

AGENDA CHANGES, ADDITIONS AND DELETIONS	322
CITY MANAGER COMMENTS	322
COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS	322
MINUTES APPROVAL	322
CONSENT CALENDAR	323
1. Ordinance 5236 entitled "Ordinance of the Council of the City of Palo Alto to Close FY 2013 Budget; Close Completed Capital Improvement Projects and Transfer Remaining Balances to Reserves; Approve the City's FY 2013 Comprehensive Annual Financial Report (CAFR)."	323
2. Adoption of a Budget Amendment Ordinance and Approval of a Construction Contract with Redgwick Construction Company in The Amount of \$7,143,031 for the California Avenue Streetscape Improvements Project, including Waterline Replacement	323
3. Park Improvement Ordinance 5232 entitled "Ordinance of the Council of the City of Palo Alto for the Palo Alto Municipal Golf Course Reconfiguration Project (First Reading: February 3, 2014 PASSED: 9-0)."	323
4. Approval of Contract Amendment One to Contract No. C13149364 with 4Leaf To Increase Funds Not to Exceed \$1,500,000 and Approval of Contract Amendment One to Contract No. C14139368 with Kutzmann To Increase Funds Not to Exceed \$363,000 for On-call Development Services Consulting Services	323
5. 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 5233 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto Amending the Fiscal Year 2014 University Avenue Parking Permit Fund Operating Budget to Provide Additional Appropriations of \$120,000."	323
6. Policy and Services Committee Recommendation for the City Council to Approve the Revised Boards and Commission Applications	324

7. Approval of City Clerk Recommendation to Add to the Spring Board and Commission Recruitment the Vacancy on the Planning & Transportation Commission324

8. Approval of an Agreement with Townsend Public Affairs for Up To 22 Months in an Amount not to Exceed \$187,000 for State Legislative Advocacy Services324

8a. (Former Action Item No. 11) Colleagues Memo From Council Members Berman, Burt, Holman, and Klein Regarding Creation of a Palo Alto Business Registry324

8b. (Formerly Agenda Item No. 2) Budget Amendment Ordinance 5234 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto" and Approval of a Construction Contract with Redgwick Construction Company in The Amount of \$7,143,031 for the California Avenue Streetscape Improvements Project, including Waterline Replacement324

ACTION ITEMS327

9. Transportation Demand Management (TDM) Recommendations. Staff Recommends City Council Authorize Staff to Take The Following Actions In Furtherance of a Coordinated TDM Program Aimed At Reducing Traffic Congestion And Parking Demand: a) Solicit Proposals to Establish A Non-Profit Transportation Management Authority (TMA); b) Solicit Proposals For An Expanded Palo Alto Shuttle Program; c) Solicit Proposals to Provide Car Share Services Within City-Owned Parking Lots; and d) Evaluate Rideshare Tools, Including a Trial of the TwoGo Rideshare App, for Coordination and Marketing By The TMA327

12. City Council Authorization to Staff and 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 Program327

10. Direction to Staff on Lease Terms for the Renewal of the Cubberley Lease Between City of Palo Alto and Palo Alto Unified School District341

ADJOURNMENT: The meeting was adjourned at 11:05 P.M.348

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:06 P.M.

Present: Berman, Burt arrived at 7:30 P.M., Holman, Klein, Kniss, Price, Scharff, Schmid, Shepherd

Absent:

AGENDA CHANGES, ADDITIONS AND DELETIONS

Mayor Shepherd announced Agenda Item Numbers 9 and 12 would be discussed as one item.

CITY MANAGER COMMENTS

James Keene, City Manager, reported a public meeting regarding the Newell Road Bridge Project was scheduled for February 27, 2014. A community meeting regarding the Magical Bridge playground was scheduled for March 1, 2014. The Ronald McDonald House expansion was ready to begin site preparation including tree removal. Google approached Palo Alto and 33 other cities across the United States to explore ultrahigh speed internet services. Staff would provide information to assist Google with its evaluation. In January 2014, the Children's Theatre produced its inaugural edition of *A Children's Theatre* newsletter, created for kids by kids. Artist Judith Brown was featured in the Palo Alto Art Center's current *Pencils Down* exhibition. The Palo Alto Apps Challenge entered its final week for submission of ideas. The City of Palo Alto won a Solar Power Generation Industry award for Best Collaboration for Streamlining Residential and Commercial Solar Array Approval Process.

COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Vice Mayor Kniss was appointed for an additional two-year term on the Bay Area Air Quality Management District.

MINUTES APPROVAL

MOTION: Council Member Price moved, seconded by Vice Mayor Kniss to approve the Minutes of January 13, 2014.

MOTION PASSED: 8-0 Burt absent

CONSENT CALENDAR

MOTION: Council Member Scharff moved, seconded by Council Member Price to move Agenda Item Number 11; Colleagues Memo From Council Members Berman, Burt, Holman, and Klein Regarding Creation of a Palo Alto Business Registry to the Consent Calendar to become number 8A.

MOTION PASSED: 6-2 Kniss, Schmid no, Burt absent

Council Member Holman registered a no vote on Agenda Item Number 8.

MOTION: Mayor Shepherd moved, seconded by Council Member Klein, third by Vice Mayor Kniss to remove Agenda Item Number 2, to become Agenda Item Number 8B.

MOTION: Council Member Scharff moved, seconded by Council Member Price to approve Agenda Item Numbers 1, 3-8 and 8A.

1. Ordinance 5236 entitled "Ordinance of the Council of the City of Palo Alto to Close FY 2013 Budget; Close Completed Capital Improvement Projects and Transfer Remaining Balances to Reserves; Approve the City's FY 2013 Comprehensive Annual Financial Report (CAFR)."
2. ~~Adoption of a Budget Amendment Ordinance and Approval of a Construction Contract with Redgwick Construction Company in The Amount of \$7,143,031 for the California Avenue Streetscape Improvements Project, including Waterline Replacement.~~
3. Park Improvement Ordinance 5232 entitled "Ordinance of the Council of the City of Palo Alto for the Palo Alto Municipal Golf Course Reconfiguration Project (First Reading: February 3, 2014 PASSED: 9-0)."
4. Approval of Contract Amendment One to Contract No. C13149364 with 4Leaf To Increase Funds Not to Exceed \$1,500,000 and Approval of Contract Amendment One to Contract No. C14139368 with Kutzmann To Increase Funds Not to Exceed \$363,000 for On-call Development Services Consulting Services.
5. 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 5233 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto Amending the Fiscal Year 2014 University Avenue Parking Permit Fund Operating Budget to Provide Additional Appropriations of \$120,000."

