



# CITY OF PALO ALTO CITY COUNCIL MINUTES

Special Meeting  
February 10, 2014

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:07 P.M.

Present: Berman, Burt, Holman, Klein, Kniss, Price, Scharff, Schmid, Shepherd

Absent:

## STUDY SESSION

1. Measure E Update: The Energy/Compost Facility Request for Proposals (E/CF RFP) Identified Pricing for Privately-Funded Projects and Technologies to Jointly Handle Food Scraps, Yard Trimmings and Biosolids and Considered Processing at the Regional Water Quality Control Plant (RWQCP) and/or Using the 10-Acre Measure E Site as Well as Export Options. A Summary of the E/CF RFP Proposals, Integration with the Biosolids Facility Plan and a Proposed Organics Plan are Included in this Staff Report.

Phil Bobel, Public Works Assistant Director, reported the Energy/Compost Facility (E/CF) would handle three streams of waste: yard, food, and biosolids. The Biosolids Facility would handle only biosolids. The Council voted to phase out the existing incinerator at the Regional Water Quality Control Plant (RWQCP) as soon as possible, which would result in a major reduction of greenhouse gas emissions. Staff was searching for methods to meet the goal of eliminating landfill disposal by 2021. An E/CF would enhance the beneficial uses of organic materials and be economically competitive. The Measure E site was undedicated as parkland for ten years. The Council had the authority to designate it as parkland if an E/CF did not materialize at the end of ten years. Staff released the E/CF Request for Proposal (RFP) in March 2013, received responses in August 2013, and continued to review responses. The technical review group, principally composed of Staff and consultants, scored and reviewed responses. The community review group, composed of proponents and opponents to use of the Measure E site, reviewed documents and asked questions. Currently commercial food scraps underwent aerobic composting in Gilroy, while residential food scraps were not collected at all. The E/CF RFP resulted in six proposals, which were scored 50 percent based on financial cost and 50 percent based on other goals. Two proposals did not meet the minimum

qualifications. One proposal was disqualified because it was simply too expensive. The three remaining proposals were made by Harvest Power, Synagro, and We Generation (Cambi). The Harvest Power proposal utilized wet anaerobic digestion for food and biosolids, followed by heat drying to produce a pelletized product used as a solid supplement fertilizer or energy. Yard waste would be composted. All three feedstock would be processed onsite, either at the RWQCP or the Measure E site. The facility would utilize less than 3.8 acres of the Measure E site and 1 acre at the RWQCP. The Harvest Power proposal would generate biogas, which was the main advantage of using wet anaerobic digestion. Landfill gas could be added to biogas produced at the site to produce electricity. The We Generation (Cambi) proposal also utilized wet anaerobic digestion but preceded that step with thermal hydrolysis, which allowed more energy to be captured. Biosolids and food waste would be digested on the RWQCP site with yard waste exported to Newby Island. The facility would utilize about 1/2 acre of the RWQCP site and no area at the Measure E site. The We Generation proposal generated the most biogas, was sensitive to the pricing of energy, and preprocessed food waste at the San Carlos facility. The Synagro proposal would export all material for processing at another location. The main disadvantage to the Synagro proposal was the lack of renewable energy. Staff concluded that the best available technology was thermal hydrolysis with wet anaerobic digestion. None of the proposals suggested putting yard waste in wet anaerobic digestion. Aerobic composting was the best process for yard waste. The Biosolids Facility Plan was a means to identify technology to replace incineration. Staff considered pyrolysis and gasification and concluded those technologies were not ready to utilize biosolids. One option was to add thermal drying technology to process biosolids. Another option was to export biosolids. The City needed a dewatering and truck load-out facility as quickly as possible to handle emergencies and urgent situations at the RWQCP regardless of which technologies were chosen. Staff's long-term recommendation was to utilize thermal hydrolysis with wet anaerobic digestion. The Biosolids Facility Plan and several vendors proposed incorporating food waste to increase biogas. Staff developed a four-step plan; however, they continued to review proposals and technology. The first step was construction of a dewatering and truck load-out facility. The second step was utilization of wet anaerobic digestion. The third step was identifying a technology to preprocess food waste in order to add it to a wet anaerobic digester. The fourth step was utilizing yard waste. The City could implement the Organics Facility Plan without utilizing any portion of the Measure E site. Staff would continue to evaluate and consider the Measure E site, but was not proposing to use it in the near term. The entire project was estimated to cost more than \$50 million. The proposed four-step plan would spread costs over several years and would reduce the complexity of financial arrangements. The proposed

Organics Facility Plan was consistent with the recommendations from the Compost Blue Ribbon Task Force of 2009. Next steps were a series of community meetings and Staff returning to Council in late March or early April 2014. Staff recommended the Council accept the proposed Organics Facility Plan and direct Staff to: 1) begin design of the dewatering and truck load-out facility; 2) begin pre-design work on thermal hydrolysis and wet anaerobic digestion; 3) prepare a timeline for utilization of food and yard waste; and 4) possibly cancel the current RFP. None of the proposals submitted to the RFP contained all the components that Staff wanted.

Walt Hays supported the Staff recommendation. Thermal hydrolysis was a proven technology and would produce more energy. Obtaining the needed technology without utilization of the Measure E site was an advantage.

Paul Sellev, Harvest Power Executive Chairman, owned and operated facilities identical to the proposed facility in Palo Alto. He urged the Council to appreciate the complexity of the project. Harvest Power was willing to supply the capital for the facility and was open to the possibility of the City owning and operating the facility in the future. Harvest Power's proposal was the only one that handled waste onsite. He could have a facility operating in two years.

Alvin Thomas, We Generation Chief Executive Officer, appreciated Staff recognizing the benefits of the Cambi process. We Generation's proposal covered all components Staff requested. He was willing to discuss alternative financing arrangements. Ownership of the facility would be transferred to the City.

Jim Stahl, MWH Vice President, teamed with Cambi with respect to engineering. The Cambi team could mitigate risk for the City. Cambi proposed the most efficient system to maximize green energy.

Stephen Rosenblum felt the Staff proposal was an excellent step towards an eventual solution for sewage and food scrap handling. He urged the Council to make every effort to deal with garden waste within the City limits rather than trucking them.

Jon Foster, speaking as an individual, supported building a facility to handle biosolids, food scraps, and yard waste within Palo Alto and the generation of renewable energy in the process. He expressed concern about canceling the RFP and issuing a new one, because staff received two qualified responses. He supported the use of either We Generation or Harvest Power.

Peter Drekmeier learned that wet anaerobic digestion was the best solution for processing food and biosolids. He was concerned about the length of time taken to reach the current discussion. Vendor financing and training were benefits.

Kirsten Flynn believed Staff's proposal was a component of Palo Alto thriving in the future. She supported a local solution to handling biosolids, food waste, and yard waste.

Emily Renzel stated the Council should look closely at Staff's proposed direction. It was important for the Council to review financing. She concurred with Mr. Hays' comments.

Cedric de La Beaujardiere generally supported the Staff recommendation. Thermal hydrolysis with anaerobic digestion was the best process. He preferred an accelerated timeline and local ownership. The Council should continue to consider a proposal for yard waste.

Herb Borock indicated the Council should make the decision to reject all RFP proposals upon Staff recommendation. A decision regarding the RFP should be made quickly.

Bob Wenzlau was interested in keeping composting within Palo Alto. He hoped the Council could impose a tighter timeframe on composting. He noted that the volume of residential food waste and yard waste was decreasing.

Wynn Grcich hoped incinerated sewer sludge would not contain copper. Incinerated sewer sludge was used as mulch, which allowed copper to seep into wells. When fluoride was added to the water, the mixture was toxic.

Mike Muller, Biogas Equity 2, reported his proposal covered all components of the RFP, utilized the latest technology, and provided more energy. In addition, he proposed 100 percent financing.

