



**MILLBRAE CITY COUNCIL
MINUTES
March 26, 2019**

CALL TO ORDER MILLBRAE CITY COUNCIL

Mayor Lee called the meeting to order at 7:03 p.m.

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

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

1. CEREMONIAL/PRESENTATION

Mayor Lee recognized Glade Beresford on her 100th birthday.

- Commendation for St. Dunstan Catholic Church and School for Support for Movie Nights

Mayor Lee presented the commendation to St. Dunstan's Pastor, Reverend Joseph Glynn, and Office Manager Ann Woolen.

- Presentation by the Millbrae Lions Baseball Program

Millbrae Lions Baseball Board President and Baseball Commissioner Steve Henderson presented the report and updated Council on the activities of the program.

- Recognition of Millbrae Community Television (MCTV) Crew

Mayor Lee presented a commendation to MCTV crew member Dave Cooper.

2. AGENDA OVERVIEW/STAFF BRIEFING

- Calendar of Events
- Report of Bills and Claims

City Manager Williams provided the agenda overview and updated the City Council on the following items:

- Water Wise Edible Organic Gardening Workshop on April 10th;
- Millbrae Arbor and Earth Day event on April 27th;
- San Mateo County Board of Supervisors approved \$500,000 in Measure K grant funds for the Millbrae Recreation Restoration Project.

City Manager Williams recommended that Item No. 13 on the Consent Calendar be continued to the April 9th City Council meeting.

Mayor Lee moved Existing Business Item No. 17 and New Business Item No. 18 before the Public Hearing.

3. **APPROVAL OF MINUTES**
- Regular Meeting of March 12, 2019

Upon a motion/second by Papan/Oliva the minutes from the regular meeting of March 12, 2019 passed unanimously.

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

NONE

PUBLIC COMMUNICATION

Nathan Chan, Millbrae resident, spoke on future growth and investing in making our community better.

CONSENT CALENDAR

Item No. 10 and 14 were pulled off the Consent Calendar for comment.

5. Approval of a Fee Waiver for the Rotary Spring Carnival and Egg Hunt on April 20, 2019 for \$3,000 in Rental Fees for the Use of Central Park and \$62.50 in Staff Costs
6. Resolution No. 19-19 Approving the Amended and Restated Water Supply Agreement between the City and County of San Francisco Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County dated November 2018 and Authorizing the City Manager to Execute the Agreement
7. Resolution No. 19-20 Approving the First Addendum to the Agreement with Diemer Engineering, Inc. in the amount of \$85,000 for Professional Engineering Services
8. Resolution No. 19-21 to Adopt a List of Projects for Fiscal Year 2019-2020 Funded by Senate Bill 1: The Road Repair and Accountability Act of 2017
9. Resolution No. 19-22 Awarding a Construction Contract to Interstate Grading and Paving for the 2019 Pavement Repair Project
11. Resolution No. 19-24 Accepting the 12 Corte Nueva Sanitary Sewer Main Relocation Project as Complete and Filing of Notice of Completion
12. Resolution No. 19-25 Endorsing the San Mateo County Flood And Sea Level Rise Resiliency Agency Proposal (Proposal) and Authorizing the Expenditure of \$40,000 Annually for Three Fiscal Years (FYs 2019-20 through 2021-22) to Support the Agency Start-Up
15. Resolution No. 19-26 Authorizing a Sponsorship in the Amount of \$10,000 for the San Mateo County Sheriff's Activities League (SAL) Food Wine and Heroes Event

Upon a motion/second by Oliva/Papan Items 5, 6, 7, 8, 9, 11, 12, and 15 on the Consent Calendar passed unanimously.

10. Resolution No. 19-23 Awarding a Construction Contract to Interstate Grading and Paving for the Taylor Middle School Safe Routes to School and Green Infrastructure Pilot Project

This item was pulled from the Consent Calendar by Councilmember Schneider. Councilmember Schneider congratulated staff for the creation of a more bicycle friendly community. This is an exciting new project with bicycle and pedestrian improvements and an example of bringing in grant money. More information is available on the City website about the proposed construction.