6. Policy and Services Committee Recommendation for the City Council to Approve the Revised Boards and Commission Applications.
7. Approval of City Clerk Recommendation to Add to the Spring Board and Commission Recruitment the Vacancy on the Planning & Transportation Commission.
8. Approval of an Agreement with Townsend Public Affairs for Up To 22 Months in an Amount not to Exceed \$187,000 for State Legislative Advocacy Services.
- 8a. (Former Action Item No. 11) Colleagues Memo From Council Members Berman, Burt, Holman, and Klein Regarding Creation of a Palo Alto Business Registry.

MOTION PASSED for 1, 3-7, and 8A: 8-0 Burt absent

MOTION PASSED for 8: 7-1 Holman no, Burt absent

Council Member Holman supported the hiring of a state lobbyist; however, neither the Council nor a Council Committee had participated in the selection process.

Vice Mayor Kniss did not believe the Colleague's Memo contained sufficient detail to be placed on the Consent Calendar. She did not object to a business registry; however, the Council should review inequities in the way businesses paid into a registry or license. She suggested that Staff decide who would implement a registry and provide the Council with costs.

James Keene, City Manager, indicated Staff presented the state lobbyist Request for Proposal (RFP) to the Council in August 2013, and the Council approved it. Staff would work through details regarding the priorities and scope of work with the Policy and Services Committee, and then return to the Council.

Niccolo De Luca, Townsend Public Affairs, stated Townsend Public Affairs specialty was representation of municipalities and local government to secure public funding for priority projects.

- 8b. (Formerly Agenda Item No. 2) Budget Amendment Ordinance 5234 entitled "Budget Amendment Ordinance of the Council of the City of Palo Alto" and Approval of a Construction Contract with Redgwick Construction Company in The Amount of \$7,143,031 for the California Avenue Streetscape Improvements Project, including Waterline Replacement.

MOTION: Mayor Shepherd moved, seconded by Vice Mayor Kniss to: 1) approve the Staff recommendation to approve and authorize the City Manager or his designee to execute the construction contract with Redgwick Construction Company in an amount not to exceed \$6,211,331 for the Based Bid elements of the California Avenue Transit Hub Corridor Streetscape Improvement Project, CIP PL-11002; 2) authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Redgwick Construction Company for related, unforeseen work, which may develop during the project, for a total value not to exceed \$931,700, or 10 percent of the Based Bid work, bringing the construction contract award total to \$7,143,031; and 3) adopt a Budget Amendment Ordinance to increase funding for the California Avenue Transit Hub Corridor Streetscape Improvements Project (PL-11002) in the amount of \$5,370,745 and a reduction to the Infrastructure Reserve by \$4,740,745 as well as other adjustments to the General Fund and Water Fund.

Mayor Shepherd preferred the contingency amount remain at 10 percent. If additional funds were needed, Staff could return to the Council.

Vice Mayor Kniss was not comfortable with a contingency amount greater than 10 percent. Staff could return to the Council as needed so that the Council could review any issues.

Council Member Klein requested Staff comment on the wildly divergent amounts between the Engineer's estimate and the construction bid in the categories of general, fountain, and waterline replacement.

Jaime Rodriguez, Chief Transportation Official, reported Staff had similar concerns when bids were received. Generally, many projects were coming in higher than expected when compared to estimates. The bid climate changed between the current time and the beginning of the project three years ago. Waterline replacement was a specialized type of work for underground utility contractors, and would result in increased costs. At the time the bid was prepared, the contractor was awaiting bids from subcontractors. Consequently, the contractor placed discrepancies from subcontractors in the categories of general and fountain.

James Keene, City Manager, understood waterline replacement involved connections to many other lines. The number of connections and work underneath sidewalks made the project more complicated.

Council Member Klein expressed concern that the contractor was including subcontractor discrepancies in two categories. He inquired whether Staff felt the practice was fair and appropriate.

Mr. Rodriguez indicated Staff had to consider not the individual categories but the sum of the project. Redgwick's bid was lower than other bids. Typically during construction, contractors would request funds be transferred from one category to another, such that categories balanced as construction progressed. That would likely happen in this project.

Council Member Klein felt the contingency amount was less appropriate in this instance than in other contracts.

Mayor Shepherd noted page 5 contained the waterline improvements of \$1.3 million. The water main repair was a new item for the project. She requested Staff comment on the need to add waterline replacement to the project.

Mr. Rodriguez explained the City began experiencing failures in the existing waterline over the prior year. The Utilities Department requested replacement be included in the project to prevent construction in the same area at a later time. Staff requested the contractor perform waterline replacement as the first item of work.

Council Member Holman inquired whether the project had been value engineered prior to construction.

Mr. Rodriguez responded yes. An independent consultant from the original designer reviewed design, specifications, and opportunities to save money. The waterline was added to the project in order to avoid an overall delay in the project.

Council Member Price asked if Staff modified the estimate process in recognition of a changing bid environment.

Mr. Rodriguez reported as projects were bid, Staff reviewed specific unit items for all bid elements and updated their own Engineer's estimate categories. Also Staff worked with construction management firms to compare project estimates with projects in other cities within the Bay Area.

MOTION PASSED: 8-0 Burt absent

ACTION ITEMS

9. Transportation Demand Management (TDM) Recommendations. Staff Recommends City Council Authorize Staff to Take The Following Actions In Furtherance of a Coordinated TDM Program Aimed At Reducing Traffic Congestion And Parking Demand: a) Solicit Proposals to Establish A Non-Profit Transportation Management Authority (TMA); b) Solicit Proposals For An Expanded Palo Alto Shuttle Program; c) Solicit Proposals to Provide Car Share Services Within City-Owned Parking Lots; and d) Evaluate Rideshare Tools, Including a Trial of the TwoGo Rideshare App, for Coordination and Marketing By The TMA.

12. City Council Authorization to Staff and 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.

Mayor Shepherd inquired whether she could call these items as the Council was ahead of its published schedule.

Molly Stump, City Attorney, indicated Mayor Shepherd could proceed as the Agenda stated the times were only estimates.

