

TOWN COUNCIL MEETING NO. 616, JANUARY 8, 2003

ROLL CALL:

The meeting was called to order by Mayor Driscoll at 8:00 p.m. Ms. Howard called the roll:

Present: Councilmembers G. Comstock, K. Comstock, Davis and Merk, and
Mayor Driscoll (departed 12:00 am)

Absent: None

Others: Town Planner Mader, Town Attorney Sloan, Town Administrator Howard, Public Works
Director Young, Admin. Services Dir. Powell, and Deputy Clerk Hanlon.

ORAL COMMUNICATIONS: None.

- (1) PUBLIC HEARING: Amendments to the General Plan and Zoning Ordinance Primarily Relating to the Nathorst Triangle Area (NTA) and Proposed Mitigated Negative Declaration

Noting that the hearing had been continued from the December 11, 2002, meeting, Mayor Driscoll encouraged residents to focus on the compromises that could be made to: a) balance the rights of the individual landowners, neighbors, and the overall community; and b) make this particular area of the Town more effective for everyone.

Town Planner Mader discussed: 1) the history of the recommendation for rezoning the Nathorst Triangle Area, including the Planning Commission's 3-year study of alternative zoning (as set forth in the staff report of 12/3/02); and 2) responses to seven questions raised by the Council at the last meeting (staff report of 12/19/02). Using overheads, he described: a) the historical and current zoning on the three properties under discussion; b) changes to the holding capacity of the Town and spheres of influence and the relationship to the amount of commercial/office space; c) the proposed rezoning; d) previous and existing proposals for what could be developed under current zoning on each of the parcels; e) the coordinated plan proposed by the property owners; and f) a comparison of floor area, impervious surface, site coverage, and access/parking using the existing zoning and the plan proposed by the property owners.

Town Planner Mader said there had been a lot of concerns expressed about the number of dwelling units and FARs. Because of those concerns, he felt it would be appropriate to consider limiting the number of dwelling units for each parcel. The NTA Plan currently indicated that if the Jelich property was not developed for commercial or office use, it could be developed for residential, with a limit of 5.8 units per acre. He described how the number had been arrived at, noting that it was based on the zoning ordinance and had been applied to the approved Sausal Creek project. If the proposed S-R district included a maximum of 25% office or commercial use and the standard of 5.8 was applied to the residential portion, there could be 12-15 dwelling units on the three parcels combined. If the number of units in the S-R district was limited, he thought the concern about maximum FAR was secondary.

Mayor Driscoll said the Planning Commission's recommendations appeared to contain some loopholes that could allow a very large number of units; this was of concern to a number of residents. This was not the intention of the Commission, and he felt it would be almost impossible for that type of proposal to get through ASCC review. He asked if Councilmembers wanted to try to patch some of those loopholes.

Based on Town Planner Mader's suggestion, Councilmember Davis said there might now be some confusion about what the proposal was. It was his understanding that the Planning Commission was trying

to maximize

the number of relatively small, affordable homes in this area and allow mixed usage. Applying the standard used for the Sausal Creek project would change the size of the homes and the number of units. Larger and fewer homes was not what the Planning Commission was trying to encourage.

Councilmember G. Comstock said the idea behind Town Planner Mader's suggestion to limit the number of dwelling units was to eliminate the concern that someone could potentially put 35 residences in. He felt it would be reasonable to put in some kind of a limit to get rid of that concern. Councilmember Davis reiterated that there was a very specific proposal before the Council. He thought the pros and cons of that should be discussed first.

Mayor Driscoll opened the public hearing and asked that speakers limit their comments to three minutes.

Anne Galli, 2 Acorn, supported the proposed rezoning to allow residential development in the Nathhorst triangle. The issues of density, noise, traffic, visual impact and precedent could all be resolved. She looked to the Council to supply Portola Valley with badly needed diversity in housing sizes.

Carol Russell, 200 Nathhorst Avenue, said at the public meetings on November 29, 2001, October 16, 2002, and December 11, 2002, there was an overwhelming dissatisfaction with up-zoning and increasing the density in the scenic corridor and Nathhorst triangle. Despite this public outcry, the Planning Commission recommended this rezoning. Those in opposition to the amendments had been criticized for exaggerating the density. It had now been proven that the density had not been exaggerated and that there was the potential for 35 homes. The staff report dated 12/19/02 indicated that the landowners were proposing a 25.9% FAR and wanted 3,000 sf of covered parking to be disregarded in the calculation of floor area coverage. The property owners were already asking for more than the zoning amendment proposed. The proponents of the rezoning amendment were primarily the Planning Commissioners who wanted to increase the density while claiming that that density would never be increased. It was ludicrous to assume that the maximum allowed FAR in an ordinance could never be achieved and that somehow the Town would be able to vitiate its own ordinance. Either the Planning Commission wanted to see the maximum density allowed by the ordinance or was acting without forethought. The proposal was purely a vision of the Planning Commission and not a vision of the community or the landowners' expectations when they purchased their property. Once passed, this zoning amendment would start the stampede for similar mixed-use, up-zoning petitions for other properties in Town. She questioned why these landowners were receiving preferential treatment. The community had been asked for their opinion, and there had been over 350 responses. The overriding sentiment was not to increase zoning density anywhere in the valley; only 28 responses had been in support of the amendment. Additionally, the responses were coming from outlying areas in the Town and not just the immediate neighbors. She hoped the Council would be mindful and responsive to the constituency.

Susan Adams, 11 Applewood Lane, did not believe that the Planning Commission had listened to the Town. Using overheads, she reviewed a tally of the input at the meetings to date. At first, 22% were in favor of rezoning with 78% opposed. At the next meeting, 35% were in favor and 64% opposed. At the last Town Council meeting, 26% were in favor and 74% opposed. She was a member of the Portola Valley Citizens for Low Density (PVCLD)--the group who sent out a mailer. To date, 353 responses had been received: only 28, or 7%, were in favor of rezoning. The comments on the cards were extremely strong and in opposition. It was not the Nathhorst area people who were concerned: 28% of the responses received were from Westridge residents who did not want the rezoning; 22% were from the Brookside Park/Portola Road area, and 21% from the Alpine Hills/Arastradero area. She beseeched the Council to request the Planning Commission to reconsider their proposal and not allow this double increase in density in a very

critical intersection in Town.

Sharen Niederhaus, 8 Coalmine View, supported the proposed amendments and revisions to the Nathhorst triangle. The rationale behind the revisions was valid. The Town did not have a need for more commercial or office buildings. The Town did have an urgent need for more diversified housing--especially units below 2,000 sf for Town employees or empty-nesters who wanted to downsize. The three property owners had indicated a willingness to develop a joint project that would create such residential units and blend harmoniously with the existing neighborhood. She urged that they be enabled to do that by rezoning their land for medium density, mixed use with primarily residential development, including a small number of affordable units. This was the smart thing to do for Portola Valley.

Trudi Richards, 149 Corte Madera Rd., said she loved the rural quality of the valley and felt lucky to have been raised here. Equally or more valuable was the friendliness and diversity of the community. With her father's passing, she could no longer live in the valley. If the rezoning allowed a welcoming to the community of people who were of many different positions in the social realm, that would make for a very strong community where all kinds of people could live and be together. She hoped that would happen.

