



**MILLBRAE CITY COUNCIL
MINUTES
February 13, 2018 DRAFT**

CALL TO ORDER MILLBRAE CITY COUNCIL

Mayor Papan called the meeting to order at 7:02 p.m.

ROLL CALL: Mayor Gina Papan, Councilmembers Ann Schneider, Wayne J. Lee, Anne Oliva, and Reuben D. Holober.

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

1. CEREMONIAL/PRESENTATION

- Presentation of the 2018 Millbrae Excellence in Business Awards

Mayor Papan and Lorianne Richardson, Chamber of Commerce President and CEO presented the certificates to the recipients.

- Presentation by Millbrae Superintendent Phayprasert Regarding How the School District is Funded

This item was moved to a future meeting.

- Get Us Moving San Mateo County Presentation

Supervisor Pine introduced Jessica Epstein, SamTrans Government/Community Affairs. Ms. Epstein presented the report to the Council.

- Recognition of Black History Month

Mayor Papan read the proclamation proclaiming the Month of February 2108 as Black History Month. She stated that the proclamation would be presented at an event in East Palo Alto recognizing Black History Month.

Begin public comment.

Wynn Grcich, Hayward resident, stated that to honor Black History Month we need to acknowledge their suffering. They are more susceptible to the adverse health effects of fluoride and chloramines and that African American men are more at risk for prostate cancer.

End of public comment.

2. AGENDA OVERVIEW/STAFF BRIEFING

- Report of Bills and Claims

City Manager Raines reviewed the agenda items. She recommended that the Council pull items 6, 9, and 10 off the agenda and move them to a future meeting; these items are not time sensitive. She introduced the new Chief of the Millbrae Police Bureau, San Mateo County Sheriff's Captain Mark Kuykendall.

Mayor Papan announced that City Manager Raines had submitted her resignation. She thanked her for her years of service and for her hard work to bring tonight's project before the Council. Mayor Papan stated that City Manager Raines would work with the League of California Cities in assisting with finding an Interim City Manager.

Mayor Papan requested that Assistant City Attorney Conneran address the Mayor/Vice Mayor rotation.

Assistant City Attorney Conneran stated that the procedures for the rotation are in the Council Protocols. The Protocols are a policy that can be changed by Resolution or by action of the Council. They are not enforceable by third parties. A majority vote of the Council can change the Protocols.

3. **APPROVAL OF MINUTES**

- Regular Meeting of September 12, 2017

Councilmember Schneider noted a correction to page 4 under New Business item 13. The 5th bullet point should read "middle school", not "high school".

Upon a motion/second by Oliva/Lee, the minutes were unanimously approved with the correction noted above.

4. **ORAL REPORT FROM CITY COMMITTEE/COMMISSION CHAIRS**

- NONE

PUBLIC COMMUNICATION

Mayor Papan stated that due to the large number of speakers present, the time for public communication would be reduced to 2 minutes per speaker to allow for all speakers to address the Council.

Janet Creech, Millbrae resident, spoke on the lack of a Vice Mayor and the Mayor/Vice Mayor process.

Jean Wong, Millbrae resident, spoke on the Mayor/Vice Mayor rotation and the lack of a current Vice Mayor.

Wynn Grich, Hayward resident, spoke on the detrimental health effects of chloramines and fluoride in the drinking water.

Lou Sandrini, Millbrae resident, spoke on the Council Protocols and the Mayor/Vice Mayor rotation.

CONSENT CALENDAR

6. Accept the Comprehensive Annual Financial Report for the 2016-2017 Fiscal Year

Upon a motion/second by Lee/Holober, Consent Calendar item 6 was unanimously pulled off the agenda.

5. Resolution No 17-08 Accepting the Downtown Enhancement Street Lighting Project as Complete and Authorizing the Filing of a Notice of Completion
7. Resolution No. 17-09 Authorizing the City Manager to Execute a Contract with Vas Security Systems, Inc. for the Installation, Training, and Maintenance of a Video Monitoring System for City Facilities in an Amount Not to Exceed \$145,000

Upon a motion/second by Lee/Oliva, Consent Calendar items 5 and 7 were unanimously approved.