Mayor Shepherd noted Agenda Item Numbers 9 and 12 would be heard together.

Aaron Aknin, Assistant Planning Director, provided a broad definition of Transportation Demand Management (TDM). As discussed in the Study Session the three main components were parking supply, TDM strategies, and Residential Parking Permit (RPP) Programs. Before building new parking supply, the City should increase the efficiency of the existing parking supply.

Jessica Sullivan, Parking Manager, reported Staff felt there was a need for a Transportation Management Authority (TMA). The goals of a TMA were to provide a framework for multiple constituents to identify transportation needs and solutions; to manage and market the disparate programs and identify needs for new ones; and to measure the effectiveness of TDM programs. The TMA consultant assisted Staff with framing the implementation of a TMA for Downtown.

First, Staff proposed drafting strategies for programs with the consultant reaching out to the community and developing a Steering Committee. The Steering Committee would be composed of business and residential interests that had a vested interest in the success of a TMA. During phase 1, Staff would collect data to determine a baseline for existing TDM programs. Phase 2 would cover a two-year period wherein the Steering Committee would develop a work plan and operating budget and identify funding sources. Also the Steering Committee would develop regulations for new businesses and developments to fund the TMA, develop additional programs, and consider the actual structure of a TMA. During phase 3, the TMA would become self-sustaining and would monitor and evaluate transportation programs. The TMA would have a governance structure with bylaws and membership and community outreach. The TMA could manage the shuttle program, which supported the satellite parking concepts. She presented a map of potential routes. A Request for Proposals (RFP) would allow respondents to add or delete routes and to offer alternative cost-effective solutions and performance measures. The TMA could also manage a car sharing program. Staff identified 20 locations for prime car share leasing opportunities. Ride share applications matched riders with drivers. Staff engaged with SAP to pilot SAP's TwoGo ride share app. Staff recommended providing Caltrain Go Passes to Civic Center employees who turned in their parking passes. A nine-month trial program would cost approximately \$58,000, but could save approximately \$100,000 annually over a 30-year period.

James Keene, City Manager, indicated Staff's proposals met the action theme of Our Palo Alto. Staff was attempting to identify programs to respond to traffic, parking, and development issues affecting the community. In the interests of informing and engaging the public and the Council, Staff presented these concepts to the Council for discussion. The Council could discuss programs and take action individually or as a whole. If time was short, the Council could forego discussion of the ride share application.

Chop Keenan believed parking supply and TDM were predicate acts to having an effective RPP Program. Staff's proposals emphasized use of shuttles rather than creation of parking supply. At the TDM Study Session, speakers indicated cabs were preferred over shuttles and were financially more advantageous.

Vice Mayor Kniss referred to Mr. Keenan's work with Contra Costa County's TMA, and inquired if he thought a TMA in Palo Alto could function with two employees.

Mr. Keenan reported Contra Costa County functioned with two employees and a temporary employee. That office could also operate Palo Alto's TMA if the Council desired.

Neilson Buchanan felt Staff's proposals were favored by neighborhoods. Neighborhoods supported Staff's recommendation to solicit proposals for alternative ideas. Staff's and the Council's commitment to implement RPP Programs was important to neighborhoods.

Alice Frayne indicated people needed transportation throughout the day to medical centers.

Phyllis Cassel, speaking for Mary Alice Thornton, League of Women Voters in Palo Alto, stated the League of Women Voters supported measures to reduce commuter and public dependence on private automobiles. It was important to evaluate the effectiveness of each program. Public transportation must be frequent and dependable. The League of Women Voters encouraged the Council to proceed with implementation of a TDM Program.

Stephanie Munoz suggested shuttle service to medical clinics be divided by area of the City and day of the week. Valet parking was not feasible as there was no place to park cars. Businesses should not pay for all programs.

Ma'ayan Dembe noted shuttles were not routed to the California Avenue business district, Menlo Park, and Mountain View. She questioned the cost of shuttles for riders and the selection of the TwoGo ride share app.

Adina Levin, Friends of Caltrain, indicated TDM Programs were a trend in the region, particularly in the Caltrain Corridor. The proposed programs were good first steps. The City should survey the population to determine the rider base. New parking revenue sources could be utilized to reduce the need to build additional parking.

Hal Mikelson, Palo Alto Chamber of Commerce, advocated for the use of incentives to increase participation in TDM Programs.

Gabrielle Layton hoped measures were accompanied by strong data analysis to prove measures were effective.

Mayor Shepherd noted Staff and the Council were in the action phase of Our Palo Alto. She requested Staff respond to public comments.

Mr. Aknin reported Staff proposed a route to California Avenue during construction along with one other route. Staff proposed routes based on community feedback. The routes could be changed, and Staff would consider routes proposed by RFP respondents.

Mayor Shepherd requested the City Manager address the Council's handling of the proposed programs.

Mr. Keene recalled Staff's recommendations from the March 18, 2013 Council meeting and Council actions regarding public-private partnerships, restriction of Transfer of Development Rights (TDR) related to parking, and RPP Programs. In general Staff did not believe the proposals obligated the Council to specific actions. Staff would return to the Council with specific proposals after receiving RFP responses and community input. SAP developed and deployed the TwoGo app. Staff could continue to review other apps. By using TwoGo, Staff would have access to SAP analytics and experience in developing a ride share program for its workers.

Council Member Klein noted the City Manager could have directed Staff to proceed with developing proposals; however, the Council directed Staff to return for evaluation of proposals. He asked who would be deciding routes, number of buses, and such. It appeared the TMA would have more authority than the Council was comfortable with.

Mr. Aknin explained that in the initial stage, the City would have control of the shuttle system. The ultimate goal was for the TMA to be a self-sustaining organization. As the TMA became self-sustaining and if the shuttle system fell within its purview, the TMA would have more independent authority.

Mr. Keene could work more easily with \$1.3 million as a City expenditure rather than an ongoing City expense.

Council Member Klein recalled the Council directed Staff to identify any local or regional governments with TDM Districts, and requested Staff comment on those.

Ms. Sullivan indicated Staff reviewed a number of other jurisdictions that implemented fairly successful TMAs, including Emeryville, Mission Bay, Portland, North Natomas, and the San Mateo Rail Corridor.

Council Member Klein asked if Staff spoke with Mountain View regarding its program.

