

Special Meeting
July 26, 2010

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:40 p.m.

Present: Burt, Espinosa, Holman, Klein, Price, Scharff, Shepherd, Yeh arrived at 6:00 p.m.

Absent: Schmid

ACTION ITEMS

1. Policy & Services Committee Recommendation to Approve the Council Priorities Workplan for 2010.

Assistant to the City Manager, Kelly Morariu spoke on the process that the Policy and Services Committee and Staff worked through in setting the 2010 Council Priorities Workplan (Workplan). She reviewed the five Council top priorities, which are as follows: 1) City Finances; 2) Land Use and Transportation; 3) Environmental Sustainability; 4) Emergency Preparedness; and 5) Community Collaboration for Youth Health and Well-Being. Over the course of six meetings, the Policy and Services Committee received presentations from Staff and provided input on both the content of the Workplan and the current and future process for developing Workplans. She spoke on the "See-It" site, and the matrix of final recommended priorities, strategies and actions to help accomplish the Council priorities. She spoke on several issues that would necessitate follow-up work. She stated a more effective approach would be for the City Council to adopt Council priorities every two years, and for Staff to then develop a Workplan and reporting structure based on this timeline. The Policy and Services Committee identified the need to find more effective mechanisms for establishing priorities, and reporting to the City Council on Staff workload. There was an interest in having the Policy and Services Committee identify

up to ten issue areas from the Workplan that Staff could bring back for more in-depth review and analysis. She provided a tutorial on the "See-It" site. The "See-It" site was a tool implemented last year as part of an effort to increase the transparency and visibility of the Workplan.

Council Member Klein felt the process was organized in a top-down fashion. He inquired how input, from community members, would be built in. He inquired how the City Council would remain open to new ideas. He spoke on the City of Sunnyvale's policy to annually select one new priority brought forth by the community.

Ms. Morariu recommended that the City Council direct the Policy and Services Committee to discuss ways on how to engage the community.

Council Member Scharff requested further information on the scorecard section of the matrix.

Ms. Morariu stated the intent of the scorecard was to create a mechanism to generate a measurable activity associated with an action on a particular Council priority. The matrix did not easily explain measurable statistics; however, the "See-It" site was effective due to its use of graphs and timelines.

Council Member Scharff stated a deliverable, within the Workplan, was to implement full cost recovery for personal benefit arts, recreation and leisure programs. The City Council made a decision not to implement full cost recovery for the Children's Theatre. He inquired whether the deliverable should be phrased in a way that gave the City Council flexibility on cost recovery for Community Services Department programs.

Ms. Morariu recommended that the deliverable return to the Policy and Services Committee, and potentially the Finance Committee, to review the terms of the Cost Recovery Policy and its implications. She stated adjustments may be made to this deliverable.

Council Member Scharff stated a deliverable, within the Workplan, was for a goal of 73 percent diversion of waste from landfills by 2011, and zero waste by 2021. He recalled that the City was currently at 78 percent, and having a goal of 73 percent did not seem sensible.

Ms. Morariu stated she was unclear on the current percentage of waste at the City's landfill.

Council Member Scharff stated he had no issue with this deliverable, if the current percentage was below the goal of the deliverable. He stated a deliverable, within the Workplan, was to increase the number of residents participating in mini can refuse service to 20 percent by January 2010. He spoke on his concern for the 2010 goal, and inquired what the current percentage rate was. He stated a deliverable within the Workplan was to utilize 600 million gallons of recycled water from the Palo Alto Regional Water Quality Control Plant by 2011. He spoke on concerns, voiced from Canopy, regarding the allowable amount of salt content in recycled water and other environmental matters. The deliverable should include that the project be executed properly. He recommended that broader scorecards be considered. He inquired on the nexus between surveying employer needs for child care and its relationship to economic development.

Ms. Morariu stated no discussion was held at the Policy and Services Committee regarding the survey of employer needs for child care. The Policy and Services Committee and Staff began work on how individual deliverables fit into existing Staff workload. She indicated the next step was how to create a Workplan that fit into existing Staff resources.

Council Member Scharff stated a deliverable, within the Workplan, was to research options as part of the development of a new Economic Development Plan. He was unclear on the value and cost to maintain a business registry.

Assistant City Manager, Pamela Antil stated it would be helpful to hold a discussion on the process that the Policy and Services Committee used in creating the deliverables, including any public participation.

Council Member Yeh spoke on the process used by the Policy and Services Committee in creating the deliverables. The Workplan was created as a systemic process to add value in defining the Council's priorities. The matrix was a two-dimensional way of looking at the Council priorities, and the order of the Council priorities was discussed at length. He spoke on the Policy and Services Committee's interest to identify ten items for more in-depth review and analysis. He spoke on the need to find more effective mechanisms for establishing priorities on Staff workloads. Not all City departments had Workplans at the department level. He stated there was much work to be done by Staff at this level. He indicated some actions, contained within the matrix, were multiyear priorities.

Ms. Morariu stated Staff had not gone through the scorecard to determine their precedence. She spoke on the importance for the City Council to direct Staff on where to focus efforts, and how they would tie into existing Staff

Workplans. The matrix would return to the City Council before it was implemented. She spoke on public input at the Policy and Services Committee meetings, particularly around emergency preparedness issues.

Council Member Holman stated the matrix was an iterative process and it was provisional. She spoke on the importance for Staff Workplans. She stated it was important for Staff to report back on progress made on the Workplan. She spoke on her support for establishing Council priorities as two-year priorities. Two-year priorities would provide Staff with more time to make progress on the Workplan, and report on its efforts in an effective manner.

Vice Mayor Espinosa spoke on his assumption that the Policy and Services Committee was to identify items to be removed from the Workplan.

Council Member Yeh stated one of the first versions of the matrix contained several columns that identified mandatory items by Federal, local, and State laws. He spoke on the difficulty of removing items for projects that cut across departments, were multi-year, and had external funding. He spoke on the complexity of removing items when all City departments did not have departmental Workplans.

Vice Mayor Espinosa stated Workplans for individual City departments would be helpful. He felt the Policy and Services Committee should have identified a process, or model, of potential items to be removed from the list for consideration by the City Council. The narrowing-down of Workplan items would be a helpful exercise for Staff and the City Council. He spoke on his support for multi-year priorities as a general concept. He recommended the Policy and Services Committee hold a conversation to make the "See-It" site a more interactive tool.

Ms. Morariu stated, midway through the process of identifying Staff bandwidth to accomplish the Council priorities, the process was intermittent with the fact that not all City departments had Workplans. Subsequent to departments developing Workplans, the Policy and Services Committee could look at the Council Workplan and bring recommendations back to the City Council.

Vice Mayor Espinosa inquired on the timeline for developing departmental Workplans.

Ms. Morariu stated work on the departmental Workplans would commence in the Fall of 2010.

Council Member Price stated the Policy and Services Committee was experiencing a transition period. The matrix did not illustrate a clear understanding of the topics, resources, or consulting needs. The Policy and Services Committee's intent was to make the Workplan manageable and meaningful. She spoke of her concern for taking on more without knowing the relationship of the Workplan items between each other, and their impacts on Staff. It was essential to prioritize the Workplan items that the City Council felt were most important from a policy and operations standpoint.

Council Member Shepherd spoke on community collaboration for youth well being and emergency preparedness. There was an immense growth and focus on these two Council priorities. She spoke on her delight that environmental sustainability was permeated throughout the system; however, felt the "See-It" site should be updated to reflect advancements made on this Council priority. She felt city finances and land use and transportation were Workplan items that were self-propelling. She stated it was difficult to shape the deliverables because the Workplan contained so much detail, and it was difficult to decipher the input that Staff asked of the Policy and Services Committee. She inquired how many residents viewed the "See-It" site.

Ms. Morariu stated she did not have any statistics on how many residents visited the "See-It" site. She stated she would look into why the zero waste section of the "See-It" site had not been updated.

Council Member Shepherd spoke on her support to establish two-year Council priorities. She suggested holding a rigorous Study Session on the City's visions and goals to discuss the Council priorities. She felt collaboration with youth should be listed as a bullet point under economic development. She felt Fiber-To-The-Home efforts should be accelerated.

Council Member Klein suggested that the Palo Alto Airport be referenced in the strategy on Economic Development. He indicated there were several deliverable dates that should have occurred in 2010, and should be revised or omitted. The deliverable listing new revenue sources for the Library General Obligation Bond did not apply, as it had been completed. He spoke on his disappointment for the deliverable to implement ten of the highest priority projects identified in the Bicycle Transportation Plan by 2013. He understood those priorities as being low-cost, and suggested a shorter completion timeline. He stated the Green Building strategy was critical and suggested two additional items: 1) look into existing City buildings that used a large portion of the City's energy budget; and 2) establish follow-up procedures on the City's Ordinance regarding Green Building standards. He

recommended establishing two-year Council priorities starting in Fiscal Year 2012.

Vice Mayor Espinosa stated his understanding was that Staff would begin the process of updating the Bicycle Master Plan this Summer. He stated implementing ten priority projects, from the Bicycle Master Plan, was included in the Workplan. However, the Bicycle Master Plan itself was not included.

Director of Planning and Community Environment, Curtis Williams stated the updated Bicycle and Pedestrian Plan's contract would be brought to the City Council soon. He indicated it should not take until 2013 to implement the ten highest priority projects identified in the Bicycle Transportation Plan.

Vice Mayor Espinosa inquired whether it was Staff's intent for the City Council to approve a Workplan that expanded, rather than their initial intent of narrowing the Workplan items.

Ms. Morariu stated the Workplan was an iterative process, and additional work was needed to identify ten issue areas for in-depth review and prioritization by the Policy and Services Committee.

Ms. Antil stated an Executive Leadership Team retreat had been scheduled in the Fall of 2010 to discuss the proposed top ten priorities of the Workplan, and how they would be incorporated into budgeted Workplan items and Staff workload.

Vice Mayor Espinosa recommended that the City Council hold a separate discussion on the proposed ten issue areas of the Workplan. He spoke on his concern for approving a Workplan knowing that Staff was unable to complete each deliverable. He stated there had been no proposals to remove items from the Workplan, and felt this was because departmental Workplans were unknown.

Mayor Burt supported the recommendation to establish two-year Workplan priorities. He felt there should be a process to modify or add priorities if desired. He spoke on the tradeoffs for when to establish the Workplan priorities as two-year priorities. He felt the Workplan should be treated as a draft, and recommended the update of the matrix be done prior to the next City Council retreat. He recommended that the "See-It" site be renamed, and have a greater prominence on the City's website. He spoke on the importance of community engagement as the City Council worked through the Council priorities.

Council Member Yeh stated the Policy and Services Committee discussed the "See-It" site, and the City Auditor's Service Efforts and Accomplishments (SEA) Report. These two resources should be more integrated into Council discussions on defining priorities, and help assist in analyzing the level of satisfaction from the community. The Policy and Services Committee discussed how to better use data and resources that already existed. He spoke on how to better prioritize community services, and the importance of establishing a foundation for future Council Members to utilize. The issues raised by Council Members could be revisited by the Policy and Services Committee.

MOTION: Council Member Yeh moved, seconded by Council Member Holman to: 1) adopt the 2010 Council Priorities Workplan, and 2) establish these priorities as two-year priorities, to be revisited at the Council retreat in 2012.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF MAKER AND SECONDER to include a discussion of visions, goals and long term strategies by Policy and Services Committee and return to Council with recommendations.

Vice Mayor Espinosa inquired what the visions, goals, and strategies were intended to focus on.

Council Member Shepherd stated her intent was for the Policy and Services Committee to hold a discussion on the Council's visions, goals, and long term strategies.

Vice Mayor Espinosa inquired whether Council Member Shepherd intended to hold a conversation on no particular issue, program, or policy, but rather a broad discussion on how to create processes.

Council Member Shepherd stated that was correct.

Council Member Klein inquired whether the Motion included adopting the Workplan, as printed, or including the various recommendations proposed by the City Council.

Council Member Yeh stated the intention of the Motion was for the Policy and Services Committee to further review comments made by the City Council. He stated moving forward would be problematical without departmental Workplans.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that the Motion would read: 1) adopt the 2010 Council Priorities Workplan in concept subject to further review by the Policy and Services Committee, and 2) Council agrees to establish a two-year system of priorities in concept with the start year subject to further review by the Policy and Services Committee.

Council Member Holman inquired whether the City Council may be interested in establishing multiple-year Council priorities to create more flexibility in the Workplan.

Council Member Scharff inquired when the Policy and Services Committee would return to the City Council with their recommendations.

Council Member Yeh stated his preference was for the Policy and Services Committee to set an actual date on when they would return with recommendations to the City Council.

Ms. Morariu stated the Policy and Services Committee could report to the City Council at, or before, the next City Council retreat. She spoke on an Executive Leadership Staff retreat to be held in October 2010, which would focus on the concept of departmental Workplans.

Mayor Burt spoke on his concern for the delay of the Workplan.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that Staff is to return this to Council no later than the first week of November 2010.

Council Member Scharff inquired whether the Motion included the Policy and Services Committee's discussion on visions, goals, and long term strategies.

Council Member Klein stated the language was accepted by the Maker and Secorder. He stated his Incorporated Amendments only revised the first two sentences of the Motion.

Council Member Shepherd requested the removal of her Amendment that was incorporated to include a discussion of visions, goals, and long term strategies by the Policy and Services Committee and return to the City Council with recommendations.

Council Member Scharff stated that voting on the Motion did not signify that the City Council agreed with the current Workplan items contained within the Matrix.

Mayor Burt stated that was correct.

MOTION RESTATED: Council Member Yeh moved, seconded by Council Member Holman to: 1) adopt the 2010 Council Priorities Workplan in concept subject to further review by the Policy and Services Committee, 2) Council agrees to establish a two year system of priorities in concept with the start year subject to further review by the Policy and Services Committee, and 3) Staff is to return this to Council no later than the first week of November 2010.

MOTION: 8-0 Schmid absent

Per City Council direction the Stanford DEIR was typed in verbatim.

2. Public Hearing: To Consider Stanford University Medical Center Facilities Renewal and Replacement Project-Meeting to Accept Comments on the Draft Environmental Impact Report (DEIR) for the Stanford University Medical Center Facilities Renewal and Replacement Project, Including an Overview of the Alternative Chapter and Mitigation Measures of the DEIR.

Council Member Klein stated he would not be participating in this item due to his wife being on staff at Stanford.

Curtis Williams, Director of Planning and Community Environment: Our meeting agenda tonight on this last opportunity for comments and review of the Environmental Impact Report is to review the Alternatives Chapter of the Draft EIR, and the project mitigations by our consultant, Rod Jeung of PBS&J. We will then have Stanford University Medical Center make a brief presentation to you as well.

