



# *City Council Agenda*

City of Campbell, 70 North First Street, Campbell, California

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## **REGULAR MEETING OF THE CAMPBELL CITY COUNCIL**

**Tuesday, May 3, 2016 – 7:30 p.m.  
Council Chamber – 70 N. First Street**

### **CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE**

Pledge: Alicia Hamilton

### **SPECIAL PRESENTATIONS AND PROCLAMATIONS**

### **COMMUNICATIONS AND PETITIONS**

#### **ORAL REQUESTS**

**NOTE:** This portion of the meeting is reserved for persons wishing to address the City Council on any matter not on the agenda. Persons wishing to address the Council are requested, but not required to complete a Speaker's Card. Speakers are limited to two (2) minutes. The law generally prohibits the Council from discussion or taking action on such items. However, the Council may instruct staff accordingly regarding Oral Requests.

#### **COUNCIL ANNOUNCEMENTS**

#### **CONSENT CALENDAR**

**NOTE:** All matters listed under consent calendar are considered by the City Council to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a request is made by a member of City Council, City staff, or a member of the public. Any person wishing to speak on any item on the consent calendar should ask to have the item removed from the consent calendar prior to the time the Council votes to approve. If removed, the item will be discussed in the order in which it appears.

- 1. Minutes of Study Session of April 19, 2016**  
**Recommended Action:** Approve the Study Session Minutes.
- 2. Minutes of Regular Meeting of April 19, 2016**  
**Recommended Action:** Approve the Regular Meeting Minutes
- 3. Approving Bills and Claims**  
**Recommended Action:** Approve the bills and claims in the amount of \$1,244,488.14.
- 4. Monthly Investment Report – March, 2016**  
**Recommended Action:** Note and file the Monthly Investment Report for March, 2016.

5. **Declaring May 15-21, 2016 National Public Works Week (Resolution/Roll Call Vote)**  
Recommended Action: Adopt a resolution declaring May 15-21, 2016 as National Public Works Week.
6. **Replacement and Installation of Shade Canopies at the Campbell Community Center Pool Deck and Budget Adjustment (Resolution/Roll Call Vote)**  
Recommended Action: Adopt a resolution approving the replacement and installation of shade canopies at the Campbell Community Center pool deck and authorize a budget adjustment of \$6,800.
7. **Second Reading of Undergrounding Ordinance (Resolution/Roll Call Vote)**  
Recommended Action: Approve the second reading of Ordinance 2202 amending the Campbell Municipal Code Sec. 21.18.140 (Undergrounding of Utilities) to exempt development of single-family residential properties located along local and residential collector streets from the utility undergrounding requirements.
8. **Authorize the Public Works Director to Amend an Agreement with CSG Consultants, Inc. for Providing Staff Augmentation Services (Resolution/Roll Call Vote)**  
Recommended Action: Authorize the Public Works Director to amend an agreement with CSG Consultants, Inc. for providing staff augmentation services to the Public Works Department (DPW) in an amount not to exceed \$100,000; and approving a budget adjustment in the amount of \$50,000 that reallocates funding within the Public Works Engineering operating budget.
9. **Upholding an Appeal and denying a Conditional Use Permit (PLN2015-352) and Administrative Planned Development Permit (PLN2015-354) for establishment of a new 45-seat restaurant (Kalye Hits) with beer and wine service, outdoor seating, live entertainment (no dancing), and "late-night" operational hours (11:00 PM public closing); and a Parking Modification Permit (PLN2015-355) for a reduction in the number of required parking spaces on property located at 2145 S. Winchester Boulevard in the P-D (Planned Development) Zoning District (Resolution/Roll Call Vote)**  
Recommended Action: Adopt a resolution upholding an appeal and denying a Conditional Use Permit (PLN2015-352), Administrative Planned Development Permit (PLN2015-354), and Parking Modification Permit (PLN2015-355) for property located at 2145 S. Winchester Boulevard.

## **PUBLIC HEARINGS AND INTRODUCTION OF ORDINANCES**

### **NEW BUSINESS**

10. **Process for Designation of a Historic Resource (Resolution/Roll Call Vote)**  
Recommended Action: Provide direction to staff and the Historic Preservation Board regarding the procedure for official designation of a "historic resource"

(moving a property from the “potential” inventory to the Historic Resource Inventory) utilizing either the opt-in or opt-out approach.

11. **Dell Avenue Area Plan (DAAP) Status Report and Consideration to Postpone Project and Fold into the Envision Campbell Plan (Resolution/Roll Call Vote)**

Recommended Action: Postpone preparation of the Dell Avenue Area Plan (DAAP) and fold the work achieved to date, consisting of the draft Area Plan and Environmental Impact Report (DEIR), into the broader discussion of the Envision Campbell Plan.

12. **Receive Training Regarding Federal Securities Law and Consider Adopting a Resolution of the City of Campbell Approving Disclosure Policies and Procedures to Ensure Compliance with Disclosure Obligations of the City**

Recommended Action: Review recommended form of Disclosure Policies and Procedures to be considered for adoption by resolution June 7, 2016.

### **COUNCIL COMMITTEE REPORTS**

13. **City Councilmember Reports/Updates on Committee Assignments**

Recommended Action: Report on committee assignments and general comments.

### **ADJOURN**

In compliance with the Americans with Disabilities Act, listening assistive devices are available for all meetings held in the City Council Chambers. If you require accommodation, please contact the City Clerk's Office, (408) 866-2117, at least one week in advance of the meeting.



# CITY COUNCIL MINUTES

City of Campbell, 70 North First Street, Campbell, California

## CAMPBELL CITY COUNCIL STUDY SESSION

Tuesday, April 19, 2016 - 6:15 p.m.

Doetsch Conference Room – 70 N. First Street

**This Study Session was duly noticed pursuant to open meeting requirements of the Ralph M. Brown Act (G.C. Section 54956).**

**NOTE: No action may be taken on a matter under Study Session other than direction to staff to further review or prepare a report. Any proposed action regarding items on a Study Session must be agendaized for a future Regular or Special City Council meeting.**

The City Council of the City of Campbell convened this day in the Doetsch Conference Room of City Hall, 70 N. First Street, Campbell, California, to view the Peak Democracy Webinar.

### CALL TO ORDER, ROLL CALL

Present: Councilmembers: Kotowski, Resnikoff, Cristina, Gibbons, Baker

Absent: Councilmembers: None

**Staff Present:** Mark Linder, City Manager; Bill Seligmann, City Attorney; Wendy Wood, City Clerk; Al Bito, Deputy City Manager; Paul Kermoyan, Community Development Director; and Jeff Gershaneck, IT Manager

### NEW BUSINESS

1. **Peak Democracy Webinar**

Recommended Action: Conduct Study Session and provide direction to staff.

City Manager Linder gave a brief introduction for the webinar.

Previously recorded webinar was presented for viewing.

### PUBLIC COMMENT

Jo-Ann Fairbanks, Campbell resident, commented on the restrictive participation, staff involvement, and would like the GPAC to be able to view all the information.

Council listened to the presentation and public comment, and made general remarks.

### ADJOURN

Mayor Baker adjourned the meeting at 7:29 p.m.

APPROVED:

\_\_\_\_\_  
Jason T. Baker, Mayor

ATTEST:

\_\_\_\_\_  
Wendy Wood, City Clerk

# CITY COUNCIL MINUTES

City of Campbell, 70 North First Street, Campbell, California



## REGULAR MEETING OF THE CAMPBELL CITY COUNCIL/SUCCESSOR AGENCY

Tuesday, April 19, 2016 – 7:30 p.m.  
Council Chamber – 70 N. First Street

**Note:** This Regular Meeting was duly noticed pursuant to open meeting requirements of the Ralph M. Brown Act (G.C. Section 54956).

This meeting was recorded and can be viewed in its entirety at [www.cityofcampbell.com/agendacenter](http://www.cityofcampbell.com/agendacenter).

### CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

The City Council/Successor Agency of the City of Campbell convened this day in the regular meeting place, the Council Chamber of City Hall, 70 N. First Street, Campbell, California.

#### **Pledge: Janie Kelly**

The pledge of allegiance was led by Janie Kelly, Campbell Chamber of Commerce 2015 Citizen of the Year. Mayor Baker thanked her and presented her with a certificate of appreciation.

#### **Roll Call:**

Present: Councilmembers/Board Members: Kotowski, Resnikoff, Cristina, Gibbons, Baker

Absent: Councilmembers/Board Members: None

### SPECIAL PRESENTATIONS AND PROCLAMATIONS

There were no special presentations and proclamations.

### COMMUNICATIONS AND PETITIONS

There were no communications and petitions.

### ORAL REQUESTS

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There were no oral requests.

## **COUNCIL ANNOUNCEMENTS**

Want to know what everyone is saying about Campbell? Check out the Economic Development's new 'Brag Page' and find out why Campbell ranks high as a desirable community with many great places to dine. To access the "Let's Talk about Campbell" page, visit the City's website at [cityofcampbell.com](http://cityofcampbell.com).

On Wednesday, April 20, Safe Routes to School of Santa Clara County is teaming up with Capri Elementary School to host a walking school bus event traveling along Hacienda Avenue towards the school. The Mayor, school leaders and parents will celebrate the improvements along Hacienda Avenue and have an opportunity to view student art work displayed throughout the walking route. Participants are asked to meet in the Effie's Restaurant parking lot at 7:20 a.m. The walking school bus will leave promptly at 7:30 a.m.

On Thursday, April 21, the City Council will host a Volunteer Recognition Luncheon at Villa Ragusa restaurant to honor the many volunteers for their valuable service they contributed to City programs and the Campbell community this past year.

The City of Campbell will host its annual Great American Litter Pickup event on Saturday, April 23 from 9:00 a.m. to 1:00 p.m. This year's cleanup will focus on five locations. To register for this event, please call (408) 866-2145 or visit the City's website at [cityofcampbell.com](http://cityofcampbell.com).

On May 7 and 8, the Ainsley House will host a Mother's Day Tea and Tour event. Features include a butler to greet and seat guests, a special Ainsley House tea blend, and special prizes and contests. Guests will also tour the Ainsley House to the sound of live piano music. For reservations and more info, contact Laura Moore at (408) 460-7048 or [laura@campbellmuseums.com](mailto:laura@campbellmuseums.com).

On Friday, May 13, historian Ray Cosyn will explore Prohibition's impacts on the Santa Clara Valley during History Happy Hour at the Ainsley House. Mr. Cosyn will discuss how wine making was a viable industry for valley fruit canners, who were allowed to make "fruit juice" during Prohibition.

On Friday, June 10, Opera San Jose General Director Larry Hancock will return to the Ainsley House to discuss the upcoming 2016-17 season. Joining Mr. Hancock will be a soprano and pianist to perform for guests. History Happy Hour events begin at 5:30 p.m. with the main program at 6:00 p.m. To register for either event, call 408-866-2104. For more information, contact Kerry Perkins at 408-866-2718.

## **CONSENT CALENDAR**

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Mayor Baker asked if any Councilmember or anyone in the audience wished to remove any item from the Consent Calendar.

Vice Mayor Gibbons asked to remove Item 5.

The Consent calendar was considered as follows:

1. **Minutes of Study Session of April 4, 2016**

Recommended Action: Approve the Study Session Minutes.

This action approves the study session minutes of April 4, 2016.

2. **Minutes of Study Session of April 5, 2016**

Recommended Action: Approve the Study Session Minutes.

This action approves the study session minutes of April 5, 2016.

3. **Minutes of Regular Meeting of April 5, 2016**

Recommended Action: Approve the Regular Meeting Minutes.

This action approves the regular meeting minutes of April 5, 2016.

4. **Approving Bills and Claims**

Recommended Action: Approve the bills and claims in the amount of \$1,862,362.89.

This action approves the Bills and Claims in the amount of \$1,862,362.89 as follows: payroll checks dated March 24, 2016 in the amount of \$244,946.19; bills and claims checks dated March 28, 2016 in the amount of \$1,151,244.87; and bills and claims checks dated April 4, 2016 in the amount of \$466,171.83.

6. **Destruction of Certain City Records (Resolution/Roll Call Vote)**

Recommended Action: Adopt a resolution authorizing the destruction of certain City records.

Resolution 11967 authorizes the destruction of certain City records.

7. **Second Reading of Ordinance 2201 Approves Forming the Campbell Industrial Development Authority (Ordinance Second Reading/Roll Call Vote)**

Recommended Action: Approve the second reading and adopt Ordinance 2201 approving the formation of the Campbell Industrial Development Authority.

This action approves the second reading of Ordinance 2201 approving the formation of the Campbell Industrial Development Authority.

**M/S: Kotowski/Cristina - that the City Council approve the Consent Calendar with the exception of item five. Motion was adopted by the following roll call vote:**

**AYES: Councilmembers: Kotowski, Resnikoff, Cristina, Gibbons, Baker**

**NOES: Councilmembers: None**

### **ITEMS CONSIDERED SEPARATE FROM THE CONSENT CALENDAR**

5. **Accept Donation of \$5,000 from the Campbell Community Endowment Fund for the Campbell Historical Museum & Ainsley House Education Field Trip Programs**

Recommended Action: Accept a donation of \$5,000 from the Campbell Community Endowment Fund for the Campbell Historical Museum & Ainsley House Education Field Trip Programs.

Vice Mayor Gibbons stated that this money is essential to allow schools that can't afford to visit the museum an opportunity and thanked the organization for the donation.

**M/S: Gibbons/Resnikoff – that the City Council accept the donation of \$5,000 from the Campbell Community Endowment Fund to fund scholarship admissions. Motion was adopted unanimously.**

### **PUBLIC HEARINGS AND INTRODUCTION OF ORDINANCES**

8. **Public Hearing to Consider the City-initiated Zoning Text Amendment (PLN2016-32) to Amend Campbell Municipal Code Sec. 21.18.140 (Undergrounding of Utilities) to Exempt Development of Single-Family Residential Properties Located Along Local Streets from the Utility Undergrounding Requirements ( Introduction of Ordinance/Roll Call Vote)**

Recommended Action: Introduce an Ordinance amending Campbell Municipal Code Sec. 21.18.140 (Undergrounding of Utilities) to exempt development of single-family residential properties located along local streets from the utility undergrounding requirements.

This is the time and place for a public hearing to consider the City-initiated Zoning Text Amendment (PLN2016-32) to amend Campbell Municipal Code Sec. 21.18.140 (Undergrounding of Utilities) to exempt development of single-family residential properties located along local streets from the utility undergrounding requirements.

Associate Planner Fama presented staff report dated April 19, 2016.

Mayor Baker declared the public hearing open and asked if there was anyone in the audience wishing to be heard.

Brian Horton, Campbell resident, spoke about his construction project and the cost of undergrounding the utilities.

There being no one else wishing to speak, Mayor Baker closed the public hearing.

After discussion, **M/S: Gibbons/Resnikoff – that the City Council take first reading of Ordinance 2202 amending the Campbell Municipal Code Sec. 21.18.140 (Undergrounding of Utilities) to exempt development of single-family residential properties located along local streets from the utility undergrounding requirements with an amendment to include residential collector streets. Motion was adopted by the following roll call vote:**

**AYES: Councilmembers: Kotowski, Resnikoff, Cristina, Gibbons, Baker**

**NOES: Councilmembers: None**

**City Clerk Wood read the title of Ordinance 2202.**

**M/S: Gibbons/Resnikoff – that the City Council waive further reading of Ordinance 2202. Motion was adopted unanimously.**

**9. Approval of 2016-17 Schedule of Fees and Charges (Resolution/Roll Call Vote)**

Recommended Action: Approve resolution adopting the FY 2016-17 (FY 17) Schedule of Fees and Charges to be effective July 1, 2016.

This is the time and place for a public hearing to approve the 2016-17 schedule of fees and charges.

Finance Manager Etman presented staff report dated April 19, 2016.

Mayor Baker declared the public hearing open and asked if there was anyone in the audience wishing to be heard.

There being no one wishing to speak, Mayor Baker closed the public hearing.

After discussion, **M/S: Gibbons/Cristina – that the City Council adopt Resolution 11968 approving the FY 2016-17 Schedule of Fees and Charges to be effective July 1, 2016. Motion was adopted by the following roll call vote:**

**AYES: Councilmembers: Kotowski, Resnikoff, Cristina, Gibbons, Baker**

**NOES: Councilmembers: None**

**10. Public Hearing and Introduction of an Ordinance Amending Provisions of the Campbell Municipal Code to Revise the Business Tax Rates (First Reading of Ordinance/Roll Call Vote)**

Recommended Action: Introduce an Ordinance amending provisions of the Municipal Code to revise business license tax rates.

This is the time and place for a public hearing to introduce an Ordinance amending provisions of the Campbell Municipal Code to revise the Business Tax Rates.

Finance Manager Etman presented staff report dated April 19, 2016.

Mayor Baker declared the public hearing open and asked if there was anyone in the audience wishing to be heard.

There being no one wishing to speak, Mayor Baker closed the public hearing.

After discussion, **M/S: Cristina/Gibbons – that the City Council take no action on this item. Motion was adopted by the following roll call vote:**

**AYES: Councilmembers: Kotowski, Resnikoff, Cristina, Gibbons, Baker**

**NOES: Councilmembers: None**

### **SUCCESSOR AGENCY NEW BUSINESS**

11. **Adopt a Resolution of the City of Campbell Successor Agency Approving Issuance of Refunding Bonds in Order to Refund Outstanding Bonds and Other Indebtedness of the Dissolved Redevelopment Agency, Approving Execution and Delivery of an Indenture of Trust and Other Documents Relating Thereto (Resolution/Roll Call Vote)**

Recommended Action: Adopt a resolution of the City of Campbell Successor Agency approving the issuance of refunding bonds in order to refund outstanding bonds and other indebtedness of the dissolved City of Campbell Redevelopment Agency, approving the execution and delivery of an Indenture of Trust, Escrow Deposit and Trust Agreement and other related documents.

Finance Director Takahashi presented staff report dated April 19, 2016.

After discussion, **M/S: Gibbons/Kotowski – that the City of Campbell Successor Agency adopt Resolution 11969 approving the issuance of refunding bonds in order to refund outstanding bonds and other indebtedness of the dissolved City of Campbell Redevelopment Agency, approving the execution and delivery of an Indenture of Trust, Escrow Deposit and Trust Agreement and other related documents. Motion was adopted by the following roll call vote:**

**AYES: Board Members: Kotowski, Resnikoff, Cristina, Gibbons, Baker**

**NOES: Board Members: None**

### **NEW BUSINESS**

Mayor Baker stated that item 12 would follow item 15.

13. **BMR Eligibility Determination (Resolution/Roll Call Vote)**

Recommended Action: Deny the application for the below market rate home, finding that the Le/Nguyen household is ineligible to qualify for a below market rate home; and direct staff to advise the developer to allocate the home to an eligible household.

Senior Planner McCormick presented staff report dated April 19, 2016.

Phong Le, spoke about the family's income, cost of health care and stated that because they are self-employed the income can vary from year to year.

After discussion, **M/S: Cristina/Resnikoff – that the City Council adopt Resolution 11970 denying the application for a below market rate home, finding that the Le/Nguyen household is ineligible to qualify for a below market rate home; and direct staff to advise the developer to allocate the home to an eligible household. Motion was adopted by the following roll call vote:**

**AYES: Councilmembers: Kotowski, Resnikoff, Cristina, Gibbons, Baker**

**NOES: Councilmembers: None**

14. **Authorize the City Manager to Execute a Professional Service Agreement with De Novo Planning Group for Facilitation and Preparation of the Envision Campbell Plan (Resolution/Roll Call Vote)**

Recommended Action: Review the final contract which includes the previously approved changes to the consultant Scope of Work; review financial cost breakdown for the total estimated project cost; adopt a resolution authorizing the City Manager to execute a Professional Services Agreement with De Novo Planning Group for facilitation and preparation of Envision Campbell Plan in an amount not to exceed \$95,877 for a total contract amount not to exceed \$1,054,542; and approve a budget adjustment in the amount of \$914,642.

Community Development Director Kermoyan presented staff report dated April 19, 2016.

Ben Ritchie, Project Manager from De Novo Planning Group, introduced himself and spoke briefly about the company.

