



CITY OF PALO ALTO CITY COUNCIL WORKING MINUTES

Special Meeting
February 11, 2013

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:33 P.M.

Present: Berman, Burt, Holman arrived at 5:42 p.m., Klein, Kniss, Price, Scharff, Schmid, Shepherd

Absent:

Closed Session

1. CONFERENCE WITH CITY ATTORNEY - Potential Litigation

Subject: Written liability claim against the City of Palo Alto by Chuck Fong & Grace Wood (Claim No. C12034)

Authority: Government Code section 54956.9

The City Council reconvened from the Closed Session at 7:00 P.M. and Mayor Scharff announced no reportable action.

Special Orders of the Day

2. Proclamation in Support of Protect Our Children Gun Buy-Back Program.

Mayor Scharff read the Proclamation into the record.

Mayor Ruben Abrica, City of East Palo Alto reported the City of East Palo Alto also had a Proclamation in support of the Protect Our Children Gun Buy-Back Program. Prior Programs had been successful in removing guns from the streets. He thanked the Protect Our Children organization for its support.

Police Chief Ron Davis, City of East Palo Alto thanked Protect Our Children for its support. The strongest component of the Program was the tri-city partnership.

Mayor Peter Ohtaki, City of Menlo Park echoed previous comments. He appreciated working with the City of Palo Alto and the City of East Palo Alto to reduce crime.

3. Appointment of a Candidate for the Planning and Transportation Commission for One Unexpired Term Ending on July 31, 2014.

First Round of voting for one Candidate for the Planning and Transportation Commission for One Unexpired Term Ending on July 31, 2014:

Voting For Leonard Ely:

Voting For Tzuchi Fan:

Voting For Kyu Kim: Scharff, Shepherd

Voting For Carl King: Burt, Holman, Klein, Schmid

Voting For Doria Summa:

Voting For Elaine Uang: Berman, Kniss Price

Voting For Henry Wong:

Donna Grider, City Clerk announced that no candidate received the required five votes.

Second Round of voting for one Candidate for the Planning and Transportation Commission for One Unexpired Term Ending on July 31, 2014:

Voting For Leonard Ely:

Voting For Tzuchi Fan:

Voting For Kyu Kim: Scharff, Shepherd

Voting For Carl King: Burt, Holman, Klein, Kniss, Schmid

Voting For Doria Summa:

Voting For Elaine Uang: Berman, Price

Voting For Henry Wong:

Ms. Grider announced that Carl King with five votes was appointed to the Planning and Transportation Commission for one unexpired term ending on July 31, 2014.

4. Appointments of Candidates for the Parks and Recreation Commission for Two Terms Ending on December 31, 2015.

MOTION: Council Member Holman moved to vote for one appointment to the Parks and Recreation Commission and direct the City Clerk to recruit for the other opening.

MOTION FAILED DUE TO THE LACK OF A SECOND

First Round of voting for two positions for the Parks and Recreation Commission for Two Terms Ending on December 31, 2015:

Voting For Tricia Baker:

Voting For Ginny Coles:

Voting For Abby Knopper: Berman, Burt, Klein, Kniss, Schmid, Shepherd

Voting For Elaine Poplinger: Price

Voting For Keith Reckdahl: Berman, Burt, Holman, Klein, Kniss, Price, Scharff, Schmid, Shepherd

Voting For Nounou Taleghani:

City Clerk, Donna Grider announced that Abbie Knopper with six votes, and Keith Reckdahl with nine votes were both appointed to the Parks and Recreation Commission for Two Terms Ending on December 31, 2015.

5. Appointment of a Candidate for the Public Art Commission for One Unexpired Term Ending on April 30, 2015.

First Round of voting for one position for the Public Art Commission for One Unexpired Term Ending on April 30, 2015:

Voting For Hope Armstrong:

Voting For Sabrina Braham:

Voting For Harvey Citrin:

Voting For Carol Gilbert:

Voting For Kathleen Kavanaugh: Burt, Holman, Klein, Kniss, Schmid

Voting For Orna Makleff:

Voting For Ben Miyaji:

Voting For Elaine Poplinger:

Voting For Lindsay Russell: Berman, Price, Scharff, Shepherd

Voting For Robin Theil:

City Clerk, Donna Grider announced that Kathleen Kavanaugh, with five votes, was appointed to the one position for the Public Art Commission for One Unexpired Term Ending on April 30, 2015.

Study Session

6. Study Session on PaloAltoGreen Program Redesign Options.

Jane Ratchye, Assistant Utilities Director presented options for City Council's (Council) consideration to completely re-vamp the PaloAltoGREEN program, to eliminating the program. Council Members expressed interests that also ranged from continuing the program as is to eliminating the program. Some Council Members asked what benefits the program provided if the Electric Portfolio was Carbon Neutral; some favored changing the program to support local solar or to reduce carbon emissions from natural gas usage. Members of the public also provided their feedback. Staff was developing recommendations that the project be first presented to the Utilities Advisory Commission (UAC), based on the input provided at the Study Session.

John Foster, Vice Chair of UAC reported PaloAltoGreen was the leading voluntary green power procurement program in the United States when measured on a per capita adoption basis. Based on discussions at the UAC, he believed all members of the UAC supported continuing the Program in some form. There was support for continuing the focus on electricity and considering a green gas program. The vast majority of participants would continue to participate if a new program continued the ideals of PaloAltoGreen Program.

Herb Borock understood the voluntary Program achieved its objectives in terms of renewable energy. It made more sense to include a fee on all bills, because the Program served everyone.

7. Preliminary Review of a Planned Community Zoning Proposed on the Former VTA Lot at El Camino Real and Page Mill Road (2755 El Camino Real).