Before we go to questions and comments, Dan Garber, the Chair of the Planning and Transportation Commission is here and can also provide you with some information on the Commission's deliberation.

The close of the public comment period for the comments on the EIR is tomorrow, July 27, at the close of business. I just want to reiterate that the purpose of these meetings has been to entertain these comments that will then be responded to in the Final Environmental Impact Report by the consultants and Staff. It will come back to you in conjunction, or actually slightly ahead of the project entitlements for the various permits that are requested. So the merits of the project itself are not properly before you

tonight but any comments as to the adequacy of the Draft EIR are appropriate.

We will then be looking at the preparation of the Final EIR following this and through October. There will be some Architectural Review Board reviews. We also do anticipate at some point in that period coming to the Commission and Council to talk about zoning and design issues. Then the formal entitlement reviews would be conducted by the Council and the Commission in November and December.

A reminder that at the last meeting, as well as tonight, before this agenda the models for the Stanford University main hospital and the Lucile Packard Children's Hospital were setup in the lobby. Last week in addition to the plans we had provided we also provided you with a copy of the Draft Design Guidelines, and some other project images, and made all of that available on the website.

Also, I wanted to comment that we have tried to get some more detailed tree identification and protection plans prepared for you as well. We believe that what is in the EIR provides an overview of the types of impacts that we would be concerned about, but we have been working with the applicant as recently as today to try to pull the detailed plans together for trees. We are at a little bit of a loss. Our Planning Arborist is out until later in the week. So we have not been able to reconcile some of that yet. We will get that to you when we can, but again we think the basic information in the document will address that. We will be talking quite a bit tonight about the Tree Preservation Alternative so there will be some additional details I think presented as part of that.

Rod Jeung, Project Director, PBS&J: Mayor Burt, Members of the Council, members of the public tonight is our final night together for the Draft EIR hearings. It is dedicated as your Planning and Community Environment Director explained to talk about ways to reduce significant and potentially significant impacts.

One way of accomplishing that as required by CEQA is to look at alternative ways of accomplishing most of the project objectives, ways that substantially reduce those significant impacts. A second way is to focus on specific measures or actions that reduce, avoid, rectify, or compensate for identified impacts. These are modifications or refinements to the basic project, whereas the alternatives alter the basic project itself.

With me tonight to help respond to any of your questions or comments are Trixie Martelino who is our Project Manager, Kristen Chapman who helped assemble the Alternatives Analysis, Geoff Hornek who prepared the Air Quality and Noise documentation. Dennis Struecker and Nicole Sou from AECOM who prepared the traffic analysis, and Jodi Stock and Charles Chase of Architectural Resources Group who contributed to the analysis of the Historic Preservation Alternative.

So just by way of definition let's go ahead and first explain the role of alternatives and what we are trying to accomplish in presenting this in the Draft Environmental Impact Report. First off it is a requirement that the California Environmental Quality Act examine a range of what are considered reasonable alternatives to a proposed project. Those alternatives have to attain the basic objectives that are identified both by the project sponsor and in this case the City, and at the same time try to avoid or reduce the significant impacts. It is important to understand that not every conceivable alternative needs to be analyzed. Case law and CEQA itself talks about a reasonable range of alternatives just so that the public and the City Council can make informed decisions. Among those alternatives that have to be considered is the No Project Alternative.

There were seven basic alternatives that were developed to give this reasonable range and to afford the public with an opportunity for informed decisions. If I can, the alternatives fall into four basic types. There is the No Project Alternatives that fulfill CEQA and defines the future baselines against which project effects can be evaluate. There is another set of basic type called the Reduced Intensity Alternatives. These examine lesser square footages or floor areas to reduce the overall effects that have been identified in the Draft Environmental Impact Report for the proposed project. The third type would be considered Preservation Alternatives. There is a Historic Preservation Alternative to reduce the effects to the 1959 Stone Building and there is a Tree Preservation Alternative that you have heard about a little bit to reduce the effects to protected trees. Finally, there is a Village Concept Alternative that seeks to offset indirect housing demand created by the new Stanford University Medical Center jobs and to improve pedestrian and bicycle linkages to the surrounding area and the regional transportation network.

I am going to go over each of these different alternatives in fairly quick order. The No Project Alternative A of the two would involve retrofitting the hospital facilities to meet the guidelines or the deadlines that have been established by Senate Bill 1953. These are the deadlines established for 2013 and 2030. There would be no new building constructed under this Alternative. If you look at the two sites, at the Hoover Pavilion it would

remain unchanged and there would be no upgrades to meet current standards or technological requirements. As a practical consequence one of the two hospitals would close by 2030 in order to provide space for the shared hospital functions and to provide enough beds for one of the hospitals.

The second No Project Alternative essentially would replace the noncompliant hospital facilities with required structural standards. This would involve replacing those facilities with new structures. Consistent with the site's existing PF zoning there would be an allowable increase in square footage of an additional 9,000 square feet that would comply with the maximum floor area ratio of 1.0. As with the No Project Alternative A there would be no new work at Hoover Pavilion. The School of Medicine facilities would be within the 1959 hospital building but could continue to operate if they are separated from other functions at the hospitals with a fire barrier and they are retrofitted to meet the City of Palo Alto's seismic standards.

Under the No Project Alternative B there would be a decrease in patient beds at the Stanford Hospital. Basically, there would be a reduction to 287 beds from the current 456. The Lucile Packard Children's Hospital would continue to operate as that is over-crowded, or if right sizing were to occur with a reduced number of beds. So there would be approximately 141 beds versus the current 257.

Moving over to the Reduced Intensity Alternatives, Reduced Intensity Alternative A would right size the hospitals without adding beds. Noncompliant hospital facilities would be replaced with new structures. The hospital space at the two hospitals would increase by 446,000 square feet to provide the additional space for the hospital's existing number of beds, associated support areas, and the emergency room. This would require a change to the existing zoning, which would not allow this expansion otherwise. No new buildings would be added around the Hoover Pavilion but Hoover Pavilion would itself be renovated. The School of Medicine facilities would be demolished and replaced in the proposed Foundations in Medicine or FIM buildings. Because this Alternative assumes right sizing to properly serve the current activities there would be no increase in operations.

Reduced Intensity Alternative B involves again right sizing the hospitals like the Reduced Intensity Alternative A but this alternative also proposes expansion that would increase the square footage to 924,000 square feet versus the 446,000 that is needed for right sizing only. The other physical changes to the Hoover Pavilion and the School of Medicine would be the same as identified earlier for Reduced Intensity Alternative A. The expanded floor area that accompanies this Alternative would increase the operations at

the facilities but the increase would only be to 60 percent of those identified for the proposed project.

Switching to the third type of alternatives, the Historic Preservation Alternative, this alternative seeks to preserve all of the essential historic aspects needed to maintain the eligibility of the 1959 hospital complex for listing on the California Register of Historic Resources. In addition, this alternative would preserve the historic integrity of Pasteur Drive and its landscaping which serve as the main approach to the 1959 hospital building complex. To accomplish these goals of preservation a new Stanford Hospital building would be constructed and the 1959 Stone Building complex would be reused by the clinics and the School of Medicine. The Lucile Packard and the Hoover Pavilion facilities would be expanded as under the proposed project. As a result of these changes the floor area expansion under the Historic Preservation Alternative as well as the increase in operations would be identical to the proposed project.

The Tree Preservation Alternative would modify the proposed site plan to preserve what are called 'aesthetically and biologically significant' protected trees. This would be accomplished by eliminating one of the building modules that was proposed for the Kaplan Lawn under the proposed project, reconfiguring the proposed Foundation in Medicine Building 1, and making some adjustments along Welch Road. The net effect of the Tree Preservation Alternative would be to reduce the number of trees that would be lost under the proposed project. The development program and the increase in operations would effectively be the same as the proposed project. Notably, before we go on, this Alternative is now considered the preferred site plan by Stanford.

This slide helps to illustrate those trees that would be protected under the Tree Preservation Alternative. The areas that are shown in green represent the trees that would now be preserved because of the various building modifications that I explained a little bit earlier. The trees that identified in the plum color are the trees that are intended to be protected through relocation.

Just for clarification, because I know there were some questions that came up during the Planning Commission hearing regarding definitions of aesthetically and biologically significant tree. Biologically significant refers to a protected oak or redwood of a certain size. These trees are defined in the City's Municipal Code under Chapter 8.10. Trees that are also aesthetically significant are important or prominent visual features. They contribute to a larger grove or theme, and/or poses unique character.

In summary, under the Tree Preservation Alternative there are 13 biologically and aesthetically significant protected trees that would be retained. There are three biologically and aesthetically significant protected trees that would be replaced. These are trees that would otherwise be lost under the Stanford University Medical Center Proposed Project. As mentioned a little bit earlier there will be maps that will be made available in the Final Environmental Impact Report to clarify some of the numbers and so people can better see and understand where the trees are.

The seventh and final Alternative was developed by the City primarily for the purposes of reducing the vehicle miles traveled, traffic congestion, vehicular air, and noise emissions of the proposed project. These objectives are proposed to be accomplished by dedicating previously approved housing units in three locations for Stanford University Medical Center employees, and by providing and enhancing pedestrian connections between the project sites and the Shopping Center, the Palo Alto Intermodal Transit Station, and the Downtown.

This slide shows the location of the targeted housing sites that would be proposed for use by the Stanford University Medical Center employees. These are projects that have already been approved under the Stanford Community Plan and the General Use Permit. The slide also shows the epicenter, if you will since we are talking about seismic retrofit, the epicenter of the Transit-Oriented Development centered around the Palo Alto Intermodal Transit Station. There are circles that emanate from that transit station that show the distances roughly from one-quarter mile to one mile out, and the proximity to the different transit options.

For comparison purposes this is a quick summary on the effects of the Tree Preservation Alternative relative to some of the significant and unavoidable impacts that were identified for the proposed project. In terms of air emissions the Tree Preservation Alternative would eliminate the significant unavoidable impacts that were identified for the proposed project during construction. In terms of noise and vibration during the construction period of the Tree Preservation Alternative, because it considers pile driving, would result in significant and unavoidable impacts similar to the proposed project for onsite uses, but also offsite uses. I should go ahead and say parenthetically, as pointed out by the project sponsors that the issues of pile driving have been raised with OSHPD and it is still an area where we are trying to get some further clarification. So it may be that with whatever alternative is selected there would be pile driving impacts that would be significant and unavoidable for other alternatives as well.

Finally, as befitting its name the Tree Preservation Alternative would result in an additional 13 protected trees that would be preserved in place. The Tree Preservation Alternative does involve some additional mitigation measures that were not identified for the proposed project. In particular, as I mentioned earlier, this alternative does consider pile driving as a technique for constructing some of the facilities so there are noise mitigation measures that have been identified in the environmental document. Similarly for Hydrology this Alternative did not have a site plan so we could not ascertain with certainty that it would not result in a no net increase in runoff. So this was added as an additional mitigation measure as a safeguard.

Similar to the previous table this one shows a comparison of the proposed project against the Village Concept Alternative. The Village Concept Alternative with respect to intersection congestion actually results in significant congestion to more intersections in the study area than under the proposed project. In terms of pedestrian and bicycle safety both alternatives result in significant but mitigable impacts. However, the Village Concept Alternative would offer additional pedestrian safety features.

In terms of accomplishing the objectives of reducing vehicle miles traveled, the Village Concept Alternative would meet this goal by reducing vehicle miles traveled by 10,300 miles per day. The corollary to this reduction in vehicle miles traveled is that there would also be a reduction in greenhouse gas emissions under the Village Concept Alternative relative to the proposed project of roughly 2,800 metric tons of carbon dioxide equivalents.

In terms of the jobs to employed residents ratio it would not increase as much under the Village Concept Alternative since housing is included in the Village Concept Alternative.

The California Environmental Quality Act requires the declaration of an environmentally superior alternative. That is that alternative that does the best job in terms of reducing environmental impacts identified for the proposed project. Based on the analysis in the Draft Environmental Impact Report the Reduced Intensity Alternative A is the environmentally superior Alternative. The reasons for this are cited on the slide. This is basically the conclusion because there is no increase in operation, and this Alternative has the effect of reducing some of the significant unavoidable impacts identified for the proposed project. These are things related to traffic, air emissions, and greenhouse gas emissions during operations.

So just to give you a sense of relief, I am not going to summarize all the mitigation measures that identified in the Draft Environmental Impact Report. Rather I am just going to give a quick explanation for the benefit of

the community listening in and watching on what a mitigation measure is and how the City can be assured that they are actually going to be implemented. The identified mitigation measures that are in the Draft Environmental Impact Report are intended to minimize, avoid, rectify, or compensate for any of the significant identified impacts. The mitigation measures need to be feasible and they have to have a proportional nexus to the impact. All of these mitigation measures are listed in Table S-4 of the Draft Environmental Impact Report. If the proposed project is approved the City has to adopt a Mitigation Monitoring and Reporting Program. The Mitigation Monitoring and Reporting Program will describe in more detail each of those mitigation measures, the monitoring actions that will be taken, what particular department or agency is responsible for ensuring that those are accomplished, and the timeframe for when those have to be implemented.

There is one very important mitigation measure that I just wanted to mention simply because traffic is foremost in the minds of many. This is regarding the Transportation Demand Management Measures. They are essentially a menu of different strategies and options to reduce travel demand. I just wanted to make sure that everyone was clear that the City of Palo Alto is permitted to require such programs to reduce traffic impacts and to determine the feasibility of transportation demand measures. So that concludes our presentation. Thank you.

Dan Garber, Chair, Planning and Transportation Commission: Good evening. The Commission spent quite some time and I will summarize however. Regarding the process questions that we addressed at the beginning of our meeting on this portion of the DEIR review we spent some time taking a look at the HRB and the ARB's involvement in the project and the project process, investigating whether and questioning whether and how those different Boards were utilized. At the end of that we didn't have any specific or substantial comments that changed the use or process of the Boards, and therefore did not have specific recommendations for how they might be used. So the process that is in place seemed to be serving the process well at the current time.

One of the other questions that came up during the process review was the role of housing in particular in the Village Concept Alternative, and its role relative to the overall GUP, and how housing serves the GUP and how it is counted. Those comments are recorded and now part of the DEIR that will have to be answered.