Council Member Price encouraged Staff not to cancel the RFP. Instead she suggested Staff consider requesting a joint proposal from the top two firms. A joint proposal could be complicated. Staff should consider having the proposers design, build, and operate a facility such that the City would obtain a fully operational facility with fewer risks.

Council Member Schmid expressed concern about financing. He was unclear regarding a basis for rejecting RFP proposals. He questioned whether the term "outside feedstock" meant feedstock imported from outside the City

and requested details about the use of outside feedstock. Early discussions with RWQCP partners were needed. Staff should address the 31 acres of fill for Byxbee Park.

Council Member Holman inquired whether increased levee protections would be part of any project at the RWQCP.

Mr. Bobel reported Staff depended upon the regional program to develop levee protections.

Council Member Holman felt levee protections would be a part of the discussion and cost-split with partner agencies.

James Keene, City Manager, clarified that issues with regard to levee protection existed whether or not a facility was constructed.

Council Member Holman recommended Staff consider developing a home-based composting program. She inquired whether importing feedstock was a consideration as it also had a greenhouse gas implication.

Mr. Bobel indicated Staff did not rely on importing feedstock. If more feedstock was available, more energy could be produced. No neighboring communities expressed interest in participating.

Council Member Holman requested Staff comment on the 34 acres of fill for Byxbee Park.

Mike Sartor, Public Works Director, stated on January 14, 2013 Staff presented the Council with a contract to design and install a partial cap on 34 acres of Byxbee Park and postponed the cap on the remaining 17 acres for a total of over 51 acres.

Mr. Bobel added that capping the area had begun.

Mr. Keene noted the capping work was not a part of the agenda item.

Council Member Holman asked if Staff had any comments with respect to home-based composting.

Mr. Bobel agreed that home composting was the best method from the standpoint of greenhouse gas emissions. Staff promoted home composting as much as possible. Only a small percentage of residents utilized composting.

Council Member Holman wanted to see a more aggressive residential composting program.

Council Member Berman requested Staff provide a thorough analysis and explanation of advantages and disadvantages of proposals from We Generation and Harvest Power. In addition, he wished to have the next Staff report ten days prior to the Council meeting, if possible, for proposers to submit their opinions of the Staff recommendation and for Council Members to ask questions.

Council Member Scharff referenced We Generation's letter regarding a different dewatering process for the thermal hydrolysis process. He requested Staff address the differences in dewatering processes and the possibility of building the dewatering plant incorrectly.

Dave Green, CH2MHill, stated a dewatering facility could be constructed that served current purposes and had value for implementing the thermal hydrolysis process. Some features would need to be incorporated into the dewatering facility.

Drew Whitlock, CH2MHill, agreed there were two different types of dewatering processes required for thermal hydrolysis. A thicker type of dewatering process was utilized for the anaerobic digestion process. A second dewatering process was utilized afterwards. A facility compatible with a future Cambi process could be constructed. The quantity of material could be different, but that was also affected by the waste streams upfront. Staff needed to understand the quantity of waste streams including food waste in order to define and develop a facility.

Mr. Bobel concurred that pre-design work was needed to determine amounts of feedstock and other data in order to design the dewatering facility to be fully compatible with thermal hydrolysis.

Council Member Scharff understood the Staff report to recommend building the dewatering and load-out truck facility without having a plan for the entire process first.

Mr. Bobel reported Staff needed to perform some pre-design work prior to designing the dewatering facility. Pre-design work would provide more data on the sizing question. Staff did not need pre-design work regarding energy pricing and financing plan.

Council Member Scharff inquired whether Staff would have sufficient data prior to returning to the Council for action.

Mr. Bobel explained that Staff would request Council authorization to proceed with design of the dewatering facility, not to build it. Staff would continue to answer some questions during the design process. Staff would not present a design to the Council in April 2014.

Council Member Scharff asked if Staff would have sufficient time to obtain needed data during the design process.

Mr. Bobel stated Staff would take sufficient time to design the facility correctly.

Council Member Scharff inquired whether Harvest Power and We Generation utilized the same technology or proprietary technology.

Mr. Bobel remarked that thermal hydrolysis was a general term, while Cambi was a proprietary term. Harvest Power could utilize thermal hydrolysis.

Council Member Scharff asked if the second stage of dewatering applied only to the Cambi process or to any thermal hydrolysis process.

Mr. Whitlock explained that all technologies required a similar dewatering process prior to thermal hydrolysis.

Council Member Scharff inquired whether the process was the same such that a facility could be designed prior to deciding which technology to implement.

Mr. Bobel reported Staff would have to determine the technology during the design process.

Council Member Scharff inquired about the advantages and disadvantages of rejecting the RFP proposals and issuing another RFP.

Mr. Bobel indicated Staff would return with a timeline. Staff did not analyze cost and did not address cost in the presentation. Purchasing procedures did not allow Staff to reveal cost information until negotiations were complete. Cost information would have an important bearing on whether the Council wished to proceed with proposals.

Council Member Scharff asked if Staff would have cost information by March or April 2014.

Mr. Bobel answered yes. Staff planned to provide cost information at the same time they made recommendations. The Council would not be able to make a decision regarding a facility without cost information.

Council Member Scharff inquired about the purpose of the Study Session.

Mr. Bobel wished to provide the Council with the technical information of proposals as the issue was complex.

Council Member Scharff clarified that Staff was attempting to educate the Council, and inquired whether Staff would make any irreversible decisions based on Council comments.

Mr. Bobel replied no. Staff would continue to analyze and consider additional information. Staff did not expect Council direction at the current time.

Mr. Keene added that Staff could return to the Council with a recommendation to reject proposals. Staff felt they should provide information to the Council prior to making a formal recommendation.

Council Member Klein asked when the present incinerators would be utilized as backup.

Mr. Bobel commented that incinerators would be utilized as backup only while defects in the dewatering facility were being resolved, perhaps a six-month period.

Council Member Klein inquired about the final disposition of the incinerators.

James Allen, Manager Water Quality Control Plant reported Staff planned to take down the incinerators and demolish the building to create more space to properly install the anaerobic digestion system.

Council Member Klein requested Staff provide additional details regarding categories and possible subcategories, timing, relationships with and reactions of partner agencies, and the potential for conflicts of interest.

Council Member Burt believed removal of the incinerators would be necessary to create space for the next phase of construction. The City wished to utilize a third party if an unproven technology was chosen. He inquired whether Bob Wenzlau mentioned less food waste and more biosolid waste was being produced in Palo Alto.



Mr. Bobel indicated Mr. Wenzlau stated less food and less yard waste. Staff continued to refine those numbers.

Council Member Burt inquired whether there was a clear distinction between the current treatment of food waste and the importing of supplemental food waste to add an additional energy source for biogas.

Mr. Bobel explained that food waste from garbage had a much higher component of plastic and junk than food waste from a garbage disposal.

Council Member Burt requested Staff comment on the similarities between wet anaerobic digestion and technologies utilized by the RWQCP for decades.

Mr. Bobel noted when first considering all technologies, Staff believed an outside vendor would be best suited to operate and assume the risk of new technology. However, the sewage treatment plant industry had a very long history with wet anaerobic digestion. As Staff moved toward selecting wet anaerobic digestion, they could look to other communities and see that wet anaerobic digestion was a low risk situation. The City could receive long-term low-interest loans from the State.

Mr. Allan reported Cambi technology was utilized at 40 installations worldwide, with 38 of the 40 installations being owner operated. Most installations utilized food waste with biosolids.

Vice Mayor Kniss aligned her comments with those of Council Member Berman. She heard three concerns during the discussion: cost, sequencing, and timing.

Mayor Shepherd understood the composting of yard waste would not be part of the facility. She inquired whether people would purchase yard waste compost from the City if it continued to do that and whether trucking compost would provide a net gain.

Mr. Bobel agreed that selling compost locally could be a positive feature. Typically a community that had compost would provide a certain amount free of charge. Palo Alto residents could go to Sunnyvale and receive free compost.

