



CITY OF PALO ALTO CITY COUNCIL FINAL MINUTES

Regular Meeting
October 20, 2014

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:04 P.M.

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

Absent:

Planning & Transportation Commissioners Present: Alcheck, Gardias, Keller, King, Michael, Rosenblum, Tanaka

Absent:

Mayor Shepherd invited Planning and Transportation Commissioners to remain for a celebration of Unity Day.

STUDY SESSION

1. Joint Study Session of the City Council and Planning and Transportation Commission.

Mark Michael, Planning and Transportation Commission Chair, hoped to explore some practical ideas related to the land use and planning process. The Planning and Transportation Commission (P&TC) served the Council as an advisory body and wanted to understand if it could improve its service to the Council. Director Gitelman posed four questions for discussion regarding the P&TC's support of the Council and the P&TC's role in providing a forum for public engagement. He suggested a Staff Report regarding land use and planning matters include a section concisely related to Motions, votes, key points raised in discussion, and substantive public comments. When necessary and appropriate, Staff and the P&TC could submit an executive summary to serve as a reference for the Council. If a land use or transportation matter received a full public hearing at the P&TC and the P&TC unanimously passed a Motion, perhaps the recommendation could be placed on the Council Consent Calendar similar to the process for

FINAL MINUTES

recommendations by a Council Committee. Another possibility was periodic meetings between the Mayor and Chairs of the P&TC and Architectural Review Board (ARB) to coordinate matters on future agendas of each body. A brief quarterly meeting of these leaders and the Director of Planning and Community Environment could shed light on work that needed to be done. The P&TC stood ready to work more proactively on issues that might benefit from specialized focus.

Council Member Burt was intrigued by the idea of an executive summary of P&TC actions. That could be implemented on a trial basis. He could agree to certain low-level items being placed on the Consent Calendar with a unanimous P&TC vote for a trial period. He was interested in a closer adherence to existing Codes and in developing a process to review the comprehensive impacts of development, planning, and transportation.

Council Member Schmid felt adding an executive summary would be good. The most important role of the P&TC was helping the Council with planning and setting goals and priorities for the future. The P&TC could assist the Council with bounding scenarios, quantitative measures of growth for Palo Alto, and development caps. He wanted to see regular monitoring of growth and annual assessments of important data.

Council Member Holman agreed an executive summary would be helpful. Whether to place items on the Consent Calendar would depend on the item; however, proposed Planned Community (PC) Zones or large development projects should not be placed on the Consent Calendar. Having leaders confer would be appropriate. She suggested the P&TC provide the Council with a memorandum regarding emerging issues, trends, and opportunities. She suggested the P&TC consider helpful information provided in Staff Reports and other information it needed. She wanted more people to attend P&TC meetings. Because some large projects were not reviewed by the P&TC or Council, she inquired whether the P&TC would consider adjusting the threshold for projects presented to the P&TC.

Commissioner Alcheck agreed that P&TC meetings had been poorly attended in the past year. The public seemed to feel they only needed to appear at Council meetings. Perhaps the Council should not review items unanimously supported by the P&TC unless Council Members voted to remove an item from the Consent Calendar. Maybe that would encourage the public to attend P&TC meetings. The Council benefited from the diverse opinions of the P&TC. The P&TC had discussed methods to encourage public participation.

FINAL MINUTES

Council Member Price concurred with having an executive summary. She found the memo identifying key issues helpful. Lack of attendance at P&TC meetings occurred in other jurisdictions as well as in Palo Alto. She inquired whether Staff attended ad hoc committee meetings.

Commissioner Michael answered yes.

Council Member Price urged the P&TC to consider its demands on Staff. If the P&TC chose to study many subjects in-depth, then Staff would not be available to work on other items in the work plan. In addition, Commissioners did not have an unlimited amount of time to devote to P&TC work. The P&TC should be strategic in its work to promote efficiency and effectiveness.

Council Member Klein supported instituting an executive summary, but was dubious about placing items on the Council's Consent Calendar. Unanimous decisions of Council Committee were placed on the Consent Calendar, because Committees were composed of Council Members. Until the Council could determine which items were innocuous, he preferred not to have P&TC items placed on the Consent Calendar. The Council needed data regarding pass-through and internal traffic. He suggested the P&TC have more contact with adjacent communities and counties to understand what they were doing and its impact on Palo Alto. The Council needed to know whether the standard of 250 square feet per employee continued to be accurate and the standard utilized in other communities. He preferred to think of public involvement as public education. The P&TC should consider ways to educate the public regarding the planning process.

Vice Mayor Kniss understood the P&TC worked under a time limit. It was frustrating not to have public attendance and input. In other cities, planning commissions had more responsibility than in Palo Alto. The Council should consider carefully whether to place P&TC items on the Consent Calendar. PC Zones would not be appropriate for the Consent Calendar given the public's concerns. Adjoining cities were also growing, but they were not considering growth limits. The Council needed to know the origin of traffic in order to discuss traffic issues. Traffic and development in adjoining cities affected Palo Alto.

Council Member Scharff was enthusiastic about an executive summary of P&TC meetings and wanted to receive it immediately following the P&TC meeting. An executive summary should also include the next review by the P&TC or Council. He questioned whether the P&TC Chair or Staff would draft the executive summary. Almost all P&TC items involved a public hearing. Public hearings could not be placed on the Consent Calendar. If the P&TC

FINAL MINUTES

believed an item would be controversial, then perhaps the item should be presented to the Council for preliminary direction. The P&TC could be proactive in requesting data. The P&TC could play a role in focusing Staff and the Council on traffic issues.

Council Member Berman suggested the P&TC review best practices utilized by other communities, particularly regarding the standard of 250 square feet per employee. He liked the idea of placing items on the Consent Calendar; however, he did not believe that was feasible. He wished to learn more about the P&TC's ideas for encouraging public engagement. P&TC Commissioners should work on particular interests so they could surface issues to the Council.

Mayor Shepherd was also frustrated by the lack of public engagement at P&TC meetings. Perhaps the P&TC could review practices in other communities for ideas. The P&TC could identify interests shared among local cities and follow those issues. Some development projects and some sites should be identified for careful design. She suggested the P&TC vote at each meeting whether to prepare an executive summary for the meeting. A P&TC representative should present projects to the Council. She would review whether to hold meetings with ARB and P&TC Chairs.

Commissioner Keller wished to understand the process for moving issues between the P&TC and Council in order to improve the process. The P&TC did not always receive the reports presented to the Council. Typically the P&TC received reports only for items on the Council Agenda. He questioned whether a growth limit should be based on zoning or on the amount of growth per year or per area. The Council and P&TC should receive a summary of projects that were not reviewed by the Council or P&TC when projects were proposed so that the P&TC could monitor those projects. In order to improve the process the P&TC should have authority to deny bad projects early in the process. The P&TC could assist the Council with PC Zones if it had the ability to make recommendations to the Council. Some P&TC subcommittee work required Staff attendance; some worked independently of Staff.

Commissioner Tanaka did not want to duplicate work with the Council and wanted to provide good information to the Council. Engaging the public was important, but it should be accomplished through attendance at P&TC meetings, online input, and contact with neighborhood associations and neighboring cities. The P&TC would work more on that.

Commissioner Gardias felt the P&TC needed input from the Council as the P&TC worked through issues to ensure alignment of the P&TC and Council.

FINAL MINUTES

The aspect of mobility had not been defined precisely. In terms of providing a comprehensive impact assessment, the City would need a mobility policy that placed all projects under one common denominator of mobility.

Commissioner Rosenblum understood the Council wanted the P&TC to provide guidance and data. The main point of guidance was the amount and location of growth. The Council would value the P&TC's input regarding the direction of the City for the future. If the P&TC was to be stewards of data, then they would need to submit a budget with Staff.