Relative to the Alternatives themselves Alternatives A and B, the No Project Alternatives, and then Reduced Intensity Alternative A, the Commission had no real comments that added to the mitigations or the impacts that were already recorded in the report. There was some significant discussion in the Reduced Intensity Alternative B, which was looking at the functional alternatives that were described a moment ago, and then the quantitative alternative of the 60 percent of operations versus some other number. Recognizing that that is a somewhat arbitrary number that was used to simply evaluate what the impacts were and if there were new impacts that were revealed as a result of that the Commission had some significant discussion as to whether 60 percent was the right number or if there is another functional threshold. For instance taking a floor off all the towers if that was a better way to understand or to raise other impacts. However, our discussions were relatively inconclusive in determining if significant impacts could be found that were in addition to the conclusions that were already a part of the Alternative B.

Regarding the Preservation Alternatives the Commission had a number of comments regarding the historic structures primarily relative to their value. There was some clarification made by the consultants that were at hand, and are here this evening I believe. In general, the comments did not reveal specific impacts or mitigations that were not already recorded.

Regarding the Tree Preservation Alternative there was significant discussion there, and included comments that have been recorded regarding if the amount of trees, the threshold that has been identified in the report and described this evening was the right amount of trees to be aiming for. If that should have been more trees or less trees and as described if the definitions were correct. Those comments have been recorded.

Finally, in the Village Concept Alternative there was some general surprise by some of the Commissioners that that particular Alternative did not result in greater mitigations to the various impacts be they environmental, traffic, or parking, etc. I think there was an expectation that there would be greater impacts, greater number of impacts mitigated, and in fact if you look down the Table S-4 or 5 I believe it is, it doesn't really move the needle one way or the other. Some of those conclusions were challenged by requesting some additional information to be discussed in the comments that are to follow the DEIR regarding the spousal impacts and the various ways that the use and occupancy of the various units being proposed would have relative to traffic, and if those had been rolled up appropriately, if there was a different way of counting them to reveal significant impacts, or impacts that might have greater impacts to have moved the needle if you will.

Under Mitigations and the discussion regarding mitigations the GO Pass was discussed as we reviewed two meetings ago. There was general agreement on behalf of the Commission as to the viability of the use of the GO Pass but that goes hand-in-hand with the potential limitations. There are an awful lot of mitigations that are based on the use of the GO Pass and you are familiar with those arguments or concerns.

Then I guess there is just a general final comment that clearly many of the unavoidable consequences have to do with traffic, and were there any alternatives that could be explored or found that would lessen or allow some of those impacts to be mitigated more than have been revealed. That's it.

Council Member Holman: Yes, Chair Garber, your final note there about the traffic impacts. Were there conclusions or suggestions as to how some of those impacts might be reduced?

Mr. Garber: There were many although they were discussed primarily in light of the Transportation section. I didn't come prepared specifically with those this evening in that we had reviewed some of those in some of the past meetings. But yes there were several. Several come to mind, which included expansion of the TDM plan to look at the specific routes and how they are used by construction, the use of offsite parking areas that has been suggested as satellite parking, increases in the use of the various shuttle services to points that are in addition to what are currently being served. I am just reaching from my memory.

Mayor Burt: I have a question for Staff. Under the Village Concept Alternative it seems like there are two major elements to it. One is the design concept of having a more walkable, bikeable, mixed use community with the connections that we had been starting to talk about three or four years ago. The second part is the Housing Element, which would potentially have the housing units that are already identified under the General Use Permit. Units that would be dedicated for the Medical Center employees as BMR units. Has there been any evaluation of looking at those two aspects, the design aspect, and the housing aspect separately?

Mr. Williams: Thank you Mayor. We have not looked at them separately in terms of developing separate alternatives. We have both of them included in here so that if one component, say the integration of the bike network and the connections we talked about could be added to one of the other alternatives that would be a possibility. We have not, I don't think, segregated them out in any plan in and of itself. That is fairly easily done because they are pretty discrete portions of the Village Concept. They are

also discussed to some extent in the applicant's design guidelines in some other places in the project specifically as well.

Mayor Burt: So that would come to us as we look at the actual plan approval process. It does not need to be broken out into two segments of the environmental impacts.

Mr. Williams: No, in fact we have been working with the applicant to as much as possible get those elements of the interconnections incorporated into their design.

Council Member Price: I had a couple of questions again on the Village Concept, which I was intrigued with and very supportive of, the issue of the traffic impacts and the spousal impact. I am assuming that is related to work trips. Is that an assumption that I should be making? Work trips in terms of spousal impact being work trips generated out of the various housing units.

Mr. Williams: Right, that is correct.

Mr. Jeung: Dennis, I don't think you need to respond with any further explanation, but yes those are the work trips.

Council Member Price: The second question I am sure Dennis can answer this as well. The issue of TDM measures, I am assuming that the traffic impacts and the TDM measures would be utilized by the potential residents of the housing units within this Village Concept. Is that right? If this were approved there will be a variety of housing unit sizes, correct? Is that in the Concept or you are not at that point yet?

Mr. Williams: Dennis Struecker is our traffic consultant and could respond to that.

Dennis Struecker, AE Com: Yes, the TDM measures that are available for the base project would also be available for the Village Concept project. For the base project you would have more employees using a GO Pass for instance because those employees now that are in the Village Concept housing would essentially walk or bike to work. That pass would still be available to them because the GO Pass has to be given to all employees.

For the spousal trips we did also reduce the trip generation slightly to account for transit-oriented development. Rod showed the slide with the concentric circles going out from the transit center. So we based on national

statistics reduced the trip generation to account for the proximity to a pretty significant transportation hub.

In terms of the size of the units we assumed an average size of 2.2 persons per unit. That was just the average that we used and they would vary from one to three or more.

Council Member Price: My last question is on the traffic modeling assumptions you have made. The traffic model that you are using for the DEIR is that similar to the traffic model that was used for the preparation of the GUP? Is the methodology similar? Also, I am assuming that the full build out of the GUP is something a part of the projects that are being evaluated as part of the overall analysis of the DEIR, because it is in the pipeline and as we noted earlier it is on the Notice of Preparation, a project that has been previously approved. So it is considered in the evaluation. Could you just clarify that, please?

Mr. Struecker: Yes, the process followed by both projects was exactly the same. The difference was only the separation of the number of years, so the difference in expected development. Both projects used the VTA-based model to project the background non-project traffic. Then the project traffic for either GUP or for this project was added on top of that to determine the impacts. So yes any of the GUP development that has not been built is included in the County's land use for the Stanford lands. So that is taken into account in the background numbers used in this analysis.

Council Member Scharff: Thank you. I actually wanted to follow up on the Village Concept. Am I correct in understanding that what the Village Concept does on housing is it takes housing that is pre-approved or designated for medical students and graduate housing students at Stanford and simply shifts that over to employees? So my question is does the EIR then not take that into consideration in terms of the trips generated by those individuals who no longer have the housing that they were going to have, they are now going to have to live somewhere else and travel to the Stanford campus. I didn't see that being taken into consideration. I think it should be taken into consideration. I am not sure why it wasn't. Is there an answer to that or does anyone know?

Cara Silver, Senior Assistant City Attorney: Council Member Scharff that was not taken into account. That is certainly one methodology you could take into account. What we were thinking is that the GUP has a linkage requirement so that 2,400 units must be built if the maximum build out of the academic campus is constructed. The GUP also contains approval rights for 600 additional units. So we considered those 600 additional units as

excess units. They could be built. They didn't have to be built. So it is just one way of viewing the situation. It can be viewed differently.

Council Member Scharff: So if I am understanding this correctly, if out of the 600 an additional 490 housing units are then built then we wouldn't have the impact of people who are going to be designated to have to live somewhere else because we just have 490 new housing units. Shouldn't we then be taking into consideration in the EIR the fact that you are then planning to build 490 units of new housing, or is that taken into consideration? Wouldn't there be traffic impacts of having 490 new housing units? You would have spouses? I am assuming there are other impacts but maybe there are not.

Mr. Williams: Yes, Council Member Scharff, those units were already essentially covered by the Environmental Impact Report for the General Use Permit, which accounted for all 3,000 units. So to some extent they are, however, those were adjusted because to some extent because the make up of those units, the families as opposed to individuals kind of thing, would be a bit different with the employee housing as opposed to the postdoctorals, etc. So that is where this issue of spousal trips and that became a little more important so that was factored in, and it does drive some of the benefit of the Village Concept down a bit.

Council Member Scharff: Right. I can clearly see it driving the Village Concept down because all you are doing is basically putting individuals with more trips there than the graduate students who probably have less trips. I clearly see that.

My other question then on the Village Concept is in Stanford's comments to the Planning Commission they basically indicated that they thought the linkage components were very valuable components of the Village Concept. They said we have suggested in our offer of the Development Agreement that we would put money towards these things. In the Village Concept aren't those linkages part of the approval and part of the plan or am I missing that?

Mr. Williams: Yes, they are part of the Village Concept plan but that is not necessarily part of the applicant's project proposal. So as this is the EIR looking at the various impacts, as the project proposal comes back to the Council then to the extent that those elements are not incorporated in the project it may be that that is the recommendation of Staff or Planning Commission to be sure those are incorporated into the project specifically.

Council Member Scharff: So just to clarify and following up on Mayor Burt's comment. We can separate the housing from the linkages and we can include the linkages in the Tree Preservation Alternative.

Mr. Williams: Absolutely, yes.

Council Member Scharff: Including those in the Tree Preservation Alternative wouldn't have an affect other than the linkages would then be included. Is that a fair statement?

Mr. Williams: That is right. It would improve the connections.

Council Member Scharff: Great. I appreciate that. Thanks very much.

Mayor Burt: At this time we would like to hear from the applicant and then members of the public. Welcome.

Mark Tortorich, Vice President of Facilities Planning, Design and Construction, Stanford University Medical Center and Lucile Packard Children's Hospital: Thank you Mayor Burt and Members of the Council. I want to review with you just a few key points on the Tree Preservation Alternative and the Historic Preservation Alternative. Then Bill Philips and I will review the Village Concept and some key issues of linkages and housing.

So first the Tree Preservation Alternative. As you know, this is our preferred Alternative. We are pursuing a design that complies with the description of the Tree Preservation Alternative. The way that it differs substantially from the base application is in the rearrangement of our nursing units for the growth of Stanford Hospital.

This is an essential diagram that is in your project application and the Draft EIR. It describes our base project. In the Alternative for Tree Preservation removes the pavilion that was sitting here on Kaplan Lawn, which is part of the Pasteur Mall. It also condenses the underground parking structure into a parking structure that is both below grade and above grade. Then we redesigned the first of the School of Medicine laboratory buildings, FIM 1. All three of these moves have been taken to accommodate existing trees, biologically and aesthetically protected trees that are on those sites.

So here is the diagram of the Tree Preservation Alternative that is being studied under the Draft Environmental Impact Report. Again, it is the project that we are pursuing and the designs that we have submitted to the State of California for their approval.

So this is that area of Kaplan Lawn where we preserve the grove of oak trees. Here is the adjustment to the School of Medicine laboratory building again to accommodate trees. Then here is the realignment of the parking structure and the pavilions to accommodate trees on the Stanford Hospital site. To make these accommodations we have in effect shrunk the floor plan of the adult hospital. We have also adjusted the size of the pavilions, and reorganized from an exterior atrium concept into one of an interior atrium concept, all in an attempt to really protect the landscape there and to preserve what our aesthetic and biologically protected trees in the City of Palo Alto.

The Historic Preservation Alternative. Obviously this is an Alternative that has generated some discussion and dialogue about the preservation of the 1959 hospital. So to orient you into how this building really works for us and how we see the site being used in the future, again here is the Pasteur Mall. This is the Kaplan Lawn. The three buildings that are titled 1101 Welch Road really is the site for the new Stanford Hospital as well as the parking structure 3 that will be replaced. The 1959 hospital, which is occupied by both the School of Medicine laboratories and Stanford Hospital and Clinics, has two significant issues. One obviously you know very well, we cannot use it legally as a hospital beyond 2030, and to continue to use the building beyond 2013 we need to be well underway with a replacement hospital strategy or undertake what is a logistically impossible retrofit project.

For the School of Medicine the issue is similar but governed slightly differently. The buildings that the School of Medicine occupies are not suitable for modern research functions. It would very hard for any researcher in the Stone Building to build a new research program based upon the space that they would inhabit in the Stone Building. Those structures are also seismically unsuitable for long-term occupancy. In fact if they were within the City of Palo Alto's jurisdiction they would fall under your seismic hazard ordinance and we would have to undertake a rather dramatic retrofit that would be no different than the retrofit that we see having to undertake if we were to ever preserve those buildings.

That retrofit project is dramatically invasive. It changes the historic character of the building. As well as to then reuse the building for some other occupancy other than for healthcare delivery or research leaves us a little bit of a loss to find 800,000 square feet of occupants that would need to come back to the Medical Center site.

Then finally, we are using the ground occupied by that 1959 hospital to create modern research laboratories and to create modern clinics for the future of Stanford medicine. We have also done something with the arrangement of the School of Medicine buildings and the future clinics I think that relates a little bit to what you see in the Village Concept, and that is that we are establishing a very strong pedestrian promenade that links School of Medicine with the adult hospital with the Children's Hospital and eventually up into the Stanford Shopping Center and then off into Downtown Palo Alto. That linkage really doesn't work well with the existing orientation of the Stone Building where there is a tremendous amount of one-way traffic here in this location. We would be reorienting the clinics entrance and aligning a parking structure here so that there would actually be a backdoor entry as well as a front door entry into the hospital and preserving this pedestrian walkway and promenade through the site.

As I mentioned, modern research labs try to survive in the Stone Building today. These are the kinds of interventions we need to take with that facility just to accommodate the basic air conditioning loads that come with laboratory functions, and certainly not buildings that are suitable for future use.

Now finally I want to just address some of the linkages of the Village Concept Alternative. So there are some linkages obviously from Downtown Palo Alto to the Stanford Medical Center, which we want to reinforce, those linkages start at El Camino Real and Quarry. We will obviously be working hard with the development of Quarry Road. You can see some of that development in our design guidelines. Then there are the linkages through the Stanford Barn that would connect the Medical Center to the Shopping Center and then into Downtown Palo Alto. Just by example I have an office in the Stanford Shopping Center. When we have meetings here in the Council Chambers during the day I actually walk to the meeting. So these linkages are actually personal for me and certainly personal for my staff.

So that first linkage we wanted to talk about was with the transit mall. Right now the existing condition is kind of a meandering path. Quite honestly I usually get lost right about here trying to find my way across El Camino or across the railroad tracks into Downtown Palo Alto. Through dialogue with the City over really I think about a four-year period and with Bruce Fukuji, your consultant, we have talked about ways to make a better-organized path to really reinforce the pedestrian and bicycle experience into Downtown Palo Alto. So there may be a variety of alternatives and these alternatives would connect up with existing and proposed Palo Alto projects to improve the linkages from one side of the tracks to the other.