The City Council conducted a preliminary review or “prescreening” of a proposed Planned Community application for a new commercial development at 2755 El Camino Real. The proposed, four story, 33,500 square feet commercial building would be constructed on this 19,563 square foot site, resulting in a 1.71 Floor Area Ratio (FAR). As proposed, the project features underground parking and vehicular access via a right turn in and out onto El Camino Real. The “public benefits” proposed by the Applicant include widening of Page Mill Road, upgrading the abandoned pedestrian tunnel under El Camino Real between Chipotle and the soccer field, installing new lighting or other pedestrian improvements on California Avenue, and urban design features. The City Council gave initial project feedback on components such as massing and architecture, public benefits, pedestrian and automobile improvements, parking and several other components of the project. It is expected that the Developer will move forward with the project shortly. The project will be subject to full environmental review, as well as review by the Architectural Review Board (ARB), Planning and Transportation Commission (P&TC), and the City Council.

Herb Borock indicated the Agenda Item did not comply with the Palo Alto Zoning Code requiring notice and public participation. He did not have sufficient time to prepare for discussion of the Project. He suggested Council decide which bodies should have meetings on the Project, and Staff should follow the proper noticing requirements.

Robert Moss stated the Project was inconsistent with the El Camino Real Design Guidelines. The building was excessively tall, bulky, and lacked setbacks. This Project did not fit the environment or the lot. Public benefits were trivial; private benefits were huge. A three-level underground garage would penetrate far into the toxic zone. The garage would poison the residents of the building and divert water flow from the toxic aquifer to adjacent properties.

Minutes Approval

MOTION: Vice Mayor Shepherd moved, seconded by Mayor Scharff to approve the minutes of December 17, 2012, and January 7, 2013.

MOTION PASSED: 9-0

City Manager Comments

James Keene, City Manager announced written responses to the Notice of Preparation for the Caltrain Electrification Environmental Impact Report (EIR) were due by 5:00 P.M. on March 18, 2013. Caltrain would hold a scoping meeting in Palo Alto on February 28, 2013 from 6:00 P.M. to 8:00 P.M. The Valley Transportation Authority (VTA) was preparing an EIR for the El Camino Real Bus Rapid Transit (BRT) project. Scoping meetings would be held in Santa Clara on February 21, 2013 and in Mountain View on February 28, 2013. Comments should be submitted in writing and received no later than 5:00 P.M. on March 8, 2013. The Children's Theatre production of Good Night Moon set a box office record for attendance with more than 3,200 families and children attending. The Palo Alto Office of Emergency Services hosted the Annual Citizen Corps Council Awards on February 7, 2013 and recognized volunteers for outstanding service to the community. Palo Alto Police Department Deputy Director Charlie Cullen testified before the California State Senate Committee on Energy, Utilities and Communications regarding embracing new technology and seeking funding for emergency systems. Because of vandalism at the Baylands Athletic Center the prior weekend, the entire complex was without power. The complex should return to normal by the upcoming weekend. On February 27, 2013 from 7:30 P.M. to 8:30 P.M., the Department of Public Works would host a community meeting at the Lucie Stern Center to discuss proposed renovations for Eleanor Pardee Park. The University Avenue Beautification Project to retrofit the irrigation system and install new landscaping was scheduled to last through May 2013. The celebration of the Neighbors Abroad 50-year anniversary was scheduled for the upcoming weekend. *The American Experience* video about Silicon Valley was available.

Mayor Scharff recognized and thanked Council Member Burt for his work with emergency preparedness.

Oral Communications

Herb Borock suggested the Council have Agenda Items regarding the Caltrain and Valley Transportation Authority (VTA) Environmental Impact Reports (EIR) in order to draft responses prior to the scoping meetings. The latest Council meeting to discuss the Caltrain EIR would be March 11, 2013,

and the latest Council meeting to discuss the VTA EIR would be March 4, 2013. The Council should place its comments in the administrative record for each EIR.

Omar Chatty stated another person was killed by Caltrain. In 2012, five people were killed in Palo Alto on Caltrain. He appealed to the Council to move away from the train and support either Bay Area Rapid Transit (BART) or other safe transportation. The train was outdated. The Council's highest job was to save lives.

Mike Francois reported the Glass-Steagall Act was passed in 1933 to separate commercial and investment banks. He asked the Council consider endorsing it.

Consent Calendar

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Price to postpone Agenda Item Number 12 to the March 4, 2013 City Council meeting, or the February 25, 2013 City Council meeting if one is scheduled.

12. Update and Direction to Staff Regarding Edgewood Plaza Project and Development Process.

MOTION PASSED: 9-0

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Price to approve Agenda Item Numbers 8-11 and 13-14.

8. Utilities Advisory Commission Recommendation that Council Approve a Three Year Extension of the Demand Response Pilot Program for Large Commercial Electric Customers.
9. Approval of the Renewal of and Year Two Funding for Oracle Contract S11139794.
10. Adoption of a Budget Amendment Ordinance 5185 in the Amount of \$67,000 and Approval of a Contract with Naturescapes in the Amount of \$389,525 For The Ventura Community Center and Park Renovation (3990 Ventura Court) Project PE-10002.
11. Submittal of Mitchell Park Library and Community Center Bi-Monthly Construction Contract Report.
- ~~12. Update and Direction to Staff Regarding Edgewood Plaza Project and Development Process.~~

13. Approval of Amendment No. 1 to Contract C09127499 with AssetWorks, Inc. in the Amount of \$63,805 for Software Implementation and Support Services; Training; and Annual License and Software Maintenance for a Term of Five Years for the City's FleetFocus and FuelFocus Fleet Transaction Management Systems.
14. Adoption of a Budget Amendment Ordinance 5186 and Approval of a Contract with TBWB Strategies in a Total Amount Not to Exceed \$95,000 for Educational Outreach Services Related to a Potential 2014 Infrastructure Finance Measure.