Ms. Sullivan was scheduled to speak with Mountain View on February 27, 2014.

Council Member Klein inquired whether TDM proposals would meet the goal of being operational in January 2015.

Mr. Akin understood the ultimate goal was to have an RPP Ordinance and a potential program for Downtown in effect by January 1, 2015. Hopefully additional TDM-type measures would be in effect at that time. It was not realistic to think a full TMA could be established within that timeframe.

Council Member Klein asked which measures could be implemented to prevent chaos when the RPP Program was initiated.

Mr. Akin believed an aggressive timeline would allow implementation of an expanded shuttle system to a satellite lot. As Staff developed the RPP Program, they could determine the number of parking spaces needed for commercial-bound vehicles and allow some supply for them within the RPP District. The successful valet program at one lot could be expanded to other lots. A car share program could be in effect by January 2015.

Mr. Keene felt increased usage of parking garages would be a reasonable achievement in 2014; however, that would not solve the problem.

Council Member Klein suggested Staff work backwards and determine which measures could be implemented by January 2015. He inquired whether City funds could be utilized to implement a bus program for school children.

Mr. Keene understood the Council wished to invest reallocated money directly into measures that made a difference in the community. He could hold discussions with Palo Alto Unified School District (PAUSD) regarding expanded and improved shuttle access to schools, which was a key traffic problem in the mornings.

Council Member Klein did not know if a school bus program would be feasible. One of the main traffic problems was traffic at the beginning and end of school.

Mr. Keene broached the subject with PAUSD's Superintendant a few months ago and did not receive a response that it was categorically not possible.

Mayor Shepherd recalled that Santa Clara was sued to allow PAUSD to charge for busing children to school. After charges were instituted, ridership declined to the point it was not cost effective to operate buses.

Council Member Klein asked if it would be useful for the City to be in the school bus business.

Mr. Keene reported PAUSD expressed some interest; therefore, a school bus program should be considered.

Council Member Klein was amazed by the suggestion that a car share organization would provide some level of profit sharing with the City as part of an agreement. He asked if those organizations were sharing profits with any other jurisdictions.

Ms. Sullivan indicated profit sharing was a possibility with some of the big providers. Some organizations had expressed interest in operating in the region for quite some time. Staff wanted to explore the possibility.

Council Member Klein asked if employees working at the Civic Center could receive Go Passes regardless of their turning in parking permits.

Jaime Rodriguez, Chief Transportation Official, explained that Staff did not recommend that, because Staff attempted to respond to the Council's direction to free up Civic Center parking spaces. Staff could not release more parking permits for the Civic Center until permits were returned.

Mr. Keene stated that as Staff attempted to add incentives, there was the potential for more intensive labor engagement and/or the need to deal with other questions such as changing the pricing structure for parking to incent more people to use passes.

Council Member Klein wondered if Google had sophisticated analytics that could determine the number of permit parking spaces that could be made available.

MOTION: Council Member Klein moved, seconded by Council Member Scharff to direct Staff to take actions to implement a coordinated Transportation Demand Management (TDM) program aimed at reducing traffic congestion and parking demand in Palo Alto, and to solicit proposals to establish a non-profit Transportation Management Authority (TMA).

Council Member Klein believed a TMA was a good concept, but it would need refinements which Staff could present to the Council.

Council Member Scharff agreed that Staff should work backwards from January 2015 to implement as many options as possible. He assumed shuttle routes could be changed, and suggested Staff coordinate routes with the Marguerite system.

Mayor Shepherd indicated the Motion concerned TDM and TMA rather than shuttles.

Council Member Scharff noted Council Member Klein discussed all the measures.

Mayor Shepherd reiterated that a Motion was on the floor.

Council Member Burt wished to discuss all measures concurrently as some Council comments would not fall within a specific recommendation.

Mayor Shepherd reported the Council had an option to discuss all recommendations under a single Motion; however, the Motion covered only one recommendation. Council discussion would be limited to the recommendation contained within the Motion.

Council Member Scharff supported a TMA.

Council Member Holman supported the Staff recommendation and the statement to solicit a proposal to establish a nonprofit TMA. A TMA should not be part of another organization with limited membership. She asked how the City would maintain authority or input once the TMA became self-sustaining. She also inquired about the selection process for and the composition of the Steering Committee.

Mr. Aknin indicated initially the City would actively participate within the Steering Committee, which would be Staff appointed. As in other cities, the City would have a position on the TMA Board in order to provide input to the TMA Board.

Ms. Sullivan added that the third-party consultant would be responsible for phase 1 community outreach to identify members for the working group.

Council Member Holman asked if meetings of the Steering Committee would be open to the public.

Ms. Sullivan responded yes.

Council Member Price noted a majority of emails to the Council were positive regarding implementation of a TMA. Because many cities with TMA Programs were similar to Palo Alto, Staff could utilize those models to speed the process. She concurred with having an anticipated timeline so that the business community, residents, and commuters could be aware of implementation dates. The City's TMA could have a collaborative relationship with other TMAs.

Council Member Berman felt a TMA could be the most effective of all TDM Programs if set up properly. A TMA would create a platform of tools that all Downtown businesses were interested in and willing to use. Obtaining baseline data to determine effectiveness and to set goals was incredibly important. He encouraged Staff to consider new participants for the Steering Committee.

Council Member Burt stated the various initiatives in the TMA and the broader TDM Program could be framed around three benefit categories: reduction of traffic, mitigation of parking, and supplying amenities to the community. The Council was considering major investments in programs without considering the value provided by expenditures. Staff should give more thought and reach out to the broader members of interested parties for suggestions on the composition of the Steering Committee, and then submit suggestions to the Planning and Transportation Commission (P&TC) for review.

Mayor Shepherd requested the City Attorney address the nature of comments that Council Members could make regarding the Steering Committee.

Molly Stump, City Attorney, understood Staff to indicate Steering Committee meetings would be open and public. If meetings were informal, then the committee would not be a Brown Act committee. Otherwise, the committee would have to comply with Brown Act requirements. The Council could give general directions and comments. If the Council included within a Motion any type of establishment of that Committee, then the Committee would be a Brown Act committee.

Mr. Keene reported Staff would reach out to a broad section of the community for suggestions on both constituencies and individuals.

