



**MILLBRAE CITY COUNCIL
MINUTES
April 9, 2019**

CALL TO ORDER MILLBRAE CITY COUNCIL

Vice Mayor Holober called the meeting to order at 7:08 p.m.

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

Mayor Lee joined the meeting from the Baltimore Hyatt Regency Hotel located at 300 Light Street in Baltimore, Maryland.

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

1. CEREMONIAL/PRESENTATION

- Proclamation Proclaiming April as Rosacea National Awareness Month

Councilmember Ann Schneider read the proclamation.

- Proclamation Proclaiming April 27, 2019 as Arbor and Earth Day

Vice Mayor Holober presented the proclamation to Environmental Programs Manager Shelly Reider and Parks Superintendent Ken Crosetti.

- Proclamation Proclaiming April as Celebrate Diversity Month

Vice Mayor Holober read the proclamation.

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 Goes to the Movies on April 19th;
- Now accepting applications for Millbrae's Commissions and Committees;
- Millbrae Skate Park re-opened on March 29th;
- Public Works is working on weed abatement due to the recent rains.

Vice Mayor Holober suggested taking Existing Business Items 9 and 10 ahead of the Public Hearing, and Public Hearing Item 8 prior to the Millbrae Serra Station Project. There was consensus from the Council to proceed as suggested.

- Report out from Two Closed Session on March 26, 2019

Assistant City Attorney Conneran stated that the Council held two Closed Sessions on March 26, 2019. No reportable actions were taken at either session.

3. **APPROVAL OF MINUTES**

- Regular Meeting of March 26, 2019

Councilmember Papan requested that the minutes be pulled off the agenda for further review and brought back at the next meeting. Councilmember Schneider said she will not be here for the next meeting. Vice Mayor Holober asked Councilmember Schneider to submit her comments to staff to be shared with all Councilmembers prior to the next meeting. The minutes were pulled off the agenda.

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

NONE

PUBLIC COMMUNICATION

NONE

CONSENT CALENDAR

5. Resolution No. 19-31 Approving the First Addendum to the Agreement with Millbrae Community Television (MCTV) for Broadcasting, Video and Channel Management Services for Fiscal Years 2018 – 2019 and 2019 – 2020 Increasing the Total Compensation to an Amount Not to Exceed \$131,650 for the Two-Year Period

Upon a motion/second by Oliva/Papan Item No. 5 on the Consent Calendar passed unanimously.

EXISTING BUSINESS

9. Recreation Center Restoration Project – 1) Receive Informational Update on Millbrae Recreation Center Restoration Project; 2) Accept the Final Millbrae Recreation Center Conceptual Design Report; 3) Adopt Resolution Authorizing the City Manager or Designee to Execute the Second Addendum to the Agreement for Professional Services with Group 4 Architecture, Research, and Planning, Inc. Amending the Scope of Work to Include Schematic Design and Increasing the Not-to-Exceed Amount by \$520,735 from \$796,179 to \$1,316,914 and Authorizing an Increase in Appropriations in the Recreation Center Capital Project Fund in the Amount of \$520,735

Deputy City Manager Hilbrants presented the report.

Council asked staff to discuss the funding plan. City Manager Williams responded that the City estimated to receive approximately \$14 – \$20 million in development impact fees but that estimate is dependent on the implementation of private developments. We will have future revenue and now it’s a matter of when will those units be ready and when will we issue permits and collect fees pursuant to adopted developer agreements. The City will have a cash flow problem for the short term in funding the Recreation Center if we continue with the goal of breaking ground in 2020. Staff has been talking with the County about a loan and they have been very gracious. Our interest rate will be about 2.5%.

Council asked if this would mean there is no need for a future bond measure. City Manager Williams responded yes.

Councilmember Schneider inquired if they could move forward with the schematic design phase, but hold off on approving the conceptual design report to give Council more time to review the report. Assistant City Attorney Conneran responded that the text of the resolution does not mention accepting the report, Council can simply adopt the resolution.

Council asked if this would delay any grants. City Manager Williams responded no, it would not delay any grants.