Annaloy Nickum, 171 Brookside Dr., supported the proposed rezoning. It recognized the need for varied housing stock in Portola Valley; it also recognized that the need for commercial and offices had decreased. She was appalled but not surprised by the amount of parking lots that would be allowed if the zoning was not changed; basically the whole Nathhorst triangle would be parking lots. It was very hard to find commercial and office clients that could meet the Town's criteria that 50% of the business would serve residents. That requirement had been imposed for a very good reason; the Town did not want to attract more traffic. It was also hard to monitor whether the businesses were serving primarily Portola Valley, and the Town did not have any kind of enforcement measures. She supported the concept but had some concerns about the density. It was hard to visualize 18 single-family residences in this area. She wanted the density reduced and felt the proposal should include the use of common walls in some of the living units. She preferred fewer buildings with multiple units which would have less of a visual impact than 18 living units. There would also be more opportunity for clustering and common parking. She felt the problems were primarily design problems which were solvable.

Ellen Vernazza, 120 Nathhorst Avenue, said she was part of PVCLD. The Committee was in favor of low density; it was not against housing, offices or trying to keep people out of Town. This area had been compared to the Brookside Park area which was zoned at .24 density. After researching 30 homes randomly in the Brookside Park area, she found that the average coverage was 11.74; it was no where near .24 and should not be used as an example of what the Nathhorst triangle would look like. Additionally, she pointed out that the 18 houses would be in addition to the offices. She also questioned why two of the properties' densities were being raised from .13 to .15 as a starting point. She did not support putting a law into effect if the Town was not planning on building to the density allowed. She also felt there needed to be a better understanding of the difference between the Planning Commission's proposal and what the property owners were proposing. Mayor Driscoll reiterated that what was before the Council was the Planning Commission's proposal.

Beth Shaw, 900 Wayside Rd., supported the proposed rezoning, noting that she signed a petition against it primarily because of her fear of higher density. She had learned a lot about the proposal since then and felt the rezoning was consistent with the rural character that everyone wanted to maintain. The proposal made a positive step towards having residential development and avoided unneeded commercial development. Secondly, it provided an incentive for joint development which would be more aesthetically pleasing and consistent with the character of the Town. Third, having even a small portion of BMR units was the right

thing to do. She urged that the Council consider closing some of the loopholes in the Planning Commission's proposal by reducing the total FAR.

Bernie Bayuk, 198 Paloma Rd., said he loved the Town for its rural atmosphere. He said 5 houses per acre was typical in Los Altos and Palo Alto--not in Portola Valley. He questioned why a standard which was enacted before there was a Portola Valley had been used as the basis to justify 5-10 houses per acre. In 1962, there had been a big argument about incorporating, which meant taxes and the loss of some freedoms. But when the senior Mr. Nylan died and there was a proposal to build 945 houses on the mountain that looked down on the Town, the opposition to incorporation disappeared. The Town immediately incorporated and created rules with low-density formulas. Some of the mailings received said that what was proposed would not set a precedent; in the next paragraph they cited Brookside Park as precedent. If the zoning was changed in the Nathhorst corner, a precedent would be set. In ten years when the State imposed some new demand for increases in smaller housing, the precedent would be in place for that Town Council.

Virginia Bacon, 205 Golden Oak Dr., supported the zoning change. There was too much office and commercial space now, and all the spaces could not be filled. Having researched this issue for some time, she reviewed her recommendations (submitted in writing on 1/7/03) to modify the proposal including: 1) reduce the office/commercial space to 15%, or 6,000 sf; 2) increase the housing up to 85% of the FAR; 3) increase the minimum unit size to 1,000 sf and the maximum to 2,000 sf; 4) modify the average unit size to 1,500-1,600 sf to permit more design options; 5) reduce the FAR for coordinated development to 18-21%; and 6) add language to mandate residential construction before or concurrently with any further development. She also felt the Council should modify the proposal rather than sending it back to the Planning Commission.

Steve Dunne, 225 Canyon Dr., said he was a member of PVCLD. He said Brookside Park had been referenced quite often, but Brookside Park had a lot of variety. He said he respected the work and effort spent on this issue; one reason Portola Valley was a fantastic place to live was because of those efforts. It was not the residents that created the beauty of the Town; it was there before there were any residents or buildings. Everyone wanted to mitigate development. He felt density was where the focus needed to remain. Less density would allow everyone to continue to enjoy the area--including anyone who passed through the Town. He wanted to stop any thought of changing the density here or in any other part of Town. This view was clearly supported by the majority of respondees as pointed out by Susan Adams. For the sake of the protection of the Town, he hoped everyone agreed with less density.

Dennis Lachtman, 175 Willowbrook, said he moved to Town because of the rural quality. Care should be taken when changes were made, and he feared that some people were not being as careful as they should be. When Blue Oaks developed, the clear cutting that had been done was irreversible. The Town had not been watching and allowed that to occur. In this case, it was a scenic corridor which would be impacted aesthetically and by noise. The studies done had been poorly analyzed and used as though they were conclusive. This sort of law should not be used as an excuse to let a catastrophe like Blue Oaks happen. Additionally, this was a central traffic spot. The uses being proposed with such high density would create real problems there that had not been looked at. This would be irreversible and needed to be looked at. He did not think the homework had been done and did not see the advantage of taking a scenic corridor and making mass traffic congestion. This would be a degradation of the Town, and he did not support the change. While he did support various housing stock, he felt this location was problematic.

Mike Rissi, 36 Minoca Rd., discussed his service with the PV School Foundation. The schools and teachers in Town were excellent. There was no problem hiring teachers, and he did not think low income housing for teachers supported a change in the zoning. Rezoning was not prudent or reasonable and was solving a

non-problem. Additionally, creating 2-3 low income units that might be awarded by lottery might be more divisive than constructive given the fairly large teaching staff. The issue boiled down to density. While a number of people said they supported diversity in the housing stock, what distinguished Portola Valley from other towns

was its density and the lack of diversity of the housing stock. He did not support changing the zoning as proposed. To meet the State's below market rate requirements, he thought second units should be further investigated and that there were probably a lot more that would qualify. Further, whether it was 15 or 32 units, there was no other place in Portola Valley where there were 15 houses on 3 lots--much less 32 houses. He was also very concerned about the precedent being set. He could not support either of the proposals. He felt that area should reflect the nature of the rest of the Town; leave it as commercial, and let it develop at its own pace. If it was going to be housing, he thought it should be housing like the rest of the Town with 1 acre per unit. Thirty-five units on those properties was very dense and would be a windfall for the property owners; those units would sell instantly, and the land would be gone. Everyone would get rich, but there would be no more Portola Valley. He challenged the Town to come up with some more creative uses that were more consistent with the overall character of the Town but still met the State requirements.