MOTION PASSED: 9-0

Agenda Changes, Additions and Deletions

15. Review of Potential Options for Downtown Visioning and 27 University Avenue Site Planning (Staff Requests this item be moved to March 18, 2013).

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Kniss to continue Agenda Item Number 15 to a date uncertain.

MOTION PASSED: 9-0

Action Items

16. City of Palo Alto Appeal of Adopted Regional Housing Needs Allocation (RHNA) for the 2014-2022 Housing Element Cycle.

Curtis Williams, Director of Planning and Community Environment reported a letter had been drafted to the Association of Bay Area Governments (ABAG) to appeal the Regional Housing Needs Allocation (RHNA) made to Palo Alto specifically. The Regional Housing Mandate Committee (RHMC) recommended approval of the letter on a 3-1 vote. The appeal focused on transferring 350 units located at the Stanford University campus from the City of Palo Alto to the County, because of the close location of those units to the University Avenue train station. Discussions between Staff and County Staff were somewhat promising; however the City needed to preserve its right to appeal.

Robert Moss agreed an appeal should be filed. The appeal should also include an objection regarding incorrect population growth estimates.

Adina Levin, speaking as a Sierra Club Member and as an individual, appreciated the Council's review of ABAG methodology. The State's metric for housing affordability should include transportation. From a Sierra Club perspective, cities should look for in-fill development opportunities rather than using the built-out argument.

Council Member Holman indicated the City Attorney provided an at-places communication regarding the two methods the Council could approach an appeal. One ground for appeal was the basic formula used to determine RHNA. A second ground was individual allocations assigned to the agency. The RHMC recommended the appeal focus on the second ground, or allocation of the Stanford units. She noted a typographical error on packet page 482.

MOTION: Council Member Holman moved, seconded by Council Member Berman to authorize the Mayor to execute the appeal cover letter (Attachment A of the Staff Report) and completed appeal template (Attachment B of the Staff Report) to the Association of Bay Area Governments (ABAG) regarding the City's appeal of the adopted Regional Housing Needs Allocation (RHNA) for the 2014-2022 cycle.

Council Member Berman felt the appeal letter was strong and focused on the one argument in which ABAG expressed an interest. The City had other disagreements with ABAG; however, this argument complied with statute requirements. The City should focus on the one area that was a ground for appeal, provide a solid argument, and achieve the goal of reducing the RHNA. He was concerned that taking on all disagreements would result in the failure of all appeals.

Council Member Schmid believed the draft letter focused on the allocation process with ABAG. He referenced California Code sections regarding the process for appeal. It was important for the appeal to cite the problem in demographics and to include a note to the California Department of Housing and Community Development (HCD) and the California Department of Finance (DoF).

AMENDMENT TO MOTION: Council Member Schmid moved, seconded by Council Member Klein to add Point Number One from the City of Palo Alto letter dated September 11, 2012 packet page 496 inserting an appeal based on the population numbers and send copies to the Departments of Finance and Housing.

Council Member Schmid favored appealing the transfer of 350 units; however, this only slightly affected the impact on the City. Appealing on the

basis of population would contest the numbers generated by HCD, DoF, and ABAG.

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to add the first full paragraph on page 478 of the Staff Report, "Request for Revision Letter" with reference to Government Code 65584.04

Council Member Klein stated the City was concerned about the number of units, because of the effect on the Palo Alto Unified School District (PAUSD). The allocation would be a significant increase in housing, and no one had identified where and how that number of units could be built without changing a substantial element of the character of the City. The City had to take every avenue possible to build a case that this was bad public policy. If the City abandoned earlier arguments, people would say Palo Alto gave in on those issues. The numbers were ludicrous given the lack of suitable land. When enough cities attacked the system, then the Legislature would act to change it.

Council Member Schmid requested clarification as to which paragraph was incorporated in the Amendment.

Council Member Klein indicated Item 3 in the first full paragraph on page 478, which built on paragraph B of Section 65584.04 of the Government Code as quoted on the bottom of page 477.

Council Member Burt supported the Amendment, and inquired whether Council Member Klein intended to include an annotation to the Government Code.

Council Member Klein wanted Staff to draft the language.

Council Member Burt asked if Staff would include a reference to the applicable Government Code.

Council Member Klein believed Staff would do that.

Council Member Burt questioned whether the first part of the Amendment, regarding DoF numbers, would include Government Code references if Staff agreed with Council Member Schmid's references to the Government Code.

Molly Stump, City Attorney could not find the language Council Member Schmid referenced in the Government Code. She would confer with him and document the argument with statutory citations. To the extent the Council

was providing general policy direction, which was appropriate to add to the letter, Staff may not cite to a specific Government Code section.

Council Member Burt inquired whether the letter would reference Government Code sections that supported the Council's arguments.

Ms. Stump answered yes.

Mayor Scharff strongly opposed the Amendment. The City needed to maintain credibility and be effective. No one would care that Palo Alto was built-out, except to the extent it weakened arguments. The City Attorney clearly pointed out there was no ability to have judicial review of the ABAG Executive Board's decision of what to accept and not to accept. All arguments were set forth in a prior letter. This appeal was limited to gain a reduction of 350 units. Inclusion of all arguments made Palo Alto seem less focused and less credible, and Palo Alto was less likely to achieve its goal of reducing its ABAG allocation. Including all arguments would hurt the City's chances of winning its appeal. He requested Mr. Williams' opinion.