Council asked if the City gets the loan from the County, what would the annual cost be to the City. City Manager Williams responded the interest rate would be 2.5% but the actual amount of the loan is not yet known due to other funding possibilities. Council asked for the amount in dollars. City Manager Williams said he does not know the amount in dollars and will need to get back to the Council regarding this, but the City would not need that loan for two to three years. Council asked if the development impact fees will cover the whole loan. City Manager Williams responded that we would use the future development impact fees to pay off the loan from the County and staff will bring back an update to the Council at the first meeting in May.

No public comment for this item.

Upon a motion/second by Oliva/Schneider Resolution No. 19-32 (1) authorizing the City Manager or designee to execute the second addendum to the agreement for professional services with Group 4 Architecture, Research + Planning Inc. amending the scope of work to include schematic design and increasing the total not-to-exceed compensation by \$520,735 from \$796,179 to \$1,316,914 and (2) authorizing an increase in revenue in the Recreation Center Capital Project fund in the amount of \$500,000 and an increase in appropriations in the Recreation Center Capital Project fund in the amount of \$520,735 passed unanimously.

10. Adopt Resolution No. 19-33 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

Community Development Director Misner presented the report, then he introduced Marco Li Mandri, President of New City America.

Consultant Li Mandri said that the City needs a definition of Downtown. Millbrae has unbelievable assets from a location standpoint, but can't grow unless the property owners get together and create a funding mechanism. A survey was sent out and they reached out and talked to property owners. We are not going to get this accomplished in the time we anticipated, so we are asking for an extension.

Council asked how many property owners have been contacted to date. Consultant Li Mandri responded that 150 to 160 parcel owners have been contacted. Council said we need to be specific on what we call our Downtown.

Consultant Li Mandri stated that when he walked El Camino Real and Broadway it is clean; Millbrae has a great and clean public right-of-way. There are vacancies, but vacancies are based on demand. As soon as Millbrae has the money and developments come forward, people will be walking around and creating

demand. Millbrae has a state of the art Safeway and a Trader Joes. It's just a question of marketing and promoting Downtown Millbrae.

No public comment for this item.

Upon a motion/second by Papan/Oliva Resolution No. 19-33 authorizing the City Manager or designee to execute an amendment to the professional services agreement with New City America, Inc. for a second phase of feasibility work for the establishment of a Business Improvement District/Community Benefit District in downtown Millbrae in the amount of \$67,500 to increase the total contract amount to \$112,500 and extend the agreement through December 31, 2019 passed unanimously.

PUBLIC HEARING

8. **210 VALLEJO DRIVE:** Appeal of a Planning Commission decision to approve the DESIGN REVIEW PERMIT to allow the construction of a new two-story residence located in the Single-Family Residential (R-1) Zoning District

Community Development Director Misner presented the report.

Upon a motion/second by Schneider/Oliva the motion to open the public hearing passed unanimously.

The Applicant's Project Architect Knorr stated that they started the project by making a presentation to Senior Planner Fielding and received a letter of approval. They noticed four neighbors and all adjacent neighbors gave their approval of the project. One neighbor on Vallejo Court did not give his approval and Senior Planner Fielding reported to the applicant that the neighbors felt the higher roof was blocking their view. The project was re-designed and they went through the whole process of review; the re-design was approved by the Planning Commission. The project was appealed by numerous neighbors. The Applicant is allowed by code to develop this project. They have reduced the overall mass by sixty feet. You can't own a view. The Applicant made a true and honest effort on his part to mitigate significant impacts to the view and has compromised quite a bit to do that.

The Appellant Michael Poon, resident at Vallejo Court, introduced himself and said that there are four speakers representing the Appellant.

Stephanie Taylor, resident at Vallejo Court, stated that she believes the information that the Applicant provided to the Planning Commission and staff about the roof height was inaccurate. Eleven letters were received from Vallejo Court. Seventeen were received in support of the project, but those letters were from residents who live far away and not in our neighborhood. It is inaccurate to compare single family to multi-family units. Changing a single family residence to a two story residence with a higher roof is a significant change. When you consider there are two residents on 210 Vallejo Drive as opposed to forty residents on Vallejo Court, this is significant.