After discussion, **M/S: Cristina/Gibbons – that the City Council review the final contract, which includes the previously approved changes to the consultant Scope of Work; review financial cost breakdown for the total estimated project cost; adopt Resolution 11971 authorizing the City Manager to execute a Professional Services Agreement with De Novo Planning Group for facilitation and preparation of Envision Campbell Plan in an amount not to exceed \$95,877 for a total contract amount not to**

exceed \$1,054,542; and approve a budget adjustment in the amount of \$914,642. Motion was adopted by the following roll call vote:

**AYES: Councilmembers: Kotowski, Resnikoff, Cristina, Gibbons, Baker**

**NOES: Councilmembers: None**

15. **Authorize the Expansion of Property Assessed Clean Energy (PACE) Financing Providers in the City of Campbell (Resolutions/Roll Call Vote)**

Recommended Action: Adopt resolutions consenting to the inclusion of properties within the City of Campbell incorporated area for the following Property Assessed Clean Energy (PACE) programs to assist property owners with financing renewable energy generation, energy and water efficiency improvements and electric vehicle charging infrastructure in the California Statewide Communities Development Authority (CSCDA) Open PACE Programs; the California HERO Program and approving an Amendment to the Joint Powers Agreement approving associate membership in the Western Riverside Council of Governments; the California Home Finance Authority (CHF) Community Facilities District No. 2014-1 (Clean Energy) and approving associated membership in CHF; and the CHF PACE Program and approving associated membership in CHF.

Administrative Analyst Mendoza presented staff report dated April 19, 2016.

Carl San Miguel, representative from Santa Clara County Association of Realtors, stated that they have a bill going to Sacramento to discuss issues with the PACE program; and he requested that Council not approve this program at this time or at least exempt the one to four units.

Emily Goodwin, District Development Director for Ygrene Energy Funds, spoke about the PACE program and education outreach workshops.

Leah Rowell, Community Development Manager for HERO program, spoke about outreach efforts to educate buyers and realtors.

Rachel Hobbs, Finance Program Manager for PACE Funding Group, spoke about consumer protection policies.

Charles Bona, commercial property owner in Campbell, stated that he wanted to explore options for financing and would like Council to approve this program.

After discussion, **M/S: Gibbons/Kotowski – that the City of Campbell adopt resolutions consenting to the inclusion of properties within the City of Campbell incorporated area for the following Property Assessed Clean Energy (PACE) programs to assist property owners with financing renewable energy generation, energy and water efficiency improvements and electric vehicle charging infrastructure; Resolution 11972 approves the California Statewide Communities Development Authority (CSCDA) Open**

**PACE Programs; Resolution 11973 approves the California HERO Program and approving an Amendment to the Joint Powers Agreement approving associate membership in the Western Riverside Council of Governments; Resolution 11974 approves the California Home Finance Authority (CHF) Community Facilities District No. 2014-1 (Clean Energy) and approving associated membership in CHF; and Resolution 11975 approves the CHF PACE Program and approving associated membership in CHF. Motion was adopted by the following roll call vote:**

**AYES: Councilmembers: Kotowski, Gibbons, Baker**

**NOES: Councilmembers: Resnikoff, Cristina**

Mayor Baker stated that they would take a ten minute recess.

Council reconvened the meeting at 9:55 p.m.

12. **New Campbell Water Tower Lighting Policy (Resolution/Roll Call Vote)**  
Recommended Action: Adopt a resolution to approve the new policy on lighting the Campbell Water Tower.

City Manager Linder presented staff report dated April 19, 2016.

Council directed staff to revise the policy and bring it back to Council with the following changes: remove the Downtown Campbell Business Association and Campbell Chamber of Commerce events from the lighting schedule; state that the colors should be fixed not rotating; do not use black as a color choice; state that in the event of a major tragedy the Mayor can request that the tower be lit in appropriate colors for one night; state that other nationally recognized events may be allowed; and in general no third party request should not be taken but in the event that an organization approaches Council with a request it may be considered by a majority vote.

## **COUNCIL COMMITTEE REPORTS**

16. **City Councilmember Reports/Updates on Committee Assignments**  
Recommended Action: Report on committee assignments and general comments.
- Councilmember Cristina stated that the Campbell Police Foundation might have a dunk tank at the Boogie on the Avenue; attended the Economic Development Subcommittee meeting; Santa Clara Valley Water District County Water Commission meeting.
  - Councilmember Resnikoff thanked Councilmember Kotowski and Vice Mayor Gibbons for filling in at the VTA meetings.

-- Councilmember Kotowski attended Valley Transportation Authority Policy Advisory Committee meetings; History Happy Hour; West Valley Sanitation District meeting; Youth Commission meetings; and Education Subcommittee meeting.

-- Vice Mayor Gibbons attended the League of California Cities Peninsula Division dinner; Senator Beall's Woman of Substance in the Valley; State Route 85 Corridor Policy Advisory Board meeting; spoke about the upcoming Museum exhibit "Then and Now;" Campbell Historical Museum & Ainsley House Foundation; work on the inaugural meeting of the Community Choice Energy; attended the Education Subcommittee meeting; and Open Space Authority Community meeting; and Friends of the Library meeting.

-- Mayor Baker attended the VTA I-680 Expressway Corridor Joint Powers Authority meeting; Metropolitan Transportation Commission meeting; West Valley Mayors and Managers meeting; and spoke about the VTA Envision Silicon Valley tax measure.

## **ADJOURN**

Mayor Baker adjourned at 10:50 p.m.

APPROVED:

\_\_\_\_\_  
Jason T. Baker, Mayor

ATTEST:

\_\_\_\_\_  
Wendy Wood, City Clerk



# City Council Report

Item: 3.  
Category: Consent Calendar  
Meeting Date: May 3, 2016

**TITLE: Approving Payment of Bills and Claims**

### RECOMMENDATION

Approve the attached lists of bills and claims for payment in the amount of \$1,244,488.14.

### DISCUSSION

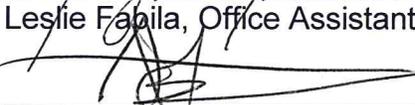
Attached are the lists of bills and claims that have been audited and approved by staff for payments made as noted below:

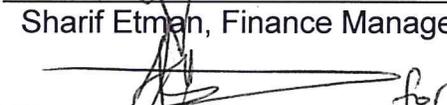
<u>Type</u>	<u>Check Date</u>	<u>Amount</u>
Payroll	April 7, 2016	\$296,328.25
Bills & Claims	April 11, 2016	\$183,220.21
Bills & Claims	April 18, 2016	\$764,939.68
	<b>Total</b>	<b>\$1,244,488.14</b>

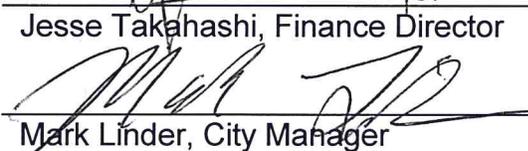
### FISCAL IMPACT

Adequate funding was available to cover all expenses as listed.

Prepared by:   
Leslie Fabila, Office Assistant

Reviewed by:   
Sharif Etman, Finance Manager

Reviewed by:  for  
Jesse Takahashi, Finance Director

Approved by:   
Mark Linder, City Manager

**Attachments:**  
Attachment 1 – Bills & Claims Lists



# City Council Report

Item: 4.  
 Category: Consent Calendar  
 Meeting Date: May 3, 2016

**Title: Monthly Investment Report – March, 2016**

## RECOMMENDATION

That the attached Investment Report for March, 2016 be noted and filed.

## DISCUSSION

The City invests primarily in the State of California Local Agency Investment Fund (LAIF) and US Government Agency securities to preserve the safety of the City's surplus funds while achieving a reasonable return on its portfolio. The City's strategy is one of buy-and-hold in which a portion of the portfolio is invested in fixed income securities of varying maturities that will provide sufficient cash flow to meet the City's operational needs.

During the month of March, the City re-invested \$1.5 million of the \$2 million proceeds received from called investment in February and deposited in LAIF. The total portfolio decreased approximate \$0.6 million mainly due to the increased holding in cash position, and normal fluctuations in operating revenue and expenditures.

All investments are made in accordance with the City's established Investment Policy or as authorized pursuant to bond covenants. Presented within this report are the following:

- Investment balance and earnings for March, 2016
- Summary of investments by types as of March, 2016
- List of investments by institution as of March, 2016
- Reconciliation of pooled cash as of March, 2016
- Investment transactions as of March, 2016
- Actual Receipts and Disbursements for March, 2016
- Cash flow projections for the month of June, 2016

<u>Investment Balance and Earnings - March, 2016</u>						
<u>Bal. at Beg. of Month 03/01/16</u>	<u>Purchases/ Deposits</u>	<u>Maturities/ Withdrawals</u>	<u>Bal. at End of Month 03/31/16</u>	<u>Interest Earned this Month</u>	<u>Interest Earned YTD</u>	<u>% of Interest Earned YTD/Budget</u>
\$ 38,220,687	\$ 2,399,451	\$ (3,000,000)	\$ 37,620,138	\$ 14,933	\$ 118,512	53.63%

**Summary of Investments by Type - March, 2016**

<u>Description</u>	<u>Current Month</u> <u>03/31/16</u>	<u>% of Total</u> <u>Portfolio</u>	<u>Prior Month</u> <u>02/29/16</u>	<u>% of Total</u> <u>Portfolio</u>	<u>Prior Year</u> <u>3/31/15</u>	<u>% of Total</u> <u>Portfolio</u>
L.A.I.F.	\$ 31,163,595	82.84%	\$ 30,663,595	80.23%	\$ 21,429,655	60.51%
Agencies	\$ 3,500,000	9.30%	\$ 5,500,000	14.39%	10,999,500	31.06%
Money Market (U.S. Bank)	\$ 2,956,543	7.86%	\$ 2,057,092	5.38%	2,983,505	8.43%
<b>Total</b>	<b>\$ 37,620,138</b>	<b>100.00%</b>	<b>\$ 38,220,687</b>	<b>100.00%</b>	<b>\$ 35,412,660</b>	<b>100.00%</b>

**Cash Flow Projections**

The cash flow projection reflects there are sufficient funds available to meet the City of Campbell's anticipated expenditures for June, 2016 through November, 2016 (See Exhibit II).

**List of Investments by Institution - March, 2016**

<u>Institution</u>	<u>Cost</u>	<u>% of Total</u> <u>Portfolio</u>	<u>Market</u> <u>Value</u>	<u>Diff. Bet. Cost</u> <u>&amp; Market</u>
L.A.I.F.	\$ 31,163,595	82.84%	\$ 31,170,484	\$ 6,889
Federal Farm Credit Bank (FFCB)*	1,500,000	3.99%	\$ 1,502,865	\$ 2,865
Federal Home Loan Mortgage Corp (FHLMC) *	2,000,000	5.32%	\$ 1,996,940	\$ (3,060)
U.S. Bank--Money Market Fund **	2,956,543	7.86%	\$ 2,956,543	\$ -
	<b>\$ 37,620,138</b>	<b>100.00%</b>	<b>\$ 37,626,832</b>	<b>\$ 6,694</b>

\* The City intends to hold treasury/agency securities to maturity or until they are called, as a result this is a paper gain and/or loss that will not be realized.

\*\* City and RDA COP and TAB bond proceeds held for program and reserve funds.

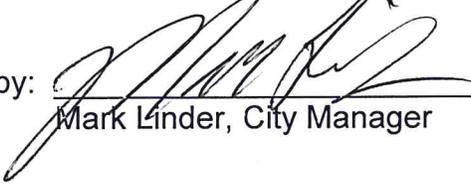
<u>Reconciliation of Pooled Cash per Ledgers to Investment Report</u>	
<u>March, 2016</u>	
Balance per ledger - March, 2016	\$ 37,620,107
March, 2016 interest to be Journalized	31
Adjusted General Ledger Balance	<u>37,620,138</u>
Balance Per Investment Report	<u>37,620,138</u>

<u>Summary of Total Cash Invested</u>			
<u>Description</u>	<u>Current Month</u> <u>03/31/16</u>	<u>Prior Month</u> <u>02/29/16</u>	<u>Prior Year</u> <u>03/31/15</u>
Cash on Deposit	\$ 3,213,107	\$ 2,153,482	\$ 2,840,944
Investments	<u>37,620,138</u>	<u>38,220,687</u>	<u>35,412,660</u>
Total Cash and Investments	<u>\$ 40,833,245</u>	<u>\$ 40,374,169</u>	<u>\$ 38,253,604</u>
% of Total Cash Invested	<u>92.13%</u>	<u>94.67%</u>	<u>92.57%</u>

Prepared by:   
Sophie Kao, Accountant

Reviewed by:   
Sharif Etman, Finance Manager

Reviewed by:  for  
Jesse Takahashi, Finance Director

Approved by:   
Mark Linder, City Manager

- Attachment 1 - Monthly Schedule of Investments
- Attachment 2 - Cash Flow Projection
- Attachment 3 - Actual Receipts & Disbursements

**City of Campbell  
Monthly Schedule of Investments  
For the month ending March, 2016**

Attachment 1

	Beginning Balance	Purchases/ Deposits	Maturities/ Calls/ Withdrawals	Ending Balance	% of Type	% of Assets	Par Value	* Market Value	Maturity Date	Remain Days To Mat	Interest Rate (Annual)	Interest Earned to Maturity	# of Days Ir Month	Int.Recv. Beginning Balance	Interest Earned This Mo.	Interest Received This Mo.	Int.Recv. Ending Balance	Interest Received To Date	Interest Bal. to Maturity
Local Agency Investment Fund (L.A.I.F.)	\$ 30,663,594.51	\$ 1,500,000.00	\$ (1,000,000.00)	\$ 31,163,594.51	100.00%	82.84%	\$ 31,163,595	\$ 31,170,484	N/A	N/A	0.467% Q	N/A	31	\$ 22,613.86	\$ 11,494.55	\$ 34,108.41	\$ 69,838.93	N/A	
<b>Cash &amp; Gov't Securities (Custodian-BNY Bank)</b>																			
Cash	2,000,000.00		(2,000,000.00)	-	0.00%	0.00%	-	-	-	-	-	-	31	9,778.78	-	9,778.78	-	9,778.78	-
Fed. Farm Credit Bank (FFCB) Fixed	1,500,000.00			1,500,000.00	42.86%	3.99%	1,500,000	1,502,865	11/30/18	974	1.340% S	59,859	31	4,405.48	1,707.12	6,112.60	6,112.60	9,778.78	59,859
Fed. Home Loan Mortgage (FHLMC)	2,000,000.00			2,000,000.00	57.14%	5.32%	2,000,000	1,996,940	03/30/18	729	1.000% S	49,973	31	8,328.77	1,726.02	10,000.00	54.79	10,000.00	39,973
Subtotal-Gov't Securities	5,500,000.00	-	(2,000,000.00)	3,500,000.00	100.00%	9.30%	3,500,000	3,499,805			1.146%	109,832		22,513.03	3,433.14	19,778.78	6,167.39	19,778.78	99,832
<b>Investments under the management of contracted parties:</b>																			
<b>Trustee: U.S. Bank</b>																			
<b>1997 COP</b>																			
Treasury Obligations - Lease Payment	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	31	-	-	-	-	2,873.71	N/A
Treasury Obligations	-	329,078.13	-	329,078.13	11.13%	0.87%	329,078	329,078	N/A	N/A	0.000% M	N/A	31	-	-	-	-	-	-
<b>2002 COP</b>																			
First American Treasury D - Lease Pmt	2.15	56,007.23	-	56,009.38	1.89%	0.15%	56,009	56,009	N/A	N/A	0.003% M	N/A	31	-	-	-	-	4,760.56	N/A
First American Treasury D - Improvement	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	31	-	-	-	-	152,311.90	N/A
<b>2002 RDA TABs</b>																			
First American Treasury D - Interest	0.86	250,267.27	-	250,268.13	8.46%	0.67%	250,268	250,268	N/A	N/A	0.004% M	N/A	31	-	-	-	-	3,754.52	N/A
First American Treasury D - Reserve	1,013,287.95	4.85	-	1,013,292.80	34.27%	2.69%	1,013,293	1,013,293	N/A	N/A	0.006% M	N/A	31	-	4.85	4.85	-	154,367.50	N/A
First American Treasury D - Principal	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.002% M	N/A	31	-	-	-	-	2,616.89	N/A
First American Treasury D - Redevelop	0.31	-	-	0.31	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	31	-	-	-	-	4,081.34	N/A
<b>2005 RDA TABs</b>																			
First American Treasury D - Interest	-	264,093.75	-	264,093.75	8.93%	0.70%	264,094	264,094	N/A	N/A	0.000% M	N/A	31	-	-	-	-	2,226.96	N/A
First American Treasury D - Principal	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	31	-	-	-	-	623.73	N/A
First American Treasury D - Reserve	1,043,800.77	-	-	1,043,800.77	35.30%	2.77%	1,043,801	1,043,801	N/A	N/A	0.001% M	N/A	31	-	-	-	-	111,418.63	N/A
Subtotal-Trust A/C	2,057,092.04	899,451.23	-	2,956,543.27	99.98%	7.86%	2,956,543	2,956,543			N/A	N/A		-	4.85	4.85	-	439,035.73	-
<b>Total Portfolio</b>	<b>\$ 38,220,686.55</b>	<b>\$ 2,399,451.23</b>	<b>\$ (3,000,000.00)</b>	<b>\$ 37,620,137.78</b>	<b>100.00%</b>	<b>\$ 37,620,138</b>	<b>\$ 37,626,832</b>			<b>Wgt Avg</b>	<b>0.498%</b>	<b>\$ 109,832</b>		<b>\$ 45,126.89</b>	<b>\$ 14,932.54</b>	<b>\$ 19,783.63</b>	<b>\$ 40,275.80</b>	<b>\$ 528,653.44</b>	<b>\$ 99,832</b>

Investment Portfolio Increased / (Decreased) by: \$ (600,548.77)

Weighted Average to Maturity = 79.2 Days

Note:	Month	Portfolio Balance		% of Total Cash Invested		Month	Wgt Avg	Rate/Annual Yield		Actual Interest Earned		Actual Interest Received	
		FY 15-16	FY 14-15	FY 15-16	FY 14-15			FY 15-16	FY 14-15	FY 15-16	FY 14-15		
S - Semi-Annual	July	\$ 37,670,072	\$ 38,342,028	95.78%	98.36%	July	Wgt Avg	0.415%	0.580%	\$ 13,268	\$ 19,276	\$ 20,071	\$ 25,480
Q - Quarterly	August	35,670,878	37,732,033	89.78%	97.33%	August	Wgt Avg	0.408%	0.570%	12,516	19,688	10,318	14,380
M - Monthly	September	35,247,357	37,012,606	94.65%	98.39%	September	Wgt Avg	0.341%	0.571%	9,550	17,510	6,568	17,705
	October	33,195,877	33,889,665	93.33%	96.06%	October	Wgt Avg	0.413%	0.604%	11,634	18,346	24,996	20,128
	November	33,195,882	33,889,670	91.10%	93.82%	November	Wgt Avg	0.426%	0.605%	11,635	17,550	8	19,280
	December	33,195,890	34,289,675	93.30%	95.10%	December	Wgt Avg	0.476%	0.603%	12,721	17,550	5	15,630
	January	37,220,681	37,296,177	92.07%	91.91%	January	Wgt Avg	0.517%	0.527%	16,347	18,049	5	26,062
	February	38,220,687	37,486,182	94.67%	95.86%	February	Wgt Avg	0.530%	0.473%	15,909	14,179	8	10,920
	March	37,620,138	35,412,660	92.13%	92.57%	March	Wgt Avg	0.467%	0.491%	14,933	14,563	19,784	22,705
	April		33,750,291		82.38%	April	Wgt Avg		0.392%		13,267		23,227
	May		37,750,296		93.23%	May	Wgt Avg		0.345%		13,072		8,443
	June		40,850,001		93.87%	June	Wgt Avg		0.389%		14,924		17,089
	31-Mar-16												
	Average	\$ 35,693,051	\$ 36,458,440	Average 92.98%	Average 94.07%	Average		0.444%	0.513%	\$ 118,512	\$ 197,568	\$ 81,760	\$ 221,048

Per Governmental Code requirements, this schedule of Investments complies with the City of Campbell's Investment Policy, and there are adequate funds available to meet the budgeted expenditures for the next six months.

