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CITY OF EAST PALO ALTO
REDEVELOPMENT AGENCY AND CITY COUNCIL
JOINT SPECIAL MEETING

IN RE OF:
UNIVERSITY CIRCLE PROJECT
ITEM NOS. 1 through 13
and ITEM NOS. 14 through 18

HELD AT:
2415 UNIVERSITY AVENUE
EAST PALO ALTO, CALIFORNIA
FRIDAY, JUNE ~~26~~²⁹TH, 1990

REPORTER'S TRANSCRIPT OF PROCEEDINGS

REPORTED BY JOANN LAURITZEN

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A P P E A R A N C E S / P R E S E N T

REDEVELOPMENT AGENCY:

- JOHN BOSTIC, Chairperson
- WILLIAM VINES, Vice Chairperson
- WARNELL COATS, Agency member
- PAT JOHNSON, Agency member
- BARBARA MOUTON, Agency member

CITY COUNCIL:

- WILLIAM VINES, Mayor.
- JOHN BOSTIC, Vice Mayor
- WARNELL COATS, Councilmember
- PAT JOHNSON, Councilmember
- BARBARA MOUTON, Councilmember

STAFF:

- STANLEY H. HALL, City Manager
- LYNDA RAHI, Deputy City Manager
- DOUGLAS B. AIKINS, Special Redevelopment Counsel

FRIDAY, JUNE 29, 1990

7:05 P.M.

P R O C E E D I N G S

CHAIRPERSON BOSTIC: This is the Redevelopment Agency meeting for East Palo Alto. There is a special joint meeting for the City Council and the Redevelopment Agency. So for that reason, we'll take roll call for both bodies.

Miss Rahi, will you take roll call for the special -- for the Redevelopment Agency first?

MS. RAHI: Okay.

(Roll call for the Redevelopment Agency)

CHAIRPERSON BOSTIC: At this time, we'll have roll call for the City Council. Mr. Hall?

MR. HALL: Thank you.

(Roll call for the City Council)

CHAIRPERSON BOSTIC: Thank you. At this time, we'll seek approval of the agenda for tonight's joint meeting. Along with that approval, I'd -- along with that approval of the agenda, I'd like to put forward to the Agency and the council members a request that maybe we'd -- what we'd do is just have one Chair through the entire two sessions. If there can be a consensus on that, that would allow -- allow us to move maybe a little quicker for tonight's meeting and the large task that we have.

1 Is there any comment on that?

2 AGENCY MEMBER MOUTON: Well, it's probably -- I
3 would like to comment on that.

4 CHAIRPERSON BOSTIC: Well, I think because we
5 have both, we now have to go back and forth between the
6 Chairs for a -- there's a number of items that the Council
7 has to move on, but the majority of them are Redevelopment
8 items. But I'm not the chairman of both bodies.

9 AGENCY MEMBER MOUTON: I have no problem with
10 that. I'm in a bad mood anyway.

11 AGENCY MEMBER COATS: If you think that would
12 help the process, I would support it.

13 CHAIRPERSON BOSTIC: All right. So we will --
14 we will move through it with one Chair for tonight instead
15 of back and forth between them. It will help us to move a
16 little quicker through the important items.

17 Okay. Approval of the agenda?

18 VICE CHAIRPERSON VINES: Through the Chair. I
19 would move that we approve the meeting agenda as
20 presented.

21 AGENCY MEMBER COATS: I would second the motion.

22 CHAIRPERSON BOSTIC: All in favor?

23 Okay. We'll move on, then, to Item No. 3, Reports
24 from Agency Members and Staff.

25 MS. RAHI: Yes. Chairman Bostic, Agency

1 members, what I'd like to do at this time is turn the mike
2 over to Redevelopment counsel for University Circle so
3 that he can make a few comments.

4 MR. AIKINS: Mr. Chairman -- is this on?

5 MS. RAHI: Yes.

6 MR. AIKINS: All right. I wanted to make a
7 preliminary comment that addresses an item not on the
8 agenda for the edification of the body.

9 I heard recently last week of a rumor to the effect
10 that my law firm had been involved in negotiations over a
11 potential lease with DeMonet Industries, Incorporated, for
12 space to be built at the University Circle Project area.

13 On hearing that rumor, I inquired of my firm's
14 business manager as to what the facts were, and was
15 informed that a proposal had been submitted to our firm,
16 along with every other major space user in the Palo Alto
17 area, soliciting inquiries about potential leasing
18 opportunities, should that space be built.

19 I informed my business manager of the fact of our
20 representation of the East Palo Alto Redevelopment Agency,
21 and advised him not to discuss or negotiate any lease or
22 other business arrangements with DeMonet Industries,
23 Incorporated for the foreseeable future, and that I would
24 advise him if that situation would change.

25 I want to -- for your information, I want to provide

1 the fact that my firm has no negotiations ongoing with
2 DeMonet Industries, Incorporated, or any representative of
3 them, over the topic of lease space or any other financial
4 dealings with that corporation.

5 If you have any questions, I'll be happy to provide
6 the answers to those questions.

7 CHAIRPERSON BOSTIC: Are there any questions of
8 our attorney on that matter?

9 Hearing none, we'll move on.

10 Are there any other reports from the Agency and/or
11 Staff?

12 Hearing none, we'll move on to Item No. 4, Reports
13 from Agency Committees.

14 Okay. Seeing none or not hearing of any reports of
15 the Agency committees, we'll go on to No. 5, Warrant
16 Listing, No. 5 for this evening.

17 MS. RAHI: What you have included in your packet
18 tonight as Item No. 5 is a warrant listing which is
19 listing some calls in the amount of \$48,418.28.

20 CHAIRPERSON BOSTIC: Are there any questions to
21 that warrant listing for approval tonight?

22 AGENCY MEMBER COATS: This is the -- the one for
23 the 48,000, that's the Ravenswood Industrial Park as well
24 as the --

25 MS. RAHI: That's correct.

1 AGENCY MEMBER COATS: I have no questions,
2 Mr. Chair.

3 CHAIRPERSON BOSTIC: Thank you.

4 VICE CHAIRPERSON VINES: Through the Chair. I
5 would move, then, that we approve the warrant listing on
6 the Redevelopment for administrative costs for \$203.32 and
7 for the costs for the Ravenswood Industrial Park Project
8 for \$48,214.96, for a total of \$48,418.28.

9 CHAIRPERSON BOSTIC: It's been moved. Is there
10 a second?

11 AGENCY MEMBER COATS: I would second the motion.

12 CHAIRPERSON BOSTIC: It's been moved and
13 seconded. All in favor?

14 The Redevelopment warrant listing for tonight has
15 been passed.

16 At this point, we'll go to Item No. 6, which is the
17 community forum. And at this point on my agenda, citizens
18 may address the Agency and City Council on any items that
19 are not on our agenda for tonight. No decision will be
20 made from your comments, but they will be noted, and when
21 necessary, a written response will come to you from Staff,
22 or appropriate response.

23 There are in front of us tonight two requests to
24 address the Agency Council.

25 Ken Maxwell?

1 MR. MAXWELL: It's on the EIR.

2 CHAIRPERSON BOSTIC: Grover Steele?

3 MR. STEELE: It's on the Redevelopment. I
4 didn't know it was an agenda item.

5 CHAIRPERSON BOSTIC: Okay. All right. You'll
6 be making statements during the public hearing process on
7 that?

8 MR. STEELE: Right.

9 CHAIRPERSON BOSTIC: Are there any other
10 questions for any of us or comments in the community
11 forum?

12 Mr. Webster, do you have a comment?

13 MR. WEBSTER: Yes.

14 CHAIRPERSON BOSTIC: Okay. Why don't you come
15 on forward now.

16 MR. WEBSTER: Okay.

17 CHAIRPERSON BOSTIC: These are going to be
18 comments that are not germane to the --

19 MR. WEBSTER: Right. This is an unrelated
20 issue.

21 CHAIRPERSON BOSTIC: Fine.

22 MR. WEBSTER: There has been a good bit of
23 commentary in the press and in the public about the
24 situation at the Trailer Town and Woodland Trailer
25 Park/Mobile Home Park in East Palo Alto. This past

1 Wednesday, the Trailer Town and Woodland Trailer Park came
2 up on the agenda in connection with the unlawful eviction
3 that the owner, Mr. Steven Pinto, had had issued on his
4 behalf to various members of the -- residents of the park.

5 At that time, Mr. David Reyburn, who represented a
6 number of the tenants from those two mobile home parks, of
7 which between 15 and 20 were represented in the public on
8 that occasion, came before the Rent Stabilization Board
9 and said that after discussions with Mr. Pinto, there
10 appeared to be an understanding, and that he requested
11 that the rent board not instruct Mr. Paul Smith, their
12 attorney, to seek injunctive relief on behalf of the
13 tenants on the basis of the belief that there was an
14 understanding about these unlawful evictions.

15 Yesterday, in the late afternoon, I received a
16 message from Mr. Reyburn to the effect that everyone in
17 the affected properties had received notices of
18 termination of tenancy to take effect on, I believe,
19 July 1st of 1991. In other words, Mr. Pinto was suddenly
20 giving everyone notification to prepare to vacate the
21 premises.

22 So, once again, the Trailer Town/Woodland Trailer
23 Park situation is active again, and the people who live
24 there are very, very distressed. And there are -- I
25 understand there are reporters who are covering the

1 situation, and I hope -- it looks as though the tenants
2 there are going to have to apply once again to the Rent
3 Stabilization Board for injunctive relief because, once
4 again, no promise has been secured from the City to take
5 action against the tenants at the two trailer parks.

6 Thank you.

7 CHAIRPERSON BOSTIC: Thank you, Mr. Webster. If
8 you have any further comments, you can share those with
9 Staff.

10 MR. HALL: Mr. Chairman, we are aware of the
11 problem and have already begun to take appropriate steps
12 to deal with it.

13 CHAIRPERSON BOSTIC: Okay. Fine. Having no
14 other request to use the community forum to address the
15 Redevelopment Agency or the Council, we'll move to
16 Item No. 7 for tonight.

17 Item No. 7, as you are aware, will be our public
18 hearing. It will be about -- the Redevelopment Agency and
19 City Council have convened this June 29th, 1990 to discuss
20 injunctions to consider various actions with respect to
21 the proposed University Center project.

22 The Agency and City Council received on June 1st the
23 the final Supplemental Environmental Impact Report for the
24 project. Over the course of the months of May and June,
25 the Agency and the City Council and Planning Commission

1 have held numerous public hearings and study sessions to
2 consider the final EIR, as well as other actions necessary
3 to implement the University Circle project.

4 We will, for the purpose of tonight's meeting, go
5 over these following action items: Certification of the
6 Final SEIR, adoption of the General Plan Amendment, the
7 adoption of the Specific Plan, the introduction of the
8 Rezoning Amendment ordinance, introduction of the
9 Statutory Development Agreement ordinance.

10 At this time, what I'd like to do is, members of
11 the Agency, is to receive from the Staff considered
12 information referring to the administrative response for
13 the Final SEIR.

14 MS. RAHI: Chairman Bostic, Agency members, I
15 have presented you with a copy of the memorandum from the
16 Staff in regard to the documents that you have before you.
17 At a June 25th meeting, the Planning Commission approved
18 and is recommending to the Redevelopment Agency and City
19 Council for approval of the following documents: The
20 General Plan Amendment, the Specific Plan, the Rezoning
21 Amendment, as well as the Statutory Development Agreement.

22 There's been much concern and questions asked in
23 regard to the DDA. I will be asking for those in the
24 audience now that are here to hear the discussion on the
25 DDA, that is going to be requested to be continued to a

1 later date. So if any of you are here just specifically
2 for that, we'll not be acting on that tonight.

3 All the other documents, as I indicated before,
4 have been reviewed and circulated to various committees as
5 well as the Planning Commission. What I'd like to do is
6 allow Staff to give a general overview of the documents
7 you have before you so that they can explain the purpose
8 of each one.

9 CHAIRPERSON BOSTIC: Do you want to do that
10 before I open up Item 7.1?

11 MS. RAHI: Yes.

12 CHAIRPERSON BOSTIC: Okay. Okay.

13 MR. AIKINS: Through the Chair. Your Staff
14 report was prepared to provide much more detailed
15 information than we can cover tonight orally like this,
16 but I'd like to walk you through it. And for the members
17 of the audience who don't have a Staff report before them,
18 the agenda is organized in a sequence that's intended to
19 clearly represent the logical order of the actions to be
20 taken by City Council.

21 The first action item is consideration of the
22 Supplemental Environmental Impact Report that was prepared
23 for the University Circle Project area Redevelopment Plan.
24 A bit of history on this is that in 1988, the closing
25 months of 1988, the Redevelopment Agency considered and

1 certified a program EIR which analyzed the environmental
2 consequences of a broad-ranging redevelopment program.
3 That program established the outer boundaries of a very
4 aggressive potentially wide-ranging redevelopment set of
5 actions ranging from no action to redevelopment and
6 revitalization of that area in a very intense high-rise
7 redevelopment configuration. That EIR was certified as
8 adequate and complete as a foundation -- as an
9 inspirational base on which to adopt the University Circle
10 Redevelopment Plan in December of 1988.

11 Subsequent to that time, the City Council has
12 begun -- I'm sorry, the Redevelopment Agency and City
13 Council together, obviously, have begun the process of
14 implementing the University Circle Redevelopment Plan,
15 have conducted extensive environmental and economic
16 analyses of potential redevelopment options for that area,
17 and have commissioned the preparation of a Supplemental
18 Environmental Impact Report that has the purpose of
19 analyzing a specific project -- redevelopment project that
20 would and is intended to carry out the objectives of the
21 University Circle Redevelopment Plan.

22 The private sector developer, DeMonet Industries,
23 Inc., has submitted a proposal for General Plan Amendment,
24 Rezoning, Specific Plan and Planned Unit Development and
25 Tentative Map Approval that would result in authorization

1 from the City of East Palo Alto to construct a specific
2 project. That project is represented in the model form
3 behind me.

4 The City has evaluated that proposed project as
5 falling within the outer analytical boundaries of the
6 Supplemental EIR. The Supplemental EIR was focused on the
7 potential environmental consequences of the Specific Plan
8 adoption. The Specific Plan is in your packet tonight,
9 and the application for specific development approvals
10 received by DeMonet Industries is a means of implementing
11 both the Redevelopment Plan and the Proposed Specific
12 Plan.

13 The SEIR, or Supplemental EIR, was circulated within
14 the community and to responsible agencies, including
15 surrounding communities. Public commentary was received
16 during the statutory public review period, and following
17 the close of the public review period, the final
18 Supplemental EIR was prepared by means of preparing
19 responses to comments.

20 Just for those in the audience who haven't seen these
21 documents, this is a copy of the Draft Supplement which
22 contains the analysis of the proposed project, the
23 University Circle Specific Plan and its implementation,
24 and this is a copy of the Final Supplemental EIR, which is
25 a copy of all the public commentary and all the Staff

1 analysis in reponse to that commentary. The two doc
2 together comprise the Final Supplemental EIR.

3 They are intended to and, in our opinion, do an
4 effective job in reducing the scope of analysis from the
5 very broad, very general analysis set forth in the Program
6 EIR approved in 1988, and they focus environmental
7 analysis on the actual University Circle Specific Plan and
8 means of carrying out that Specific Plan.

9 As a Staff, we submit it to you for your
10 consideration, having put forth a substantial amount of
11 technical effort, consulting effort and internal analyses
12 into it, and we consider it to be complete and
13 satisfactory and ready for final consideration.

14 Should the City Council -- I'm sorry. Should the
15 Redevelopment Agency choose to certify the Final EIR,
16 Final Supplemental EIR, that would establish the legal
17 foundation for approval and consideration of the General
18 Plan Amendment, the University Circle Specific Plan, a
19 Rezoning Amendment that would change the current zone
20 designations for that prospective project area to a
21 Planned Unit Development designation. That would allow
22 the City of East Palo Alto extreme flexibility to design
23 and regulate construction activities within that area.
24 Also, it would serve as the analytical foundation for the
25 Statutory Development Agreement.

1 That agreement is a procedure established in
2 California law that allows the City to lock in the
3 existing regulations that apply to that property,
4 including the Redevelopment Plan, the Specific Plan, the
5 zoning and other specific conditions of approval that
6 carefully and minutely define precisely what is permitted
7 to be built there, and fix the exaction fees and other
8 infrastructure improvement costs and obligations for the
9 mutual advantage of both the City of East Palo Alto and
10 the private sector.

11 Those are the actions proposed for your consideration
12 tonight. Our hope is that the Staff report gives a more
13 complete and detailed examination of the issues proposed.
14 And we'll be happy to respond to particular questions, as
15 I'm sure the developer and their staff will be happy to
16 respond as well. Thank you.

17 CHAIRPERSON BOSTIC: Thank you, Mr. Aikins, for
18 giving us that background and for providing services to
19 this group as we go through this process we're going
20 through tonight. I appreciate that.

21 At this point, I would move us to Item -- agenda Item
22 7.1, Certification of the Final SEIR.

23 Members of the Agency have received from the Staff
24 and have considered the information contained in various
25 administrative reports on the Final SEIR, the proposed

1 findings regarding Significant Environmental Effects and
2 Mitigation Measures, and the Statement of Overriding
3 Considerations for the project. The Agency members have
4 read and considered this information prior to convening
5 for this public hearing.

6 Does the Staff have a report on our Item 7.1?

7 MS. RAHI: I'm sorry, I was talking to someone
8 else. Would you ask the question again?

9 CHAIRPERSON BOSTIC: Okay. The question is --
10 we have moved to Item No. 7.1, Certification of the Final
11 SEIR, and we were calling for, at this point, the Staff
12 report on that.

13 MS. RAHI: On the Final SEIR, what I'd like to
14 do at this time is give the mike to David Miller, our
15 project coordinator for University Circle, to provide the
16 report on that.

17 CHAIRPERSON BOSTIC: Okay. Okay.

18 MR. MILLER: Chairpersons and board members, you
19 have before you this evening the comments that have come
20 in regarding the EIR and the responsibilities that have
21 been prepared. We do have Bryan MacElroy here to answer
22 questions specifically about the SEIR.

23 There is no Staff report formally this evening,
24 merely to respond to public comment. So I think the best
25 thing to do would be to go ahead and take that and we can

1 respond to it for you.