Mr. Williams generally agreed. In his experience, ABAG appeals were generally futile. He had concerns about having other arguments that could detract from the main goal and could minimize the City's credibility. In his prior discussion with ABAG Staff, they quickly dismissed a few arguments regarding constraints and projections. HCD provided the numbers to ABAG, and ABAG distributed those numbers. ABAG sounded as though they believed the City had a credible argument associated with the Stanford property. He preferred appealing on the basis of transferring the 350 units to the County. Including all arguments did not necessarily exclude the City from obtaining a good reading. He disagreed with Council Member Klein's comment about schools. The City was allocated 2,179 units. If 350 transferred to the County, Palo Alto would then have 1,829 units. The reality was that Palo Alto would still have 2,179 units, because those 350 units to be built at Stanford University would be a part of PAUSD. The correct number would be 350 plus 2,179 if the City did not achieve the transfer.

Council Member Price agreed with Mayor Scharff. Narrowly focusing the appeal made sense. She did not believe Palo Alto was built-out. There were opportunities for change aligned with the Comprehensive Plan. She did not support the Amendment or its two parts.

Vice Mayor Shepherd inquired whether adding the Amendment provided a risk to transferring those units to the County and reducing the allocation.

Mr. Williams felt focusing on transferring the 350 units would lend credibility to the argument for transferring the units. If Staff had to argue all issues, then the transfer could be lost among all the issues. Including all arguments increased the difficulty of focusing ABAG's attention.

Vice Mayor Shepherd felt the public would support the Amendment. She had concerns about including issues not directly connected to reducing ABAG numbers, and did not want ABAG to summarily dismiss all arguments. She asked if the City could send two separate letters; one related to transferring the 350 units, and one related to the allocation of housing units.

Mr. Williams indicated that was possible. Staff originally created a cover letter containing all issues, while the appeal template contained only the one issue. The majority of the RHMC felt a cover letter and template made essentially the same point. Staff could put all issues in the cover letter and the one issue in the appeal template.

Vice Mayor Shepherd asked if the Amendment directed Staff to appeal based on the numbers and the methodology.

Mr. Williams reported that was his understanding of the Amendment.

Vice Mayor Shepherd requested a friendly Amendment to the Amendment to include the Amendment in a cover letter and not in the actual appeal.

Council Member Schmid agreed.

Council Member Klein disagreed.

Vice Mayor Shepherd would not support the Amendment.

Council Member Kniss did not recall ABAG retaliating in any significant manner, and asked if that was correct.

Mr. Williams did not believe ABAG had ever retaliated. There was a five-year period before the next cycle.

Council Member Kniss did not believe ABAG could attack Palo Alto through the current process. The County was not encouraged to give up their numbers.

Council Member Schmid stated the Amendment included sending the appeal to ABAG and copying the appeal to the HCD and DoF. He felt it important for the key players to know the issues.

Council Member Burt was not aware a cover letter could be utilized. With the additional information and Council Member comments, his concerns changed regarding including the built-out argument in the appeal. That was a valid argument, but would not provide a good basis for a response.

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to remove the reference to ABAG's methodology not considering the built out nature of Palo Alto and instead include that in the cover letter.

Council Member Berman felt the language of "loss of public confidence" would make ABAG less amenable to the appeal. Council Members had different goals for the appeal; his goal was to transfer 350 units. The language of the letter was not conducive to winning an appeal.

AMENDMENT AS AMENDED FAILED: 6-3 Burt, Klein, Schmid yes

MOTION PASSED: 8-1 Klein no

17. Approval of Proposal for Project Submittals for the One Bay Area Grant Program.

Jaime Rodriguez, Chief Transportation Official reported the One Bay Area Grant (OBAG) Program was a new distribution model of federal and state funding for the Metropolitan Transportation Commission (MTC). Approximately \$71.3 million would be released over the next four-year cycle through two programs. The first program, a guaranteed fund program with slightly more than \$26 million, was a direct return-to-source program. The intent of the fund was to supplement street programs, to help local jurisdictions expand their pavement programs, and to make sidewalk repairs. Palo Alto was estimated to receive approximately \$954,000 of that guaranteed program amount. Staff would make recommendations to the Council regarding distribution of funds over the next four years as part of the Capital Improvement Program (CIP). The Public Works Department likely focused on street repair programs. The second program was a competitive Complete Streets program with approximately \$45 million for distribution within Santa Clara County. All funds would be awarded through competitive distribution. There was no specific limit on the number of projects the City could propose, nor was there a cap on the number of dollars the City could request. Staff anticipated this program would be oversubscribed within Santa Clara County, given that it was the largest grant distribution likely within the next four-year cycle. There would be other distributions from the Bicycle Expenditure Program (BEP) and other programs. Staff identified and recommended ten projects for Council consideration. If the City submitted all ten proposals, the requested total

amount of \$49 million would exceed the amount of funding available within the County. Staff recommended submitting all projects in order to obtain as many dollars as possible for Palo Alto. There was no limit on the number of projects the City could submit, and no cap on the amount of funds the City could request. These were active projects, with some in the planning phase. Many projects stemmed from development of the Comprehensive Plan Transportation Element. The Program required a significant local match of funds. The City would advance all funds and seek reimbursement on an expense basis. If all proposed projects were awarded, then Staff estimated the City would need to fund approximately \$74 million and seek reimbursement of \$45 million. Proposals were due March 5, 2013. Staff was refining cost estimates. Staff made an effort to give projects to every part of the City. The Traffic Signal project would touch every signal throughout the City. Staff focused heavily on the arterial corridor along El Camino Real to improve connectivity for transit and pedestrians, and to improve capacity for the roadway. There were basically three types of projects. Infrastructure-focused projects to increase capacity or improve the roadway for vehicles, bikes and pedestrians. Transit-specific projects would increase capacity within the community. There were also streetscape projects. Staff drew a clear distinction between infrastructure and streetscape as part of this program. He provided a brief explanation of the scoring process. All projects had a local match requirement of 20-30 percent. Staff recommended utilizing the local match requirement as a negotiation tool in the scoring process. The Valley Transportation Authority (VTA) indicated to all member agencies that it planned to expedite the process, because the VTA had to recommend projects to MTC by June 2013. Staff anticipated all proposed projects would meet the minimum scoring criteria. Staff recommended the Council discuss the projects without prioritizing them. As the Council directed, Staff would develop proposals and submit them by March 5, 2013.