We have also been planning for public transportation and bus shelters to the medical office complex at the Hoover site. We see the redevelopment of the Hoover Pavilion really as a great opportunity, as a base for our community physicians. The fact that those facilities are proximate to public transportation, they are close to the transit mall, they are close to Downtown Palo Alto is not an accident. We think that is an ideal location for community-based services for healthcare.

Then finally is the linkage that we are proposing at the Stanford Barn. Right now if you want to move from the Shopping Center into the Medical Center you kind of have to walk through the parking lot, and again not in a very organized way. So the proposal that is part of the Village Concept that we support is again reinforcing the path, providing some dedicated pathways along the Barn up against some of the retail space that is here, through to the Shopping Center. Also provide an alternative route through a reorganized parking structure between our Children's Hospital, Clinics buildings, and the Barn. Then we would be creating an intersection here so that there is a smart alignment across Welch Road. Now I would like to ask Bill Philips to talk about the housing component of the Village Concept.

Bill Philips, Associate Vice President, Land, Buildings, and Real Estate, Stanford University: I am going to be mercifully short on this because I think there has been quite a bit of discussion already between Council Member Scharff and Curtis Williams and Chair Garber.

I would like to make the strong point that is also made in the DEIR that the demand for housing as a result of the project would be less than significant. There is a goal for the Village Concept Alternative that is a very important and wide-ranging goal relating to villages, which I think we all believe in. I would just make the point that with the occupancy of the Quarry sites by the campus population that we are talking about that is medical residents and postdoctoral fellows we are getting essentially the same demographic and we are getting the same benefits and we are getting the same Transit Oriented Development (TOD) advantage out of both populations. I think that is the reason why you hear that there is very little moving of the needle in connection with the making this be housing for hospital employees.

This just reinforces that. The housing that is being talked about for hospital employees is basically shifting occupancy but that is all it is doing and that is why the needle moves so little. We are talking about the same density, essentially very much the same demographic, and either way we are talking about people who will take advantage of the alternative modes of transit.

The DEIR concludes this as Chair Garber mentioned. There is less than a one percent reduction in Vehicle Miles Traveled (VMT) when we talk about employee and patient trips, and no significant reduction in VMT or greenhouse gases compared with the approved GUP housing. This just reflects that. You see the percent change in the last column is to some degree significant in that we do reduce some trips but overall from the standpoint of the Village Concept Alternative what we are trying to achieve, VMT and greenhouse gas, very little change.

I am going to digress on one thing just because I have some experience with this and I feel something needs to be said about it. That is the TDM requirement and the ability to impose that the City has referred to comes about from this State regulation. I think it is pretty clear that in our mind, and I am not going to make the legal arguments up here, the regulation is clear in terms of what it says about what can be done about imposing TDM on an employer. Stanford and the hospitals are employers. It is important to follow that with the concept of does that really change the objective? Do we have misaligned objectives here? Clearly not. Stanford wants TDM for this project. The hospitals want TDM for this project. The University in past projects has suggested and offered TDM. I have been associated with those projects and I know that in the past what we have seen is a willingness for the City to accept TDM with an understanding that the City could not impose TDM on these projects because of that State regulation. That was the case with the Mayfield Development Agreement. It was the case with the Cancer Center. This specific Condition of Approval was laid out with Cancer Center, and that is a recognition by the City that the applicant was voluntarily agreeing and that the State law did prevent the City from imposing employee trip reduction programs. Even the DEIR seems to suggest that is the apparent state of affairs. However, once again I want to go back to the most important consideration and that is our goals are totally aligned with the City regarding TDM.

So just summing up, the hospital's proposal includes GO Passes that have the major affect on improving climate change and reducing traffic. We also have from a housing standpoint the \$23 million offer that is being made by the hospitals, which unlike the Quarry sites which is just a change of use results in \$23 million that could be used by Palo Alto to help the City achieve new housing, achieve ABAG objectives, and increase the City's overall housing supply. Thank you very much.

Public Hearing opened at 8:12 p.m.

Michael Weiland, Palo Alto: Hello. I am a Palo Alto resident. I am also a nurse at Stanford and have been for the past 19 years. I am here to support the hospital expansion. What we really do need is to have the hospitals modernized and improved for our families and loved ones. Our community, our patients, and our employees deserve it. What we need to have is a modern, functioning, and world-class hospital facility. We also need to have world-class nurses there for our patients.

The hospital's last offer to their nurses would demote the most experienced nurses and cut their medical benefits. Some experienced nurses have already left to work elsewhere. The hospitals need to bargain in good faith with the nurses to ensure that they retain the experienced nurses that our community needs and wants. Thank you for your time.

Mayor Burt: I should have gone through as I have at previous meetings to clarify for all the speakers that tonight's subject is comments on the adequacy of the Draft Environmental Impact Report. In the fall we are going to have additional periods where we will be looking at both the Final Environmental Impact Report as well as the Development Agreement for the project as a whole. So I want to clarify that and ask everyone if possible to focus their comments on the Environmental Impact Report.

Adele Ullman: Since 1988 I have been an A for Aces Nurse at Stanford. As an A for Aces Nurse I do a wide variety of procedures at both Stanford and Lucile Packard Hospitals. At A for Aces we do stem cell collections for transplant, we do plasma and red cell exchanges, we do white cell and platelet depletions, and we do photo-freezes for many types of diseases and disorders. We have regular daytime work hours, seven days a week, 365 days a year. After hours a nurse is always available in case there is a need to treat a patient like someone with leukemia who is having trouble breathing because there are too many white cells in their circulatory system, or a patient with cycle cell who doesn't have enough functioning red cells, or a patient who is having a heart or lung transplant in the middle of the night and needs a plasma exchange to remove antibody. A lot of the patients I treat have been transferred from other hospitals because of the A for Aces service we provide at Stanford and LPCH.

Tonight I am here to support the hospital expansion. We very much need to have a hospital that is modernized and improved for our patients. What we need to have modern, functioning, world-class hospitals we also need world-class nurses. Our contract expired in March. Some of our best nurses have already left for other facilities. I urge you to ask the hospital administration to come back to the negotiation table. Thank you very much for your time.

Paul Cole, Palo Alto: Good evening Mayor Burt and Members of the Palo Alto City Council. I have been a nurse at Packard Children's Hospital for 19 years and at Stanford Hospital for six years before that. I am also a resident of Palo Alto. I am also a Board Member of CRONA, which is the Committee for the Recognition of Nursing Achievement at both hospitals. That Committee represents more than 2,600 nurses at Stanford and Packard Hospitals. I am here in both capacities tonight, both as a resident of Palo Alto and as a Board Member of the Committee for the Recognition of Nursing Achievement.

It is my pleasure to be able to support the hospitals expansion plans in both of those capacities. I have to say that I had little idea how extensive a process this is. I have not been to many Board Meetings, Council Meetings and just to see what went on here tonight was a revelation to me. It seems to me that the Village Alternative is a very good one. I like the idea of saving trees. I have worked with David Dockter, the City Arborist, to plant trees in my neighborhood in the park behind my house. But I am in full support of the hospital's expansion plans and I hope that you will approve what in your wisdom seems to be the best plan for all of us.

I would also like to urge the hospitals to support our nurses by coming back to the bargaining table and negotiating a fair contract with us. Thank you for your time.

Bonnie Balfour, Palo Alto: Good evening your Honor and Members of the Council. I am one of the fellow nurses whom you have heard from before. I work at Stanford Hospital. I work in a multidisciplinary intensive care unit with critical patients. We take care of trauma patients, neurosurgical patients, medical patients, surgery patients, medicine patients, and on a daily basis I help train and educate and teach new members of the staff until they are quite capable of functioning on their own.

I do support fully the notion of the expansion for the facility. We need upgrades and modernization of the hospital to accommodate our changing patient population. We need it for our med students, our residents, our staff, but most importantly we need it for the patients. While I support the upgrade and the modernization for our world-class hospital we also have world-class nurses. These world-class nurses are leaving. They are leaving to find employment elsewhere. What we need is your help to help get the hospital to negotiate with us in a fair contract, and we need your assistance in this way. We can ill-afford to lose our experienced staff and we are doing so. Our staff needs it and our patients deserve it. The patients of this community and this whole area deserve the best that we can possibly offer them. Thank you for your time.

Mary Ann Carmack, MD, PAMF: Thank you for this opportunity to speak. I am pediatrician at Palo Alto Medical Clinic where I have been for the past 14 years. A major reason that the pediatricians in this community can offer the highest standard of care to our young patients is that we can partner with Packard Children's Hospital. When we diagnose a child with meningitis or cancer for example we turn to Packard to cure that child. We and the community are incredibly fortunate in this regard.

Tonight in the Draft EIR presentation we reviewed alternatives that do not allow for more beds. The reality is that our fortuitous situation is already threatened by a shortage of beds at Children's Hospital. Currently it can be extremely difficult to admit a patient to our hospital, to Packard, due to lack of space. Most of the time, right now when we do admit a patient to the hospital we have to explain to the family that they will have to travel to another community in order to have their child admitted. So, expansion of our local hospital is essential to maintaining the standards that we have come to enjoy in this community.

Fortunately, most children's diseases are much less frequent than those of adults, heart disease, and cancer to name just two examples. The implication of this is something that most people don't really appreciate and that is namely children's hospitals in this country have to be regionalized to draw large enough population of patients to provide the range of services. Packard Children's Hospital is one such regional hospital, world-class in fact. We are blessed to have it in our community.

I would like to close by sharing an experience from my practice. About a month ago late in the day on a Thursday I saw a ten-year old girl from Palo Alto who had noticed a lump in the muscle above her knee. The father's gaze met mine in unspoken understanding of our fear. Could this be cancer? The father commented that they had plans to travel to Colorado the next day to celebrate the grandmother's 100th birthday. I quickly called the oncologist at Packard and explained the situation, and yes they would see her tomorrow. This story has a happy ending the lump was benign. Regardless of outcome, this kind of compassionate, sensitive, comprehensive, integrated care is possible here only if we are able to continue to have enough space for these children. So we owe it to our community to ensure that this level of care is not compromised. Thank you.

Bruce Coddling, Redwood City: Mayor Burt, Members of the Palo Alto City Council I work at Stanford Hospital and I support the expansion of the facilities. I am here to ask you to give serious consideration to the Tree Alternative, which is the applicant's preferred Alternative. Primarily because

it does save trees on the campus and compared to the Village Concept Alternative 13 more trees as you have heard tonight. So hopefully you will give the Tree Alternative your serious consideration. Thank you.

Fred Taleghani, Palo Alto: Mayor Burt and Members of the City Council, thank you very much for your time. I am resident of Midtown, a member of CRONA, and I have worked at Packard Children's Hospital for 11 years. My role there is as a critical care transport nurse specialist. As Dr. Carmack spoke previously, my job is to pick the kids up and bring them back to our very world-renowned facility. I too have been in the position where I have had to explain to very stressed-out parents that they cannot come to Packard because there are no beds.

I am very concerned that any adoption of any plan that would reduce the projected expansion of beds would be detrimental long-term to the facility. On that end I would like to wholly endorse the hospital's expansion on that end. I would like to compliment both the Council and Stanford for doing what they can to mitigate any environmental impacts that the expansion would have. We need world-class facilities. This expansion will ensure that these world-class facilities will remain there for the near future, will serve not only the community of Palo Alto but those surrounding. On that note, it is more than just building a building. You have to have world-class staff to staff these facilities. To that end we need your support and your help to get the hospital back to the tables to negotiate with the nurses. We can't do it without you. Thank you very much.

Richard Greene: Mayor Burt, Members of the Council I am going to repeat some of the pleas by the CRONA nursing staff. I wanted to address the healthcare impact of the Draft EIR, which many of the speakers have already mentioned. This is from the perspective of a Palo Alto pediatrician. I have been in Palo Alto and practiced here longer than any of the current pediatricians in the whole community. I am in my 44th year of practicing pediatrics at the Palo Alto Clinic.

In the last several years, probably about the last four or five years, it has become as has been alluded to very hard for us pediatricians to get our patients into Stanford Hospital and to the Children's Hospital. These children are our sickest patients. They need hospitalization in this world-class hospital that you all are aware of and are proud of I am sure that you have this hospital in your very own community. So these are the sickest kids we see. There are not enough beds to take care of them. I don't think you think that it is in the best interest of the child or the parents for any patient to go to a hospital in another community when they are from Palo Alto. So I am here to support the Children's Hospital's effort to increase its capacity.

To accomplish that it is absolutely necessary for us pediatricians and that is to put our Palo Alto patients in our Palo Alto hospital. So on behalf of the 33 pediatricians who practice at the Palo Alto Clinic, probably another 30 or 50 family practitioners who do hospitalize their patients at the Packard Children's Hospital and Stanford, I urge you to proceed as promptly as possible with your approval, which seems to me to be dragging on and on and on, so that we can continue to deliver the outstanding care that you are all used to getting from us physicians in Palo Alto. Thanks a lot.

George Liddle, Menlo Park: Members of the Council. First of all I have on my mind to be sure to thank you for the time and effort that you are taking on this review. You have a lot on your plate. You will be interested to know that the five items that I wanted to discuss with you have shrunk to two. The emergency room right now as on a daily basis has twice as many patients as it was designed for. Expansion of the ER will be a major benefit to the community. When I was last in the emergency room I spent some time on a gurney out in the hallway. No harm, no foul, but an expansion there would be very much appreciated.

This next item, if you don't remember anything else I say please pay attention to this one. The new facilities will provide over 2,200 new permanent jobs for people in this area. During construction that doesn't include the 6,400 jobs that will be provided during the construction. I doubt if any applicant has ever come before a City Council and been able to say that they are going to provide 2,200 new good permanent jobs in the community.

So my wrap up is that I appreciate your thorough review of this project. I urge prompt approval of the project, consistent with your public hearing schedule, and with your due diligence obligations. Thank you.

Howard Wolf, Palo Alto: Good evening Mayor Burt and Members of the City Council. I live in Crescent Park in a home I have occupied for the last 21 years. I have been a resident of Palo Alto for almost 30 years. In the spirit of full disclosure I think you should also know that I work at Stanford where I am the Vice President of Alumni Affairs for the University.

I come here today not as a member of the Stanford staff but instead as a member of this community to tell you a personal story that speaks directly to some of the alternatives that you are considering here tonight. A year ago last June 14 my 17 year old son had a traumatic brain injury sustained as part of a skateboarding accident. He was cared for at Stanford Hospital in the emergency room you just heard about. I did not know what a Level 1 or Level 2 or a Level 3 trauma center meant a year ago last June, but I

certainly know what it means now. That trauma center saved my son's life. The neurosurgeon told us as such and also the members of the paramedics that dealt with him that afternoon told us the same.