Vice Mayor Shepherd felt there would be some greenhouse gas savings by not sending purchasers farther away.

NO ACTION TAKEN

Council took a break at 7:57 P.M. and reconvened at 8:09 P.M.

### AGENDA CHANGES, ADDITIONS AND DELETIONS

James Keene, City Manager, reported Agenda Item Numbers 4 and 6 would be removed from the Agenda and heard at a later date. Agenda Item Number 2 was continued to February 24, 2014 at Staff's request.

### CITY MANAGER COMMENTS

James Keene, City Manager, announced that Planning Staff released a consultant report the prior week related to the storage and handling of hazardous waste at the CPI site. Staff scheduled a public meeting for February 20, 2014. In honor of Fire Prevention Week, the Palo Alto Fire Department was hosting a Youth Fire Safety Poster Contest. Later in the week, the Palo Alto Fire Department, the Santa Clara County Fire Chief's Association, and El Camino Hospital would announce countywide deployment of the Pulse Point Citizen Responder app. Palo Alto ranked seventh nationwide for the highest number of solar systems installed per utility customer. The State of the City address would be held February 11, 2014 at the Lucie Stern ballroom.

### COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Council Member Price reported the Santa Clara Valley Transportation Authority (VTA) Board was asked to participate in a friend of the court brief on behalf of the Caltrain Modernization Program. If she failed to support Caltrain, it would cast serious doubt on her personal credibility for any sort of position of influence with Caltrain. To be as effective as possible in representing the City of Palo Alto and the north county cities, she exercised her best judgment by supporting Caltrain and VTA on protecting modernization funding for Caltrain.

### ORAL COMMUNICATIONS

Wynn Grcich stated Stanford University had a contract to spray chemtrails, which were toxic to humans. She also spoke regarding global warming and genetically modified food.

Omar Chatty felt the Santa Clara Valley Transportation Authority (VTA) vote to support the amicus brief was inappropriate. Council Member Price did not vote on the Motion to override the Brown Act review period; however, she voted to support the amicus brief. Palo Alto should not have supported the amicus brief and should not support the blended system.

Herb Borock noted the Council's position regarding rail issues was to place a representative on the Caltrain Joint Powers Board. A representative might not represent the position of the Palo Alto City Council.

Adina Levin, Friends of Caltrain, thanked Council Member Price for supporting the blended system and Caltrain electrification. A blended system would increase capacity, speed, and the number of stops. An efficient, electrified Caltrain would be important to Transportation Demand Management (TDM) strategies.

### MINUTES APPROVAL

**MOTION:** Council Member Berman moved, seconded by Council Member Price to approve the Minutes of January 6, 2014.

**MOTION PASSED:** 9-0

### CONSENT CALENDAR

**MOTION:** Council Member Burt moved, seconded by Council Members Scharff and Berman to remove Agenda Item Number 5.

James Keene, City Manager, felt the item could be heard at the end of the Agenda. If time constraints prevented the Council from hearing it at the end of the Agenda, it would be continued to February 24, 2014.

Mayor Shepherd moved Agenda Item Number 5 to the end of meeting to become Agenda Item Number 9A.

**MOTION:** Council Member Price moved, seconded by Vice Mayor Kniss to approve Agenda Item Numbers 3, and 7-8.

2. Approval of Contract with Standard Parking Corporation in the Amount of \$120,000 for Operation of the Lot R Parking Garage Attendant Program and Adoption of a Budget Amendment Ordinance Amending the Fiscal Year 2014 University Avenue Parking Permit Fund Operating Budget to Provide Additional Appropriations of \$120,000 (*Staff request this item be continued to February 24, 2014*).
3. Resolution 9396 entitled "Resolution of the Council of the City of Palo Alto Determining that a Target for the City of Palo Alto Utilities to Procure Energy Storage Systems is Not Appropriate Due to Lack of Cost-effective Options".

4. ~~Approval of Nine On-Call Planning and Environmental Consulting Services Contracts for the Department of Planning and Community Environment to Support Current Planning, Special Projects, Advance Planning, and Environmental Review as Follows: Planning Services - 1) Dudek, 2) Arnold Mammarella, Architecture and Consulting, 3) The Planning Center/DC&E, 4) Metropolitan Planning Group; Environmental Services - 5) Dudek, 6) URS Corporation, 7) ICF International, 8) Turnstone Consulting, and 9) David J Powers & Associates in Amounts Not to Exceed \$930,000.~~
6. ~~Development Impact Fees: List of Public Facilities Capital Needs.~~
7. Approval of a Contract With Spenco Construction, Inc. in The Amount of \$2,170,412 for The FY 2014 Sidewalk, Curb and Gutter Repairs Project.
8. Approval of Amendment No. 1 to Contract with MV Transportation to Extend the Term Until June 30, 2014 and Add \$75,000 for Provision of Regular Shuttle Services for Crosstown Route and Additional Shuttle Service During the Construction of California Avenue Streetscape Project.

**MOTION PASSED for Agenda Item Numbers 3, 7-8: 9-0**

#### ACTION ITEMS

9. Parking Supply Recommendations. Staff recommends that Council accept the Final Report on the Downtown Parking Garage Study and authorize staff to take the following actions aimed at increasing the parking supply in the University Avenue and California Avenue Business Districts: 1) authorize staff to begin design and environmental review of a new parking garage (240 car capacity) on Lot G located on Gilman Avenue; 2) authorize staff to solicit qualification statements for public-private partnerships to increase parking supplies on at least one existing surface parking lot in the University Avenue area and one in the California Avenue Business District; 3) authorize staff to pursue planning grants and begin planning work for a new transit mall expansion with a 478-space parking garage on Urban Lane, in partnership with the property owner and the Joint Powers Authority; 4) authorize staff to begin design and environmental review of a 200-space satellite parking facility along Embarcadero Road – East of Geng Road - Faber Place and in the Bay Lands Athletic Center parking lot or a comparable alternate location(s), with supporting shuttle service to the University Avenue Business District; 5) authorize staff to expand parking permit sales to South of Forest Avenue (SOFA) Business District

Employees at the Lot CC – Civic Center and Lot CW – Cowper Street/Webster Street parking garages; and 6) authorize staff to solicit proposals for the installation of parking garage access and revenue controls aimed at collecting “real time” data on parking lot and garage occupancy, introducing flexibility for transferable permits between employees, and to support payment options for downtown visitors who park longer than three hours.

Hillary Gitelman, Planning and Community Environment Director, reported parking supply was one of three related issues. Neighborhood parking restrictions were discussed on January 27, 2014, and Transportation Demand Management (TDM) measures were scheduled for discussion on February 24, 2014. All actions were intended to address traffic and parking demand resulting from prosperity. Staff asked the Council to accept the study regarding Downtown parking garages and provided a series of six recommendations. The first recommendation sought Council authorization to proceed with design and environmental review of a new parking structure on Lot G. The second recommendation sought Council authorization to issue a Request for Qualifications. The third recommendation was related to pursuit of planning and grant opportunities related to Urban Lane. The fourth recommendation was related to the design and environmental review of potential satellite lots served by shuttle service. The fifth recommendation sought Council authorization regarding the sale of parking permits. Staff welcomed public and Council suggestions regarding additional strategies.

James Keene, City Manager, recognized that alternatives to Staff recommendations existed. Staff recommendations were based on particular factors. Staff was open to Council feedback regarding the recommendations.