Michael Poon showed photographs of the panoramic views from Vallejo Court. He stated that even though this proposed second story is supposed to raise the roof by two feet, with a flat roof sooner or later there will be solar panels on top of it that will be two to three feet tall. The twenty units on Vallejo Court are the only twenty residents that have a view that looks through this proposed project, they all think it is significant.

Hank Sauer, resident at Vallejo Court, said when his father stood in front of the window in his home, he used to say we live in one of the most beautiful places on earth. My neighbors feel the same way. This is a quality of life issue.

John Stanish, resident at Vallejo Court, said this project clearly impairs views and impairs values. This project will be the highest structure for hundreds of feet along Vallejo Drive. The support is not genuine. Only four of the seventeen supporters can see the property. Approval will set a precedent and we will have no recourse to anyone who wants to do the same.

Begin public comment.

Dale Hahn, San Mateo resident, said he is presently under contract to purchase the Number 3 building on Vallejo Court, a four unit building that his daughters and their families will occupy. He opposes the project because the visual impact is significant.

Katherine Zhang, Millbrae resident, spoke in support of the project as she believes we can all share the view.

Joe Chen, Millbrae resident, spoke in support of the project because the view cannot be blocked significantly and new houses will beautify the street.

Henry Lin, Millbrae resident, spoke in support of the project because the applicant already reduced the roof size and the negative effect was greatly minimized.

Freeman Peng, Millbrae resident, spoke in support of the project because Transit Oriented Development (TOD) #1 and #2 were approved which impaired views. The view is not significant.

Paul Hong, Millbrae resident, spoke in support of the project. He reviewed the architect's plans and he believes this house will be a beautiful addition to the neighborhood.

Alice Kuang, Millbrae resident, spoke in support of this project. She spent a lot of time talking to the architects and they met the Planning requirements.

End public comment.

Applicant's Architect Knorr stated that the Applicant is trying to keep this structure only roughly two feet above the existing roofline and new homes are required to have solar panels. There were two windows on the second floor and those windows could be removed. The Applicant offered to lower the roof by 50% (approximately one foot over the existing roof) and restore the two windows. The Applicant is willing to compromise and is doing this in good faith.

Vice Mayor Holober suggested a community meeting offline to reach a compromise and agreement. He asked the Appellants for a response. Councilmember Papan thanked everyone for participating tonight. She stated that she agrees with the Appellants. Her primary concern is the precedent for the other homes along that street as well following suit. It changes the harmony of the neighborhood. According to our code it is significant impact.

Assistant City Attorney Conneran stated that the City has a design review ordinance and we are enforcing the City's design review ordinance which State law allows us to adopt and enforce.

Council asked what their options are. Assistant City Attorney Conneran responded that the Council's options are to approve or deny the appeal, to remand this back to the Planning Commission for compromise, or to continue it.

Council stated that the view is impacted and asked if a compromise can be reached. Applicant's Architect Knorr proposed a get-together with all neighbors to come to an agreement and once a decision is reached they can go back to the Planning Commission.

Stephanie Taylor said they are interested in meeting to try to come to a resolution on their own. Michael Poon said it might be best to try to work it out. Janet Hahn, who is presently under contract to purchase a property on Vallejo Court said the view will be obstructed.

Vice Mayor Holober stated that the Council has reached a consensus to remand this back to the Planning Commission for compromise. Assistant City Attorney Conneran stated that everything said here will be brought by staff to findings. They will make an independent decision based on what is in front of them in a community meeting.

Upon a motion/second by Holober/Oliva Resolution No. 19-34 regarding design review to allow the demolition of a single-story and new construction of a two-story residence located at 210 Vallejo Drive in the single family residence (R-1) zoning district remanding the permit to the Planning Commission for further consideration following consultation with the community passed unanimously.

At 10:00 pm Council took a break and at 10:05 pm the Council was back in session.

Vice Mayor Holober got consensus from the Council to extend the City Council meeting until midnight.