14. Approve a Letter of Support re Obtaining California State Historic Trail Designation Status for the Projected Ohlone-Portola Heritage Trail in San Mateo County

This item was pulled from the Consent Calendar by Councilmember Schneider. Councilmember Schneider said this is an exciting opportunity to have recreation in the community. Kudos to the San Mateo Historical Association for taking the lead on this. This will give us a trail system in the Bay Area that is going to be second to none.

Upon a motion/second by Papan/Holober Items 10 and 14 on the Consent Calendar passed unanimously.

13. Resolution Authorizing the City Manager or Designee to Execute an Amendment to the Professional Service Agreement with New City America Increasing Compensation by \$67,500 from \$45,000 to \$112,500 and Extending the Term through December 31, 2019

Item No. 13 was pulled off the Consent Calendar and continued to the April 9th City Council meeting.

EXISTING BUSINESS

17. Millbrae Community Garden Bylaws and Fees

Recreation Director Brady presented the report.

Council inquired if there are any restrictions on what can be grown. Recreation Director Brady responded that tall plants such as corn or sunflowers, trees, and tobacco or cannabis are not allowed to be grown in the Community Garden.

Council inquired about the hours of operation. Recreation Director Brady responded that the Community Garden will operate on the same schedule as Central Park

Council said that the Community Garden program is accepting sponsorships and the Millbrae Lions Club will be contributing \$500. The Build day is May 4th.

No public comment for this item.

Upon a motion/second by Schneider/Holober Resolution No. 19-27 amending the Citywide master fee schedule to include Community Garden rental fees and deposits passed unanimously.

NEW BUSINESS

18. 2018 Housing Element Annual Progress Report

Economic Development and Housing Project Manager Tierney presented the report.

Council asked about for the Regional Housing Needs Allocation (RHNA) requirement. Is the key the total number of units; is it the very low, low, and moderate units; or is it both? Economic Development and Housing Project Manager Tierney responded it is a combination of both. The State has an expectation that every city try to meet the requirements in every category. As long as we are trying to meet our RHNA numbers we are ok. The State is focusing on those cities that are not trying.

Council said that there are bills circulating about housing and that the RHNA might change. Mayor Lee said that the City is encouraging the San Francisco Public Utilities Commission to build housing on their property in Millbrae and other projects are being worked on. City Manager Williams said there is the El Rancho project, Orchard Supply site, and six or seven other projects up and down El Camino Real in the pipeline.

Councilmember Schneider said the staff report says that we have a program for protecting and enhancing existing housing. She indicated that she was not aware that we are doing any activities in terms of preservation of existing housing as these become targets for new purchases and are either remodeled into market rate units or they are torn down and built into some other type of housing. She further stated for the record that she didn't know if we have the staffing to look at which of our units are at risk and was aware other cities are looking at their housing stock and identifying those that might be at risk and seeing if there is a way to keep this housing in that category. Economic Development and Housing Project Manager Tierney responded that is something we are seriously interested in. We have a listing of the various projects and when they are coming due. Councilmember Schneider said she thinks this is another case where we need to be aggressive.

Councilmember Schneider asked if the City is reporting out how many officially permitted auxiliary dwelling units (ADUs) are added. Economic Development and Housing Project Manager Tierney responded that ADUs are on the chart and reporting them is one of the State's requirements. Councilmember Schneider said maybe we need to have a program to identify how many ADUs are operating out there illegally and bring them into the fold.

No public comment for this item.

Upon a motion/second by Papan/Schneider the 2018 Housing Element Annual Progress Report was approved unanimously.