\* Market prices are obtained from the monthly investment statements of the various institutions or the City's third-party custodian, BNY Mellon Bank.

## Cash Flow Projection for the Month of June 2016

Date	Revenue Description	Receipt Amount	Date	Expenditure Description	Payment Amount
1	Community Center Leases/Rentals	\$ 238,000	1	Outstanding Checks	\$ 700,000
6	Environmental Services Fees	40,000	6	Bills & Claims	288,000
6	Franchise Fees	150,000	13	Bills & Claims	250,000
13	Property Taxes	1,750,000	20	Bills & Claims	800,000
13	Other Taxes	70,000	27	Bills & Claims	750,000
13	Licenses and Permits	180,000	2	Payroll	665,000
13	Fines/Forfeitures/Penalties	20,000	16	Payroll	670,000
20	Investment Interest	1,000	30	Payroll	670,000
20	Motor Vehicle in Lieu	-			
20	Highway Users Tax	-			
20	Intergovernmental	1,327,000			
20	Charges for Current Services	330,000			
27	Sales & Use Tax (incl. Meas.O)	1,000,000			
27	Park Dedication Fees	-			
27	Transient Occupancy Tax (monthly)	440,000			
27	Miscellaneous Receipts	18,000			
	<b>Sub-total (Receipts)</b>	<b>5,564,000</b>		<b>Sub-total (Expenditure)</b>	<b>4,793,000</b>
	<b>Amount expected to be withdrawn from Investments to cover this month's expenditures.</b>	<b>-</b>		<b>Amount of expected revenue available for investment.</b>	<b>771,000</b>
	<b>Total</b>	<b>\$ 5,564,000</b>		<b>Total</b>	<b>\$ 5,564,000</b>

**Note:**

The approximately \$31.2 million invested with the Local Agency Investment Fund (see Exhibit I) is highly liquid and available on any business day. It, therefore, can be reasonably estimated that sufficient funds are readily available to cover normal expenditures for the subsequent six-month period. More specifically, the monthly cash flow projection reflects that sufficient funds are available to meet the anticipated expenditures for the month.

## Actual Receipts &amp; Disbursements for the Month of March 2016

Fund / Account	Revenue Description	Receipt Amount	Date	Expenditure Description	Payment Amount
4810, 4819	Community Center/Dev. Leases/Rentals	\$ 237,926	1	Outstanding Checks as of 2/29/2016	\$ 1,205,063
F209, 4720, 21, 22, 24	Environmental Services Fees	90,080	7	Bills & Claims	224,990
4120-4125	Franchise Fees	414,029	14	Bills & Claims	377,016
40XX, 4153	Property Taxes	742,296	15	Bills & Claims-US Bank (debts service)	899,446
4151,4152,4155	Other Taxes	80,033	21	Bills & Claims	798,154
42XX	Licenses and Permits	185,346	28	Bills & Claims	251,822
43XX	Fines/Forfeitures/Penalties	20,996	31	Bills & Claims-manual & voided checks	(3,533)
4410,4431, 4450	Investment Interest	19,778	10	Bills & Claims-PR vendors' checks	284,936
4580	Motor Vehicle in Lieu	7,501	24	Bills & Claims-PR vendors' checks	244,946
4586	Highway Users Tax	-	10	Payroll	648,564
other 45XX	Intergovernmental--Other	1,336,316	24	Payroll	663,226
4510-4516	Intergovernmental--Gas Taxes	147,141	7	Calpers Insurance Payment	151,723
4571, 4572	Intergovernmental--VTA Meas. B	-			
4590,4591,4592 F333	Intergovernmental--Successor Agency	-			
46XX-47XX, excl 4725	Charges for Current Services	505,550			
4110-4115	Sales & Use Tax (incl. Meas.O)	2,175,395			
F295,4920	Park Dedication Fees	-			
4150	Transient Occupancy Tax (monthly)	341,584			
48XX-49XX, excl F798	Miscellaneous Receipts	21,183			
F366,368,4450,4966	Miscellaneous Receipts (from RDA)	-			
F207,236,367exc237,5XXX	Special Assessment	-			
	<b>Sub-total (Receipts)</b>	<b>6,325,154</b>		<b>Sub-total (Expenditure)</b>	<b>5,746,355</b>
	<b>Amount withdrew from Investments to cover this month's expenditures.</b>	<b>-</b>		<b>Amount of expected revenue available for investment.</b>	<b>578,799</b>
	<b>Total</b>	<b>\$ 6,325,154</b>		<b>Total</b>	<b>\$ 6,325,154</b>



# City Council Report

Item: 5.  
Category: Consent Calendar  
Meeting Date: May 3, 2016

**TITLE: Declaring the Week of May 15-21, 2016 National Public Works Week  
(Resolution/Roll Call Vote)**

## RECOMMENDATION

That the City Council adopt the attached resolution declaring the week of May 15-21, 2016, as National Public Works Week.

## BACKGROUND

In 1960 the American Public Works Association instituted a public education campaign to draw attention to the importance of public works in the community. Public works professionals are charged with critical responsibilities in connection with the planning, design, construction, maintenance and operation of numerous public works programs and projects. Often their accomplishments are particularly noteworthy in relation to the limited manpower and financial resources available to them.

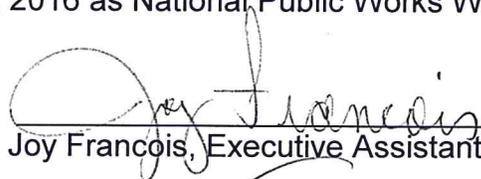
## DISCUSSION

National Public Works Week is observed each May to raise the public's awareness of public works issues and to recognize the contributions made by public works employees who are dedicated to improving the quality of life for present and future generations.

This year's American Public Works Association theme "Public Works Always There" showcases the pervasiveness of public works. Communities depend on public works, and the men and women of the profession are always there and always ready.

The attached resolution has been prepared for Council's consideration to proclaim the week of May 15-21, 2016 as National Public Works Week within the City of Campbell.

Prepared by:

  
Joy Francois, Executive Assistant

Approved by:

  
Todd Capurso, Public Works Director

Approved by:

  
Mark Linder, City Manager

Attachment: Resolution

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL  
DECLARING THE WEEK OF MAY 15-21, 2016 AS  
NATIONAL PUBLIC WORKS WEEK**

**WHEREAS**, in 1960 the American Public Works Association instituted a public education campaign to draw attention to the importance of public works in the community life; and,

**WHEREAS**, the support of an understanding and informed citizenry is vital to the efficient implementation and operation of public works responsibilities and programs such as streets and highways, transportation, water, sewers, parks, public buildings and solid waste collection; and

**WHEREAS**, the health, safety and comfort of this community greatly depends on those facilities and services; and

**WHEREAS**, the quality and effectiveness of these facilities, as well as their planning, design, construction and maintenance is vitally dependent upon the efforts and skill of public works officials; and

**WHEREAS**, the efficiency of the qualified and dedicated personnel who staff public works departments is influenced by the people's attitudes and understanding of the importance of the work they perform.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Campbell does hereby proclaim the week of May 15-21, 2016, as National Public Works Week within the City of Campbell and calls upon all citizens and civil organizations to acquaint themselves with the issues involved in providing our public works and recognize the contributions which the public works officials make every day to ensure our health, safety, comfort and quality of life.

**PASSED AND ADOPTED** this 3<sup>rd</sup> day of May 2016, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

\_\_\_\_\_  
Jason T. Baker, Mayor

ATTEST:

\_\_\_\_\_  
Wendy Wood, City Clerk



# City Council Report

Item:  
Category:  
Meeting Date:

6.  
Consent Calendar  
May 3, 2016

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**TITLE: REPLACEMENT AND INSTALLATION OF SHADE CANOPIES AT THE CAMPBELL COMMUNITY CENTER POOL DECK AND BUDGET ADJUSTMENT OF \$6,800 (Resolution/Roll Call Vote)**

## **RECOMMENDATION**

It is recommended that the City Council approve the replacement and installation of shade canopies at the Campbell Community Center Pool Deck and authorize a Budget Adjustment of \$6,800.

## **BACKGROUND**

The Campbell Community Center Pool hosts a wide variety of aquatic programming year-round with peak activity during the summer season. Aquatic programs include adult lap swim, senior water exercise, youth swim team practice, adult swim training class, swim lessons for all ages, and summer recreation swim.

Two pool shade canopies on the pool deck provide sun protection for patrons, parents, and spectators of all aquatics programs. Another shade canopy provides sun protection for Aquatics staff members during work shifts. The current pool shade canopies are more than 25 years old, far exceeding their usage expectancy of 10 years. Over time the canopies have become torn and tattered. One canopy was completely torn off the frame from a recent wind storm. (Attachment 2 – Photos of Community Center Pool Deck)

Staff is requesting a budget adjustment to enable the purchase and installation of the shade canopies before the very busy summer season which begins June 13, 2016.

Staff contacted many vendors to secure bids for the replacement and installation of shade canopies. Two bids have been received. Based on the responses, staff recommends awarding USA Shade & Fabric Structures as the most qualified and cost-effective respondent and allocating \$6,800 for this project. (Attachment 3 - USA Shade & Fabric Structures Bid). The second bid received was more expensive at a total cost of \$8,670.

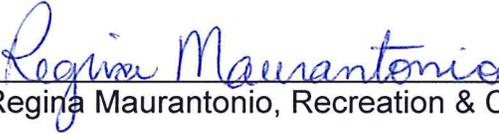
**FISCAL IMPACT**

It is recommended that a budget adjustment of \$6,800 for the replacement canopies be funded out of CIPR.

**ALTERNATIVES**

1. Fund this purchase from another source.
2. Do not approve this purchase.

Prepared by:   
Aaron Bueno, Recreation Supervisor

Reviewed by:   
Regina Maurantonio, Recreation & Community Services Director

Reviewed by:   
Jesse Takahashi, Finance Director

Approved by:   
Mark Linder, City Manager

- Attachments:**
- Attachment 1 – Resolution
  - Attachment 2 – Photos of Community Center Pool Deck
  - Attachment 3 – Bid from USA Shade & Fabric Structures
  - Attachment 4 – Budget Adjustment

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL  
APPROVING THE REPLACEMENT AND INSTALLATION OF SHADE CANOPIES AT  
THE CAMPBELL COMMUNITY CENTER POOL DECK AND AUTHORIZING A  
BUDGET ADJUSTMENT OF \$6,800**

**WHEREAS**, the Campbell Community Center Pool hosts a wide variety of aquatic programming where patrons and staff use the shade canopies for sun protection; and

**WHEREAS**, the existing shade canopies are in need of replacement prior to the start of the summer aquatic program in June 2016; and

**WHEREAS**, there are funds available in the Capital Improvement Program Reserve

**NOW, THEREFORE, BE IT RESOLVED** that the City Council approves the replacement and installation of shade canopies at the Campbell Community Center Pool Deck and authorizes a budget adjustment of \$6,800.

**PASSED AND ADOPTED** this 3<sup>rd</sup> day of May, 2016, by the following roll call vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

APPROVED:

\_\_\_\_\_  
Jason T. Baker, Mayor

ATTEST:

\_\_\_\_\_  
Wendy Wood, City Clerk



**PROPOSAL**

Corporate Mailing  
Address:  
8505 Chancellor Row  
Dallas, TX 75247  
  
(800) 966-5005



**USASHADE**  
& Fabric Structures®



Remittance address:  
Shade Structures, Inc  
P.O. Box 204691  
Dallas, TX 75320-4691

**This is a legal agreement – Please read carefully. Complete and initial all pages**

<b>Purchaser:</b> City of Campbell	<b>Date:</b> March 30, 2016	<b>Sales Rep:</b> Jenny Dempsey
<b>Contact:</b> Aaron Bueno		<b>Phone:</b> 916.217.3507
<b>Phone:</b> 408-866-2741	<b>Quote No.:</b> JLD20160330-03	<b>Email:</b> jdempsey@usa-shade.com
<b>Billing Information:</b>	<b>Shipping Information:</b>	<b>Jobsite Information (including site name):</b>
City of Campbell Recreation & Community Services Dept 1 West Campbell Ave #C31 Campbell, CA 95008	USA Shade & Fabric Structures 927 Enterprise Way, Suite A Napa, CA 94558	Community Center 1 West Campbell Ave #C31 Campbell, CA 95008
<b>Contact:</b> Aaron Bueno	<b>Contact:</b> Marcos Samayoa	<b>Contact:</b> Aaron Bueno
<b>Phone:</b> 408-866-2741	<b>Phone:</b>	<b>Phone:</b> 408-866-2741
<b>Email:</b> aaronb@cityofcampbell.com	<b>Email:</b>	<b>Email:</b> aaronb@cityofcampbell.com

**STRUCTURE DETAILS**

QTY	DESCRIPTION	DETAILS	
2	<p><b>Hip Structure Canopy Replacement</b></p>	<p>Structure Size 27' x 18'2"</p> <p>Number of Posts N/A</p> <p>Number of Fabric Tops One</p> <p>Fabric Type Colourshade FR</p> <p>Fabric Color BLUE</p> <p>Steel Color N/A</p> <p>Post Attachment Method N/A</p> <p>Entry Height N/A</p> <p>Wind load 115 mph</p> <p>Snow load 5 psf</p> <p>Notes:</p>	
1	<p><b>Hip Structure Canopy Replacement</b></p>	<p>Structure Size 18'2" x 9'2"</p> <p>Number of Posts N/A</p> <p>Number of Fabric Tops One</p> <p>Fabric Type Colourshade FR</p> <p>Fabric Color BLUE</p> <p>Steel Color N/A</p> <p>Post Attachment Method N/A</p> <p>Entry Height N/A</p> <p>Wind load 115 mph</p> <p>Snow load 5 psf</p> <p>Notes:</p>	

**TOTAL \$6,787.07**

# City of Campbell Request for Budget Adjustments

Attachment 4

Department/Program	Division	Date	Request No.
Recreation & Community Services	531 - Sports, Aquatics, Fitness	May 3, 2016	BA 19

### Budget to be Reduced

Fund	Account Number	Description	Amount
101	3641	Capital Improvement Reserve      General Fund CIPR	6,800

### Budget to be Increased

Fund	Account Number	Description	Amount
101	531-7427	Special Departmental Expense      Shade Canopies	6,800

**REASON FOR REQUEST - BE SPECIFIC:**

Purchase of new shade canopies for Community Center pool deck

 Regina Maurantonio Recreation & Community Services Director	 Jesse Takahashi Finance Director	 Mark Linder City Manager
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# City Council Report

Item: 7.  
Category: Consent Calendar  
Meeting Date: May 3, 2016

**TITLE:** Ordinance 2202 Amending Campbell Municipal Code Sec. 21.18.140 (Undergrounding of Utilities) to Exempt Development of Single-family Residential Properties Located Along Local and Residential Collector Streets from the Utility Undergrounding Requirements (Ordinance Second Reading/Roll Call Vote)

## RECOMMENDATION:

That the City Council approve the second reading of Ordinance 2202 amending Campbell Municipal Code Sec. 21.18.140 (Undergrounding of Utilities) to exempt development of single-family residential properties located along local and residential collector streets from the utility undergrounding requirements.

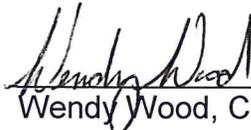
## DISCUSSION:

On April 19, 2016, the City Council gave first reading to Ordinance 2202 with an amendment to include the exemption of residential collector streets. Second reading of Ordinance 2202 will approve amending Campbell Municipal Code Sec. 21.18.140 (Undergrounding of Utilities) to exempt development of single-family residential properties located along local and residential collector streets from the utility undergrounding requirements. Ordinance 2202 will become effective 30 days following the date of the second reading.

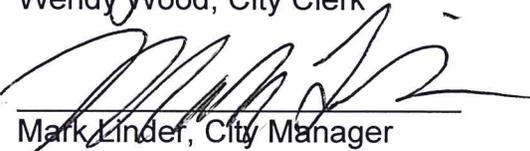
## FISCAL IMPACT:

There is no fiscal impact associated with this action.

Prepared by:

  
Wendy Wood, City Clerk

Approved by:

  
Mark Linder, City Manager

Ordinance No. 2202

**BEING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMPBELL AMENDING CAMPBELL MUNICIPAL CODE SECTION 21.18.140 (UNDERGROUNDING OF UTILITIES) TO EXEMPT DEVELOPMENT OF SINGLE-FAMILY RESIDENTIAL PROPERTIES LOCATED ALONG LOCAL AND RESIDENTIAL COLLECTOR STREETS FROM THE UTILITY UNDERGROUNDING REQUIREMENTS.**

After notification and public hearing, as specified by law and after presentation by the Community Development Director, proponents and opponents, the hearing was closed.

After due consideration of all evidence presented, the City Council of the City of Campbell does ordain as follows:

**SECTION 1:** The City Council finds and determines that the adoption of the proposed Text Amendment qualifies as Exempt from the California Environmental Quality Act (CEQA) under Section 15061.b.3. which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.

**SECTION 2:** Section 21.18.140 (Undergrounding of Utilities) of the Campbell Municipal Code is hereby amended as set forth in attached **Exhibit A**. Additions are indicated by underlined text and deletions are indicated by ~~strikethrough~~ text. Portions of Section 21.18.140 not shown in underlined text or strikethrough type are not changed.

**SECTION 3:** This Ordinance shall become effective thirty (30) days following its passage and adoption and shall be published, one time within fifteen (15) days upon passage and adoption in the Campbell Express, a newspaper of general circulation in the City of Campbell, County of Santa Clara.

**PASSED AND ADOPTED** this 3<sup>rd</sup> day of May, 2016 by the following roll call vote:

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:

APPROVED:

\_\_\_\_\_  
Jason T. Baker, Mayor

ATTEST:

\_\_\_\_\_  
Wendy Wood, City Clerk

**21.18.140 - Undergrounding of utilities.**

All development and remodels, shall provide for the undergrounding of existing and proposed utility facilities in compliance with this section, unless expressly exempted.

A. Definitions. As used in this section, the following terms shall have the meaning set forth below. All other terms shall have the same meaning as defined in Chapter 21.72, (Definitions).

1. Addition means construction that expands a structure's existing gross floor area or replaces existing floor area that was demolished.
2. Arterial street means a Class I Arterial or Class II Arterial, as identified by the City of Campbell Roadway Classifications Diagram.
3. Collector street means a commercial/industrial collector or residential collector, as identified by the City of Campbell Roadway Classifications Diagram.
4. Remodel means any rebuilding or structural alteration which changes the supporting members of a structure, such as bearing walls, columns, beams or girders. It shall not include interior tenant improvements or structural alterations solely to meet code.

B. Applicability. The following site improvements require the undergrounding of utility services as set forth below:

1. Service lines. Excluding utility poles, new utilities, and all existing overhead utility lines, excluding utility poles, serving property located along an arterial or commercial/industrial collector street shall be installed underground with:
  - a. Construction of a single-family dwelling;
  - b. Construction of a residential development with two or more dwelling units;
  - c. Construction of a non-residential main structure;
  - d. An addition, remodel, or combination thereof, to an existing non-residential main structure that remodels or expands the structure's existing gross floor area by fifty percent or more in the aggregate over the preceding five-year period;
  - e. An addition to an existing single-family dwelling that within a five-year period adds and/or replaces fifty percent or more to the dwelling's gross floor area. Existing and/or new detached garages, secondary dwelling units, and other fully enclosed accessory structures shall be considered in this section; and
  - f. A residential or non-residential subdivision that is subject to the provisions of Title 20, (Subdivision and Land Development) of the Campbell Municipal Code.

A variance to the requirements of this subsection may be granted in compliance with Chapter 21.48, (Variances).

2. Frontage lines and poles. Existing utility poles and associated overhead utility lines located along an arterial or collector street abutting the frontage(s) of a development

site shall be removed and the utilities replaced underground in association with the site improvements set forth below:

- a. Construction of a non-residential main structure;
- b. Construction of a residential development with five or more dwelling units; and
- c. A residential or non-residential subdivision that is subject to the provisions of Title 20, (Subdivision and Land Development) of the Campbell Municipal Code resulting in five or more parcels, exclusive of parcels created solely to provide access into a development site.

A variance to the number of poles to be removed and/or linear feet of overhead utility lines to be replaced underground may be granted in compliance with Chapter 21.48, (Variances).