Jaime Rodriguez, Chief Transportation Official, noted the parking feasibility study began about a year ago. Staff obtained Council feedback in May 2013. The study considered five surface parking lots located within the Downtown core and one lot located along Urban Lane. Six parking structures were located in the Downtown core, four of which were owned by the City. A total of 13 surface parking lots were owned by the City. The two parking lots on Gilman Street were considered as a combined parking structure, which would yield approximately 166 structured parking spaces over five floors. Below-grade parking at the site would yield an additional 30 spaces. Attendant parking at the site would yield an additional 44 spaces. Lot G had the potential to provide 240 parking spaces for the community. In May 2013, Staff discussed the concept of public-private partnerships to build garages. Stanford University leased a site for 30-50 years, and then with a

partner built a garage. That would be the basic concept for developing a public-private partnership. All sites studied and generally all sites in the Downtown or California Avenue areas would accommodate a public-private partnership. Stanford University owned the site along Urban Lane and leased it to Caltrain. The site currently offered 164 parking spaces and served as a lot for Caltrain. The feasibility study proposed expanding the transit mall as a means to increase parking supply and to implement TDM strategies. Expansion would yield an additional 17 bus bays and provide a parking structure containing 478 spaces. The project would be complicated by the need for partnerships with Caltrain and Stanford University. Currently, the Metropolitan Transportation Commission (MTC) and Santa Clara Valley Transportation Authority (VTA) offered two grants which could be utilized to develop the Urban Lane site. The Council requested Staff consider satellite parking facilities. A key strategy for satellite parking was ensuring transportation from satellite facilities to business districts. Staff reviewed current shuttle services and considered additional and/or redundant shuttle services. Staff sought authority to develop and release a Request for Proposal (RFP) to design and study the possibility of restriping and adding parking to Embarcadero Road east of Faber Place. The concept was to reduce traffic lanes from four to two and add parking to the south side of the street. Another short-term action was the sale of parking permits at the Civic Center garage and Cowper/Webster garage to people working in the South of Forest Avenue (SOFA) Business District. The final recommendation concerned the development and release of an RFP to implement parking technology solutions for the Downtown core. A Parking Guidance System (PGS) would include dynamic way-finding signs located around Downtown to highlight locations and the number of spaces available for parking. Adding access and revenue controls as part of PGS would provide greater flexibility in distributing parking permits. Access and revenue controls would allow employers to have a direct account with the City and would remove the cap of permit sales. The business community expressed interest in access and revenue controls.

Ms. Gitelman indicated Attachment D provided data regarding parking supply and demand. Staff quantified the historical deficit utilizing a baseline dating to 1988. In 1988 the City quantified the Downtown parking deficit. The deficit fluctuated over time due to the addition of parking spaces and the granting of parking exemptions. Attachment D contained a snapshot of garage and on-street parking supply occupancy. The data was likely skewed by the number of employees who held permits at the time of the survey but were not using those permits. The change in occupancy data would be reflected in the next occupancy survey. In addition Staff would collect employee density information from the Downtown CAP Study. Staff hoped to have that information in May or June 2014. None of the recommended

steps needed to wait for perfect data. She suggested the Council discuss the recommendations separately due to Council Member conflicts.

Chop Keenan noted the lack of a Council liaison to meetings of the Business Improvement District Parking Committee. He supported Item Numbers 3 and 4. Construction of a parking garage could occur at Lot G and/or Lot O. With respect to Item Number 5, there should be a priority for employees in the district. Gated parking structures should be avoided because they implied no admittance.

Allen Akin indicated more than 4,000 cars passed his house daily, with peaks at 8:00 a.m., noon, and 5:00 p.m. Building a garage on Gilman Street would likely increase traffic on Bryant and Waverly. Garages in Downtown were neither attractive nor the most economically sound use of real property. He suggested priority be given to the Urban Lane and Embarcadero Road proposals rather than Downtown core garages.

Bill Phillips, Stanford University Land, Buildings and Real Estate, reported that Stanford University, the Joint Powers Board (JPB), the City of Palo Alto, Palo Alto Medical Foundation, and the adjoining property owner would be part of any negotiations regarding Urban Lane. Stanford University would not accept an identified alternative of parking rather than transit uses on the ground floor. As the transit center relied on infrastructure from 27 University Avenue and the Arts and Innovation District, developing a proposal for Urban Lane could be premature.

Tommy Derrick asked the Council to reaffirm the January date which would necessitate Staff providing a proposal to the Council by July. The California Avenue core was rapidly approaching the same level of parking demand; therefore, it should be included in parking considerations.

Robert Moss preferred a garage be located on Lot E so as not to displace the Farmers Market. Before changing Embarcadero Road, Staff should ensure remote parking was effective. Restricting parking in neighborhoods and requiring employees to park in garages should be implemented prior to building garages. Encouraging the use of public transportation and/or carpools should be a part of parking efforts.

Eric Filseth thanked the Council for directing Staff to proceed with the Residential Parking Permit (RPP) Program and delineating the January 1 schedule. Implementation of RPP Programs should not be tied to other parking efforts.

Michael Hodos felt the inconsistent application of the California Environmental Quality Act (CEQA) and the cumulative impact of dozens of Negative Declarations contributed to the lack of parking. He urged the Council to consider requiring a CEQA review for any and all commercial projects and requiring the dedication of parking in-lieu fees to replacement parking and/or TDM programs.

Neilson Buchanan believed the proposals were a good start to resolving parking issues. He asked the Council to consider and scrutinize all possibilities. He noted inconsistencies between the maps in Attachment D and the information he had.

Herb Borock indicated the Council needed to solve parking issues in residential areas prior to considering solutions for Downtown parking. Parking in-lieu fees should be utilized to provide parking, not to fund studies. The Urban Lane proposal was the worst place for a parking structure.

Adina Levin, Friends of Caltrain, urged the Council not to decide on expensive investments until there was a better sense of resulting efficiencies and reductions from other solutions. She questioned whether Staff spoke with potential users to determine whether they would utilize satellite parking lots. The partnership structure of a private entity making money from parking revenue was risky. The Council should consider metered parking and the use of pricing to incent short-term and long-term parking.

Elaine Uang recommended the Council remember all three issues as it discussed each issue. She encouraged the use of technology in hopes that some progress could be made quickly. She wondered whether the process for obtaining parking permits and information about them could be simplified.

Cedric de la Beaujardiere noted Citywide improvements for bicycle travel that could be implemented for significantly less cost than parking garages. He did not wish to lose the Downtown Farmers Market.

Barbara Gross believed RPP Programs should be implemented concurrently with other solutions. RPP Programs would have a large impact on businesses.

John Hackmann felt the three categories of parking users should be handled differently. Private management of garages could be a benefit. Data regarding pricing and use of spaces could provide needed information. Smart parking meters could modify prices according to use or lack of use.



The City should charge a fee per employee for transportation. Parking should be underground.

Ms. Gitelman indicated Staff talked with the Farmers Market Manager regarding Lot G and assured him Staff would discuss alternative sites for the market if the Council chose to proceed with review of a parking structure on Lot G. Staff received comments regarding safety at satellite parking locations. Staff was open to comments regarding technology and paid parking. Staff concurred with comments regarding better use of existing garage capacity. Implementation of neighborhood parking restrictions would increase garage capacity. Parking was not a new issue, but dated to 1988 as data demonstrated.

Mr. Keene believed the Council would want to discuss some options in more detail than others and would have suggestions. Staff's recommendations were predicate actions to subsequent decisions. Discussions and actions related to RPP Programs, garages and TDM had to occur in parallel. Data presented in Attachment D was lower than data from other sources. He discussed with Staff real-time assessment rather than periodic surveys in order to make adjustments to the number of parking permits.

Mayor Shepherd noted the possibility of Council Member conflicts of interest, and inquired whether conflicts should be stated at the current time.

Molly Stump, City Attorney, reported three Council Members had conflicts of interest regarding components of the total package. Council Member Scharff and Mayor Shepherd should recuse themselves regarding Lot CW. Council Member Klein should recuse himself regarding the Urban Lane proposal. Staff segregated those two items to allow the full Council to discuss remaining items. She cautioned Council Members not to discuss those two items in the general discussion.

Mayor Shepherd clarified that she could discuss Lot CC but not Lot CW, even though the recommendation concerned both lots.

Ms. Stump concurred.

Mayor Shepherd indicated Council Members could not discuss the Urban Lane or Lot CW recommendations until she, Council Member Scharff, and Council Member Klein left the room.