Susan Coffman, 239 Echo Ln., said she had a lot of questions about the proposed zoning. Living fairly close to the area, she said office buildings made fairly good neighbors from a noise standpoint. She was very cognizant that the needs of the Town had changed since incorporation and would keep changing. She encouraged the Town to look very hard at what the rezoning would mean. She felt some of the comparisons made to Brookside Park were totally specious. Additionally, some of the arguments made about traffic did not take into account quality of life issues. While the Town might need more housing for seniors, she questioned whether two-story housing was appropriate. While she wanted to see the property owners receive fair compensation, she did not support the rezoning proposal.

Bliss Carnochan, 138 Cervantes, supported rezoning but felt the opinion of those who would be impacted should have more weight. Having lived at the Ranch for the past 10 years, he considered that high density. He did, however, want to respond negatively to the opinion response survey. The response options that were available were not appropriate. Everyone was in favor of low density which was not synonymous with the opinion you might happen to have about the viability of the rezoning.

Lee Middleman, 16 Coalmine View, supported the proposal. He said he received the survey but had not responded. It had not been written objectively and clearly came from one position. The low response from people who might be in favor of the proposal did not reflect the number of supporters. In this day of \$1-2 million lots, teardowns, and monster houses, he supported the possibility of having smaller homes in Town at lower prices available for residents who might want to remain in Town or for younger, less wealthy families. There was also the potential for BMRs in what might be the most appropriate location--especially given the experience with Blue Oaks. He felt a lot of the opposition had to do with exporting these standards to other parts of the Town. That was a scare tactic to rally support from other areas of the Town. The homeowners who purchased property next to undeveloped land would be those most impacted by the proposal, and he appreciated their concerns which should be listened to. But, they were also the ones who had opposed some of the commercial development that had been proposed in the past. It was always difficult for people to deal with development on what had been open space next to their homes. That also had to be taken into account. Traffic would be an issue no matter what the activity level on these lands was, but it should be limited to traffic from homes as opposed to traffic from commercial enterprises. He supported the proposal along with the changes suggested by Town Planner Mader. He recommended either passing the proposal with some amendments now, or pass it now and consider amendments later. To send it all back to committee for re-analysis could be of value but could also be a long-term delay tactic.

Monica Eldred, 10 Applewood Ln., said Portola Valley was the most wonderful place to live because it was rural. She was completely against high density for the Town and felt the rural character should be preserved. Just because the property owners wanted to work together on a plan should not mean they should be allowed to double the density. She was against the rezoning because of the potential for offices. If offices or

commercial businesses were developed in that triangle, the Town should not allow businesses that would bring more traffic into the Town.

Ed Wells, 15 Naranja Way, said he did not support the proposed amendments. He was a proponent of expanding and encouraging second unit development. His unit was built in 1978, and the conditional use permit for the second unit had survived with very few modifications and provided some benefit to the main property. He was unaware of any research, investigation, studies or questionnaires about how the tenants were treated, what the rents were, etc. He felt there was some mysticism about second units, amnesty, etc. The individual homeowners were in the dark if they wanted to build one. He thought the Town could take some of the mysticism out of low cost housing and the State's mandate if it would develop a positive program to develop second units and find low cost financing from State agencies for those who wanted to build them; legal help should also be provided in drafting leases. It was a simplistic notion that very small units could be built that would be affordable; that would not happen on the Nathhorst properties. He felt the amendment was too complicated; concessions were also being given to some property owners to get them to work together. That needed to go back to the drafting board. The below market property issue should be removed from the proposal, and second units should be focussed on to replace that need.

Derry Kabcenell, 557 Cresta Vista Lane, supported the proposal. He agreed the amount of property available for commercial development should be reduced. There was a principle in Town for some time that commercial businesses should serve primarily the residents of the Town. There were a number of small charming towns with businesses that served primarily those from outside the community, which was very different from what the Town wanted to maintain. He thought some kind of rezoning was important. He did not see a problem with a modest increase in density for residential development on the portion of the property where commercial uses were not built. It was entirely reasonable to create more diverse housing in Town with smaller units for young people or for those who wanted to downsize. While two houses created more congestion than one house, a reasonable number of houses on these properties would produce less congestion than commercial development. He thought it was important to clean up the density issue within the proposal. It was very confusing to have one number as the maximum, another number for what the property owners might do, and a third number for what the Planning Commission would approve. Instead, what was acceptable should be determined and made a part of the rezoning. That was probably closer to the 18 number than the 35 number. He supported the proposal with that change. Additionally, he too had received the postcard and had not sent it in. The choices for those in support of the proposal were not adequate. He did not respond to surveys from organizations that advocated a particular point of view and advised the Council to take the numbers from the survey with a grain of salt.

Marilyn Fidge, 4320 Alpine Rd., said she became a member of the PVCLD because of a letter received from Jim Pollock dated 2/5/02 about a meeting to discuss the proposed 3-parcel development at Nathhorst triangle. She had informed others of the proposed meeting which excluded everyone except those residents within 300 feet of the site. This was an issue for the entire Town to consider--not just a select few. There was no question that everyone wanted this area to remain as open space, but that would not happen. She had no problem with the rezoning, but she wanted low density development. The density should be kept at .18 for the Jelich parcel, and .13 for the McKinney and Slawson parcels. These landowners obtained these parcels with the understanding that that was how they should be built out. She also did not understand how people could say this was not setting a precedent for other areas. This was a foot in the door; the past was

a prologue to the future. She questioned how much more money the Town would spend studying the Nathhorst triangle. According to Ms. Lambert in a report she gave to the Town Council on December 4, 2002, from 1997 through November 30, 2002, the Town had spent \$142,503.70 on scale models, planners, consultants, meetings, architects, etc. That did not include the costs incurred during December 2002. The Councilmembers were the residents' elected officials; she wanted them to listen to what the majority of the people wanted and think about the people who put them in office.

Beverly Lipman, 188 Favonio Rd., said she had not sent her survey back because she did not like the choices, which were too general. This was a very specific proposal and was quite complicated. She supported the proposal. While a number of properties in Town had turned over, there were no options for those who wanted to stay in Town. Her former neighbor had had to move out of Town to find somewhere to live that was appropriate for her. She thought it would make economic sense for someone in her position to be able to find a reasonable residence to invest in when she could no longer take care of her home.

Jane Gallagher, 326 Canyon Dr., said the proposal was fine as is and that she favored rezoning. Commercial was not needed, but places for aging empty-nesters were needed. People would have to leave Portola Valley unless some provisions were made for downsizing. She felt the three owners working together was an accomplishment, and she favored what the Planning Commission suggested. She would like to see a little less density and the size of the buildings smaller. She did not think that 800 sf was too small.

Mary Moses, 274 Corte Madera Rd., supported the rezoning proposal. Describing her service to the Town and school, she said she did not think the proposed density was too high.

Janet O'Keefe, 11 Tynan Way, questioned who would own all these small dwellings. In her neighborhood, there were a lot of people with their own businesses--babysitters, dog walkers, etc. If people with small businesses rented or owned these dwellings, there would not only be 40 people parking there, but also customers. With these types of businesses, there would be activity 24 hours/day. There were a lot of small dwellings on Sand Hill next to the shopping center which had a totally different feel with wall-to-wall people. If each dwelling was individually owned, the owners would want to add on with new kitchens, gym rooms, etc. She did not think the lack of housing was causing teachers to leave. Additionally, most empty-nesters who sold their houses moved to where their families were; there were very few who stayed in Town.