C. Development requirements. As required by this section, All new and existing electric, telecommunications, and cable television lines to be installed on the site to serve a proposed development shall be installed underground at the time of development except for surface mounted transformers, pedestal-mounted terminal boxes and meter cabinets, and concealed ducts and other similar equipment appurtenant to underground facilities. All utilities shall be taken from the nearest aboveground utility service, and ~~and~~ No new poles or overhead lines shall be allowed, except as determined necessary by the city engineer to accomplish the removal of frontage lines and poles required by subsection B.2. above.

D. Screening Requirements. Aboveground equipment (e.g., utility control boxes and similar cabinets) shall be screened from view and deterred from graffiti vandalism by using a combination of landscaping and screen walls.

E. Exemptions. The requirements of this section do not apply to:

1. Existing or proposed major electrical transmission lines;
2. A service upgrade, modification, or relocation of an existing electrical panel that is unrelated to site improvements that would otherwise require undergrounding of utilities in compliance with this section, and which would not result in an increase in overhead utility line length;
3. Underground installations that would require substantially crossing the rear yard of an adjacent single-family residential property; and
4. Underground installations precluded by a topographical, soil, or other environmental condition.
- 4.5. Single family dwellings on property located along a local or residential collector street.

Applicability of an exemption shall be determined by the community development director, which may be appealed as an interpretation of this Code in compliance with section 21.02.030 (Procedures for interpretations).



# City Council Report

Item: 8.  
Category: Consent Calendar  
Meeting Date: May 3, 2016

**TITLE: Authorize the Public Works Director to Amend an Agreement with CSG Consultants, Inc. for Providing Staff Augmentation Services (Resolution/Roll Call Vote)**

## **RECOMMENDATION**

That the City Council adopt the attached resolution:

1. authorizing the Public Works Director to amend an agreement with CSG Consultants, Inc. for providing staff augmentation services to the Public Works Department (DPW) in an amount not to exceed \$100,000; and
2. approving a budget adjustment in the amount of \$50,000 that reallocates funding within the Public Works Engineering operating budget.

## **BACKGROUND**

The Design and Construction Section within the Engineering Division of DPW is tasked with implementing and delivering capital improvement projects. The Section is staffed by one Senior Civil Engineer, two Assistant Engineers, and one Senior Inspector and is managed by the City Engineer. Due to the scope and complexity of the projects being administered by the Section in FY15/16, two temporary part time employees (one Project Engineer and one Construction Inspector) were also brought on board to augment the permanent staff.

Since the end of 2015, the Engineering Division has been dealing with a number of staffing challenges:

- The Assistant Engineer assigned to the Hacienda Avenue Green Street Improvement Project resigned (in November 2015) and relocated outside the Bay Area.
- The City Engineer retired (in December 2015) after serving the City for 26 years.
- The limited term for the temporary Construction Inspector assigned to the East Campbell Avenue Portals Project ended last September.

Several strategies were deployed to meet the staffing challenges.

- 1) Replacement of the vacant Assistant Engineer position – In order to backfill and increase technical capacity of the Design and Construction Section, the vacancy was backfilled at the Associate Engineer level. This change is being reflected in the FY16/17 Proposed Operating Budget.

**Authorize the Public Works Director to Amend an Agreement with CSG Consultants, Inc. for Providing Staff Augmentation Services May 3, 2016**

- 2) Task reassignments – Staff was reassigned to other tasks and duties addressing the most critical and immediate needs, i.e., closeout of the Hacienda Avenue Green Street Improvement Project, and administration, construction engineering support, and inspection associated with the East Campbell Avenue Portals Project.
- 3) Authorization of overtime – Overtime was authorized to allow staff to take on additional workloads beyond normal working hours.
- 4) Temporary staff appointment – The Senior Civil Engineer in charge of the Design and Construction Section was appointed the Acting City Engineer. (The Senior Engineer position was not backfilled.)
- 5) Utilize consultant services – The Public Works Director entered into an agreement with CSG Consultants, Inc. in January 2016 to provide staff augmentation services. CSG also currently serves as the City Surveyor, and has successfully provided staff augmentation services to the City in a variety of functions including Land Development and Code Enforcement.

**DISCUSSION**

The current staffing status for the Design and Construction Section is as follows:

- 1) Replacement of the vacant Assistant Engineer position – After an open recruitment process, the position has been filled. Incidentally, the successful candidate was the temporary part time Project Engineer assigned to the East Campbell Avenue Portals Project.
- 2) Task reassignments – Task reassignment continues with grant-funded projects as the highest priority due to the associated time constraints and accounting requirements.
- 3) Authorization of overtime – Authorized overtime continues for hourly staff.
- 4) Temporary staff appointment – Recruitment for the City Engineer is underway, while the Senior Civil Engineer continues to function as the Acting City Engineer.
- 5) Utilize consultant services – Use of consultant services continues. Tasks augmented by CSG personnel include:
  - Value engineering for Virginia Avenue Sidewalk Improvement Project;
  - Civil design support for Harriet/McCoy Traffic Signal Installation Project;
  - Design for Redding Road Storm Drain Improvement Project;
  - Project closeout and request for reimbursement for Hacienda Avenue Green Street Improvement Projects (one Federal and one State funded); and
  - Design for Annual Pavement Maintenance Project.

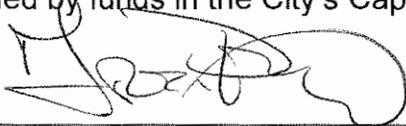
**Authorize the Public Works Director to Amend an Agreement with CSG Consultants, Inc. for Providing Staff Augmentation Services May 3, 2016**

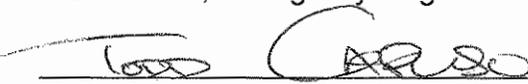
The initial agreement with CSG was scoped to provide staff augmentation services in accordance with Section III. A. Supplies/Services/Equipment of the City's Administration Policies and Procedure 12-35, with a not to exceed amount of \$24,480.

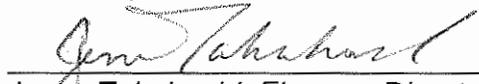
To date, the services provided have exceeded the contract amount. Furthermore, due to the ongoing staff shortage, and in order to maintain the level of service and deliver current and future planned capital improvement projects, such as the upcoming Annual Pavement Maintenance Program, it is necessary to continue employing CSG's services and amend the current agreement. Staff is seeking the City Council's authorization to amend the consultant services agreement increasing the not to exceed amount to \$100,000.

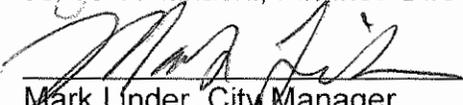
**FISCAL IMPACT**

Services in the amount of up to \$50,000 will be funded by vacancy savings within the Public Work Engineering Division. Additionally, design services in the amount of up to \$50,000 will be provided by funds in the City's Capital Improvement Program.

Prepared by:   
Fredrick Ho, Acting City Engineer

Reviewed by:   
Todd Capurso, Public Works Director

Reviewed by:   
Jesse Takahashi, Finance Director

Approved by:   
Mark Linder, City Manager

- Attachment: 1. Resolution  
2. Budget Adjustment

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL  
AUTHORIZING THE PUBLIC WORKS DIRECTOR TO AMEND AN AGREEMENT WITH  
CSG CONSULTANTS, INC., FOR PROVIDING STAFF AUGMENTATION SERVICES**

**WHEREAS**, the Design and Construction Section within the Engineering Division of the Public Works Department has been facing a number of staffing challenges; and,

**WHEREAS**, a number of strategies have been deployed to meet the continuing staffing challenges; and

**WHEREAS**, the Public Works Director has entered into an agreement with CSG Consultants, Inc. to provide staff augmentation services; and

**WHEREAS**, the services provided by CSG Consultants, Inc. have exceeded the contract amount; and

**WHEREAS**, the City desires to maintain the level of service and deliver current and future planned capital improvement projects, such as the upcoming Annual Pavement Maintenance Program; and

**WHEREAS**, the cost associated with the staff augmentation services will be provided by the Annual Pavement Maintenance Program and offset by salary savings from the previously vacant Associate Engineer position and the currently vacant City Engineer position.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Campbell does hereby authorize the Public Works Director to amend an agreement with CSG Consultants, Inc. in an amount not to exceed \$100,000 for providing staff augmentation services to the Public Works Department and approves a budget adjustment in the amount of \$50,000.

**PASSED AND ADOPTED** this 3<sup>rd</sup> day of May 2016, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

\_\_\_\_\_  
Jason T. Baker, Mayor

ATTEST:

\_\_\_\_\_  
Wendy Wood, City Clerk

## City of Campbell Request for Budget Adjustments

Department/Program	Division	Date	Request No.
Engineering / Public Works	Public Works	May 3, 2016	BA 20 <span style="float: right;">SK</span>

### Budget to be Reduced

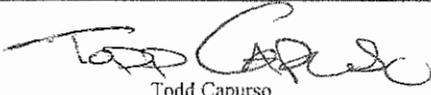
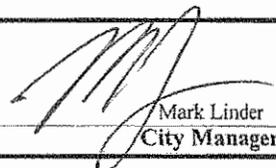
Fund	Account Number	Description	Amount
101	101.730.7001	Personnel - Regular                      General Fund	50,000

### Budget to be Increased

Fund	Account Number	Description	Amount
101	101.730.7430	Professional & Special Services      C S G Consultants, Inc.	50,000

**REASON FOR REQUEST - BE SPECIFIC:**

Use salary savings to fund a contract with C S G Consultants, Inc. to provide staff augmentation services.

 Todd Capurso Public Works Director	 Jesse Takahashi Finance Director	 Mark Linder City Manager
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*City  
Council  
Report*

Item: 9.  
Category: Consent Calendar  
Date: May 3, 2016

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**TITLE** Upholding an Appeal and denying a Conditional Use Permit (PLN2015-352) and Administrative Planned Development Permit (PLN2015-354) for establishment of a new 45-seat restaurant (Kalye Hits) with beer and wine service, outdoor seating, live entertainment (no dancing), and "late-night" operational hours (11:00 PM public closing); and a Parking Modification Permit (PLN2015-355) for a reduction in the number of required parking spaces on property located at 2145 S. Winchester Boulevard in the P-D (Planned Development) Zoning District. (Resolution / Roll Call Vote)

**RECOMMENDATION**

That the City Council adopt the attached resolution upholding an appeal and denying a Conditional Use Permit (PLN2015-352), Administrative Planned Development Permit (PLN2015-354), and Parking Modification Permit (PLN2015-355) for property located at 2145 S. Winchester Boulevard.

**ENVIRONMENTAL DETERMINATION**

Denial of a project is statutorily exempt from environmental review under Section 15270(a) of the California Environment Quality Act (CEQA) Guidelines, pertaining to projects which a public agency rejects or disapproves.

**DISCUSSION**

Background: The City Council held a public hearing on April 5, 2016, to consider an appeal of the Planning Commission's February 23, 2016 approval of a new restaurant with beer and wine service, live entertainment (including karaoke), "late-night" operational hours, and a reduction in the required number of parking stalls.

After taking comment from members of the public, the applicant, and the property owner, and after due deliberation, the City Council, by a 3-2 vote, upheld the appeal and overturned the Planning Commission's approval. Staff was directed to return with findings for denial to formalize the Council's action.

Findings for Denial: The attached resolution includes new evidentiary findings supporting a denial. This includes a determination that karaoke is not an allowable form of live entertainment in context of the Downtown Alcohol Beverage Policy in as much as the performers are not "live musicians" and karaoke due to its participatory format is not "complimentary" to meal service. The findings also establish that by combining alcohol service with karaoke, the proposal is less a restaurant and more a "karaoke bar," which would render it inconsistent with the Downtown Alcohol Beverage Policy.

Additionally, the findings make note of the noise issues that would result from the proposed "late-night" operational hours, specifically noise generated by live entertainment as well as outdoor staff clean-up activity, particularly disposal of refuse. Lastly, in terms of parking, it is also determined that a parking reduction based on on-street parking is not warranted because no measures are taken to diminish the parking demand of the restaurant use (e.g., employee vanpool program, transit passes, etc.) and that the on-street parking is already being heavily used, and cannot be relied upon to be available for use by patrons of the restaurant.

Denial with Prejudice: Lastly, in adopting the attached resolution, the City Council's action would be with prejudice by default. Pursuant to Campbell Municipal Code Sec. 21.56.080 (Resubmittals), after denial with prejudice, an application for the "same or substantially similar" project—as determined by the Community Development Director—is prohibited for a period of twelve months. The Community Development Director has determined that a new application submittal for a restaurant with beer and wine service that did not include late-night hours, live entertainment, or a parking modification request would constitute a substantially different project. However, that determination is subject to challenge by appeal of any interested party.

If the Council wishes not to encumber a new application with the limitations noted above, the attached resolution may be adopted without prejudice, verbally as part of the motion.

Prepared by:



\_\_\_\_\_  
Daniel Fama, Associate Planner

Reviewed by:



\_\_\_\_\_  
Bill Bruckart, Acting Community Development Director

Approved by:



\_\_\_\_\_  
Mark Linder, City Manager

Attachments:

1. Draft City Council Resolution

**RESOLUTION NO. \_\_\_\_\_**

BEING A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL UPHOLDING AN APPEAL AND DENYING A CONDITIONAL USE PERMIT (PLN2015-352) AND ADMINISTRATIVE PLANNED DEVELOPMENT PERMIT (PLN2015-354) FOR ESTABLISHMENT OF A NEW 45-SEAT RESTAURANT WITH BEER AND WINE SERVICE, OUTDOOR SEATING, LIVE ENTERTAINMENT (NO DANCING), AND "LATE-NIGHT" OPERATIONAL HOURS (11:00 PM PUBLIC CLOSING); AND A PARKING MODIFICATION PERMIT (PLN2015-355) FOR A REDUCTION IN THE NUMBER OF REQUIRED PARKING SPACES ON PROPERTY LOCATED AT **2145 S. WINCHESTER BOULEVARD**. FILE NO: PLN2015-352, 354, & 355

After notification and public hearing, as specified by law and after presentation by the Community Development Director, proponents and opponents, the hearing was closed.

The City Council finds as follows with regard to File No. PLN2015-352, 354 & 355:

Environmental Findings

1. Denial of a project is statutorily exempt from environmental review under Section 15270(a) of the California Environment Quality Act (CEQA) Guidelines, pertaining to projects which a public agency rejects or disapproves.

Evidentiary Finding

2. The proposed project includes a request for Conditional Use Permit (PLN2015-352) and Administrative Planned Development Permit (PLN2015-354) to allow establishment of a new 45-seat restaurant (Kalye Hits) with beer and wine service, outdoor seating, live entertainment (no dancing), and "late-night" operational hours (11:00 PM public closing); and a Parking Modification Permit (PLN2015-355) to allow a reduction in the number of required parking spaces.
3. The project site is a commercial property located at the southwest corner of S. Winchester Boulevard and E. Rincon Avenue.
4. The project site is developed with a 5,000 square-foot retail/commercial building constructed pursuant to Planned Development Permit PLN2011-318 approved by City Council Resolution No. 11426.
5. The project site is within the P-D (Planned Development) Zoning District and is designated with a Central Commercial land use designation by the General Plan.
6. The project site is also within the boundaries of the Winchester Boulevard Master Plan.

7. The Winchester Boulevard Master Plan was adopted by the City Council in 2009 with the goal of transforming "Winchester Boulevard into a vibrant mixed-use, pedestrian oriented street, lined with ground-level businesses with residential or office above".
8. The Master Plan was adopted pursuant to General Plan Strategy LUT-5.3j in furtherance of the area's predominant Central Commercial General Plan Land Use Designation:  
  
Strategy LUT-5.3j: Winchester Boulevard Plan: Develop an Area Plan for Winchester Boulevard. The Area Plan should address specific boundaries, mix of uses, street amenities, landscaping, building and site design.  
  
Central Commercial: The Central Commercial designation is used for the heart of Campbell including parts of Campbell and Winchester Avenues in Downtown Campbell. This area is intended to provide shopping, services and entertainment within a pedestrian oriented, urban environment. Building forms in this designation edge the street and should include retail commercial uses on the ground floor with either office or residential uses on the second and third floors.
9. The Winchester Boulevard Master Plan specifies that allowable land uses are the same as those allowed within the C-3 Zoning District (i.e., Historic Downtown Campbell), with a specific emphasis on retail and restaurants on the ground floor.  
  
...The subject parcels predominantly have a General Plan designation of Central Commercial (C-3), therefore Permitted, Conditional and Prohibited Uses shall be those set forth in the C-3 zoning district.... In general, the vision for this Plan area shall be ground floor retail/restaurant, with upper floor residential/office. It is expected that a variety of ground floor retail businesses and eating establishments shall be maintained to achieve a balanced and distinctive pedestrian-oriented experience, without an overconcentration of any one type of use.
10. Policies found within the Campbell General Plan and Downtown Campbell Development Plan articulate a desire to promote and enhance a downtown environment that provides a desirable balance of land uses including shopping, services, and entertainment. This vision is evidenced in policies that encourage a mix of day and evening activities, a distinctive retail presence, a diversity of eating establishments, support for neighborhood-serving businesses, and protection of surrounding residential neighborhoods.
11. The City Council adopted the 'Downtown Alcohol Beverage Policy', as an implementation tool of the Campbell General Plan and Downtown Development Plan. The Policy is intended to balance the health and safety of the community while still maintaining the commercial viability of the downtown in which restaurants have an essential role.
12. The southerly portion of the Winchester Boulevard Master Plan area falls within boundary area of the Downtown Alcohol Beverage Policy, rendering the Policy applicable to the proposed project.

13. Conformance to the provisions of the Downtown Alcohol Beverage Policy is the basis to which the City shall review new applications for alcohol beverage service.
14. Restrictions to the hours of operation, amount of bar area seating, and alcohol beverage service, are necessary to protect the public health, safety and welfare.
15. In adopting the Downtown Alcohol Beverage Policy the City retains its discretionary review authority to approve or deny an application for new alcohol beverage service based upon the totality of the record and the applicability of findings for approval.
16. For restaurants with a separate bar area, the Downtown Alcohol Beverage Policy indicates that "Live entertainment is limited to live musicians complimentary to the primary purpose of providing meal service."
17. Karaoke performers are not employed musicians, in the context provided by California Business and Professions Code 25663.5. As such, karaoke does not constitute entertainment performed by "live musicians." Moreover, karaoke is an interactive entertainment form that encourages active participation by the audience, and is therefore not "complimentary to the primary purpose of providing meal service". As a result, karaoke is a type of live entertainment that is not supported by the Downtown Alcohol Beverage Policy.
18. Due to the nature of karaoke performances, alcohol beverage service in association with a restaurant would likely encourage overconsumption of alcohol resulting in public intoxication and public nuisance. Alcohol service would, therefore, not be subordinate to the restaurant's primary purpose of serving food, inconsistent with the Downtown Alcohol Beverage Policy.
19. In combination with the karaoke performances and alcohol service, the proposed use is not appropriately classified as a "restaurant" as proposed, rather it constitutes a distinct use commonly known as a "karaoke bar," which more closely resembles a "nightclub" as defined by the Campbell Municipal Code, which is inconsistent with the Downtown Alcohol Beverage Policy.
20. Although the Downtown Alcohol Beverage Policy strongly recommends that Conditional Use Permits for establishments for on-site consumption of alcohol beverages be limited to a closing time of no later than 12:00 AM, consideration of impacts to adjacent residents may justify earlier closing times.
21. The proposed 11:00 PM public closing time would subject area residents to noise generated by the live entertainment as well as outdoor clean-up activity, including but not limited to, disposal of refuse including glass bottles that generate excessive noise when disposed.