PUBLIC HEARING

16. **GATEWAY AT MILLBRAE STATION PROJECT:** Adoption of a Resolution of the City Council to Approve a Design Review Permit Application for the Gateway at Millbrae Station-Transit Oriented Design (TOD) Project Pursuant to Millbrae Municipal Code (MMC)
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City Attorney Cassman asked the Council to disclose all of the information that the Council has received outside of the hearing room with regard to the matters that are under consideration tonight.

Councilmember Oliva stated that she met with Urban Republic and a Planning Commissioner to discuss the corner entrance of BART.

Vice Mayor Holober reported that he had phone calls from supporters of the project Evelyn Stivers of the Housing Leadership Council, James Ruigomez of the San Mateo County Building and Construction Trades Council, and Carl Guardino and Nathan Ho of the Silicon Valley Leadership Group. He also had a phone call from Senator Jerry Hill inquiring about the status of the project.

Councilmember Papan had an email message come in today in support of the project and a couple of others in support of the project. She also had meetings with staff regarding questions about the project and she spoke with residents commenting on the design of the project.

Councilmember Schneider spoke to staff and received emails. She spoke to Michael Van Every and Kelly Erardi with Republic Urban thanking them for changing the colors for the project and she had a long discussion with Michael Van Every about the Better Millbrae lawsuit.

Mayor Lee received input about the designs for the buildings being lackluster.

Upon a motion/second by Papan/Schneider the Council voted unanimously to open the public hearing.

Community Development Director Misner presented the report.

Council reminded everyone that the housing has been approved and tonight's public hearing is to discuss design review. Mayor Lee stated that speakers will have a two minute time limit.

Mayor Lee inquired if the City Council meeting is being aired on Youtube in Chinese. City Manager Williams responded that it is not being aired in Chinese. We were not able to get the technology to broadcast in real time.

Michael Van Every, President and Managing Partner of Republic Urban Properties said that he humbly requests that the project gets approval tonight and moves forward. It has been a long journey and this is the largest project to date in the City. He introduced Kelly Erardi, Senior Vice President of Republic Urban Properties who provided a brief overview.

Councilmember Papan stated for the record that the developer has been working with BART since 2013, but the City of Millbrae has had the project for a much shorter period of time.

The Developer's Master Architect, Landscape Architect, and Public Art Consultant made presentations.

Begin public comment.

Stephen Yeh, Millbrae resident, congratulated the developer on a very professional design.

Ken Abreu, Central Peninsula Church Veteran's Ministry, said he hopes this project can move forward and asked Council to wrap it up today.

Ron Dickson, San Mateo County Veteran's Commission, said that he is a Vietnam veteran and a lot of students at Foothill College who are veterans and served their country are living out of their cars.

John Chang, Millbrae resident, voiced his concern about building more apartments.

James Ruigomez, San Mateo County Building and Construction Trades Council, spoke in support of the project and asked that the Council have their highly skilled people build it.

Evelyn Stivers, Housing Leadership Council, thanked the Council for their leadership and asked the Council to approve the project tonight.

Marge Colapietro, Millbrae resident, requested that the Council unite as a team and vote for a Millbrae landmark.

End public comment.

Councilmember Papan made a motion to close the public hearing which was seconded by Vice Mayor Holober. City Attorney Cassman recommended that the Council leave the public hearing open and proceed with the discussion. Councilmember Papan withdrew her motion to close the public hearing.

Council asked the Developer to add one more row of windows to the back of the Veteran's Building (Site 6A: Affordable Apartments) to bring in more light. The Developer's Master Architect Tang responded that he is not sure if they can enhance the light because those are bedroom walls, but they can continue to work with staff to create more variations on that façade.

Council liked the defined roofline on the Veteran's Building and requested a similar roofline for the Market Rate Housing (Site 5B: Residential). The Developer's Master Architect Tang responded that he understands that instead of a metal cap on the building the Council is requesting a trim. He said as they detail the building, they can take that into account.

Councilmember Schneider asked about the trees shown on the rendering. Vice Mayor Holober agreed that he too would like to see trees. . The Developer's Landscape Architect responded that there are no trees on the plan that they are proposing. Council said it would be nice to have trees since the renderings show trees. The Developer's Landscape Architect responded that they can put in a few trees. Council responded that trees are needed at least at that corner.