6. **MILLBRAE SERRA STATION PROJECT:** City Council Review of DESIGN REVIEW PERMIT and MASTER SIGN PROGRAM Applications to Consider Design Aspects of the Millbrae Serra Station -Transit Oriented Development (TOD) Project Pursuant to Millbrae Municipal Code (MMC) 10.05.2500 C. The applicant, Millbrae Serra Station LLC, Obtained Approval of a Development Agreement (Ordinance 768) to Develop a 3.6 Acre Mixed-use TOD Project in Three (3) Buildings Located on the West Side of the Millbrae Intermodal Station, East of El Camino Real Consisting of: 1) Building R1 – Ten (10) Story Building with 119 Apartments, 4,255 Square Feet of Ground Floor Retail Space and 3,648 Square Feet of Retail or Live-work Space; 2) Building R2 – Ten (10) Story Residential Building Containing 325 Apartments and 4,340 Square Feet of Retail or Live-work Space; 3) Building C1 – Nine (9) Story Building with 290,140 Square Feet of Office Space, a 5,000 Square Foot Galleria and Lobby and 22,360 square feet of retail space

Community Development Director Misner presented the report.

Paul Woolford, Design Principal at HOK and architect of the Commercial One office building introduced himself and provided an overview. Bill Higgins, Design Principal with Smith Group and architect for the residential buildings provided an overview.

Upon a motion/second by Schneider/Oliva the motion to open the public hearing was approved with a vote of 4:0 with Mayor Lee excused. Mayor Lee was offline at the time the vote was taken.

Begin public comment.

Marge Colapietro, Millbrae resident, said that she is impressed with all the improvements.

Rob DuCote, Millbrae resident, said after a long period of time, he reached a compromise with the Applicant.

Christina DuCote, Millbrae resident, thanked everyone and said that the applicant has done a good job as of late addressing concerns.

Constancio Rodriguez, Millbrae resident, thanked everyone and said we have reached a point where all parties are satisfied.

End public comment.

Council disclosed ex parte communications they had with other parties outside of the hearing room. Vice Mayor Holober stated that he met with Applicant Muzzi once in January and he met twice with Mr. DuCote, once in January and once last week. Councilmember Papan stated that she had messages back and forth with Mr. DuCote. Councilmember Schneider stated that she had conversations with Rob and Christina DuCote. Councilmember Oliva stated that she had a conversation with Mr. DuCote twice. Mayor Lee stated that he had communications with Mr. DuCote a few times.

Council began their discussion on the Mixed-Use Building: C-1. Council voiced concern about California Drive and the elimination of drop-off and pick up of buses. Consultant Woolford said the project abuts a right-of-way. They have one drop-off. They are matching the improvements along the Bay Area Rapid Transit (BART) and Caltrain side. These are BART and Caltrain facilities. They don't control what happens on that side of the right-of-way. There are other drop-offs in two areas along Serra Avenue for Uber and Lyft.

Upon a motion/second by Papan/Oliva the motion to approve the design review permit for the Office Building (Mixed-Use Building: C-1) passed unanimously.

Council discussed the Residential R-1 Building. They asked: the green wall on page 43, what is the green wall made of? Consultant Higgins responded that is a graphic sketch that is part of the extension of the screen wall between the Hemlock neighborhood and California Drive. It is actually going to drop down to maybe only about four feet high when it gets to this corner for visibility.

Council voiced concern about the balconies with trees on them. Consultant Higgins responded that the balconies themselves will have the planter boxes hanging over with flowering plants. When they did the setback for the R-2 building there is a large terrace and they have the opportunity to plant larger trees in pots probably on a deck to give more screening to the neighbors and their concerns about looking up at the upper balconies. This is a design intent which obviously needs to be vetted through the final design with the landscape implementation.

Council stated that the Serra Station sign would be more attractive if it were more like a marquee sign sticking out instead of a flat sign so it can be seen from both directions. Consultant Higgins said that is a possibility; they could do a blade sign that can be seen in both directions. If the sign location works as an approved sign location, the type of sign could be reviewed.