22. Measures to diminish noise, notwithstanding live entertainment, such as restricted hours to rear door access and limitations on outdoor clean-up activity, are impractical to enforce.
23. Due to the high likelihood of noise impacts, late-night operational hours are not warranted for the project location in association with the proposed project.
24. The proposed project request seeks a seating capacity for the proposed restaurant of 45 seats, including 37 interior seats and 8 exterior seats.
25. Under the city-wide parking standard for restaurants (1 space for every 3 seats plus 1 space for every 200 square-feet of "non-dining" area), the restaurant would require 18 parking spaces. Based on the project site's overall parking ratio of 1 space per 194 square-feet, the restaurant's pro-rated proportional share of parking stalls is 12, resulting in a technical deficiency of 6 spaces.
26. The Winchester Boulevard Master Plan notes that all new developments are subject to existing city parking requirements, but that adjustments may be approved by the decision making body pursuant to CMC Sec. 21.28.050. This code section provides relief from parking standards under certain circumstances through consideration of a Parking Modification Permit.
27. To support the Parking Modification Permit request, the applicant wishes to consider the six on-street parking stalls provided along the Winchester Boulevard street frontage as a supplement to the off-street (on-site) parking, within the context of the Master Plan, which notes that existing curbside (street) parking will be retained to "support commercial businesses" (Pg. 19), recognizing that street parking along Winchester Boulevard is principally intended to serve commercial tenants.
28. However, to approve a Parking Modification Permit, an applicant must demonstrate to the satisfaction of the City Council that "the anticipated number of parking spaces necessary to serve the use or structure is less than that required by the applicable off-street parking standard, and would be satisfied by the existing or proposed number of parking space."
29. Absent specific transit demand measures taken to diminish parking demand associated with the restaurant, such as implementation of a carpool/vanpool or car-share program or a transit use incentive program for employees, and in recognition that on-street parking spaces are already heavily used and thus cannot be relied upon to be available for use by patrons of the restaurants, accounting for on-street parking as a basis for a parking reduction pursuant to a Parking Modification Permit is not consistent with the Zoning Code in this circumstance.
30. The City Council's review of the proposed project encompassed zoning and General Plan land use conformance, noise impacts, parking, property maintenance, odors, security and enforcement, and neighborhood impacts.

Based upon the foregoing findings of fact, the City Council determines that it cannot affirmatively establish the findings provided in Campbell Municipal Code Sections 21.45.040, 21.46.070, 21.12.030.H.6, 21.12.030.H.7, and 21.28.050, for a Conditional Use Permit, Liquor Establishment, Administrative Planned Development Permit, Late-Night Activities, and a Parking Modification Permit, respectively.

THEREFORE, BE IT RESOLVED that the City Council upholds the appeal and denies a Conditional Use Permit (PLN2015-352), Administrative Planned Development Permit (PLN2015-354), and Parking Modification Permit (PLN2015-355) for property located at 2145 S. Winchester Boulevard.

PASSED AND ADOPTED this 3rd day of May, 2016, by the following roll call vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:  
ABSTAIN:       COUNCILMEMBERS:

APPROVED: \_\_\_\_\_  
Jason T. Baker, Mayor

ATTEST: \_\_\_\_\_  
Wendy Wood, City Clerk



# City Council Report

**Item:** 10.  
**Category:** New Business  
**Meeting Date:** May 3, 2016

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**TITLE:** Process for Designation of a Historic Resource (Roll Call Vote)

## RECOMMENDATION

That the City Council take the following action:

1. Provide direction to staff and the Historic Preservation Board regarding the procedure for official designation of a "historic resource" (moving a property from the "potential" inventory to the Historic Resource Inventory) utilizing either the opt-in or opt-out approach.

## BACKGROUND

A review of the evolution of the Historic Resource Inventory (HRI) is being provided as context for the discussion:

- ❖ Between 1977 and 1978, a citywide historical resource survey was conducted identifying 467 potentially historic properties in the City of Campbell. Most, but not all, of the properties were ranked as either "A", "B", or "C" in significance by a panel of architectural and historic advisors.
- ❖ In 1984, the list was refined and reduced to 122 properties, keeping only those properties that had received a higher ranking. At that time, the City Council authorized an update to the Inventory every five (5) years.
- ❖ In 1994, the City began a seven year process to update the inventory. This latest update consisted of an assessment of the 1978 and 1984 historic evaluation forms (methodology and findings), a windshield survey to evaluate the condition of listed properties, and consideration of new additions to the Inventory. During this time, a Historical Context Statement was also prepared summarizing important aspects of Campbell's economic, social, cultural, and political history in order to provide a contextual framework for the evaluation of the city's historical resources.
- ❖ The review of the existing HRI was completed in the year 2000 after which time the HPB continued discussion of which properties from the "potential" list should be officially designated on the HRI. In 2001, the Board reduced the number from 63 to 42 properties. The Historic Preservation Board (HPB) held one study session, two public hearings, and an open house for the 42 property owners.
- ❖ On January 2, 2002, the City Council held a public hearing to consider adding the 42 properties to the HRI. However, due to Council concerns regarding the level and quality of the public outreach and the concerns heard from the property owners, the

City Council continued the discussion to a date uncertain. The item did not return to Council. While there was some discussion of the HRI over the next several years, the HPB concentrated their efforts on other important tasks such as creating the Historic Design Guidelines which was completed in 2006.

- ❖ In 2007 the HPB began actively discussing the update again as well as re-photographing and digitizing the Historic Resource Inventory. The HPB also drafted a comprehensive revision to the Historic Preservation Ordinance (Campbell Municipal Code Chapter 21.33). In 2008, the City Council adopted the revised Ordinance, codifying the process for the formal adoption of a historic resource from the “potential” list to the HRI list (reference **Attachment 1**).
- ❖ From 2009 to 2011, the HPB revisited the list of potential historic resources, identifying 75 properties for official designation. Of the 75 original “potential” properties under consideration, the Historic Preservation Board recommended 55 properties for designation
- ❖ Pursuant to a 2011 Joint Study session between the City Council and HPB, the process for official “designation” of a property from the “potential” list would be voluntary. However, property owners who did not volunteer for designation would still remain on the “potential” list.
- ❖ Between 2012 and 2015, the HPB, Planning Commission and City Council held four phases of Public Hearings to consider the 55 properties that the HPB had recommended for HRI designation:
  - 1) During the first phase of the process, 10 of 13 properties were removed from consideration because the property owners did not voluntarily “opt-in” to the proposed designation. As a result, the City Council unanimously designated three (3) of the 13 properties during the May 1, 2012 Public Hearing.
  - 2) On February 5, 2013, the Council held their second public hearing on the HRI update. During this meeting, the Council discussed the extensive outreach that resulted in six (6) of 18<sup>1</sup> property owners “opting-out” of designation after some discussion of the opt-in / opt-out process. The Council (4 to 1, with Cristina opposing) designated the 12 properties who did not respond to the outreach, neither opting-in nor opting-out of HRI designation.

It should be noted that one (1) of the 12 properties that were designated during the second phase was sold during the HRI update process. Unfortunately, the original property owner apparently did not disclose the fact that the home was being considered for HRI designation when the property was sold. As such, the new property owners were not aware that their property had been designated. Following additional correspondence from the City regarding the designation, the new property owners requested that the City Council rescind the designation. Given the very unique circumstances of the situation, the Council did rescind the designation. While this property was removed from the official list of “designated” HRI properties, it still remains on the HRI’s list of “potential historic properties”.

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<sup>1</sup> Three (3) properties were rolled over from the first phase of the HRI update process.

- 3) During the third phase, 15 of 18 property owners “opted-out” of designation, two (2) owners “opted in”, and one (1) owner did not respond. As a result, the Council (4 to 1, with Cristina opposing) designated three (3) properties to the HRI during the May 6, 2014 Public Hearing.
- 4) In the fourth and final phase of the HRI update, two (2) of six (6) property owners “opted out” of designation, leaving four (4) properties under consideration during the April 7, 2015 Public Hearing. The decision was split into two resolutions due to one Councilmember needing to recuse himself by reason of residing within 300 feet of one of the properties. In consideration of the first property, the property owner “opted-in” resulting in a unanimous vote from the four-member Council approving the HRI designation (Resnikoff recusing). In consideration of the three (3) other properties, one (1) property owner opted out and two (2) owners did not respond. The Council (4 to 1, with Cristina opposing) designated the two (2) properties to the HRI. In total, three (3) properties were designated in the fourth and final phase of the HRI update.

The above meetings completed the four year process to exhaust the effort to move properties from the potential inventory list to the HRI.

## DISCUSSION

During the four year period that the HRI update was under consideration, Council Member Cristina has consistently opposed an opt-out process; indicating a preference for an “opt-in” process. During the four year period, the majority of the Council has supported the “opt-out” process by designating properties that have and have not “opted-in”. Of the 55 “potential” properties under consideration, the City Council has designated 21 properties where only six (6) property owners have “opted-in” to designation while 15 property owners did not respond to extensive outreach efforts. Of the 34 properties that were not designated, ten (10) properties did *not* “opt-in” in the first phase and 24 property owners “opted-out” of the second, third, and fourth phases. Additionally, as previously noted in this report, the designation of one (1) property was rescinded due to a very unique situation that should be considered an anomaly.

One of the major concerns voiced by members of the Historic Preservation Board regarding an “opt-in process” is that valuable historic resources will be lost. Indeed, both the General Plan and the Historic Preservation Ordinance support preservation of the City’s historic resources. The General Plan recognizes that preservation of Campbell’s historic and culturally significant resources promotes community identity, enhances the quality of life and preserves a quality small town feeling. Both the Land Use Element and the Conservation and Natural Resources Element include goals, policies and strategies to preserve the City’s historic buildings, districts and cultural resources:

Policy LUT-8.1:

Historic Buildings, Landmarks and Districts and Cultural Resources:  
**Preserve**, rehabilitate or restore the City’s historic buildings, landmarks, districts and cultural resources and **retain** the architectural integrity of established building patterns within historic residential neighborhoods to preserve the cultural heritage of the community.

- Strategy LUT-8.1a: Update Historic Resource Inventory: Review the City's neighborhoods for consideration of adding significant structures, landmarks, trees or district status to the Historic Resource inventory on a regular basis, and update the list accordingly.
- Strategy LUT-8.1i: Altering or Demolishing Historic Resources: Establish procedures, including identifying alternatives, for proposals that significantly alter or demolish historic resources.
- Policy CNR-1.1: Historic Resource Preservation: **Ensure** that the City and its citizens **preserve** historic resources as much as possible.
- Strategy CNR-1.1a: Historic Resources Inventory: Maintain and update an inventory of historic resources for use in evaluating development proposals and determining if sites or buildings are of local, State or federal significance.

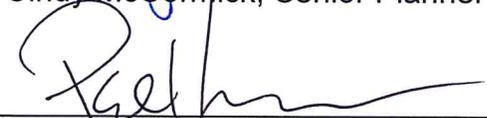
Preservation of the City's historic resources cannot be adequately achieved through a voluntary "opt-in" process. The purpose of the City's General Plan is to guide decisions regarding the development, conservation, and enhancement of the City's natural resources. Campbell's General Plan reflects the vision of the community and provides strategies that will allow this vision to be accomplished. Terminology used in the above noted policies provide clear direction that City leaders should actively preserve important resources in a deliberate way.

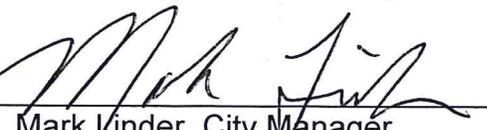
While staff does not anticipate bringing any additional properties to the Council for official designation in the near future, the Historic Preservation Board's 2016-2017 work plan for the includes discussing an update to the City's Historic Preservation Ordinance. The General Plan provides the basis for establishing the Zoning Ordinance which must be consistent with the General Plan. As such, staff recommends that, as part of the future update, the City Council codify the voluntary process for designation of a "potential" historic property. Therefore, staff is requesting direction from the City Council regarding the opt-in / opt-out approach.

Attachments:

1. Historic Preservation Ordinance

Prepared by:   
Cindy McCormick, Senior Planner

Reviewed by:   
Paul Kermoyan, Community Development Director

Approved by:   
Mark Linder, City Manager

## Chapter 21.33 - HISTORIC PRESERVATION

**Sections:**

## 21.33.010 - Purpose of chapter.

- A. Public policy. It is declared as a matter of public policy that the enhancement, perpetuation, preservation, recognition, and use of areas, natural features, sites, and structures within the city having aesthetic, archaeological, architectural, cultural, or historic significance is required in the interest of the cultural enrichment, economic prosperity, health, and general welfare of the people.
- B. Purpose. The purpose of this section is to:
1. Safeguard the heritage of the city by providing for the protection of landmarks representing significant elements of its history;
  2. Enhance the visual character of the city by encouraging and regulating the compatibility of architectural styles within historic districts reflecting unique and established architectural traditions;
  3. Identify valuable and potentially valuable historic resources;
  4. Foster public appreciation of a civic pride in the beauty of the city and the accomplishments of its past;
  5. Strengthen the economy of the city by protecting and enhancing the city's attractions to residents, tourists, and visitors;
  6. Stabilize and improve property values within the city;
  7. Promote the private and public use of landmarks and historic districts for the education, prosperity, and general welfare of the people;
  8. Encourage the preservation of existing culturally and historically significant structures as well as landmark features on structures and sites;
  9. Retain the established building patterns and architectural and cultural heritage of the community;
  10. Fulfill the city's responsibility as a certified local government under federal preservation laws; and
  11. Fulfill the city's responsibilities for Federal Section 106 reviews and for the California Environmental Quality Act.

(Ord. 2113 § 1(B)(part), 2008).

## 21.33.020 - Applicability.

The provisions of this chapter shall apply to all historic resources inventory properties, landmarks, and properties and structures located within an historic district.

(Ord. 2113 § 1(B)(part), 2008).

## 21.33.030 - Reviewing authority.

The reviewing authority for matters of historic preservation, as prescribed in this chapter, shall be the historic preservation Board ("the Board"), as established by Section 21.54.040, the planning commission, as established by Section 21.54.030, and the City Council.

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.040 - Definitions.

As used in this section, the following terms shall have the following meanings unless otherwise indicated from the context:

"Aesthetic, architectural, cultural, or historical interest, resource, or value" means a quality that derives from, is based upon, or relates to any of the following factors:

1. Identification or association with eras, events, or persons that have contributed to local, regional, state, or federal history in a distinctive, important, or significant manner;
2. Identification as, or association with, a distinctive, important, or significant work or vestige:
  - a. Of an architectural design, method, or style of construction;
  - b. Of a notable architect, artist, builder, or craftsman;
  - c. Of a high artistic merit;
  - d. The totality of which comprises a distinctive, important, or significant work or vestige whose component parts may lack the same attributes; or
  - e. That has yielded, or is substantially likely to yield, information of value about aesthetics, architecture, culture, or history, or that provides for existing and future generations an example of the physical surroundings in which past generations lived or worked. The factor of age alone does not necessarily confer a special aesthetic, architectural, cultural, or historical value of interest upon a structure or site, but it may have an effect if a more distinctive, important, or significant example thereof no longer exists.

"Alteration/substantial alteration (also alter)" means any physical modification or change to the exterior of a building, structure, site, object or designated interior that may have a negative effect on significant features of a historic resource and requires planning approval and a building permit or does not require a building permit but may have a significant adverse effect on character-defining features of a historic resource. Alteration shall also include construction of additions, but shall not include ordinary maintenance and repair.

"Certified local government" means the program authorized by the National Historic Preservation Act of 1966 (16 U.S.C. Section 470 et seq.) and the subsequent participatory agreement between the city and the state of California office of historic preservation.

"City of Campbell, design guidelines for historic residential buildings" means the city of Campbell's guidelines that apply to any change in the exterior appearance of a residential building through alteration or the construction of any structure on a residential property within an historic district, designated as a city landmark or listed on the city's historic resource inventory.

"Historic district" means a district that is designated by the city. Such historic district shall be in the form of an overlay zone in the city's zoning map pursuant to Section 21.40.020. A historic district shall be an area that is geographically defined as possessing a concentration of historic resources or a thematically related grouping of properties which contribute to each other.

"Historic resource" means a building, structure, site, object, landscape, sign, district, or contributing member to a district that is significant in American history, architecture, engineering, archaeology, or culture and is designated under city, state, or national significance criteria.

"Historic resource inventory" means the official, City Council-approved inventory of districts, sites, buildings, structures and objects significant in the city of Campbell's history, architecture, archaeology and culture which is maintained by the community development director. This list shall also include potential historic properties (pursuant to CEQA definition) which are supported with preliminary historic resource data sheets prepared by the community development director and/or his/her designee.

"Landmark" means any designated place having a special aesthetic, architectural, cultural, engineering, or historical value or interest and being either or any of the following:

1. An individual structure or portion thereof, or a natural feature;
2. An integrated group of structures on a single parcel;
3. A place designated as a landmark by city ordinance; or
4. Any combination of the above.

"Mills Act" means a state law enacted in 1972 (and amended in 1984) that grants local governments the authority to directly implement an historic preservation program. This legislation provides for reduced property taxes on eligible historic properties if the owner agrees to maintain and preserve the property. In effect the Mills Act serves as an economic incentive to owners to preserve their historic properties for the benefit of the entire community.

"National register of historic places (also national register)" means the official inventory of districts, sites, buildings, structures and objects significant in American history, architecture, archaeology and culture which is maintained by the Secretary of the Interior under the authority of the Historic Sites Act of 1935 and the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470-470t, 36 C.F.R. Sections 60, 63).

"Place" means any area or any portion thereof, including anything, element, or fixed object thereon, whether manmade or natural.

"Preservation" means the conservation, enhancement, perpetuation, protection, reconstruction, rehabilitation, repair, restoration, or other action, taken to conserve, prevent, or repair the deterioration, destruction, or removal of a historic resource.

"Secretary of the Interior's Standards for Rehabilitation (also Secretary's Standards)" means the Secretary of the Interior's Standards for Rehabilitating Historic Buildings, issued by the U.S. Department of the Interior, National Park Service (36 CFR Part 67) and the publications of the National Park Service, Preservation Assistance Division, Guidelines for Rehabilitating Historic Buildings (1992, N.P.S.) and the Secretary of the Interior's Standards for the Treatment of Historic Properties with

Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings (1995, N.P.S.), and any subsequent publication on the Secretary's Standards by N.P.S. The intent of the standards is to assist the long-term preservation of a property's historic significance through the preservation of historic materials and features.

"State Historic Building Code" means Part 8 of Title 24 (California Building Standards Code) of the California Code of Regulations.

"Structure" means anything constructed or erected, which requires location on the ground or attachment to something having a location on the ground. A "structure" includes buildings, building appendages (e.g., awnings, canopies, lighting, and marquees), edifices, fences, fountains, kiosks, signs, and walks.

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.050 - Historic resources inventory.

The historic resources inventory is a list of potentially valuable historic resources in the city. The community development department shall maintain a current record of properties on the historic resources inventory. The purpose of the inventory is to identify structures that contribute to the character of a neighborhood and the city, and may warrant preservation. Specifically, the inventory can be used to identify or achieve the following:

1. Community's character. Identify properties that contribute to the community's character, or that of its neighborhoods, or that illustrate its architectural and historical development, and as a result deserve consideration in planning.
2. Community's past. Identify properties or areas whose study may provide information about the community's past.
3. Establish priorities. Establish priorities for conservation, rehabilitation, and restoration efforts within the community.
4. Protect historic resources. Provide the basis for using legal and financial tools to protect and enhance historic resources.
5. Compile a contextual database for new development. Provide the community development department with a contextual database from which to monitor and channel new development.
6. Increase awareness. Increase awareness in the public and private sectors of the man-made environment and the need for preservation efforts.
7. Review responsibilities. Enable the city and federal agencies to meet their planning and review responsibilities under existing federal legislation and procedures.

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.060 - Procedures for designation of historic resource inventory properties, landmarks and historic districts.

- A. Initiation of designation. Designation of historic resource inventory properties, landmarks and historic districts may be initiated by the City Council, civic improvement commission, planning commission, community development director, or on application of the owner(s) or their authorized agents, of the property for which designation is proposed. In the case of a proposed

historic district, the consent of the owners or their authorized agents, who own sixty percent of the number of individual parcels to be included in the proposed district, is required to request designation.