Jon Silver, 355 Portola Rd., said it was important to remember that if the zoning was not changed, 23,000 sf of commercial and office development was possible. The Town did not need that much more commercial and office development when the current offices and store fronts could not be filled. The Town's requirements for businesses were very difficult to meet, and it would be difficult to enforce if there was 23,000 sf of empty space. With respect to an increase from .13 to .15 on two of the properties, he pointed out that one was being decreased from .18 to .15. He felt that the overall effect of the Planning Commission's proposal was to reduce the density. The FAR went from an average of 14.64 to 15; that resulted in a grand total of about 199 additional sf per property. If the properties were developed individually, the density would be lowered. By increasing the FAR by a minimal amount, the amount of traffic would be decreased; there was far less traffic from residential than from commercial and office. The additional parking required would not exist in a 15% FAR with 3/4ths residential. Additionally, the Town would not allow 35 units. The question was whether the Town wanted this much additional commercial and office development; if not, it was a question of what should replace that. The Town could buy the land, but he did not think this was the highest priority land for the Town to purchase with its limited open space funds. The Planning Commission allowed increases in FAR to 18% if two owners joined in a combined plan, which would decrease the visual blight and provide safety; if three joined, it was up to 24%. While he thought that was a bit much, he felt some incentive should be given to the property owners to do a coordinated project.

He said some of the material presented to the Town about community input had been biased. The Slawson petition, for example, did not mention that she had an economic interest in the land, and he received a number of letters from people asking that their names be removed from that petition. He also had responses to letters he sent out that supported some permutation of the proposed zoning, and more responses would be received.

Gary Nielsen, 140 Pinon Dr., supported the proposal. He said it had taken him awhile to support the notion of combining housing with commercial and office space. Describing his service to the Town, he said the Town

had wanted to keep some office and commercial space in reserve for some time in the future when it might be needed. That time had not come, and he questioned whether it would. Meanwhile, the Town had had a difficult time trying to come up with a reasonable land use for these parcels. He felt the proposal provided the solution--with some modifications. First, he thought putting a cap on the number of units would address some of the concerns and should be included. Secondly, he felt the maximum FAR should come down close to the existing range of densities on the properties, or .13 and .18....[inaudible]. He was heartened that the landowners indicated they could use the proposal and come up with a viable project providing....[inaudible]. The Citizens for Low Density in their letter to *The Almanac* said pretty much the same thing. He saw a convergence and hoped that could be arrived at soon.

Bob Adams, 11 Applewood Lane, said if the Council agreed to 15% density across all three properties, he would be in favor. While the bonuses might create a more integrated plan, it would also create a lot more density and a lot more people. In California, diversity was a good thing by definition. Describing his service to the schools, he said the claim that diversity would be created in Town by housing was not supportable. There was already diversity in Town: there was Brookside Park with small and remodeled houses. More of that was not creating diversity. The State mandated creating more housing, and the Town had and would continue to do that. Diversity was already in the plan; the question was how much. Additionally, he said all of the plans discussed by the Town Planner were flat; there was no vertical. There was a difference between a one- and two-story building. Once elevation was added, it changed. He thought some comparison should be shown. He also questioned why Nathhorst had to be the solution to all these problems. With respect to office space, he said developers were not dumb and would build things that they could rent or sell. The best possible solution for everyone would be to let them go ahead and build the offices--no one would rent those, and there would be no impacts. Finally, he noted that Mr. Silver's opinion card referred to the 1999 petition but not the 2001 petition. Whoever put together the surveys or petitions wrote them the way they wanted. At least the card from one group provided three choices: low density, higher density with low cost housing, and other. There was a lot of room to write, and a lot of suggestions had been made.

Tammy Warr, 260 Willowbrook, read a prepared statement and said she felt the density should be no greater than the existing zoning allowed. She said the Town incorporated to preserve the western hills from intense development and to protect the way of life and rural, aesthetic appeal for generations. The Town had a distinguished history of making intelligent, conservative, planning decisions. She did not think the proposed rezoning of these properties carried on the Town's philosophy. Her areas of concern were: 1) proposed zoning that was 46% higher than the existing zoning, was incongruent with adjacent neighbors' expectations, and was unprecedented with the Town's philosophy; 2) the rezoning yielded too little affordable housing in exchange for substantial increase in density and development potential, which also provided the property owners with a substantial increase in property value in the form of income potential; 3) the rezoning had far reaching environmental implications as a precedent for future developments that had not been studied and resolved; 4) the rezoning pre-empted future design and use of the location; and 5) if the Town wanted to build low income housing, it should use the property in Blue Oaks which would yield 8

rather than the 3 included in this plan.

Phil Vincent, 165 Portola Road, said he appeared before the Council 4-5 years ago when the newest Pollock building was proposed. He had pleaded that housing be put in instead of the office building. He was heavily impacted by this kind of commercial development. Whether it was 15 units or 35 units, office buildings were not used very much during evenings or the weekend--although there were lighting impacts at night. If housing of increased density was put in, he would be impacted greatly by a lot more noise and traffic. Having had the experience of the office building, he would rather have a single family house there. He urged the Council to stop this proposal. The least damaging would be to continue with the existing density level.

George Zdasiuk, 48 Hillbrook Dr., said he was a member of PVCLD. He said there was a lot of desire to have homes for empty-nesters and lower income people. While he was not against that, he questioned how many of these homes would be available to people who wanted to downsize or available to people of lower income. As a benchmark, he questioned how many people were moving into Brookside Park in order to downsize. Realistically, he thought people would come from other places and just increase the density in Town. He also thought that an overhead view of a house was very deceptive and didn't tell you what the real look would be. Most people would agree that the Pollock buildings were relatively pleasant to look at. In terms of visual impact, he thought office development would have less impact than two-story residential buildings. While he was not against mixed-use development of the area, he wanted the density to be lowered to conform to the existing density.

Catherine Siegel, 15 Saddleback, supported the change to the zoning and urged the Council to act as soon as possible. She said density was not the issue. What was needed was good site and architectural design to preserve the Town's character. She felt the number of homes proposed on these 3.5 acres was moderate, low density. The Town had a responsibility to create more diverse housing types for different types of households and families. Second units were a good plan, but they did not serve families or all the kinds of households that needed housing. Below market housing was needed wherever it could be located--not just in Blue Oaks but in the triangle as well. If there was a need to reduce the amount of development in the area, she urged that the amount of commercial space be reduced. No more office space was needed in Town. Housing was needed to support the retail/commercial development that was struggling. She urged the Council to approve the rezoning as proposed or with minor modification to reduce the commercial space.

Referring to her e-mail, Phyllis Quilter, 40 Sioux Way, said she supported the proposal. She said everyone supported low density to retain the rural quality of the Town. She also believed in following the law with respect to BMR housing. Having lived in Town since 1958, she had seen lots of precedents. She trusted the Council and supported Jon Silver and Planning Commissioner Toben.