PUBLIC HEARING

City Council will receive presentations regarding the proposed development project, hear public testimony, and provide staff and the applicant with the Councilmembers' questions and concerns; and then continue the public hearing to allow staff to respond to the Councilmembers' questions in a supplemental staff report.

Click here to view the technical studies and project plans associated with this item: <http://www.ci.millbrae.ca.us/departments-services/community-development/planning-division/millbrae-station-area-specific-plan-msasp>

8. **GATEWAY AT MILLBRAE STATION:** Consider the recommendations of the Planning Commission to approve the following applications of Republic Millbrae LLC for a 16.9-acre site located North of Millbrae Avenue, east of the rail lines on the Millbrae BART site, and south of the Highline Canal and the Bayside Manor neighborhood:
1. DEVELOPMENT AGREEMENT that provides benefits to the Developer including increased development intensity and development at less than the minimum allowed density for the hotel site in exchange for community benefits which includes affordable housing and the provision of more than 10 percent publicly accessible open space on the project site for the proposed development.
 2. SITE DEVELOPMENT PLAN for four buildings on 11 acres, described as follows:
 - a. Site 5A would be located immediately south of the BART parking garage on the interior of the site and contain a six-story building with 151,583 square feet of offices on the top three floors over three levels of parking, with 22,534 square feet of ground floor retail;
 - b. Site 5B would be located immediately adjacent to Millbrae Avenue and contain 320 market rate housing units in a seven-story building with parking on the first two floors and 13,749 square feet of ground floor retail;
 - c. Site 6A would be located on the north end of the site adjacent to the BART parking garage and contain 80 affordable units in a five-story building; and
 - d. Site 6B would be located north of Millbrae Ave. and east of Rollins Avenue and contain a 164-room hotel and 7,840 square feet of ground floor retail in a five-story building.
 3. CONDITIONAL USE PERMIT to allow commercial lodging (the hotel).
 4. TENTATIVE SUBDIVISION MAP to subdivide 16.9 acres into six parcels in total: four development parcels, a parcel for the existing BART station and garage, and a parcel for a surface parking lot in the northeast corner of the site; abandon various existing public and utility easements and grant public access and utility easements.

An Environmental Impact Report (EIR) was prepared for the adoption of the Millbrae Station Area Specific Plan Update and two Transit Oriented Developments, one of which was Gateway at Millbrae Station. The City Council will consider adoption of findings pursuant to the California Environmental Quality Act (CEQA) that the prior EIR provides adequate environmental review for the proposed project.

Assistant City Attorney Conneran reminded the Council about ex parte communications with the developer and other outside groups/individuals regarding the project before them tonight.

Councilmember Lee stated that he had met with Michael Van Every of Republic Urban Properties. He also met with State Senator Jerry Hill, Bill Nack, Ed McGovern, and with Carl Guardino of Silicon Valley Leadership.

Councilmember Holober stated that he had met with Kelly Erardi and Michael Van Every of Republic Urban Properties. He also met with State Senator Jerry Hill, and Carl Guardino of Silicon Valley Leadership.

Mayor Papan stated that she had met with Michael Van Every of Republic Urban Properties and James, Ruigomez of the San Mateo Building Trades Council. She also met with Quentin Kopp and Bill Nack.

Councilmember Oliva stated that Bill Nack served on the HEART Board, but she did not speak to him about this project.

Councilmember Schneider stated that she had met with Kelly Erardi of Republic Urban Properties, Bill Nack, Evelyn Stivers, and Leora Tanjuatco. She also stated that she did not receive a donation from Republic Urban Properties.

All members of the Council acknowledged that they can be objective about the project before them tonight.

Assistant City Attorney Conneran presented a brief history of the development agreement process.

Deputy Community Development Director Madalena made a brief presentation about the current affordable housing in the City.

Project Manager Meunier provided an overview of the proposed project.

Kelly Erardi, Senior Vice President of Republic Family of Companies, made a presentation on the project. He thanked staff for their hard work in bring this project forward.

