



# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting  
June 22, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:02 P.M.

Present: Berman, Burt, DuBois, Filseth, Holman, Kniss arrived at 8:04 P.M., Scharff, Schmid, Wolbach

Absent:

## Study Session

1. Presentation and Discussion Regarding the Page Mill Road Portion of the County Expressway Plan.

James Lightbody, Interim Chief Transportation Official: Thank you. Jim Lightbody, Interim Chief Transportation Official. I'd like to introduce folks from the County who will be making a presentation. As you probably know, the County has been in the process of updating their Countywide Expressway Plan. As part of that effort, the City was interested in a more detailed look at portions of Page Mill as part of that project. We've contributed some funds to the County, about \$100,000, towards a more detailed look at that section of the Expressway. That work has been underway for the last year or so. We've been working with the County. We're at the point where they're ready to present the conceptual plan for that. I want to introduce Dawn Cameron with the County and Adam Dankberg, consultant to the County.

Dawn Cameron, Santa Clara County Roads and Transportation Official: Good evening. I'm Dawn Cameron, County Transportation Planner with the County of Santa Clara Roads and Airports Department. It's a pleasure to be here again tonight and present to you a brief summary of the findings of the Page Mill Road Expressway Corridor Study. With me, as Jim mentioned, is Adam Dankberg. He is with Kimley-Horn and Associates and has been the consultant project manager for helping us put together this report. I'd like to note that we came before the Palo Alto City Council a year ago to discuss the Expressway Plan 2040 process, which is how the County takes a comprehensive look every five to seven years at our Expressway System in terms of its long-term maintenance, operational improvement needs. In

# TRANSCRIPT

coming forward to you a year ago, we also visited your Planning and Transportation Commission in October. We discussed that Page Mill Expressway in particular was facing some unique and difficult challenges. As a result, over the last year in working with the City of Palo Alto as well as the town of Los Altos Hills, it was agreed that a more in-depth look needs to be taken of this corridor than we are doing for the other expressways in Santa Clara County. In fact only one other expressway has received this kind of detailed study. That was Lawrence Expressway. In that case, the Cities of Sunnyvale and Santa Clara contributed and the County matched funds to make that happen. The same is true in this case. We are grateful and appreciative that the City of Palo Alto stepped forward and provided \$100,000 towards this project, which cost about \$225,000 altogether. The County provided the remaining funds. We're going to spend a few minutes going over the summary of the need for improvements, the recommended improvements, a phasing strategy and next steps. In terms of the need for the improvements, we discussed this a year ago but it bears reminding. The picture in the bottom right illustrates some of the problems that we are having currently on Page Mill. It is not unusual in the morning, during the peak period, for the cars to be stacked up from Foothill Expressway all the way back to I-280 and onto the freeway mainline in both directions of the freeway. That's how great the demand is coming off the freeway, heading into Palo Alto. Because it's only two lanes in the eastbound direction, as you can see in this picture, they're stacked the whole way. We have a similar problem in the afternoon with going out, but it's not as severe because that tends to be a longer peak period, so the cars spread out their trips more. In addition, this interchange area presents a lot of challenges for bicyclists traveling through the area. This has been recognized for a couple of decades. There have been many attempts in the past to try to improve conditions for bicyclists while at the same time dealing with this very high volume and relatively high speed expressway connecting to a freeway. The 2003 Expressway Study nearly 15 years ago had come up with one possible interchange reconfiguration that could help improve conditions for bicyclists traveling through the area, as well as meet some of the need to better facilitate traffic flow on and off the freeway. However, in looking at it again, we discovered that there could be some level of service problems with that, and it could create other problems of its own, which is one of the reasons we took this study and looked at other options for the interchange to get a feel for what could be needed. In addition, your neighbors to the west were concerned about adding traffic signals and were asking could there be other options for facilitating the freeway to expressway traffic flow. There's also a lack of pedestrian facilities through the interchange area, so we took a serious look at that. Although there's not a high demand for pedestrians, I went and stood out there for 15 minutes and just watched and saw two joggers go through. They are there. When you have a pedestrian, you do