Council Member Burt suggested Staff include transit nonprofit agencies, schools, and Stanford University. The responsibilities of the TMA covered a wide breadth. He understood Staff to state that Go Passes were not being considered for all employees, because that would not guarantee parking spaces would be made available. However, the proposed measure did not guarantee parking spaces would be made available.

Mayor Shepherd inquired whether Council Member Burt was speaking to Item Number 12, Go Passes.

Council Member Burt was speaking to incentive programs as a component of a TMA. He wanted to ensure Staff reevaluated a Go Pass program. The Staff Report referenced the Santa Clara Valley Transportation Authority (VTA) Eco Pass in an evaluation of options. He questioned why the Staff Report presented options as either/or situations.

Mayor Shepherd indicated Council Member comments would focus on the Motion once Council Member Burt's question was answered.

Council Member Burt explained that his questions concerned issues of a TMA.

Mr. Rodriguez explained that the Eco Pass program would probably cost more than \$18,000 if offered to all City employees. The Go Pass proposal was to offer Go Passes to Civic Center employees only.

Council Member Burt asked why Eco Passes would be given to all City employees; whereas, Go Passes would be limited to Downtown employees.

Mr. Rodriguez reported a Go Pass program could be focused to Civic Center employees at a cost of \$19,000-\$20,000.

Council Member Burt inquired about the number of Civic Center employees.

Mr. Rodriguez replied 525 employees. Staff did not recommend an Eco Pass program initially, because Staff wanted to offer a program that would respond to the City Council's request to reduce permit demand. Slightly more than 50 employees utilized the Caltrain program. Two regular employees who were not employed at the Civic Center utilized Eco Passes. As TDM programs for City employees expanded, Staff should consider the Eco Pass program. In this specific instance for Downtown parking, the Eco Pass was not a logical choice.

Mr. Keene added that Staff made a forced choice in identifying a program that would reduce parking permit demand. Given the unfamiliar nature of taking the bus rather than Caltrain, employees might not choose to swap parking permits for bus passes.

Council Member Burt recommended Staff survey employees to determine their anticipated actions. TMA responsibilities included bicycling; however, the Downtown area was not bike friendly. He wanted Downtown bike improvements added to the initiative.

Council Member Schmid believed a TMA program was a positive step forward and a good long-term investment. Parking was a major issue in land use. The Council was beginning the discussion with the parking issue rather than the contextual pieces of the Comprehensive Plan and the Downtown CAP Study. The Council did not have basic data.

Mayor Shepherd requested Council Member Schmid address his comments to the Motion.

Council Member Schmid noted Staff provided various models of TDM Districts, but the models led the Council in very different directions. The Council did not have a context of which model was appropriate for Palo Alto.

The cost to the General Fund was approximately \$550,000. Key stakeholders were residents. He questioned the benefits that a TMA would provide residents. Staff should return with a recommendation that provided some context. The development cap should be integrated with a TMA.

Mr. Keene felt Staff advanced the right methodology. If Staff explored potential context, then Staff would need three years to provide a recommendation. Staff would invite the marketplace to provide alternatives. The Council would modify and improve any recommendation Staff could make. The best approach was to obtain as many ideas and options as possible and allow the Council to apply context and values.

Vice Mayor Kniss indicated the Council had made significant progress since it began the discussion a year previously. Communications to the Council were positive, with only minor changes proposed.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to: 1) solicit proposals to provide car share services within city-owned parking lots; 2) evaluate rideshare tools, including a trial of the "TwoGo" Rideshare App, for coordination and marketing by the TMA; and 3) authorize the City Manager to enter into an agreement with the Peninsula Corridor Joint Powers Board to participate in the Caltrain Go Pass Program.

Council Member Scharff requested time to address the Go Pass issue.

Mayor Shepherd hoped Staff would hold a rigorous conversation with the Business Improvement District (BID) to quantify the number of people, as a TMA was designed for employers with 1 to 1,000 workers. Staff noted SB 1339 provided pretax incentives for companies with more than 50 employees. One of the most important parts of the Contra Costa TMA was the ability to create revenue streams from the TMA to support the concepts and components inside the TMA. At some point the TMA would be self-supporting. She had difficulty understanding why a City employee waiting for a parking permit at the Civic Center could not obtain a Go Pass and remove his name from the waiting list.

Council Member Scharff could accept a trial period of nine months to evaluate participation in a Go Pass program. If the City offered Go Passes to all employees, then Staff should consider employees who worked past the last train departure. Employees could be given three months to determine whether they liked using the Go Pass, then the trial period could move into the next six-month phase. He asked if there was a waiting list for the Civic Center garage.

Mr. Rodriguez indicated there was a waiting list of approximately 50 people.

Council Member Scharff expressed concern that Staff focused on selling too many permits. However, he was more concerned that there were unused spaces in the parking garage. The Council should not be prescriptive.

Council Member Holman inquired whether Staff surveyed City employees to determine the number who would use a Go Pass. It appeared as if the City would pay \$58,000 if half the employees used Go Passes.

Mr. Rodriguez reported Staff was limited in the amount of outreach they could perform, because it was a meet-and-confer issue between bargaining units and the City. Staff relied on available data to develop recommendations.

Council Member Holman inquired whether Staff considered charging for parking permits to further incentivize employees to use Go Passes.

Mr. Rodriguez stated that again would be a meet-and-confer item between the City and bargaining units.

Council Member Holman asked if \$58,000 was the cost no matter the number of employees who utilized Go Passes.

Mr. Rodriguez explained the cost was fixed because it was based on the number of employees at the Civic Center site. The cost of \$58,000 covered the nine-month trial period.

Mr. Keene remarked that if the cost to construct one parking space was \$50,000 and if one parking space was made available, then Staff would have bought one year of a parking garage for one person. Over 20-30 years, the program would more than pay for itself.

Council Member Holman considered savings in one program as funds made available for another program.

Council Member Berman suggested a trial period of a Go Pass program could encourage employees to take a full-year Go Pass and return their parking permits. During a trial period, the City could provide a Go Pass and \$200 to employees who remitted their parking permits. Starting in 2015, the City could offer Go Passes in exchange for employees' parking permits.

MOTION AS AMENDED PASSED: 9-0

MOTION: Mayor Shepherd moved, seconded by Vice Mayor Kniss to direct Staff to solicit proposals for an expanded Palo Alto Shuttle Program.