Councilmember Papan stated that she is looking for richer colors. Consultant Higgins responded that there will be a final selection with a mock up and they will go through a whole process. Mayor Lee commented that the building looks like a big box. Councilmember Schneider said page 47 (R-1 Building Materials) does not have a lot of color and does not show the curve; it seems flat. Mayor Lee said on page 42 (View at Serra Plaza – R2 and R1) it looks very linear and overall all the balconies line up. Councilmember Schneider said that side has been well thought out by staff and the residents on Hemlock Avenue. The other side is a little less colorful, but you see the curve. Vice Mayor Holober agreed with Councilmember Schneider that the side facing Hemlock looks good, but on the Serra side a bit more color would give it a warmer feeling and he said he likes terra cotta walls there. Consultant Higgins responded that there is an opportunity for more terra cotta on this façade.

Mayor Lee stated that if there is not going to be a change to the building structure, he would like to request that there be some sort of pattern or texture on the terra cotta part so it doesn't look like just one shiny piece of stone. Applicant Muzzi responded that the material is not going to be shiny. With regard to the added color at the corner of El Camino Real and Serra Avenue, Applicant requested that, rather than require us to come back, if what Council wants is two more lines going down between the windows on the corner there, then make that a condition that Applicant has to use the same vertical lines.

Council started the discussion on building R-2. Councilmember Oliva stated that she loves the way it is spread out on the book. From the aerial point of view, the colors are flowing very nicely. Mayor Lee asked if the developer can do a better job of breaking up the balcony effect on page 50 (R-2 Building Materials). Consultant Higgins said on page 22 which is on California Drive with a different angle from the BART Station it shows how the balconies and bay windows give texture and depth to that facade. Mayor Lee said that he likes this side better. Consultant Higgins said that texture is on the other facades but the renderings don't pick it up.

Upon a motion/second by Schneider/Oliva the motion to approve the design review permit for the R-2 building passed unanimously.

Council next discussed the art. Councilmember Schneider asked if art will come back to the City Council at a later date. Applicant Muzzi stated that art could be a condition of approval; before the building permit is issued, Council can review and approve it. City Manager Williams said if the Council approves the art concept and quality of art, art will come back to the City Council.

Councilmember Schneider stated that she likes the water fountain. Councilmember Oliva said that she would like to move to approve art at a later time. Vice Mayor Holober stated that he likes the water feature concept, the fire pits, the water around the seating area, and the interactive art. He does not like the dancing kids on page 15. Consultant Higgins said that the children could represent ethnic diversity incorporated in sculpture. Mayor Lee said he likes the children because they represent the community. Consultant Woolford asked if the Council could vote to approve the intent and locations of the art because the art will come back to the Council specifically when the building permits are issued. Vice Mayor Holober stated that he likes some of the concepts on page 14. Councilmember Oliva asked if the Council has consensus on the location of art with the possibility that on one corner spot we would have another piece.

Upon a motion/second by Oliva/Schneider the motion to approve art locations passed unanimously.

Council discussed the signage. Councilmember Papan requested thicker lettering on the Welcome to Millbrae sign to be more dramatic. Consultant Woolford responded that this is noted and they will raise the Welcome to Millbrae sign.

Upon a motion/second by Schneider/Oliva the motion to approve the signage passed unanimously.

Council discussed the lighting. Councilmember Schneider asked about the footnote on page 75 that says "Street lighting in this zone to be provided to meet MSASP and City of Millbrae requirements for fixture type and illumination." Consultant Woolford responded that the rest of the lights that you see in that pink band are basically meeting the Millbrae street standards.

Council started the discussion on materials and furnishings. Councilmember Schneider asked about education on the garbage and recycling containers. Consultant Woolford responded that it depends upon the community because not every community composts. If Millbrae composts, then there can be an indicator sign on each receptacle that says recycle, compost and landfill.

Council discussed the landscaping. Councilmembers Oliva and Schneider said they love the plans.

Vice Mayor Holober stated that the Council would take lighting, materials and furnishings, and landscaping all in one motion.

Upon a motion/second by Lee/Holober the motion to approve lighting, materials and furnishings, and landscaping passed unanimously.