SPECIAL ORDERS OF THE DAY

2. Proclamation of the City Council Proclaiming October 23, 2014 as Unity Day.

Mayor Shepherd reported the Proclamation celebrated three initiatives: National Bully Prevention Month, Unity Day, and the Mayor's campaign to end bullying in schools. The Youth Council would adopt the Unity Program, consider a new name, and launch the City's involvement in events to support the campaign to end bullying.

Christina Schmidt, Palo Alto Unified School District, advised that the Palo Alto Unified School District (PAUSD) was embracing Unity Day. The message for the campaign was "when we stand together, no one stands alone." Activities fostered the opportunity for each school to build on its existing programs of respect, civility, and taking responsibility for a safe and welcoming school environment. The Council's involvement indicated it was addressing bullying. Unity Month observed bullying prevention and awareness. Bullying had devastating effects such as school avoidance, absenteeism, loss of self-esteem, and increased anxiety and/or depression. The perpetrator of bullying needed to be supported and understood and to receive services. She invited the Council to participate in Unity activities.

Council Member Price felt the community should work to embed values against bullying. Anti-bullying was one element of schools' safety plans. Bullying had serious mental health implications for the perpetrator and the victim. The community in general should model behaviors of caring, kindness, and compassion. She read the Proclamation into the record.

Mayor Shepherd shared a Unity Day activity from one school. She requested colleagues adopt a school for Unity Day.

FINAL MINUTES

3. Public/Private Partnership Presentation: Palo Alto/Menlo Park Parent's Club - Annual Report.

Ann Wondlowski, Palo Alto/Menlo Park Parent's Club Operations Manager, shared the vision of a healthier and bonded community with support for parents raising children. The Palo Alto/Menlo Park Parent's Club was a volunteer organization that held four large events annually and hundreds of small events. Members were parents primarily between 30 and 45 years of age with 70 percent of members located in Palo Alto, Menlo Park, Los Altos, and Mountain View. The Club offered a Business Discount Program that provided visibility for small businesses and discounts for parents. The Club would begin fundraising efforts to offer scholarships for lower income families.

Vice Mayor Kniss felt the connectivity for parents and kids was important. The Club connected people in personal ways.

Mayor Shepherd offered the City's assistance in working with Menlo Park, which was located in a different county from Palo Alto.

Council Member Berman believed there was good collaboration between the two communities.

4. This item has been removed from the Agenda.

CITY MANAGER COMMENTS

James Keene, City Manager, announced on October 7, 2014 the City's Urban Forester was appointed to the California Urban Forestry Advisory Committee by CalFire. He invited the community to join Staff on October 30, 2014 at local pizza businesses for pizza and conversation. Staff anticipated a soft opening for the new Mitchell Park Library in early November and for Rinconada Library at the end of December. A grand celebration at Mitchell Park Library and Community Center was scheduled for December 6, 2014. He shared a video of the Come Together Event.

ORAL COMMUNICATIONS

Anatoly Adamov indicated a quiet zone designation could be utilized to combat train noise pollution at the Alma Street crossing. A quiet zone designation permitted trains not to blow their horns when passing through an intersection. The Alma Street crossing was one of the safest crossings in Palo Alto. He would like to work with Staff to establish a quiet zone for the Alma Street crossing.

FINAL MINUTES

Nancy Larsen's home was located over the train tracks at the Alma Street crossing. Train horns sounded many times in traveling four blocks from the train station to the Alma Street crossing. The Alma Street crossing had many safety measures that made the use of train horns redundant.

Zouhair Mahboubi presented a petition with 100 signatures supporting a quiet zone for the Alma Street crossing. The Federal Railway Administration (FRA) allowed a community to request quiet zones. Crossings with supplemental safety measures could qualify as a quiet zone. The Alma Street crossing would qualify as a quiet zone without major modification.

Douglas Cardwell was often awakened by train noise at the Alma Street crossing. A quiet zone for the crossing would be worthwhile. More than 92 Caltrain trains crossed Alma Street.

Olivia Borsje shared her experiences with train horn noise at the Alma Street crossing. The City could leverage current infrastructure to make residents more comfortable.

James Keene, City Manager, reported Planning Staff was aware of the issue and had met with residents. They would continue to explore the issue and report to the Council.

Jim Wang thanked Staff for meeting with him regarding the Boyce Avenue Case. Staff's behavior was unethical. He would present evidence to the Council supporting his claims.

Omar Chatty advised that another death occurred the prior week due to Caltrain trains. This was the 209th fatality since 1995 and the eighth fatality in 2014. Caltrain was outdated. He requested the Council study a Bay Area Rapid Transit (BART) alternative to Caltrain. A BART route along the peninsula would cost approximately the same amount as upgrading Caltrain.

Greg Ward, Parkmatic Car Inc., offered his company's services as a consultant regarding traffic problems in Downtown.

Olga Miroshnychenko spoke regarding the effects of train noise on people including a higher rate of suicide.

Lee Talbernach as a civil engineer had worked on Federal Railway Administration (FRA) noise reduction proposals. It was difficult to secure a quiet zone designation from the FRA. Staff's time could be better spent on other issues.

FINAL MINUTES

APPROVAL OF MINUTES

MOTION: Council Member Price moved, seconded by Vice Mayor Kniss to approve the minutes of August 18, 2014.

MOTION PASSED: 9-0

CONSENT CALENDAR

MOTION: Vice Mayor Kniss moved, seconded by Council Member Berman to approve Agenda Item Numbers 5-11.

Council Member Holman registered a no vote on Agenda Item Number 5.

Council Member Schmid registered a no vote on Agenda Item Number 5.

5. Finance Committee Recommends Approval of Fiscal Year 2014 Reappropriation Requests to be Carried Forward Into Fiscal Year 2015.
6. Adoption of Two Resolutions, Resolution 9462 entitled "Resolution of the Council of the City of Palo Alto Approving and Accepting a total of \$75,000 in Funds From the Santa Clara Valley Water District Under the 2014 Safe, Clean Water Priority A Grant Program Agreement" and Resolution 9463 entitled "Resolution of the Council of the City of Palo Alto Authorizing the City Manager or his Designee to Execute Such an Agreement to be Used By the Utilities Department to Support its Business Water Report Pilot Program and Real-Time Water Use Monitoring Pilot Program, and Adoption of a Related Budget Amendment Ordinance for Fiscal Year 2015 to Provide Appropriation in the Amount of \$100,000."
7. Policy and Services Committee Recommendation to Accept the City Auditor's Office Fiscal Year 2015 Proposed Work Plan.
8. Policy and Services Committee Recommendation to Adopt an Ordinance to Amend Section 2.08.130 of the Palo Alto Municipal Code, Office and Duties of the City Auditor, to Reflect Changes in Audit Practices and Clarify the Requirements for Reporting Work Products of the Office of the City Auditor.
9. Adoption of an Ordinance Approving and Adopting a Plan for Improvements to El Camino Park; Approval of and Authorization for the City Manager or his Designee to Execute Contract Amendment No. 3 to Contract C10131396 in the Amount of \$47,850 with CDM Smith, for the El Camino Park Restoration Project; and Adoption of a Budget Amendment Ordinance 5275 entitled "Budget Amendment Ordinance

FINAL MINUTES

of the Council of the City of Palo Alto to Consolidate Existing Funds Totaling \$4,395,286 into Capital Improvement Program PE-13016 from the El Camino Park Playing Fields and Amenities Project PG-13002 and from the El Camino Park Expanded Parking Lot and New Restroom Project PE-13016, and to Retitle PE-13016 to "El Camino Park Restoration Project".