Mayor Shepherd asked if the map of shuttle routes was suggested routes only.

Ms. Sullivan answered yes, routes were open to discussion. Staff developed the routes marked in red through discussions with other municipalities and constituents.

Mr. Keene wanted to have sufficient details in the RFP to provide the City's perspective and to build in metrics and a performance basis in order to evaluate ridership return.

Mayor Shepherd requested Staff consider a route connecting with the ACE Train or AC Transit bus and suggested shuttles coordinate with school routes. Staff should reduce redundant routes.

Council Member Price supported expansion of shuttle service. PAUSD provided busing for pay for students from Los Altos Hills and Stanford. Some corporate shuttles in Mountain View were occasionally available to the public, and Staff should consider those when examining shuttle routes. She suggested Staff consider partnering with corporate shuttles to increase ridership.

Council Member Holman noted the map of proposed routes did not contain a connection along El Camino Real to Mountain View. Working with Google and Marguerite was a great idea. Staff should work with PAUSD and consider cost sharing. She did not favor expanding the shuttle to Embarcadero Road east of Highway 101, because she did not support satellite parking there. She asked why the west shuttle route between south Palo Alto and Stanford Shopping Center did not go into the Downtown area.

Mr. Rodriguez explained that the west shuttle route did not include a direct connection into Downtown, because of the headway time. Staff attempted to limit headway time to one hour, and adding Downtown to the west route would increase headway time to 1 hour 10 minutes.

Council Member Holman hoped the Council would have an opportunity to mention a few housekeeping items at the end of the discussion.

Council Member Scharff was excited about expanding shuttle service. Shuttle routes could be modified rapidly and as needed to respond to ridership. He supported the use of metrics and partnering with PAUSD. He did not find a route to Stanford Hospital among the proposed routes.

Mr. Rodriguez indicated Staff developed the west route in 2011 as part of a community outreach process. Outreach participants requested service to Stanford University Medical Center (SUMC) and Palo Alto Medical Foundation.

Council Member Scharff suggested Staff provide outreach to Facebook.

Council Member Burt did not hear Staff comment regarding the historic experience of Palo Alto's shuttle program, and was concerned that Staff and the Council were using anecdotal information. Benches and awnings at shuttle stops were needed. Proposed shuttle routes should be presented to the PTC for full review. He inquired about the headway time for the VTA 22 and 522 bus lines on El Camino Real.

Mr. Rodriguez did not have VTA headway information with him.

Council Member Burt believed the headway was 12-15 minutes. He asked about the headway time for the proposed west shuttle route.

Mr. Rodriguez replied one hour for the route shown in red only.

Council Member Burt added that the VTA bus stopped frequently along the 22 and 522 routes.

Mr. Rodriguez remarked that the VTA route did not serve the Palo Alto community as intended within the west shuttle route.

Council Member Burt felt the City should market the VTA service in Palo Alto rather than increasing service along El Camino Real.

Mr. Aknin added that respondents would opine on cost efficiencies and review redundancy in service during the RFP process. VTA headway along El Camino Real could improve when Bus Rapid Transit was implemented in a few years.

Council Member Burt asked if that would be Bus Rapid Transit rather than dedication of a lane of El Camino Real.

Mr. Aknin responded yes.

Council Member Burt understood the headway would be 10 minutes under Bus Rapid Transit.

Mr. Aknin concurred.

Council Member Burt stated the Council should have that information when reviewing the program.

Council Member Scharff wished to hear Mr. Rodriguez's response as to why Staff proposed the west shuttle route.

Mr. Rodriguez reported the purpose of the west shuttle route was to provide a link between south Palo Alto and north Palo Alto within SUMC and Stanford Shopping Center. VTA bus service did not offer that benefit for the community. Palo Alto shuttles would provide a different service even though it would share a small portion of the route with VTA.

Council Member Burt commented that the bulk of the route was shared. The Council needed to consider whom it wished to serve and provide transparency on those objectives. He would not support Staff's suggestion that the City's payment to PAUSD for not developing Cubberley be reallocated to shuttle service.

Mayor Shepherd understood the City Manager eliminated that proposal.

Council Member Burt inquired whether PAUSD contributed \$50,000 per year toward the City's shuttle service early in the program.

Mr. Rodriguez did not know the history of payments between PAUSD and the City.

Council Member Burt believed Staff needed to include historic context in discussion of topics. Coordination of shuttle service with PAUSD should focus on traffic issues related to magnet schools and overflow.

Council Member Schmid indicated the Council should first identify who was being served by shuttle service. If the purpose of the shuttle was to transport workers to companies, then workers or companies should pay for shuttle service. If the purpose was a richer ridership, then the focus should be on corridors. Staff should look carefully at goals and experimental options that might be available.

Council Member Berman loved the shuttle concept and the idea of working with other cities to develop routes for commuters. He inquired about the possibility of a shuttle route including the Fremont Bay Area Rapid Transit (BART) station or the Dumbarton Express and the San Antonio Caltrain station.

Mr. Rodriguez noted the Dumbarton Express traveled to the Union City BART station. Staff was attempting to develop a route that traveled specifically to Fremont while bypassing Menlo Park. The community did not ask for a route to the San Antonio Caltrain station during the outreach meetings held in 2011.

Council Member Berman asked if Staff received emails concerning the San Antonio Caltrain station.

Mr. Rodriguez had not received those emails.

Vice Mayor Kniss felt people preferred to ride fun transit. It was important for the Council to consider subtle details. Staff should keep in mind the goals of moving people around the community and removing cars from the road while considering the real life aspects of public transportation.

MOTION PASSED: 9-0

10. Direction to Staff on Lease Terms for the Renewal of the Cubberley Lease Between City of Palo Alto and Palo Alto Unified School District.

Hamid Ghaemmaghani, Real Property Manager, reported the City signed the lease in 1989 and exercised an option for an additional 10 years. The lease term expired December 31, 2014 with a month-to-month holdover tenancy available thereafter. The projected cost for 2014 was approximately \$7,150,000. From 1989 through 2013, the City paid Palo Alto Unified School District (PAUSD) approximately \$136 million. Assuming the City renewed the lease for 20 years, the City would pay approximately \$106 million, not including the Covenant not to Develop and Consumer Price Index (CPI) increases.