1. Required information. Any initiation shall be filed with the community development department on the prescribed forms, available from the community development department, and shall include the following information:
  - a. Statement of the potential historic resource inventory property's, landmark's or district's special aesthetic, architectural, cultural, or engineering interest or value of a historic nature;
  - b. Drawings, photographs, sketches, or other descriptive material; and
  - c. Other information requested by the historic preservation Board and planning commission.
- B. Consideration of review criteria. The application to designate an historic resource inventory property, landmark or historic district shall be considered by the historic preservation Board at a public hearing, conducted in compliance with Chapter 21.64 (Public Hearings). The Board shall review the proposal for designation for conformance with the purpose of this chapter, and with respect to the review criteria specified in subsections (B)(1) and (B)(2), of this section.
  1. Review criteria for historic resource inventory property or landmark. In matters where designation of a historic resource inventory property or landmark are involved, the historic preservation Board and the City Council shall consider the following criteria as guides in making its determination:
    - a. Historical and cultural significance.
      - i. It exemplifies or reflects special elements of the city's aesthetic, architectural, cultural, economic, engineering, political, or social history;
      - ii. It is identified with persons or events significant in local, state, or federal history;
      - iii. It embodies distinctive characteristics of a method, period, style, or type of construction, or is a valuable example of the use of indigenous materials or craftsmanship; or
      - iv. It is representative of the notable work of an architect, builder, or designer.
    - b. Architectural, engineering, and historical significance.
      - i. The construction materials or engineering methods used in the proposed historic resource inventory property or landmark are unusual or significant or uniquely effective; or
      - ii. The overall effect of the design of the proposed historic resource inventory property or landmark is unique, or its details and materials are unique, or unusual.
    - c. Neighborhood and geographic setting.
      - i. It materially benefits the historic character of the neighborhood;
      - ii. Its location represents an established and familiar visual feature of the neighborhood, community, or city.
  2. Review criteria for historic district. In matters where designation of an historic district are involved, the historic preservation Board and the City Council shall consider the following criteria, in addition to others specified above, as guides in making its determination:

- a. Neighborhood and geographic setting.
  - i. It is a geographically definable area, urban or rural, possessing a significant concentration or continuity of objects, sites, or structures unified by past events, or aesthetically by plan of physical development; or
  - ii. The collective value of the historic district taken together may be greater than the value of each individual structure.
- C. Historic preservation Board action. The Board may recommend approval or deny the proposal for designation.
  1. Deny or recommend approval of designation. Upon making the required findings, below, the historic preservation Board shall recommend to the planning commission and City Council applications for an historic resource inventory property, landmark or historic district designation for approval or modified approval.
    - a. Findings for approval of designation. Before recommending approval, or modified approval, the historic preservation Board shall find:
      - i. The proposed historic resource inventory property, landmark, or historic district does possess significant aesthetic, architectural, cultural, or engineering interest or value of an historical nature;
      - ii. An undue hardship has not been demonstrated by the owner of the property proposed for designation; and
      - iii. Approval of the application is consistent with the purposes and criteria of this chapter.
    2. Deny designation. The Board may deny proposal for historic resource, landmark or historic district designation and the decision shall be final unless the applicant or other interested party files an appeal to the City Council (subsection F of this section) in writing within ten days of the decision, in compliance with Chapter 21.62 (Appeals).
  - D. Planning commission's action. Upon receiving a recommendation from the historic preservation Board for designation of an historic resource inventory property, landmark or historic district, the planning commission shall hold a public hearing, consistent with agenda preparation procedures and schedules for the meetings, in compliance with Chapter 21.64 (Public Hearings).
    1. The planning commission shall consider the report of the historic preservation Board and shall consider the conformance, or lack of conformance, of the proposed designation with the criteria identified in subsection (B)(2) of this section, and the General Plan.
    2. The planning commission shall recommend approval, denial, or modified approval of the proposal as provided therein.
    3. The planning commission shall transmit the application and its recommendations and comments to the City Council to be considered simultaneously with the recommendations of the historic preservation Board.
  - E. City council action. The City Council shall hold a public hearing in compliance with Chapter 21.64 (Public Hearings). The City Council may approve, modify, or deny the proposed designation. Approval or modified approval of designation of an historic resource inventory property shall be by resolution. Approval, or modified approval of a landmark or historic district designation shall be upon adoption of an ordinance designating the specific landmark or creating the specific historic

district. In designating a landmark or historic district, the ordinance shall also combine the base zoning district(s) of the landmark or of all properties within the historic district, with the "H" overlay/combining zoning district in compliance with Section 21.14.020.

1. Subject to applicable regulations. If the proposed designation is granted, the property(s) included in any designation shall be subject to the regulations identified in this chapter and any further controls specified in the designating ordinance.
  2. Secretary's letter. After approval of the designation of an historic resource inventory property, historic district or landmark by the City Council, the secretary shall mail a letter to the owner of the subject property outlining the basis for the designation, and the regulations that result from the designation. The secretary shall also forward a copy of the letter to all city departments and to any other agency requesting notice or that the secretary considers affected by the designation.
  3. Filing with county recorder. The designation of an historic district or landmark shall be filed with the county recorder as a zone change.
- F. City council's consideration of an appeal of a denial for historic resource inventory property, landmark or historic district designation. The City Council shall consider the appeal at the next earliest regular meeting, consistent with the agenda preparation procedures and schedules for the meetings. The City Council may approve, deny, or modify a recommendation of the historic preservation Board.
- G. Interim measure. As an interim measure, the City Council may designate properties of historic significance as historic resources for a period not to exceed one hundred twenty days as an interim measure to protect those structures of architectural significance to allow for the formal designation to occur.
- H. Amending or rescinding of an historic resource inventory property, landmark, or historic district. The historic preservation Board may, at any time, recommend to the City Council the amending or rescinding of an historic resource inventory property, landmark or historic district designation in compliance with the same procedures identified in this chapter for original designation.
- I. No fee for designation. There shall be no fee required of an applicant(s) who wishes to have their property(s) considered for designation as an historic resource inventory property, a landmark, or an historic district.
- J. Fee for rescinding. The fee for rescission of an historic resource inventory property, landmark or historic district shall be in compliance with the City Council's fee resolution.

(Ord. 2113 § 1(B)(part), 2008).

21.33.070 - Procedure to authorize construction, demolition, relocation, or material change to an historic resource inventory property.

- A. Referral to historic preservation Board. When the building official or community development director receives a development application that affects or involves an historic resource, the application shall be referred to the historic preservation Board during pre-application review and at the time of formal application. The city of Campbell's "Design Guidelines for Historic Residential Buildings" shall be consulted when changes to residential properties are proposed.
- B. Historic preservation Board recommendation required. Any change in exterior appearance of an historic resources inventory property through alteration or construction, which is determined by the community development director to be inconsistent with the architectural style and character

of the structure(s), shall require review and recommendation by the historic preservation Board, in accordance with the Secretary of the Interior's Standards, before the granting of a development or building permit, in compliance with Chapter 21.64 (Public Hearings).

- C. Historic preservation Board review required for proposed demolition. The proposed demolition of an historic resources inventory property shall require review by the historic preservation Board conducted in compliance with Chapter 21.64 (Public Hearings).
1. The historic preservation Board, in considering the appropriateness of the application shall consider among other things the purposes of this chapter, the architectural and historical value and significance of the structure, and the Secretary of the Interior's Standards.
  2. The historic preservation Board may request that a site visit be allowed so that the condition of the structure may be known. Additional submittal requirements may include a report from a structural engineer and an estimate of the cost of bringing the structure up to current building and fire codes for occupancy.
  3. The historic preservation Board may recommend any one of the following actions to the building official:
    - a. Approve the demolition application as presented; or
    - b. Approve the demolition application with voluntary recommended actions that could include, but are not limited to:
      - i. Offering the structure to a party interested in retaining the structure and moving it from its current location.
      - ii. Offering the structure for salvage if it is not able to be retained in some capacity.
    - c. Continue the application. The historic preservation Board may continue action on a demolition application for a maximum of thirty days;
    - d. Deny the application.
- D. Historic preservation Board's recommendation to planning commission. In the case of an application for a development permit for an historic resources inventory property, the historic preservation Board may recommend any one of the following actions to the planning commission:
1. Approve the application as presented;
  2. Approve the application subject to modifications as the historic preservation Board finds reasonable and necessary to cause the application to conform to the purposes of this chapter and with the Secretary of the Interior's Standards;
  3. Deny the application.
- E. Historic building materials. Historic building materials shall be salvaged and/or recycled. The applicant shall submit an historic building materials salvage/recycle plan to the community development director for review and approval prior to issuance of a building permit.

(Ord. 2113 § 1(B)(part), 2008).

21.33.080 - Procedures to authorize construction, demolition, relocation, or material change of a landmark or in a historic district.

- A. Conditional use permit required.
- 1.

Any exterior change in any structures, through alteration or construction, which is determined by the community development director to be inconsistent with the architectural style and character of the structure(s) in an historic district, shall require the granting of a conditional use permit as identified in this section.

2. Any exterior change in a landmark, through alteration or construction shall require review and recommendation by the historic preservation Board in accordance with the Secretary of the Interior's Standards, and the granting of a conditional use permit by the planning commission, in compliance with Chapter 21.46 (Conditional Use Permits).
  3. Demolition or relocation of a designated landmark shall require review by the historic preservation Board in accordance with the Secretary of the Interior's Standards, and the granting of a conditional use permit by the planning commission, in compliance with Chapter 21.46 (Conditional Use Permits).
- B. Required information. Any initiation shall be filed with the community development department on the prescribed forms, and shall include the following information:
1. A clear statement of the proposed scope of work;
  2. Plans describing the appearance, height, and size of the proposed work;
  3. A site plan showing all existing structures and the proposed work;
  4. Where the application is for demolition, the necessity for demolition shall be justified;
  5. Other information deemed necessary by the historic preservation Board and the planning commission; and
  6. Applicable fees, in compliance with the City Council's fee resolution.
- C. Historic preservation Board considerations. An application for construction, demolition, relocation, or other material change shall be considered by the historic preservation Board at a public hearing, conducted in compliance with Chapter 21.64 (Public Hearings).
1. The historic preservation Board, in considering the appropriateness of the application shall consider, among other things, the purposes of this chapter and the architectural and historical value and significance of the landmark or historic district.
  2. The historic preservation Board shall also consider the material and context of the structure in question or its appurtenant fixtures, including fences, landscaping, parking, signs, site plan, and the relationship of the features to similar features of other structures within an historic district, and the position of the structure in relation to the street or public way and to other neighboring structures.
- D. Historic preservation Board action. The Board may recommend approval or denial of the application as presented, or recommend approval subject to modifications as the historic preservation Board finds reasonable and necessary to cause the application to conform to the purposes of this chapter.
1. Recommend approval of application. Before making any recommendation for approval or modified approval of a conditional use permit, the historic preservation Board shall find that:
    - a. The action proposed is consistent with the purposes of this chapter;
    - b. The action proposed is consistent with the Secretary of the Interior's Standards for the treatment of historic properties with guidelines for preserving, rehabilitating, restoring and reconstructing historic buildings; and
    - c. The action proposed will not be detrimental to a structure or feature of significant

- aesthetic, architectural, cultural, or engineering interest or value of an historical nature; or
- d. The applicant has demonstrated that the action proposed is necessary to correct an unsafe or dangerous condition on the property in compliance with Section 21.33.110 (Unsafe or dangerous conditions); or
- e. The applicant has demonstrated that the denial of the application will result in immediate or substantial hardship in compliance with Section 21.33.140 (Showing of hardship in cases of proposed material change).

E. Planning commission action. The planning commission may continue action on conditional use permits for two meetings for purposes of reaching a mutually acceptable solution in keeping with the criteria of this section. If, at the end of that time, an acceptable solution has not been achieved, the application shall be finally granted or denied.

F. Appeal of demolition.

1. Failure to act on appeal within one hundred eighty days. If an appeal is made on an application for a conditional use permit to demolish a designated landmark, the City Council may continue action on the appeal for a period of up to one hundred eighty days from the date of its public hearing or longer if agreeable to the owner. If the City Council fails to act in this period of up to one hundred eighty days, the application shall be deemed to have been approved.
2. Steps to preserve the structure. During this period, the City Council, with the advice and assistance of the historic preservation Board, may take steps as it determines are reasonable and necessary to preserve the subject structure in compliance with the purposes of this section. The steps may include consultations with civic groups, public agencies, and interested citizens, recommendations for acquisition of the property by public or private bodies or agencies, and exploration of the possibility of moving one or more structures or other features.

G. Conditional use permit fee required. The fee for consideration of a conditional use permit application shall be in compliance with the City Council's fee resolution.

H. Historic building materials. Historic building materials shall be salvaged and/or recycled. The applicant shall submit an historic building materials salvage/recycle plan to the community development director for review and approval prior to issuance of a building permit.

(Ord. 2113 § 1(B)(part), 2008).

21.33.090 - Procedures to authorize a change of use of an historic resource inventory property, a landmark or in a historic district.

- A. Conditional use permit required. A change of use in an historic resource inventory property, a landmark or in an historic district shall require approval of a conditional use permit, in compliance with Chapter 21.46 (Conditional Use Permits). The application shall be referred to the historic preservation Board for review and report to the planning commission and City Council.
- B. Required Information. Any initiation shall be filed with the community development department on the prescribed forms, and shall include the following information:
  1. Statement of the property(ies) special aesthetic, cultural, architectural, or engineering interest, or value of an historic nature;
  2. Drawings, photographs, or other descriptive material;
  3. A plan showing the relation of the proposed work to surrounding structures;

4. Alterations required for the change of use; and
  5. Other information requested by the historic preservation Board and the planning commission.
- C. Historic preservation Board considerations. The conditional use permit application to allow a change of use shall be considered by the historic preservation Board at a public hearing, conducted in compliance with Chapter 21.64 (Public Hearings).
1. The historic preservation Board, in considering the appropriateness of the application shall consider, among other things, the purposes of this chapter and the architectural and historic value and significance of the historic resource property, landmark, or historic district property;
  2. The historic preservation Board shall also consider the material and context of the structure in question or its appurtenant fixtures, including fences, landscaping, parking, signs, site plan, and the relationship of the features to similar features of other structures within an historic district, and the position of the structure in relation to the street or public way and to other neighboring structures.
- D. Historic preservation Board action. The Board may recommend approval or deny the application.
1. Recommend Approval of a Change of Use. Before recommending approval or modified approval to the planning commission, the historic preservation Board shall make the following findings:
    - a. The action proposed is consistent with the purposes of this chapter; and
    - b. The action proposed will not be detrimental to a structure or feature of significant aesthetic, architectural, cultural, or engineering interest or value of an historical nature.
  2. Deny a Change of Use. The historic preservation Board may deny a proposal for a change of use, and the decision shall be final unless the applicant or other interested party makes an appeal to the City Council in writing within ten days of the decision, in compliance with Chapter 21.62 (Appeals).
- E. Planning commission action. Upon receiving a recommendation from the historic preservation Board, the planning commission shall conduct a public hearing. At the hearing, the planning commission shall consider the report of the historic preservation Board and may approve, modify, or deny the application, in compliance with Chapter 21.46 (Conditional Use Permits). Before approval or modified approval, the planning commission shall make those findings identified in subsection (C)(2) of this section.
- F. Conditional use permit fee required. The fee for consideration of a conditional use permit application shall be in compliance with the City Council's fee resolution.

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.100 - Advice and guidance to property owners.

The historic preservation Board may, upon request of the property owner, render non-technical advice on proposed work on an historic resource inventory property, a designated landmark structure, or in an historic district which does not require a conditional use permit. In rendering the advice and guidance, the historic preservation Board shall be guided by the purposes and criteria in this chapter. This section shall not be construed to impose any regulations or controls upon any property.

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.110 - Unsafe or dangerous conditions.

Nothing in this chapter shall be construed to prevent any measures of alteration, construction, demolition, relocation, or removal necessary to correct the unsafe or dangerous condition of any structure, other feature or part thereof where the condition has been declared unsafe or dangerous by the building official or the fire chief after informing the historic preservation Board when the structure is an historic resource inventory property, designated as a landmark or located in an historic district, and where the proposed measures have been declared necessary by the building official to correct the condition. Only work that is necessary to correct the unsafe or dangerous condition may be performed in compliance with this section. In the event any structure or other feature is involuntarily damaged by fire or other calamity, the city manager or building official may authorize, before the historic preservation Board's review, the repair necessary to correct an unsafe condition(s).

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.120 - Ordinary maintenance and repair.

Nothing in this chapter shall be construed to prevent the ordinary maintenance or repair of any exterior architectural feature in or on any property covered by this chapter that does not involve a change in design, material, or external appearance thereof, nor does this chapter prevent the alteration, construction, demolition, reconstruction, removal, or restoration of any feature when the building official certifies to the historic preservation Board that the action is required for the public safety due to an unsafe or dangerous condition which cannot be rectified through the use of the California Historical Building Code.

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.130 - Duty to keep in good repair.

The owner, occupant, or other person in actual charge of a designated historic or cultural resource, or an improvement or structure in an historic district shall keep in good repair all of the exterior portions of the improvement or structure, and all interior portions thereof whose maintenance is necessary to prevent deterioration and decay of any exterior architectural feature. It shall be the duty of the building official to enforce this section.

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.140 - Showing of hardship in cases of proposed material change.

The historic preservation Board may recommend approval of a conditional use permit to carry out construction, demolition, material change, or relocation of an historic resource inventory property, a landmark or in an historic district, if the applicant presents facts clearly demonstrating to the satisfaction of the historic preservation Board at the public hearing that failure to receive the approval will cause an immediate and substantial hardship. If hardship is found to exist under this subsection, the historic preservation Board shall make a written finding to that effect, and shall also specify in writing the facts relied upon in making the finding.

(Ord. 2113 § 1(B)(part), 2008).

#### 21.33.150 - Conformance requirement.

Issuance of a permit in conformance with this chapter shall not alter conformance requirements with other standards and requirements of this Zoning Code or those of the building and fire codes.

(Ord. 2113 § 1(B)(part), 2008).

21.33.160 - Incentives for preserving historic resources.

- A. State historic building code. It is the purpose of the State Historical Building Code to provide regulations and standards for the rehabilitation, preservation, restoration (including related reconstruction) or relocation as applicable to all historical buildings, structures and properties deemed of importance to the history, architecture, or culture of an area by an appropriate local or state governmental jurisdiction. Such standards and regulations are intended to facilitate the restoration or change of occupancy so as to preserve their original or restored elements and features, to encourage energy conservation and a cost effective approach to preservation, and to provide for reasonable safety from fire, seismic forces or other hazards for occupants and users of such "buildings, structures and properties" and to provide reasonable availability and usability by the physically disabled. The State Historical Building Code is defined in Sections 18950 to 18961 of Division 13, Part 2.7 of Health and Safety Code (H&SC) Health and Safety Code, a part of California Law.
- B. Historic exceptions. An historic exception is intended to provide relief from strict compliance with the standards set forth by this chapter and the city of Campbell Municipal Code, that may impair the ability of a historic resource, landmark or historic district to be property used for adaptive reuse and/or altered in a manner that will minimize the impact upon its historic character and the surrounding area. A property designated under this chapter as an historic resource is allowed for adaptive reuse in compliance with the provisions of this chapter and the city of Campbell Municipal Code. As used herein, adaptive reuse is a change to a new use, including but not limited to retail uses, commercial uses, etc., as long as such use is in compliance with the applicable zoning, the city's General Plan, any adopted neighborhood or specific plan for that area and applicable design guidelines except as provided herein. The approval of an historic exception shall be based on the following findings:
1. The historic exception is necessary to provide for an appropriate use of an existing building and/or to provide for the design and alteration of a building or site in a manner that shall enhance its functional use and utility, including potential adaptive reuse.
  2. The historic exception shall not adversely impact property within the neighborhoods and historic district, if it is within an historic district.
  3. The historic resource being preserved shall retain its integrity as an historic resource and any impacts on its historic characteristics shall be minimized.
  4. The historic exception shall not adversely impact properties or public rights-of-way within an historic district.
  5. The historic exception is the minimum departure from the requirements of this code.
- C. Economic incentives. In order to carry out more effectively and equitably the purposes of this chapter, the City Council may, by resolution, adopt a program of economic (i.e., Mills Act contracts) and other incentives to support the preservation, maintenance and appropriate rehabilitation of the city's significant historic resources.

(Ord. 2113 § 1(B)(part), 2008).