2 CHAIRPERSON BOSTIC: Mr. Vines?

3 VICE CHAIRPERSON VINES: I just have a question
4 for Staff. In the background report under the item
5 relative to the -- the last paragraph, relative to the
6 final SEIR --

7 MS. RAHI: U-huh.

8 VICE CHAIRPERSON VINES: Do you have reference
9 to a feasibility study?

10 MS. RAHI: Yes.

11 VICE CHAIRPERSON VINES: Would you tell me a
12 little bit about that?

13 MS. RAHI: Basically, what you have before you,
14 there is a packet that has resolutions -- it's a
15 resolution that states, "Resolution of City Council," in
16 regard to making certain findings regarding the
17 Environmental Impact Report of the proposed implemented
18 action.

19 On the back of that, you will find a condition which
20 is Exhibit A. Those are the findings regarding
21 significant environmental effects and mitigation measures
22 dealing with the Final Supplemental EIR.

23 VICE CHAIRPERSON VINES: Okay. Specifically, it
24 says here that there's a letter prepared by William
25 Euphrate regarding the economic feasibility of the reduced

1 project alternative.

2 MS. RAHI: Correct. I have it in hand now. We
3 will copy it for you. That obviously was not put in your
4 packet.

5 VICE CHAIRPERSON VINES: There is reference to
6 it in the packet.

7 MS. RAHI: Correct.

8 (Discussion off the record)

9 CHAIRPERSON BOSTIC: We'll make more copies and
10 have that information.

11 MR. AIKINS: Through the Chair. I wanted to
12 provide some orientation on that issue for you, if I may.

13 In analyzing the findings and the factual bases for
14 these findings, we determined that it would be
15 advantageous for the Agency to have a more thorough and
16 complete analysis of the economic feasibility of various
17 alternatives. For that purpose, we contacted the
18 consultants we've been working with for the purpose of
19 obtaining those facts in summary form for your
20 consideration tonight.

21 It's our intention that the letter that you have
22 before you be considered and supplied for the record as a
23 means of summarizing the factual bases that we're relying
24 on in making the findings as to the feasibility of
25 alternatives to the proposed alternatives.

1 VICE CHAIRPERSON VINES: Through the Ch.

2 CHAIRPERSON BOSTIC: Mr. Vines.

3 VICE CHAIRPERSON VINES: In reference to the
4 fact that we have reviewed the Final SEIR in relation to
5 this information as indicated in the background packet,
6 that would suggest that we already know what this says and
7 we already know how it fits in with everything.

8 MR. AIKINS: Through the Chair. That letter is
9 our proposed means of summarizing the facts that do state
10 more concisely than we have to date in the Final
11 Supplemental EIR what the feasibility analysis for
12 alternatives is. It's our purpose to make sure that that
13 analysis is clear and concise, and for that purpose, we
14 requested that letter.

15 The facts in the letter already exist in the other
16 documents that we related on and in the final Supplement
17 to the EIR itself. It's our means of making certain that
18 there's no confusion as to the factual basis for the
19 findings that you have in your -- supporting the EIR
20 certification resolution.

21 VICE CHAIRPERSON VINES: Okay. Well, through
22 the Chair. It lends a measure of confusion for me,
23 because I haven't read this document and have no way of
24 assessing its relationship to the other material. And it
25 was suggested in the background packet that it was

1 attached, and, in fact, it's not attached. I would assume
2 that's a fact. So there's no way that I can really make
3 a -- you know, I can't make a comment on whether or not it
4 does relate to it or not. I'll just have to ...

5 CHAIRPERSON BOSTIC: Staff, why don't we give,
6 again, a summary to that item for the entire body.

7 AGENCY MEMBER MOUTON: But, Mr. Chairman, if
8 we're supposed to make a decision based upon things and
9 the relationship of the various things that we don't
10 have --

11 CHAIRPERSON BOSTIC: Right.

12 AGENCY MEMBER MOUTON: And, you know, we're not
13 all speed readers ...

14 CHAIRPERSON BOSTIC: I hear you, Mrs. Mouton.
15 That's why my suggestion is that we make note of that and
16 that we'd advise them, at this point, to give another
17 summary of that report.

18 MR. AIKINS: Through the Chair, if I may. It's
19 not required, nor is it our suggestion, that you
20 necessarily take the time to read that letter. That
21 letter is not necessarily something that's necessary for
22 you to have assimilated tonight in preparation for your
23 vote. That letter is simply a summary of the facts that
24 support the findings that has been presented to you --
25 that has been presented in your packet, and it is our way

6
1 of substantiating that -- those findings. And to the
2 extent that you consider those findings to be valid and
3 meaningful as the foundation for certification of the EIR,
4 we're simply shoring up as a factual foundation the
5 findings that you are familiar with.

6 AGENCY MEMBER MOUTON: But I was listening here
7 to what Mayor Vines had been asking for over a period of
8 time, and it seems to me that this instrument provides
9 that kind of a conduit and we're just getting it tonight,
10 and it causes me some problems.

11 CHAIRPERSON BOSTIC: At this time, Staff, again,
12 I'm going to ask you to give a summary of the --

13 MR. AIKINS: Certainly. I actually probably
14 should refer to the document itself, since I haven't
15 memorized it. Thank you.

16 VICE CHAIRPERSON VINES: Through the Chair. The
17 other information as listed here, do we have that
18 information in the background, or is that information that
19 we need to also get copied off? I'm referring to the
20 attachments to the report that are dated June --

21 MS. RAHI: Yes, those attachments -- you have a
22 folder in front of you, and, in fact, that matter was to
23 be in that folder as well. All of those --

24 VICE CHAIRPERSON VINES: Is this the folder that
25 we just received?

1 MS. RAHI: That is correct.

2 VICE CHAIRPERSON VINES: Again, this information
3 was to be significant. And again, we've just gotten the
4 information, and I haven't gotten the chance to find out
5 for myself what that relationship is to this document.

6 AGENCY MEMBER JOHNSON: Through the Chair.

7 CHAIRPERSON BOSTIC: Miss Johnson.

8 AGENCY MEMBER JOHNSON: That particular letter I
9 read to the Council. I brought it to the meeting, because
10 I had called one of the writers. And I went over the
11 letter, and particularly Mr. McCall said he had received
12 the letter and was working on some of their responses. So
13 that letter has been out there a while, and I think it's
14 just an addition into the packet.

15 CHAIRPERSON BOSTIC: Thank you, Miss Johnson. I
16 think that the best way is to spend those few moments to
17 go over these documents at this point before we open up
18 the public hearing and before we move to any decision
19 tonight, and that will leave -- so the record will show
20 that we have covered these, at least at this point, by
21 discussing each one of those.

22 VICE CHAIRPERSON VINES: Through the Chair.

23 CHAIRPERSON BOSTIC: Mr Vines.

24 VICE CHAIRPERSON VINES: Just for clarification,
25 the letter that I am referring to is the one letter that's

1 dated June 28th. I'm not sure. That's from Earth
2 Metrics, Inc.

3 MS. RAHI: That' correct.

4 VICE CHAIRPERSON VINES: That's correct. So it
5 hasn't been around for quite a while.

6 MS. RAHI: I just received it this morning.
7 That's why it was included in the packet.

8 VICE CHAIRPERSON VINES: Okay. Just for
9 clarification, though, it's not something in reference
10 to --

11 MS. RAHI: No. It's making reference to the
12 letters that were received from Mr. Oppenouser. Those
13 letters are attached to the document.

14 VICE CHAIRPERSON VINES: To the document?

15 MS. RAHI: Yes.

16 VICE CHAIRMAN VINES: Thank you.

17 CHAIRPERSON BOSTIC: Let's go through these
18 items and read for the record that they have been
19 discussed, certainly in probably a summary matter, that
20 they were discussed and they do -- and they are in the
21 hands of the Agency and Council members at this time.

22 MR. AIKINS: Thank you, Mr. Chairman. Let me
23 offer a summary of the letter providing economic analysis
24 on alternatives.

25 As you can imagine, the most clear summary is in the

1 literally bottom lines of the letter where it states that
2 as between the larger and smaller alternative project
3 sizes -- and I'm referring to square footage amounts --
4 the relative cost between the larger and the smaller is
5 not proportionate to the reduction in leasable office
6 space. In fact, by shrinking the project, you increase
7 the relative cost of the project in terms of the cost of
8 building it verses potential net rate of return.

9 If I can quote the very summary lines, "Fewer
10 revenues must support a proportionately more costly
11 project. Reducing the scope of the project actually
12 lowers the internal rate of return necessary to discount
13 project revenues to the lower construction costs."

14 An alternative way of saying the same thing is that
15 for a given target internal rate of return on your
16 investment, a project of reduced scope results in a larger
17 shortfall that will be the same analysis for a larger
18 project. And that conclusion is supported by attached
19 tables and statistical economic analysis.

20 Again, if I may, the purpose of providing that to
21 you is not necessarily that you have it presently in mind
22 as you consider the EIR itself, but, instead, that it
23 supports the findings themselves that have been submitted
24 for you. Thank you.

25 CHAIRPERSON BOSTIC: Miss Rahi, would you go

1 through these letters that we have concluded for tonight's
2 meeting?

3 MS. RAHI: Those letters, after you reopen, are
4 going to be summarized and read into the public hearing
5 after you open that up.

6 CHAIRPERSON BOSTIC: Those will be the Earth
7 Metrics, and there's another from the City of Palo Alto
8 and the letter from Menlo Park?

9 MS. RAHI: As well as the -- yes.

10 CHAIRPERSON BOSTIC: Does the Staff have any
11 other materials that they would like to summarize or
12 introduce that would be supportive of the material that
13 we've seen in our packet?

14 MS. RAHI: At this time, nothing else.

15 CHAIRPERSON BOSTIC: Returning, again, back to
16 Item 7.1, at this time, I would like to open the public
17 hearing to comments from interested citizens.

18 Would you call --

19 MS. RAHI: Prior to opening it to citizens, I'd
20 like to read into the record the letters that have been
21 received, those letters you have before you. One is from
22 Earth Metrics in response to the letter from Dino
23 Oppenheimer dated April 30th and June 14th. I have a
24 letter from Earth Metrics that's dated June 28th, and it's
25 in response to the comments made in those letters.

2

1 Secondly, you have before you a letter received from
2 the City of Palo Alto dated June 28th, 1990. It is in
3 regard to the Supplemental EIR. And they basically state
4 that they are sorry about the Supplemental EIR not being
5 in conformance with the California Environmental Quality
6 Act.

7 The third letter you have before you is the letter
8 from the City of Menlo Park dated June 28th, 1990. And
9 that also indicates that they are concerned about the
10 Supplemental EIR and that it was nonresponsive to their
11 comments in regards to the traffic in the Willows area, as
12 well as the impact on morning shadows.

13 Lastly, and as discussed earlier, we have the Bureau
14 of -- the letter that was received, and I believe that was
15 already summarized, but that was dated as of June 18th,
16 1990.

17 CHAIRPERSON BOSTIC: Thank you, Miss Rahi. Is
18 there any additional clarification of these letters at
19 this time for any Agency members, Council members?

20 VICE CHAIRPERSON VINES: Through the Chair.
21 Just one. Would you please refresh on the time that you
22 received or got that first document, that feasibility
23 study?

24 MS. RAHI: Are you talking about the Euphrate
25 letter?

1 CHAIRPERSON BOSTIC: No, the economic
2 feasibility.

3 MS. RAHI: Okay. That's the same.

4 VICE CHAIRPERSON VINES: When did you get that?

5 MS. RAHI: I received it this morning.

6 VICE CHAIRPERSON VINES: This morning?

7 MS. RAHI: Yes.

8 VICE CHAIRPERSON VINES: Thank you.

9 CHAIRPERSON BOSTIC: At this time in the public
10 hearing, I'd like to call upon the developer, that he may
11 have comments. Mr. DeMonet.

12 MR. DEMONET: Good evening, Chairman,
13 Vice Chairman, and members of the Agency and City Council.
14 My name is Joaquin DeMonet, and I am the president of
15 DeMonet Industries.

16 Approximately four years ago, we didn't realize it,
17 but we were, I think, starting a little history in the
18 City of East Palo Alto in proposing to you the first
19 redevelopment project. And at that time, we were
20 proposing a project that was somewhere in the area of a
21 million square feet, a million to a million-two square
22 feet. I think that you all are very familiar with that,
23 and members of the audience. And if not, what we had
24 proposed was two 18-story office buildings, retail,
25 theaters, hotel and other mixed uses.

1 We had also provided or prepared an EIR on that
2 redevelopment. What's happened since then over the years,
3 especially in the last year and a half, is listening to
4 concerns with our neighboring cities of this proposed
5 project and the dynamics of it, and through that, we've --
6 with the suggestions from East Palo Alto, we downgraded
7 it, if you would, and lowered the scale substantially,
8 approximately in half.

9 What you see before you in this model here is the
10 result of what we are proposing, and what we have are now
11 two 12-story office buildings, approximately 480,000
12 square feet gross office space, a hotel with approximately
13 266 suites and 35,000 square feet of retail. So it's a
14 total of about 700,000 square feet.

15 And I think if you'd asked me four years ago would I
16 endeavor to do this again, I don't know how I'd answer it.
17 There have been a lot of ups and downs. It's been a very
18 interesting experience. But I don't think I would change
19 my position for anyone right now. It's been very
20 exciting. It's history. It's a new beginning for the
21 City. It's probably the most exciting thing DeMonet
22 Industries has ever done, and we look forward to history
23 being made tonight with -- hopefully, we have your
24 endorsement and approvals on the things that we are asking
25 for.

1 And I will be happy to -- as a matter of fact, we
2 have our staff attorney and vice president who can also
3 answer questions if you need to from DeMonet Industries,
4 or if the public has any questions they'd like to ask us,
5 we'd be very pleased to answer them. Thank you very much.

6 CHAIRPERSON BOSTIC: Thank you, Mr. DeMonet, for
7 being here this evening.

8 At this point, we will go further in the public
9 hearing to open it up to community members, citizens and
10 people who would like to speak on this.

11 I have before me a number of people that have asked
12 to speak on Item 7.1. How about if we start with
13 Mr. Ken Stryker.

14 MR. STRIKER: Chairman Bostic, members of the
15 Agency, I'm Ken Stryker. I'm Director of Planning and
16 Community Environment for the City of Palo Alto,
17 250 Hamilton Avenue, Palo Alto.

18 As noted by Miss Rahi, you have before you a
19 June 28th letter from Bill Zaner, Palo Alto City Manager,
20 commenting in detail on the final Supplemental
21 Redevelopment Plan EIR and implementing action.

22 A few of the points contained in Mr. Zaner's letter
23 include, first, while we appreciate the cooperation we
24 have received in the last two weeks in obtaining copies of
25 pertinent documents, the Final Supplemental EIR is

1 incorrect in asserting that certain documents requested
2 have been made available, and we still have not received
3 copies of certain key documents.

4 Second, we believe that the concerns and comments
5 that we have made on the initial EIR and the draft SEIR
6 have not been adequately addressed.

7 Third, the proposed findings regarding significant
8 environmental effects and mitigation measures improperly,
9 without supporting evidence, identify certain impacts as
10 insignificant when they are, in fact, significant.

11 Conclude that mitigation measures will reduce significant
12 impact to levels insignificant, and reject for failure to
13 consider other mitigation measures.

14 Fourth, the proposed findings concede a serious error
15 in the fact that the analysis has improperly assumed that
16 the Supplemental EIR remains adequate, because the maximum
17 amount of office development will be scaled back 10 to 20
18 percent.

19 Fifth, the proposed conditions of approval anticipate
20 that there may not be a hotel compound in the project.

21 The final SEIR gives no indication -- gives no
22 consideration to what the impact of the project would be
23 without the hotel, even though that Specific Plan has a
24 provision that other components of the project might be
25 increased to the 700,000 square feet if one component is

1 reduced to scale.

2 In conclusion, we believe that the SEIR has not
3 sufficiently addressed the impact of the project, and,
4 therefore, it is not in compliance with the California
5 Environmental Quality Act.

6 CHAIRPERSON BOSTIC: Thank you for your
7 presentation.

8 Mr. Ken Maxwell, Crescent Park Association?

9 MR. MAXWELL: Mr. Chairman, members of the Board
10 and City Council, I wish to make note of the two documents
11 that the Crescent Park Association has already submitted
12 on the EIR. I have one from us on the last draft. We
13 sent one down to you in the middle of the week. Do you
14 have it?

15 MS. RAHI: We have not received it.

16 MR. MAXWELL: You have not got it?

17 MS. RAHI: No.

18 MR. MAXWELL: Well, I would like to make for the
19 record that we have sent one, and I'll make sure you have
20 it by Monday. I don't want to go over it. It makes the
21 same kinds of comments that were already made.

22 I want to say that our community, which shares, of
23 course, the border of the Whiskey Gulch area -- I have
24 been there myself for three years -- we'd like to see
25 redevelopment there, but the community association I

1 represent is unalterably opposed to the current proj

2 One, it is still much too large, and scaled down a
3 half, or whatever it is, it's still far too large for the
4 community. It is out of character and incompatible with
5 the community. It would be, in its current size, the
6 largest thing between San Francisco and San Jose.

7 The rest of our community is very small and
8 horizontal in nature. We believe it will create traffic
9 in an area which already has too much -- your city and
10 ours.

11 We believe that it will damage our neighborhood. It
12 will create economic damage to our neighborhood. It will
13 create health damage to our neighborhood. It will create
14 safety damage to our neighborhood, and it will affect our
15 quality of life in negative ways.

16 I want to raise one other issue. The success or
17 failure of the project, the recent remarks by Mr. DeMonet
18 at the Planning Commission meeting suggest that the hotel
19 is not a likely participant in the Plan for marketing.
20 Our own research -- it has not been extensive -- suggests
21 that the project itself is in jeopardy.

22 We can all agree that a project of that size may well
23 not succeed. And Mr. DeMonet's willingness to put another
24 five million dollars on the table in order to buy you off
25 for the hotel adds to his risks and adds to his costs --

1 or adds to your costs, further jeopardizing the project.
2 And I don't think either of us want that on our City, and
3 it is a significant risk.

4 We urge that you reject the project. We are opposed
5 to it and to every instrument you are now being asked to
6 employ to endorse it.

7 I have to say one other thing: I was alarmed to hear
8 that another document has arisen. Whether it's a summary
9 or not, it's my understanding that the CEQA requires that
10 all documents relevant to an EIR be available from
11 agencies and other entities.