James Keene, City Manager noted the City would not be downgraded for any proposals it submitted. A technical review process would score proposals and determine those proposals eligible to move forward. After that, the VTA Board would make recommendations. After VTA recommendations occurred, Staff could report to the Council regarding any actions needed to better position the City to be effective.

Penny Ellson supported the Arastradero Road Corridor and Charleston Road Corridor improvements on the list of projects. The grant application should clearly state how those two projects met eligibility requirements in all of the transportation improvement categories. She asked the Council to prioritize the Traffic Signal System improvements, the Adobe Creek/Highway 101 Bicycle-Pedestrian Bridge, and the Community Shuttle Shelter and Route Extension.

Adina Levin, Silicon Valley Bicycle Coalition Bicycle Team, favored the Arastradero Road Corridor and Charleston Road Corridor Improvements, Adobe Creek/Highway 101 Bridge, and the El Camino Real Corridor Improvements. She questioned the lack of the Park Boulevard Bicycle Boulevard as a proposed project. She requested public review of some of the proposed projects.

Olenka Villarreal, Friends of the Palo Alto Parks and Friends of the Magical Bridge, thanked the Council for considering the Magical Bridge project. If the proposed project was funded, the Magical Bridge Project could begin construction.

Paul Goldstein felt Palo Alto Bicycle Advisory Committee (PABAC) should review the proposed projects and help set priorities. The projects were all good projects; however, there had been no public participation in the process. The Council should direct Staff to have advisory committee review of projects before presenting them to the Council.

Herb Borock suggested the Council remove the Birch Street Gateway Project and the two Transit Mall Projects. The granting authority would set the priorities by choosing which projects to fund, when the Council should choose which projects were most important. He would also eliminate a project that mainly benefited Stanford; however, that was not likely to happen.

Robert Moss spoke regarding the prospect as having too many projects, and the lack of discussion around some projects. With regards to Project Numbers 8 and 9, Mr. Arrillaga was supposed to make improvements to the Transit Mall as a public benefit.

Council Member Price inquired whether Staff had received a letter from the San Mateo County Transit District (SamTrans) supporting Project Numbers 8 and 9.

Mr. Rodriguez stated SamTrans was willing to support continued development of both projects.

Council Member Price asked if some funding for Project Numbers 8 and 9 could be obtained from San Mateo County.

Mr. Rodriguez believed that would be very unlikely.

Council Member Price inquired whether funding could be obtained through SamTrans applying for grants.

Mr. Rodriguez reported SamTrans had made it very clear that VTA should take the lead in dedicating funds within San Mateo County for improvement of the Transit Mall. At the same time, VTA would likely not propose improvements along Urban Lane, because it was not within the area VTA operated or maintained. The two main transit agencies likely would not take the first step toward improvements.

Council Member Price asked if Project Numbers 8 and 9 could be accomplished separately.

Mr. Rodriguez answered yes. Project Number 8 could proceed independently of Project Number 9.

Council Member Price concurred with comments of the public regarding PABAC involvement in the process, and requested Staff comment on that.

Mr. Rodriguez indicated PABAC participated in the development of the projects as part of the development of the Bicycle-Pedestrian Transportation Plan. PABAC was actively involved in the Adobe Creek/Highway 101 Bridge and the El Camino Real Corridor Improvements. PABAC also participated in the submittal of projects to the BEP. The Program was released to the public just before the holidays, and Staff did not have time to develop a presentation for the Council in December. Staff utilized PABAC input from the Bicycle-Pedestrian Transportation Plan to develop the list of proposed projects. He did not believe the public speaker made a fair comment.

Council Member Price felt expertise should be utilized to support the strength of applications. PABAC was actively involved in the Bicycle-Pedestrian Transportation Plan.

Vice Mayor Shepherd inquired whether the Council or any Palo Alto Commission had reviewed the Birch Street Gateway.

Mr. Rodriguez responded no. He developed the concept for the Birch Street Gateway, because he thought it would fit the funding criteria for the OBAG program. More importantly, it would build upon momentum established within the community, specifically with the California Avenue Streetscape Project. One of the main elements of the OBAG program was to create place setting and identity for a community. The Birch Street Gateway Project did that.

Vice Mayor Shepherd stated the community felt projects should be fully vetted before grant applications were submitted. She did not believe Project

Numbers 3, 8, and 10 had been submitted to the Council or City Commissions, and inquired if other projects had not been submitted.

Mr. Rodriguez reported almost all the projects were submitted to the public in some form or another. Staff updated the Planning and Transportation Commission (PTC) on the Palo Alto Traffic Signal Project in 2012.

Vice Mayor Shepherd asked if the only project not presented to the public was the Birch Street Gateway.

Mr. Rodriguez replied yes.

Vice Mayor Shepherd felt strongly the City should not have to apply for grants for the Transit Mall, and inquired about sources for the \$10 million local match.