10. Approval of Contract No. C15155841 With Anderson Pacific Engineering Construction, Inc. in the Total Amount Not to Exceed \$1,067,000 for the Facility Repair & Retrofit Project No. 3 at the Regional Water Quality Control Plant Capital Improvement Program Project WQ-04011.
11. Ordinance 5276 entitled "Establishing Underground Utility District No. 46 (Arastradero Road/ El Camino Real/ W. Charleston Road) by Amending Section 12.16.02 of the Palo Alto Municipal Code (First Reading: October 6, 2014 PASSED: 8-0 Klein absent)."

MOTION PASSED for Agenda Item Number 5: 7-2 Holman, Schmid no

MOTION PASSED for Agenda Item Numbers 6-11: 9-0

Council Member Holman referred to the Minutes of the Finance Committee where the item was barely discussed. Fund 471, the Municipal Services Center (MSC) Facilities Study, included the Animal Services Center. The study reviewed options for relocating City functions at the MSC. Those options did not provide a financial advantage to the City; however, she had not seen any numbers on that. In December 2014, the Finance Committee was scheduled to discuss enhancing and/or developing a new Animal Services Center.

Council Member Schmid noted many things had changed in the past two years. A public discussion of the item was appropriate.

MOTION TO RECONSIDER: Council Member Scharff moved, seconded by Council Member Schmid to reconsider the vote on Agenda Item Number 5 and pull this item from the consent calendar.

Molly Stump, City Attorney, reported an item could be reconsidered during the same meeting if initiated by a Council Member who initially voted in favor of the item. A second to the Motion was needed.

Mayor Shepherd asked if a Council Member who voted no could second the Motion.

FINAL MINUTES

Ms. Stump replied yes.

James Keene, City Manager, requested a reason for removing the item.

Mayor Shepherd understood an explanation could be provided after the item was removed.

Ms. Stump clarified that some information could be provided.

Mayor Shepherd inquired whether Council Member Scharff could address his reasons.

Ms. Stump indicated he could if the Mayor agreed.

Council Member Scharff explained that Council Member Holman did not attend the Finance Committee meeting and had concerns. The Council could be spending money on an item it no longer wished to support. The Council should understand the reasons for doing this.

Ms. Stump advised that the Mayor could schedule the item for discussion within the current meeting or for a future meeting if Staff was not present.

Mr. Keene requested advance warning if an item would be removed from the Consent Calendar in order for Staff to be present. Agenda Item Number 5 addressed reappropriation requests that allow Staff to continue working and funding projects. The item contained many reappropriations. The item reappropriated funding as a policy decision, but did not authorize Staff to spend funds. He recommended the Council separate items of concern so that remaining items could proceed.

Mayor Shepherd inquired whether Council Member Holman was concerned about the Animal Services Center and capital improvements.

Council Member Holman wished to address the portion concerning the MSC and Animal Services Center.

Council Member Scharff requested the City Attorney advice whether the Council could separate the two items and pass the remaining ones.

Mayor Shepherd reported the Council could separate the items as Agenda Item Number 5 had been removed from the Consent Calendar.

MOTION: Council Member Scharff moved, seconded by Council Member Holman to approve Agenda Item Number 5 except Fund Number 471-Municipal Services Center Facilities Study.

FINAL MINUTES

Council Member Holman noted Fund Number 471 included long range CCTV cameras. Her concern was the MSC Facilities Study portion of Fund Number 471.

Mr. Keene hoped the Council would carry over Fund Number 471 and approve the remaining items.

Council Member Scharff indicated that was the intent of the Motion.

Mayor Shepherd clarified that the Council would vote to approve all items except Fund Number 471.

Council Member Holman requested Staff provide information regarding the process to authorize an expenditure of funds.

Council Member Scharff felt the Council would be prudent to consider the item more closely.

MOTION PASSED: 9-0

STUDY SESSION

12. Palo Alto Grade Separation and Trenching Study.

Mayor Shepherd recalled that the Council approved Phase 1 of the study. The study considered whether grade separation was possible and how it could be done. The Caltrain electrification Environmental Impact Report (EIR) was in process. By 2019, Caltrain could schedule six trains per hour each way during commute hours. Due to the increased number of trains and recovery times, traffic would not flow freely through Palo Alto during commute hours.

Richard Hackmann, Management Specialist, reported on November 4, 2013, the Council authorized Phase 1 of the Grade Separation and Trenching Study and directed Staff to focus specifically on Churchill Avenue, Meadow Drive, and Charleston Road at-grade crossings. Findings in the report included estimated costs and property takings for each proposed alternative. To allow for additional review, the packet was released on October 9, 2014. Staff prepared an addendum to the City Manager Report (CMR) to respond to feedback, which was released October 15, 2014. The study was undertaken to address the issue of reducing traffic on local roads. Staff felt that could be accomplished by improving cross-corridor transportation links for vehicles, pedestrians, and bicycles and by allowing for increased capacity in the Caltrain corridor.

FINAL MINUTES

Michael Canepa, Hatch Mott MacDonald, reviewed three grade crossings individually and by lowering Alma Street with them. A third option was lowering the Rail Corridor beneath rail crossings. The design criteria for roadways assumed 30 miles per hour for roadways, a maximum 8 percent grade for the roadway, a maximum 5 percent grade for sidewalks, vertical clearances as required by the California Department of Transportation (Caltrans) Highway Design Manual and bridge depth to span ratios of 1:10. Criteria for partial property takes versus full property takes were access to the property. The Railway Design Criteria included 15-foot track centers per Caltrain, a design speed of 90 miles an hour, a preferred maximum grade of 1 percent, a design exception maximum of 2 percent, and vertical clearance for rail of 24 1/2 feet. Creek crossings drove the geometry of the study. For two rail trench alternatives, there would be no property takes. Churchill Avenue at-grade crossing would require 4 partial takes and 16 full takes. Churchill Avenue with Alma Street lowered required 3 partial takes and 33 full takes. Meadow Drive with Alma Street at-grade crossing required 5 partial takes and 11 full takes. Meadow Drive with Alma Street lowered required 4 partial takes and 14 full takes. Charleston Road with Alma Street at-grade crossing required 3 partial takes and 18 full takes. Charleston Road lowered required 3 partial takes and 18 full takes. Lowering Meadow Drive and Charleston Road along with Alma Street required 7 partial takes and 32 full takes.

Mr. Hackmann advised that submerging the roadway and maintaining movements at Meadow Drive and Charleston Road would have to be constructed as one project. Retaining the Alma Street crossing at grade meant the turn movements on and off Alma Street would be lost. Lowering the Alma Street crossing would maintain existing turn movements. Eliminating turn movements would reduce the number of parcel takings, but would significantly impact the flow of traffic.

Mr. Canepa noted lane widths and typical sections for Churchill Avenue were located at-grade. The first scenario in the study was a 1-percent grade trench alternative, which was the preferred grade for freight. The overall length of the 1-percent grade trench would be slightly less than 20,000 feet. Oregon Expressway would need to be rebuilt above the rail trench. Freight could not travel on a 3-percent grade. The 2-percent grade trench alternative would end at San Antonio Road. The 1-percent grade trench would end at Rengstorff Avenue. There was a large cost difference between grades of 1 percent and 2 percent, because of the need to rebuild a few interchanges for the 1-percent grade alternative. The difference in cost between the 2-percent and the 3-percent grade trenches was approximately \$15.5 million. Little savings resulted from a 3-percent to 2-percent grade alternative. Construction of undercrossings would require approximately 8-

FINAL MINUTES

10 months each and could occur simultaneously, depending on how they were staged. Construction of undercrossings with the lowering of Alma Street would probably require 12-16 months. Construction of the trench option was estimated to require 18-24 months and a shoofly, which would take up half of Alma Street and require temporary rail and traffic signals. Items in the previous study that were not considered due to construction with High Speed Rail (HSR) were shoofly detours, signals, utilities and pumps, and soft costs. The 1-percent grade trench alternative would be 19,990 feet or 3.8 miles long. A 2-percent grade trench would be 9,600 feet or 1.82 miles long; and a 3-percent grade trench would be 7,300 feet or 1.4 miles long.