12 Therefore, I wish to lodge an official protest that
13 the document of substance, the letter of this morning that
14 has been discussed, has not been made available, and,
15 therefore, the EIR, for a lot of other reasons, should be
16 put back into circulation and made available for public
17 comment, in its entirety, by all interested parties.

18 Thank you very much.

19 CHAIRPERSON BOSTIC: Thank you, Mr. Maxwell.

20 Mr. Grover Steele.

21 MR. STEELE: Chair Bostic, members of City
22 Council, I'm Grover Steele. I'm here to speak on behalf
23 of the property owners of Mr. and Mrs. Grover Steele,
24 Mrs. William Randall and Mr. Paul Randall.

25 Generally, our statement of positions concerning the

1 redevelopment is we are not opposed to it. We a
2 opposed to the redevelopment provided that we are
3 fair and just price for our land and businesses.

4 We are feeling that the City Council and the
5 Redevelopment Agency are being misled as to the true value
6 of our businesses and our property. We would prefer, at
7 all costs, to avoid litigation and resolve any disputes
8 through negotiation. Thank you.

9 CHAIRPERSON BOSTIC: Thank you, Mr. Steele.

10 James Gilmore wants to make a comment on Item 7.1. I
11 will say that at a later date, we will be talking about
12 owner participation. At this point, it's subject to focus
13 on the EIR.

14 MR. GILMORE: Okay.

15 CHAIRPERSON BOSTIC: James Gilmore.

16 MR. GILMORE: Good evening. My name's
17 James Gilmore, 1922 University Avenue.

18 I'm here to express my concerns, as well as a lot of
19 my other constituents' concerns, about the time that has
20 been involved and continues to be in this project. We are
21 frustrated about the situation because of the fact that we
22 are here and we have been here; but in the meantime, we
23 don't want to make a mistake, because of our frustration,
24 and move too quickly on something without knowing all the
25 facts.

1 I'm very concerned with the fact that a lot of
2 information that was supposed to have been available to
3 the Agency and to the Council is just coming forward at
4 this late date. It very much concerns me. But I would
5 like to move forward in as quick a manner as possible and
6 to resolve this issue and determine the fact that if the
7 project is not suitable as it's being presented at the
8 present time, both for the City, for the property owners,
9 for the businesses, I suggest that we sit down and work
10 out a plan that will be compatible to everyone.

11 CHAIRPERSON BOSTIC: Thank you, Mr. Gilmore, for
12 your comments.

13 Our last request for the public hearing to make a
14 comment on No. 7.1 is from Mr. William Webster.

15 MR. WEBSTER: William Webster, 1640 Bay Road.

16 I simply want to touch upon an issue which I first
17 raised about two months ago and which was, I gather,
18 touched upon earlier in your deliberations this evening.
19 This is with respect to the financial feasibility study.

20 I'm at this point confused as to your understanding
21 as to the financial generation that is going to be coming
22 from this project. I would like to get some
23 clarification. The public, I'm sure, would like to get
24 some clarification as to whether or not this project, in
25 its present form, is going to fly financially and be of

1 material benefit to the City of East Palo Alto.

2 As I say, I asked about this issue about two months
3 ago, and Miss Rahi at that time said, "Well, they're
4 working on the facts and figures." They didn't have them
5 at that time. Do we now have these facts and figures as
6 to what the alternatives -- if there's not a single figure
7 or set of figures, are there now in place an alternative
8 set of figures which will justify to the public this
9 redevelopment? Thank you.

10 CHAIRPERSON BOSTIC: Thank you, Mr. Webster.

11 Having in front of me no other citizens wanting to
12 speak in the public hearing portion, I would go back to
13 our Staff and also to our developer to see if they have
14 comments or to rebut to any of the items that have been
15 brought up by the citizens and the public.

16 MS. RAHI: Yes. I would like to make one
17 comment in regard to the financial feasibility of it. If
18 you recall earlier in my report, I indicated that we would
19 not be taking into consideration the DDA, which would be
20 entailing the financial feasibility of the development.
21 At this point, with the final Supplemental EIR, it would
22 not happen, and, therefore, that would be addressed in a
23 decision and development agreement.

24 At this time, I'd like to turn the mike over to
25 Brian MacElroy, who's with Earth Metrics and has prepared

1 the final Supplemental EIR.

2 MR. MacELROY: My name is Brian MacElroy. I'm
3 with Earth Metrics, environmental consultants for the
4 Environmental Impact Report. I just wanted to read a
5 section from CEQA to give the council some perspective on
6 their decision making process.

7 Section 151 of CEQA states that an EIR should be
8 prepared with a significant degree of analysis to provide
9 decision makers with information which enables them to
10 make a decision which intelligently takes account of
11 environmental consequences. An evaluation of the
12 environmental effects of a proposed project need not be
13 exhaustive, but sufficiency of an EIR is to be reviewed in
14 the light of what is reasonably feasible. Disagreement
15 among experts does not make an EIR inadequate, but the EIR
16 should summarize the main points of disagreement among the
17 experts. The courts have looked not for perfection but
18 for adequacy, completeness and a good-faith effort at full
19 disclosure.

20 I believe this EIR does that job. Thank you.

21 CHAIRPERSON BOSTIC: Miss Rahi.

22 MS. RAHI: I would like to also add a statement
23 in regards to the hotel question that arose earlier.

24 I know there's been discussion regarding that;
25 however, the Final Supplemental EIR and everything that is

1 being considered at this point of time is the hotel and
2 two office buildings. No alternative use is being
3 discussed at this time or looked at at this time. We're
4 addressing specifically what is being presented to us,
5 which is the proposed development of two office buildings
6 and a hotel.

7 CHAIRPERSON BOSTIC: Mr. Aikins.

8 MR. AIKINS: Through the Chair. An additional
9 comment I wanted to make on the ten-page letter submitted
10 today by the City of Palo Alto, in the ten minutes that
11 I've had to review it, I wanted to inform you that it's
12 fair to categorize the great bulk of the comments here as
13 technical comments, primarily ones pertaining to issues of
14 traffic analysis and engineering expertise.

15 And I'll point out to you that we have further
16 opportunity to analyze the adequacy of our traffic impact
17 and other environmental impact mitigation programs. And
18 that additional opportunity adheres in the fact that,
19 well, tonight the Statutory Development Agreement contains
20 a list of special conditions that sets forth an exhaustive
21 program of developing mitigation.

22 On Monday of next week, you are scheduled to consider
23 the Tentative Map conditions and PUD Permit conditions
24 that can be used to augment the existing statements of
25 policies on the points of mitigation that are set forth in

1 the SDA Special Conditions.

2 During the time between now and Monday, as Staff, we
3 will further evaluate the technical merits, if any, of the
4 comments proposed by the citizens who spoke to you tonight
5 and be prepared with further analysis at that time in the
6 event that any further mitigation or adjustment of the
7 proposed mitigation measures that we have suggested for
8 the discretionary permit is advisable. Thank you.

9 CHAIRPERSON BOSTIC: Thank you.

10 At this time, Mr. Joaquin DeMonet would like to make
11 comments, University Circle Limited Partnership.

12 MR. DeMONET: Rebuttal, if you will.

13 Thank you, Chairman Bostic, Members of the Agency and
14 City Council. It's been really frustrating for me to hear
15 comments during the past year, and the past months,
16 regarding us not being cooperative and us not listening
17 to -- us -- not only myself, but I know the citizens and
18 the members of the Council in East Palo Alto, listening to
19 the neighboring cities and the folks in Crescent Park,
20 Menlo Park, Palo Alto, et cetera.

21 I was in those negotiation meetings, and I sensed a
22 lot of frustration. I sensed a lot of giving, and I saw a
23 lot of taking on the other side. And in all the press
24 that we've seen, we've never heard a "thank you" from them
25 for the City of East Palo Alto reducing and downscaling

1 the project by over three to four hundred thousand square
2 feet. What that means is a cost to you all of somewhere
3 around a hundred million dollars of assessed value.

4 They've said, "No thank you at all." I've not heard
5 them come up here and say, "Thank you very much, but it's
6 not quite enough." Nothing. All they say is it's not
7 enough. "Thanks for reducing it to 700,000 square feet,
8 but it still ain't enough."

9 The other thing I wanted to comment on was a thing
10 called FAR. FAR is a floor area ratio which -- you take a
11 square foot of land and you build hopefully so many square
12 feet on top of that square foot of land.

13 Now, the group opposing our development is somewhere
14 around a 1.43 FAR in that area. We know today in Palo
15 Alto, for example, that they're approving things that are
16 2 to 1 FAR, with hardly any parking at all.

17 During our negotiations with the outlying cities,
18 Crescent Park, Menlo Park and Palo Alto, they had
19 suggested that, "Would you please consider a setback from
20 Woodland, being the builder of St. Francis -- Peter Creek,
21 would you consider a setback of 75 feet so that we would
22 have a buffer?"

23 What we have done in our new design is we have a
24 setback of 175 feet to accommodate them.

25 Thank you very much.

1 CHAIRPERSON BOSTIC: Thank you.

2 At this time, I would like to move that the comments
3 on the Final Supplemental EIR and that the public hearing
4 be closed.

5 MS. WILKES: I think I want to say something.

6 CHAIRPERSON BOSTIC: Well, I did close the
7 public hearing, but I think the citizens need to have
8 their opportunity to speak. So before we do so, I will
9 double back and accept at least this additional citizen
10 that wants to make a comment at this time.

11 Miss Wilkes, Miss Gertrude Wilkes.

12 MS. WILKES: Gertrude Wilkes. To the
13 commissioners, I have been listening here tonight and
14 trying to get some sense of what is going on. I want to
15 thank the Palo Alto -- and perhaps some of the people who
16 have been in Palo Alto for a long time.

17 As a former council member, I'm certainly very much
18 aware how East Palo Alto cooperates or attempts to
19 cooperate with Palo Alto and with the neighboring cities.
20 I am really concerned and listening with interest at the
21 concern that we have that we not do any development or
22 that we develop according to their specifications.

23 I don't think that the community, as it is right now,
24 can afford to do that. I think this community waits with
25 great anticipation of something happening very soon, and I

1 would hope that the Council would consider that.

2 We need some infusion of support like yesterday, and
3 I think we have to get on with that. And if we don't get
4 some development in here, we will all parish. And I think
5 we have to think about that.

6 I would hope that the adjacent cities or our
7 neighbors would look at us having to move in kind of a
8 slow hurry and not having to wait to get the go-ahead from
9 all of us. We've taken all the traffic -- I think East
10 Palo Alto has shared its part. We've taken all the
11 traffic and all the anything else that's unpleasant. And
12 there will come a time that we're going to have to move
13 ahead, and I hope that we can do that with all speed
14 ahead. There's a lot of people who are looking for
15 something to happen in this community real soon.

16 CHAIRPERSON BOSTIC: Thank you, Miss Wilkes.

17 At this time, I -- again, I would like to ask that
18 the Final Supplemental EIR public hearing be closed. Is
19 there a motion for that?

20 AGENCY MEMBER MOUTON: I would so move.

21 AGENCY MEMBER COATS: I would second.

22 CHAIRPERSON BOSTIC: It has been moved and
23 seconded, moved by Ms. Mouton and seconded by Mr. Coats.

24 All in favor?

25 We will close at this time the public hearing and

1 open up a discussion between Agency members on this
2 matter.

3 Are there any comments from the Agency members?

4 VICE CHAIRPERSON VINES: Excuse me. Through the
5 Chair. I do have a comment. My comment is in relation to
6 the information that was submitted to us just tonight.

7 I had a chance to just briefly peruse the document,
8 and it does raise two questions, at least for me. One
9 question is -- centers around the first paragraph that
10 lists out some compromise of approximately 34 -- 104,000
11 square foot of office space, 20,000 square feet of retail
12 space, and a 266-room suite-type hotel facility. And
13 those are some different kinds of figures that were
14 analyzed in this document than were presented in the other
15 information in the EIR.

16 There's a difference -- the other significant
17 difference that hit me immediately is in considering this
18 information, the hotel itself falls -- as presented in
19 this information, is some nine-million-dollar difference
20 between the shortfall that was presented in earlier
21 information.

22 I would suggest that, just in quick perusal, that
23 those two items suggest that this is a significant
24 document. That's my comment.

25 CHAIRPERSON BOSTIC: Thank you, Mr. Vines.

1 Are these other comments from Agency members at this
2 time on the final EIR Supplement?

3 Miss Johnson.

4 AGENCY MEMBER JOHNSON: Mine is a question and
5 not a comment so much.

6 With the concerns that Mr. Vines has raised, a
7 nine-million-dollar difference, is that to -- is that
8 raised in support of not taking a vote tonight or tabling
9 this in consideration and moving forward and then go back
10 to iron out these figures? Because clearly the whole
11 document is fraught with some errors, and we're going to
12 base that nine-million-dollar difference on what's in this
13 document, which doesn't have the correct footage space.
14 I'm just wondering, how should we proceed?

15 CHAIRPERSON BOSTIC: Staff, do you want to make
16 a comment to Miss Johnson's inquiry?

17 MR. AIKINS: I'm not positive I'm following the
18 thrust of the comment completely, but I wanted to point
19 out that the Final EIR analyzes a broad envelope of
20 construction comprising the Specific Plan. Within that
21 envelope, an application has been made by DeMonet
22 Industries, Incorporated for a PUD development permit that
23 is smaller than the maximum permissible square footage
24 defined as the Specific Plan and as defined as the outer
25 limits of the project in the EIR.

1 This letter of June 18th written by William Euphrate
2 simply analyzes the distinction and the difference as a
3 matter of trend between a project of a given size -- in
4 fact, in this case, it's a project defined in the PUD
5 application submitted by DeMonet Industries -- than the
6 economic return of a smaller project.

7 Let me back up. The EIR analyzes not only the
8 proposed -- let's call it the preferred alternative, which
9 in this case is the 700,000-gross-square-foot Specific
10 Plan, but it also analyzes specific on-site alternatives,
11 including smaller ones. The PUD permit application is for
12 a smaller development than would be permitted under the
13 Specific Plan.

14 This letter simply describes not the EIR per se. It
15 does not address the 700,000-square-foot preferred
16 alternative in the EIR. Instead, it addresses the
17 340,000-square-foot office space, the 266-room suite hotel
18 and 20,000-square-foot retail space PUD permit application
19 type in comparison to a still larger development type.

20 So this is not directly related to nor does it
21 supercede anything contained in the EIR, except from the
22 standpoint of illustrating a trend and a financial
23 performance between a relatively larger and a relatively
24 smaller development concept.

25 On the EIR itself, which is the subject of the

1 proposed certification, we've screened it fairly
2 carefully. We have first class technical consultants who
3 have gone through it exhaustively. And referring in
4 specifics to the Palo Alto commentary and other comments
5 that you have heard tonight, there's nothing new in that
6 commentary that I've been able to discern in this quick
7 review.

8 All of the allegations of errors and allegations of
9 other judgments in the City of Palo Alto letters that I've
10 read are issues of technical judgment, of value judgment,
11 and are addressed already in the EIR as witness to the
12 fact that the letter alleging errors uses the EIR
13 organization scheme and simply disagrees point by point
14 with certain of the conclusions made in that EIR.

15 So on the topic of whether the Euphrate letter is a
16 significant document, its purposes, as I said before, is
17 to substantiate the Staff's proposed conclusions stated in
18 the findings, that the effect of downsizing the project is
19 to increase the relative overhead of that smaller project
20 compared to the relative return of that project. It's
21 there to substantiate a fairly simple point. It has
22 nothing to do directly with the content of the EIR. I
23 hope that helps.

24 VICE CHAIRPERSON VINES: Through the Chair.

25 CHAIRPERSON BOSTIC: Mr. Vines.

1 VICE CHAIRPERSON VINES: If I'm asking this
2 question at the wrong time, and if we should consider it
3 in another item, then simply tell me. But you did submit
4 this document to us just now, so I really am anxious that
5 I have some sense of reason that we got it and what its
6 purposes is and what I'm supposed to do with it, and
7 especially since you submitted it as a matter of
8 background for us to consider passing this document, this
9 EIR.

10 I would call your attention, with that prefaced
11 statement, to the last sentence on the first paragraph,
12 and I'll read: "I concur with your assessment that
13 project revenues would be insufficient to attract
14 sufficient equity and capital to allow finances of a
15 project of this scope, and would, therefore, be
16 infeasible." So I need some explanation as to, you know,
17 what that really means.

18 It also suggests further in the beginning of the
19 second paragraph that by reducing the project, it will
20 still be infeasible, and by increasing the size of the
21 project, it will still be infeasible.

22 Again, if I'm reading it wrong, you tell me.

23 MR. AIKINS: I read it the same way you do --
24 through the Chair -- Mr. Vines. And clearly it's the
25 opinion of this analyst that some form of equity subsidy

1 or additional financing assistance or something like that
2 might very well be necessary in order to make this
3 feasible. I can't speak to the worth or validity of that
4 judgment.

5 The reason why it was presented to you, again, at the
6 Staff's request, was not for the purpose of substantiating
7 that point, but instead simply to illustrate the
8 difference of the performance of a smaller verses a larger
9 project.

10 Incidentally, it was not introduced for the purposes
11 of necessarily that you agree with it or that it spark a
12 conclusive debate, but it was introduced for the purpose
13 of establishing on our records the factual issues that can
14 be used to substantiate our findings. It's really for
15 technical reasons, not for the issue of swaying or
16 influencing your consideration of the EIR certification
17 resolution.

18 CHAIRPERSON BOSTIC: Any other comments? Any
19 other comments from the Agency members on the final
20 Supplemental EIR?

21 AGENCY MEMBER MOUTON: Excuse me.

22 CHAIRPERSON BOSTIC: Miss Mouton.

23 AGENCY MEMBER MOUTON: I guess that I'm plugging
24 into where Mayor Vines is; that if indeed we are reading
25 this letter from Mr. Euphrate, that it seems to me that

1 the project ought to be sufficient on its own merits. And
2 If you're talking about some subsidies or whatever, some
3 cash incremental financing, then it seems to me that that
4 money or those monies ought to be directed at whatever
5 enhancements that we feel are in the best interest of East
6 Palo Alto and not to go for the basic project.