Mr. Rodriguez suggested local match funding could come from the Stanford University Medical Center funds, City-wide traffic funds, or partnering with the private community. If the projects were funded, the City would probably be responsible for finding the local match source.

Vice Mayor Shepherd did not want private philanthropic dollars funding the Transit Mall. She asked if Staff would have time to prepare all the proposals prior to the deadline.

Mr. Rodriguez indicated Staff was already working on the proposals. A consultant was hired to help develop some proposals, and Staff was developing some proposals in-house. If the Council approved all ten projects, Staff would have all ten proposals ready before March 5.

Vice Mayor Shepherd inquired whether it would be useful for the Council to prioritize projects.

Mr. Rodriguez answered no. Trying to prioritize would not add any benefit to the process. The projects the community suggested prioritizing were the same projects that would score well.

Vice Mayor Shepherd asked if a bike lane connecting the San Antonio train station from Palo Alto was considered or could the Council add that to the list.

Mr. Rodriguez reported the Council could add projects to the list.

MOTION: Council Member Kniss moved, seconded by Mayor Scharff to direct Staff to submit application grants for the ten (10) identified projects to

the Valley Transportation Authority (VTA) as part of the One Bay Area Grant (OBAG) Program.

Council Member Kniss noted the grant program was a relatively new process. VTA would choose the projects it wanted to see completed. The more applications submitted, the better chance of getting some approved. The anticipated scores for projects should be included in the application.

Mayor Scharff stated there was no value to the Council prioritizing projects. The Council should remove projects only if it did not want a project to move forward in the cycle. He asked if funding opportunities would occur again within the four-year cycle.

Mr. Rodriguez indicated funding was locked for the next four years with this specific program.

Mayor Scharff inquired whether a project would occur if it was removed from the proposed list of projects.

Mr. Rodriguez reported a project would not be funded if a grant proposal was not submitted.

Mayor Scharff preferred to include all projects.

Council Member Berman asked if OBAG would grant partial funding for projects.

Mr. Rodriguez explained funding was part of the scoring process, which include some negotiation. VTA could reduce the amount funded by requesting additional local match funding. Each agency could fund more of the local match to obtain more projects. That approach had worked in the past.

Council Member Berman inquired whether the City could decide not to pursue a project after it had been funded.

Mr. Rodriguez suggested the Council should make that decision upfront. If the Council chose not to proceed with a project, it would lose a lot of face value with the VTA. He did not recommend the City take that approach.

Council Member Klein inquired about the chances of having more funding in the four-year cycle.

Mr. Rodriguez did not know, but there would be future releases of funds. VTA could ask an agency to wait to fund a project through another release of

funds, and the agency could negotiate that. If one project scored well but VTA wanted to fund it with a different source, an agency could negotiate to move up other projects.

Council Member Klein asked what the point was of obtaining a grant if VTA did not have the full amount of funds for the project and the City did not have funds for the local match.

Mr. Rodriguez believed VTA would ask the City to commit more local match. First, VTA would probably ask whether the City could build the project within four years.

Council Member Klein wanted to know the practicalities. Politically he did not believe Palo Alto would receive half the available grant funds as it only had slightly more than 3 percent of the county population. He inquired about the next step if Palo Alto could not increase the local match.

Mr. Rodriguez suggested the VTA would ask the City to break out pieces of the project. That was part of the policy discussion held at the VTA Board.

Council Member Klein inquired whether the City should submit applications for projects where a local match could be found and where the VTA would have funds available.

Mr. Rodriguez reported a discussion of funding the full amount would occur at the VTA Board policy level with input from VTA staff. Staff wanted to give a flavor of different types of projects at different cost levels in order to compete against other cities.

Council Member Klein questioned the use of Staff time to prepare proposals for Project Numbers 8 and 9.

Curtis Williams, Director of Planning and community Environment stated the time Staff put into the application was a trade off. It was a long shot that VTA would award half the available money to one project. Staff felt Project Numbers 8 and 9 were important enough to warrant an application. If VTA wanted a higher local match, then the projects would probably not move forward and VTA would return to other projects. The VTA could break a project into smaller chunks that the City could afford.

Mr. Keene suggested the Council consider whether there was any value to the City submitting a proposal, having it rejected, and returning to it in the future.

Council Member Kniss felt there was value to submitting proposals, having them rejected, and submitting them again. The City was promoting the projects it felt were needed. A grant application would be reviewed by a number of different committees, and the process would be judgmental.

Council Member Price stated if an application was rejected, then Staff could use the same information for future applications and negotiations with other parties. Politically, the likelihood of Project Number 9 succeeding was quite low given the competition for limited transportation dollars.

Council Member Klein inquired about the cost per item to prepare an application.

Mr. Rodriguez reported the City paid consultants approximately \$5,000-\$7,000 per grant proposal, and probably the same amount in Staff time for in-house proposals. He estimated a total cost of \$7,000-\$10,000 for each project.

AMENDMENT TO MOTION: Council Member Klein moved, seconded by Council Member Schmid to delete Project Numbers 3, 8, and 9.

Council Member Klein felt this was not a good use of funds. Project Number 3 had not been presented to the Council, and he did not want to apply for money for a project that had not been vetted through the usual process.

Council Member Schmid indicated the danger was giving the decision making process to a regional body with no further input from the City. The City was not ready to make a commitment for Project Numbers 3, 8, and 9.

Vice Mayor Shepherd asked if Staff would return to the Council with information once scoring was complete.

Mr. Rodriguez noted applications would be reviewed by several committees as part of the process.

Vice Mayor Shepherd inquired whether Staff would return to the Council for direction on whether to withdraw or continue applications after scoring was complete.