Ron Hennefarth, 470 Cervantes Road, felt the Council should look at the property and decide what would be in the best interest of the Town for this property. Rather than negotiating and giving away concessions, the developers should negotiate from their side. He did not like the idea of someone threatening a Stanford Shopping Center here as an alternative to housing. He questioned whether the Town would end up with a stoplight in Town after this was done. With respect to senior housing, he questioned whether the proposal would solve that problem. He did not think it was the Town's business who bought the property--it would be sold according to the market.

Dorian Dunne, 225 Canyon Dr., asked the Council not to approve the rezoning. Even those who supported the rezoning had a lot of caveats. They didn't agree with the density, continued to talk about no new offices or commercial buildings, and suggested modifications to the FAR. She questioned what they were

supporting and felt it should be clarified and cleaned up. She appreciated the passion she heard with respect to potential residents who might be able to live in that area but did not see any compassion for those who had bought their properties in the Nathhorst area with the understanding that there was a certain zoning.

Danna Breen, 4680 Alpine Rd., felt there was some consensus around pro rezoning but against the density. She would like to see the density reduced. She also did not want to see any more office buildings. While it was an unusual collision of elements on the property, she did not think it would set a precedent for further development of this kind in Town. She said the BMRs at Blue Oaks should happen--that was the deal--and she wanted the Council to pursue that. She would also like to see another amnesty on existing units.

Laura Bates, said she had been a teacher in this district for 40 years. She supported the rezoning of the Nathhorst triangle and liked the idea that there might be some property available for her and her teaching colleagues. She read a letter from a colleague and Town resident who also wanted to see housing for the teachers who educated the Town's children.

George Espinet, 149 Corte Madera, supported the proposal but preferred to have less office.

Jennifer Leigh, 149 Corte Madera, supported rezoning for lower income housing.

Jamie Koblick, 285 Nathhorst Avenue, said he lived directly behind the property. While he was not against development of the property, he felt the proposed density was way too high. He reviewed his material previously submitted to the Town and discussed: 1) the need for an EIR; 2) removal of 500 cubic yards of fill in the drainage swale; 3) the need for all building elevations to be made from the natural grade; 4) setbacks, which should be made from the drainage area and not the property line; 5) impacts on drainage of increasing impervious surface; 6) tradeoff of 15 houses to get 3 BMRs; 7) prices of the market rate units at \$750,000-\$900,000 and existing houses for sale in that range; 8) dissimilarity of the proposed density to Brookside Park; and 9) Brookside Park's density applied to the Nathhorst parcels. He was totally against the proposed density and felt it should be reduced to what it currently was--whether office, residences or some combination.

Jim Colville, 133 Stonegate Road, did not support the rezoning. As written, the plan would allow 35 units, 25 units or 18 units. Everyone who spoke in favor was doing so out of motivation to limit commercial property in the area. Most people would agree commercial property was over built and not needed. There was no current market for more commercial property, and it was silly to build more since no one would be there. This plan allowed up to 35 units of housing, and some would be there. That was way out of proportion to the density anywhere else in Portola Valley. The Town had never had any trouble limiting people's development elsewhere in the Town if it looked like it would preserve open space and the character of the Town. He did not see why it should have any trouble limiting the density in this particular location. Bringing in housing was fine, but it could be argued whether \$750,000 homes would be good for empty-nesters or bring a lot of diversity; it would certainly bring a lot of density. He felt the proposal was flawed.

Margarita Vincent [*inaudible*], 165 Portola Road, was upset that people had been convinced that this development would benefit lower income people. It did not provide diversity of housing in terms of price. It would also not provide housing for empty-nesters. It would set a precedent to allow builders to negotiate their ideas. This would be the end of the beauty of this Town. Additionally, a lot of people in Town rented rooms to students and teachers; these could be counted as part of the BMR program.

Greg Franklin, 12 Applewood Ln., offered to provide the text of his presentation made at the last meeting.

He said PVCLD had grown dramatically over the last few weeks. The statistics demonstrated the diversity of opposition coming from all parts of Portola Valley and clearly from the Nathhorst triangle residential group.

This was an issue about density. While there was an ordinance before the Council, there was an on-going debate about different proposals. People had made comments about an opinion card they received in the mail. That opinion card was mailed to every household in Town. It was not received in isolation of additional factual information that had been researched in detail in a very short period of time over the holiday period. The ordinance before the Council represented the difference between 23,000 sf versus 37,000 sf of development, or a delta of 15,000 sf. He did not understand why people who had received the card were unhappy that they didn't have enough choices in responding. The choice before the Council was 23,000 sf versus 37,000 sf. If that was translated into economic value, that represented a windfall of about \$9 million worth of real estate to the three owners. That windfall profit resulting from the additional density increase should be turned back for the benefit of the citizens of Portola Valley. He opposed the ordinance and supported keeping the same density with a different use mix that could accommodate a lot of the concerns of

those who had spoken tonight and at the December 11 meeting. He felt the comments demonstrated that the on-going majority of the people were not in favor of increased density.

Orlin Trapp, 501 Portola Rd., had lived in Town since 1968. He had downsized and now lived in The Sequoias. He noted that he had not received the opinion card. He supported the proposal.

Kary Eldridge, 10 Applewood Lane, was against the proposed rezoning. Most of those in favor also said they wanted it to be less this or more that, different here or different there. Additionally, the proposal did not get rid of office space. He felt there would be no way to control who would be getting these homes. Diversity was fantastic, but there was no way to say it would be for teachers, etc. It depended on the supply and demand of the market at the time. It could end up being rented to Stanford students, which was diverse but very different than teachers. He felt the Town had been innovative in achieving BMR requirements and that other ways could be found to solve that issue that everyone could agree upon. For those shocked that the opinion card limited the response to high or low density, he pointed out that the group was called Portola Valley Citizens for Low Density. While many had denounced the cards, this whole issue had derived from a petition written by one side who wanted to stop commercial/office development. Lastly, the key issue was density; that did not mean that those opposed were against diversity. Additionally, he said houses created light pollution which was an issue that had not been addressed.

Doug Aikins, counsel representing the McKinneys, supported rezoning. After three years of devoted effort from many members of the community, there was a lot of momentum built up for rezoning--but not this particular one which had some fundamental flaws in the approach. He said: 1) he was one of the residents most affected by the rezoning; 2) the issues presented by the Planning Commission were worthwhile and could be implemented on the property; 3) that would take compromises by everyone; 4) there had been some creative ideas expressed for design, massing and allocation of the uses; 5) one of the big worries expressed was density; 6) density by itself was an abstraction and did not pose threats of its own; 7) the issue was the consequences, externalities, and effects of density; 8) through good design, attractive massing, and the right combination of units buffered by small, locally-serving offices, this property could yield a number of residential units with BMR units that could accomplish the social goals expressed by many over the years; 9) the Commission had not gone far enough; 10) while FARs had been used, it had the effect of scaring people at both ends of the spectrum; 11) it made people worry about the number of units that might be built there, and it failed to give the owners any assurance that an economically viable project could be built there; 12) the FAR bonus was not .24, it was from 0 to .24; 13) the Planning Commission had no intention of putting in a density anywhere near .24, which was a maximum; 14) the Council should enact amendments to the Planning Commission's proposal that would settle the issue of whether the mix of units

would include office and BMRs, and whether the three parcels would be required to submit a coordinated plan; 15) if those were the Town's wishes, he wanted the Town to provide concrete, definitive density bonuses for those social benefits; 16) the McKinneys were ready to develop jointly and respond as the Council dictated, provided that the Council's solutions responded--as the property owners' must--to the rigid laws, economics, and realities of real estate development.