Mayor Shepherd inquired whether the cost of construction of a shoofly was included in the amounts.

Mr. Canepa answered yes.

Mayor Shepherd asked if all construction costs were bundled.

Mr. Canepa advised the report contained construction estimates.

Mayor Shepherd requested a description of where shooflies would enter the tracks.

Mr. Canepa advised that shooflies would be located along Alma Street. They could be done in two pieces, but there were advantages to doing them simultaneously. Alma Street would be limited to two lanes with temporary crossings to build bridges.

Council Member Burt felt members of the public would have expertise that would assist the Council's discussion. He requested public comment proceed at the current time.

Mayor Shepherd agreed to do so.

Arthur Keller felt the Council should consider undergrounding Caltrain south of Oregon Expressway as well as north of the California Avenue station. Crossings at California Avenue and over Oregon Expressway would be at-grade with a 2-percent grade north and south. The trench should go under Churchill Avenue and bring Embarcadero Road to grade with left turns in all four directions. The trench should lower to an underground station at University Avenue, below the existing underpass, and then tunnel under the creek to surface in Menlo Park. The trench could have a lattice cover with a linear park running in south Palo Alto. El Palo Alto Park could be expanded

FINAL MINUTES

north of Everett Avenue. The Council should explore that option in the second phase of the study.

Stephen Rosenblum supported a 2-percent grade alternative as being cost competitive with roadway submersion when including the taking of real estate. The cost of real estate taken was missing from the cost study. Covering the tunnel would return 10 acres of real property. He recommended the second phase consider covering the trench and options for that real estate. Advantages to grade separation included elimination of horn noise, more frequent Caltrain service, and improved traffic across tracks.

Nadia Naik, Californians Advocating Responsible Rail Design (CARRD), believed the study proved that a 1-percent grade alternative versus a 2-percent grade alternative made a difference. No further engineering should occur until the community had determined the important details. The drawing of a 7-percent roadway grade and a 5-percent sidewalk grade did not match the location of Alma Street, which would probably result in more real property takes. The study utilized 90 miles per hour while Caltrain supposedly could operate at 125 miles per hour.

Council Member Holman asked if Ms. Naik had any other comments critical to the discussion.

Ms. Naik stated the main point was the incorrect drawing of sidewalks in relation to Alma Street.

Elizabeth Alexis, CARRD and Green Meadow Neighborhood Association, advised that the Green Meadow Neighborhood Association had not reviewed the study results. A discussion of Context Sensitive Solutions (CSS) should begin now. She expressed concern about the grade for bicyclists and a school crossing.

Omar Chatty believed the Bay Area Rapid Transit (BART) was a better funding option. He did not believe the blended solution would be viable. He did not believe the Federal Railway Administration (FRA) or the California Public Utilities Commission (CPUC) would allow four train schedules, three train types, and three operating entities on one track each way. The Council should include a bikeway and a BART option in the study.

Adina Levin, Friends of Caltrain, remarked that the Council needed a community process to determine goals and tradeoffs. Use of a short-haul operator could allow the 2-percent grade alternative over the 1-percent grade alternative. This could be an opportunity to partner with other cities and freight customers to move in that direction. Santa Clara County

FINAL MINUTES

proposed a ballot measure; however, the San Mateo County approach was better.

Roland Lebrun noted the study considered a two-track system only. A four-track system would have fewer impacts. BART was not a good option compared to Caltrain.

Council Member Klein asked if the previous study indicated a cost of \$600 million.

Mr. Canepa replied yes.

Council Member Klein inquired about the components of the \$600 million amount.

Mr. Canepa indicated that study was performed in conjunction with HSR. It studied a difference between what HSR would do and the additional trenching. It did not cover items such as shooflies and utilities.

Council Member Klein noted the cost of a 2-percent grade alternative was less than \$600 million, and requested Mr. Canepa explain the difference.

Mr. Canepa reported the HSR study considered a trench from end to end of the City.

Council Member Klein inquired whether the \$500 million cost covered trenching of slightly more than half the City.

Mr. Canepa explained that a 2-percent grade alternative would trench approximately 1.8 miles.

Council Member Klein asked if the total distance between Menlo Park and Mountain View was 4 miles.

Mr. Canepa advised that the distance was in that range.

Council Member Klein asked if the range of costs remained at \$200-\$300 million per mile.

Mr. Canepa responded yes. The design was still conceptual.

Council Member Klein asked if the current study provided more details, but indicated roughly the same cost.

Mr. Canepa replied yes. The current study covered different details.

FINAL MINUTES

Council Member Klein inquired whether the trench would be open.

Mr. Canepa answered yes.

Council Member Klein heard a number of suggestions to build things over the trench to recoup some costs. He asked if that was possible with an open trench.

Mr. Canepa clarified that any covering could only span 1,000 feet without having a 200 or 250-foot opening. At the 1,000-foot threshold, mechanical ventilation or a study to prove airflow was sufficient would be needed. That would be difficult for the depth of the trench. Noise and vibration would affect anything constructed over the trench.

Council Member Klein inquired about the cost for a covered trench.

Mr. Canepa did not look at that and did not have a range of cost.

Council Member Klein asked if the cost could be twice as much.

Mr. Canepa did not know.

Council Member Klein noted a 2-percent grade alternative would require a design exception, and asked who would determine whether a 2-percent grade alternative would be acceptable.

Mr. Canepa reported the Joint Powers Board (JPB) owned the right-of-way, and Union Pacific Railroad (UPR) held track rights.

Council Member Klein asked if the Caltrain Board was the final authority.

Mr. Canepa indicated it would make the final determination.

Council Member Klein asked if any other authority had input into the decision.

Mr. Canepa advised that UPR and possibly FRA would have input.

Council Member Klein requested Mr. Canepa's professional opinion as to whether the Caltrain Board was likely to approve a 2-percent grade alternative.

Mr. Canepa explained that a 2-percent grade was difficult for freight. If UPR had to run additional locomotives because of the grade, then it might not agree to a 2-percent grade.

FINAL MINUTES

Council Member Klein inquired whether a 3-percent grade could be approved.

Mr. Canepa advised that a 3-percent grade was not viable for freight.

Council Member Klein inquired about costs for trenching other than those mentioned.

Mr. Canepa attempted to cover all costs in the study. Costs for hazardous materials were unknown. UPR could wish to negotiate some costs for a design exception.

Vice Mayor Kniss believed community involvement was important. She inquired whether there were any estimates regarding the cost of real estate takes and public outrage. Any alternative should be considered in the context of community knowledge and opinion. Trenching would result in dramatic changes to the City. She requested feedback regarding other communities' opinions.

Mr. Canepa attempted to view locations of and access to homes to determine impacts. The trench should be wide enough to be comfortable for all users, which would increase the amount of real property taken.

Vice Mayor Kniss suggested the Council consider not only the actual cost but also the real estate cost. She estimated \$50 million in real estate costs.

Mr. Canepa indicated the report contained amounts, but he was unsure if they were realistic.

Vice Mayor Kniss remarked that costs would vary considerably depending on the location of the trench. The City needed community discussion of trenching.

Council Member Price inquired about assumptions regarding necessary reviews for hazardous materials and rail safety.