Sean Brooks, BART Real Estate Office, spoke on the project. They have been working with Republic on this project for five years

Mayor Papan stated that the stand alone affordable housing was at the request of BART and Republic and not the City. They have come up with a separate unit and the cost of the building is approximately \$50 million. There has not been any retail at the BART station since it opened fifteen years ago in 2003, and there is a lack of connectivity to the San Francisco Airport. Forty thousand people work at the San Francisco airport and there are 50 million travelers. She stated that she is looking forward to discussing these issues with BART in the future. The City is concerned about the loss of 500 parking spaces. The City requested assurances that BART would not raise rates in Millbrae to compensate for the removal of 500 spaces. The City has concerns about the reduced number of shuttle bays and access to the station that is used by ten thousand people a day. Mayor Papan also stated that she was looking for a project that provided for a greater balance, between residential, office and commercial. She noted that Millbrae's Station Area Specific Plan, required a more balanced approach, greater, more enhanced access to the station area and she did not see this proposal doing either.

Joel Keller, BART Board Member, stated that BART has been addressing the issues with the current Millbrae Station, and for this reason, BART is working on various transit-oriented developments to provide a mix of projects. BART is committed to changes that face many of these stations and ensuring to transform these areas into places that can be used by the community. Many veterans need housing and

he is pleased that they have come up with this stand-alone veteran's housing project. He urged the Council to adopt the project.

Mayor Papan inquired if BART would be willing to subsidize this project. Millbrae is being asked to contribute \$2.8 million. Is BART willing to finance the project?

Mr. Brooks stated that there is a 99-year lease at one dollar per year for the project site. Board Member Keller stated that he would be willing to serve as a liaison again between the City and BART and would come again if requested.

Council recessed at 9:35 p.m. and reconvened at 9:45 p.m.

Janet Stone, Housing Policy Manger for San Mateo Department of Housing, spoke on the policies committed to Millbrae in this project. She went over some of the different stand-alone affordable housing projects in the County and highlighted that they were subsidized by the County.

Mike Conklin, Sentinels of Freedom, stated that the project will provide much needed housing for veterans and that it will bring value to the City.

Mr. Erardi stated that Republic agrees with the recommendations of staff and encouraged the Council to vote for the project.

Upon a motion/second by Holober/Oliva the public hearing was unanimously opened.

Begin public comment.

Melanie Vejmolá, veteran, spoke in favor of affordable housing for the project.

James Ruigomez, San Mateo Building and Construction Trades Council, the developer has entered into an agreement with the Building Trades Council to provide local hires for the project. They strongly support the project and urge the Council to approve it.

Emily Ramos, spoke on behalf of Silicon Valley Young Democrats, many young people in this area have issues of housing. She is happy to see the project provide affordable housing for veterans and urged the Council to approve the project.

Leora Tanjuatco, Housing Leadership Council of San Mateo, they are in full support of this proposal. Encouraged Council to look at the postcards presented tonight. She urged the Council to approve the proposal.

Michael McCall, veteran, he is a tenant at veterans housing in Menlo Park. The rent is \$1,500 per month. He is in support of the affordable veterans housing.

Theodore Randolph, in support of the affordable housing for veterans at the Gateway project. There is not enough affordable housing the area, cannot afford to have a home anywhere in this area. This site is a great place for homes.

Max Kapczynski, YIMBY Action, spoke in favor of the Gateway at Millbrae project. Encouraged the Council to build this project.

Jeff Hodges, YIMBY Action, many are fleeing California because they cannot afford to live in the area. In many cases, rent for teachers is half of their salary. This project is a step in the right direction to address the housing issues.

Sabeek Pradhan, California has a major housing issue. This project has been delayed for five years, the more delays the more rents go up. SB 35 was approved in the Senate to address these types of issues and delays. He urged that Council move forward and address the crisis.

Cecilia Kou, asked the Council to consider more retail space and a better hotel. Make sure the project is in the best interest of City.

William White, United Way of the Bay Area, housing is a critical resource in ensuring financial stability. Housing is the number one pressing issue in the County. This Council has a huge opportunity before them to position itself to be a solution to the problem and to support the project.