Sharon Refvem, 223 Corte Madera Rd., complimented Town Planner Mader on his presentation of this very complex issue. She said similar discussions had occurred during the Portola Valley Ranch development. The Town had changed over the last 4 years and would continue to change. Describing her architectural background, she said in-fill of denser housing was the way to keep open space. In-fill was the way to go--especially with smaller units near the commercial center of the Town. Planned use developments had been done before where people worked jointly to provide benefits for the community as well as the landowners. Some of the things that needed to be looked at included clustering units to achieve additional open space and less impervious development; it would also be a more attractive development. She encouraged the

inclusion of BMRs and felt that it would benefit the community in terms of diversity of housing stock and diversity of the community as well. Small units were okay, and it would be a challenge that an architect would be willing to meet. She supported the numbers in terms of size of units. She challenged everyone to think about the numbers of units and density in terms of fairness to the landowners and the tradeoffs between clustering and open space. By clustering and finding the right amount of density, she felt it would be fair to the landowners and also be an advantage to Portola Valley in general. Specifically, she encouraged the Council to think about maximum densities and joint development. Generally, she supported the idea of rezoning.

Rebecca Trevino, 45 Adair Ln., said she had moved from San Francisco to Palo Alto and then to Portola Valley because of overcrowding. This area was incredibly beautiful. The Planning Commission had been incredibly strict when she built her home, and she felt they were doing a good job. She also liked the fact that the Town supported minimizing impacts of a home on the land and keeping it open. She did not think the proposed development was consistent with what the Town had in mind. It was also not straightforward with everyone wanting something different. Her land was just under 1 acre. If there were 5 homes built on her property, she would go crazy. She felt time should be taken to make this a good plan for everyone.

A resident [*inaudible*] asked the Council to put the density below 20, which would help those who were concerned about that aspect of the proposal.

A resident [*inaudible*] wanted to limit the number of houses and keep them 1-story.

Lee Clark, 5 Naranja Way, opposed the ordinance. The Council was now getting a taste of what the Planning Commission had gone through. While he liked the idea of a mixed-use zoning ordinance, an amendment to the General Plan and this ordinance would change the whole character of the neighborhood. Each provision of the ordinance needed to be looked at to determine if it was necessary and in the best interest of the community. As a litigation attorney, he thought that as written, he could find clients who would sue the Town and demand that they be allowed to put the maximum number of housing units on their property. While he appreciated the fact that the people who owned the property were willing to cooperate, the Council needed to make sure that each provision of the ordinance limited them as they developed their projects.

Burt Brent, 341 Grove Dr., said his concerns related to the density and maintaining the beauty of Portola Valley. He questioned whether Town employees, teachers or downsizers would occupy these units. The market would dictate that and bring in more traffic, people and density. As a naturalist, he loved seeing deer

and bobcats. The field across from Stanford Medical Center was now filled with the type of housing proposed for the Nathhorst triangle. Putting 16-35 units on 3 acres didn't leave much room for wildlife. That was what people had moved here for. If people wanted that kind of density, they should move to those areas.

John Gaetano, 211 Nathhorst Avenue, thanked the speakers who acknowledged those who lived adjacent to this project. He said his father-in-law had developed most of the western part of Nathhorst. He had long supported the property owners' right to develop their properties. He lived right behind two of the properties. This issue was more far-reaching than just 2-3 property owners. This was a magnitude of the greatest extent that affected the whole Town. Most of the people who supported this did not live in the immediate area. He had not heard anyone from the Ranch willing to put in BMRs. This should be spread out and not put all in one spot. He felt a lot could be done with second units to find out how many there actually were to eliminate any threat from the State. While he was in favor of the property owners developing their property, density was the issue. With all of the projects that had been highly opposed, the Council had listened and spoken.

The residents were once again calling on the Council's wisdom to do the right thing.

Michael Tomars, 5 Foxtail, supported low density. In the 1960s, he lived in Daly City because his business was there. In the 1970s, he spent two years looking for a place to move to that had everything he desired in a community. That place was Saratoga. In 8-9 years, it became too congested, so he searched again and found the Ranch in Portola Valley. Since 1984, he had seen tremendous growth. The corner of Alpine and Portola Roads had heavy traffic. By developing that area, the congestion would increase. He thought the Town should take a very long look at what it was attempting to do and not make a hasty decision that would impact the future of the community.

Terrell Slawson said the owners had not started this process, which had gone on for a long time. Through meeting after meeting, the owners had come up with a proposal based on what the Town wanted. She did not support clustering and thought there should be as much space as possible between the units. She said the original zoning was all office space plus commercial and would not allow any BMR units. That was why the Planning Commission had included incentives; a BMR would come out of her pocket.

A resident [*unidentified*] said there had been 28 speakers for, 23 against, and 5 that she wasn't sure about. She thoroughly supported the Planning Commission and had faith in the Council that they would have a good plan--just as they did when the controversial Ranch project came in.

Jim Totte, 155 Canyon Drive, said he was against the proposal. His concerns were about multi use and safety. He felt empty-nesters would probably have kids with children. It was difficult to know what traffic would be generated by the commercial space, and he thought safety was important. He also thought it would have been helpful to have drawings done from an elevation perspective. Knowing what two-story units along that corridor would look like would have been helpful.

Kevin Ford, 235 Nathhorst Avenue, said his property bordered on this project. Like his neighbors, he felt the issue was density. He believed the property owners had a right to develop their property, but they should be held to the same standards as the other neighborhoods and properties in Portola Valley. He supported affordable housing, but it was unfair to provide incentives and windfalls to the existing property owners at the expense of the neighbors nearby. There was a creek behind his house that during the rainy months was 40' wide. The project needed to have setbacks that allowed for that. It was also a wildlife corridor. He was concerned about traffic in the area; any traffic increase was problematic for that area. Regardless of the type of project, he wanted less density. Building residences next to a noisy commercial area would also be

problematic. The entire density of the project needed to be scaled down.

Mayor Driscoll suspended the public hearing.