James Keene, City Manager, indicated he and PAUSD Superintendent Skelly had explored ideas and options; however, eliminating the Covenant not to Develop and CPI increases was impeding discussions. He was seeking explicit Council direction regarding terms for a future lease. The purpose of the Covenant not to Develop no longer existed. The condition of the facilities was degenerating faster than the CPI increased. A longer lease term would allow the City to plan for the site as well as provide flexibility for PAUSD. Funds currently directed to the Covenant not to Develop could be redirected to needed investments at Cubberley facilities including those contained within PAUSD's portion of the site. Reconfiguring the City's 8 acres within the Cubberley site could allow the City to develop a viable, long-term community center.

Eliminating the buy-back/repurchase clause for the Ventura site could allow the City to reinvest in that facility. The child care program would continue according to the terms and conditions of the existing lease. The playing fields would likely fall within PAUSD's portion of the Cubberley site. The City should not be paying rent for property it owned. The Council should consider discussing adjustment of the rent paid to PAUSD if the City lost anchor tenants. Also for Council discussion was the possibility of an enhanced sharing of PAUSD facilities with the City or the community at large. Explicit Council direction would be the most expeditious method for Staff to continue lease negotiations.

Janice Shaul, Palo Alto Community Child Care (PACCC) Executive Director, remarked that the Ventura site was overdue for significant improvements. PACCC was excited by the potential of a long-term lease and of partnering with the City in making improvements.

Robert Moss was delighted that Staff recommended eliminating the Covenant not to Develop. Funds for the Covenant not to Develop should not be redirected to maintenance of the facility. PAUSD should be responsible for maintenance. A 10-year term with a renewal option would be sufficient. PAUSD could need both the Cubberley and Ventura sites for schools.

Diane Reklis felt Staff recommended terms for negotiations between adversaries rather than bodies with common interests. The recommended terms benefited only the City.

Stephanie Munoz endorsed Ms. Reklis' comments. The City and PAUSD were not competitors. The City's portion of the Cubberley site could be utilized to house teachers.

Mr. Keene remarked that the characterization of a one-sided negotiation was unfair. Staff recommended the majority of funding continue. The high cost and scarcity of land were shared problems. When PAUSD needed a new school site, they would build a school on the Cubberley site. The City utilized its 8 acres of the Cubberley site and additional space to provide community needs that were in high demand. The City had a programmatic, fiduciary, and community responsibility to meet needs. The negotiation with PAUSD was an opportunity to reprogram money to meet those needs.

Council Member Klein favored a provision that would adjust rent paid to PAUSD in consideration of adjustments not taken at the time the City purchased the 8 acres at the Cubberley site. He asked if Staff rejected that provision.

Mr. Ghaemmaghami explained that when the City exchanged the Terman site for the Cubberley site, the rent paid to PAUSD was reduced by the amount that was received from Jewish Community Center for the rent of Terman. The methodology was flawed. The rent should have been reduced by the amount of rent the City was paying for the 8 acres at Cubberley. The difference was approximately \$543,000. Bringing that amount to today's value from 2001, the amount would be approximately \$1 million.

Council Member Klein asked if that amount was cumulative or annual.

Mr. Ghaemmaghami indicated the \$543,000 amount was annual.

Council Member Klein stated the City's lease amount for Cubberley was \$4.7 million.

Mr. Ghaemmaghami agreed.

Council Member Klein recalled that the prior Council specifically allowed the rent to be computed on the lower basis. He inquired whether the rent would be \$4.2 million if it was computed as Mr. Ghaemmaghami indicated.

Mr. Ghaemmaghami believed the rent amount would be in that range.

Mr. Keene felt Council Member Klein's intention was to determine the rationale for the calculation rather than the specific amount.

Council Member Klein was interested in the parameter of the amount. It seemed only fair that the City should be charged rent on the same basis as the entire 35 acres. He asked if there was a reason Staff did not include that discussion in the Staff Report.

Mr. Keene preferred the Council direct Staff to include that component in calculations of the future lease and report the amount.

Council Member Schmid remarked that the City and PAUSD had a joint interest in Cubberley as it benefited the City and PAUSD. The City should utilize funds from the Covenant not to Develop to invest in the maintenance of Cubberley facilities. PAUSD had an interest in the property being maintained and investments being made in child-related activities. If the City wanted to search for a tenant to replace Foothill College, then it had to improve the facility. The City could sign a 20-year lease which would allow it to make improvements and to charge a higher rental rate. The City had an interest in developing its 8 acres at Cubberley to provide more activities than could be housed at the current facilities. He would not support removing the buy-back option for Ventura unless PAUSD clearly stated it did not want the site for a school.

Vice Mayor Kniss explained that the lease with PAUSD was negotiated in order to channel funds to PAUSD. The existing Cubberley facility was in bad shape and could not be utilized for a school. She could not envision the Ventura site becoming an elementary school. It was unusual for a City to have a long-term lease for a deserted school.

Council Member Scharff felt the City should continue to negotiate cooperatively with PAUSD; however, eliminating the Covenant not to Develop was necessary. Any impact to PAUSD from loss of those funds would be softened by the continued increase in property values and property taxes. The community would benefit from PACCC improving the Ventura site. PAUSD must state whether it would need Ventura or Cubberley for school sites.

MOTION: Council Member Scharff moved, seconded by Council Member Klein to accept Staff recommendation to authorize the City Manager to negotiate with the Palo Alto Unified School District (PAUSD) Superintendent to execute a new lease agreement based on the following terms and conditions. These terms are intended to provide a balance of flexibility and certainty to both City and PAUSD for the Cubberley site, in the near term and the long term, while enabling most effective investment of public funds. Suggested terms for consideration:

1. Eliminate the *Covenant not to Develop* from the lease. Reallocate that funding towards investment in the Cubberley facilities for long neglected and ongoing maintenance. Consider inclusion of Ventura Community Center site for reinvestment dollars.
2. Eliminate the Consumer Price Index (CPI) annual increases.
3. Create a longer term lease (20 years) with PAUSD to allow creation of a long-term plan for the City owned 8-acre site, investment in facility improvements and public access to playing fields.
4. Explore new terms with PAUSD to allow potential reconfiguration of the City's 8 acres within the Cubberley site.
5. Eliminate the language allowing PAUSD to purchase the City's 8 acres.
6. Eliminate the buy-back/repurchase option clause that allows PAUSD to repurchase Ventura.
7. Continue Child Care program per terms and conditions of the existing lease.