Council Member Scharff inquired about Staff's reasons for choosing Lot G for a parking structure.

Mr. Rodriguez explained that the feasibility study applied constructability factors to each site. Lot D was a wonderful site for a garage or a mixed-use project; however, construction at Lot D would have significant impacts to surrounding businesses. Therefore, Lot D ranked lower than Lot G on that priority and was not recommended.

Council Member Scharff asked where the ranking of lots was presented in the Staff Report.

Ms. Gitelman reported the rankings were presented in Figure Number 2 in the study. The rankings of lots were very similar; thus, Staff was open to Council suggestions for alternate sites.

Council Member Scharff noted Lot EG scored far better on the scale. He asked why Lot EG was not considered.

Mr. Rodriguez reported Staff interpreted Council Member comments in May 2013 as indicating a parking structure at Lot EG was not a consistent use in relation to existing properties.

Council Member Scharff asked if the bridge over the street was the issue.

Mr. Rodriguez answered yes.

Council Member Scharff requested clarification regarding whether the Council could open all garages to people in SOFA.

Ms. Stump explained that the City utilized tax exempt municipal bonds as the funding mechanism for garages. The bonds required the garages to be used for a public purpose. The City's current policies and practices comported with federal tax rules and provided some flexibility for the City to administer those public facilities. The City had a long history and practice of working collaboratively with the Assessment District in administering those garages. Staff's recommendation was to take an incremental step to open the administration of a few lots. As a policy matter, she did not believe Staff was recommending a wholesale change in the administration of lots.

Council Member Scharff inquired whether this was a policy decision that the Council could change to open garages to everyone.

Mr. Keene indicated the City Attorney's legal analysis would support the Council having flexibility to make a policy decision to be more expansive or to move more quickly than the Staff recommendation. Staff felt the Council had the authority to open the sale of permits.

Ms. Gitelman believed Staff's recommendation was a cautious first step in the direction Council Member Scharff was heading. If the Council was interested in considering more garages, Staff would want to have more outreach to current permit holders and business interests.

Mr. Keene stated a broader policy statement could be worthwhile. Staff's role was to move ahead with each constituent group as much in unison as possible.

Council Member Scharff felt the City should have a location for cars displaced by RPP Programs to park. He asked when satellite parking could be available if the Council approved it.

Mr. Rodriguez remarked that the environmental assessment and design could be completed prior to the end of the summer. Staff could request Council approval of the design as early as the fall of 2014. After Council approval of the design, construction improvements would be coordinated with the Public Works Department and the street resurfacing program. In theory, satellite parking could be implemented prior to the end of the calendar year.

Council Member Scharff inquired whether the shuttle and parking would be free.

Ms. Gitelman responded yes.

Council Member Scharff asked if satellite parking should be implemented concurrently with RPP Programs.

Ms. Gitelman agreed that all parking components should be coordinated. Staff would present an expansion of shuttle service on February 24, 2014, which would need to be implemented concurrently with satellite parking.

Council Member Scharff asked if satellite parking could be implemented in the stated schedule for RPP Programs.

Ms. Gitelman replied yes.

Council Member Scharff suggested Staff consider the 200-car parking lot at the Golf Course as offsite parking while the Golf Course was closed.

Mr. Rodriguez would review that option as part of the design process.

Council Member Scharff noted occupancy data indicated several garages had available spaces. He was unclear about the effects on parking permits of seven employers leaving the Downtown area. He inquired about the frequency of parking surveys.

Mr. Rodriguez explained that occupancy data was affected by the time when surveys were performed and by the lag between an employer returning parking permits and Staff reselling them. The lag time between receiving and reselling permits could improve with implementation of garage management technology.

Council Member Scharff was frustrated by ongoing vacancies in garages. He wanted Staff to check occupancy more often and, if occupancy rates fell below 85 percent, Staff should sell more permits. He requested Staff suggest language incorporating that concept into a Motion.

Ms. Gitelman suggested language in paragraph 4 "to take steps necessary to release additional permits on an ongoing basis."

Council Member Scharff stated Staff currently had that authority. He questioned the frequency Staff should perform surveys and the percentage of occupancy that would result in Staff selling more permits.

Mr. Rodriguez suggested a Motion require Staff to perform monthly monitoring and set a threshold of 85 percent. With monthly monitoring over the next few months, Staff could provide a firm recommendation in June 2014. The Council should be aware that Staff was reviewing installation of solar panel systems at almost all Downtown garages and the addition of electric vehicle charging stations. Both projects would change parking permit demand.

**MOTION:** Council Member Scharff moved, seconded by Vice Mayor Kniss to direct Staff to: 1) solicit Proposals for Design & Environmental Review of a Garage on Lot D for discussion & possible award in June, 2) solicit Statements of Interest/Qualifications for Public-Private Partnerships to increase Parking Supplies on City-owned lots for discussion and direction in August, 3) solicit Proposals for Design & Environmental Review of 200-spaces of Satellite Parking for discussion & possible award in June, 4) authorize permit sales to SOFA Employees at Lot CC – Civic Center immediately, 5) solicit Proposals For Parking Technology – Access & Revenue Control Equipment and Parking Guidance System for discussion and possible award in August, and 6) to conduct monthly monitoring of permit parking.

Council Member Scharff believed a garage at Lot D was more logical, because rankings of Lot D and Lot G were similar, people used Lot D more than Lot G, and more spaces could be constructed at Lot D at a lower cost per space. Monthly monitoring was extremely important.

Council Member Klein urged the Mayor to divide the Motion into five parts.

Vice Mayor Kniss remarked that parking issues would interfere with Palo Alto's economic prosperity. Coordinating parking solutions with RPP Programs was essential. She considered technology as one of the most important aspects of the recommendations. The City needed to increase sales of parking permits, because of the perception of vacant garages.

**AMENDMENT:** Council Member Klein moved, seconded by Council Member Price to divide the Motion into six separate Motions.

Council Member Klein stated dividing the Motion would allow for a more cohesive and rational discussion of the recommendations.

Council Member Price concurred with Council Member Klein's comments.

Mayor Shepherd did not believe dividing the Motion would be more effective or efficient. When Staff returned, the Council would have more substantive discussion.

Council Member Burt indicated the recommendations were distinct subjects in many regards. Colleagues would agree with some recommendations and disagree with others. A single Motion was inefficient and problematic.

Council Member Scharff expressed concern about the amount of time that would be required to discuss separate Motions. He preferred discussing topics altogether and splitting the Motion for a vote. He inquired whether the Amendment was to split the Motion and have six rounds of discussion and separate votes or to split the Motion only for voting.

Council Member Klein wanted to have six Motions. Council Members did not have to comment on each Motion.

Council Member Holman suggested Council Member comments could be abbreviated through splitting the Motion.

Vice Mayor Kniss opposed the Amendment. She requested Mayor Shepherd check the time.

Mayor Shepherd noted the time was 10:00 p.m., and no new topics would be taken up after 10:30 p.m. She was unsure whether acceptance of the Final Report could be considered with one of the enumerated items.

Vice Mayor Kniss urged Colleagues to consider the time and speak briefly.

Mr. Keene believed it was highly unlikely the Council would take up Item Number 9A (formerly Item Number 5).

**AMENDMENT PASSED:** 7-2 Kniss, Shepherd no

Mayor Shepherd inquired whether the Council needed to accept the Final Report separately from the enumerated items.

Ms. Gitelman reported proposed Motions related to actions and directions Staff needed from the Council.

Mayor Shepherd reiterated the Council did not need to accept the Final Report.

Ms. Gitelman explained that Staff's recommended Motion accepted the Report and directed Staff to act as indicated.

Mayor Shepherd requested Council Members comment on acceptance of the Final Report.

Council Member Scharff stated acceptance of the Final Report was not contained within the Motion.

Mayor Shepherd inquired whether Council Member Scharff wished to include acceptance of the Final Report in the Motion.