I can't tell you how important it is to me that others have the same opportunity for the level of care that we received a year ago last June. We know what happened to young Tim Sullivan, a former graduate of Gunn High School, who was UC Santa Cruz with a similar accident as my son this last spring who was not able to attain services at a Level 1 trauma center because his accident occurred when he was a student at UC Santa Cruz. By the time they air lifted him to San Jose's hospital where there was a Level 1 trauma center he did not make it. So I just implore you to think about that as you think about the alternatives, especially the reduced intensity ones.

Second point. With regard to the downsizing or right sizing, I don't know what all the language exactly means, but I will tell you this. As someone who has spent 30 days with my son as he was in a drug-induced coma recovering from his surgery and then another 30 days in the hospital over a series of five different surgeries I can tell you this – we received excellent care from a physician standpoint. The only area in which we had concerns about the care we received was with regard to the overcrowding and this hospital. In one case as he came out of brain surgery we were put into a room with three other people who had also just come out of brain surgery, only because there was not enough room for us in any smaller place. In one situation we came out of surgery and were left in a hall as we awaited a room to be readied for us because that is how tight Stanford hospital runs. In the final case, when we were at a rehab hospital up in Marin getting ready to come down for surgery we literally have to drive slowly because the room was not ready at Stanford Hospital. These are real stories and people's lives are involved. I just implore you as you think about the Reduced Intensity Alternatives that you consider what this might do to our community. Thank you.

Beth Bunnenberg, Palo Alto: Hello. I am speaking as an individual tonight. I wanted to talk just a little more with you about particularly the Stone Building because Stanford plans call for its demolition. Please notice that the Architectural Resources Group peer review strongly states that this appears eligible for the California Register. Remember the events that the first heart transplant in the United States occurred in this Stone Building. In terms of person, Dr. Norman Shumway has practiced there. He has done an outstanding body of research and work in heart transplant. For the third category it appears eligible as pivotal work of an internationally known architect.

This building merits serious consideration under CEQA. Demolition of the Stone Building would be a very significant adverse impact, which could not be mitigated. The ARG, I was delighted to hear, has a person here tonight. The peer review suggests this Historic Preservation Alternative. To use it for medical office space and for research, which Stanford says it needs.

The suggestions for retrofitting the building are included in the report, and I would remind us that the City has had very good response from ARG in solving problems such as internal seismic retrofits. So please do insist on a careful evaluation. Do not let Palo Alto join the list of cities that have failed to realize the importance of mid-century architectural treasures until it is too late. Demolition cannot be mitigated. Besides, it is a green solution to find a reuse for the building. Thank you.

Raymond Neal, Palo Alto: Good evening. I am an architect here in Palo Alto. Hospitals like City Halls are singular elements in our community. They provide us with unique opportunities for community service. Unlike residential or commercial development these projects cannot be mimicked nor are they precedent setting as they are unique components within our community. I believe that concept of our community fabric the proposed hospital and Medical Center improvements, its massing and organization are compatible with the character of our community. I also believe that their heights as they are proposed are a unique and appropriate solution for these improvements to our community as a whole. Thank you.

Bruce Baker, Palo Alto: Thank you. I serve on the Community Resource Group for the Stanford General Use Permit. The comments that follow are my own personal comments as a Palo Alto resident. The Draft EIR evaluates Reduced Intensity Alternatives. Let's look at what has been set forth by some as a Reduced Intensity Alternative for the hospital. This Alternative is promoted as a small community hospital by some. Is that what the citizens of Palo Alto and neighboring communities really want? A small community hospital. That train left the station in the 1950's when Stanford moved its hospital from San Francisco to Palo Alto. Since then Stanford Hospital and Clinics has gained world recognition for its pioneering work in numerous areas including heart and stroke treatments, organ transplants, cancer treatments for children and adults, neurosurgery, and aging issues. Many of these specializations serve a local community as well as larger areas because of the outstanding reputations of these departments. I doubt if the Palo Alto community would want merely a maternity hospital with some service for men, women, and children with minor injuries. You don't just flush down the drain the expertise that this teaching hospital has and will continue to have on the forefront of many medical disciplines. I urge the

Council to recognize the reality of the need for timely, expanded, and seismically strong buildings for the Stanford Hospitals and Clinics.

I would like to also point out my study of 650 diverse projects showed that when a sense of urgency prevails among all of the principle stakeholders of a project the project is perceived as more successful. Thank you.

Robert Moss, Palo Alto: Thank you Mayor Burt and Council Members. First I would like to address the adequacy of the EIR. Staff and Planning Commission and some members of the public have pointed out a number of errors, omissions, and problems with the EIR. I want to just address one of them and that is the impacts on traffic. One of the things that the EIR misses is identifying all the intersections, which are going to be adversely affected. The Staff picked it up and I picked it up also. For example, Middlefield and Lytton, and Middlefield and University among others. If you look at the intersections that are identified as being significantly impacted, where there is going to be more traffic, and more air pollution every one of those even if it is El Camino and Page Mill, or El Camino and Churchill is within a quarter mile or less of housing. Therefore the residents are going to be exposed to higher levels of air pollution. That has been ignored in the EIR, but that is an impact and that has to be resolved.

Now when you took a look at the various Alternatives that were proposed I think the superior one as is mentioned in the report is Alternative A, which doesn't increase the overall size of the hospital. Well, some people will say, well gee this is going to give you an inadequate facility. But that will maintain the existing level of service and then some. If Stanford adopts the CPI kaizen approach that I spoke about a week or so ago. It was in the report, the article from the *New York Times*. They can increase the number of people they serve and the efficiency with which they serve them. One of the examples really happened was a children's hospital increased the number of patients they saw by almost 50 percent, and decreased the amount of time patients were in the hospital by almost 20 percent. When I gave the City Clerk the article I missed giving part of it because of the way it formatted. Let me do one paragraph, the final paragraph. This is a hospital, which is already under construction. Actually they opened last week.

The final design, because they are using CPI, reduced walking distances and waiting times for patients and grouping relating facilities together creating rooms that could be used for more than one purpose. They are able to reduce the size of the building by 30,000 square feet and save \$20 million. So I think going with Alternative A and also going with the Tree Preservation, Historic Preservation, and Village Concept is the best overall approach. That will give us a facility that will have minimal impacts, will

continue to serve the community, it may not serve people in other states or other countries, but we don't need to do that. Stanford by being more efficient can increase the number and the effectiveness of the patients they service. Thank you.

Herb Borock, Palo Alto: Good evening Mayor Burt and Council Members. The EIR needs an adequate model and the one in the lobby is not adequate. It is too small. It is not in context, and it is too far down. It is like flying over the hospital at several hundred feet above it. A model would need to be a scale of at least a quarter inch to one foot on a table five foot high so you could see the ground floor at eye level. It needs to be in context showing other buildings and properties around it.

If any part of the county residential approval is used for this project then the County Community Plan and General Use Permit would need to be amended to delete those housing units from counting towards entitlement for academic square footage. If any part of this approval includes county land, such as for example the Medical School, then that academic square footage would have to be counted against the academic square footage entitlement in the county approvals.

The legal arguments about Transportation Demand Management are misleading because they are not relevant. The applicant has applied for a Development Agreement. In a Development Agreement you could include any kinds of conditions including TDM.

The list of significant trees is not adequate. Any trees that become a Condition of Approval are defined in the Municipal Code as significant. Those can include other trees that are already there besides the ones that have been mentioned by the applicant.

The applicant essentially proposes single rooms or private rooms. Yet I believe in both Medicare and Medical payments come for semi-private rooms. Can these rooms accommodate two patients? If so, then the EIR should be adjusted for two patients to a room instead of one. If it is just a question of payment and everyone is going to be in a private room what kind of rationing is there going to be as to what kinds of patients and their source of insurance are going to be allowed in the hospital.

The hospital is the largest user of electricity in the City, about eight percent of the electricity used but only four percent of the revenue. You should consider in lieu payments so the amount of revenue matches the amount of usage. Similarly in the Utility Users Tax, which is a graduated scale of three tiers, there is a five percent, a three percent, and two percent tax. You can

consider as in lieu payments five percent tax on all utility payments just as residents pay five percent tax on all utility payments. Thank you.

Stephanie Munoz, Palo Alto: Good evening Mayor Burt and Council Members. With all due respect, I believe the Council has to look at Stanford's proposal in light of Prop 13. I don't believe you can allow the largest landowner in the county to hog all the high revenue land use leaving the low-income housing to be provided by nonprofits and the community at large.

Before Prop 13 you could sacrifice good planning to the mammon of inequity because whenever property values went up taxes went up, even if the property owner was a widowed washerwoman. She had to pay or get out. Now taxes go up only two percent a year unless the property changes hands. Stanford's property never changes hands.

Fifty years ago Palo Alto let Stanford develop a great shopping center only it wasn't so great for the merchants of Palo Alto who had been paying the taxes and being good citizens all along. Downtown was a ghost town. Nice old businesses went bankrupt. You are doing the same thing with the medical office marketplace if you let Stanford develop the hospital as a million square foot high-rise without giving up development rights to the land freed for maximum medical and legal office rental. You are gifting them at the expense of the rest of the business property owners of Palo Alto who land diminishes in value through the law of supply and demand. You depend on those citizens for civic spirit and civic betterment.

When the Democrats clamor for an increase in minimum wage, and you wonder who works for minimum wage, look no further. People who work in hospitals work for minimum wage. They have to live somewhere. Stanford could and they should run a shuttle at midnight and eight in the morning for its night workers from East Palo Alto. East Palo Alto is being gentrified as we speak. It is the high cost of land that keeps affordable housing from being built. Stanford has the land to house its workers. It is the only land that could be used to house them at reasonable cost. It is extremely unfair to ask a young couple who can afford \$400,000 period for a modest home to sign up for a mortgage they can't afford that is going to be foreclosed on so as to subsidize the below market program. Stanford is going to make millions on compulsory private health insurance. It is insane for the community to spend money housing Stanford's workers, which ABAG is going to demand that we do when we are firing teachers, which are the lifeblood of our economy. It is irresponsible. Please don't do it. Thank you very much.

Public Hearing closed at 8:49 p.m.

Mayor Burt: That concludes our public comments. Now we will return to the Council for any follow up questions and comments.

Council Member Price: Thank you. I would like to thank all of the members of the public who spoke, and the applicant, the Staff, and the consultants. I would like to acknowledge the high quality of the care received at our hospitals. I hope that both parties, Stanford University and the nurses union CRONA, will be able to resolve their differences by resuming negotiations. I hope there can be a productive resolution of these complex issues. I remain very hopeful that that will occur. I want to again acknowledge the importance of having direct communication with one another to resolve these issues. We will continue to deliberate on the various aspects of the proposal before us. Thank you.

Council Member Holman: I would like to get some clarification on a few statements that were made. There were differences between what I understood the Staff to say and the applicant to say. One of them has to do with the aesthetically and biologically significant trees.

So you probably heard what I said and I don't have to repeat that, right? Having to do with the aesthetically and biologically significant trees, in the Staff presentation and as I read it in the DEIR it talks about 13 biologically and aesthetically significant protected trees would be retained in place, three that would be relocated, and 16 that potentially would be removed. In the applicant's presentation under the Tree Preservation Alternative it says that no biologically and aesthetic tree resources would be removed under the Tree Preservation Alternative. That is different than what I understood the Staff presentation to be and it is also different than what I have read in the DEIR. So can Staff clarify that please or correct?

Mr. Jeung: I am going to go ahead and try to provide a response. The Draft Environmental Impact Report does, as you have indicated Council Member Holman, identify 16 trees that would be preserved under the Tree Preservation Alternative that would not be preserved under the proposed project. The Tree Preservation Alternative that the applicant is considering right now is being further refined based on better mapping and better information. I don't believe that the discrepancy is as much as zero trees versus the 16 trees that we have identified in the Draft Environmental Impact Report. I thought that number was something less than that. That certainly doesn't answer your question. I am not sure where Stanford's numbers are coming from.

Council Member Holman: The City Attorney looks like she wants to make a comment or not.

Ms. Silver: I apologize I didn't hear the beginning part of your question.

Council Member Holman: It had to do with discrepancies or apparent discrepancies between the applicant's presentation that says no biologically and aesthetic tree resources would be removed under the Tree Preservation Alternative. That is not my understanding from the DEIR or Staff presentation.

Ms. Silver: I think where that discrepancy is in the difference between just a biological impact and a biological and aesthetic. The Tree Preservation Alternative really focused on identifying the biological trees that also had aesthetic impact. Dave Dockter was very active in this process and went through and surveyed all of the trees and came up with a list of both biologically and aesthetic trees. The Tree Preservation Alternative then made some significant design modifications to save the trees that had been identified as both biologically and aesthetically significant. I think there are some slight discrepancies in the numbers between what the EIR says and the current refinements to the Tree Preservation Alternative, which now is in 50 percent design stage. Those discrepancies will be mapped. They are in the process of being mapped and will be available in the Final EIR.

Council Member Holman: I guess what my confusion has been about this and concern has been about this is, I am probably not going to remember the right number, and I am sort of remembering that there were 41 biologically and aesthetically significant trees. That number may not be right so don't hold me to that. Curtis, do you have the right number?

Mr. Williams: I think you may be thinking there were 71 protected trees, and of those 23 are in this class of significant aesthetic.

Council Member Holman: That sounds right. Without having the final numbers it is very difficult. I am not really sure how we comment because we don't know what the numbers are, we don't know what the locations are of the trees that are being saved or not. One other tree comment is on page 5-16 under the Tree Preservation Alternative it also says, in the second paragraph from the top regulations in the district would include applicability, preservation, and exemption for removal and replacement of protected trees. The Hospital District would create a procedure to permit the removal of approximately 48 protected trees. So if we are permitting removal that sounds to me like we are not going to require mitigation for the removal of those trees. If I could get clarification on that that would be helpful too.

Ms. Silver: My understanding is that we will be requiring mitigation for any protected trees or regulated trees that are removed. I think that one of the comments was to actually add a mitigation measure that made it very clear that we would require some replacement or some payment into a tree mitigation fund for those trees that are removed.

Council Member Holman: Will that be consistent with the City's Tree Preservation Ordinance now?

Ms. Silver: It would be consistent with the Tree Technical Manual. The Tree Preservation Ordinance would have to be amended and we were going to amend that through the hospital zone to permit the removal.

Council Member Holman: So this wouldn't be a negotiated mitigation. This would be consistent with the Tree Technical Manual.

Ms. Silver: That is correct.

