it is a very aggressive approach and at the earliest it would be next fall before this could be addressed. Council Member Boyle finds this approach too ad hoc, stating that this item did not fall above the line before and now this is being added. Council Member Robinson believes this is about being responsive to residents and not designing from the dais. He believes money is not the issue but staff time. Vice Mayor Cohen asked why two \$4,000 speed humps are a bad idea. Mayor Fergusson said that this is already in the budget and residents already did the petition. Interim City Manager Steffens said that these traffic mitigation measures are not without controversy but if the residents pick locations and then if there is agreement this goes to the Transportation Commission and if approved staff could build it. He said that it would take staff between two or three months to handle it if there was neighborhood concurrence.

**Motion carries 4-0-1 with Vice Mayor Cohen abstaining.**

Council Member Cline said there had been ample discussion on the UUT and so he was going to make a motion to make things move forward on the UUT.

**M/S Cline/Boyle to set the UUT at 0% for one year. Motion fails 2-3-0 with Mayor Fergusson, Vice Mayor Cohen, and Robinson opposing.**

**M/S Boyle/Robinson to set the UTT at 1%.**

Mayor Fergusson asked what kind of a budgeted deficit this would entail and Interim City Manager Steffens said the projected deficit would be \$853,000. Mr. McClure commented that this figure excluded the \$100,000 for GRCC items, the \$25,000 for the El Camino Real funding approved by Council, the GRCC recommendations that will come in the fall, and the Woodland Avenue sidewalks. Interim City Manager Steffens estimated that the El Camino Real project could reach half a million dollars but in the more immediate future he envisions a \$100,000 to \$200,000 project. Vice Mayor Cohen said that until the hard numbers are in he is reluctant to change the complexion of this tax and he found the arguments to be political. Council Member Cline disagreed with this statement and he does not want to build the City up on the back of the residents. Mayor Fergusson asked if Vice Mayor Cohen would support the motion at 1.5% and he said he cannot support that either. Mayor Fergusson said that there is a risk with lowering the tax and she would feel more comfortable with the 1.5% rate. Council Member Robinson said that all statements make sense but for him the reality is that the expenses have been consistently 3% to 6% below budget, allowing for a positive variance.

**Motion carries 4-1-0 with Vice Mayor Cohen opposing.**

**M/S Fergusson/Boyle to adopt the budget as modified by tonight's motions, adopting the proposed resolutions which would reflect the vote to spend \$25,000 for El Camino Real's public forums and outreach and the \$100,000 for GRCC items discussed earlier as well the recommendations approved by earlier votes including giving direction to staff to prioritize the sidewalk master plan, set the UUT at 1% for 12 months and fund positions for Finance, two traffic enforcement police positions and the transportation position and allocate funds for the**



**Information Systems, Community Engagement and Business Development positions (these to come back to Council at a later time when the new City Manager is in place). Motion carries 5-0-0.**

3. Community Development Agency adoption of Resolutions Nos. 289, 290, 291, and 292 approving the 2007-08 Agency Budget; approving a loan from the City for the 2007-08 Agency Budget and authorizing a repayment agreement; determining that planning and administrative expenses are necessary for the production, improvement and preservation of low and moderate income housing; and approving the use of funds for production of such housing outside the Las Pulgas Project Area.

**M/S Fergusson/Cline to approve staff recommendation on item F3 which included the Community Development Agency resolutions approving the 2007-08 Agency Budget; approving a loan from the City for the 2007-08 Agency Budget and authorizing a repayment agreement; determining that planning and administrative expenses are necessary for the production, improvement and preservation of low and moderate income housing; and approving the use of funds for production of such housing outside the Las Pulgas Project Area. Motion carries 5-0-0.**

*Council took a break at 11:05 p.m. The Council restarted the meeting at 11:21 p.m.*

4. Consideration of the Notice of Preparation (NOP) and initial study for the Environmental Impact Report (EIR) associated with a mixed-use office, Research and Development (R&D), Hotel, and Health Club Project and possible direction on scope of EIR, project description, and project review process. (Staff Report #07-109)

Thomas Rogers, Associate Planner, presented an abbreviated report due to the late hour. He explained the goal of the scoping session and how it is part of the Environmental Impact Report (EIR) process. He added that an additional Study Session has been set by the Planning Commission to address the project. He announced that comments can be received at the meeting and can be addressed to him through June 25, 2007. Mayor Fergusson wanted to hear from the public and then see a presentation by the applicant and possibly continue the meeting to another date so that people, who may have left, may still comment on the matter. City Attorney McClure said he spoke with the applicant and there is no objection that the matter be continued to the July 10, 2007 meeting. The Mayor asked if the scoping session could be continued to the July 10, meeting. City Attorney McClure confirmed. David Speer, a member of the public, asked if he could comment on July 10, 2007 and the Mayor confirmed and that the comments would still be incorporated at that time. Mr. Rogers recognized receipt of four letters of comment in response to the NOP and they were from Patti Fry, Elias Blawie, Stu Soffer, and David Speer. He added that those will be part of the public file and addressed in the EIR.

Mayor Fergusson invited the applicant and his team to make a presentation.

Phil Erikson, with Community Design and Architecture, made a brief presentation to Council highlighting certain features of the project. He explained why the two proposals are being brought forth together and how they complement each others' uses. Mr. Erikson added that the proposal is to create a new zoning district and it involves a General Plan Amendment as well as putting forth the rules to this new zoning district. He spoke about the linkage of the proposed land uses and why these different elements are being forwarded in one proposal. He recognized that traffic and circulation issues will be looked at in the land use plan that is being proposed. He added that hydrology has become an issue and they are looking into it as well as the issue of the economic benefit and how it will be discussed and codified in the zoning amendment. Tom Gilman, with DES Architects in Redwood City, shared images of the proposed buildings and spoke about the character of the buildings, their compatibility and the use of sustainable green building design. He explained the various elements and how the architecture takes in consideration solar requirements and utilizes state of the art energy efficient systems as well as use of recycled materials. He shared images of the overall project and details on each building.