Council Member Scharff felt acceptance of the Final Report was a waste of time.

Ms. Gitelman suggested acceptance of the Final Report was not a critical component of the discussion.

**MOTION #1:** Council Member Scharff moved, seconded by Vice Mayor Kniss to direct Staff to solicit proposals for design & environmental review of a garage on Lot D for discussion and possible award in June.

Council Member Berman recalled the project at 3159 El Camino Real planned to create 196 parking spaces underground using 11 puzzle parking lifts. He

inquired whether Staff considered puzzle lifts and inquired about reasons for including or not including them in the Staff Report.

Mr. Rodriguez reported the Staff Report reviewed underground parking, but did not reach the level of detail to consider puzzle lifts. Design of any parking facility would consider puzzle lifts to ensure efficient use of space.

Council Member Berman stated the use of underground parking lifts would dramatically alter proposals. He could support construction of a garage on either Lot D or Lot G based on the report regarding puzzle lifts. Incorporating puzzle lifts was likely less expensive and would require fewer levels for a parking garage. He related his experience with condensed parking garages in South Africa and suggested one parking garage be limited to sedans. The Farmers Market was a positive enterprise for the community.

Council Member Price requested the design of a parking garage include potential installation of car lifts after the fact. She supported use of Lot G and Lot D.

Council Member Holman felt it was premature to consider a parking garage at the current time and reviewed her many reasons for not proceeding with a parking garage. She did not believe the community wanted five-story parking garages above ground.

**SUBSTITUTE MOTION:** Council Member Holman moved, seconded by Council Member XXX to not pursue a downtown parking garage at this time.

### **SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND**

Council Member Burt shared a number of Council Member Holman's concerns. He requested an explanation of Mr. Rodriguez's reference to parking lifts in the context of underground parking only.

Mr. Rodriguez explained that Staff focused strictly on subterranean floors of parking and did not consider the concept of an all-lift system.

Council Member Burt asked if lifts could be utilized whether parking was above or below ground.

Mr. Rodriguez indicated Staff would pursue either option as part of the design process.

Council Member Burt recalled decisions regarding the High Street and Bryant Street garages were carefully considered and discussed with the public over several years. Making a decision in one meeting did not allow for errors. The Council's decision would be based upon Staff input found in one table, which contained multiple, serious flaws in the fundamental basis for ranking lots. He reviewed net space gain and corresponding ranking for lots. He asked why the cost per space per added space was the same for all lots.

Ron Sanzo, Sandis Engineering, provided preliminary estimates of the cost per space. After discussions with City Staff, he determined it would be best to utilize a consistent number across the lots.

Council Member Burt requested an explanation of the ranking for net space gain.

Mr. Sanzo explained that the net space gain was somewhat qualitative. Several lots achieved the ranking of 10.

Council Member Burt stated the net space gain should not be qualitative but quantitative.

Mr. Sanzo felt ranking all lots as 10 was warranted, because the constraint ranked sufficiently high.

Council Member Burt believed the Council did not have accurate information to make such an important decision.

**SUBSTITUTE MOTION:** Council Member Burt moved, seconded by Council Member Klein to direct Staff to return with additional reviewed information on the choices based upon Council input tonight, and to provide a narrowing to three recommendations as well as consideration of the updated information on how many additional spaces are required.

Mr. Keene reported Staff would provide updated information as best as they could. He doubted the next Council discussion would be the final one, as the process would be iterative.

Council Member Burt clarified that Staff should provide an update of the best information available at the time Staff returned to the Council.

Mr. Keene indicated Staff could provide an update using other information. Staff wanted the benefit of the Council's thoughts. A five-story garage could work more easily in one location than in other locations.



Council Member Burt believed Staff would receive additional input from Council Members on related issues that would inform direction regarding a parking garage. He recommended Staff determine outreach methods to obtain feedback. There was a sense of urgency to proceed; however, the Council had to vet concepts better.

Council Member Klein agreed that a parking garage was a major decision for the community. He expressed concern that a parking structure at Lot D would provide more spaces than needed; thus, the City would spend more money than needed. Implementing solutions simultaneously was not possible. He inquired whether 18 months would elapse between Council direction to Staff and Staff having plans in place for a garage.

Mr. Keene replied yes.

Council Member Klein reported in that time, the City would obtain more information regarding the success of RPP Programs, TDM strategies, and satellite parking. Should a parking garage not be needed, the expenditure of \$1.5 million for plans would not be a waste of funds. The Infrastructure Committee would recommend one parking structure at a cost of approximately \$12 million. Funding of infrastructure projects would ultimately depend on the amount the Council decided to spend for a parking garage. The size of a parking structure could not be determined in isolation.

Council Member Schmid especially liked the idea of investigating the number of parking spaces needed. Attachment D did not provide the amount of the current deficit. Using 3.5 million square feet of office space in Downtown and the number of available parking spaces, he calculated a deficit of 6,000 parking spaces. Knowing the amount of the deficit and who was responsible for it was important. He questioned who would own, control, and be responsible for a new parking garage, and who would allocate parking spaces within the garage.

Ms. Gitelman reported Staff had not considered who would build and own a new garage, because financing options were a factor in those decisions.

Council Member Schmid asked if the use of in-lieu parking fees would create legal constraints on who controlled the spaces.

Ms. Gitelman replied no, that would be part of the funding strategy. She inquired whether Council Member Schmid thought the parking deficit was 4,000-6,000 spaces.

Council Member Schmid had heard public comments to that regard. 3.5 million square feet of office space translated to 14,000 parking spaces.

Mr. Keene hoped an exact number for the parking deficit would not be required. Staff acknowledged the existing deficit of 962 spaces did not factor in more workers occupying existing square footage in Downtown. If an RPP Program was to be effective, at least one garage would be beneficial.

Council Member Schmid agreed the exact number was not important, but the scale of the problem was important. Numbers from the City's November 2013 parking survey were about 30 percent lower than numbers provided by residents. Hundreds of empty parking spaces in garages indicated the pricing component of the parking model was not effective. The Council should discuss ownership, control, and allocation of spaces when Staff returned with a proposal on parking lots.

Council Member Berman recommended Staff consider parking puzzles. The Council needed a more comprehensive analysis of alternatives at different locations to make an informed decision.

**CALL THE QUESTION:** Council Member Price moved, seconded by Council Member Klein to call the question.

**CALL THE QUESTION PASSED:** 6-3 Scharff, Schmid, Shepherd no

**SUBSTITUTE MOTION PASSED:** 8-1 Shepherd no

**MOTION #2:** Council Member Scharff moved, seconded by Vice Mayor Kniss to direct Staff to solicit Statements of Interest/Qualifications for public-private partnerships to increase parking supplies on City-owned lots for discussion and direction in August.

**SUBSTITUTE MOTION:** Council Member Holman moved, seconded by Council Member Schmid not to take action on Staff Recommendation Number 2 based upon the Substitute Motion that just passed.

Mr. Keene reported Staff was requesting authority to solicit Statements of Interest and Qualifications from interested parties.

Council Member Holman requested Staff describe a public-private partnership.

Ms. Gitelman wanted to solicit ideas from private partners who would be interested in constructing additional parking on City-owned lots. Projects

could take the form of a parking structure or a mixed-used project that added to parking supply and achieved other objectives.

Council Member Holman felt soliciting Statements of Interest would be inconsistent with action taken on Item Number 1.

Council Member Schmid believed surrendering control of existing parking lots to a partnership was premature.

Mayor Shepherd noted the Staff Report indicated proposals would apply to University Avenue and California Avenue, but that was not stated in the proposed Motion.

Ms. Gitelman reported the recommended Motion was not specific to location. This strategy could be used at a number of locations in the City. She reiterated that this was an effort to solicit ideas, to get more information to make a wise decision on all types of parking supply strategies. The Council was not making a commitment by directing Staff to proceed.

Council Member Klein stated the proposal was innocuous, and the Council should proceed.