Councilmember Merk read a prepared statement, noting that it had been written prior to the meeting. He felt the two sides seemed to be coming closer together as the meeting went on. He said: 1) he dismissed the owners' proposal for 15 houses combined with 3 office buildings as an attempted end-run around the Town's building and siting goals as administered by the ASCC--the Town's most important body in controlling the look and feel of all development in Town; 2) the plan was too dense with a FAR of .24 which did not include much of the parking requirements; 3) its layout was an inefficient use of space resulting in an over-developed look; 4) he dismissed the current zoning of a commercial/retail use on the Jelich lot as unworkable due to poor siting and access; 5) current zoning on the two Alpine Road lots would lead to over development of office space of which there was presently a surplus; if built, it would draw significant outside traffic into the Town due to the need for customers from a greater market area that Portola Valley could provide; 6) current zoning gave the owners few, viable options for improving their properties; 7) he dismissed zoning these three

lots for three individual residences because it would result in inconsistent zoning within the business district; it was not in the interest of the property owners, and there had been no study of its potentially significant impacts; 8) a letter had been circulated which proposed building offices and 3 BMR dwelling units on these three lots; although that might help the Town with State requirements, it did not address the problems in retaining the status quo; 9) although the proposed changes to the Nathhorst triangle area provided practical and useful remedies to the current zoning problems, helped to address the Town's needs for a limited amount of smaller sized housing stock, and helped to meet the State's requirements to provide BMR units, the densities proposed were too high; 10) while the maximum proposed density roughly equaled that of adjacent Corte Madera Hill, and it was arrived at--in part--due to the owners' claims that lower densities would make a project economically infeasible, he believed that the densities should be lowered while preserving the concepts and ideals of the proposed plan; 11) currently, the Jelich lot was zoned at a FAR of .18, with the two lots on Alpine set at .13--the existing standards for commercial and administrative-professional uses, respectively; 12) given the roughly equal size of these three lots, this averaged out to a FAR of about .15 for the entire area in question; 13) he proposed to set the single lot density at this average of .15; 14) as an incentive to permit a combined project which would result in more planning options and a better finished product for the Town, he further proposed to increase that density cap to .17 if two adjoining lots formed a project, and to .20 if all three lots formed a project; 15) this would reduce the overall density from the proposed .24 by about 17% leaving ample market potential for successful development and reducing the impact on neighbors by nearly 1/5th of that proposed; 16) he proposed a maximum of 18 dwelling units for the combined three lots and a maximum height of 24' to keep the buildings low, and no higher than John's market or the new offices at Nathhorst and Portola Road; 17) although the current proposal could potentially allow up to 35 units, the developers wanted large units because they provided greater profit; 18) given the required average size of 1,500 sf if no office or retail space was built, the maximum number of units could be 17 or 18; 19) using a FAR of .20 as he proposed with 25% office and or commercial uses, the number of dwelling units would drop to 13--far fewer than the 35 that the neighbors feared; 20) density at the Village Square was .25, and people seemed to accept that; 21) the Sausal Creek project and the Jelich lot were approved for up to 5.8 units per acre without protest; 22) he proposed no more than 6 units per acre--a minor increase; 23) it had been suggested that BMR housing be spread around Town in the form of guest houses; 24) he would agree to re-opening the amnesty program again to support that aim, but guest houses alone would not solve the State requirements; 25) he questioned how many guest house owners would want to volunteer their space at a below market rate; 26) the point had been raised about similar zoning spreading all over Town; 27) Portola Valley did not have much more developable space; 28) most of the Town was already dedicated to open space; 29) this proposal would not

"Los Angelify" Portola Valley as had been suggested; it was too late for that; 30) the General Plan currently envisioned this sort of a project in this sort of place; 31) Section 20.15.3.a stated highest densities should be located on relatively level land close to local shopping and service areas, other local facilities, and transportation facilities; 32) he knew of no site in Town which better met these criteria; and 33) he felt this would be a big step in the direction of most of what he had heard during the meeting.

Councilmember K. Comstock said he had been part of the effort some years ago to facilitate some kind of common proposal with the property owners. That had not been achieved. It did, however, put the thought out in front of people. Noting that the Planning Commission served at the Council's pleasure and received direction from the Council, he said the Commission had kept the Council advised on this issue throughout the process. He discussed the scale model used in the C-C/A-P study and commended the Planning Commission and staff for what they had done. He felt there had been an incredible convergence; throughout the discussions and presentations, what the points of concern were were clear. He thought there was a general acceptance that this property would not be a meadow for the next ten years; it was privately owned and the property owners had the intention of revitalizing it. With respect to BMRs, he said the State had given everyone a grace period, but it was coming to an end. Business leaders were also very concerned

about people being able to work and live in the area. The Town was trying to do what it could (e.g., Blue Oaks, the Priory, etc.), and it was something that the Town needed to pick up whenever the opportunity presented itself. With respect to the proposed regulations, he said an outside limit was proposed, but that did not indicate that the maximum had to be built. There were some houses in Brookside that were around 24%, which were probably newer houses. While that could happen in the Nathhorst triangle, the Town had architectural site review and control. The plan that was presented to the Council at the previous meeting was one possibility of what could be done. While he was not prepared to discuss numbers as explicitly as Councilmember Merk, he thought the idea of a graduated scale as an incentive to collect properties was good; what the number was would need to be discussed. Fundamentally, he was sympathetic to the proposal. The big sticking point was how intense it would be, which the Council would be discussing. He thanked everyone for their comments.

Councilmember Davis thanked the residents for attending. He said the Council was addressing a very unique property in Town and was looking for its best public use. He was very much in favor of the concept of this project which would make use of an otherwise commercial space. Everything that could be done that encouraged a superior design should be done. He also felt the density was too high. While he appreciated the energy put forth by the property owners in presenting a plan, he felt the Town needed to make use of its tools in terms of ASCC review, etc. In addition to slightly reducing the density, he felt the number of homes should be capped. He was also concerned about height. With regard to FAR, he supported a higher potential FAR if the three owners got together and the elimination of the 2-lot project option. He reiterated that the emphasis should be on good design.

Councilmember G. Comstock suggested picking a name other than Nathhorst triangle that was more symbolic of the Town and its goals such as "Orchard Village." Additionally, he found that there had been 6 properties sold in the last two years in the Town for under \$1 million.

[Tape malfunction, dialogue missing.]

CONSENT AGENDA

By motion of Councilmember Merk, seconded by Councilmember K. Comstock, the consent agenda items

listed below were approved by the following roll call vote:

Ayes: Councilmembers G. Comstock, K. Comstock, Davis and Merk, and Mayor Driscoll.
Noes: None.
Absent: Mayor Driscoll.

- (2) Minutes of the Special Town Council Meeting on December 11, 2002.
- (3) Warrant List of December 24, 2002, in the amount of \$202,632.42.
- (4) Warrant List of January 8, 2003, in the amount of \$100,216.30.

REGULAR AGENDA

- (5) Application for Transportation Department Development Act (TDA) Grant Funding (Removed from Consent Agenda)

Referring to the Public Works Director's memo of 12/17/02, Councilmember Merk said after reviewing the material from CCAG about the grants at Town Hall, he questioned whether the Town met all of the requirements. One of the requirements was that the project be identified in a comprehensive plan; this project was not in the General Plan. Furthermore, of the twelve desired factors listed in the CCAG material, he could find only two which the project came remotely close to addressing. The project did not address things like "participation in the project by a committee of actual consumers;" he did not think any bicycle users had been involved. Additionally, he did not see how the project addressed: 1) any important safety issues; 2) access to employment centers; or 3) conformance with CCAG's comprehensive bike plan. He did not think the Town had much of a chance of obtaining any funding and failed to see why so much staff time had been put into this without any consideration given to the desires of those people who would be reviewing the application. He was also uncomfortable that the Town was requesting funds to build a trail for this amount of money which served only a few people; there were other jurisdictions that were trying to get funds for projects which would serve far more people. He was uncomfortable having the Town, which was relatively well off, request money from Bay Area government organizations when there was no strong data regarding trail use. Procedurally, he did not think this project should be approved before this kind of trail was included in the General Plan.