Council Member Holman: Just a couple of comments about the Preservation Alternative. It states in the DEIR that there are three mitigations that are listed for the demolition of the Stone Hospital Building, and there are no mitigations for the demolition of an historic resource. So those really could not be categorized as mitigation measures. They are nice things to do but they are not mitigations because there is no mitigation. Once the historic resource is gone it is just gone. So that would be a comment.

Then the Village Concept. Thank you by the way for these larger drawings. They were somewhat more helpful certainly. The Figure 2, there is no page number on it that I see so Figure 2 Village Concept improvements. It is also in the presentation in here but having it larger helps, having it in color also helps. Figure 2, Village Concept Improvements, Quarry and El Camino Real Intersection. I guess the question is this. The future long-term path, it shows the existing tunnel going under the Caltrain right-of-way there by the Palo Alto train terminal. This talks about future interim path in the blue and in the red is future long-term path. So a couple of questions about this. One is going along see where it says near-term option one that goes along the Caltrain right-of-way on the Stanford side. It is hard to read, but it says on it, interim path extension to existing tunnel. So why is that considered interim as opposed to long standing? Why is the sort of stepped path, why is that interim because those both go to the transit station? Then the red, which is considered the future long-term path, goes to Everett avoiding the train terminal. So guess I am confused as to the purpose of that approach, and also as a part of that who would be constructing the Everett tunnel

connection? How would we prevent significant parking in the neighborhood given that connection to Downtown North offsite parking by employees in the neighborhood?

Mr. Williams: I think it is difficult to get into that level of detail at this point. Those are intended to be conceptual. That there is intent here to create the Everett undercrossing and I think the word 'interim' there probably doesn't mean that there is not going to still be a connection to the other crossing. It is just that until the construction is complete you could go down there to that point, turn right, and get back to Lytton. In the long-term there would be both available. Again, those details as well as the issue of how costs are shared, etc. are part of the project as it comes forward, and some of the details of participation and fair share that will outlined as Conditions of Approval with project entitlements when they come through.

Council Member Holman: My interest in this topic is, understand that it is sort of the planning or designing of the project, but at the same time my interest in this has to do with mitigations and connectivity. If we want to get people to take Caltrain I guess I was concerned to see these as interim, the ones that go to the Caltrain station. To me those are connections and potential mitigations, and how you get people from the train to these sites. Also with the Everett connection the concern there in speaking to the environmental aspects of this is I am concerned about people then having impacts, drivers having impacts, on other intersections in the Downtown North neighborhood because they would choose to park in there instead of on the SUMC site. So those are the reasons for bringing those up as the environmental impacts.

Mr. Williams: We will try to address those more specifically.

Vice Mayor Espinosa: Just to point out that on pages 37 to 40 of the PTC notes there were questions specifically about the difference in the 13 versus 23 trees, and pretty good responses from Dave Dockter about both the differentiation and also some of the definitions around it, which I am sure you saw because I know you read the PTC minutes very closely. So just as a reminder to others who might have those same questions there were pretty clarifying answers from Dave Dockter.

Mayor Burt: Dave Dockter and the PTC will both be gratified that this level of attention has been paid to their work.

Council Member Scharff: Thank you. I actually had a question for the applicant. In reading the Planning and Transportation Commission notes and listening to you I actually had the sense that the linkages in the Village

Concept were part of the preferred alternative at least for Stanford. Is that correct or not?

Mr. Tortorich: We have been discussing the linkages with Staff for over four years. It started with the area plan. So these linkages have been discussed with Stanford University staff, our Medical Center staff, and Palo Alto Staff. So we support them. They are part of the Village Alternative but we definitely support them.

Council Member Scharff: So when you say you support them and when you say the preferred alternative is the Tree Preservation Alternative, we should take that to mean it is the Tree Preservation Alternative plus all of the linkages in the Village plan? Maybe you could identify which ones you support and which ones you don't, or maybe you support all of them. Your comments to the Planning and Transportation Commission indicated frankly I thought that you supported all of them, but I was unclear on that.

Mr. Tortorich: So the linkages obviously that we reviewed this evening and at Planning and Transportation Commission through these PowerPoint presentations, and in our Development Agreement offer we actually put forward a proposal of funds to support development of these linkages. So technically I am not sure if it is all that is in the Draft EIR of that alternative. We do have one slide that talks about the complimentary linkages. I think this slide gives you a good overview. This represents all of the linkages as discussed in the Village Alternative but I am sure technically.

Council Member Scharff: So in general then I should be comfortable that you support all of those linkages, and that you think they are all a good idea.

Mr. Tortorich: Generally, yes.

Mayor Burt: I have one more granular question and one broader question. Back to Figure 2 of the Village Concept improvements, the Quarry/El Camino Real intersection. Curtis you partially answered this when you spoke to Council Member Holman's question. So if I understood it correctly, the blue that is the interim path is intended to have something approximating that remain in place as a second permanent path. Is that correct?

Mr. Williams: I am going to ask Steven to address that.

Steven Turner, Advanced Planning Manager: Yes, Mayor Burt. I think what this slide is showing are various options and stages of development of linkages in and around the transit center. You will notice a couple of

features on this map. One of them is the proposed VTA driveway that is coming from the VTA terminal. That is a project that has been recognized I believe as a future project, but we don't know the specifics behind the project. So until that project is more fully developed it is difficult to actually plan for the long-term solution.

Mayor Burt: That is why I had kind of used the term 'approximation.' Is it fair to say that the intention is to have two pathway linkages? One that would go approximately directly toward the future Everett Avenue connection and another that would move toward the tunnel between Lytton and University.

Mr. Turner: Yes, in the end there would be really two pathways. The blue pathway would be constructed very soon, very quickly after the projects are approved. The orange pathways are ones that would be developed further on in the future, but in the end there would be two.

Mayor Burt: I appreciate that you have not gone to this level of detail yet but I don't see any indication here of differentiating between pedestrian and bike travel through these areas. They look like they are intended to be shared on a single path.

Mr. Turner: The intent is for shared use of bikes and pedestrians, and having appropriate widths that would accommodate both users.

Mayor Burt: Well, I would just like to comment that I think that if we are really trying to promote bike and pedestrian use we may want to evaluate whether it would be more effective to have those separated than shared.

The next thing is that if you are coming from the hospital on Quarry, and you are on the Arboretum side it shows a requirement to cross over to the Shopping Center side of the road, and then cross at El Camino. Those are very long intersections. I am just concerned that two long waits will actually have a fairly significant impact on the travel time of either bike or pedestrians. So this is just a small thing there to look at whether it is possible to have a direct crossing.

Then the broader issue has to do with what Mr. Phillips raised about the State Health and Safety Code provision that speaks about not being able to require an employer to implement a trip reduction program. Could the City Attorney speak to that issue? I know that there has been some contention over interpretation. I want to really as fully as possible understand the City's perspective as compared to Stanford's.

Ms. Silver: There actually is a legal memo attached to the Staff Report written by our outside counsel, Rick Jarvis, who is here tonight. I think I will ask him to come up and summarize that memo that is an attachment to the Staff Report.

Mayor Burt: Can you remind us which attachment number that is?

Mr. Turner: Attachment E.

Rick Jarvis, CEQA Consultant Partner, Jarvis, Fay & Doporto: Good evening Mr. Mayor and Members of the Council. I am outside legal counsel for the City particularly with respect to CEQA issues as well as with respect to general land use matters.

I have looked at the Health and Safety Code section referenced. You have a memo in your packet with respect to my legal opinion that the Health and Safety Code section does not prohibit the City from imposing TDM through an exercise of its lease powers if the City were to so choose. There are sort of two different ways of reaching that conclusion, or looking at that conclusion. One is there is a general principle that applies to what are called Charter Cities. The City of Palo Alto is a Charter City. Under the California Constitution as a Charter City the City has primary authority over matters that are local to the city and there is law that provides that a state law cannot limit a Charter City's authority over local lease power matters, except and only to the extent necessary to meet legitimate state issues. We have looked at the issue and the issue of traffic congestion is a particularly local concern of the city. The Health and Safety Code section referenced primarily air quality determinations made by the state legislature and reflects a determination whether it is correct or incorrect is debatable, but it reflects a policy determination by the state legislature that TDM measures are not an efficient way of achieving air quality objectives. It does not speak to or consider the issue of local traffic congestion.

My memo is in part a response to a memo done by Stanford's legal counsel that argues that a Charter City does not have legal authority to ignore state laws relating to regulation of traffic flow. I would distinguish the authorities that they rely upon. They deal with the mechanisms of traffic control. You can't have individual Charter Cities having their own traffic rules that are different from statewide rules but I would distinguish those cases from cases dealing with local authority to control traffic congestion itself.

So from one perspective the short answer to the question is we are Charter City. This is an area of particular local concern, i.e., traffic congestion as well as land use regulation. The City as a Charter City has primary authority

over that notwithstanding the state regulation to the contrary. Another way of looking at the same question is even if that code section applies to the City the City Council certainly has the authority to deny the project on the grounds of traffic impacts. Inherent in that authority to deny the project if Stanford comes forward with a proposal to reduce the traffic impacts to a level that is acceptable including TDM measures that is sort of an effective way that the City has of in essence requiring. If you say you are going to deny the project because of the traffic impacts but you will approve the project if different feasible measures are implemented to control traffic – the bottom line question is is this a feasible mitigation measure? In some ways this whole legal argument is a sideshow on that because it is feasible because Stanford is coming forward and saying they are willing to do it. But if even if Stanford were not willing it is my opinion that the City Council has that authority.

Council Member Shepherd: For me this project is pretty much all about traffic because of the new increased load that we have. I don't want to see this project get denied but I do want to see this clear mitigation so that it supports not just Palo Alto, but Stanford and other regions. This is why I continue to consider the fact that we should probably be doing a traffic study, a comprehensive, borderless, looking at some of the other angles that come into play when we get off Highway 1 or Interstate 280, in addition to looking into really tying up links with shuttles. That seemed to be – well, the newspapers are starting to talk about the shuttle that Facebook has now. It just seems like we could study this and do a better job of it for both parties. So I look forward to that happening. I really appreciate the clarification on what type of mitigation this would be.

Council Member Holman: I do have just a handful here and I am just going to read them off, if people don't mind. If the FEIR could answer how Menlo Park and Palo Alto's different traffic analysis methodologies are different and yet how they both according to the DEIR satisfy CEQA. I would be most interested in that. Interested in the contiguous projects and if we have considered the comprehensive impacts of contiguous projects, contiguous to this proposal.

Interested also in what the linkage is for Hoover Pavilion and the necessity for it to satisfy CEQA and the Secretary of the Interior's Standards given that Hoover Pavilion is not on the local inventory. We in the general public don't have plans to see what the restoration program is. The DEIR talks about possible window retention and restoration. It also talks about window replacement, which is not one of the primary acceptable preferences of the Secretary of the Interior's Standards. I have heard that they are proposing to replace all the windows. I don't know that because we don't have that

information. So I am wanting to know what the linkage is there, and also in the satisfaction of the Secretary of the Interior's Standards if the State Historic Building Code has been considered. Also in consideration of the Preservation Alternative if the State Historic Building Code was considered in how that building might be reused.

More on the viewsapes because there are still a number of viewsapes, and I won't list all of them, but Stanford West Apartments to the project, Oak Creek Apartments to the project. I didn't locate those views.

I am not sure if I have done this just privately or publicly the context and sphere of influence at Hoover Pavilion site. The addition of the new large buildings I believe the Secretary of the Interior's Standards have a CEQA impact because of their scale and blocking of view. The historic resource is supposed to be the dominant building on site. In other words, the other buildings should be subservient and in scale and mass and appearance, and that is not apparently what is the case. The model does not include the Hoover Pavilion site. Apparently from what there is in the DEIR it looks like it is not. I will stop there for the moment.

Mayor Burt: I have one additional question. One member of the public had raised issues about whether the Draft Environmental Impact Report had taken into account the impacts that were evaluated under the 2000 Stanford General Use Permit. Curtis, can you comment on that?

Mr. Williams: Yes, Mayor Burt. I think this refers back to Council Member Price's question before. Yes those were all taken into account as part of the background situation for the analysis.

Mayor Burt: Thank you. We do not have any other comments. So at this time I would do – well I guess I should have closed the hearing already and second conclude this item. The process will be that actually there are written comments that can still be provided through tomorrow. Is that correct, Curtis?

Mr. Williams: That is correct, through the end of tomorrow. Email to Steven Turner or to the City of Palo Alto website for Stanford.

Mayor Burt: Then just to refresh everybody the next process step, could you give us a little bit of the timeline?

Mr. Williams: We will be coming back to you with check-ins on the Development Agreement in the fall. As I mentioned, we will come back at some point also with some discussion on the zoning and design components

before we actually bring back the Final EIR and the entitlements as a package in the fall, November/December timeframe.

3. Approval of a Stakeholder Task Force and Direction to the City Manager to Appoint Task Force Members for the Palo Alto Rail Corridor Study (*Continued from July 12, 2010*).

Director of Planning & Community Environment, Curtis Williams stated that on July 12, 2010, the City Council authorized Staff to proceed with a scope of work and Request for Proposal for consulting services to assist with the preparation of a Palo Alto Rail Corridor Study (Rail Corridor Study). The Agenda Item outlined the composition of the proposed stakeholder Task Force. Notice of Staff's suggested Task Force was emailed on July 15, 2010 to various organizations and individuals who might be considered stakeholders. Staff's proposal comprised of a 15 member Task Force. He outlined the proposed composition of the Task Force. The Task Force would recommend components of the Rail Corridor Study to the Planning and Transportation Commission (P&TC), which would report recommendations to the City Council. Staff proposed quarterly status reports of the Rail Corridor Study's progress. He spoke on the advantages of a Task Force and Staff leading the Rail Corridor Study, opposed to the PT&C and Staff leading the Rail Corridor Study. Staff recommended that the City Council approve the composition of the Task Force for studying the Rail Corridor Study, and direct the City Manager to appoint the members of the Task Force.

Vice Mayor Espinosa inquired on any alternative scenarios that Staff looked into on the structure of the Task Force.

Mr. Williams stated the primary alternatives were including one or two more neighborhood representatives, and including representation from the Palo Alto Neighborhoods (PAN) and the Chamber of Commerce. The exclusion of a Caltrain rider and a representative from the Santa Clara Valley American Institute of Architects was looked into. Staff considered the addition of a commercial property owner and residential housing developer.

Council Member Shepherd stated the Task Force was inspired by the SOFA2 Task Force. She inquired on the composition of the SOFA2 Task Force. She supported the civic engagement aspects of the SOFA2 Task Force.

Mr. Williams stated the SOFA2 Task Force members were appointed by the City Manager and was based on stakeholder representatives.