7 CHAIRPERSON BOSTIC: Mr. Coats.

8 AGENCY MEMBER COATS: I think that if we focus
9 on all the letters in the packet, as I read the letters
10 from Palo Alto and the letters from Menlo Park, they're
11 all pretty negative about doing anything in the area. And
12 I think we have to put all this in some perspective, that
13 there are people out there who simply would not approve
14 movement of the EIR simply because one so-called expert's
15 opinion indicates there's something wrong with the
16 project. As I read the Palo Alto letter, there are
17 hundreds of items in here there are problems with, and
18 these are things that will never be addressed in any EIR.

19 So I'm simply saying, at this point, I'm prepared to
20 move ahead with approval of the EIR. I believe that the
21 economic questions related to the project will have to be
22 worked out. But I don't see where the comments that Palo
23 Alto is raising, the comments that Menlo Park is raising,
24 the comments that Mr. -- what's his name -- Mr. Euphrate
25 is raising will have any bearing on the EIR at this point.

1 So I'm prepared to move ahead and approve the EIR.

2 CHAIRPERSON BOSTIC: Thank you.

3 Miss Johnson.

4 AGENCY MEMBER JOHNSON: I'm prepared to move
5 ahead, also. And personally, I feel, to the Crescent Park
6 Homeowners Association through the City of Palo Alto, that
7 we could never satisfy your desires for us. I just feel
8 that way. So I'm prepared to move on.

9 AGENCY MEMBER COATS: Is there a resolution?

10 CHAIRPERSON BOSTIC: Miss Mouton.

11 AGENCY MEMBER MOUTON: Mr. Chairman, I'm
12 plugging in where everyone is tonight, but, you know, I
13 recognize the fact that it seems to me from our friends in
14 Palo Alto that if we just put up a little shack, there
15 would be opposition to that.

16 I think that there is somehow -- and I'm not going to
17 say it's unmitigated gall, but in that land swap between
18 Santa Clara and San Mateo, they got our land. And then a
19 few years later, there was an attempt to take some of our
20 land down there. And this project down there where the
21 airport and whatever, if indeed they had not raped us and
22 taken our land -- it wouldn't be casting any shadows on
23 Menlo Park's streets, nor would it be casting any shadows
24 in Palo Alto.

25 CHAIRPERSON BOSTIC: Thank you, Miss Mouton.

1 AGENCY MEMBER COATS: I agree with Ms. Mouton.

2 AGENCY MEMBER MOUTON: Uh-huh.

3 CHAIRPERSON BOSTIC: As the Chair, I would like
4 to -- on this item of the Final Supplemental EIR, I'd like
5 to make a few brief observational comments. I would hope
6 they would bring upon this group some consensus for
7 approval of the final Supplemental EIR, because in talking
8 about the environmental impact issues around the project
9 in that area, we have to be reminded that we have spent a
10 lot of time trying to make sure that we have a project
11 that has all the facts and all the information for us to
12 make a decision on that.

13 But to compound that, I think people have to be
14 realistic who are critical that, in fact, we are talking
15 about basically a 22-acre area of which 12 acres are
16 buildable. And there's no way but to go up, but the thing
17 is to go up in such a way that it's an attractive
18 building, that there's -- that we've taken into effect the
19 densities questions and the traffic.

20 The traffic, many times we've gone over that, and the
21 business of traffic is there. Perhaps by doing something
22 in that project area, we will address at least the traffic
23 in such a way that we can be a part in correcting it. But
24 the fact that traffic is in that area has already been a
25 predrawn conclusion. And I hope that we would, in spirit

1 of the building consensus, be able to move forward at this
2 point and to move this Final EIR onward.

3 I'm open to any motion from --

4 VICE CHAIRPERSON VINES: I would --

5 AGENCY MEMBER COATS: Through the Chair.

6 CHAIRPERSON BOSTIC: You may make a comment now,
7 Mr. Vines.

8 VICE CHAIRPERSON VINES: I just had two
9 additional comments. I think it is clear, then, that the
10 decision about what happens in East Palo rests with East
11 Palo Alto. I think it's very clear that what happens, the
12 decision about what happens in East Palo Alto rests solely
13 with East Palo. That also is something that applies to
14 the developer as well; that whatever the decision is, it's
15 going to be made by Agency and Council, and it's solely our
16 responsibility to make those decisions.

17 With that in mind, if the Chair would allow me, I'd
18 just like to make a comment relative to the issues that
19 I've been raising. The issues are not what anybody else
20 wants for us, but what we know is going to be best for us
21 in making our decisions.

22 I'm questioning at this juncture the quality of the
23 information and the lateness of the information that has
24 been submitted to us in order that we make a decision
25 based on our own best judgment. It is imperative for me

13
1 to note that it obviously is an important document;
2 otherwise, it would not have been slipped in at the last
3 minute. It's obvious that it was an important document,
4 because in the text of going through this public hearing,
5 it's imperative to note that we must have reviewed and
6 considered all relative and important information as part
7 of the text of this document.

8 To the extent to which we all feel we have done that,
9 we should vote opposed. I, for one, just based on what
10 Staff has given to us, not from anything that I pulled out
11 of the sky -- and this was given to me just a moment
12 ago -- and based on that, I have an unreadiness to move on
13 this item. That's my comment.

14 CHAIRPERSON BOSTIC: Mr. Vines, thank you for
15 stating your position on that, but I do want to remind you
16 and remind all of us that, in fact, for three and a half
17 years, we have had information, and we have reacted to
18 that information. At no time did we approve a specific
19 EIR that calls for 18 stories of anything.

20 We did talk about looking at different scenarios that
21 would work in that area and tried to look at the impact
22 that would have on the environment, on the health and
23 safety of citizens, and in most cases, not only just for
24 East Palo Alto, but for the surrounding area. And we have
25 continued to compile information.

1 I do take note with you that this additional document
2 that you find, this one document -- that after three and a
3 half years, that this one document may give you
4 information to feel different about this project. But I
5 do assure you that it is within the means of the City of
6 East Palo Alto and this Council and this Agency to work
7 within the confines of what -- everything that I've seen
8 to this date to make this project and this EIR
9 meaningful -- particularly, at this point, the EIR --
10 meaningful to the revitalization and elimination of blight
11 and financial necessity for the City of East Palo Alto.

12 AGENCY MEMBER JOHNSON: Through the Chair.

13 CHAIRPERSON BOSTIC: Miss Johnson.

14 AGENCY MEMBER JOHNSON: I have one more comment.

15 Since we are talking about quality, I must address
16 the Staff and the history of the evolution of this
17 project. I think that we have done a gigantic job within
18 the last week -- and I want to compliment Mr. Bostic --
19 within the last few weeks, to -- to really stay on top of
20 what's going on with this project. We've all worked very
21 hard.

22 I'm looking at some of the episodes that brought us
23 to this point. We were doing tasks that we should have
24 done six months ago. So I was questioning that we are
25 under a situation of some force out there that would

1 like -- would not like to see East Palo Alto developed,
2 for whatever reasons, or certain projects get developed.

3 I'm prepared, under the circumstances that we have
4 had to work under, and with the information that we have
5 all accumulated, boxes and boxes of reading material, to
6 move on the issues that we are here to do tonight. Let's
7 move East Palo Alto upward and onward.

8 CHAIRPERSON BOSTIC: At this point, if we could,
9 I'd like to, again, ask that --

10 AGENCY MEMBER COATS: Staff, if I may, I'm going
11 to move this upward and onward from this issue. Is there
12 a resolution number?

13 MS. RAHI: Resolution 100.

14 AGENCY MEMBER COATS: I would move that we
15 approve Resolution No. 100, which is a resolution that --
16 I move that the Redevelopment Agency of the City of East
17 Palo Alto certify the Final Supplemental Environmental
18 Impact Report for the University Circle Project based on
19 the information contained within the Final SEIR, the Staff
20 report prepared in connection with the Final SEIR, the
21 proposed findings regarding significant environmental
22 assessment and mitigation measures, and the Statement of
23 Overriding Considerations attached to the Resolution
24 certifying the SEIR as Attachment A and Attachment B,
25 respectively.

1 AGENCY MEMBER JOHNSON: I second.

2 CHAIRPERSON BOSTIC: This resolution has been
3 moved and seconded. Do we need to call a roll call vote
4 for this?

5 MS. RAHI: Yes.

6 CHAIRPERSON BOSTIC: There is opportunity for
7 discussion.

8 VICE CHAIRPERSON VINES: Okay.

9 CHAIRPERSON BOSTIC: It's been moved and
10 seconded and is called, and there is a discussion on the
11 item before we vote.

12 VICE CHAIRPERSON VINES: I won't be long, and I
13 won't belabor the point, but I do think that, yes, we have
14 received a lot of information over the course of time that
15 we have been looking at this project. A lot of the
16 information that we have just received we've just gotten
17 it in the last week. And it has been difficult, at best,
18 to try and ferret through the information and pull out all
19 the significant facts involved in this matter. So I am
20 still unready, and I just want to go on the record as so
21 stating.

22 CHAIRPERSON BOSTIC: Okay. Any further
23 discussion?

24 Hearing that, then, we have had a motion put forth by
25 Mr. Coats and seconded by Miss Johnson. Do we need a roll

1 call vote?

2 MS. RAHI: Yes, you do.

3 Agency Member Johnson?

4 AGENCY MEMBER JOHNSON: Yes.

5 MS. RAHI: Agency Member Mouton?

6 AGENCY MEMBER MOUTON: I'm having problems
7 trying to -- a great deal of problems. I do want to -- I
8 think that some of the findings thereof, that whole kind
9 of thing, I'm having problems with the financial impacts
10 and that other kind of thing. I would certainly like to
11 support the SEIR, but given the absence of some of the
12 things or the lateness of the information, at this point,
13 I would have to vote "no."

14 MS. RAHI: Agency Member Coats?

15 AGENCY MEMBER COATS: Yes.

16 MS. RAHI: Vice Chair Vines?

17 VICE CHAIRPERSON VINES: No.

18 MS. RAHI: Chairman Bostic?

19 CHAIRPERSON BOSTIC: Yes.

20 At this point, after the vote has been taken on
21 Item 7.1, we will move into the -- continue the -- the
22 Agency meeting will be continued back again later in the
23 evening. But at this point, we will go into the City
24 Council meeting so that we can take care of items that are
25 important.

1 We already did a roll call, but --

2 MR. HALL: Thank you very much, Mr. Chairman.

3 (Roll call for the City Council)

4 VICE MAYOR BOSTIC: If we can call to order.
5 Can we approve the agenda for the items for the ...

6 MR. HALL: Yes. Mr. Chairman, you'll note that
7 there is an amendment to the agenda. I believe that all
8 members of the public do have the amended agenda. The
9 Page 2 that you have has been revised.

10 The Item 14 of the public hearing sets forth a
11 specific order of actions that are available for you to
12 take and continues over to your final page of your agenda
13 for this meeting. That is brought to your attention in
14 view of the agenda that you had previously received on
15 this regarding this particular subject matter. It's not
16 new material; it's just that the agenda itself was not
17 reading properly. For the public, the agendas they have
18 do read properly.

19 VICE MAYOR BOSTIC: Is there approval, then, for
20 the agenda with the modified changes?

21 MAYOR VINES: I move that we approve the agenda
22 as modified.

23 COUNCIL MEMBER JOHNSON: I second it.

24 VICE MAYOR BOSTIC: The agenda for tonight for
25 the City Council meeting has been moved and seconded. All

1 in favor?

2 All right.

3 (Item Nos. 11, 12 and 13 were not reported)

4 VICE MAYOR BOSTIC: At this time, we'll move to
5 Agenda Item 14.1. The City Council, as a responsible
6 Agency, must consider the potential redevelopment
7 environmental effects of the project before granting any
8 project approval. The City Council has considered the
9 commentary during the Agency public hearing and has
10 considered the Final Supplemental EIR, the Staff reports,
11 the Statement of Overriding Considerations and the
12 findings regarding this project.

13 At this time --

14 MR. HALL: No reports, Mr. Mayor.

15 VICE MAYOR BOSTIC: No reports? Okay.

16 MR. HALL: The previous report would be
17 consistent with the report under this item.

18 VICE MAYOR BOSTIC: Okay. Do we move on to
19 Items 14.2 and 14 --

20 MR. HALL: No. You would have to act on each
21 item separately. 14.1 you must act on separately.

22 VICE MAYOR BOSTIC: Okay. We will act on each
23 item separately and then entertain the others.

24 MR. HALL: That would be Resolution No. 672.

25 VICE MAYOR BOSTIC: 672?

1 MR. HALL: 672.

2 VICE MAYOR BOSTIC: Resolution No. 672 on the
3 CEQA. City Council Resolution No. --

4 MR. HALL: 672, yes.

5 VICE MAYOR BOSTIC: The resolution for the City
6 Council.

7 COUNCIL MEMBER COATS: I have mine, so I'm
8 prepared to make a motion to approve Item No. 14.1.

9 VICE MAYOR BOSTIC: Thank you.

10 Mr. Coats.

11 COUNCIL MEMBER COATS: I'm prepared to make a
12 motion to approve Resolution No. 672, which is a
13 Resolution of the City Council of the City of East Palo
14 Alto adopting the General Plan Amendment for the
15 University Circle Redevelopment Project area.

16 MR. HALL: Might I make a correction.

17 Mr. Coats, the amendment that I spoke to earlier sets
18 forth the resolution making certain findings regarding the
19 environmental impact of the proposed implemented actions
20 related to the Redevelopment Plan. This would be your
21 first resolution.

22 VICE MAYOR BOSTIC: Do you have that under 14.1?

23 MR. HALL: That is correct. That's your revised
24 Page 2, and I spoke to it at the beginning.

25 COUNCIL MEMBER COATS: I think that's part of

1 the problem. On the agenda that I have, 14.1 is the
2 General Plan Amendment. I don't have the revised agenda.

3 MR. HALL: That was the one that I had, too,
4 Mr. Coats, but given the revised agenda -- my
5 understanding is that the agenda has been revised.

6 COUNCIL MEMBER COATS: So what is 14.1; what is
7 that item?

8 MR. HALL: It's a resolution of the City of East
9 Palo Alto making certain findings regarding the
10 environmental impact of the proposed implementing actions
11 relating to the Redevelopment Plan for the University
12 Circle Redevelopment Project.

13 MAYOR VINES: Through the Chair.

14 VICE MAYOR BOSTIC: These are all the same
15 items, but these are --

16 COUNCIL MEMBER COATS: I think the problem is --
17 we've been working from one agenda, and in my packet I
18 have a different agenda as well.

19 MAYOR VINES: I'm working on the 14.1, the
20 General Plan Amendment.

21 COUNCIL MEMBER COATS: The agenda item -- the
22 agenda in the packet that said "14.1."

23 VICE MAYOR BOSTIC: Mayor Vines?

24 Attorney Aikins, Mayor Vines wants to address a
25 question to you at this time.

1 MR. AIKINS: Certainly.

2 VICE MAYOR BOSTIC: Mr. Vines, do you want to
3 address your question to Mr. Aikins?

4 MAYOR VINES: Never mind.

5 Do we have a resolution in the packet? This is the
6 resolution in here?

7 MR. HALL: That's correct.

8 MAYOR VINES: Okay. And this is the document
9 that we got --

10 MR. HALL: Yes. You got it prior to the
11 meeting.

12 MR. AIKINS: Through the Chair. I'd like to
13 explain the form of that resolution and what it says.

14 VICE MAYOR BOSTIC: Mr. Aikins.

15 MR. AIKINS: If I could, the resolution is a
16 resolution that --

17 VICE MAYOR BOSTIC: Excuse me. If we could --
18 if we need to, we'll take a break in a few minutes,
19 because I know it's a long meeting, but we need to get
20 back on focus. There is some confusion about the
21 adjustment to the agenda items scheduled, but all the
22 materials are in the packet, and we're dealing with that
23 now.

24 MR. AIKINS: Through the Chair. I wanted to
25 explain the difference between the resolution that you

1 just passed, the resolution of the Redevelopment Agency
2 that makes findings and adopts statements of Overriding
3 Considerations, and the current resolution before you,
4 which is a City Council resolution.

5 The most notable fact of the second resolution is
6 that it is identical to the first one with the single
7 exception that it does not purport to certify the EIR.
8 Instead, the City of East Palo Alto, acting as a
9 responsible agency -- in other words, a collateral
10 agency -- is obligated to make the finding that you see at
11 the very bottom of Page 1, Section 1, where it says in
12 effect that the City Council has considered all of the
13 material attached to this resolution, which is identical
14 to the Exhibits A and B attached to the East Palo Alto
15 Redevelopment Agency Resolution. What, in effect, you're
16 doing is saying that, as a City Council, you've considered
17 all of the information that you have just considered and
18 approved as a Redevelopment Agency.

19 I apologize for not providing that overview for you
20 moments ago, because I think it would have helped avoid
21 some confusion. But the effect of the resolution is
22 simply to state the fact that you have considered it and
23 that the City Council concurs with the determinations made
24 by the Redevelopment Agency.

25 VICE MAYOR BOSTIC: Mr. Vines, and then we'll go

1 on to --

2 MAYOR VINES: I'm trying to respond to this.
3 And in the packet that you gave us at the beginning of the
4 meeting, the clipped material has an ordinance in it.

5 MS. RAHI: Those are all the resolutions and
6 ordinances that are upcoming on the agenda. They are all
7 clipped together, yes.

8 VICE MAYOR BOSTIC: Okay. Mr. Coats?

9 COUNCIL MEMBER COATS: Yeah, I believe I have a
10 question. I have the resolution. I have the correct
11 agenda in my packet and was working from the agenda, so
12 I'm prepared to move ahead with -- on the business Item
13 No. 672, then, which is a resolution of the City Council
14 of the City of East Palo Alto stating certain findings
15 regarding the environmental impact of the proposed
16 implemented actions related to the Redevelopment Plan for
17 the University Circle Redevelopment Project.

18 COUNCIL MEMBER JOHNSON: Was that the motion?

19 MAYOR VINES: That was the motion.

20 COUNCIL MEMBER JOHNSON: Second it.

21 VICE MAYOR BOSTIC: The motion has been moved by
22 Mr. Coats and seconded by Miss Johnson. There is
23 discussion on the motion. Mr. Vines?

24 MAYOR VINES: Yeah. I'd just like to keep a
25 record to this topic in the body of the redevelopment

1 packet.

2 MS. RAHI: That resolution should be attached in
3 the section of 7.1, and I'll go through it real quickly.
4 I think it should be in your agenda packet. It should be
5 7.1.