Lynne Davis, Trails Committee, said the project met all but one of the requirements: getting to/from a place of work. Representatives from the County had walked the trail last year and indicated that the Town was close to approval and would be likely to receive the funding if the application was resubmitted this year with a design. A preliminary engineering design for the trail had been done. The Trails Committee's recommendation to include a multi-use trail in the General Plan was given to the Planning Commission two years ago and was now before the Council. The rationale for a multi-use trail in this location was that there should be a safe off-road way for children on bicycles to move back and forth between the schools, Town Center, and the playing fields.

Councilmember K. Comstock said a group of staff, committee members, etc., walked the whole trail with outside people to assess the individual sections of the trail. He felt the trail had good use and needed some work. He was comfortable requesting the funding and felt that the Town had done its due diligence.

Councilmember Davis said he supported the application. Councilmember G. Comstock also supported the request and felt the application reviewers would make the determination of whether or not the Town was

deserving.

Councilmember Merk reiterated that he was not comfortable discussing this item before the amendment to the Trails and Paths Element was adopted. After discussion, Councilmember G. Comstock moved to table this item until the amendment was discussed. Councilmember Merk seconded, and the motion carried 5-0.

(6) Amendment to the Trails and Paths Element

Referring to his memo of 1/2/03, Town Planner Mader said the revisions to the amendment requested by the Council during the 12/11/02 meeting had been noted in the Element by hand. Councilmember Merk and Ms. Davis confirmed that the wording with respect to the multi-use path provisions was acceptable. Councilmember G. Comstock moved adoption of Resolution 2035-2003 Adopting Amendments to the Trails and Paths Element of the General Plan and Findings Under CEQA. Councilmember Davis seconded, and the motion carried 5-0.

Mayor Driscoll left the meeting, and Vice Mayor G. Comstock took the gavel.

(5) Application for Transportation Department Development Act (TDA) Grant Funding (Return to discussion)

Councilmember Merk reiterated that he was dissatisfied with the project application but procedurally satisfied in order to move forward on the item. Councilmember K. Comstock moved adoption of Resolution No. 2036-2003 Regarding a Request to the Metropolitan Transportation Commission for the Allocation of Fiscal Year 2003-2004 Transportation Development Act, Article 3, Pedestrian/Bicycle Project Funding. Councilmember Davis seconded, and the motion carried 3-1 (Merk opposed).

(7) Review of 2001-2002 Annual Audit

Ms. Howard reviewed her memo of 12/16/02 on the Town's 2001-2002 audit. Councilmember Davis moved acceptance of the General Purpose Financial Statements and Measure A Funds Financial Statements. Councilmember K. Comstock seconded.

Referring to the Audited Financial Statements booklet (p. 4), Vice Mayor G. Comstock asked what "Operating transfers in and out" referred to. Responding, Ms. Howard said funds from the general fund were used to zero out certain accounts (e.g., 20, 60, etc.) at the end of the year. Responding to Vice Mayor G. Comstock, she confirmed that the Town had paid off the \$3.5 million loan 1 day after the beginning of the fiscal year. She noted that no Management Letter had been required. Councilmembers congratulated the staff. Vice Mayor G. Comstock called for a vote, and the financial statements were accepted by a vote of 4-0.

COUNCIL, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

(8) Reports from Commission and Committee Liaisons

(a) Emergency Preparedness Committee

Councilmember Merk said the Chair of the Committee was forming a subcommittee, "Emergency Response Work Group", to set up a pool of volunteers to work in the Town Center during an emergency. This would require some policy decisions and would be before the Council at some time in the future.

(b) Planning Commission

Vice Mayor G. Comstock said during the planning budget meeting, it had been decided not to increase the budget but to shift some of the funds. Ms. Howard noted that there was \$15,000 budgeted for work on the riparian corridor which probably would not be taken up this year.

(c) Finance Committee

Vice Mayor G. Comstock said the Finance Committee had approved the audit. Additionally, one of the members had offered to explore investment opportunities for the surplus funds.

(9) Change in Charter of Trails Committee

Referring to the Trails Committee's memo of 12/17/02, Councilmember Merk moved approval of the request to change the Committee's membership number from 7 to 9. Councilmember K. Comstock seconded, and the motion carried 4-0.

WRITTEN COMMUNICATIONS

(10) Town Council 12/13/02 Weekly Digest

(a) West Bay Sanitary District General Regulations

Referring to Ms. Lambert's memo of 12/10/02 on West Bay's new regulations, Councilmember K. Comstock felt residents might not be aware of the changes. Ms. Howard confirmed that West Bay had not sent out a general letter informing residents of the changes. Councilmember K. Comstock suggested asking the district to send out a letter. Councilmember Merk suggested the Town inform residents about the document and indicate that they could ask for a copy.

(11) Town Council 12/20/02 Weekly Digest

(a) CA Integrated Waste Management Board

Referring to Ms. Powell's letter of 12/16/02 on the reported waste tonnage disposed of at Ox Mountain Landfill that was attributed to the Town, Councilmember Merk said waste from Ladera, Vista Verde and Los Trancos Woods was attributed to the Town; the numbers were skewed and needed to be fixed. Ms. Powell said the County argued that studies had been done at the landfill and that the Town's claims were incorrect. She said the Town wanted the Waste Board to step in and perform an objective evaluation.

(b) Portola Valley Museum Fund

Referring to Ms. Lund's letter of 12/17/02, Ms. Howard said Ms. Lund was requesting that the money in the historic preservation account be transferred to a new fund that would be used to set up a local museum. Originally set up for the schoolhouse restoration, she said the primary source of revenue for the fund was selling the *Portola Valley Primers*. After discussion, Council agreed with Ms. Lund's request.

(12) Town Council 12/24/02 Weekly Digest

(a) Long-term Goals

Ms. Howard referred to her memo of 12/19/02 requesting direction on a process for establishing immediate and long-term goals. Councilmember Merk suggested that the number of people actively participating in a public meeting to discuss goals should be kept to a reasonable number. After discussion, Council asked Ms. Howard to send out several potential dates to Councilmembers, Chairs of the Planning Commission and ASCC, etc.

(13) Town Council 1/3/03 Weekly Digest

(a) League of California Cities Meeting

Councilmember Davis suggested both the Mayor and Vice Mayor attend the meeting on January 30. Vice Mayor G. Comstock confirmed that he had made a reservation.

(b) Site Development Permit, 201 Escobar

Council discussed the purchase of the property at 201 Escobar for preservation of open space.

Councilmember K. Comstock suggested sending a formal thank you letter from the Council. Ms. Sloan suggested notifying the owners of the conservation easement option. Council agreed.

(c) Water Supply During Power Outages

Referring to the letter to the California Water Service from Dr. Fanton regarding water supply during power outages, Ms. Howard confirmed that Mr. Young would be following up.

ADJOURNMENT

The meeting was adjourned at 12:55 a.m.

Mayor

Town Clerk