Mr. Canepa assumed a 25 percent contingency for those types of issues. As a design process progressed, typically the contingency amount decreased to approximately 5 percent at full design.

Council Member Price asked if the current conceptual design was 10 percent or 20 percent.

Mr. Canepa responded about 10 percent. The study utilized many gross assumptions, but the design was fairly accurate. The trench footprint was an estimate, but provided the least cost.

FINAL MINUTES

Council Member Price inquired whether the process for obtaining a design exception would emerge in a Phase 2 study.

Mr. Canepa indicated it could.

Council Member Price asked if a direct conversation with Caltrain would occur.

Mr. Canepa remarked that it could be included in the scope of work. The purpose of the discussion was to determine next steps.

Council Member Price concurred with the importance of community engagement. Engineering drawings should be translated into useful information for the community. She inquired whether the study included estimated inflation costs.

Mr. Canepa answered no. He understood the estimator utilized a 3-4 percent annual inflation cost. The study provided current costing.

Council Member Price supported a trench or modified trench as it was the logical option in terms of cost-benefit. She looked forward to receiving more information. A major concern would be whether this type of investment was logical.

Council Member Schmid questioned whether the value of property located near property taken for a trench would change. He asked if houses located 25 feet, 50 feet, 100 feet, or 200 feet from a house that was taken would decrease in value.

Mr. Canepa did not know. He worked with City Staff to determine approximate estimates.

Council Member Schmid assumed it would be simple to review communities with underground crossings to determine average property values within set ranges. That would be a critical point for the community. He inquired whether Staff had a sense of the cost to return Oregon Expressway to grade in a 1-percent grade alternative.

Mr. Canepa estimated interchanges at a cost of \$15 million.

Council Member Schmid believed returning Oregon Expressway to grade would have a traffic impact. He assumed raising San Antonio Road several feet in a 1-percent grade alternative would have a substantial cost.

Mr. Canepa reported that was a partial modification at a cost of \$5 million.

FINAL MINUTES

Council Member Schmid presumed that amount would be paid by Palo Alto rather than Mountain View. The Staff Report mentioned a creek diversion associated with the 1-percent grade alternative, but not the 2-percent grade alternative.

Mr. Canepa explained that creeks were used as controlling factors for each layout of the trench. The study discussed the potential for diverting a creek, which could save a couple hundred feet in the 2-percent grade alternative.

Council Member Schmid referred to Packet Page 356 regarding a reduced environmental impact specifically related to impacts on the water table.

Mr. Hackmann clarified that the reference to the water table was not about the creeks but about excavating the land and the effect of placing concrete in the flow of water underground.

Council Member Schmid inquired about the financial impact of that.

Mr. Hackmann noted it would be more of an environmental impact to the water table.

Council Member Schmid assumed there would be a mitigation cost for installing wider concrete culverts.

Mr. Canepa indicated the matter had to be studied by a hydrogeologist. He was not aware of exact mitigations for the issue.

Council Member Schmid asked if the 1-percent grade alternative was a more complicated environmental issue.

Mr. Canepa responded yes.

Council Member Burt commented that the taking of homes in a depressed or overhead separation would be critical. The Council should consider the political repercussions of taking 34 homes. If Caltrain had to expand capacity to accommodate growth, then crossings would need to be separated. That would result in a much higher likelihood of trenching. To utilize a 2-percent grade alternative, moving from heavy to lighter freight was an alternative as was a short-haul carrier. A different freight scenario south of Redwood City and then north of Redwood City was an option. If taking homes was a political infeasibility and trenching was a necessity, then the funds would come from sources that actually needed additional capacity. With respect to the Churchill Avenue issue, the Council could consider a hybrid partial trench and partial overpass as an alternative. The Council needed to begin the CSS process soon in order to work at a proper pace.

FINAL MINUTES

Eventually the community would recognize that trenching was a necessity because of the physical constraints of the community.

Council Member Berman wanted to eliminate grade separations underneath Caltrain tracks, because no community would support taking that many properties. The study identified many questions that merited further discussion. He wanted to collaborate with other communities regarding a potential transportation measure in 2016. He hoped technological advancements would alter transportation. Trenching was the only possible option based upon the study.

Council Member Scharff suggested the City could be left with Context Sensitive Solutions it did not like if HSR proceeded faster than the Council could organize. He did not believe the rest of the county would support Palo Alto trenching. Without a sustained effort over a number of years, the character of the City could be altered forever. Lowering Alma Street was not a viable option, because of the number of homes taken. He was less concerned about the Caltrain capacity issue being imposed on Palo Alto than HSR. He inquired whether the California High Speed Rail Authority could take real property to separate grade crossings.

Molly Stump, City Attorney, had not reviewed the various authorities and abilities of governmental entities, but would be happy to research the issue.

Council Member Scharff felt this was a threat to the community.

Council Member Holman concurred with comments of Council Members Burt, Berman, and Scharff. The City needed to begin educating the community. Information should be presented in an easily understood format. Real property takings had financial and emotional costs which should be integrated into any consideration.

Mayor Shepherd remarked that Caltrain modernization was the City's immediate concern. Assuming there was no natural barrier to trenching, trenching rail tracks was viable. A next step was to determine when Caltrain input was needed. She asked if Staff had approached Caltrain regarding either a 1-percent or 2-percent grade alternative.

Mr. Hackmann reported Caltrain was aware of the study and interested in any conclusions reached in the conversation.

Mayor Shepherd agreed a community discussion of CSS should begin soon. She was surprised by needing 18-24 months for trenching as she thought it would require years. The only option she would consider was trenching

FINAL MINUTES

because it did not take homes. She was interested in sharing materials with adjacent cities.

ACTION ITEMS

14. Review of City Hall Remodel Project.

Council Member Scharff believed the purpose of discussing the City Hall Remodel Project was transparency, which would be undercut by the lateness of the hour. He suggested that Agenda Item Number 14, Review of City Hall Remodel Project, be continued due to the late hour.

Mayor Shepherd indicated the item would be removed from the Agenda and rescheduled for a future Council meeting. She requested the rationale for listing it as an action item.

James Keene, City Manager, reported the Council requested it be listed as an action item.

Council Member Holman inquired whether the item could be scheduled for the following week's Council meeting.

Mayor Shepherd would review the Agenda for the October 27, 2014 meeting.

Council Member Holman noted the Council had been awaiting the item for a few months.

Mayor Shepherd announced a break at 9:50 P.M. and returned at 10:05 P.M.

13. Council Review of Possible Financing Methods for Construction of One or More New Parking Garages in Downtown and Direction to Staff Regarding Next Steps.

Mayor Shepherd reported Staff released a Request for Information (RFI) soliciting ideas from private sector entities interested in constructing parking garages on City-owned parking lots in exchange for consideration to be defined in responses. Two responses were provided to illustrate possible financing options. Next steps could include preparation of a draft scope of work for a Request for Proposals (RFP) for construction of a publicly financed garage on Parking Lots D (Hamilton Avenue at Waverly Street), A (Lytton Avenue and Emerson Street), or E. She inquired about the location of Lot E.

Jaime Rodriguez, Chief Transportation Official, advised Lot E was located on Gilman Street immediately behind Chase Bank.

FINAL MINUTES

Mayor Shepherd indicated an alternative next step could be preparation of a draft scope of work for an RFP for construction of a privately financed garages on Lot A or D.