6 MAYOR VINES: 7.1?

7 MR. HALL: Here. She's got it.

8 VICE MAYOR BOSTIC: As you can see, there's a
9 lot of paper around here.

10 MAYOR VINES: Okay. I needed to have that to
11 check the form and substance as related of the proposed
12 alternatives, so I wanted to note the differences between
13 the documents as you said you should be able to note.

14 VICE MAYOR BOSTIC: Before we take a vote, is
15 there community input? We do have before us a resolution
16 here.

17 MAYOR VINES: Through the Chair.

18 VICE MAYOR BOSTIC: Okay.

19 MAYOR VINES: I believe that the attorney stated
20 that the first paragraphs on both of these were different.
21 Was that a correct statement?

22 MR. AIKINS: That's correct. The first
23 paragraphs -- through the Chair -- are different in that
24 the first paragraph of the Agency resolution certifies the
25 EIR; the first paragraph of the City resolution notes

1 simply that the City Council has reviewed the contents and
2 considered the information put together that's attached to
3 the resolution.

4 MAYOR VINES: Okay.

5 MR. AIKINS: That information is identical to
6 the information that is attached to the Agency resolution.

7 MAYOR VINES: The resolutions that I have are
8 exactly the same resolutions.

9 MR. AIKINS: Then you don't have the right
10 resolutions.

11 MAYOR VINES: Okay.

12 MR. AIKINS: I'm going to hand you copies of
13 both of those.

14 MAYOR VINES: Okay.

15 VICE MAYOR BOSTIC: Since we are in the public
16 hearing process, we will go to Item 14.1 separate from the
17 other items we will discuss tonight. I will open it up
18 for public input, open the public hearing on Item 14.1.

19 At this point, we have one citizen that would like to
20 comment on 14.1 and a number of citizens to comment on the
21 other items.

22 Mr. Coats?

23 COUNCIL MEMBER COATS: All the Item 14's are
24 listed under the public hearing. Would it be appropriate
25 to withdraw the motion for approval of this resolution and

1 do the public hearing on all the items and then we move on
2 the resolution, or should we continue on that?

3 MR. AIKINS: You certainly have discretion.
4 There's no mandatory sequence. My recommendation would be
5 that you have a public hearing on all the items, the City
6 Resolution, the General Plan Amendment, Specific Plan
7 Adoption and Rezoning and -- pardon me, Statutory
8 Development Agreement.

9 The content of those is comparable. The content of
10 the first resolution, 4.1, we've just gone through and
11 you're hearing on the EIR Certification Resolution by the
12 Agency. The content of all the subsequent resolutions --
13 General Plan, Specific Plan, Zoning and Statutory
14 Development Agreement -- all pertain to the zoning
15 regulations that would apply to this site.

16 VICE MAYOR BOSTIC: Thank you. If the Agency
17 would permit, I think that we had a request from the City
18 Manager to separate Item 14.1, hold the public hearing,
19 and then take our vote, and then go on to the other items.

20 So we can proceed that way and manage to get back on
21 track, I will allow -- we have only one request for a
22 comment on 14.1, and that's Mr. Robert Hoover.

23 COUNCIL MEMBER JOHNSON: Is that motion -- is it
24 still there?

25 VICE MAYOR BOSTIC: It's still there. But we're

1 going to set it aside to open up the public hearing on
2 Item 14.1 by itself. And we'll close that and then we'll
3 get back to the Agency.

4 COUNCIL MEMBER JOHNSON: All right.

5 VICE MAYOR BOSTIC: Mr. Hoover.

6 MR. HOOVER: Mr. Bostic, members of the City
7 Council, I and any number of citizens have appeared before
8 you at many hearings concerning this -- the whole
9 redevelopment process. And each time, we have pleaded
10 with the Council to structure a hearing process that makes
11 some sense.

12 At a minimum, a hearing ought to be one that occurs
13 where citizens have time to read and to see the documents
14 before they come to a meeting, or if they're only
15 available at the meeting where the hearing is taking
16 place, then there should be no action on the part of the
17 Council at that hearing.

18 If the Council has just received documents today
19 themselves, I don't believe you have had adequate time to
20 review these documents before you make a decision.

21 Secondly, I just don't understand how we can continue
22 to go through this and have, again, this kind of a format
23 that the public can come and talk for two minutes about
24 about something that they know very little about because
25 they've had no time to read the material. You can't ask

1 questions of anybody. How do you get any answers?

2 You aren't getting public input. You're sitting
3 there ignoring the public. That's what it amounts to.
4 You have made up your minds on what you're going to do.
5 You don't want to hear the public.

6 And I say to you tonight that if the Council intends
7 to pursue this action tonight, I intend to stop the
8 meeting by any means necessary. It is absolutely unfair
9 to this community to conduct business in the way in which
10 you have conducted business in the last few months, and I
11 just simply don't understand it.

12 I'm looking at a document that says "Palo Alto,
13 received," many of these documents two weeks ago. When we
14 asked about it in the community, we're told that they're
15 not public information yet because they haven't been seen
16 by the Council. I don't understand that.

17 So, I just don't understand how you can call a public
18 hearing and not have the public have an opportunity to ask
19 questions, to get responses, so that they clearly
20 understand what is going on. There is no way anybody in
21 this audience knows what the hell is going on at this
22 meeting tonight.

23 VICE MAYOR BOSTIC: I will make one remark to
24 that. Maybe, perhaps, Staff is going to make another.

25 We are talking about the General Amendment that has

1 been before the Planning Commission. We are talking about
2 the EIR, the Final EIR; that has been not only circulated
3 but in the library for a long period of time. And Staff
4 can confer the time element of that. Items that we have
5 not had before us are not being moved on tonight, except
6 for the DDA that's --

7 MR. HOOVER: But the Planning Commission uses
8 the same format as the Council, a two-minute period giving
9 people no chance to respond.

10 VICE MAYOR BOSTIC: Thank you, Mr. Hoover, but
11 we only take people who come up to the front to talk.

12 Mr. -- Attorney Aikins, would you review the
13 matters -- the issues that we're voting on and the
14 availability of those to Agency members and to Council?

15 MR. AIKINS: Yes, Mr. Chairman. As noted in
16 your Staff report, the history of the public consideration
17 of these documents is set forth. In addition to the
18 lengthy time that the Draft Specific Plan has been before
19 the City bodies, including the Planning Commission, the
20 current draft we're operating on is a draft dated March of
21 1989, at which point it was considered by the Planning
22 Commission and Council and tentatively approved at that
23 time. The document and the related documents pertaining
24 to the General Plan Amendment, PUD rezoning for the
25 project area have been considered by the Planning Staff

1 and by the City Council and adopted through 1989.

2 The planning Staff report notes that on May 4th,
3 1990, the Planning Commission first held a joint study
4 session with the City Council to consider the draft
5 Supplemental EIR, and on May 14th, held a public hearing
6 to consider the Draft Supplemental EIR and to introduce
7 and consider the General Plan Amendment, Specific Plan and
8 Rezoning Amendment.

9 As you know, although the Staff report does not
10 recite the date, these items also were brought before the
11 University Circle Project Area Committee for their
12 consideration, and, in fact, the Project Area Committee has
13 been involved for the last four years in direct input on
14 these issues.

15 All the zoning and the EIR issues, the documents
16 before you, are the culmination of an extensive outreach
17 effort that has begun following the December 1988 adoption
18 of the University Circle Redevelopment Plan.

19 On June 25th, 1990, the Planning Commission, at a
20 regular meeting, recommended to the City Council adoption
21 of the General Plan Amendment, the Specific Plan and the
22 Rezoning Amendment, and at that time, also recommended
23 adoption of the Statutory Development Agreement in the
24 form before you.

25 All I can say beyond mentioning those specific dates

1 is that the public has been free and certainly invited to
2 attend all those public hearings.

3 VICE MAYOR BOSTIC: If I could, I'd like to
4 continue with the public hearing, and then we'll open it
5 back up to Council.

6 Taimba Jama would like to make a comment, and I
7 believe we have one other coming forward. Taimba Jama
8 would like to speak, and then Miss Sharifa Wilson, and
9 then we will turn it back to the Council after we close
10 the public hearing.

11 MS. JAMA: Taimba Jama. And, this, of course,
12 is for my own mental health, because you don't listen to
13 anybody.

14 But I would suggest to you that you at least realize
15 what people think of you as you sit up here and do this.
16 You obviously are not prepared to act on anything. You
17 obviously don't have the documents. You're sitting up
18 there passing around documents and going back and forth,
19 and your Staff hasn't told you what it is you're voting on
20 and where it is and how it is. It's obvious that you're
21 not prepared.

22 But I want to tell you that I have been talking to
23 the children about you, and they say you're stupid. And
24 if you videotaped yourselves tonight, you might agree with
25 them yourself.

1 But I would submit to you that the people that are
2 here are -- basically, the people that are here are from
3 East Palo Alto, because they don't like to be insulted.

4 I would submit to you that the people here who are
5 here from DeMonet and others will probably go back, drink
6 a glass of champagne tonight and say how stupid you are.
7 I would suspect that, of course, your opposition would --
8 from Palo Alto will file a lawsuit, because of just the
9 stupidity of not having documents. It's just plain simple
10 that -- I mean, it's something you do to at least cover
11 yourself with that. I would suspect that they would go
12 back and say how stupid you are.

13 So, again, I know you're not listening as you're
14 writing and doing all those things up there, but like I
15 said, this was for my own mental health.

16 VICE MAYOR BOSTIC: Sharifa Wilson.

17 MS. WILSON: Sharifa Wilson, 112 Holland Street.

18 I have a couple of comments, and I hope that I'm
19 speaking to the correct document. This should be
20 Exhibit A, "Findings Regarding Significant Environmental
21 Effects and Mitigating Measures."

22 Under Section F, on "Air Quality," I just want to
23 make sure that I have a clear understanding as to what
24 this says. It speaks to the fact that there will be
25 adverse effects of hydrocarbon and nitrogen oxide

1 emissions and that the levels are increasing
2 significantly, 68 percent above the standards, and that
3 the only way to mitigate that is to reduce the size of the
4 project.

5 It also says that according to the Environmental
6 Impact Report, that there is a traffic something, TM --
7 TDM Program. It suggests that there is a way to reduce
8 the emissions, but the only way to do it is to reduce the
9 size of the project.

10 It goes on to say that even though this, you know, is
11 working to reduce the air quality thing, or the impact of
12 it, that the mitigation of it is -- they consider that to
13 be impractical, that it can't be done.

14 So I just want to clearly understand that if you're
15 saying that even though we recognize there's going to be a
16 68 percent increase in the hydrocarbons in the air, and
17 even though we know that the only way to reduce that
18 impact is to reduce the size of the project, that it's
19 infeasible to reduce the size of the project because,
20 moneywise, it doesn't pencil out -- so that you're saying
21 that we're going to make sure that our economic will
22 increase even though the quality of the air will decrease.

23 The other thing is, on the Section M on the Parks, it
24 speaks to the fact that because people have to be
25 relocated, that it will cause an undetermined

1 redistribution demand for park facilities in other parts
2 of the city. Even though it says that, it goes on to say
3 that there's no mitigation required, and I don't
4 understand that.

5 If we recognize that there's going to be an increase
6 in demand for parks in other parts of the City, I don't
7 understand why we don't have a way to resolve that when
8 we're supposed to be finding out ways to resolve these
9 different things that cause, you know, problems.

10 Further, I want to say that even though I would like
11 to think that everybody is well informed and that all the
12 information is available, the fact is that the Statutory
13 Development Agreement was not available to the public. I
14 called this morning and spoke with Lynda Rahi. She had
15 not read it when I spoke with her. So I support Bob
16 Hoover's statement in that the documents were not ready
17 and they were not available to the public. Thank you.

18 VICE MAYOR BOSTIC: Mr. Hudson.

19 MR. HUDSON: Mr. Mayor and Vice Mayor, I don't
20 know why I'm up here, because every time we have
21 complained, it has fallen upon deaf ears. Your mind is
22 made up here when you get here; you don't need no package.
23 And we don't need none, either, because you have done made
24 up your minds.

25 I fought for these rights I got, and maybe some of

1 Is there any other discussion that we would like to
2 have on 14.1?

3 MR. AIKINS: Through the Chair. While moments
4 ago our environmental consultant left on the presumption
5 that the repeat of the EIR approval would not be
6 controversial, I will take a stab, as a nontechnician, at
7 answering and interpreting the findings mentioned by the
8 citizens on the issues of air quality and the parks.

9 As recited in the findings resolution exhibit that
10 was quoted, the issue on air quality summarized that there
11 is a cumulative poor air quality in the Bay Area. This is
12 defined as a nonattainment region. And because of the
13 generally poor area quality in the Bay Area, the existence
14 of the project is predicted to have a locally notable
15 pollution effect.

16 Again, just to state, nonattainment, as recited in
17 the findings, is an area in which the applicable federal
18 air quality standards have not been attained for some
19 period of time.

20 The finding goes on to describe the mitigation
21 measures that are proposed to be implemented into the
22 project, including transportation demand management and
23 on-site mitigation features, such as vegetation screening,
24 et cetera. And it makes the finding that while the net
25 effect of the project on air quality in the immediate

1 locale may be significant, that the overriding social and
2 economic objectives and consequences of improving the
3 project will override those otherwise significant
4 environment effects. The overriding economic and social
5 considerations are detailed for you in Exhibit B of that
6 resolution, where the most pertinent effects of the
7 project are summarized.

8 On the issue of parks, the Resolution, Exhibit A,
9 details -- or summarizes, actually, the effect of an
10 office and hotel and retail complex of this nature and
11 concludes, on the basis of those facts, that the demand
12 for office workers, hotel occupants and shoppers will not
13 be substantial on the demand for parks in East Palo Alto,
14 particularly considering the on-site recreational and
15 leisure amenities provided in the proposed design.

16 And to conclude, based on those facts, the impact on
17 park land requirements in East Palo Alto will not be
18 significant. For that reason, no mitigation measures are
19 proposed in the resolution.

20 If you have other questions, I'll be happy to respond
21 to those as well.

22 VICE MAYOR BOSTIC: What is the -- on the parks,
23 I believe, at a later time, there is an effort in
24 negotiations to make sure that there are resources for
5 parks.

1 MR. AIKINS: Yes.

2 VICE MAYOR BOSTIC: And also resorces, in terms
3 of dollars, that the City would determine.

4 MR. AIKINS: You are quite right. On that
5 point, while as a matter of environmental mitigation,
6 since the technical analysis has concluded that there's no
7 direct increased demand caused on parks caused by the
8 project, nevertheless, the community has isolated
9 increased parks resources as a desired effect of new
10 development in East Palo Alto.

11 For that reason, the Staff is carrying forward the
12 City Council's and the Agency's request to include park
13 enhancement and community benefits in the nature of
14 increased park resources as one of the components of the
15 disposition and development agreement negotiations, which
16 are not part of tonight's agenda.

17 VICE MAYOR BOSTIC: Mayor Vines.

18 MAYOR VINES: Through the Chair. I just want to
19 ask the Chair's indulgence, because I'd like to return to
20 this letter by William Euphrate.

21 This letter -- and I just want to recount the fact
22 that we just received this letter today. Then I want to
23 remind the Staff that several days ago we received a
24 packet which included the resolution, as we established
25 several minutes ago, that it was part of the packet.

1 If you'll turn to Page 3, I'd like for you to share
2 with me what's on Page 3 of this document. In the body of
3 the second paragraph at the end, it purports to say,
4 "Further evidence documenting the infeasibility of a
5 reduced scale alternative, and including a report from
6 William Euphrate," is that not -- is that the same
7 corporation that you included in the document that we
8 received several days ago that you said to us you just got
9 the letter today?

10 MS. RAHI: Yes. It's my understanding that that
11 particular letter was requested at the same time that the
12 report was made, and that's the reference that was made in
13 hopes that the document would be there before that date.

14 VICE MAYOR VINES: Okay. Then I would suggest
15 to you and to my colleagues, again, that we need to know
16 the import of this document, given that it is referenced
17 in several cases, including the resolution. And you don't
18 reference documents if they're not important in a
19 resolution to support financing things. You just doesn't
20 do that.

21 MR. AIKINS: Through the Chair. I'd like to
22 clarify this issue and perhaps put it to rest. In
23 preparing the Staff report, as a matter of our technical
24 responsibility to you to make certain that we have
25 substantiated to the degree possible all of the comments

1 and the findings stated in our proposed resolution, we
2 isolated the need to make more clear the point -- the
3 facts that support the conclusion that a smaller project
4 is a more expensive project per square foot.

5 For that reason, we contacted the consultants who
6 provided the William Euphrate letter and directed them to
7 summarize existing data for us so that would be available
8 for us in a concise form.

9 That letter, unfortunately, arrived only today -- or
10 was it yesterday? We requested it at the time we prepared
11 the Staff report, which was on the 27th, and it arrived
12 subsequently.

13 I'm not quite certain why the William Euphrate letter
14 is being considered substantially so significant, because
15 it simply is a means of documenting and summarizing
16 existing data on the point that a smaller project is more
17 expensive per square foot.

18 MAYOR VINES: Through the Chair. The document
19 referenced the infeasibility of the total project, and as
20 you validated earlier, and you are using that document to
21 say that -- well, I'm just uncomfortable -- through the
22 Chair -- with having information brought forward at a
23 critical point in time and saying to me that that
24 information is not important information, essentially,
25 that -- and then referencing that same unimportant

1 information in the legal document that's necessary in
2 order to certify this document. It doesn't work.

3 VICE MAYOR BOSTIC: Staff, I'd like to ask the
4 other Staff members, just to -- Dave Miller is working on
5 the project. Would you just give us some background on
6 this item from your perspective?

7 MR. MILLER: Members of the Agency, Board and
8 Chairman, I think that the information that has been
9 submitted is not relevant to the environmental
10 determination you have to make this evening. I think the
11 information that was submitted was relevant to your
12 feeling about the economic viability of the project.

13 As I understand it, the issue that you have before
14 you, in terms of acting on the environmental document, is
15 separate from that. So I don't think it's germane to the
16 consideration at this point.

17 Also, I think that it also speaks to the purpose for
18 redevelopment. If projects were economically viable, they
19 would not need the approval for redevelopment. That's
20 simply what redevelopment is for. So that would be my ...

21 MAYOR VINES: Through the Chair. I wanted to
22 make a comment on --

23 VICE MAYOR BOSTIC: Let me just get Lynda to
24 make a comment.

25 Do you have a comment on this particular letter item

1 in terms of the significance and importance on moving on
2 14.1?