Council started the discussion on the R-1 building. Councilmember Papan showed the developer a picture of a building on Franklin Street and Pine Street in San Francisco with some unique features and use of texture. Councilmember Schneider asked if the top roof of the R-1 building is completely rectangular or is there a curve? Consultant Higgins responded that there is a curve.

At 11:15 pm Council had consensus to continue to 12:15 am. At 12:00 am Mayor Lee stated that due to the late hour and time difference, he would be leaving the meeting. Mayor Lee was excused.

Council started the discussion on the Serra Station sign. Councilmember Schneider said her only concern is that if you are standing on these balconies, you would be looking at the sign. Vice Mayor Holober said the sign would block their view. Councilmember Schneider agreed and suggested to keep it flush. Councilmember Oliva stated that she likes the design of the angles and she has seen it throughout the City. She is a little nervous that it would be a bit much for something this size. Councilmember Papan said it's actually on a pretty big building down there.

Applicant Muzzi said the problem with the flatness of the R-1 building is when you take out all the balconies you impact articulation. Councilmember Schneider said that she thinks Councilmember Papan is talking about the corner that was maroon red. There are already balconies there. Councilmember Papan stated that she could provide a picture of it tomorrow. Applicant Muzzi said if you can provide it to us tomorrow, we can give it to staff and make it a condition. You are talking about one wall, one façade, four or five feet; tell us what material you want. City Manager Williams said it is a change in the shape. Councilmember Schneider said it is monochromatic so it is a wall coming down with a simple point. It just adds a little bit of difference. Applicant Muzzi stated we can add that as an art aspect; a design on the façade. Councilmember Oliva asked can we add cosmetics to the building? Applicant Muzzi responded

it is just veneer that is done in a pattern down the side and that piece of wall would come back as a piece of art. Councilmember Oliva said she would be happy approving the building with that piece of art.

Upon a motion/second by Schneider/Oliva the motion to approve the design review permit for the R-1 building on condition that the art and Serra Station sign come back to Council, passed with a vote of 4:0 with Mayor Lee excused.

With regard to the design of buildings C1 and R2, as well as the location of artwork, signage, lighting materials, furnishings and landscaping, the Council voted 5-0 preliminarily to approve the design review. With regard to Building R1, the Council voted 4-0 preliminarily (Lee excused) to approve the design review with the condition that specific proposals for the artwork (including the artwork installations at the locations shown on plan sheet 13 (except for the Media Wall in the C-1 building), as well as an artistic treatment of the corner of the R-1 building near the corner of El Camino Real and the realigned California Drive, and the vertical “Serra Station” sign on that building) be brought back to the Council for approval prior to the issuance of building permits. These preliminary actions were confirmed with the adoption of Resolution 19-35.

- 7. **MILLBRAE STATION AREA SPECIFIC PLAN AMENDMENT**: Specific Plan Amendment to approve amendment to the Millbrae Station Area Specific Plan (MSASP). The proposed amendment would revise Figure 5-3, on Page 5.12 of the MSASP. The revision would remove the designation of “Transition to Single Family Neighborhoods”, as denoted on Figure 5-3 (map), located on the north side of proposed California Drive between El Camino Real and the BART/Caltrain railway tracks

Upon a motion/second by Schneider/Holober Item No. 7 Resolution No. 19-36 approving an amendment to the MSASP to revise Figure 5-3, on page 5.12 of the MSASP removing the designation of “transition to single family neighborhoods,” as denoted on Figure 5-3, that is located on the Northside of proposed California Drive between El Camino Real and the BART/Caltrain railway tracks, which will affect the Serra Station Project, also known as TOD#1 passed with a vote of 4:0 with Mayor Lee excused.

NEW BUSINESS

NONE

COUNCIL COMMENTS

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

CLOSED SESSION

NONE

ADJOURN CITY COUNCIL MEETING

This City Council meeting was adjourned in memory of Tom Gallagher, teacher at Green Hills School, who passed away on March 17, 2019 and Don Lustenberger who passed away on April 5, 2019.

There being no further business to discuss, the City Council adjourned at 12:10 a.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=7bQIFClwSTU>

/S/
Elena Suazo
City Clerk

/S/
Wayne J. Lee
Mayor