Mr. Rodriguez announced that a Residential Parking Permit (RPP) Program in the Downtown area would be presented to the Council later in the calendar year. During the summer, Staff began the process for a Transportation Management Association (TMA) to determine methods to balance parking demands. Tonight's discussion would pertain to the possibility of new garages. Staff began a review of an expansion of parking supply through satellite parking and expanded permits to employees in the South of Forest Avenue (SOFA) District. In November, Staff would release an RFP for parking guidance solutions and access controls for existing garages. The RFI invited proposals for other methods to increase parking supply. Staff reviewed responses from David Kleiman, Ark Studio West, and 300 Hamilton. Staff did not advance the proposal of 300 Hamilton, because it did not provide sufficient information regarding the amount of parking to be provided. The Kleiman team proposed a mixed use project with stacked parking at Lot A. The proposal provided a net increase of 75 parking spaces. Ark Studio West proposed a full garage with ground-floor retail and options for additional ground-floor or roof uses. It provided a net increase of 168 spaces. Both proposals requested no City funding other than a lease for the use of those sites. At the end of a negotiated lease term, the City would retain full ownership of any structures built on the sites.

Robert Gamble, PFM Group, attempted to make reasonable assumptions based on knowledge of financing of these types of facilities and based on information provided in the RFIs. A public financing alternative would utilize existing funds combined with funds borrowed through Certificates of Participation (COP) and would utilize ground-floor retail. He used assumptions similar to those contained in the two proposals. Retail revenues would flow to the City to partially reimburse the cost of debt issuance. A second alternative was a privately financed facility that utilized retail revenues and paid parking. That would require instituting a daily parking charge of approximately \$17.50. Alternative three utilized a cross-subsidy created by residential units associated with a garage similar to the Kleiman proposal. He assumed a sufficient cross-subsidy would be generated to avoid the need for a parking charge. The second alternative would require some rethinking of the larger parking issues across the City, because an island of paid parking could not be located within a sea of free parking.

Hillary Gitelman, Planning and Community Environment Director, indicated the Council could direct Staff to gather additional information about the

FINAL MINUTES

public financing option and the private financing option. Staff requested the Council direct Staff to proceed on parallel tracks with public and private financing and to draft scopes of work and evaluation criteria for RFPs addressing public financing and private financing. Staff would present the draft scopes of work and evaluation criteria for both RFPs to the Council for review prior to releasing them.

Robert Moss suggested the Council delay discussion of a parking garage for six months. An RPP Program in Downtown North would alter spillover parking. Implementation of RPP Programs in other neighborhoods would again alter spillover parking. A previous attempt to charge for parking in Downtown destroyed the economic vitality of the area. Implementing paid parking would reduce parking demand, because no one would visit Downtown. A garage should not be combined with other uses.

Arthur Keller questioned whether valet parking facilities were compatible with a driver wanting to charge his electric vehicle. Perhaps there could be a collaborative effort involving Lot E and adjacent private parking lots to create a larger structure and share parking spaces.

Faith Bell viewed proposals as a land grab. The City should not relinquish control of property. Parking facilities combined with other uses would increase demand for parking rather than decrease it. She encouraged the Council to reject proposals involving public-private partnerships. Local businesses had paid for customer parking spaces in garages through assessment districts.

Adina Levin, Friends of Caltrain and Peninsula Transportation Alternatives, suggested the Council obtain an update on the TMA timeframe and potential parking demand decrease before committing resources to constructing parking garages. Charging for on-street parking was a sensitive community issue and would need substantial vetting with business and residential stakeholders.

Tom DuBois inquired whether the goal of parking garages was to address parking in residential areas or to offset new development. He would favor the public alternative.

Jeff Levinsky concurred with Ms. Bell's comments. Public funds should not be used to solve the parking problems of private companies. Private businesses should buy the land and erect parking garages. He urged the Council to deny the proposals.

Council Member Scharff reported the Council promised to build two garages if residents approved the Transient Occupancy Tax (TOT) increase. He

FINAL MINUTES

inquired whether Staff was proposing an additional garage to those promised in the Infrastructure Funding Plan.

Joe Saccio, Administrative Services Assistant Director, confirmed that two garages were included in the Infrastructure Funding Plan, and Staff intended to use one or more of the sources listed in the Infrastructure Funding Plan.

Council Member Scharff asked if Staff was requesting the Council choose a parking lot or to proceed with the public option.

Ms. Gitelman was requesting Council direction to prepare more detailed information regarding RFPs for public and private options.

Council Member Scharff noted the public option pertained to a public garage on Lot D or Lot E. Staff reported Lot A was too small for a parking garage; however, it would be sufficient for Mr. Kleiman's proposal.

Ms. Gitelman clarified that the recommended Motion for the public option should state Lot D, Lot G, or Lot E.

Mr. Rodriguez recommended either Lot E or Lot D for the public lot. Staff could consider Lot A if the Council was interested. Lot A was not part of the original Parking Feasibility Study.

Council Member Scharff recalled reading in a Staff Report that Lot A was too small for a parking garage. He was unsure whether the Council would be interested in Lot A for the public option.

Ms. Gitelman explained that Lot A was not included in the original constructability analysis, because it was smaller than the other lots studied. The constructability analysis was contained in Attachment D. The top three lots in the constructability analysis were Lot D, Lot EG, and Lot G.

Council Member Scharff would not support the private option with paid parking. The Council should have a broad conversation with the community regarding paid parking. He liked a retail component for a parking garage. Mr. Kleiman's proposal was fascinating and tempting. He was concerned about the details of Mr. Kleiman's proposal but could consider it. The proposal added a great deal of parking on a small lot and contained a retail component. He inquired whether a lease for the site could restrict residents of the development from owning a car and whether violation of the provision could be a cause for eviction. With that lease provision, the 18-unit development would not impact parking or traffic and would provide moderate housing.

FINAL MINUTES

Vice Mayor Kniss concurred with many of Mr. Moss' comments. She concurred with Council Member Scharff's comments regarding a retail component in garages. She would not support paid parking. She preferred to delay discussion of parking garages until January 2015 when the RPP Program was implemented and the Council knew if the TOT increase passed. The inclusion of housing in Mr. Kleiman's proposal was appealing.

Council Member Berman requested an update regarding permit parking in garages.

Mr. Rodriguez advised that the valet program was filled almost daily. More cars were parking on the top floors of garages. The release of permits had been successful.

Council Member Berman agreed that as soon as the RPP Program was implemented, cars would move to other areas. There was a need for a parking garage in Downtown. Mr. Kleiman's proposal contained 237 total parking spaces and two entrances/exits. He inquired about technology that could service that many cars rapidly.

David Kleiman indicated the number of entrances/exits was related to parking load. There would be a fairly short waiting time based on information the company provided. During peak times, the wait could be a couple of minutes. He could build a space for a third machine and install it later if needed.

Council Member Berman agreed with holding a community conversation regarding paid parking. He was not comfortable with implementing paid parking across the City just to obtain a parking garage. He was unsure whether a public-private partnership was necessary or whether the community wanted a public-private partnership. He wondered whether the City could provide a retail component in a public option.

Council Member Price supported the recommendation to review both options. The Council did not have sufficient information to dismiss a public-private partnership from the conversation. The Council had a responsibility to provide more than one use of parking structures. She was a proponent of a residential component for parking garages. The Council should direct Staff to proceed with all parking concepts to resolve parking issues. The Council should review paid parking with the community. She liked the concepts of collaborating with adjacent properties and a property swap.

Council Member Holman believed it was premature to begin the process of building parking garages. She recalled the Council removed Lot E from the list of potential garage sites and was primarily considering Lot D.

FINAL MINUTES

Ms. Gitelman explained that the Council directed Staff to review the constructability analysis and reprioritize lots. Lots E, G, and D were the prime candidates. The Council could choose among those three lots.

James Keene, City Manager, recalled that Lot D was the Council's choice in the previous discussion.