Mayor Lee and Councilmember Papan said that we have major dead zones on a very high traffic area where you have a bike kitchen, pet camp, and a gym. The rendering shows something different. There are tables in the rendering and various renderings showed Haagen Dazs. This is misleading. Applicant Erardi responded that they designed the retail space as they were required to. Rather than focus on one space, the entire ground floor is designed as a very active space, all well-lit and retail oriented.

Mayor Lee and Councilmember Papan asked what type of businesses are you envisioning? Applicant Erardi responded that the type of retail that they solicit are the ones in the Millbrae Station Area Specific Plan (MSASP). They will develop a retail mix that creates a sense of community. They have four corners that are great retail locations. They can have outside seating. They will draw people with wayfinding, smells, kiosks, Christmas tree lightings, movie nights, and jazz festivals. There will be a spot in the office building for a coffee shop. The plaza area can be used for events, concerts, and food trucks.

City Attorney Cassman reminded Council that they are approving design review and types of businesses are not part of tonight's discussion.

Council said we are trying to maximize the amount of retail walkers are exposed to. Applicant Erardi responded that they have designed a project that will attract BART, Caltrain, and Millbrae customers.

Council asked where employees working in Building 5A are going to park their bicycles. Applicant Erardi responded that there is a BART bicycle storage in the plaza.

Council stated that they want a water feature. Applicant Erardi responded that they can accommodate a water feature in the dog park. Council said they want the water feature in the middle of the paseo. Applicant Erardi responded that they can accommodate a water feature in the BART plaza.

Councilmember Papan said she does not want a residential hotel with kitchenettes in the rooms. We want people to get out of their rooms and into the retail. This really sends the wrong message. Applicant Erardi responded that the Specific Plan specifically says Marriott Inn or similar hotel with no stays over thirty days.

Council said that the hardie board on the Hotel (Site 6B) is bland and they want something richer. The Developer said if the Council likes a material that is on the 5A building, that is something they can look into.

At 10:57 Mayor Lee asked the Council for direction to continue past 11:00 p.m. It was the consensus of the Council to continue discussions.

Council asked about the Parking Management Plan. City Attorney Cassman said that the Parking Management Plan is a condition before the first building permit is issued. It is not a condition now.

Mayor Lee indicated that the Council still needed to discuss art and signage. Councilmember Oliva said that she would like to make a motion to approve everything that the Council discussed this evening and approve the art and signage at a future meeting.

Mayor Lee stated that he has a problem with the barriers and asked if Council could approve the three structures: the Residential building, the Veterans' Building, and the Office Building.

Councilmember Oliva said that she would like to make a motion to approve everything discussed tonight which would allow the project to be approved subject to reviewing the art and the signage at a continued meeting. Mayor Lee said that he also has problems with some of the barriers in the middle of the road. Councilmember Papan stated that she has a problem with the hotel design. She has no objection to approving the three buildings. However, Council needs to see what the design of the hotel will look like with the suggestions. Without seeing our revised designs, it is not appropriate to approve it. Councilmember Oliva said she would like to make an amendment per Councilmember Papan's suggestion, to see the new design of the hotel, the art and the signage at a next meeting. Vice Mayor Holober said he would like to include that the art and signage includes the monument sign because Council has not discussed it. Councilmember Schneider stated that we should add the barrier between the streets.

Councilmember Oliva made a motion to approve everything subject to coming back to review the materials of the hotel, the signage, the monuments, and the art. Councilmember Papan said she would

prefer if the motion be just for the three buildings. The hotel has to come back to Council design wise. Mayor Lee asked to add the water feature.

City Attorney Cassman summarized that the Council is ready to approve by resolution a design review relative to all four buildings with the exception that, as to the hotel, the external materials will come back for further review and we are also going to review further art, signage, monuments and barriers and there is a conditional use requirement of a water feature in the paseo.