Council Member Scharff agreed there was no harm in soliciting proposals.

Council Member Berman wished to ensure Staff prioritized important items over unimportant items. Soliciting interest in public-private partnerships was fairly unimportant.

Mayor Shepherd agreed the Council should solicit interest. She suggested Staff consider soliciting interest in the use of private parking lots.

**SUBSTITUTE MOTION FAILED:** 2-7 Holman, Schmid yes

**MOTION #2 PASSED:** 7-2 Holman, Schmid no

**MOTION #3:** Council Member Scharff moved, seconded by Vice Mayor Kniss to direct Staff to solicit proposals for design and environmental review of spaces of satellite parking for discussion and possible award in June.

Council Member Burt was skeptical about satellite parking other than during construction periods or bridge periods. He inquired whether Staff surveyed the public to determine interest in and use of satellite parking.

Ms. Gitelman indicated Staff had not performed any surveys. Satellite parking was mentioned in discussion of an RPP Program, and Staff felt it was worth a trial.

Council Member Burt stated a survey would inform the decision of whether to try an idea. Staff should perform a survey to determine if there would be any participation.

Mr. Keene remarked that survey results would shift based on circumstances. Survey results could differ between the current time and the implementation of an RPP Program.

Council Member Burt suspected a survey would find weak participation at the current time. Staff did not mention that the intersection of East Bayshore Road and Embarcadero Road was already a Level F. Embarcadero Road east of Faber Place could be better utilized as it was an extremely wide street with low traffic volume. There could be complications with using the Baylands Athletic Center parking lot. He asked if the parking lots were located on parkland.

Mr. Rodriguez did not know.

Council Member Burt encouraged Staff to ensure such a use was permitted.

Mr. Keene commented that Staff was attempting to be prepared for opportunities as they arose. The Motion was to solicit proposals for design and review for possible discussion and award. The advantage of soliciting proposals was that it could determine if satellite parking was inexpensive per space. Soliciting proposals did not obligate the City to any course of action.

Council Member Burt did not interpret the Staff Report in that light. He would not support a Motion directing Staff to begin design and environmental review, but would support the Motion as stated.

Council Member Holman noted that the International School utilized the Baylands Athletic Center parking lot for pick-up and delivery of children because of congestion on East Bayshore Road. Construction projects coming online would create additional traffic along Embarcadero Road. Implementing satellite parking would transfer traffic impacts from one area to another, create conflicts, and urbanize Embarcadero Road.

Council Member Klein disagreed that Embarcadero Road would be urbanized. Embarcadero Road was underutilized. The intersection at East Bayshore Road was Level F traveling north-south, not east-west. A shuttle would

travel east-west. The City needed an alternative parking solution when an RPP Program was instituted. Embarcadero Road was an appropriate place for satellite parking. He questioned the need to solicit proposals, and asked if design and environmental review could be performed by City Staff. The primary area of parking would be along Embarcadero Road. The number of parking spaces at the Baylands Athletic Center was trivial compared to the number of spaces along Embarcadero Road.

Mr. Rodriguez wanted an outside perspective regarding environmental assessment impacts, specifically around the issue of traffic.

Council Member Klein indicated that was an analysis of environmental impact, not solicitation of a proposal. Soliciting proposals implied Staff was looking for someone outside the organization.

Mr. Rodriguez agreed that Staff wanted an outside party to perform the design and complete the environmental assessment.

Council Member Klein felt the environmental assessment should be straightforward.

Mr. Rodriguez indicated the design was relatively complete. An environmental assessment was needed to validate the design.

Ms. Gitelman reported Council Members indicated a desire to consider alternative sites. With Staff's current workload, additional resources for some items were needed to complete work within the timeframes specified by the Council. Staff felt outside review would be efficient.

Council Member Klein did not want implementation of an RPP Program delayed due to contracts for satellite parking.

Council Member Scharff wanted alternative parking available when an RPP Program was instituted.

Council Member Klein suggested the number of parking spaces not be limited to 200.

Council Member Scharff agreed to revise the language of the Motion to "environmental review of spaces." More than 200 parking spaces could be identified, and the Golf Course parking lot could be utilized as an interim measure.

Mr. Keene indicated Staff could proceed with the language as revised.

Council Member Scharff asked if 90 degree diagonal parking was perpendicular parking.

Mr. Rodriguez responded yes. Staff's design for Embarcadero Road would provide 132 parking spaces, and parking at the Baylands Athletic Center would provide 66 spaces for a total of 198. Staff would validate the ability to use parking lots at the Baylands Athletic Center.

Council Member Schmid believed the description of transferring impacts was accurate and correct. Outside commuters would benefit, while residents would bear the cost. He recommended Staff ask the public for their opinion of the idea.

Mayor Shepherd stated this was the most unattractive proposal. Commuters traveling from the train to Embarcadero Road could use the shuttle. If more playing fields were located in that area, then traffic would be stressed when fields were active.

**MOTION #3 RESTATED AS AMENDED:** Council Member Scharff moved, seconded by Vice Mayor Kniss to Direct Staff to solicit proposals for environmental review of spaces of satellite parking for discussion and possible award in June.

**MOTION #3 PASSED:** 7-2 Holman, Schmid no

**MOTION #4:** Council Member Scharff moved, seconded by Vice Mayor Kniss to authorize permit sales to SOFA Employees at Lot CC – Civic Center immediately.

Council Member Holman inquired about public access for the 800 High Street parking garage.

Mr. Rodriguez reported 53 parking spaces were available for permit use during the day, and 10 parking spaces were available for hourly parking. A wait list of approximately 71 people was prioritized for employees in SOFA.

Council Member Holman asked if the garage closed at 5:00 P.M.

Mr. Rodriguez indicated permit parking was allowed between 8:00 A.M. and 5:00 P.M. After that, spaces reverted to resident use.

**MOTION #4 PASSED:** 9-0

**MOTION #5:** Council Member Scharff moved, seconded by Vice Mayor Kniss to direct Staff to solicit proposals for parking technology – access & revenue control equipment and parking guidance system for discussion and possible award in August.

Council Member Holman asked if the timeline could be moved up to June.

Ms. Gitelman remarked that discussing the RFP thoroughly with stakeholders would be beneficial and would require additional time. Staff wished to review RFP responses and analyze options before presenting them to the Council. August 2014 was realistic.

Council Member Berman stated technology should have been implemented previously. He was pleased the City was reviewing technology, but was frustrated that the process was not further along. He recommended Staff consider the use of apps to guide visitors to parking garages. He suggested not renewing permits for people who did not regularly use them and providing a financial incentive for companies who left the area to return permits promptly.

Council Member Klein felt the City needed marketing assistance to get people to use parking garages. He was interested in other cities' experiences and a comparison of Palo Alto's vacancy rate with theirs.

Mr. Keene would do so. He recalled Staff met with Streetline regarding parking apps. The business model was not feasible, because the City did not price for parking. Marketing parking would be easier when the City instituted demand pricing.

Council Member Scharff preferred to sell permits to people who utilized them only once a year and thought the City should sell 600 percent of permits. Because the cap on permit sales was artificially low, he asked Staff to focus on permit sales. There was not a marketing issue when garages had waiting lists for permits. People would want permits once an RPP Program was instituted.

Council Member Schmid felt monitoring was a key component in obtaining data. Utilizing technology effectively was the basis of any decision.

Mayor Shepherd wished to ensure the Council chose the right technology, such that it would not deter use of parking. The number of parking spaces was calculated based on 250 square feet of built environment. She inquired when the Council could consider revising that calculation.

Ms. Gitelman reported the Downtown CAP Study was reviewing the 250 square feet per employee standard. In May or June 2014 Staff should have better data on whether that figure was a representative average of employment density. At that point the Council could consider adjusting the figure.

Mayor Shepherd asked if a project would have to provide more parking based on Council's revision of the figure regardless of State regulations.

Ms. Gitelman was not aware of any State regulation governing office parking.