# City Council Report

Item: 11.  
Category: New Business  
Meeting Date: May 3, 2016

**TITLE: Dell Avenue Area Plan (DAAP) status report and consideration to postpone project and fold into the Envision Campbell Plan (Resolution/Roll Call Vote)**

## RECOMMENDATION

That the City Council adopt the attached Resolution authorizing:

1. Postpone preparation of the Dell Avenue Area Plan (DAAP) and fold the work achieved to date, consisting of the draft Area Plan and Environmental Impact Report (DEIR), into the broader discussion of the Envision Campbell Plan.

## BACKGROUND

The proposal to create the Dell Avenue Area Plan (DAAP) was conceptually supported by the City Council and eventually approved on May 7, 2012 within the FY 2013-2017 Capital Improvement Plan (project 13EE). Understanding that the preparation of an Area Plan is to further the goals and policies of a General Plan, the project was initiated to further specific policies which favored the diversification of the Controlled Manufacturing zone district in order to attract new use types and preserve existing.

From that point moving forward, the City and Consultant Team, PlaceWorks, have been working on the Plan and the EIR. Within the first year of the project, City residents and community leaders began to speak about the need to update the General Plan claiming that many of the goals and policies intended to promote the community's vision were questionable and in need of refinement. Such an update became reality beginning with the City Council Priority Setting Session in January 2015 where the City Council decided to create a Work Plan project to update the General Plan.

Because an Area Plan is intended to implement a General Plan in a more specific manner and the City Council has determined that the General Plan needs to be updated, the question before the City Council is if the preparation of the DAAP, independent from the General Plan update, should be postponed.

## DISCUSSION

The following major events have occurred in the preparation of the DAAP:

- On October 2, 2012, the City Council held a study session in order to scope potential issues that would help staff prepare a draft Request for Proposal (RFP).
- On April 8, 2013, a City Council approved RFP was circulated to consultants for the preparation of the DAAP.

- On July 16, 2013, the City Council was presented with a variety of proposal costs from various consulting firms. The City Council approved the consultant selection and awarded a contract totaling \$334,495.
- On August 26, 2013, the contract was executed between the City and the consultant (The Planning Center/DC&E, now known as PlaceWorks).
- On February 18, 2014, the City Council held a study session to receive an update and to respond to critical approaches to advance the project.
- On March 12, 2014, staff approved a contract amendment in the amount of \$13,995 for additional transportation analysis associated with the Environmental Impact Report (EIR) preparation necessary to study a number of Congestion Management Plan (CMP) intersections.
- On July 16, 2014, staff approved a second contract amendment in the amount of \$10,945 for additional transportation analysis.
- On October 14, 2014, staff approved a third contract amendment in the amount of \$1,300 in order for consultant to attend an EIR scoping meeting that was not included in the original contract budget.
- On June 22, 2015, the draft EIR was circulated for public review.
- On July 28, 2015, the Planning Commission received public comment on the draft EIR and also offered comment.
- November 17, 2015, City Council approved a budget adjustment of \$15,277 to complete the EIR.
- March 28, 2016, staff received the final staff Screen Check draft of the EIR.

The Community Development Department, the Public Works Department and the City Attorney have spent a considerable amount of time reviewing, commenting and overseeing the completion of the Draft EIR. It is currently in the last "Screen Check" draft format pending a final review prior to its release. Because staff continues to receive individual Council comment, questioning the need to complete the DAAP preparation now that the Envision Campbell Plan is commencing (i.e., the General Plan update), staff is checking in to determine if the Council wishes to formally decide to either postpone the DAAP project or continue.

Advantages – There are several advantages to complete the project:

- The project was intended to implement current General Plan policies and goals, which remain in effect and continue to shape decision making.
- The Consultant remains contractually obligated to attend meetings and make presentations before the Planning Commission and City Council. If changes to the Plan are warranted, the Consultant will also be obligated to make those changes.
- There is finally momentum and progress to now release the draft Plan and draft EIR for public review.
- The environmental work prepared will remain relevant to current environmental conditions. Deferring the project's progress may require new studies due to potential changes in the environment.

Disadvantages – There are several disadvantages to complete the project:

- The City Council has recognized that the current General Plan does not entirely reflect the long-term vision and values of the City.
- Because an Area Plan is intended to promote and carry forward the policies and goals of the General Plan, postponing the adoption of an implementing plan (e.g., Area Plan) to a General Plan may be inconsistent with community values and lack public acceptance.

- The work accomplished to date will not be lost and can be folded into the broader discussion of the Envision Campbell Plan.

Staff Opinion – Staff believes the disadvantages to continuing the DAAP project at this time outweigh the advantages. It is commonly known that City decisions are required to be consistent and in-line with its General Plan. It is also recognized that an Area Plan is “an extension” of a General Plan which serves to further the vision in a more specific manner. If the City Council were to continue processing the DAAP for decision, approving such a document would be comparable to approving a mini version of its General Plan outside the greater Envision Campbell Plan update.

## FISCAL IMPACT

The City has spent \$327,697 in the preparation of the Dell Avenue Area Plan and Draft Environmental Impact Report. If the City Council wishes to postpone the project’s processing, the City will pay all outstanding consultant invoices and close out the project (estimated to be \$48,315). All materials will then be forwarded to the recently hired Envision Campbell Plan consultant, De Novo Planning Group.

## ALTERNATIVES

1. Continue to process the DAAP project for decision. If this is the preferred alternative, staff will complete the Screen Check review of the draft EIR and obtain a clean public copy. Both the draft Plan and draft EIR will be posted on-line and the item will be scheduled for Planning Commission consideration in May or June, 2016.
2. Abandon the project and fold into the broader Envision Campbell Plan update.
3. Abandon the project entirely, and not fold into the broader Envision Campbell Plan update.

### Attachments:

1. Draft City Council Resolution
2. November 17, 2015 City Council Report
3. February 18, 2014 City Council Report

Prepared by:



Paul Kermoyan, Community Development Director

Approved by:



Mark Linder, City Manager

## RESOLUTION NO. \_\_\_\_\_

**BEING A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL POSTPONING THE PREPARATION OF THE DELL AVENUE AREA PLAN (DAAP) AND TO FOLD IN THE WORK COMPLETED TO DATE INTO THE BROADER DISCUSSION OF THE ENVISION CAMPBELL PLAN UPDATE**

**WHEREAS**, in late 2011, the City Council Economic Development Subcommittee discussed the ability of the City of Campbell to become more competitive in retaining and attracting “High Tech” office and Research and Development companies into the community; and

**WHEREAS**, the City Council Economic Development Subcommittee recommended the development of a Dell Avenue Area Plan, which was conceptually supported by the City Council and approved on May 7, 2012, as a part of the FY 2013-2017 Capital Improvement Plan, with a total project budget of \$150,000 in the first year of that five-year CIP; and

**WHEREAS**, the City Council held a study session on October 2, 2012, to scope potential issues that would help staff prepare a draft RFP; and

**WHEREAS**, the City Council took action on February 19, 2013, to authorize the distribution of a Request for Proposal (RFP) to facilitate preparation of the Dell Avenue Area Plan and to authorize the City Manager to award to contract; and

**WHEREAS**, the City Council approved consultant selection and awarded a contract totaling \$334,495 for the preparation of the Dell Avenue Area Plan and the Environmental Impact Report (EIR); and

**WHEREAS**, three budget adjustments were approved by staff for the preparation of additional transportation analysis associated with the draft EIR, all of which were below the \$15,000 threshold but cumulatively over the course of several months totaled \$26,240; and

**WHEREAS**, the City received numerous comment letters on the draft EIR resulting in the consultant's need to allocate more time to respond to those letters, beyond what was originally budgeted; and

**WHEREAS**, on November 17, 2015, the City Council approved a budget adjustment in the amount of \$15,277 for an additional 159 hours to complete the Draft EIR; and

**WHEREAS**, the City Council recently selected and approved a consultant to prepare the Envision Campbell Plan, which is the City's General Plan update; and

**WHEREAS**, staff has received several individual Council member and community member comments questioning why the City would continue processing an Area Plan when the City's General Plan is being updated; and

**WHEREAS**, an Area Plan is an extension of a General Plan, which further refines goals, policies and establishes development standards for a specific geographical area; and

**WHEREAS**, since a General Plan is in the process of being updated into the new “Envision Campbell Plan”, it is appropriate to fold in the project materials into the broader update discussion and not process the Area Plan independent from the Envision Campbell Plan.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Campbell hereby postpones the Dell Avenue Area Plan project and directs staff to forward the draft Area Plan and Draft Environmental Impact Report to the Envision Campbell consultant, De Novo Planning Group, so they may fold in the material into the broader the update discussion.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by the following roll call vote:

AYES: COUNCILMEMBERS:  
NOES: COUNCILMEMBERS:  
ABSENT: COUNCILMEMBERS:  
ABSTAIN: COUNCILMEMBERS:

APPROVED: \_\_\_\_\_  
Jason T. Baker, Mayor

ATTEST: \_\_\_\_\_  
Wendy Wood, City Clerk



# City Council Report

Item:  
Category: Consent  
Meeting Date: November 17, 2015

**TITLE:** Authorizing a budget adjustment to appropriate additional funds to complete the Dell Avenue Area Plan (Resolution/Roll Call Vote)

## RECOMMENDATION

That the City Council adopt the attached Resolution authorizing:

1. A budget adjustment approving additional funding for consultant services for preparation of the Dell Avenue Area Plan.

## BACKGROUND

The proposal to create the Dell Avenue Area Plan (DAAP) was conceptually supported by the City Council and eventually approved on May 7, 2012 within the FY 2013-2017 Capital Improvement Plan (project 13EE). From that point moving forward, the following events occurred:

- On October 2, 2012, the City Council held a study session in order to scope potential issues that would help staff prepare a draft Request for Proposal (RFP).
- On April 8, 2013, a City Council approved RFP was circulated to consultants for the preparation of the DAAP.
- On July 16, 2013, the City Council was presented with a variety of proposal costs from various consulting firms. The City Council approved the consultant selection and awarded a contract totaling \$334,495.
- On August 26, 2013, the contract was executed between the City and the consultant (The Planning Center/DC&E, now known as PlaceWorks).
- On March 12, 2014, staff approved a contract amendment in the amount of \$13,995 for additional transportation analysis associated with the Environmental Impact Report (EIR) preparation necessary to study a number of Congestion Management Plan (CMP) intersections.
- On July 16, 2014, staff approved a second contract amendment in the amount of \$10,945 for additional transportation analysis.
- On October 14, 2014, staff approved a third contract amendment in the amount of \$1,300 in order for consultant staff to attend an EIR scoping meeting that was not included in the original contract budget.
- On June 22, 2015, the draft EIR was circulated for public review.
- On July 28, 2015, the Planning Commission received public comment on the draft EIR and also offered comment.

The City received approximately 50 comment letters/emails of various lengths resulting in numerous comments that the consultant is required to prepare responses. However, the approved contract only allocated sixty (60) hours of time necessary to prepare the response to comments section of the EIR and the consultant is estimating that it will require approximately 159 more hours to complete. As a result, the consultant is requesting an additional \$15,277 to complete this work.

**DISCUSSION**

The City Council approved a budget of \$334,495, which has increased to \$360,735 given the last three staff approved adjustments. Given the latest request for additional services that will further increase the project’s budget, staff is forwarding this request for City Council approval.

The City Council is being asked to consider adjusting the budget an additional \$15,277 above the \$360,735 budget the City has approved through City Council/staff actions. In order to control “budget creep” in the future, the consultant and staff have agreed to include a not-to-exceed clause in the budget adjustment request thereby capping the project’s completion at \$376,012. As currently written, staff has suggested slight modifications to the agreement language.

Assuming the City Council approves the budget adjustment; PlaceWorks has provided the following tentative schedule moving forward:

Task	Date	Review/Revision Time
PlaceWorks submits Admin. Draft FEIR	1/15/16	
City provides comments on Admin. Draft FEIR	2/5/16	3 weeks review
PlaceWorks submits Screencheck FEIR	2/19/16	2 weeks after City comments
City provides comments on Screencheck FEIR	2/26/16	1 week review
PlaceWorks publishes Final EIR	3/4/16	1 week
Adoption Hearings on DAAP and Final EIR	PC: 3/15/16* CC: 4/5/16**	

\* It is unknown if it will take more than one meeting.

\*\* This meeting could only occur if the Planning Commission conducts only one meeting.

**FISCAL IMPACT**

The Planning Division’s “Zoning Revenue” budget was established at \$235,300 for FY15/16. Due to relatively large planning project submittals, the fiscal year-to-date revenue received totals \$210,852 per Account #101.551.4660. Given the Planning Division’s revenue is currently at 90% less five months into the fiscal year, the Division’s revenue will far exceed the estimate. In this regard, there will be reserves left over to cover the costs to complete the Dell Avenue Area Plan.

**ALTERNATIVES**

1. Do not authorize the City Manager to use additional funding sources for the project.
2. Abandon the project and fold into the General Plan update.

3. Abandon the project.

Attachments:

1. Draft City Council Resolution
2. PlaceWorks Service Authorization
3. City of Campbell Request for Budget Adjustment

Prepared by:

\_\_\_\_\_  
Paul Kermoyan, Community Development Director

Reviewed by:

\_\_\_\_\_  
Jesse Takahashi, Finance Director

Approved by:

\_\_\_\_\_  
Mark Linder, City Manager

# MEMORANDUM



## City of Campbell

**To:** Mayor Waterman and Council Members **Date:** February 18, 2014

**From:** Paul Kermoyan, Community Development Director

**Via:** Mark Linder, City Manager

**Subject:** Dell Avenue Area Plan – Project Update

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### PURPOSE OF STUDY SESSION

The purpose of this study session is to update the City Council on the progress of the Dell Avenue Area Plan and to receive direction as to the Plan's approach prior to continuing further with its preparation.

### BACKGROUND

The preparation of the Dell Avenue Area Plan (DAAP) was conceptually supported by the City Council and eventually approved in the FY 2013-2017 Capital Improvement Plan (CIP) on May 7, 2102. It was placed as a "New Capital Project" with a total budget of \$150,000 in the first year of the five-year CIP list and the budget was later adjusted up to a maximum of \$334,495, on July 16, 2013, after receiving consultant proposals.

On August 26, 2013, the project contract was awarded to The Planning Center – DC&E who has been working with staff and the Citizen Advisory Committee (CAC) since that time. In total, three CAC meetings have occurred along with three Stakeholders meetings and one Community meeting.

### DISCUSSION

Included in this memorandum is the DAAP's draft vision, land use and development standards (Attachment 1). This material represents the bulk of the Plan's regulatory framework absent other pertinent information such as how the City intends to amortize out uses that are contrary to the Plan's vision, design guidelines, and permit processes.

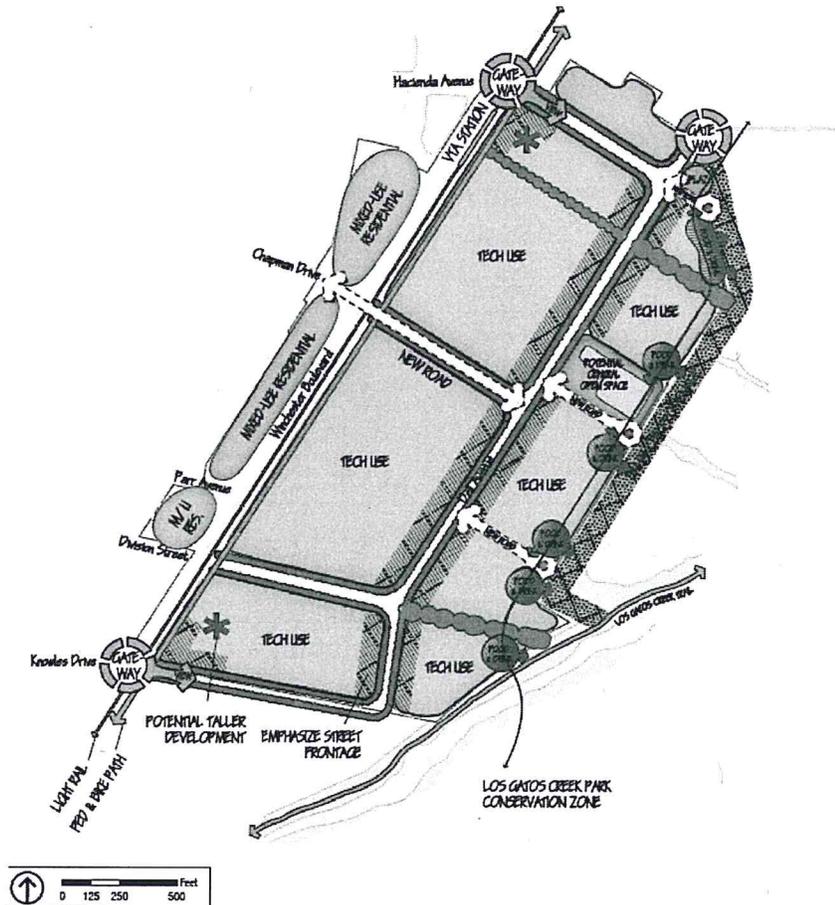
The attached draft material is divided into six (6) sections including Vision, Land Use, Development Prototypes, Development Standards, Conceptual Development Potential (Build out) and Additional Transformational Tools. Below is a discussion of these sections with questions provided after each discussion. Responses to these questions will help the consultant and staff move forward with the DAAP's preparation.

## Dell Avenue Area Plan – Project Update

February 18, 2014

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Vision – The overall vision strives to address the retention and attraction of high-tech companies in a 21<sup>st</sup> Century Technology Park. In addition, the vision promotes a business-supportive and workplace-friendly climate while integrating into the context of greater community needs. An example of how the “project area” could be arranged is as follows:



Overall, the DAAP's Vision attempts to achieve:

- Supportive land uses
- Open space and improved open space connections
- A network of multi-modal connections
- Environmental and economic sustainability
- Improve urban design and character
- Enhance lifestyle and vitality
- Create mixed-use residential opportunities
- Attract investment

**Question** – Does the City Council feel the Plan should include other vision statements?

## Dell Avenue Area Plan – Project Update

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Land Use – The success of the Plan’s vision will be determined by the uses that locate there. The Plan identifies major land use groups that are recommended such as:

- Core Tech Uses
- Core Tech Complementary Uses (Low and High Intensity)
- Services and Support Uses (For the Employee and Employer)
- Waterfront Uses
- Employee Housing



The above land use groups would be allocated into one of three quadrants of the project area entitled “Waterfront”, “Central” and “West.” Within Table 1 of the draft document, specific uses that satisfy the major land use groups have been identified as either administratively permitted (A), permitted (P), or conditionally permitted (C). The “permitted” and “conditional” uses would require Planning Commission consideration whereas the “administrative” uses would require decision by the Community Development Director. By “administratively” permitting the Plan’s more focused land uses (e.g., core tech offices), project processing can be expedited faster than if the project required a public hearing and decision by the Planning Commission. The tiering

of the individual permit processes is an approach to encourage the development of some uses over others. In addition, an administrative permit process also demonstrates greater certainty in the decision making process because the City has made a statement that these types of uses are preferred and can be decided at the staff level.

In order to implement an administrative permit process, the Plan would need to establish a checklist of standards that must be met in order to qualify for such an expedited permit process. These standards could include focused uses, typical development provisions, and design guidelines.

**Question** – Does the City Council support the concept of allowing staff to process administrative permits for focused uses?

Although the Plan will focus on uses that more closely align with the preferred major land use types, it also identifies currently existing land uses located within the Dell Avenue area and as specified in the current Controlled Manufacturing (C-M) zone district that would be inconsistent with the Plan's vision. The Plan is intended to include an amortization period in which these uses should discontinue. At this point, those provisions have not been prepared. When staff conducted its October 2012 Study Session with the City Council as part of a "scoping" session, the City Council felt that a future plan should be aggressive in this regard.

**Question** – Does the City Council believe that the Plan should be aggressive in discontinuing uses that do not satisfy the major land use types?

**Question** – If so, what time period would be acceptable to amortize out these uses?

Development Prototypes – The Consultants have studied developed and recently approved (but not yet constructed) high-tech company buildings in Silicon Valley to understand the industry standard and best practices. Photos of those existing buildings or recently approved projects have been incorporated in the Plan. Four prototypes have been identified and illustrated in the draft Plan material. These examples include Floor Area Ratios (FAR), height and parking standards for comparison purposes. The prototypes include the following ranges:

- FAR from .55 to 1.4
- Height from 60 ft. to 75 ft.
- Parking averages 1 stall/300 sq. ft.