8. Allow for use of the playing fields at Cubberley for maximum time period possible.

Council Member Scharff hoped the City and PAUSD could reach a resolution quickly. He encouraged the City and PAUSD to develop a sensible timeline as the Superintendent Skelly was departing in June 2014.

Council Member Klein recalled his involvement in drafting the original lease with PAUSD. The circumstances had changed since 1988, and the lease needed to change as well. Staff's recommendations for a new lease were fair. He would not support a month-to-month carryover lease. PAUSD Board Members indicated Ventura was not a potential school site. In which case, the City should be allowed to improve Ventura facilities. He did not believe a joint use of Cubberley was possible in the near term.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to adjust the rent on the 27 acres to be the same as the 35 acres, and discuss with PAUSD appropriate measures to be taken for the portion of Palo Alto that is not in the PAUSD.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to include: 1) adjustment of rent paid by City to PAUSD, if City loses anchor tenants such as Foothill College; 2) eliminate the 24 month Notice Clause in the existing lease which gives the PAUSD the right to cancel the lease; and 3) discussion of better access to other school site fields and facility use.

Council Member Klein was agreeable to sharing profits with PAUSD if the space currently occupied by Foothill College could be rented at a higher rate. The City and PAUSD should share risks.

Council Member Price largely concurred with recommendations. She inquired whether the City would be prevented from investing in the Ventura site if the buy-back/repurchase option remained in the lease.

Lalo Perez, Chief Financial Officer, reported the lease contained a provision requiring PAUSD approval of any City capital project over the amount of \$100,000 plus CPI increases.

Council Member Price felt the City operated the Ventura site in an environment of uncertainty, because PAUSD had not explicitly stated its need for the site. The whole corridor needed and should have a community center comparable to other facilities in the City. Reconfiguration of the City's 8 acres at Cubberley should not preclude PAUSD from developing the site for an educational use or facility.

Council Member Berman did not view the recommendations as taking money from PAUSD. Ending the Covenant not to Develop would end an obsolete agreement and allow the City to invest funds in the community. The Cubberley and Ventura sites were heavily used assets that had fallen into disrepair; therefore, funding should be focused to those two facilities. He looked forward to working with PAUSD to create a vision for Cubberley.

Council Member Burt noted the State passed a law that restricted a School District's prerogative to sell surplus land. Students from Los Altos Hills and Stanford benefited from the City's subsidy to PAUSD. To the extent that the City invested funds in physical structures on PAUSD's portion of the Cubberley site, it would be investing in the long-term value of an asset owned by PAUSD. The City Manager and Superintendent Skelly negotiated for more than a year without reaching a resolution. Positions had not changed in that time and likely would not change in the next year.

AMENDMENT: Council Member Burt moved, seconded by Vice Mayor Kniss to direct the City Manager to attempt to complete the lease agreement negotiations by May 2014.

Council Member Scharff requested the City Manager comment on the Amendment.

Mr. Keene understood the Council's position was to eliminate the Covenant not to Develop. Once that was realized, then the City had a good chance of reaching an agreement. The default position was that there would not be a lease in 2015. As long as the Council was clear that there would not be a Covenant not to Develop, he could accept the direction to complete negotiations prior to Superintendent Skelly's departure.

Council Member Burt did not believe positions would change.

Vice Mayor Kniss supported an attempt to complete negotiations by May 2014. It would be wise to have Superintendent Skelly in place for negotiations. If negotiations were not resolved by May, then at least the Council moved in that direction.

Council Member Klein felt a deadline was not a good strategy. The real deadline was December 31, 2014. The City's leverage was the lack of funding if the lease was not renewed. Imposing a deadline seemed to be an empty gesture and did not improve the tenor of negotiations.

Council Member Schmid stated the Covenant not to Develop was of prime importance. He disagreed with imposing a deadline in a public session. The Council needed to be cooperative.

Council Member Scharff remarked that an attempt to complete negotiations demonstrated the City's willingness to be cooperative. He would not favor a holdover lease. May would be a good check-in point.

Council Member Berman concurred with Council Member Scharff regarding an attempt to complete negotiations.

AMENDMENT PASSED: 7-2 Klein, Schmid no

Council Member Holman expressed concern regarding elimination of the buy-back option for Ventura and hoped the Mayor would separate that point for voting purposes. Reconfiguration of the City's 8 acres of the Cubberley site was essential.

Mayor Shepherd inquired whether Council Member Holman would vote against the Motion if it contained all the points.

Council Member Holman would not support Item Number 6 of the Motion; Eliminate the buy-back/repurchase option clause that allows PAUSD to repurchase Ventura, but would support all other Item Numbers.

Mayor Shepherd segregated Item Number 6 of the Motion; Eliminate the buy-back/repurchase option clause that allows PAUSD to repurchase Ventura, for voting purposes. She inquired whether PAUSD had indicated it would consider reopening Cubberley as reported in the newspaper.

Mr. Keene indicated that Superintendent Skelly had not stated that to him.

Mayor Shepherd did not believe it was necessary to conclude negotiations prior to Superintendent Skelly's departure; however, negotiations would be tidier if negotiations were completed prior to his departure. A 20-year lease would provide the City with the certainty it needed to make improvements at the Cubberley site. If PAUSD needed to reopen a school site, they would not hesitate to identify either Cubberley or Ventura. Configuring the City's boundaries to be the same as PAUSD's boundaries would be ideal.

MOTION AS AMENDED, EXCLUDING VENTURA CLAUSE PASSED: 9-0

MOTION: Council Member Scharff moved, seconded by Council Member Klein to accept Staff recommendation to authorize the City Manager to negotiate with the Palo Alto Unified School District (PAUSD) Superintendent to execute a new lease agreement based on the following terms and conditions. These terms are intended to provide a balance of flexibility and certainty to both City and PAUSD for the Cubberley site, in the near term and the long term, while enabling most effective investment of public funds. Suggested terms for consideration:

1. To eliminate the buy-back/repurchase option clause that allows PAUSD to repurchase Ventura.

MOTION PASSED: 5-4 Holman, Kniss, Price, Schmid no

MOTION PASSED: 9-0

ADJOURNMENT: The meeting was adjourned at 11:05 P.M.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.