**MOTION #5 PASSED: 9-0**

**MOTION #6:** Council Member Scharff moved, seconded by Vice Mayor Kniss to direct Staff to conduct monthly monitoring of permit parking.

Council Member Burt reiterated that top floors of garages were the last floors to be filled. The solution to filling garages was simpler than stated in that the City could simply issue more permits.

Mayor Shepherd indicated intermittent vacancies at garages were a mystery.

**MOTION #6 PASSED: 9-0**

Mayor Shepherd announced the next item for discussion was to authorize Staff to pursue planning grants and begin planning work for a new transit mall expansion with a 478-space parking garage on Urban Lane, in partnership with the property owner and the Joint Powers Authority.

Council Member Klein recused himself from the item as his wife was a member of the Stanford University faculty.

Vice Mayor Kniss believed the item was premature because of the number of agencies involved. The depiction of a garage was out of scale and did not fit the area.

Council Member Scharff was concerned that Staff had not articulated the item correctly. There seemed to be two components: improving the transit mall and adding parking. He inquired about Staff's objectives for the site.

Ms. Gitelman explained that Staff wished to make improvements to transit and to increase parking supply. Staff could review other options for scale of



the building. Staff believed the Urban Lane site merited pursuit of grants and outreach to partner agencies.

Council Member Scharff asked if there were smaller design options.

Mr. Keene answered yes. Other design solutions could provide more parking. Staff requested direction to explore this as a possibility. There would be complications regarding jurisdiction and cost. This item related to previous Council direction for Staff to return with alternatives for parking garages. This item was separated from the general discussion because of a conflict of interest.

Council Member Scharff understood the previous Motion directed Staff to return with three options for the Downtown core parking lots. With the many other parking options available, a large parking garage at Urban Lane was not needed at the current time. However, he did not want to forego the opportunity to apply for grants to study the issue.

Ms. Gitelman hoped to obtain Council approval to submit a grant request. If the City received the grant, then Staff could perform work that would inform a Study Session.

Council Member Scharff asked if the grant would fund only planning activities.

Ms. Gitelman responded planning and coordination activities.

**MOTION:** Council Member Scharff moved, seconded by Vice Mayor Kniss to direct Staff to have the ability to pursue planning grants with Stanford/Caltrain for Urban Lane Transit Mall and Parking Garage, and returning to Council in a Study Session or Action Item if a grant was obtained.

Mr. Keene reiterated that Staff was requesting authority to pursue grants as a possibility. If the City obtained grant funding to perform planning work, then that information could be used in a Study Session.

Council Member Scharff concurred with planning the area; however, he needed to understand the transit component that could be incorporated into TDM strategies.

Mr. Keene reported the Council's direction would allow Staff to plan for a parking garage and TDM strategies if the City obtained a grant.

Vice Mayor Kniss inquired about agencies providing grants.

Mr. Rodriguez indicated Metropolitan Transportation Commission (MTC) had an active call for projects, and Valley Transportation Authority (VTA) would soon release a similar planning grant.

Council Member Price noted One Bay Area Grant (OBAG) options remained available. The Council could not consider the proposal too soon because of the number of stakeholders. The site's proximity to 27 University Avenue would have important implications for infrastructure.

Council Member Burt stated the Council first needed to perform long range planning in terms of what the Council and community wanted in the area. The Council implemented a planning process for the 27 University Avenue area and it was ongoing. That planning process and the Downtown CAP Study should inform the pursuit of any future grant. These were not one-time grant opportunities. The Council should reconsider the Motion.

Council Member Berman inquired about the ways grant funds could be utilized.

Ms. Gitelman explained that grant funding could be utilized for planning and feasibility studies to determine the best configuration to enhance transit and TDM services at the site and to add parking.

Council Member Berman asked how development of Urban Lane would coincide with plans for Downtown.

Mr. Keene remarked that the City had a real parking problem. Staff scurried to provide many possible options for parking solutions. Staff acknowledged that the options were incomplete. The Urban Lane site was complicated given the jurisdictional aspects. He urged the Council to consider delaying action on Staff's recommendation. The Council should not launch the project simply because a grant was available.

### **MOTION WITHDRAWN BY THE MAKER AND SECONDER**

Mr. Keene had concerns prior to the discussion, and those concerns became more serious as the discussion progressed. The Council would lose more than it gained by proceeding with the Staff recommendation.

Mayor Shepherd recalled prior Council comments supported a garage at Urban Lane, which seemed to contradict the current discussion. She requested Staff explain the process for grants.

Mr. Rodriguez reported planning grants targeted land use and compatibility with surrounding uses. Grants were offered for cities to pursue projects for which they would not normally have funds. Planning grants were usually offered every few years and in advance of larger capital grant programs. Planning grants allowed cities to determine whether they wished to proceed with a project through capital grants.

Mayor Shepherd reiterated that the City could study a project through a planning grant and determine whether to proceed with the project when capital grants were offered. She inquired about the frequency of grants.

Mr. Rodriguez explained that the cycle for grants changed due to the OBAG process. Typically grants were offered every four to five years. Another grant would not be offered until 2017 or 2018. The 27 University Avenue project introduced discussions between partner agencies, wherein the San Mateo County Transportation Authority (SamTrans) indicated it would not plan the site without partner agencies.

Council Member Berman inquired about the amount of grant funds being offered.

Mr. Rodriguez indicated VTA was offering slightly more than \$2 million for Santa Clara County. MTC required minimum requests of \$500,000. The Urban Lane site would meet that requirement.

Council Member Berman asked if the City could fund planning studies.

Mr. Keene replied yes.

Council Member Berman noted the Urban Lane site would be a component of Comprehensive Plan discussions if the Council chose to pursue it.

Council Member Burt recalled Council direction was for Staff to develop a community design process for the area. Staff should have applied for a grant for that planning work. He urged the Council to remember the Council's official action regarding the area.

Mr. Keene believed the Council's direction concerned the whole 27 University Avenue site, including the site for the Arrillaga Project, the connectors, and the transit center. Staff attempted to respond to a request for parking solutions. At this particular site, the parking solution connected to both jurisdictional and transit issues.

Mayor Shepherd announced the meeting would be turned over to Vice Mayor Kniss for discussion to authorize Staff to expand parking permit sales to South of Forest Avenue (SOFA) Business District Employees at the Lot CC – Civic Center and Lot CW – Cowper Street/Webster Street parking garages.

Mayor Shepherd recused herself from a discussion of Lot CW – Cowper Street/Webster Street parking garages as her husband had a lease close to the garage.

Council Member Scharff recused himself from a discussion of Lot CW – Cowper Street/Webster Street parking garages because he owned property near the garage.

**MOTION:** Council Member Berman moved, seconded by Council Member Price to direct Staff to authorize permit sales to South of Forest Avenue (SOFA) Employees at Lot CW – Cowper/Webster immediately.

Council Member Burt requested that Staff elaborate on reasons for including Lot CW.

Mr. Keene reported the City had more flexibility with respect to opening up permit sales for garages, but a series of stakeholder conversations was needed. Lots CC and CW were City garages and not part of the Assessment District. That was the main reason for suggesting both of them.

Ms. Gitelman added that Lot CC had a waiting list, while Lot CW did not. Pairing the two would be useful.

Council Member Holman asked if permit sharing could be utilized at Lot CW.

Ms. Gitelman indicated permit sharing would not be available until technology solutions were implemented.

**MOTION PASSED:** 7-0 Scharff, Shepherd not participating

Due to the time constraints it was determined that Item Number 9A (formerly Item Number 5) would be heard at a later date.

~~9A. (Former Agenda Item No. 5) Staff Recommends that City Council Authorize the City Manager to Enter into an Agreement with the Peninsula Corridor Joint Powers Board to Introduce the Caltrain Go Pass into the Civic Center Transportation Demand Management Program.~~

ADJOURNMENT: Meeting adjourned at 12:00 A.M.