19

3 MS. RAHI: I would have to concur with
4 Mr. Miller's comments and add to that that the document
5 would be used in further analysis when we started working
6 on -- or trying to finalize the DDA in consideration of
7 the financial and economic feasibility of the project as
8 well as how you would address those.

9 VICE MAYOR BOSTIC: Mayor Vines.

10 MAYOR VINES: This is the final comment that I
11 have on this item. If, by a very cursory review, a glance
12 at the documents, the inconsistencies are quite obvious,
13 then it suggests to me that we ought to have a more
14 thorough review of the document.

15 VICE MAYOR BOSTIC: Miss Johnson.

16 COUNCIL MEMBER JOHNSON: I just want to make a
17 point of clarification dealing with structure. We are
18 talking about redevelopment as if it was an event. It is
19 not an event; it is a process.

20 What is before us tonight are two separate pieces of
21 the process. And I would like to ensure to the minds of
22 some of the concerned citizens there in the audience that
23 we spend a tremendous amount of time in reading and giving
24 up of our own personal lives to do this job as
25 Redevelopment Agency members. And I just want to make

1 that point of citizens who might want to say that we're
2 not doing our jobs or we don't know what we're doing or
3 our mind is made up. If we've made any decisions
4 internally in our heads, it's based on reams and reams and
5 books of information that we have read.

6 I can't excuse anyone who's telling you that there
7 are certain Council policies that might not exist. That I
8 can't be accountable for, or else I would have to be up
9 there on that second floor 24 hours a day. I just want to
10 make that perfectly clear.

11 We're talking about two different procedures here.
12 One is the Redevelopment Agency and one is the City
13 Council. Right now, we're in the midst of City Council
14 work. So I'm not finding a whole lot new and different
15 about inconsistencies. And I'm just wondering, we're
16 talking about letters popping up and who got it first and
17 why did it show up here. I think we should move forward.

18 The process is going to take care of some of these
19 concerns. There's some information that we're not going
20 to act on tonight that you all will be involved in. A lot
21 of these issues have been discussed for the last four
22 years. We have had hearings. We have had packets. We
23 have had Planning Commission meetings. So here we are.
24 Do we go back through the whole thing? Would you like
25 another four years of effort of this?

1 Somewhere we are going to have to keep the process
2 rolling. And I just want to compliment my colleagues for
3 the work and the time, the time that we put in for the
4 citizens of East Palo Alto to read thick, thick documents
5 and, also, to talk back and forth with our Staff and
6 consultants.

7 VICE MAYOR BOSTIC: Miss Mouton.

8 COUNCIL MEMBER MOUTON: Mr. Chairman, I was
9 looking through the -- the SDA says that the project is
10 justified because of the generation of social and economic
11 benefits. And if, indeed, we've got a document here that
12 questions the economic benefits, I think that we ought to
13 look more closely.

14 I have always prided myself a being part of this
15 community, part of this Council. And I do believe that
16 the citizens of East Palo Alto are very sophisticated
17 people that read their documents and do their homework and
18 whatever.

19 I have problems with the things that we're looking at
20 tonight. Certainly, one of the processes would have been
21 to number the various resolutions, like A, B, C and D, you
22 know, and then you'll know you're looking at A or you're
23 looking at B, and there wouldn't have been that much
24 confusion.

25 But it does seem to me, and I hear the -- I hear

1 citizens asking us, "Please don't take any specific
2 actions on these things tonight, because we have not had
3 exposure to it." The Planning Commission just did the
4 thing on the 25th, which was Monday. That certainly
5 didn't give anybody time to review and look at those kinds
6 of things.

7 All I'm saying is that in the interest of moving our
8 community forward and not jeopardizing the project, why
9 try to do things that might undermine a -- the feasibility
10 of the project? And I'm just asking my colleagues to
11 provide more time for the citizens to acclimate themselves
12 with the documents.

13 VICE MAYOR BOSTIC: Mr. Coats.

14 COUNCIL MEMBER COATS: For me, this has been a
15 long, drawn-out process that has involved citizens for the
16 last four years. We've had a number of meetings that gave
17 citizens an opportunity to comment in this process. But
18 it seems to me that every time I come to the Agency and
19 the Council meetings, there's four or five out of the
20 18,200 that want to slow the process down. There is
21 another 18,195 that's out there telling me every day that
22 we need redevelopment.

23 I'm prepared to move ahead to bring development to
24 the City. The four or five that come to the meetings,
25 they've ran for public office; they've lost. I'm prepared

1 to move ahead to make the City a financially viable city.
2 That's where I'm at.

3 VICE MAYOR BOSTIC: My comments to -- back to
4 share with the other Council members, particularly with
5 Miss Mouton, I've tried to separate out those things that
6 we really haven't had time to discuss, and I think at a
7 later point we'll explain those, because those need to be
8 set aside for a few weeks so that we can do the hard work
9 around that, those items.

10 I think that on these items of the Council meeting,
11 we should be taking action as an agency. I believe that
12 as a council, it does serve us well to move forward on
13 these items, particularly 14.1, and I have tried to let
14 Staff make comments to support that. I mean, for them
15 it's been a three, four-month episode in the last three
16 weeks to try to get every bit of information that they
17 could to us.

18 Ms. Rahi.

19 MS. RAHI: Yes. Chairman Bostic, members of the
20 Agency -- of Council, for some clarification that Staff
21 has been pushing reports, you have received records in
22 there. We have been trying to obtain the materials in a
23 short period of time and on the expectation that the
24 documents would be in hand by the time we got a packet out
25 to you. That was what was put in the report.

1 Since that information came at a later date, that's
2 why we had it at a later date. As soon as it came into
3 Staff's hands, we presented it to the Council members.
4 But we knew that these were the things that were asked --
5 or were anticipated being ready for the packet. So that's
6 why we keep records, because these reports have been
7 generated and worked up throughout the process within a
8 short time frame, because there has been no way in the
9 world any of us could have presented all of the reports
10 and documents you have in the last few days on that for
11 everything to be in hand at that time.

12 VICE MAYOR BOSTIC: Miss Rahi --

13 MS. RAHI: So you may see that throughout the
14 documents.

15 VICE MAYOR BOSTIC: Miss Rahi, is it not true
16 that there are certain items that we have tonight that we
17 have -- at least the Staff has recommended not be moved
18 on?

19 MS. RAHI: Yes, there are items that will be
20 recommended that you not move on.

21 VICE MAYOR BOSTIC: And again, again, I say
22 that -- I ask the City manager if -- at this point, I
23 don't know in terms of numbering, so to speak, the City
24 Council packet portion of this meeting tonight, why it's
25 not A, B and C, but I would say this: I think there's

1 been no cover-up to not have this information to us, to
2 have the packet to include the information and to try to
3 be consistent that the actions that we take are consistent
4 with the actions taken by not only the Agency but the
5 Planning Commission, and that it is a culmination of study
6 sessions and opportunities, particularly around the
7 subject of the EIR and the questions of the General
8 Amendment that are required to -- for the EIR.

9 Mr. Coats.

10 COUNCIL MEMBER COATS: Yeah. I'm prepared to
11 move on on these items. At some point, we have to bring
12 closure to these items. There's going to be an element,
13 in my opinion, to oppose this stuff -- irregardless of
14 what we do to continue, there's going to be an element
15 opposed to what we're doing. I'm prepared to move on.

16 VICE MAYOR BOSTIC: Miss Johnson.

17 COUNCIL MEMBER JOHNSON: Yeah. I have a
18 comment. I would just like the public to know, repeating
19 what Mr. Bostic said about certain items we will not act
20 on tonight. And in response to Miss Mouton's concerns,
21 those items that are coming up at a future date, I don't
22 know what the availability of the informational items is
23 to the public, if we need certain people to come to City
24 Hall and sign up that they have received the information.
25 The other thing, too, when I hear that we keep deaf

1 ears, that is not true. People who want -- and really
2 have a concern and really stand on an issue, they call
3 individual members. They come by. They educate
4 themselves on the issues. I have spent --

5 A VOICE: But this is supposed to happen at the
6 public meetings, not in telephone calls.

7 COUNCIL MEMBER JOHNSON: Anyway, I will continue
8 without interruption.

9 A VOICE: Not tonight, you won't.

10 (Interruption in the proceedings.)

11 VICE MAYOR BOSTIC: I think that we can continue
12 this meeting. I know that the emotions are -- these are
13 important issues for the City. And I think that we can
14 get this meeting through, and I think we can all do it in
15 a style that allows us to do that.

16 COUNCIL MEMBER JOHNSON: I have two more
17 statements that I'm saying to the public. Personal phone
18 calls do help keep you informed and keep you updated.
19 Then when you come before the public and speak in a public
20 hearing, you have something of content to say other than
21 criticism of saying, "No one's listening to us." People
22 are listening to you.

23 COUNCIL MEMBER MOUTON: But if you have an
24 unlisted phone number, people can't get to you.

25 COUNCIL MEMBER JOHNSON: Well, I have a work

1 number.

2 VICE MAYOR BOSTIC: Miss Johnson, I think it
3 would help the Council proceed when we get comments, if
4 when we get comments back from citizens, then I'm going to
5 direct Staff to answer that. But I think that we don't
6 need to get in retort back and forth with the citizens and
7 back with us. That doesn't mean it -- that doesn't mean
8 it won't work.

9 Mr. Coats.

10 COUNCIL MEMBER COATS: There's a motion on the
11 floor, and we've discussed this item over and over and
12 over again. I call for the question of the motion.

13 VICE MAYOR BOSTIC: The motion is on the floor.
14 It has been seconded. It's Resolution 672. I call for
15 the vote.

16 MR. HALL: Mr. Coats?

17 COUNCIL MEMBER COATS: Yes.

18 MR. HALL: Mrs. Mouton?

19 COUNCIL MEMBER MOUTON: I would like to support
20 this motion, but I cannot, so I have to vote no.

21 MR. HALL: Mrs. Johnson?

22 COUNCIL MEMBER JOHNSON: Yes.

23 MR. HALL: Mayor Vines?

24 MAYOR VINES: No.

25 MR. HALL: Vice Mayor Bostic?

1 VICE MAYOR BOSTIC: Yes.

2 Okay. At this point, we'll move on now to the public
3 hearing on the other items. Item 14.2, the General Plan
4 Amendment, adopt for resolution.

5 Okay. Why don't we take a five-minute break.

6 (Recess taken)

7 (Roll call for the City Council)

8 VICE MAYOR BOSTIC: Again, we'll resume the
9 meeting. This is, again, the Council portion of our
10 meeting for tonight. I'd like to go back into the public
11 hearing on Item 14.2, the General Plan Amendment, adopt
12 for resolution.

13 MR. HALL: Yes. Mr. Mayor and members of the
14 City Council, this matter has been before the Planning
15 Commission, and they are recommending that you approve the
16 General Plan. This would be Resolution No. 672.

17 VICE MAYOR BOSTIC: 67 --

18 MR. HALL: 673. Excuse me. 673.

19 VICE MAYOR BOSTIC: Since there are no other
20 reports from Staff, I'd open up the --

21 MR. HALL: They have to have the public hearing.

22 VICE MAYOR BOSTIC: Right. What we'll do in
23 this case is open up the public hearing on all items, the
24 4.2, the 4.3, 4.4. and 4.5. If people want to make
25 comments separate of those, they can make them at their --

1 they've had --

2 MR. HALL: Mr. Chairman, I would like to ask
3 that you continue Item 14.5. We're not prepared to move
4 forward on that item at this time.

5 COUNCIL MEMBER COATS: Is it continued to a
6 specific date?

7 MR. HALL: It's to be continued to your meeting
8 Monday night.

9 COUNCIL MEMBER COATS: That date is what?

10 MR. HALL: That is July the 2nd.

11 VICE MAYOR BOSTIC: Staff is recommending that
12 Item 14.5, the Statutory Development Agreement,
13 introduction of the ordinance, be continued till our
14 meeting of July 2nd on Monday. That would give Staff
15 further time to review it and also, too, to consult and to
16 confer with the Council.

17 Again, for the citizens, that Statutory Agreement is
18 separate from the Disposition Development Agreement.
19 We're not at this point in time listing that as an item.

20 Okay. So on Items 14.1 -- excuse me, 14.2, 14.3 and
21 14.4, we'll open up the public hearing and allow citizens
22 to make comments on either one or all three of those items
23 as they so choose.

24 Sharifa Wilson?

25 MS. WILSON: I have a question about the General

1 Plan Amendment, and it's a question -- where it says,
2 "Whereas," blah, blah, blah, blah, blah, it says, "A
3 mixed-use retail, commercial and hotel complex to be
4 constructed," if the City decides that it won't be a
5 hotel, does that mean that this has to be amended, or was
6 this broad enough to cover ...

7 VICE MAYOR BOSTIC: I think it's broad enough.
8 Let's start with the -- with Staff first.

9 Mr. Aikins, would you make a comment to that?

10 MR. AIKINS: Yes. Once second, please. I'm
11 just digging up my Staff report here.

12 The proposed General Plan designation is to
13 mixed-use commercial, which permits office and hotel uses.
14 The mix of permitted uses is quite broad. If a hotel use
15 is determined not to be attractive to the Agency or to the
16 City, depending on what is substituted for it, at that
17 time, you would evaluate whether you need to further amend
18 the General Plan.

19 If an office or retail use is proposed to substitute
20 for the hotel, no General Plan Amendment would be
21 necessary. If some residential use, for example, were
22 proposed, then a subsequent General Plan Amendment would
23 be necessary.

24 MS. WILSON: Thank you. And I have a statement
25 to make. It is a -- and I want to make this real clear.

1 It is a misnomer and an insult to constantly have Council
2 members try to evade the issue of the lack of information
3 to the public by making false statements claiming that
4 people are against development.

5 Many of us, including myself, who ran for office and
6 lost, have continued to stay involved in the City process
7 during the last four years. I serve on the Economic
8 Development Subcommittee. I serve on the Personnel
9 Commission. That is evidence enough to show my commitment
10 and willingness to participate in the process of making
11 the City develop.

12 There are some council members, however, who sit in
13 their seats and do not participate in those processes that
14 are in place to make the City move forward. They choose
15 to involve themselves where they decide.

16 For example, we have a lack of participation on the
17 part of certain Council members on the subcommittees of
18 the City Council itself. To me, I question their
19 commitment to this City and to the forward progress of
20 this city.

21 I am for development, and I want to make that quite
22 clear. I am for development. I am for development where
23 it allows for this City to come out on top. And if that
24 means that I have to come up and complain because I cannot
25 get ahold of the documents, because I have not had the

1 chance to analyze them, then I feel that that is my
2 responsibility to do so.

3 I am a person who has worked quite hard. Everybody
4 knows that I am a person who will come up here and ask for
5 every single document that's available. I will read it.
6 I will analyze it. I sit in every single council meeting,
7 and I've made comments pertaining to each of those things.
8 And I am insulted when a person tries to make light of my
9 commitment and my questioning what I feel is on behalf of
10 the residents of this community. Thank you.

11 VICE MAYOR BOSTIC: Mr. Gus Little would like to
12 make a comment on the General Plan Amendment, 14.2.

13 MR. LITTLE: University Circle Group
14 Association. I suggest including the mixed -- in the
15 mixed-use -- including a mixed-use residential, retail in
16 the General Plan Amendment in the event DeMonet's
17 shortfall creates a magnanimous debt, making the hotel
18 development infeasible.

19 This would allow more flexibility and further enhance
20 more innovative uses, not to overlook the Redevelopment
21 Agency having paved the way for an alternate plan by not
22 creating limitations for the Agency for redevelopment.
23 Thank you.

24 VICE MAYOR BOSTIC: If I could, I'll take other
25 comments that are on 14.2, and then we'll try to respond

1 to those.

2 Mr. William Green would like to make a comment on
3 14.2 and 14.3 and 14.4.

4 MR. GREEN: Members of the City Council, my name
5 is Bill Green. I sit in the somewhat difficult position
6 of being a citizen of the City of Palo Alto, but
7 I want you to know that everyone in the City of Palo Alto
8 is not concerned with obstructing the plans for the
9 development of the City of East Palo Alto. I have made
10 that clear to those people in the City of Palo Alto that I
11 know as well.

12 It's too often that we hear at this stage of our
13 lives that we should not do certain things because of the
14 impact. I refer specifically that we have to deal with
15 environmental issues which we didn't create; that while we
16 were picking cotton, other people were polluting the
17 rivers. Now that the rivers are polluted, they tell us we
18 can't add one more bit of pollution because they are
19 polluted. They take the city and the streets of East Palo
20 Alto, they crowd them with automobiles, and after they're
21 crowded, they come back and tell you you can't add any
22 more automobiles.

23 I do believe -- even for my wife, I've said to her
24 that in a day and age when I can finally afford to buy a
25 mink for her, I don't want some environmentalist telling

1 me, "Don't kill the minks." That's an aside, but I just
2 wanted to say that.

3 On another point, on the issue of the economic
4 feasibility of the project, I did not want to deal at that
5 particular point, but I do think that you should take into
6 consideration that the Supplemental Environmental Impact
7 Report provides for certain overriding considerations
8 which are the basis for not being able to do all of the
9 mitigation factors. But it includes specifically that
10 those overriding considerations have their own mitigation,
11 and those mitigations are going to be financed through the
12 project. If the project is not feasible, where are the
13 funds going to come from to finance the litigation set
14 forth in the overriding considerations? I think you need
15 to look at that.

16 My main concern and the point I want to make is,
17 first, you had brought before the Council, if not the
18 Council specifically, before Redevelopment, proposed
19 alternate plans for the hotel site. I do not believe that
20 the hotel site is economically feasible, and there's a lot
21 of other people that would agree with that. But I would
22 like to see Council take action that would leave
23 sufficient flexibility so that if the hotel does not fly,
24 that proposed developers, particularly property owners for
25 projects, including residential, commercial, mixed-use --

1 that that be a permitted use. And that goes throughout
2 the General Plan Amendment, throughout the Specific Plan
3 and through the Rezoning Amendment.

4 Each of those items, as I understand them now, you
5 are converting from a residential use to a strictly
6 commercial use. The Planned Unit Development can include
7 residential as well. And I would suggest and recommend
8 that you consider including some opportunity for
9 residential development within the PUD specifically on the
10 hotel site.