Mr. Rodriguez reported Staff would return to the Council. The OBAG process was new, and OBAG wanted projects to return to the local agencies for submission of a Resolution. The Council would review the projects prior to VTA recommending projects for funding.

Vice Mayor Shepherd supported keeping Project Numbers 3, 8, and 9 on the list. There were other ways for the Council to remain in control. She asked if there was an opportunity for the Council to prioritize projects.

Mr. Rodriguez stated Staff recommended Project Numbers 8 and 9 proceed, because they took advantage of the momentum of the planning process.

Vice Mayor Shepherd felt Project Numbers 8 and 9 would solve a regional problem rather than a local problem.

Mr. Keene stated the City would continue to plan and work on transit center-related items. MTC was attempting to allocate transportation funds related to the linkage with ABAG, the housing number and the SB 375 process. There was some value in Palo Alto making its position known regarding investment and planning in transit. From the larger strategic position, it was worthwhile for Palo Alto to consider putting those projects forward.

Council Member Burt agreed with the other Council Members to remove Project Number 3, because it had not been vetted. He inquired about the cost of \$9.5 million for Project Number 1 and asked if it was at the higher end of the range of costs that Council had seen.

Mr. Rodriguez reported the range varied from \$6.8 million to as high as \$12-\$13 million. Public Works used the estimate of \$9.5-\$10 million.

Council Member Burt indicated that was higher than estimated costs presented to the Council.

Mr. Williams felt the estimate had been \$9.5 million for a while.

Council Member Burt wanted to see the record on that. He inquired how the City could build Project Number 8 for \$15 million, when cost estimates of other projects of structured parking alone were considerably higher than \$15 million.

Mr. Rodriguez explained the project resulted from the planning process for 27 University Avenue. Staff was evaluating the site as part of the parking garage feasibility study and parking attendant study.

Council Member Burt stated that was not his question.

Mr. Rodriguez reported the consultant team recommended a cost of \$15 million.

Council Member Burt supported removing Project Number 8 and including Project Number 9. He asked if Measure A funds were available for the Intermodal Center.

Mr. Rodriguez reported approximately \$250,000 of Measure A program funds were dedicated to the Transit Mall for a study. The City returned the money in 2010.

Council Member Burt believed there was a much higher allocation.

Mr. Rodriguez answered no.

AMENDMENT TO AMENDMENT: Council Member Burt moved, seconded by Vice Mayor Shepherd to add Project Number 9 back into Motion.

Council Member Holman suggested the applications for the Arastradero Road Corridor and Charleston Road Corridor Improvements state these projects were roadway improvements as part of a larger plan and not streetscape improvements. To strengthen the application, it should state 11 schools plus preschools. She inquired whether improvements at Page Mill Road and Interstate 280 could be included in the list of projects.

Mr. Rodriguez explained Page Mill Road and Interstate 280 were outside the City's jurisdiction, and Staff could not recommend a project for that area.

Council Member Holman asked if the City had any influence over improvements in the Page Mill Road/Interstate 280 area.

Mr. Rodriguez reported Staff was developing a concept for improvements with Caltrans, VTA, and the County. Staff could pass along a message if Council chose.

Council Member Holman inquired whether the Park Boulevard project could be included on the list.

Mr. Rodriguez indicated project proposals had to be at least \$350,000, and the Park Boulevard project was not valuable enough. The City funded and planned to build almost all of Park Boulevard.

Council Member Holman asked why Project Number 7 covered only two years rather than a longer period of time.

Mr. Rodriguez explained the intent of the OBAG program was not to be an ongoing revenue source for transit expansion projects; however, the OBAG

program could fund seed monies for up to two years for new routes, which was the proposal.

Council Member Holman stated the \$350,000 for two years was within program parameters.

Mr. Rodriguez agreed.

Council Member Holman supported the original Amendment to eliminate Project Numbers 3, 8, and 9. There was a lot of momentum about these projects, but the momentum was on the part of Staff. The public would be stunned that the City was applying for money to fund projects that had not been vetted.

Mr. Rodriguez indicated Project Number 8 was first and foremost a transit expansion project. The main goal of the project was to relocate existing parking for Caltrain to an above-ground facility.

Council Member Holman supported the vision and goal, but the project was premature.

Mayor Scharff believed the City had an opportunity to build 408 parking spaces in Downtown through Project Number 8. He inquired whether the Council could vet projects before making a final decision to continue the grant process.

Mr. Rodriguez felt that could be counterproductive. Negative feedback from the community would be reflected in the scoring process. There would not be time to work the projects further between now and the time projects were selected by the VTA Board for funding.

Mayor Scharff stated Project Number 8 went to the heart of solving parking issues. If cost estimates were correct, it would go a long way to solving Downtown and Professorville parking issues at a reasonable cost. He was concerned about removing Project Number 8 from the list; however, he could be persuaded that the Birch Street Gateway project was premature.

Mr. Rodriguez explained if Staff advanced the design for Project Number 3 and found it to be infeasible, there were opportunities to remove it.

Mayor Scharff asked if the Council could remove Project Number 3 before or only after a grant was awarded.

Mr. Rodriguez reported Staff could advance the design process, hold community outreach, and review preliminary numbers on traffic if there was

interest in the project. Staff could report to the Council by the time the Resolution process was required.

Mayor Scharff asked if that was a viable option.

Mr. Williams suggested there would be time to do that before a Resolution was required in the fall.

Mayor Scharff inquired whether there was a negative side to submitting a grant proposal, vetting the project through the community, and then removing it from consideration.

Mr. Rodriguez agreed more time was needed to vet the project. This project was an opportunity for Staff to be creative, and to offer a benefit to the community. There was time to withdraw the project before accept funding. The project would not score well on project readiness, because of the lack of community input.