**Question** – Does the City Council wish to include other prototypes that they may be aware of and are not included in the draft Plan material?

Development Standards – The draft material provides development standards for the project area and more specifically, within each of the three quadrants (“Waterfront”, “Central” and “West”). The draft standards generously expand the development potential of the project area by focusing on Floor Area Ratio (FAR) and building height. Relaxing these two development standards provides greater development potential which is intended to stimulate private property reinvestment. It also encourages “smart” planning by concentrating specific uses to a geographical area. Below is a comparison between the two main existing development standards and the proposed:

Standards	Existing C-M	Waterfront	Central
Max. FAR	.40	1.5	1.5
Max. Height	45 ft.	60 ft. Base 75 ft. Bonus	60 ft. Base 75 ft. Bonus

Standard	Existing C-2	West
Max. FAR	.40	1.5
Max. Height	75 ft.	45 ft. *

\* Although the height is currently 75 ft., the narrowness of the parcels could not achieve such a height. In this regard, the height has been reduced to a level that could be realized. Special rear yard setbacks would also be established similar to the Winchester Blvd. Master Plan.

**Question** – Are these development standards generous enough or overly generous? If changes are needed, what would the Council suggest?

As illustrated in the above tables, the maximum height permitted is proposed at 60 feet (base standard). This draft standard exceeds the current standard by 15 feet. The increase in building height, over the existing standard, is another approach to encourage redevelopment of properties. By creating a “base” standard of 60 feet without requiring other improvements is equally another method to encourage development. However, if a property owner wishes to pursue the 75 foot maximum height standard (30 feet over the current height allowance), additional design features and/or the introduction of a focused core use will qualify the development for that height. Consistent with the other incentivized development approaches, the Plan will attempt to encourage maximum build-out in exchange for uses that are consistent with the preferred core uses.

The CAC expressed concern with this approach and felt that the height standard should be simply 75 feet with no incentivized development approaches.

**Question** – Does the City Council agree with the approach to increase the height over the existing 45 foot limit?

**Question** – If so, is the 60 foot base height sufficient enough to encourage development with a maximum of 75 feet if specific design standards or proposed uses apply?

As a tangent to the height discussion, the draft standards provide a “minimum” height and story requirement of 24 feet and two stories respectively. These would apply to the Central and Waterfront quadrants. Single story buildings would only be permitted as ancillary structures to the main structure typically used as an amenity to the core tech development project.

**Question** – Does the City Council support a minimum height and story requirement or should the City allow the market to dictate these development parameters?

Pedestrian circulation is an important part of the draft standards which is anticipated to cover more than typical sidewalks that are parallel to streets. The Plan would involve a series of pedestrian paths throughout the project area that could follow property lines, as well as streets. As written, new development on properties of four (4) acres or greater will be mandated to provide public pedestrian paths through the respective properties. The purpose of this standard is to require appropriate pedestrian circulation through large land masses. Although projects that do not meet this standard will, more than likely, provide pedestrian connections for the tenants of the private property in any case, the success of a public path relies on the successful connection to other public pathways in a cohesive manner. Otherwise, a public path could dead end into a private property. In certain respects, it may be more appropriate to plot the location of all paths up front and then mandate such improvements regardless of the project size.

**Question** – What is the Council’s thought to mandate such pathway improvements up front as compared to apply to a particular lot size?

Projects that are located adjacent to the railroad tracks would be required to install a multi-use path for bicycles and pedestrians, regardless of project size. Although the pathway is proposed to be 15 feet wide, an improvement template has not been prepared. The Plan will need to coordinate a design template with VTA’s plans to install the light rail line.

In addition, an enhanced promenade (or waterfront public pathway) is proposed adjacent to the percolation ponds. Although the draft Plan material currently lacks language explaining how this improvement will be installed, the consultant will work with the District to determine the feasibility of the improvements and the trigger of when a property owner’s pro rata share of the improvement is warranted.

**Question** – What are the Council's thoughts on public pathways paralleling the railroad tracks and the percolation ponds?

The Plan will also include off-street parking requirements which have had ample discussion during the CAC meetings despite the belief that maybe there hasn't been enough. As the Council may be aware, Barracuda Networks' number one concern is not enough parking due to their occupancy of approximately one person per every 150 square feet. Even with shuttle programs and parking off-site, the availability of convenient parking is an issue. Nevertheless, the construction of on-site parking is an added expense that some members of CAC have expressed an opinion that the standard should be relaxed more than it already is suggested in the draft standards. For example, the draft parking standards would apply the current parking standards in the City's Zoning Ordinance. However, a parking reduction could be made so long as certain measures that decrease the dependence of vehicles are included in the project. The current parking standard within the Zoning Ordinance for professional office is 1/250 sq. ft. and a parking reduction could permit a standard of 1/350 sq. ft. as suggested in the draft Plan material.

**Question** – Should the Plan include its own parking standards or should the plan rely on the current parking ordinance? The current ordinance also allows a parking reduction without stating to what extent the standard can be reduced?

Special setback standards have also been prepared and they apply to properties adjacent to the waterfront and those on Winchester Boulevard adjacent to the established residential neighborhood. The purpose of these setbacks is to respect the built environment by minimizing imposing building forms near property lines and sensitive receptors. These standards provide greater setbacks for building height and require the taller portions of a building to be moved further from property lines as compared to the lower building heights. The draft standards also apply a greater setback provision for buildings adjacent to the residential neighborhoods as compared to the waterfront/percolation ponds.

**Question** – Does the City Council support this urban design approach or should the setbacks be reduced or increased?

Iconic Buildings and Conceptual Development Potential – Figure 1 identifies the location of "iconic" buildings that could potentially promote the project area as a signature technology park. Although it is suggested that the buildings could be taller than 75 feet at the Knowles and Hacienda Avenue entrances, the Plan material also recognizes that such height increase will require approval from Campbell voters.

The idea of establishing iconic buildings with heights taller than 75 feet was suggested by several members of the CAC. However, it has not been established that high tech companies need building heights greater than 75 feet. If there is a desire to have tall

buildings at the two entrances into the project area, the Plan could place a minimum height requirement of 75 feet for new developments on those properties. In this regard, the Plan's desire to realize tall buildings at the entrances will more likely be achieved rather than rely on market conditions that may prefer two-story buildings.

**Question** – Does the City Council believe it is necessary to have iconic buildings at the entrances to the project area? If not, should the Plan remove or modify such language?

**Question** – If so, does the City Council wish to mandate minimum height requirements for certain properties or rely on market conditions to dictate such developments?

The draft material also looks at the build-out potential assuming properties maximize their allowed FAR. Currently, there is approximately 1.1 million square feet of building area in the Dell Avenue district. Assuming that properties will take advantage of the suggested 1.5 FAR allowance, an additional 1 million square feet will be provided. It should be noted that this increase is not representative of all properties being redeveloped. The consultants have established a more realistic expectation of development potential with their figures.

**Question** – Is the proposed FAR an appropriate amount for the area?

**Question** – Does the City Council agree with the strategy of calculating build-out of the Plan by assuming development on key opportunity sites but not every site?

Additional Transformational Tools – The draft material provides ideas of transformational tools that include a variety of actions that could be taken by the City to support reinvestment and development in the area. These approaches include:

- Physical Improvements
- Regulatory Considerations
- Economic Incentives
- Information and Education

As the DAAP is further refined, the consultants will need to consider these tools as a means to facilitate the area's redevelopment.

**Question** – What are the Council's ideas on the transformational tools noted and can you offer other suggestions that may have worked in other communities?

## **CONCLUSION**

As mentioned in the beginning of this memorandum, the purpose of this study session is to update the City Council on the progress of the Dell Avenue Area Plan and to

receive direction as to the Plan's approach prior to continuing further with its preparation. To facilitate City Council discussion, the memorandum provided the following:

- A brief background of the project.
- A discussion of the six (6) sections of the draft material.
- Issues associated with each of the sections.
- Questions for City Council response that will serve to guide the Plan.

The following questions were asked:

1. Does the City Council feel the Plan should include other vision statements? (Page 2)
2. Does the City Council support the concept of allowing staff to process administrative permits for focused uses? (Page 4)
3. Does the City Council believe that the Plan should be aggressive in discontinuing uses that do not satisfy the major land use types? (Page 4)
4. If so, what time period would be acceptable to amortize out these uses? (Page 4)
5. Does the City Council wish to include other prototypes that they may be aware of and are not included in the draft Plan material? (Page 4)
6. Are these development standards generous enough or overly generous? If changes are needed, what would the Council suggest? (Page 5)
7. Does the City Council agree with the approach to increase the height over the existing 45 foot limit? (Page 6)
8. If so, is the 60 foot base height sufficient enough to encourage development with a maximum of 75 feet if specific design standards or proposed uses apply? (Page 6)
9. Does the City Council support a minimum height and story requirement or should the City allow the market to dictate these development parameters? (Page 6)
10. What is the Council's thought to mandate such pathway improvements up front as compared to apply to a particular lot size? (Page 6)
11. What are the Council's thoughts on public pathways paralleling the railroad tracks and the percolation ponds? (Page 7)
12. Should the Plan include its own parking standards or should the plan rely on the current parking ordinance? The current ordinance also allows a parking reduction without stating to what extent the standard can be reduced? (Page 7)
13. Does the City Council support this urban design approach or should the setbacks be reduced or increased? (Page 7)
14. Does the City Council believe it is necessary to have iconic buildings at the entrances to the project area? If not, should the Plan remove or modify such language? (Page 8)
15. If so, does the City Council wish to mandate minimum height requirements for certain properties or rely on market conditions to dictate such developments? (Page 8)

16. Is the proposed FAR an appropriate amount for the area? (Page 8)
17. Does the City Council agree with the strategy of calculating build-out of the Plan by assuming development on key opportunity sites but not every site? (Page 8)
18. What are the Council's ideas on the transformational tools noted and can you offer other suggestions that may have worked in other communities? (Page 8)

**ATTACHMENT**

1. Draft Vision, Land Use, and Development Standards



# *City Council Report*

Item: 12.

Category: New Business

Date: May 3, 2016

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**TITLE: Receive Training Regarding Federal Securities Law and Consider Adopting a Resolution of the City of Campbell Approving Disclosure Policies and Procedures to Ensure Compliance with Disclosure Obligations of the City**

## **RECOMMENDATION**

Upon receipt of continuing disclosure training by bond counsel, review recommended form of Disclosure Policies and Procedures attached hereto to be considered for adoption by resolution on June 7, 2016.

## **BACKGROUND**

***Federal Securities Law Requirements.*** At the time of initial issuance of publicly-sold bonds, issuers are obligated to provide to investors all material information about the bonds and not to omit or misstate any material facts. "Material" has been defined to mean any information a reasonable investor would take into consideration in buying or selling the bonds. This "anti-fraud" requirement is embodied in Section 10b of the Securities Exchange Act of 1934 (the "1934 Act"), and the Securities and Exchange Commission ("SEC") regulates compliance by issuers with the anti-fraud rule.

In addition, issuers are obligated to comply with certain continuing disclosure requirements pursuant to undertakings entered into in connection with the issuance of their bonds. These undertakings obligate issuers to provide annual reports that contain financial information (including audited financial statements, when available) and operating data and specific event notices to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. This continuing disclosure obligation arises under Rule 15c2-12 (the "Rule") promulgated by the SEC under the 1934 Act.

***Recent Regulatory Activity.*** In recent years, the SEC has increased scrutiny of compliance by municipal issuers and underwriters with the Rule, including the requirement that initial disclosure documents for publicly-sold bonds disclose all instances by the issuer of material non-compliance with the Rule in the previous five-year period. In 2014, the SEC released an initiative to encourage the self-reporting by municipal issuers of any failures to accurately describe instances of

material non-compliance with continuing disclosure undertakings in previous official statements, and has begun announcing settlement terms pursuant to the initiative.

In addition, in most of the SEC's recent enforcement actions against municipal bond issuers, the SEC required issuers to adopt written disclosure policies and procedures and to receive periodic training on their obligations under federal securities laws.

## DISCUSSION

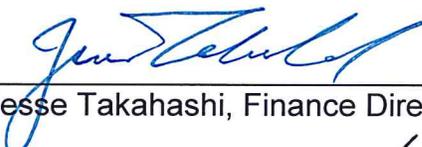
Bond counsel recommends (i) initial training of the City Council and City staff about the applicable requirements of federal securities law and (ii) the adoption by the City Council of Disclosure Policies and Procedures. The proposed Disclosure Policies and Procedures provide for the appointment of a Disclosure Coordinator, the review of disclosure documents before they are released to the public and the establishment of a system to ensure the timely filing of required information and the training of City staff.

Tonight's training is the first step in the process for the City to adopt written Disclosure Policies and Procedures. On the June 7, 2016 Council meeting agenda, Council will be asked to approve a resolution adopting disclosure policies and procedures.

## FISCAL IMPACT

None.

Prepared by:

  
\_\_\_\_\_  
Jesse Takahashi, Finance Director

Approved by:

  
\_\_\_\_\_  
Mark Linder, City Manager

Attachments:

1. Proposed Disclosure Policies and Procedures

# **CITY OF CAMPBELL**

## **Disclosure Policies and Procedures**

### **Article I *General***

These Disclosure Policies and Procedures (the “**Disclosure Procedures**”) of the City of Campbell (the “**City**”) are intended to ensure that the City is in compliance with all applicable federal and state securities laws.

### **Article II *Disclosure Coordinator***

The chief financial officer of the City shall be the disclosure coordinator of the City (the “**Disclosure Coordinator**”).

### **Article III *Review and Approval of Official Statements***

The Disclosure Coordinator of the City shall review any Official Statement prepared in connection with any debt issuance by the City in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the City.

In connection with its review of the Official Statement, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the City, and all members of City staff, to the extent that the Disclosure Coordinator concludes they should be consulted so that the Official Statement will include all “material” information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator shall submit all Official Statements to the City Council for approval. The cover letter used by the Disclosure Coordinator to submit the Official Statements shall be in substantially the form of Exhibit A.

The approval of an Official Statement by the City Council shall be docketed as a new business matter and shall not be approved as a consent item. The City Council shall undertake such review as deemed necessary by the City Council, following consultation with the Disclosure Coordinator, to fulfill the City Council’s responsibilities under applicable federal and state securities laws. In this regard, the Disclosure Coordinator shall consult with the City’s disclosure counsel to the extent the Disclosure Coordinator considers appropriate.

## **Article IV**

### ***Continuing Disclosure Filings***

Under the continuing disclosure undertakings that the City has entered into in connection with its debt offerings, the City is required each year to file annual reports with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information, and the City's audited financial statements.

The City is also required under its continuing disclosure undertakings to file notices of certain events with EMMA.

The Disclosure Coordinator is responsible for establishing a system (which may involve the retention of one or more consultants) by which:

- (i) the City will make the annual filings required by its continuing disclosure undertakings on a complete and timely basis, and
- (ii) the City will file notices of enumerated events on a timely basis.

## **Article V**

### ***Public Statements Regarding Financial Information***

Whenever the City makes statements or releases information relating to its finances to the public that are reasonably expected to reach investors and the trading markets, the City is obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

The City shall maintain an investor information page on the City's website. The investor information of the City's website shall include the following statement:

"The information on this Web site is not posted with the intention of reaching the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community. The investing public should rely on the information posted by the City on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system."

## **Article VI**

### ***Training***

The Disclosure Coordinator shall ensure that the members of the City staff involved in the initial or continuing disclosure process and the City Council are properly trained to understand and perform their responsibilities.

The Disclosure Coordinator shall arrange for disclosure training sessions conducted by the City's disclosure counsel. Such training sessions shall include education on these Disclosure Procedures, the City's disclosure obligations under applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the City's staff and members of the City Council. Such training sessions may be conducted using a recorded presentation.

## EXHIBIT A

### Form of Staff Report

**To:** Members of the City Council

**From:**

**Date:** \_\_\_\_\_

This Staff Report relates to the proposed issuance of \_\_\_\_\_ (the "Obligations") by the City. The City Council is asked to approve issuance of the Obligations and all related documents. The near-final versions of these documents are attached.

The attached Preliminary Official Statement has been reviewed and approved for transmittal to the City Council by the City's financing team. The distribution of the Preliminary Official Statement by the City is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the Obligations. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Obligations. If the City Council concludes that the Preliminary Official Statement includes all facts that would be material to an investor in the Obligations, it must adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been "deemed final."

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over the City's compliance with the federal securities laws, has issued guidance as to the duties of the City Council with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) (the "Release"), the SEC indicated that, if a member of the City Council has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the Obligations, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement. In the Release, the SEC indicated that the steps that a member of the City Council could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

Section 1. *Purpose of Financing.*

Section 2. *Documents for Approval; Security for the Obligations.*

Section 3. *Risks Relating to Repayment and Tax-Exempt Status of the Obligations.*

Section 4. *Requested Approvals.*



# City Council Report

Item: 13.

Category: Council Committee Reports

Meeting Date: May 3, 2016

## DISCUSSION

This is the section of the City Council Agenda that allows the City Councilmembers to report on items of interest and the work of City Council Committees.

### MAYOR BAKER

Cities Association of Santa Clara County:  
Board of Directors  
Selection Committee  
City Atty. Performance/Comp. Subcommittee  
City Clerk Performance/Comp. Subcommittee  
City Mgr. Performance/Comp. Subcommittee  
County Expressway Policy Advisory Board  
County Library District JPA Board of Dir.  
*Metropolitan Transportation Commission\*\**  
*Bay Area Toll Authority*  
*Santa Clara County Operational Area*  
*Council (Chair)\*\**  
*VTA Board of Directors\*\**  
*West Valley Cities Representative to Silicon*  
*Valley Interoperability Authority \*\**  
West Valley Mayors and Managers

### VICE MAYOR GIBBONS:

Advisory Commissioner Appointment Interview Subcommittee  
Campbell Historical Museum & Ainsley House Foundation Liaison  
City Atty. Performance/Comp. Subcommittee  
City Clerk Performance/Comp. Subcommittee  
City Mgr. Performance/Comp. Subcommittee  
CDBG Program Committee (County) (Alt.)  
Cities Association of Santa Clara County:  
Board of Directors (Alt.)  
Selection Committee (Alt.)  
County Expressway Policy Adv. Board (Alt.)  
County Library District JPA Board of Dir. (Alt.)  
Downtown Subcommittee  
Education Liaison Subcommittee  
Finance Subcommittee  
Friends of the Heritage Theatre Liaison (Alt.)  
Housing Rehabilitation Loan Committee  
Legislative Subcommittee  
State Route (SR) 85 Corridor Policy Advisory Board (Alt.)  
Santa Clara Valley Water District:  
County Water Commission (Alt.)  
20% Housing Committee (Successor Agency)  
West Valley Mayors and Managers (Alt.)

### COUNCILMEMBER CRISTINA:

Assn. of Bay Area Governments  
Cities Association of Santa Clara County:  
ABAG Representative (Alternate)  
Economic Development Subcommittee  
Santa Clara Valley Water District:  
County Water Commission

### COUNCILMEMBER KOTOWSKI:

Assn. of Bay Area Governments (Alt.)  
CDBG Program Committee (County)  
Education Liaison Subcommittee  
Friends of the Heritage Theatre Liaison  
Housing Rehab Loan Committee (Alt.)  
*Recycling Waste Reduction Commission\*\**  
Legislative Subcommittee  
Silicon Valley Animal Control Authority Board (SVACA) (Alt.)  
Valley Transportation Authority Policy Advisory Committee (Alt.)  
West Valley Sanitation District  
West Valley Solid Waste Authority JPA (Alt.)

### COUNCILMEMBER RESNIKOFF:

Advisory Commissioner Appointment Interview Subcommittee  
Campbell Historical Museum & Ainsley House Foundation Liaison (Alt.)  
Downtown Subcommittee  
Economic Development Subcommittee  
Education Subcommittee (Alt.)  
Finance Subcommittee  
State Route (SR) 85 Corridor Policy Advisory Board  
Silicon Valley Animal Control Authority Board (SVACA)  
20% Housing Committee (Successor Agency)  
Valley Transportation Authority Policy Advisory Committee  
West Valley Sanitation District (Alt.)  
West Valley Solid Waste Authority JPA