11 I also, on behalf of Ed Campbell, who is a property
12 owner, simply wish to say that he supports the proposal of
13 the University Circle Owners Association, which is along
14 these same lines; and that is that there be developed on
15 the hotel site -- if the hotel site proves to be
16 uneconomic, that there be developed on that site a mixed
17 commercial-residential use. Thank you.

18 VICE MAYOR BOSTIC: Thank you.

19 James Gilmore would like to make comments on the
20 General Plan -- okay. Fine.

21 Diana Ladyne -- I'm sorry. You want to make
22 comments on Item 14.4, right?

23 MS. LADYNE: Well, I was going to --

24 VICE MAYOR BOSTIC: I think 14.4 is the rezoning
25 Amendment.

1 MS. LADYNE: Actually, none of that is --
2 Diana Ladyne, 1010 Myrtle Street.

3 I was wanting to speak to the SDA. And of course, if
4 I had know that was going to be -- if, in fact, it were
5 going to be taken off, I would have spoken in the
6 community forum. So at whatever point it would be, there
7 are a few comments that I'd like to make. Whether this is
8 the time or not, I don't know.

9 VICE MAYOR BOSTIC: I think we have scheduled
10 that for Monday.

11 MR. HALL: I might add, if anyone has some
12 concerns between now and that time, copies are going to be
13 made available, and we would certainly appreciate hearing
14 your comments as we ourselves are evaluating the document.
15 And perhaps we might be able to address any concerns you
16 have prior to the meeting.

17 MS. LADYNE: Okay. I guess the first point is
18 that being on the Economic Development Council, that all
19 of us, I think -- I mean, I can't speak for them, but
20 we've talked about it a lot -- no one wants to be a stamp
21 to anybody else's agenda.

22 This last week has been a real roller coaster for a
23 number of us who have been on the Economic Development
24 Task Force. I think it was Wednesday or Tuesday that we
25 were informed that the DDA was going to be on the agenda

1 tonight. We had received a commitment that the Economic
2 Development Task Force would have the opportunity to
3 review that document.

4 The SDA -- we were told the SDA was going to be on
5 the agenda this evening, and we spent as much time as we
6 had going through whatever machinations we could to try to
7 address that. And I personally am really offended by
8 feeling like my input is not valued, because I personally
9 put in a lot of time, and I know a lot of other people
10 have, too. And so I'm not interested in continuing that
11 process if it's going to continue in that way. So that's
12 the first point.

13 On the SDA, I would like the opportunity to speak
14 individually with each of you, because I've been doing a
15 lot of research on it. So before Monday night, I'd like
16 to be able to talk with each of you. Thank you.

17 VICE MAYOR BOSTIC: Thank you, Diana.

18 I have no other requests from citizens on making
19 comments to 14.4, 14.3 or 14 -- 14.2, 14.3 or 14.4.

20 MR. HOOVER: I turned in a sheet. I don't know
21 what happened to it.

22 COUNCIL MEMBER MOUTON: It self-destructed.

23 MR. HOOVER: First of all, I'd like to say, I
24 understand the kind of time that the Council has invested
25 in this process and all the work that they do, and I

3
1 appreciate that. However, the amount of time that you
2 invest as Council members does not justify the inability
3 of the public to get information and to get responses and
4 to ask questions and to be involved in the process.

5 The Staff made comments about all of the various
6 meetings that have occurred over the last four years and
7 what kind of hearings that have been held and all the
8 documents that have been reviewed and on and on and on.
9 I'm not talking about -- those were draft documents. They
10 were not up for vote for action, to commit this community
11 for, perhaps, forever.

12 We're now talking about final documents that you're
13 going to vote on that will commit us citizens -- we may
14 wind up having to pay for a lot of this stuff. And to not
15 have an opportunity to be heard, to raise questions for
16 clarification on any number of issues when you're coming
17 down to a final vote -- I don't care how many hours you've
18 spent. I appreciate those hours and the time that you've
19 spent. I have also spent time and hours.

20 So I want to make it clear that I do appreciate and
21 understand the Council's time, but I want you to
22 understand and appreciate our concerns, because you're
23 committing us -- may be committing us for a lot of money
24 for a long time. You may be making decisions that might
25 generate a lot of money for us for a long time. But I

1 just want to be sure that at least I'm as clear as I can
2 possibly be about it.

3 So I would strongly urge that the Council consider a
4 study session prior to making -- taking action on these
5 items. I understand there was a study session last night,
6 which I did not know anything about. I called council
7 chambers -- council offices yesterday to ask about further
8 meetings this week concerning redevelopment, and was told
9 that there was a meeting tonight and the time that there
10 was a meeting, but I was not told about a meeting last
11 night.

12 The last comment I'm going to make, and then I'm
13 going to sit down, is that I've also talked about the need
14 for us to have a seriously updated General Plan. I'm
15 always told we do have an updated General Plan, yet every
16 time we have to make a -- we have to approve a development
17 agreement, we have to amend the General Plan to include
18 that development agreement. It seems to me that it ought
19 to be the other way around.

20 The General Plan is a document that says it's a
21 master plan for a community. And any time you have to --
22 if you have to adjust your master plan to fit something
23 that's being added to it, you don't have a master plan.

24 So I think that -- perhaps you are listening, but I
25 would strongly urge you, before we get to these next two

1 major developments and this stage in the major
2 developments, that we try, as a community, to put together
3 a General Plan that truly represents a master plan and
4 that includes the proposed redevelopment areas.

5 And I also would like to just say that I do support
6 development. Anybody would be a fool to say they do not
7 support redevelopment in this community. We know that the
8 only way we're going to be able to provide and to change
9 some things for the lives of our children is through
10 redevelopment. But I'm not for rushing into it and
11 throwing away the City.

12 VICE MAYOR BOSTIC: Thank you, Mr. Hoover.

13 Taimba Jama.

14 MS. JAMA: Once this is done, it is done. You
15 worked to become public servants, so don't complain about
16 what you have to do. It is your responsibility to involve
17 youth and involve the citizens of East Palo Alto in what
18 is going to be the direction of the City. Our young
19 people don't feel involved in this. This is not for our
20 young people.

21 In the '60's, there was a movement against the powers
22 to be. I submit to you that the young people that you
23 have thrown away will be fighting you. When they have a
24 song called "'F' the Police," they're talking about "F"
25 authority, because you're not involving them.

1 This is for money in certain home owners'
2 properties, realtors' pockets. Nobody is concerned about
3 the youth and bringing up low income people, bringing
4 people along. They don't care about them. As a result of
5 that, you'll pay in human suffering. You can't get enough
6 locks for your house. You can't hire enough police to
7 protect you. You've got to involve human beings.

8 I know it's popular to save the whale, save the slug,
9 save the earth. I submit to you I have spent, since I was
10 15 years old, 25 -- well, I'm older than that -- 28 years,
11 27 years working for human beings. I have nothing
12 physical to show for that, but I have in my mind that I
13 have done human service work. I go to bed every night
14 with a clear conscience knowing I haven't taken money and
15 sold anybody out.

16 I submit to you that anybody with any intelligence --
17 I'm not going to let you insult my intelligence and say
18 that we don't like the government. But we want to involve
19 the human beings here in this City. That's why you were
20 elected. That's why we fought for -- we fought for
21 someone to fight for us. And as a people, we fight for
22 everyone. I'm looking at black citizens out there, yes,
23 and I expect you to help black people grow. But I know
24 that black people work for everyone. That's why people
25 feel comfortable in this room.

1 Again, I know this is for my own mental health, but I
2 have to do this, because if I die tonight or if the
3 children come to me, I want them to say, yes, I fight.

4 And Mrs. Johnson, I came up here every meeting for a
5 year and fought for youth programs, and nothing happened
6 three and four years ago. My intelligence tells me not to
7 come up here and say that, at least to talk about
8 something else.

9 VICE MAYOR BOSTIC: At this point, I don't have
10 any other requests to speak in the public hearing on
11 Items 14.2, 3 or 4. And I would entertain a motion to
12 close the public hearing on those resolution items.

13 COUNCIL MEMBER COATS: I would so move.

14 COUNCIL MEMBER JOHNSON: Second.

15 VICE MAYOR BOSTIC: It has been moved and
16 seconded. Discussion?

17 Hearing none, I call for the vote.

18 MR. HALL: Mr. Coats?

19 COUNCIL MEMBER COATS: Yes.

20 MR. HALL: Mrs. Mouton?

21 COUNCIL MEMBER MOUTON: Yes.

22 MR. HALL: Mrs. Johnson?

23 COUNCIL MEMBER JOHNSON: Yes.

24 MR. HALL: Mayor Vines?

25 MAYOR VINES: Yes.

1 MR. HALL: Mr. Bostic?

2 VICE MAYOR BOSTIC: Yes, for closing the public
3 hearing on those items.

4 At this time, we will open discussion by the Council.
5 I would hope that -- first, I'd like to direct Staff. I
6 think we've been taking some notes on what citizens and
7 community folks have said on these items. I have some
8 comments of my own, but I think we'll start with Staff and
9 then let other Agency folks make comments.

10 MR. HALL: No comments.

11 VICE MAYOR BOSTIC: No comments.

12 Are there other Council members that would like to
13 make comments?

14 MAYOR VINES: Yes. Through the Chair.

15 VICE MAYOR BOSTIC: Mayor Vines.

16 MAYOR VINES: I think that given the very
17 cursory review of the information that was submitted to us
18 in a not-so-timely fashion, that it's clear to me that we
19 need to at least consider alternatives that hopefully
20 we'll never need to get to, but we need to consider them.

21 So I would be prepared to support this General Plan
22 Amendment if we could add a caveat that should,
23 unfortunately, we not be able to secure a hotel, that we
24 have the ability to have a mixed use that would include
25 some residential.

1 VICE MAYOR BOSTIC: Staff, would you be able to
2 make a comment on what has transpired over the weeks
3 that --

4 MR. HALL: Yes. Mr. Chairman, members of the
5 Council, I'm going to turn this over to the attorney. We
6 were briefly chatting.

7 Should you elect to modify the General Plan Amendment
8 that is before you, it would, in fact, require a revisit
9 to the Planning Commission. And it may -- it may require
10 a possible additional look at the -- for environmental
11 impact. I think the attorney would like to comment
12 further on that.

13 MR. AIKINS: Through the Chair. The City
14 Manager has summarized my comments. I would -- pardon
15 me -- recommend that rather than amend the proposed
16 language of the General Plan Amendment, you consider it as
17 presented, since there is an adequate environmental
18 analysis for it. And if it's determined by the City not
19 to be the appropriate policy, that instead you simply
20 continue consideration of it or refer it back to the
21 Planning Commission for further analysis.

22 I would suggest that as a procedural matter --

23 VICE MAYOR BOSTIC: Mr. Aikins, would you repeat
24 that?

25 MR. AIKINS: I'm sorry. Yes.

1 As a procedural matter, because of the necessity for
2 referral of the General Plan Amendment back to the
3 Planning Commission, should you change its content to
4 provide for residential uses, that instead of amending it
5 now, to provide that if a hotel is not feasible, we'll
6 amend this General Plan Amendment here and now, then,
7 instead, you consider this amendment, and if it's
8 satisfactory in its current form, approve it, and if later
9 a hotel proves not to be attractive or feasible, at that
10 time, through the normal course of procedures, you'd,
11 number one, perform an environmental assessment of
12 residential uses on this site; number two, take it from
13 Planning Staff and Planning Commission analysis; and,
14 number three, bring it back to you as a City Council for
15 consideration.

16 To provide for the potential for residential uses now
17 in this General Plan Amendment, in my view, would
18 exceed -- would violate the analytical foundations that
19 you have laid in the current EIR.

20 VICE MAYOR BOSTIC: Thank you. I'd like to get
21 Dave Miller to make some comments. I know he's been
22 working in the last few weeks as we have attempted to look
23 at the possibilities.

24 MR. MILLER: I think, board members -- or
25 Council members, at this point, that I've spent about 20

1 years in the planning field and have done planning for a
2 number of cities. And from that experience in the State
3 of California, I would concur with the legal counsel, that
4 if you're going to evaluate a different use, that the very
5 reason of concern about information being made available
6 as to what that proposal might be needs to be before the
7 public in the EIR, needs to be in the General Plan
8 Amendment, and all of those documents need to be before
9 the public in order to act upon it.

10 All of the information we have looked at so far has
11 been relative to the PUD application and the Specific
12 Plan, and that has been evaluated in the EIR. If you're
13 looking at other uses -- which you certainly can, and
14 planning is a dynamic process -- we concurred with the
15 master plan. We looked at it.

16 Whether it's market forces or other needs in the
17 community -- housing is the one that's hitting us now --
18 you may want to come back and look at this as a viable
19 use. And I think that's the purpose of the general
20 planning process. But to do it procedurally, you need to
21 lay the foundation in the environmental document and the
22 application so that it's legally correct, to follow the
23 planning and environmental laws of the State as you bring
24 it through the public hearing process and act on it.

25 So I would encourage you to -- if you are to go in

1 that direction, to follow those procedures and make sure
2 that there is adequate notice of that particular proposal
3 approval.

4 There is some concern about the hotel as an
5 economically viable entity, but I believe you have -- it's
6 your decision and it's within your power to come back and
7 relook at that site and collect other alternatives for it.

8 VICE MAYOR BOSTIC: I just wanted to ask, does
9 the land use concern that we have been addressing, does it
10 rule out the possibility of an alternative if, in fact,
11 the feasibility is not there for a hotel in terms of --

12 MR. MILLER: I would concur very strongly with
13 legal counsel, that wherever you're going to consider a
14 land use that is not specifically mentioned in the
15 Environmental Impact Report, is not specifically spelled
16 out in a General Plan Application -- and all of those
17 things need public scrutiny -- then you don't have the
18 legal foundation in the environmental document, nor in the
19 application, nor in the public hearing process, to act
20 upon that alternative land use without first including it
21 in another General Plan Amendment and going through that
22 public -- and including it in the EIR.

23 I think that from all of the planning experience I
24 have had with various legal counsel and with various
25 communities, it's very clear that you need to have the

1 land uses that you're going to decide upon in a public
2 hearing forum like this included in the applications and
3 the EIRs and all of the information prior to the decision
4 being made. But the procedural and legal problems, you're
5 in control of the land uses on that property. If you find
6 another use that's more appropriate, you can come back and
7 initiate those changes.

8 VICE MAYOR BOSTIC: Mr. Coats.

9 COUNCIL MEMBER COATS: I have a comment. It's
10 been my impression all along if the Agency decides to do
11 something different than has been proposed, as far as the
12 hotel is concerned, that that different item would have to
13 come back to the Agency and Council for approval. So the
14 opportunity to do that is there. And I don't -- trying to
15 do that now would be inappropriate for both, in my
16 opinion.

17 VICE MAYOR BOSTIC: Miss Johnson or Miss Mouton,
18 are there comments on --

19 COUNCIL MEMBER MOUTON: Well, yes, Mr. Chairman,
20 only that I think in the course of our discussions
21 tonight, some things have arisen that give one the
22 impression that we're against development. And I just
23 want to add my voice to the theme that we certainly are
24 not against development. But whatever development occurs
25 must be in the best interests of the citizens of the

1 community. We known darn well that there are some things
2 that we need, and whateyer, that without -- without
3 development and whatever, that funding is not going to be
4 generated.

5 VICE MAYOR BOSTIC: Mayor Vines.

6 MAYOR VINES: Yeah. I think -- again, I'm very
7 concerned that we not hide the fact that there is a
8 serious concern at least about the ability to put together
9 that hotel. That, to me -- and I guess I could ask a
10 question of Staff at the same time -- that suggests to me
11 that we have a fiduciary responsibility not to involve
12 ourselves in something that we know is not going to work
13 on behalf of the benefit of the City. That suggests that
14 if we proceed along the lines that we're going on right
15 now, that we have a fiduciary responsibility tonight on
16 this.

17 If we have evidence and Staff has evidence and all of
18 us have evidence that that project will not work as
19 proposed and that that project will be an economic
20 detriment to the City, then we have a responsibility to
21 act accordingly. I believe that's correct, and if I'm
22 wrong, I'd like to be corrected.

23 So that would suggest to me that if we're heading
24 down that road, that we're simply saying we're going to
25 guarantee that we're going to deny that application, and I

1 don't want that application denied. So I'm looking for
2 ways to ensure that we can move with that project without
3 saying, "No, we can't move with it," and putting ourselves
4 at risk, in terms of liability, by moving on something
5 that we know won't work.

6 VICE MAYOR BOSTIC: Miss Rahi.

7 MS. RAHI: Chairman Bostic, Mayor Vines, members
8 of the Council, you're correct in that it has shown that
9 the hotel is not economically feasible the way it is being
10 proposed. However, in the report, in speaking to the
11 representatives, they indicated that that does not negate
12 the idea that a hotel of a different nature may not work.
13 So -- and that has not yet been evaluated or studied.

14 So there is a possibility that the hotel will work.
15 But at this point, they are showing that it's not
16 economically feasible for a 266-room high-rise or low-rise
17 hotel. But they did not negate the idea that a different
18 type of structure hotel might work, such as a plaza, which
19 they referred to, may work.

20 VICE MAYOR BOSTIC: Miss Rahi, what is the time
21 line in terms of to visit that site at -- beyond the
22 process that we're going through today and this week? Is
23 it a six-month, nine-month -- do would he have a frame to
24 work on that to be --

25 MS. RAHI: To determine the feasibility, that

1 could be addressed in the Disposition and Development
2 Agreement. The Agency itself can establish that time line
3 so that you don't just sit there, and yet you can move on
4 with other alternatives, should you so desire. And that
5 time frame can be established by how much time you feel is
6 necessary to evaluate that feasibility for the hotel.

7 VICE MAYOR BOSTIC: Okay. Are there other
8 comments from the Council?

9 COUNCIL MEMBER COATS: Just a quick comment. I
10 think that as I understood the hotel question, the lack of
11 or the feasibility of the hotel, it has always been the
12 desire of the Agency and the Council to have a hotel in
13 the City of East Palo Alto. So -- and that's certainly --
14 that's my impression of where the Council is at, not
15 necessarily my position.

16 My position is that we -- the City needs a hotel and
17 that we work very diligently to try to bring a hotel to
18 the City of East Palo Alto. To that extent, I would hope
19 that we continue to commit to that path to a uniform
20 hotel, that we exhaust all possibilities of bringing a
21 hotel to that path.