Nardin Sarkis, Silicon Valley, support of the Gateway at Millbrae project. Will provide high density housing to address the housing crisis.

Peter Yang, appreciates that the project supports affordable housing. Millbrae's location is very special, will this project attract people to come to the area and shop. Make sure you look at everything in the project and make the right decision.

Steve Yeh, Millbrae resident, there are two dynamics here. There is an opportunity for the project, and there is a fear of the unknown on the part of the community. Need to get used to the idea that we need to move forward.

Austin Coulter, Millbrae resident, spoke in favor of the Gateway project in Millbrae. There are many who are concerned about secluding veterans in stand-alone buildings. There are other projects that have been built that have stand-alone housing for veterans and this is what is best for them.

Rachele Trigueros, Bay Area Council, there is a housing crisis in the state and not enough housing is being built in the Bay Area. The Gateway project will provide 400 units of housing. Encouraged Council to say yes to project.

Chris Collins, San Mateo Plumbers and Pipefitters Union, this is a well-planned development. The project will reduce congestion and provide much needed housing. Urged Council to approve the project.

Joe Chen, Millbrae resident, representing many friends and neighbors of the project, not enough retail space in the project, need a better and larger hotel. The developer to provide space for two-way traffic on south station road otherwise Rollins Road will be only road. The developer wants the City to pay \$2.8 for affordable housing; they should pay for it, and the affordable housing should be built first not last. Urge the developer to resubmit plans.

Ken Abreu, Central Peninsula Church Veterans Ministry, spoke in support of project.

Jennifer Ho, Millbrae resident, spoke against project. Need more retail space and better hotel, no for the City to pay \$2.8 million.

Joseph King, Menlo Park Willow Housing, this type of affordable housing is within his price range to live. He does not have to spend half of his pay for rent. It is a safe environment. In support of the project and is great for the community.

Mabbiz and Stella Muz, Millbrae residents, do not think this is the best plan for Millbrae, could ask for more and better. Veterans housing should be built first or at same time as others. Make certain that the City takes advantage of this opportunity and to have a balance. Need more retail space so that we have enough income to operate as a City.

Nicholas Nagle, San Francisco Housing, does not want to see kids getting priced out of living here. There is misinformation about this plan. Housing is a community benefit.

Don Taylor, fortunate beneficiary of affordable housing. Lives in affordable housing in Menlo Park. The housing blends into the community and allows for him to live in this area. Spoke in support of the project.

Tony Rodrigues, Local 43, he read a letter send by his wife, she works for the Millbrae Nursery School. Housing is an issue and urged the Council to approve the project.

Milly Coogan, Millbrae resident, Republic Urban has agreed to the provisions set by staff. Urged the Council to move ahead with the project. The project will bring revenue into the City.

Nicholas Sutton, Millbrae resident, enjoys living in Millbrae. Is a veteran and recognizes the housing issues facing us today. This plan is the right plan to build housing in the area and recommended it move ahead.

Upon a motion/second by Lee/Oliva the Council unanimously moved to extend the meeting past 11:00 p.m., to allow for all the speakers to address the Council.

Sumant Ranj, Millbrae resident, not present to speak.

Freeman Peng, Millbrae resident, what is best for our community, it is not easy to raise a family here. Millbrae is a small community; do we have all the solutions to the problems facing us? Please listen to the homeowners and consider your decision carefully.

Luis Padilla, College of San Mateo, in support of the veterans housing at the Gateway project. This project is a solution to the housing problems facing us.

Amrit Pal, San Francisco resident, new to this country, very disappointed about having to come to a meeting to discuss veterans housing. Expedite housing as soon as possible.

Paul Leone, Millbrae is one of the worst areas when looking at SB 35 and needs to do more for affordable housing. We have a regional housing crisis, not a regional retail crisis, this is not the future of Millbrae. Keep the project as is.

John Chang, Millbrae resident, need to address traffic issues.

Sean O'Carroll, Sr. Managing Partner of Newmark Cornish and Carey-Republic, there is the right amount of retail for the project. They have done a gap analysis and attended conferences to find new tenants for the challenging retail environment. Bring in retail and food uses for the area. This project is a great mixed-use development, he asked Council to move ahead with plan.