Mayor Burt spoke on the primary distinctions between the SOFA1 and the SOFA2 Task Force members. He stated SOFA1 Task Force members were appointed by the City Council, and comprised of stakeholder representatives and alternatives. He spoke on the importance of defining the role of the alternate members. He stated stakeholder representatives wore more than one hat which expanded the members' roles. He stated Board and Commission members were appointed as representatives in the SOFA2 Task Force.

Council Member Shepherd inquired whether the current proposal for appointments could be made to individuals not residing in Palo Alto.

Mr. Williams stated that was correct.

Mayor Burt stated the City Council did not use a day and night distinction in appointing SOFA Task Force members solely based on whether they lived and worked in Palo Alto. He indicated it was a valid policy question for the City Council.

Council Member Holman stated she did not relate the SOFA appointments with the Rail Corridor Study Task Force appointments. It was her belief the proposal eliminated much of the expertise found within the community. The Rail Corridor Study would evaluate land use, transportation, and urban design elements of the corridor. She suggested the Task Force include representation from the P&TC, Canopy, Bicycle Advisory Committee, Palo Alto Unified School District (PAUSD), and Stanford. She felt the Task Force should include representation from an environmental group, an architect, a business owner, and neighborhood members.

Mayor Burt stated the Task Force would serve as a primary conduit for input on the information flow regarding the Rail Corridor Study to and from key stakeholders and the larger community.

Mr. Williams stated that was correct.

Mayor Burt stated the SOFA Task Force communicated with neighborhood groups, and had defined subcommittee groups containing roughly 50 participants.

Council Member Scharff inquired how the appointment number of 15 was selected for the Task Force. He inquired whether Staff recommended additional members on the Task Force.

Mr. Williams stated Staff did not recommend more than 15 members on the Task Force. He stated appointing twelve to fifteen members was ideal.

Council Member Scharff inquired who would be appointing the members to the Task Force.

Mr. Williams stated Staff would propose appointment recommendations to the City Manager. The City Manager would have the ultimate decision on appointments to the Task Force.

Council Member Scharff stated Staff would be conducting the recruitment process for the Task Force, and would recommend appointment recommendations to the City Manager.

Mr. Williams stated that was correct.

Council Member Scharff inquired whether other persons would be providing input.

Mr. Williams stated Staff would be communicating with PAN, the Chamber of Commerce, Californians for Responsible Rail Design (CARRD), and other individuals and organizations.

Council Member Scharff inquired whether the recruitment process would be solely based on the individuals who have shown interest, or whether Staff would be recruiting other potentially interested individuals in the community.

Mr. Williams stated the process would encompass a combination of reaching out to individuals currently interested, and seeking out other individuals within the community.

Council Member Scharff inquired on the term of the Task Force, and how often they would meet.

Mr. Williams stated Staff anticipated that the Task Force would meet once a month for a total of 13 to 16 months. He stated there may be additional meetings, as needed.

Council Member Scharff inquired whether the Task Force would vote on recommendations quarterly, or at the conclusion of the Task Force.

Mr. Williams stated the voting process was still unclear at this time. The Rail Corridor Study would run parallel to the High Speed Rail process. He indicated Staff wanted to stay flexible in the Rail Corridor Study's analysis to

provide input in a timely manner with the High Speed Rail process. It was anticipated that the Task Force would report on quarterly status reports.

Council Member Scharff inquired whether the recommendations by the Task Force would be folded in with the review of the Comprehensive Plan.

Mr. Williams stated the two projects would be tracked parallel to one another.

Council Member Shepherd inquired whether the appointment of Task Force members would return for ratification by the City Council.

Mr. Williams stated Staff's recommendation was not to have the appointments return to the City Council.

Elaine Meyer, Palo Alto, spoke on the Rail Corridor Study's interest serving developers.

Sheri Furman, Palo Alto, spoke on her recommendation for the composition of the Task Force, and the use of subcommittees.

Ken Allen, Palo Alto, spoke on the importance of the Task Force complying with the Brown Act, and having access to record-keeping, Staff support, civil engineering and urban planning expertise.

Herb Borock, Palo Alto, spoke on the necessity for the Task Force's subcommittees to comply with the Brown Act. He spoke on the relationship, and corresponding timelines, between the Task Force and the California Avenue Area Study.

Council Member Holman stated she would be interested in having an alternate composition of the Task Force.

MOTION: Council Member Holman moved, seconded by Council Member Yeh that the composition of the Task Force for the Palo Alto Rail Corridor Study be: 2 Planning & Transportation Commission members, 1 Architect, 1 Representative from Canopy, 1 Bicycle Advisory Committee member, 1 Stanford representative, 1 member from an environmental group or environmental interest, 3 business owners or business property owners, 4 neighborhood representatives, and 1 Palo Alto Unified School District representative or liaison.

Council Member Holman stated her vision for the proceedings of the Task Force was a round table forum where input from each member was welcomed and accepted. She stated desired candidates would have expertise and knowledge on land use, transportation, and urban design along the Caltrain corridor.

City Attorney, Gary Baum stated P&TC members could be liaisons to the Task Force, but not full participants. He stated this was because the Task Force was designed to be an advisory board to the P&TC.

Council Member Holman stated P&TC members could provide input, but could not give direction or advice as liaison members.

Mr. Baum stated P&TC members could attend Task Force meetings and respond to questions. P&TC members could not provide input on issues as they arose. The Task Force was established to provide recommendations to the P&TC. He stated P&TC members fully participating in the Task Force would conflict with the Fair Political Practices Commission Form 700.

Council Member Holman inquired whether Staff could describe the definition of a liaison member.

Mr. Baum stated a liaison member attended and monitored meetings without being full participants. They could not vote or provide input. He stated a liaison member could respond to a question on a plan, but could not recommend how a plan should be employed.

Council Member Scharff spoke on his concern for appointing one member of the Bicycle Advisory Committee.

Mr. Baum stated the highest level of concern was the appointment of a P&TC representative on the Task Force. He stated all other appointments were at the City Council's discretion.

Council Member Scharff spoke on his concern that there was not enough representation from the various neighborhoods. He stated four out of eleven neighborhoods was not enough representation. He suggested adding two additional members, from different neighborhood groups, to the Task Force.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that the 2 Planning & Transportation Commission members be liaisons with the group, other Board & Commission members to serve as liaisons, and to include 2 additional members from neighborhoods.

Council Member Price stated the challenge of appointing the Task Force was ensuring it was inclusive and operational. She suggested one environmental representative and one Caltrain rider. She suggested geographic representation from the business representatives. She stated representation from the Youth Council and people-oriented services were not included in the Motion.

Council Member Holman stated there was no attempt to exclude the Youth Council or people-oriented services. She stated she focused her Motion on the stated goal of land use, transportation, and urban design opportunities along the Caltrain corridor, and recommended the appointment of individuals who had expertise in these fields.

Council Member Price inquired whether the Maker of the Motion was in favor of including a Caltrain rider, and whether that experience could be met by a neighborhood representative.

Council Member Holman stated a Caltrain rider could provide useful input to the Task Force.

Council Member Shepherd recommended that during the recruitment process, additional points be awarded to individuals that rode Caltrain. She suggested the Motion include two representatives being Caltrain riders, inclusive of their titles as a member on the Task Force.

Council Member Holman stated Staff could possibly find one neighborhood member who regularly commuted on Caltrain. She spoke on her concern for precluding neighborhood members who were interested in the Task Force. She felt Caltrain ridership information could be provided without a designated Caltrain rider on the Task Force.

Council Member Shepherd stated the Caltrain rider could be any one of the individuals selected on the Task Force.

Council Member Holman stated her intent was having one neighborhood representative also be a routine Caltrain commuter. Her intent was not to preclude interested neighborhood representatives, however, priority be given to an individual that had significant Caltrain ridership experience.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that one of the neighborhood representatives also be a routine train commuter.

Council Member Shepherd suggested that a member of the PAUSD be appointed to the Task Force.

Council Member Holman stated that was the intention of the Motion. The PAUSD would be responsible for appointing a member to the Task Force, whether it was a member of the PAUSD, or Parent Teacher Association (PTA).

Council Member Shepherd spoke of her concern that a social services provider was excluded from the Motion. She inquired whether it was possible to merge the environmental and Canopy representatives into one representative, and add a social services provider.

Council Member Holman stated her preference was not to merge the environmental and Canopy representatives as they had different expertise. She stated social service providers were welcome to provide input.

Council Member Shepherd inquired what specific expertise was desired in the environmental representative.

Council Member Holman stated there was a broad spectrum of expertise desired in the environmental representative, which included circulation and aquifer expertise.

Council Member Shepherd spoke on her interest for one of the business representatives being a realtor. Realtors were providing full disclosure material to potential homebuyers along the corridor, and understood the management of real estate along the corridor.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that one of the four business members be a realtor.

Vice Mayor Espinosa inquired whether the Motion was inclusive of all the recommendations in the Agenda Item, and the Maker was making changes strictly on the composition of the Task Force.

Council Member Holman stated that was correct.

Vice Mayor Espinosa inquired whether there was consideration by the City Council for a representative of PAN and the Chamber of Commerce. His intention was to replace the two positions, which opened due to the removal of the P&TC members, with a PAN and Chamber of Commerce representative as a broad community voice.

Council Member Scharff stated he supported this recommendation.

Council Member Holman supported one of the six neighborhood representatives being a PAN representative.

Mr. Williams stated there were not six neighborhood representatives. He stated there was the original four neighborhood representatives, plus one member from PAN, in lieu of one P&TC representative. The Chamber of Commerce representative was proposed in lieu of the second P&TC member removed.

Vice Mayor Espinosa concurred with Mr. Williams's recommendation to appoint a PAN and Chamber of Commerce representative in lieu of the two removed P&TC representatives.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that there be 4 neighborhood members plus 1 member from Palo Alto Neighborhoods (PAN).

Council Member Holman asked how much Stanford owned land was on the map contained within the Staff Report. She stated Stanford primarily owned land on the West side of El Camino Real.

Mr. Williams stated Stanford owned the Sheridan Hotel along El Camino Real. He stated this parcel was in the general area of the Rail Corridor Study's preliminary boundary.

Council Member Holman inquired on Staff's preference to have a Stanford representative or the Chamber of Commerce representative on the Task Force.

Mr. Williams stated Staff agreed with the approach to have a representative from PAN and the Chamber of Commerce on the Task Force as representatives of the broader community.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDED that the four business representatives would include one representative from the Chamber of Commerce.

Council Member Yeh spoke on representation from the youth and a social services provider. He spoke on his concern of an on-going commitment from a high school student. He suggested the Task Force holding a targeted meeting with the youth and social services providers.

MOTION RESTATED: Council Member Holman moved, seconded by Council Member Yeh that the composition of the Task Force for the Palo Alto Rail Corridor Study be: 1 PAUSD representative; 5 neighborhood representatives with one being from PAN; 4 business representatives with one being from the Chamber of Commerce and one a Realtor; 1 environmental representative; 1 member from Stanford, 1 Bike Advisory Committee member, 1 representative from Canopy, 1 Architect; and two Planning & Transportation Commission liaisons.

Mayor Burt spoke on his concern with the composition for the Task Force. He felt there should be less modification from Staff's proposal. He recommended that a Stanford representative be on the Task Force.

SUBSTITUTE MOTION: Mayor Burt moved, seconded by Council Member Shepherd that the composition of the Task Force for the Palo Alto Rail Corridor Study be: 1 member from Stanford; 1 environmental representative; 3 business community members including 1 realtor, 1 member from the Chamber of Commerce, and 1 property/business owner; 1 Architect, 5 neighborhood representatives; 1 PAN representative; 1 PAUSD representative; 1 Caltrain rider; 1 social services/affordable housing member; and include liaisons from Boards and Commissions who wish to participate.

Mayor Burt stated that his Substitute Motion included one representative from Stanford, a social services provider, and a Caltrain rider rather than the representative from Canopy and the Bicycle Advisory Committee.

Council Member Shepherd inquired whether an architect was included within the Substitute Motion.

Mayor Burt stated yes.

Council Member Scharff inquired whether the Substitute Motion included a Chamber of Commerce representative.

Mayor Burt stated yes.

Council Member Shepherd inquired whether the Substitute Motion included a realtor.

Mayor Burt stated the realtor would be selected within the business community members' selection.

Council Member Shepherd inquired whether the Task Force would be involved in the Economic Study of the rail corridor.

Mr. Williams stated the Task Force would not be responsible for overseeing the Economic Study. He stated Staff would report to the Task Force on Economic Study work.

Council Member Klein stated the creation of the Task Force was premature. He spoke on his concern for having two P&TC liaisons on the Task Force. He recommended one P&TC liaison on the Task Force, as seen in other City Task Forces.

Mayor Burt stated the Substitute Motion consisted of Staff's recommendation to approve liaison representatives from a variety of interested City boards and commissions.

Council Member Klein spoke on the differences between the Motion and Substitute Motion. He suggested that a representative from Canopy be included in the Task Force, in lieu of the social services provider.

Council Member Shepherd inquired how Canopy would benefit the Task Force as a stakeholder member.

Council Member Holman stated, in the last several years, there had been erosions near the rail corridor due to Caltrain projects, Public Works Department projects, and lack of replanting treescapes. Canopy was an organization that was knowledgeable on trees, and what types of trees would sustain the development that may happen in the rail corridor area. She suggested the Caltrain rider and neighborhood representative be merged into one member and add a Canopy representative.

Mayor Burt stated Staff recommended the City Council approve no more than 15 Task Force members. He did not see the need for the Task Force to be an odd number of members, and recommended adding one Canopy member to bring the total membership to 16.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add 1 Canopy representative.

Council Member Shepherd stated her interest for adding a social services provider was due to the different trends seen at the station on California Avenue.

Council Member Price inquired whether the social services/affordable housing representative was part of the Substitute Motion.

Mayor Burt stated the Motion included one representative for those two stakeholder groups.

Council Member Price stated there was a distinction between transit dependent users and routine commuters of Caltrain. She stated the perspectives of the users were important.

Council Member Scharff inquired how the business representatives were handled in the Substitute Motion.

Mayor Burt stated the business representatives included a member from the Chamber of Commerce, a realtor, a business/property owner, and one representative at-large.

Council Member Yeh stated there was much to be learned from non-Caltrain users. He spoke on the different motivations between Caltrain users and non-Caltrain users.

Council Member Holman stated there were five neighborhood representatives proposed in the Substitute Motion. She stated one of those members was a PAN representative. She inquired whether the other four would be from different neighborhoods.

Mayor Burt stated that was correct.

Council Member Scharff recommended that the four neighborhood representatives be within the Rail Corridor Study area.