Upon a motion/second by Schneider/Holober the City Council voted unanimously to close the public hearing.

Councilmember Papan said she has a problem with the City Attorney's summary. Council needs to see the full design of the hotel. Approve the three buildings and see what the Developer comes back with regarding the hotel. Councilmember Oliva said she thinks the City Attorney's summary was very clear. Councilmember Papan stated that she would have to vote no and would prefer to vote yes at least on the three buildings.

Mayor Lee asked the City Attorney to read back the motion one more time. City Attorney Cassman stated that what she heard was the approval of all four buildings with the exception of the external materials of the hotel would come back for further review. My understanding is that the Developer has agreed to bring back a water feature, art and signage, and we are just approving the buildings. Councilmember Papan said she would be fine if it were only the three buildings. Vice Mayor Holober said he would like to make an amendment that Council take the hotel as a separate motion. Mayor Lee said that he seconds the amendment. City Attorney Cassman stated that the Vice Mayor's amendment is to separate out the hotel from the original motion.

Upon a motion/second by Lee/Holober the amendment to remove the hotel from the original motion passed unanimously.

City Attorney Cassman said we have a motion to approve design review for the three buildings and we will bring back the hotel and the exterior materials.

Mayor Lee said the first motion is for the approval of the Residential building, the Veterans' building, and the Office building, conditional approval for the water feature, come back with the art, signage, and the barrier between the roads. The second motion is for the hotel.

City Attorney Cassman summarized the motion as voting on design review approval of the three structures, but not the hotel, and not the external areas including art, barriers, and signage. Mayor Lee said also include conditional approval of a water feature. City Attorney Cassman said the Developer has said they will bring back the water feature. City Manager Williams stated add the water feature as a condition of approval.

Upon a motion/second by Oliva/Holober Resolution No. 19-28 approving a design review permit to allow a Transit Oriented Project located at 200 Rollins Road including structures on Sites 5A, 5B, and 6A (the "Structures"), with the understanding that this resolution does not cover the structure on Site 6B, the plaza improvements to include a water feature, the sign program, the monument, or the artwork, passed unanimously.

Vice Mayor Holober made a motion to approve design review for the hotel with the exception of the exterior building materials. Councilmember Papan said she cannot support that because the Council is

being pre-mature. Mayor Lee said that he agrees with Councilmember Papan that there might be a structural change that comes through.

Upon a motion/second by Holober/Oliva Resolution No. 19-29 partially approving a design review permit for Site 6B – A 164-room hotel and 7,840 square feet of ground floor retail in a five-story building with the exception of the outside materials passed with a vote of 3:2 with Mayor Lee and Councilmember Papan opposed.

Upon a motion/second by Oliva/Holober the motion to continue this matter to a Special City Council Meeting on Tuesday, April 2, at 7:00 p.m. passed unanimously.

COUNCIL COMMENTS

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

CLOSED SESSION**CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION**

(Subdivision (a) of Section 54956.9)

Name of case: Better Millbrae, et al. v. City of Millbrae, et al., San Mateo Superior Court, Case No. 18CIV04393

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Name of case: Gene Peter vs. City of Millbrae

WCAB No: ADJ7291887, ADJ7291918, ADJ7291927, ADJ10977459

Claim No: Unknown, MIL0800018, MIL1000016, unknown

DOI: 11/30/2007, 04/12/2008, CT 11/30/1972-11/30/2009, CT 12/08/1977-04/12/2008

ADJOURN CITY COUNCIL MEETING

There being no further business to discuss, the City Council adjourned at 11:45 p.m.

The video recording of the meeting is available on the Millbrae Community Television Youtube website. You can click on the link below to view the recording of the entire meeting.

https://www.youtube.com/watch?v=9ai1_ktXrqY

/s/

Elena Suazo
City Clerk

/s/

Wayne J. Lee
Mayor