Council Member Holman did not understand why the City would give control of potential parking development to a private entity. Control of parking development was more important than obtaining private funding. She did not favor a public-private partnership for parking garages. There should be some ground-floor retail component in parking garages. Staff reported to the Council that the parking group did not favor the use of existing parking garages as part of the parking solution. Later members of the parking group informed her that commercial participants opposed the use of existing parking garages. She requested Staff revisit that issue with the parking group and present possibilities to the Council. She was interested in the audit of in-lieu fees and impact fees and the balances of those funds. The Kleiman proposal provided a net increase of 72 parking spaces. A second level of parking on that lot could almost double the number of parking spaces without the visual impact. She questioned whether the purpose of constructing a parking garage was to relieve the current situation or to subsidize future development.

Council Member Burt expressed concerns regarding a public-private approach. He did not want the City to relinquish capacity of publicly owned lots. The Ark Studio West proposal would provide 168 net new spaces. A publicly funded proposal would provide as many as 310 net new spaces. That seemed to eliminate the proposal for Lot D. The Council had ruled out a garage for Lot A; however, stacked parking now made a garage at Lot A feasible. He would not want to delay discussion of parking garages for the RPP Program to proceed, but would delay discussion until Measure B was determined. A public-private partnership could free up funds for Fire Station Number 4. He was not willing to proceed with a parking garage until the Council had evaluated parking ratios. A lease for Lot A could restrict tenants to one vehicle rather than none. He would propose a business license tax based on occupancy, but that could not occur until 2016 at the earliest. The Council should consider shallow retail for the retail component of parking garages.

MOTION: Council Member Klein moved, seconded by Mayor Shepherd to direct Staff to continue pursuing construction of one or more new parking garages downtown via public financing, a public-private partnership, or both. Specifically, direct Staff to return to the Council with a draft Scope of Work

FINAL MINUTES

and evaluation criteria for a Request for Proposals (RFP) from qualified design firms for design, environmental review, and preparation of construction cost estimates of a publicly-financed parking garage on Parking Lot D (Hamilton/Waverly) and alternatively Lot G (Gilman/Waverly).

Council Member Klein did not favor the two public-private proposals, because of the requirement for paid parking and the high risk of Mr. Kleiman's proposal. He supported a retail component in parking garages; however, the City should retain control of it. The RPP Program would increase the demand for parking spaces; therefore, delaying a potential parking garage for six months would be unwise. If Measure B failed, the Council would proceed with a modified Infrastructure Funding Plan. Constructing a parking garage would not subsidize businesses. The Council had not adequately explored the possibility of renting existing spaces from Downtown property owners.

Mayor Shepherd inquired whether Council Member Klein would include ground-floor retail for a parking garage.

Council Member Klein responded yes.

Ms. Gitelman asked if Council Member Klein wished to include Lot G as well as Lot D in the Motion.

Council Member Klein wanted to include Lot E.

Ms. Gitelman explained that Lot G was the Council's second choice to Lot D.

Council Member Klein did not want to change the Council's previous comments.

Ms. Gitelman reported Lot G was located at the farmers market. Lot E was slightly smaller. Lot G was rated higher in the constructability analysis. Council Member Holman raised concerns about Lot E. Staff could include either Lot G or Lot E as the second choice, knowing that Lot D was the Council's preference.

Council Member Klein agreed to Lot G.

Mayor Shepherd requested Staff prepare designs for a basic garage and for a garage with a retail component.

Ms. Gitelman reported Staff was requesting direction to return with a scope of work and evaluation criteria that would include the possibility of ground-floor retail.

FINAL MINUTES

Council Member Klein suggested Staff consider retail on upper floors as well as the ground floor.

Mayor Shepherd would not utilize public space for a public-private partnership. She preferred to consider public-private partnerships for private parking lots. The Council should proceed with information for a parking garage. Private parking spaces could become a cash exchange with the TMA. She asked when Staff would present information for a garage on California Avenue.

Ms. Gitelman advised that Staff could present that information once planning for the Downtown parking garage proceeded.

Mayor Shepherd reported Caltrain could negotiate 25 parking spaces at California Avenue. She requested Staff review that as well.

Ms. Gitelman had reviewed that in the past, but would review it again.

Council Member Scharff would support the Motion. Staff would include a retail component in the garage. Work should begin immediately on the parking garage in order to remove commercial parking from neighborhoods. He would prefer to have increased parking supply in Downtown rather than a shuttle from a parking lot in the Baylands. The Council promised the public two parking garages, one in Downtown and one on California Avenue.

Council Member Schmid referred to the Downtown parking deficit of more than 2,000 spaces. Parking garages were needed to meet an existing parking deficit. The private proposals did not achieve the City's goals for parking. Perhaps commercial office space holders should pay \$17.50 per employee per day for parking. The Council should consider a new assessment district to which all Downtown commercial office space could contribute; however, the City would control the assessment district. He inquired whether that conformed to Mr. Gamble's concept.

Mr. Gamble replied yes. Assessment Districts and Mello-Roos Districts required a vote.

Council Member Schmid recommended the City make a convincing case that it was dedicated to building a publicly owned garage; however, the next step had to be through the district. The City should not relinquish control of the use of its own property.

FINAL MINUTES

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff to investigate additional assessments on Mello-Roos Districts on office space properties.

Council Member Klein understood a Mello-Roos District was limited geographically, and any property owners within the geographic area had to be included.

Mr. Gamble reported that a Mello-Roos District required a two-thirds vote of property owners within the district.

Council Member Klein commented that a Mello-Roos District could not be limited to owners of office buildings.

Mr. Gamble explained that a Mello-Roos District could be drawn such that it was primarily populated by office buildings. A Mello-Roos District could include non-adjacent areas.

Council Member Schmid indicated 98 percent of property in the Downtown District was nonresidential.

Council Member Klein did not believe a Mello-Roos District could be limited to office buildings.

Mr. Gamble clarified that a separate parcel could be excluded from a Mello-Roos District.

Council Member Klein would accept language of a Downtown Mello-Roos District.

Council Member Scharff recalled that the Infrastructure Committee and the Council discussed a Mello-Roos District. The public opinion poll included a question regarding it. The Council could not make a Mello-Roos District work.

Council Member Klein noted Council Member Schmid requested the Council investigate it again. A two-thirds vote would probably not be obtained.

Council Member Schmid remarked that the starting point was the proposal to charge \$17.50 per day for every parking space in Downtown was brought before the Council by Staff.

Mr. Keene advised that the Council was exclusively focusing on a publicly financed proposal. Paid parking was a component of a public-private partnership. Staff wanted direction about how to return with factors for a design. The strategies to fund a parking garage could be discussed

FINAL MINUTES

sequentially rather than concurrently. The Council would probably wish to consider four or more approaches for financing.

Council Member Schmid believed the parking deficit was larger than one parking garage. One strategy was to begin identifying means to pay for more garages in Downtown.

Council Member Burt would support the Amendment if it did not reference specifically a Mello-Roos District, because he did not want to prescribe a Mello-Roos assessment. He questioned the impact on ground-floor retail throughout Downtown if a Mello-Roos District applied only to nonresidential property.

Council Member Schmid felt the question was how many retail spaces were owned by the retailers.

Council Member Burt advised that the impact would be placed on tenants. If Council Member Schmid would delete the reference to a Mello-Roos District, he would support the Amendment.

Council Member Schmid asked if Council Member Burt could suggest alternative wording.

Council Member Burt suggested deleting Mello-Roos District, so that the language reverted to the original Amendment.

Mr. Keene indicated Staff would return with evaluation criteria for moving the decision forward. The Council would need some idea of the fundability of a parking garage. Perhaps the direction to Staff could be to return with a range of financing options and proposals as part of the criteria.

Mayor Shepherd inquired whether a range of financing options was assumed in the Motion.