Josh Shumsky, retail brokerage, he has worked with the developer to right size the project. This project will create a sense of community. We are waiting for approval to move forward.

Adrienne Fung, Millbrae resident, urged Council to oppose the development as there will be less resources for schools. We do not have enough police and resources to be safe.

Mark Courson, represents the project's retail component. The tenants for the project are the best and are what the community and City are looking for.

Gary Chang, Millbrae resident, Millbrae residents are not opposed to the project, they want the City to take another look at the agreement. City infrastructure is aging and needs funding to fix it. The market rate units will be built first and the veterans housing last, what happens if the economy goes bad.

Andrew Kluter, traffic projections are expected to be congested for this project. This does not consider high speed rail. Needs further study.

Warren Wen, Millbrae resident, concerned about the project. Do not place a burden on the local economy to support this project. Need high end retail and a better hotel.

Adina Levin, Friends of Caltrain, great location for the project and opportunities for housing. Welcoming opportunity to have housing near transportation.

Anders Fung, Millbrae resident, important that BMR units be co-located with the other housing and be integrated in the community. Encouraged the developer to increase the hotel. The entire project is residential based and does not have enough retail.

Andy Coavas, veteran, rents are high, cannot afford to live in the area. Veterans want to live in this area and be a part of the community.

Alice Kuang, Millbrae resident, Millbrae is a City and a family. When more families move in, where will the children go to school, where will all the traffic go.

Marge Colapietro, Millbrae resident, quality of life is determined by who we are and who we welcome into our family. The Housing Element will ensure that housing is not denied based on race, religion, and other factors. Millbrae is among 4 cities that has done nothing to increase affordable housing. She is supports the project.

Hongwang Du, Millbrae resident, many who spoke in support of this project are not Millbrae residents. Base your decision on what is the best for Millbrae residents.

Justin Alley, San Mateo resident, knows the community and cares about it. This project is much needed and spoke in support of the project.

Daniel Huckaborn, spoke in support of the project.

Christopher DelNagro, Millbrae resident, he is neither for nor against the project. This project is dividing the City. The project is also in another part of the City that is on the other side of the tracks, and this will create more division than unity. We need more bike trails and better access to that area.

Jesse Geist, bought a Winnebago to address his housing needs. He supports the project.

Milo Trauss, YIMBY Action, there were many concerns brought up by those who do not understand the proposal. There will be \$26 million to cover the infrastructure. This is a winning project.

Chiu Ngo, Millbrae resident, would like to see the development in the BART area. Would like to see the project have less impact on traffic, schools, and infrastructure. The current project does not consider the infrastructure. Need to look at Millbrae Avenue and US 101 entrance.

End of public comment.

Mayor Papan stated that the discussion would be continued to a future Council meeting.

Mr. Erardi requested a date certain for a next meeting.

Assistant City Attorney Conneran stated that the public hearing will not be closed and will be continued. The public comment period will be kept open and the Council will meet on March 13, 2018 to continue this item. Public comment will be limited to give preference to those who have not spoken.

EXISTING BUSINESS

It was the consensus of the Council to pull items 9 and 10 off the agenda and move them to a future Council meeting.

- 9. Resolutions Approving the Issuance and Sale of Wastewater Revenue Bonds by the Millbrae Public Financing Authority in the Maximum Principal Amount of \$22,000,000 to Provide Financing for Improvements to the Wastewater System and Approving Related Documents – *This item was pulled off the agenda.*
- 10. An Ordinance Amending Chapter 2.20 of Title 2 of the Millbrae Municipal Code to Update the Purchasing System and Authorize Adoption of Contract Procedures Under the Uniform Construction Cost Accounting Act - *This item was pulled off the agenda.*
 - Waive 1st Reading
 - Introduce Ordinance

NEW BUSINESS

NONE

COUNCIL COMMENTS

In the interest of time, the Council decided to forgo their comments.

There being no further business to discuss, the City Council adjourned at 12:00 a.m.

BY: _____
City Clerk

APPROVED: _____
Mayor