22 If it turns out that it doesn't work, I think that
23 the Agency and the Council need to keep some options open,
24 and I think that that's what I understand Staff is saying;
25 that through development, those options will be kept open.

1 But I want to emphasize the point that I think a hotel is
2 important to the City of East Palo Alto.

3 VICE MAYOR BOSTIC: My only comment is that
4 working -- working with the Staff, that the Staff is
5 making recommendations to us that during the DDA process,
6 that there may be measures that we can help to ensure that
7 the hotel is a priority and it is made less of a risk than
8 may be the expectation at this point.

9 But I also would like to say that I think the process
10 has been talked about of, that if it isn't feasible, we're
11 giving it a time frame, and the City has control of that.
12 And I do want to express to the citizens that it's really,
13 to this point, been the City that has pushed a hotel for a
14 variety of reasons, because of the process of resources
15 of -- the income trail that comes from it, from the
16 creation of hotel-type jobs, the restaurant, the extension
17 of retail from it. There's been a lot of issues about
18 that. So it's really been the Council aiding the
19 community that has seen that as being a community benefit
20 on site, one of those community benefits on site.

21 But I think that we definitely can leave open, you
22 know, doing a time frame on the feasibility; that if it's
23 not feasible, that we are creating opportunities that that
24 would happen.

25 Unless someone wants to add more to that or there's

1 more discussion on 14.2, 3 or 4, I'm willing to entertain
2 a motion.

3 MR. HALL: Yes, Mr. Chairman. This will be
4 Resolution No. 673 with respect to the General Plan
5 Amendment.

6 COUNCIL MEMBER COATS: I'm prepared to move that
7 we approve -- if there's no further discussion on this,
8 that we approve Resolution No. 673, which is a resolution
9 for the City Council of the City of East Palo Alto
10 adopting the General Plan of the University Circle
11 Redevelopment Project Area.

12 COUNCIL MEMBER JOHNSON: Seconded.

13 VICE MAYOR BOSTIC: It's been moved by Mr. Coats
14 and seconded by Miss Johnson. Any discussion?

15 Having none, would you call for the vote?

16 MR. HALL: Mr. Coats?

17 COUNCIL MEMBER COATS: Yes.

18 MR. HALL: Mrs. Mouton?

19 COUNCIL MEMBER MOUTON: I ...

20 MR. HALL: I'm sorry, Mrs. Mouton. I
21 couldn't --

22 COUNCIL MEMBER MOUTON: I'm having difficulties,
23 because -- I would support the General Plan Amendment,
24 yes.

25 MR. HALL: Mrs. Johnson?

1 COUNCIL MEMBER JOHNSON: Yes.

2 MR. HALL: Mr. Bostic?

3 VICE MAYOR BOSTIC: Yes.

4 MR. HALL: Mr. Vines?

5 MAYOR VINES: Yes.

6 VICE MAYOR BOSTIC: Let the record show five
7 votes for the resolutions that concern the General Plan
8 Amendment, the Specific Plan Adoption, the --

9 MR. HALL: No. We have to take a vote on each
10 one of these, Mr. Chairman.

11 VICE MAYOR BOSTIC: Oh.

12 MR. HALL: Mr. Chairman, the Specific Plan is
13 the document that you have had an opportunity to review.
14 The last draft that was prepared was dated March 19, 1989.
15 It serves as an envelope for any subsequent development
16 program that is approved. The Specific Plan is before you
17 for your consideration at this time, Mr. Chairman.

18 COUNCIL MEMBER COATS: Is there a resolution
19 number?

20 MR. HALL: Yes. Resolution No. 674.

21 VICE MAYOR BOSTIC: Is there discussion on it?

22 MAYOR VINES: Yes. On this Specific Plan -- to
23 the Staff through the Chair -- approval of the Specific
24 Plan means that we're going to do all of the things
25 judiciously that we talked about under the General Plan

1 Amendment.

2 MR. HALL: Yes. That would be correct, bearing
3 in mind, Mr. Chairman, to Mr. Vines, the Specific Plan, as
4 I indicated, serves as an envelope for anything you would
5 want to do. You would not be able to do anything that is
6 not included in the Specific Plan. Anything that exceeded
7 the Specific Plan would not be allowed.

8 MAYOR VINES: Then a technical question: I know
9 that the envelope that we talked about in terms of the
10 Specific Plan, that generally the envelope would be
11 700,000 with the mixed use in it.

12 MR. HALL: That's correct.

13 MAYOR VINES: Is there any need to be specific
14 about the square footage on any one of those uses?

15 MR. HALL: The program, unit development
16 program -- I will defer to legal counsel to get into
17 further detail on that subject.

18 As a general nature, I would simply say that you
19 could be as specific as you would like to be in the
20 Specific Plan, that under State law it lays out the
21 general categories that must be included within a Specific
22 Plan.

23 I think I will now defer to Mr. Aikins to further
24 illuminate on that question.

25 MR. AIKINS: Through the Chair, I wanted to

1 point out Pages 4 and 5 of the Specific Plan before you.
2 The text of these sections has not changed since March of
3 '89, and provides the land use and circulation concepts.
4 And I'm reading from the bottom of Page 4.

5 "This Specific Plan envisions the land use and
6 circulation concept of a relatively high-density,
7 mixed-use complex comprising a total of approximately
8 700,000 square feet of net floor area.

9 "The maximum intensity of the office-commercial use
10 envisioned" -- this is maximum. It could be smaller in
11 each of these three categories -- "The maximum intensity
12 of the office-commercial use envisioned is approximately
13 480,000 square feet of net floor area; the maximum
14 intensity of the retail use envisioned is approximately
15 35,000 net -- square feet of net floor area; and the
16 maximum intensity of hotel use envisioned is approximately
17 185,000 square feet of net floor area."

18 It goes on to state that, "Each of the foregoing
19 limits on intensity of the component uses for the site is
20 general, and could be exceeded in accordance with the
21 terms of a Use Permit approved by the Planning Commission,
22 provided that the total intensity limit of approximately
23 700,000 square feet of net floor area should not be
24 exceeded."

25 That is the most specific language regulation imposed

1 on the size or magnitude of the component uses.

2 MAYOR VINES: Through the Chair. My concern is
3 that I believe that the last time we amended that, that
4 the upper limit for the hotel was 220 rather than 180, and
5 that the upper limit on the office was 450 or so; and now
6 we've dropped down to 180, and it's up on the other one.

7 MR. HALL: Let me see if I can assist in this
8 question.

9 Mr. Aikins, is it possible for any of the square
10 footages that would be forthcoming, that if they were even
11 in a permit, if they changed -- say the office came in
12 with a new application of 300,000, a hotel with 300,000
13 commercial under 100,000. Would it be acceptable within
14 the Specific Plan that we had?

15 MR. AIKINS: Through the Chair. The Specific
16 Plan envisions just that sort of adjustment of this
17 magnitude of uses. There is a caveat, though, that,
18 number one, the total magnitude should not be more than
19 700,000 square feet, and the second caveat is that -- I
20 want to offer a procedural comment. I think it bears on
21 this. In the event that the mix changed substantially
22 beyond the analytical envelope of the current EIR, that
23 application for a mix change would have to be assessed
24 from an environmental perspective.

25 MAYOR VINES: And would a change of 50,000 or

1 40,000 square feet be significant enough to require that?

2 MR. HALL: No, no.

3 MR. AIKINS: That's a highly technical question
4 in the sense that it depends on change to what from what.

5 VICE MAYOR VINES: I mean from hotel -- from
6 office to hotel.

7 MR. AIKINS: Well, I would hazard the rough
8 opinion, as a nontechnician on the subject of
9 environmental impact, that it probably would not.

10 MR. HALL: Mr. Mayor, it would be the degree of
11 the change, and as he has said, it depends primarily on
12 what kind of uses would be taking place on the site. And
13 if they were substantially different than what has already
14 been reviewed, then you've got a problem.

15 VICE MAYOR BOSTIC: We need the --

16 MR. HALL: That would be Resolution No. 674.

17 COUNCIL MEMBER COATS: Mr. Chairman, I would
18 move that we approve Resolution No. 674, which is a
19 resolution of the City Council of the City of East Palo
20 Alto adopting the Specific Plan for the University Circle
21 Redevelopment Project Area.

22 COUNCIL MEMBER JOHNSON: Seconded.

23 VICE MAYOR BOSTIC: It has been moved by
24 Mr. Coats and seconded by Miss Johnson. Call for the
25 vote.

1 COUNCIL MEMBER MOUTON: Well, I want to have a
2 discussion, Mr. Chairman, because I'm thinking back to the
3 discussions we had earlier. I'm concerned that if the
4 numbers don't pencil out, that, you know, here we are
5 approving a Specific Plan for that area. And it seems to
6 me that if you're doing that and you're looking at a loss,
7 then we're not carrying out our fiduciary obligation to
8 shepherd the City in a way that contributes to its
9 prosperity, good health, et cetera, et cetera.

10 VICE MAYOR BOSTIC: Again, I think it's worth
11 having Staff make a comment that if the Specific Plan is
12 not followed by, let's say, a workable DDA agreement, what
13 happens to that Specific Plan?

14 MR. AIKINS: In the event that a hotel use
15 proved to be infeasible, the developer applicant would
16 have the opportunity to bring back an amended land use
17 proposal for you, in the form, probably, at a minimum, of
18 a new PUD permit application that would amend what had
19 been approved at that point.

20 Secondly, in the event that the changes were
21 substantial enough to exceed the scope and the definition
22 in the Specific Plan, a Specific Plan Amendment would have
23 to be proposed as part of a new land use package. That in
24 concept is no different and no more troublesome to you
25 than simply making new policy on what should be the land

1 use mix to fill that site. Procedurally, it's just an
2 additional step, like the steps you're taking tonight, to
3 make sure that the documentation and regulations conform
4 to the policy.

5 VICE MAYOR BOSTIC: Who would have control of
6 that -- that final negotiation?

7 MR. AIKINS: The City Council.

8 VICE MAYOR BOSTIC: And not the developer by the
9 rights of -- just the fact they wanted to amend the --

10 MR. AIKINS: No. In the event that a land use
11 regulatory change is required, then only the City is in a
12 position to make those land use regulatory changes.

13 VICE MAYOR BOSTIC: Further discussion?

14 If not, we'll -- again, the motion has been moved by
15 Mr. Coats and seconded by Miss Johnson. Call for the
16 vote.

17 MR. HALL: Mr. Coats?

18 COUNCIL MEMBER COATS: Yes.

19 MR. HALL: Mrs. Mouton?

20 COUNCIL MEMBER MOUTON: Well, my understanding
21 of what our Council has -- the information they've given
22 us is that in the final analysis, if there are those
23 changes that you spoke of, they would be City driven. To
24 that extent, then I would support the Specific Plan.

25 MR. HALL: Mrs. Johnson?

1 COUNCIL MEMBER JOHNSON: Yes. I think it's very
2 clear that the control is in the hands of the City
3 Council, so my vote is "yes."

4 MR. HALL: Mayor Vines?

5 MAYOR VINES: Yes.

6 MR. HALL: Vice Mayor Bostic?

7 VICE MAYOR BOSTIC: Yes.

8 Okay. 14.4, the Rezoning Amendment.

9 MR. HALL: Yes. Mr. Chairman, the Rezoning
10 Amendment has been considered by the Planning Commission.
11 They have held a hearing and do recommend that you
12 consider and positively move on the Rezoning Amendment as
13 has been proposed before you.

14 VICE MAYOR BOSTIC: Mr. Coats.

15 COUNCIL MEMBER COATS: Is there a resolution
16 number on this one?

17 MR. HALL: There is an ordinance -- excuse me.
18 The ordinance would be the first three of that ordinance,
19 and it would be Ordinance No. 120.

20 VICE MAYOR BOSTIC: Mr. Coats.

21 COUNCIL MEMBER COATS: If there's not discussion
22 on that, I would move that we approve Ordinance No. 120;
23 that we waive the reading of the ordinance in its
24 entirety; that we then read the ordinance by title only.
25 That ordinance is No. 120, which is an ordinance of the

1 City Council of the City of East Palo Alto approving
2 changes to zoning district specifications for the
3 University Circle Redevelopment Project Area.

4 COUNCIL MEMBER JOHNSON: Seconded.

5 VICE MAYOR BOSTIC: The Rezoning Amendment has
6 been moved by Mr. Coats and seconded by Miss Johnson. Is
7 there discussion?

8 Hearing no discussion on this item, call for the
9 vote.

10 MR. HALL: Yes. Mr. Coats?

11 COUNCIL MEMBER COATS: Yes.

12 MR. HALL: Mrs. Mouton?

13 COUNCIL MEMBER MOUTON: Yes.

14 MR. HALL: Mrs. Johnson?

15 COUNCIL MEMBER JOHNSON: Yes.

16 MR. HALL: Mayor Vines?

17 MAYOR VINES: Yes.

18 MR. HALL: Vice Mayor Bostic?

19 VICE MAYOR BOSTIC: Yes.

20 That concludes those items, 14.1, 2, 3 and 4. We
21 will entertain a --

22 COUNCIL MEMBER MOUTON: I would certainly move
23 for adjournment.

24 VICE MAYOR BOSTIC: Well, if we're going to move
25 for adjournment -- we're going to open redevelopment just

1 to close it out, because we have to continue. So on the
2 City Council meeting --

3 COUNCIL MEMBER COATS: I move for adjournment on
4 the City Council meeting.

5 COUNCIL MEMBER JOHNSON: Second.

6 VICE MAYOR BOSTIC: It's been moved and
7 seconded. All in favor?

8 Okay. Se we're closing the City Council meeting. We
9 need to open the Redevelopment meeting again, because
10 we -- and that's Item 16. Call to order -- roll call for
11 the Agency members. Miss Rahi?

12 (Roll call for the Redevelopment Agency)

13 CHAIRPERSON BOSTIC: We've opened back up the
14 Redevelopment meeting, really, to make sure that we've
15 said clearly to the citizens that the Disposition and
16 Development Agreement will be continued.

17 Does Staff have a recommended time for that
18 continuation?

19 MS. RAHI: Yes. I would request that we
20 continue this item for one or two weeks to allow a work
21 study session with the Agency as well as Staff getting all
22 the necessary information to do a complete --

23 CHAIRPERSON BOSTIC: How will that work study
24 session be posted and advertised so that citizens will
25 have that opportunity that they have complained -- you

1 know, not "complained," but suggested that we have not
2 provided them. I don't want to use the word "complain,"
3 because that's a --

4 AGENCY MEMBER MOUTON: Slip.

5 CHAIRPERSON BOSTIC: A Freudian slip.

6 But they -- the citizens have said that they've not
7 had that opportunity. And I think that -- I think that on
8 this issue more than any, that citizens should be able to
9 hear about that work session, that we should go out of our
10 way to make sure that they know of it and that they're
11 here.

12 MS. RAHI: Okay. Then basically what we will do
13 is post it and advertise it in the newspaper again. And I
14 have been informed that we would --

15 CHAIRPERSON BOSTIC: Can we set a time tonight?

16 MS. RAHI: Yes.

17 CHAIRPERSON BOSTIC: That would surely help the
18 citizens that are here tonight to know.

19 MS. RAHI: All right. Then if you desire to
20 have a Redevelopment Agency meeting --

21 CHAIRPERSON BOSTIC: I think we need to just
22 create the one item and devote the full time to that one
23 item. I don't want to see that piggybacked on.

24 MS. RAHI: Okay.

25 CHAIRPERSON BOSTIC: And again, while they're

1 looking for a date, taking the privilege, as Agency Chair,
2 if it wasn't said from the City Council meeting, the
3 Monday night meeting for the City Council will address the
4 Statutory Development Agreement which has to be made.

5 It's available to all council members at this point, but I
6 think that the citizens want to have an opportunity over
7 the weekend and on Monday to come prepared to discuss
8 that -- one of the items in the full City Council meeting.

9 But in terms of this redevelopment, do you have a
10 date?

11 MS. RAHI: Yes. Looking at the schedule, it's
12 my understanding that you have budget meetings up to
13 July 10th. What I can recommend is a work study session
14 for July 11th, which is on a Wednesday.

15 CHAIRPERSON BOSTIC: Fine.

16 AGENCY MEMBER MOUTON: Fine.

17 CHAIRPERSON BOSTIC: Can I get a --

18 AGENCY MEMBER COATS: I guess I feel strongly
19 that there are so many meetings on so many days, that
20 it's --

21 AGENCY MEMBER MOUTON: At 6:30?

22 CHAIRPERSON BOSTIC: It's tentatively set for
23 July 11th at 6:30. July 11th at 6:30 is tentatively set
24 for that meeting, which will be a work session. And we
25 will allow citizens and the Agency to fully explore a

1 number of issues that affect owner participation rights;
2 that will affect, to a large degree, the community benefit
3 concerns that we have heard about parks in terms of, you
4 know, how we will handle those issues; and also with the
5 concerns of the viability of the DDA to strengthen those
6 weak areas by looking at what measures might be
7 incorporated into it.

8 Okay. At this point, then, I would --

9 AGENCY MEMBER COATS: I move for adjournment of
10 the hearing.

11 AGENCY MEMBER JOHNSON: Second

12 VICE CHAIRPERSON VINES: Continuation.

13 AGENCY MEMBER COATS: Continuation. I'm sorry.
14 Thank you, Mr. Vines.

15 CHAIRPERSON BOSTIC: Continuation for --

16 AGENCY MEMBER COATS: Until the 11th of July at
17 6:30.

18 VICE CHAIRPERSON VINES: Second.

19 CHAIRPERSON BOSTIC: It's been moved and
20 seconded. It's been moved by Mrs. Johnson (sic) and
21 seconded by the Mayor.

22 AGENCY MEMBER COATS: "Mrs. Johnson"? It's
23 getting late. It's Mr. Coats.

24 CHAIRPERSON BOSTIC: Mr. Coats, and seconded by
25 Mayor Vines. All in favor?

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All right.

(The proceedings adjourned at 10:34 p.m.)

1 STATE OF CALIFORNIA)
 2 COUNTY OF ALAMEDA) SS

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I, JoAnn Lauritzen, do hereby certify:

That the foregoing proceeding was taken before me at the time and place therein named; and

That the same was taken in shorthand by myself, and was thereafter transcribed into typewritten transcription.

I further certify that I am a disinterested person to said action and am in no way interested in the outcome thereof nor connected or related to any of the parties thereto.



JOANN LAURITZEN

