



Dear Mayor and Council Members,

On behalf of City Manager Ed Shikada, please see staff responses below for questions from Mayor Stone, Vice Mayor Lauing, and Council Member Tanaka on the [Monday, August 19 Council Meeting](#).

Item 6: Addition of Five Properties to the City's Historic Resources Inventory Based on Owner Interest. CEQA Status: Pursuant to Public Resources Code Section 21065, the Historic Designation of Properties is not a Project Subject to Environmental Review – Mayor Stone

1. Regarding item #6, I wanted to clarify a procedural issue. Is this item solely to approve 5 homes where the owners proactively requested the city to add them to the historic registry?

Staff response: Yes, the owners of the 5 listed properties responded to city outreach efforts and requested to be placed on the historic inventory.

2. Will a subsequent action item be scheduled to return to council for part 3 of the April 22 motion that requested staff to, "study the possibility of a process for removing the properties as shown as potentially eligible in the parcel reports and return to council with evaluations on any alternatives"? I just want to make sure that this consent item is not the full response to that previous council motion and that more will be returning to council.

Staff response: It is the intent of staff to return to the council at a subsequent date to address part 3 of the council motion. At the most recent August 8, 2024, Historic Resources Board (HRB) meeting staff presented alternatives to the "potentially eligible" status for review and consideration. The HRB's consensus was to closely align the City's historic status language with the statuses found in the [California Built Environment Resources Directory \(BERD\)](#) for consistent messaging.

Item 7: Approval of a Lease Amendment Between Palo Alto Players and the City of Palo Alto for the Premises at the Lucie Stern Community Center Located at 1305 Middlefield Road for an Approximate 36-month Term, at a starting Base Rent of \$1,540.75 per Month and Increasing 3% Annually; CEQA Status – Council Member Tanaka

1. Considering that this lease could set a precedent for future agreements, what specific policies or guidelines does the City intend to implement to manage similar requests in the future? Could you provide detailed scenarios or case studies from other cities that faced comparable situations, and explain how they balanced support for cultural institutions with maintaining fair market practices?

Staff response: This lease has been in place for many years, and the City's policy on leased facilities provides guidance on leased use of City land/facilities. In addition, following a City Auditor report on non-profit relationships, the City will have an upcoming study session on prospective approaches for nonprofit relationships and risk management.

- 2. What stakeholder analysis was conducted to assess potential concerns from other local businesses or non-profits who might feel disadvantaged by this lease extension? Can you outline the specific outreach efforts made to these groups and how their feedback was integrated into the decision-making process?**

Staff response: The Palo Alto Players have been leasing this office space since 2012. Staff is unaware of any local businesses or nonprofits that have felt disadvantaged by their occupancy of this space.

- 3. Given that the Palo Alto Players are benefiting from a below-market lease rate, what specific measures has the City taken to ensure that other non-profits are not disadvantaged by this arrangement? Could you provide concrete examples of how the City plans to apply consistent criteria for lease agreements across different organizations to prevent potential inequities or perceptions of favoritism?**

Staff response: Please see the responses above. The City will have an upcoming study session on prospective approaches for nonprofit relationships and risk management.

Item 9: Approval of Contract Renewal for Baylands Golf Links Management and Restaurant Operations – Council Member Tanaka

- 1. The staff report references the overall positive financial trajectory under OB Sports' management but omits a detailed analysis of specific areas where revenue has underperformed, such as merchandise sales falling 6% below projections. Considering the ongoing weekday traffic issues impacting utilization rates, what are the specific financial projections for these underperforming areas over the next two years, and how does the City plan to mitigate these ongoing risks to the revenue stream? Could you provide a risk assessment of these revenue shortfalls and their potential impact on the City's broader financial obligations?**

Staff response: Traffic hindering access to the golf course has not been observed and has not impacted utilization. Merchandise sales are a small component with minimal impact on the overall revenue for the golf course operations. The golf course operator has shifted their merchandise sales model to include high-quality Golf Course (Baylands Logo) name-branded items to help offset the competition with online sales.

2. The staff report highlights OB Sports' current strategies but does not address the ongoing challenges of low weekday utilization due to traffic congestion. What innovative strategies, such as partnerships with local businesses or targeted marketing initiatives, are being planned to increase weekday play and improve underperforming areas like merchandise sales? How will the success of these strategies be measured and reported to ensure they contribute to the course's long-term growth and sustainability?

Staff response: Traffic hindering access to the golf course has not been observed and has not impacted utilization. The weekly play has not been affected.

Item 10: Approval of Amendment No. 2 to the Lease Agreement Between the City of Palo Alto and the County of Santa Clara (Contract No. 1557819) at 2000 Geng Road for Safe Parking to Expand the Premises of the Lease and Increase by 10 the Number of Safe Parking Spaces Permitted; CEQA – Exempt pursuant to CEQA Guidelines Section 15061(b)(3) – Vice Mayor Lauing

1. What is the official game plan for funding this operation, and how do community donations fit in?

Staff response: Over the summer, staff worked quickly with community partners to find safe parking capacity to accommodate potential displaced vehicle dwellers from El Camino Real. With Geng Road expansion identified as the most feasible and timely solution, fundraising provides an opportunity for community members to start this operation quickly. In parallel, staff is working to identify a budget source to cover ongoing operational costs and will bring a funding proposal to Council at mid-year. Staff also applied for grant funding. Donated funds ensure the operations can begin quickly to serve displaced vehicle dwellers.

The proposed safe parking expansion operations will cost \$266,162 annually. For fundraising purposes, the amount being sought is approximately \$130,000 to cover the 1st six months of operation and will go directly to the operator, MOVE Mountain View. The current operations contract with the operator is held and paid for by Santa Clara County, and the County has indicated it does not have budget allocated to cover expanded operations.