Council Member Robinson asked for clarification on how the buildings are linked and how to make the area greener. He also would like a reduction on the traffic impacts. Council Member Boyle asked if the Fire District will be reviewing this project and in particular he spoke about the zoning issue and possible

impacts because the proposed M3 district will surround a current M2 district. Mr. Erickson said that the team has been preparing information related to what would be hazardous and will have staff review it. Council Member Boyle would like the implications of being next to the M2 zone considered and studied. Mr. Murphy said that staff will look into that and it could be explicitly discussed with the Fire District. He also feared the potential of the application being altered because there is a Development Agreement (DA). Mr. Murphy said that it could be true hypothetically but in reality this is not feasible. Mr. Bohannon said that the DA is intended to serve both parties and he expects to negotiate an agreement that pleases both parties. The architect provided details on the process to date. Council Member Boyle had concerns that in theory the plans could change. Council Member Cline asked about water allocation and if this will be discussed and Mr. Rogers said that a water supply assessment will be built into the scope of the EIR. He further inquired about housing impacts and Mr. Rogers said that this will come under the population category.

Vice Mayor Cohen said that he had in front of him eight pages from various people raising concerns about this project. He read from those pages and he asked questions. He said that there are concerns that this changes the M2 from what it has been (light industrial) to become commercial. Mr. Bohannon provided details on the possible tenants which might include lawyers and other companies. He said that revenue generating features will be reviewed as part of the fiscal impact report and that this project will probably exceed the M2 generation characteristic. Vice Mayor Cohen would like to hear more about that. The Vice Mayor said that this project involves two separate locations that have other properties in between. His other concern is the 15-year development license and the two areas with different uses being grouped under this 15-year agreement. He reported that another expressed concern is that the City select the experts that will analyze the project at the expense of the proponent and that the EIR have a discussion about compatibility of current uses. He said that there were various suggestions for options regarding this project. Another concern for Vice Mayor Cohen is the housing needs imposed by Association of Bay Area Governments (ABAG) and he wondered if there will be an investigation on the need to provide housing to balance the additional 2,000 jobs that this project might bring to Menlo Park. Mayor Fergusson encouraged Vice Mayor to leave the notes with the City Clerk and have them copied for Council.

Council Member Boyle asked about the Commercial Zoning Ordinance Update (CZOU) and he encouraged staff to look into the fact that those proposed changes might line up with these changes. Council Member Boyle wanted confirmation that this was commercial but not manufacturing. The height of the proposed office buildings and hotel were discussed and how this is not a podium style development like the Four Seasons in East Palo Alto. Mayor Fergusson spoke about the possibility of research and development in this area because it could be a sales tax generating element. In terms of environmental impacts, the Mayor said that she read through the documents submitted and on page C36 and noted that bike routes being considered and integration with the Bicycle Master Plan would be important. She also mentioned a potential bay trail route accommodated in the site design. Mayor Fergusson wondered about migratory wild life refuge and the impacts on their flight patterns. She suggested the EIR include a paragraph on that topic and what impact these buildings will have on this area (from a size and location perspective). She observed that the traffic mitigations will need to be taken into account as well as the issue of sea level rise in order to protect the developer's investment. Mr. Rogers said that the EIR will speak in more general terms about global warming and he said that regarding sea level rise there isn't much precedent for that but staff can discuss it with the developer.

**M/S Fergusson/Robinson to continue the scoping session to July 10, 2007. Motion carries 5-0-0.**

5. Consideration of state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item. **None.**

**G. WRITTEN COMMUNICATION** - None

**H. INFORMATION ITEMS** - None

**I. COUNCIL MEMBER REPORTS**

Council Member Boyle reported on attending a meeting of the 20/20 Gateway Corridor Study. He explained the charge of this group and that it is trying to create a list of various alternative ways to engage the public.

Council Member Cline attended a RHNA (Regional Housing Needs Assessment) meeting for Council Member Robinson and he said San Mateo is the first County to come on board with the new housing requirements. He said the number of units needed for Menlo Park decreased by about 200 units. Acting Assistant City Manager Heineck said Menlo Park may need to have a discussion if it wants to accept the number of 973 units or see if the Council wants staff to talk with neighboring jurisdictions for possible swaps or trades. She said that what Menlo Park has to offer is money in the way of the Below Market Rate fund. Council Member Boyle suggested having hotels sell condominiums for housing and he wondered if this might be a good approach because of the tax benefits to the City. Ms. Heineck said that staff can look into that option.

Mayor Fergusson asked Council Member Boyle to attend an upcoming Council of Cities meeting on her behalf. She asked the City Clerk to make sure a proxy for voting was on file. Mayor Fergusson also reported on being asked to attend a safety bicycle ride the next morning and she needed another Council Member to step in. Council Member Robinson offered to do it.

**J. PUBLIC COMMENT #2** (Limited to 30 minutes)

Morris Brown spoke about the Bohannon project and he drew some parallels with the Derry Project. He mentioned speaking with an owner of one of the properties between the two sites and the owner had concerns that the EIR will not include his property. Mr. Brown said that Mr. Bohannon has been reaching out to the community but in his opinion this should be on the ballot and that would be a way to avoid referenda. He asked that Council consider having this on a future ballot possibly as an advisory measure.

**K. ADJOURNMENT** - The meeting adjourned at 12:16 AM

Respectfully submitted,

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Silvia M. Vonderlinden, Certified Municipal Clerk

Approved as submitted at the Council Meeting of August 7, 2007.