Mayor Burt concurred with Council Member Scharff.

Council Member Holman inquired whether different parts of town would be equally represented.

Mayor Burt stated that was correct.

Council Member Holman stated the business representatives included the Chamber of Commerce. She inquired whether the other business representatives would be from different parts of town.

Mayor Burt stated the Substitute Motion did not specify that. His intent was for Staff to recommend members that had broad perspectives, and diversity of geographic perspectives.

Mr. Williams stated Staff would keep Mayor Burt's suggestion in mind when recommending potential members to the Task Force.

SUBSTITUTE MOTION PASSED: 8-0 Schmid absent

Council Member Holman inquired on the position of the P&TC member as a liaison to the Task Force.

Mayor Burt stated the Substitute Motion included Staff's recommendation to include liaisons from Boards and Commissions who wished to participate.

Council Member Holman stated the Rail Corridor Study's map was sweeping in scope. She inquired when a refined map would be returning to the City Council.

Mr. Williams stated the map was a broad first sweep of the rail corridor location, and there would be deviation to it. Refining the boundaries of the map would potentially be one of the first assignments of the Task Force.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Espinosa to accept the balance of Staff recommendations: 1) The Task Force should serve as a conduit to and from other stakeholders and should work with Staff to set up networks and techniques at the outset of the process to assure engagement of the broader community throughout the study. An initial effort of the Task Force will be to develop a plan for outreach to assure extensive input from all interested and affected segments of the community, 2) Meetings of the Task Force would be subject to all Brown Act committee requirements. Meetings would be open to the public notice would be provided as prescribed by the Brown Act, at a minimum (Staff anticipates considerably more extensive notice would be provided to an extensive list of stakeholders and interested individuals, 3) Individuals on the Task Force would not, however, be subject to filing the Form 700 disclosure statements of conflicts of interest, since any recommendations will be subject to substantive intervening review by the Planning & Transportation Commission (PT&C), prior to recommendations to Council, 4) The Task Force Members will take votes to recommend components of the study to the Planning and Transportation Commission, which will then report its recommendations to the City Council, and 5) Quarterly status reports of the study progress will be provided by Staff to the Council, Planning and Transportation Commission, and the Council's HSR Committee. Reports from the Planning

and Transportation Commission will be provided for information to the HSR Committee prior to Council review. Where timely, reports and recommendations of the Task Force that are relevant and timely to address High Speed Rail issues will also be forwarded to the Council's HSR Committee.

MOTION PASSED: 8-0 Schmid no

4. Direction Regarding Content of Charter Amendment to Repeal Binding Arbitration for Public Safety.

Mayor Burt stated this was a continued Council session to further discuss the content of the proposed Charter Amendment to repeal Binding Arbitration for public safety.

Assistant City Manager, Pamela Antil stated Staff included additional recent articles to assist with the City Council's discussion and possible direction to Staff. The ballot language preparation was in progress, and would return to the City Council on August 2, 2010.

Mayor Burt inquired whether this would comply with the meet and confer requirements relating to union negotiations, and whether it was an obligation of the City. He inquired whether it should be included in discussions with the City's labor groups that would be potentially affected.

City Attorney, Gary Baum stated it was an issue that was permissive subject of bargaining, and the City was not required to meet and confer. He spoke on several California cities where the issue was upheld. Staff provided the City Council with a memorandum that showed Staff's analysis. He indicated Staff's analysis had been reviewed and endorsed by the City's outside counsel.

Herb Borock, Palo Alto, spoke on the Charter Amendment in 1978, past Binding Arbitration decisions, and the firefighters' petition.

Robert Moss, Palo Alto, spoke on his support for the City Council to place the Charter Amendment on the ballot.

Catherine Capriles, Palo Alto Fire Department, spoke on her support for Binding Arbitration.

Alan Davis, Palo Alto, spoke on the benefits of Binding Arbitration and meet and defer requirements.

Council Member Yeh stated he was interested in the actual decisions of past Binding Arbitration situations, and the total cost of City negotiations over the years. He stated it was when the City reached an impasse in negotiations that the City moved into Binding Arbitration. He inquired whether there were any budget savings seen. He stated that if the Charter Amendment was placed on the ballot and passed, it would have collateral damage to the two Police Officer unions. He spoke on his interest in the union groups that the ballot measure would potentially impact. He was interested in the facts or merits, and felt there was not enough time to place the Charter Amendment on the ballot.

Council Member Shepherd stated she accepted placing the Charter Amendment on the ballot. She felt updating the City's Charter was needed. She desired more due diligence before moving forward. She suggested a Citizens Task Force to study the Charter and see where updates could be made. She spoke on her concern that there was not enough time to place the Charter Amendment on the ballot.

Mayor Burt requested confirmation that if the City placed the Charter Amendment on the ballot, the City would not be circulating an Initiative Petition for the Charter Amendment.

Council Member Shepherd stated she was speaking in terms of the wording for the Fire Fighters' Petition. Any petition placed on the ballot, would require a citizens group to circulate the petition.

Council Member Price felt the City Council was rushing into placing the Charter Amendment on the ballot, and it could be perceived as retribution to the Fire Fighters' Initiative. She stated public safety personnel did not have the right to strike, and this was a long standing practice. Binding Arbitration was a way to have a fair and impartial hearing. There were many ways Binding Arbitration could be effective, including cost sharing and arbitrators had the expertise to help reach a resolution. The ricochet effect that this would have to the Police Department employees would be great. It was her belief that Binding Arbitration should stay in the City's Charter, as there were some standpoints that suggested the cost of arbitration could be less than seeking counsel for deliberations. The ballot cost for the Charter Amendment was roughly \$100,000, and there were other ways the City could use those funds.

Council Member Scharff stated it was in the City's best interest to place the Charter Amendment on the ballot and to let the voters decide. If the City was unable to get pensions and employee costs under control, employees would lose their jobs, City services would erode, and the quality of life in

Palo Alto would diminish. The City Council had tried to obtain equity across the board with employees. If the City wanted a two-tiered retirement system with Public Safety personnel, all parties involved would be required to agree. If equity across the board was not possible, then the City would need to consider putting the Charter Amendment on the November 2010 ballot. If the City did not place the Charter Amendment on the ballot, he recommended a Task Force to review the City's Charter.

Council Member Holman stated Palo Alto was only one of three other Charter cities in the Bay Area that used Binding Arbitration. She indicated this had been a topic of discussion among past Council Members and should be addressed.

Vice Mayor Espinosa stated the Charter Amendment was not in retribution to the Fire Fighters' Initiative. He agreed with Council Member Scharff that the City should look at equity across the board for all employees. The City Council had converged with all employees union groups to discuss the City's budget, pension, and health care. Over the past year the Service Employees International Union (SEIU) took on a collaborative approach with the City to formulate solutions together. It was his belief the City did not have enough time to discuss this issue before the November 2010 election.

Council Member Klein stated he voted against Binding Arbitration in 1978. It was his belief Binding Arbitration took the decision out of the hands of City representatives, and put it into someone else's hands who had no responsibility or tie to Palo Alto.

Mayor Burt stated Attachment A of the Staff Report showed the cities within Santa Clara County that used Binding Arbitration, including Palo Alto, the City of San Jose, and the City of Gilroy. He stated the City of Gilroy underwent major structure reforms in their Fire Department's compensation plan mid-contract as a result of the Council considering putting Binding Arbitration on the ballot. He stated the City of San Jose was considering putting Binding Arbitration on the ballot. He stated the reforms were difficult last year with SEIU. With SEIU negotiations the City achieved a reverse spiral of increasing benefits and unsustainable costs. He spoke on his concern on Staff cuts in the City's Police Department.

Council Member Yeh requested an overall cost for City negotiations on a Fiscal Year basis.

Ms. Antil inquired whether Council Member Yeh's request was for records dating back to 1978.

Council Member Yeh stated he was not aware of the City's Record Retention Policy. He requested information from the Fiscal Years that were available.

Mayor Burt inquired whether Council Member Yeh's intention for past records was on costs, or rulings of Binding Arbitrations.

Council Member Yeh stated his intention was for information on when the first Binding Arbitration was set in motion. He was unsure whether negotiations occurred every Fiscal Year, or skipped Fiscal Years, based on Memorandum of Understanding agreement terms. His intent was to understand the cost trend of negotiations for public safety personnel.

Mayor Burt stated Council Member Yeh was looking for trends in the cost of negotiations for public safety personnel.

Council Member Klein spoke on his concern for the additional workload on Staff for this request. He felt parameters should be established for the amount of time Staff worked on this request.

Council Member Yeh felt the information was essential for a fully informed discussion.

Ms. Antil stated Staff could possibly look into the billings for outside labor counsel.

Mr. Baum stated the City did not use outside labor counsel. He stated, for the last five years, the City used a flat rate cost based on employee head count.

Mayor Burt stated he was unclear on the benefits for the cost of labor negotiations.

Council Member Yeh stated his intent was to educate the City Council on Binding Arbitration, as it was only used a small number of times. There were costs associated for negotiations, and those relative costs were imperative.

Mayor Burt stated, unless Staff indicated otherwise, this research would require a great deal of Staff time.

Council Member Price stated contracts for negotiators were based on employee head count. She inquired whether Staff was able to break the cost out to show the cost for public safety personnel. She stated the City Council was operating on a context of not knowing what the cost was.

Binding Arbitration truncated the process, and the City Council did not have a basis for comparison.

Ms. Antil stated the City compensated IEDA approximately \$85,000 annually for all labor groups.

Mayor Burt stated he believed the inquiry was based on the concern for whether the City would have a greater or lower expense if the City held Binding Arbitration. He stated data would be beneficial if it did not add a lot of workload to Staff.

Council Member Klein recommended that Staff limit the time spent on this request to ten hours.

Mayor Burt agreed with Council Member Klein.

Council Member Shepherd stated the information missing from the Staff Report was the number of times the City used Binding Arbitration, what the context of Binding Arbitration was about, and how much the City saved or lost.

Mayor Burt stated the inquiry was for additional labor negotiation costs, in addition to the number of times the City used Binding Arbitration, what they were about, and how much the City saved or lost.

Council Member Price inquired whether the request included the costs incurred and shared with Fire Fighter personnel, and what the results were of those rulings from Binding Arbitration.

Mayor Burt recommended that a Motion be brought forth by a Council Member for a complex request of Staff.

Council Member Yeh requested Staff to work on this request for up to ten hours.

Ms. Antil acknowledged Council Member Yeh's request.

Mayor Burt stated Staff's first priority would be to provide the history of rulings on Binding Arbitration. He stated the second priority would be on any insights Staff may have on comparative costs.

CITY MANAGER COMMENTS

Assistant City Manager, Pamela Antil spoke on the Palo Alto Aquatics Team's participation in the 2010 Northern California Lifeguard Games.

ORAL COMMUNICATIONS

Peter Robinson, Palo Alto, spoke on the forthcoming removal of trees at Mitchell Park.

Mark Petersen-Perez, spoke on social media networks and his emails not being responded to by City Staff.

Herb Borock, Palo Alto, spoke on the placement of oral communications, the Council Appointed Officers Committee minutes regarding an exit interview for the City Attorney, and the High Speed Rail Committee meeting's discussion on hiring contractors.

AGENDA CHANGES, ADDITIONS, AND DELETIONS

APPROVAL OF MINUTES

MOTION: Council Member Yeh moved, seconded by Vice Mayor Espinosa to approve the minutes of June 7, 2010 and June 14, 2010.

MOTION PASSED: 8-0 Schmid absent

CONSENT CALENDAR

Herb Borock, Palo Alto, spoke on Agenda Item No. 5. He recommended the City Council obtain and analyze the information used in the Blue Ribbon Panel for the previous City Attorney recruitment.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Scharff to approve Consent Calendar Item Nos. 5-12.

5. Recommendation from Council Appointed Officers Committee (CAO) to Initiate City Attorney Recruitment.
6. Approval of an Electric Enterprise Fund Contract With Pacheco Utility Line Builders, Inc. for a Total Not to Exceed Amount of \$3,000,000 for Providing Overhead Electric Transmission and Distribution System Construction Services – Capital Improvement Program Budget EL 98003.
7. Approval of Four Multiple Prime Contracts for the Civic Center Infrastructure Improvements - Capital Improvement Program Project PF-01002: 1) Contract with Nexgen Builders, Inc. in the Amount of \$367,313 for General Work Items and Finishes; 2)

Contract with Everest Waterproofing and Restoration, Inc. in the Amount of \$648,934 for Exterior Improvements; 3) Contract with ACCO Engineered Systems, Inc. in the Amount of \$1,270,695 for Mechanical, Plumbing, Fire Sprinkler and Controls; and 4) Contract with H.A. Bowen Electric, Inc. in the Amount of \$749,000 for Electrical And Fire Alarm.

8. Approval of Amendment No. One to Existing Contract No. C09127499 with Assetworks, Inc. in the Amount of \$9,832 for the Purchase of Additional Components Required to Complete the Implementation of the Fuel Transaction Management System.
9. Approval of the Sale of Surplus Fire Equipment to Oaxaca, Mexico in the Amount of \$20,000.
10. Approval of a Wastewater Treatment Enterprise Fund Contract with Carollo Engineers, Inc. in an Amount of \$981,266 for Preparation of the Long Range Facilities Plan for the Regional Water Quality Control Plant; and Adoption of a Budget Amendment Ordinance 5086 for the Fiscal Year 2011 to Provide an Additional Appropriation of \$481,266 to Capital Improvement Program Project WQ-10001, Plant Master Plan.
11. Resolution 9079 entitled "Resolution of the Council of the City of Palo Alto Authorizing Use of a Design-Build Project Delivery Method for Design and Construction of Replacement Fuel Pumps and Related Equipment at Foothills Park". (VR-92006).
12. Budget Amendment Ordinance (BAO) 5087 for Fiscal Year 2011 to Provide Additional Appropriations of \$22,780 for Verification of Petition Signatures Within the General Fund for the County of Santa Clara Registrar of Voters Regarding Palo Alto Professional Firefighter's, Local 1319, Initiative Costs.

MOTION PASSED: 8-0 Schmid absent

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Yeh reported that Palo Alto High School alumni Jeremy Lin had been drafted by the Golden State Warriors.

Council Member Price requested to see the results of the projects from the Design Teams.

Assistant City Manager, Pamela Antil stated there would be a report shared with the City Council on the Design Teams at a later date.

Mayor Burt closed the meeting in memory of Doctor David Druker who was the CEO/COO of the Palo Alto Medical Foundation, who passed away on July 23, 2010.

ADJOURNMENT: The meeting was adjourned in memory of Doctor David Druker at 11:44 p.m.