Mr. Keene assumed Staff would review those components. It would be a mistake to narrow financing to one mechanism at the current time.

Council Member Schmid proposed language of "alternative finance mechanisms for additional parking structures."

Council Member Burt accepted that language as it complied with the City Manager's request.

Mayor Shepherd accepted language of "alternative financing mechanisms."

FINAL MINUTES

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change the wording in the previous incorporation to “investigate alternative finance mechanisms for additional parking structures”.

Council Member Holman did not favor Lot G. She asked why Lot O was not considered. It would produce 320 parking spaces and would have less visual impact.

Ms. Gitelman reported Lot O was considered, but it did not score as high as other options.

Council Member Holman noted Lot G did not receive the highest score either.

Ms. Gitelman advised that the top three were Lot G, Lot D, and Lot EG.

Council Member Holman requested the fourth high score.

Ms. Gitelman answered Lot U, then Lot O.

Council Member Holman remarked that Lot U was slightly outside the Downtown area. Lot G would have significant impacts including displacing the farmers market.

Ms. Gitelman believed Council Member Klein intended the Motion to include Lot D or Lot G with Lot G was second to Lot D.

Council Member Holman asked if Council Member Klein as Maker of the Motion would be interested in adding Lot O as a back-up possibility.

Council Member Klein wished to comply with the Council's previous comments regarding prioritization of parking lots.

Council Member Holman asked if Lot G was secondary to Lot D.

Council Member Klein replied yes.

Council Member Holman requested the Motion clearly reflect that Lot D was priority while Lot G was secondary.

Council Member Klein suggested the following language: to add the word “preferably” between the words parking garage on and Lot D to read “parking garage on preferably Lot D”.

Council Member Holman would not support any financing mechanism that impacted the rents of Downtown retail space.

FINAL MINUTES

Mr. Keene suggested altering the language of the last sentence from "investigate alternative financing mechanisms for addition parking structures" substituting it with "these potential parking structures". He wanted it to be clear there were not additional structures intended.

Council Member Klein stated no, as he understood Council Member Schmid's proposal it was for additional parking garages. The finances were from the infrastructure report and the word additional was intentional.

Mr. Keene explained that "additional" was not exceptional. It was inclusive of the two parking garages in the Infrastructure Funding Plan.

Council Member Klein indicated funds for Parking Structure Number 1 were identified in the Infrastructure Funding Plan. Council Member Schmid's Amendment was to identify a different financing mechanism for an additional parking structure.

Council Member Holman proposed "additional financing mechanisms" in place of "alternative financing mechanisms." That would broaden the intent to existing or additional parking structures.

Council Member Burt inquired whether ground-floor retail was intended to be a direction for Staff.

Council Member Klein clarified that retail would be part of Staff's work.

Council Member Burt did not believe Lot E or G were appropriate locations for retail. He understood Lot A was not placed on the original list of favored sites because the Council did not consider a stacked parking approach. He was unsure if the Council should limit parking lots if stacked parking could be an efficient use of a location. He was interested in opening consideration beyond Lots D and G for stacked packing.

Mr. Rodriguez reported that Lot A did not drop off the list; Staff did not analyze it. Lot A was never on the list.

Council Member Burt asked if Staff believed stacked parking at Lot A as proposed in the public-private partnership was a good alternative.

Mr. Rodriguez responded yes. Sandis reviewed Lot A after receiving the public-private proposal and estimated that Lot A could provide 342 spaces in a five-story parking garage.

Council Member Burt could not determine which lots the Council did not view as prime locations but could be prime locations with stacked parking. He

FINAL MINUTES

inquired whether the Council could reconsider some of the lots if stacked alternatives were implemented.

Ms. Gitelman advised that if the Council was interested in including an option for stacked parking in the RFP, the RFP could include other lots Staff did not previously consider.

AMENDMENT: Council Member Burt moved, second by Mayor Shepherd that in addition to Lots D and G, that Staff return with recommendations for other City-owned lots Downtown where stacked parking may be a favorable alternative.

Council Member Klein was concerned that the item was not moving forward. He inquired whether Staff had a recommendation.

Ms. Gitelman did not analyze stacking alternatives. That idea came from individuals who submitted proposals to the RFI. If the Council would like to consider public garages that utilized stacking, that would be a new task for Staff. Staff could perform that analysis and return with it in the RFP or continue with public garages that did not utilize stacking technology.

Council Member Burt inquired whether including that aspect in the RFP would it significantly delay the process.

Ms. Gitelman did not believe it would delay the process.

Council Member Klein asked how it could not delay the process.

Ms. Gitelman stated that a separate analysis of lots where stacked parking could occur and a detailed engineering analysis of requirements would delay the process. Staff could accommodate an RFP that allowed designers to submit a creative idea to use stacked parking or a blended approach that would not delay.

Council Member Klein was concerned by the lack of specificity. "On other City-owned lots" opened the analysis to every City-owned lot; that would delay the process. He would not accept the proposed language.

Ms. Gitelman reported the current language of the Amendment seemed to require a separate analysis outside the RFP.

Mayor Shepherd understood the RFP could explore sites for stacked property availability.

Council Member Burt requested Ms. Gitelman propose language for his Amendment.

FINAL MINUTES

Ms. Gitelman offered "draft a scope of work and evaluation criteria for a Request for Proposals from qualified design firms for design and environmental review and preparation of construction cost estimates publicly financed preferably on Lot D or alternatively on Lot G and potentially to include alternate sites if automated parking was a viable alternative."

Council Member Burt asked how that differed from Staff recommendations for other Downtown lots where stacked parking could be a favorable alternative.

Ms. Gitelman clarified that her suggested language would obtain proposals as a result of the RFP. The Amendment requested Staff to return with recommendations.

Council Member Burt inquired whether "return with recommendations within the RFP" was acceptable.

Mr. Keene advised that a review of lots in terms of a stacked parking option would be a separate analysis. Under the criteria the Council considered previously, Lot D was the chosen location. Staff could proceed with Lot D and offer a stacked version solely for Lot D as an alternative within the RFP. Staff could review separately other garages with alternative financing mechanisms or different technologies.

Council Member Burt could accept Staff evaluating stacked parking for Lot D. He asked if that verbiage needed to be clarified in the main Motion if his Amendment was withdrawn.

Mayor Shepherd asked if Staff would return with an analysis of stacked parking similar to the ground-floor retail component.

Mr. Keene answered yes, and it would be included as an alternative in the RFP.

AMENDMENT WITHDRAWN BY THE MAKER

Council Member Burt disagreed with the comment that office space was the primary driver for the parking deficit. Over the last several years, Downtown had experienced a small net loss in retail and a significant exacerbation of the parking deficit. That was the result of office use.

Council Member Price would not support the Motion because it prematurely limited parking garage financial alternatives to publicly funded options.

Vice Mayor Kniss would not support the Motion. The integrated parking strategy had not been implemented. She assumed the TOT (Measure B)

FINAL MINUTES

would pass. She was not comfortable with constructing a new parking structure without first attempting a three-part strategy.

MOTION AS AMENDED PASSED: 7-2 Kniss, Price no

COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Council Member Scharff requested Staff return with a report regarding the train noise issue to include how it would work, how much Staff time would be needed, expectations, and how long it would take.

Council Member Price asked for an update on the status of the Post Office.

Mr. Keene would send an email update to the Council.

Council Member Price requested an update of Palo Alto Transit Center discussions with Stanford University and Santa Clara Valley Transportation Authority (VTA).

Mr. Keene understood the lease between Stanford University and VTA had been renewed. He would confirm that in writing to the Council.

ADJOURNMENT: The meeting was adjourned at 12:00 A.M.