Council Member Kniss supported removing Project Number 3 only.

Council Member Klein felt the discussion ignored public perception. The City would not receive more than \$5 million-\$10 million. The City would receive backlash from the community. The Council ought to eliminate Project Numbers 3, 8 and 9.

Mayor Scharff called the vote on Council Member Burt's Amendment to add Project Number 9 back to the Motion.

AMENDMENT TO AMENDMENT PASSED: 5-4 Berman, Holman, Klein, Schmid no

Mayor Scharff called the vote on the Amendment to remove Project Numbers 3 and 8 from the Motion.

Council Member Kniss wanted to vote separately on the two projects.

Council Member Klein stated the Chair could split the vote.

AMENDMENT SEPARATED FOR THE PURPOSE OF VOTING: Mayor Scharff requested the Motion be bifurcated to allow separate votes for removing identified Project Numbers 3 and 8.

AMENDMENT TO MOTION: Council Member Klein moved, seconded by Council Member Schmid to delete project number 8.

AMENDMENT PASSED: 5-4 Kniss, Price, Scharff, Shepherd no

AMENDMENT TO MOTION: Council Member Klein moved, seconded by Council Member Schmid to delete project number 3.

AMENDMENT PASSED: 9-0

MOTION AS AMENDED PASSED: 7-2 Holman, Schmid no

Mayor Scharff stated the Birch Street Project was creative, and thanked Mr. Rodriguez for his efforts.

18. Management of City Council Meetings and Recommendations for Revisions to the City Council's Protocols and Procedures.

James Keene, City Manager stated the recommendations spoke for themselves. The Council discussed some changes and referred the issue of liaisons to the Policy and Services Committee.

Herb Borock indicated the initiative for changing procedures came from the City Manager. The Council should recommend changes to its policies and procedures. He did not recommend changing the current procedures, and felt the Council Committees' recommendations should appear as Action Items.

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Kniss to: 1) revise the City Council Procedures and Protocols to increase the number of Council Members required to remove an item from the Consent Calendar from two to three, and 2) revise the City Council Procedures and Protocols to provide that all items recommended for approval by a Council Committee be placed on the Consent Calendar, unless otherwise recommended by the Committee, Mayor or Staff.

Vice Mayor Shepherd believed these changes allowed the Council to find one additional votes to remove an item from the Consent Calendar. There was no reason not to place items with a majority vote in Committee on the Consent Calendar.

Council Member Kniss stated changes could be undone, and these changes were worth making. She strongly recommended the Council adopt the second part of the Motion.

Council Member Klein did not feel these changes would increase the efficiency of Council meetings, and did not support the Motion.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change "Staff" to "City Manager."

Council Member Holman agreed with Council Member Klein's comments. She expressed concerns about Brown Act issues.

Council Member Burt opposed the second part of the Motion. Substantive issues would not be presented to the Council for public discussion if they were placed on the Consent Calendar. Three Council Members could essentially bury public discussion of important issues. He was undecided with regard to Part 1 of the Motion.

Council Member Schmid opposed the Motion. More Council work was being performed in small groups. Under the Brown Act, the lone Committee dissenter could not discuss the issue with other Council Members.

Mayor Scharff requested clarification of the Brown Act with regard to Council Member discussions.

Molly Stump, City Attorney stated the current policies and protocols anticipated that issue in a different way. They provided for explanation of a dissenting vote on the Consent Calendar.

Council Member Klein clarified that a dissenter needed two additional votes to remove an item from the Consent Calendar, and he would need to do that prior to the Council meeting. He inquired whether a Council Member could hold a discussion with five other Council Members under that scenario.

Ms. Stump stated that discussion should take place in public in the Council meeting. There was a method for that under Council rules, even if the change was adopted. The rules contemplated that Council work and Committee work was to be done in full view of the public. There was no Brown Act issue with any of the proposed changes. Council Members' execution of their responsibilities should be performed consistently with the Brown Act.

Mayor Scharff supported the Motion. It would not be difficult to get three Council Members to remove an item from the Consent Calendar. The second proposed change would streamline meetings. Removing items from the Consent Calendar also had an impact on Staff.

Council Member Holman reiterated that Council Members could hold a public discussion to obtain the two additional votes needed to remove an item from the Consent Calendar. It would be more efficient to have that discussion outside of the Council meeting.

Ms. Stump had no comment with regard to the practical application. That was a Council discussion.

Council Member Holman clarified that the discussion should be held in public.

Ms. Stump agreed. The Brown Act contemplated that these issues would be discussed in open public meetings.

MOTION SEPARATED FOR THE PURPOSE OF VOTING: Mayor Scharff requested the Motion be bifurcated to allow separate votes.

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Kniss to: 1) revise the City Council Procedures and Protocols to increase the number of Council Members required to remove an item from the Consent Calendar from two to three.

MOTION PASSED: 6-3 Holman, Klein, Schmid no

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Kniss to: 2) revise the City Council Procedures and Protocols to provide that all items recommended for approval by a Council Committee be placed on the Consent Calendar, unless otherwise recommended by the Committee, Mayor or City Manager.

MOTION FAILED: 3-6 Kniss, Scharff, Shepherd yes

Council Member Questions, Comments and Announcements

Vice Mayor Shepherd discussed the Neighbors Abroad 50th Anniversary Celebration the previous weekend.

Council Member Holman discussed the Caltrain EIR scoping process.

Council Member Price discussed the Lunar New Year Celebration the previous weekend. She distributed a Senior Mobility Guide published by the Valley Transportation Authority. She discussed the State Superintendent of Education's requirement that each public and charter school have a safe school plan.

Adjournment: The meeting was adjourned at 11:14 P.M.