# TRANSCRIPT

want to meet their needs. Looking a little further east, getting into the Palo Alto section of Page Mill. The Palo Alto section of Page Mill is from Foothill Expressway all the way to 101 and is within the Palo Alto incorporated area. There are traffic congestion problems between Foothill and El Camino Real. Specific areas of concern are mainly the Hanover intersection. There are other areas along the way where the demand to make left turns off Page Mill overfills the left-turn queue pocket and then spills back into the through lanes, now blocking cars trying to travel through, which creates operational problems, safety concerns and congestion. At El Camino Real, it's been long in both Palo Alto's and our plans to make certain improvements at the El Camino Real intersection. We took advantage of the study to further define what those could look like and how they could fit within the existing right-of-way constraints. These are the maps we presented a year ago. They're still true today. The far left one presents the level of service back in 2003. The middle was the conditions we looked at in 2013. The one to the right are the conditions in 2025 projected, if we make no improvements to Page Mill whatsoever. This is based upon your City's own growth plans as well as other growth plans of neighboring cities and so on, in terms of the demand that they could create on the expressway. The easy way to read this chart is like a stoplight. If it's red, it's Level of Service F, which means it's stop-and-go traffic, it's highly congested, and it's difficult to get through. Yellow means you're running around Level of Service E, which is severe congestion, quite a bit of stop-and-go but it's not failed. Blue is better and green means go. The bulls eye referenced an intersection that's Level of Service F. This intersection of Foothill and Page Mill has been at Level of Service F for over 15 years. When we took the analysis in 2013, we discovered it's now the third worst intersection on the entire County Expressway System. Please understand there are 145 signal light intersections. It is the third worst one in terms of delay and congestion. This is what we were looking at in terms of existing conditions as we moved forward on the study. You will note in the study that we tried to look at travel patterns, land use growth plans. We wanted a sense of where people were coming from and where they were going, so that when we identified improvements and studied them, we were identifying the right improvements. This chart shows you the fatter arrows where you have the higher demand and volume. As they get skinnier, the number of cars is decreasing. This is just in A.M. conditions eastbound and then westbound. Basically this shows no surprise, that cars getting off of 280 are heading eastbound. Demand starts to drop off when you hit Stanford Research Park quite a bit. By the time you hit El Camino Real, it's equalized. In the other direction, westbound, the demand is coming off of 101, that's where your peak demand is coming in the morning. It starts to peak again as you start to approach Middlefield and El Camino and then falls off. What this is telling you and what this chart is showing for both A.M. and P.M. is that the primary generation of traffic demand along Page Mill is to

# TRANSCRIPT

serve the employment centers in Stanford Research Park and the surrounding areas. This is existing conditions. With all this, we looked at improvements for the I-280 interchange, widening of Page Mill to six lanes between the interchange and Foothill Expressway. We integrated the idea of extending the current shared use path that terminates at Deer Creek, taking it all the way down the interchange and creating paths through the interchange area which we'll show you more in a moment. We looked at grade separation of Foothill Expressway and Page Mill in terms of what that would look like. We looked at a variety of intersection improvements that could be made between Foothill and El Camino Real to help with traffic flow. Initially we were asked and we did look at the idea of expanding Page Mill to six lanes between Foothill and El Camino Real and what would that look like. Our findings were that we had the right-of-way, we could do it but it would wipe out all the median and the landscaping. It would wipe out also the park strips that you have between the sidewalks and Page Mill. It wasn't hard for us to see that that would not fit with the character that Palo Alto would like to see along Page Mill between Foothill and El Camino Real. We stepped back from that and said, "Can we identify intersection improvements that can help traffic flow, but would not have such a consequence of taking away all that landscaping along Page Mill?" That's what we've come up with. This explains that we did look at a variety of concepts, alternatives, evaluated right-of-way, did simulations. That's all available on our website. We have slides if you want any more information on those, but we're going to jump right to our proposed improvements at this point. I want to mention that we have held community meetings, back in November and December, fairly well attended. We also have an email site and we received many emails regarding this study. This is a quick list of the key comments and issues that we heard about through community outreach. Note at the bottom two bullets. When you start getting into Palo Alto, we heard a lot of support for bike lanes on Hanover. That's part of what we looked at for that Hanover intersection, how to take the bike lanes through. Interestingly enough, there is a lot from the Stanford residential community regarding a grade separation at Foothill and Page Mill eventually, because they get caught a lot in that intersection area. With that, I'm going to turn it over to Adam Dankberg, who's going to walk you through a little bit more of the improvements.

Adam Dankberg, Kimley-Horn and Associates: Adam Dankberg with Kimley-Horn. The slide you have in front of you shows the range of improvements that fell out of the analysis between the 280 interchange and El Camino Real. I'll walk through the corridor from west to east to briefly discuss some of these improvements. Starting at the interchange, we did a bunch of analysis to look at existing and 2025 volumes through the interchange to identify a way to relieve a lot of the congestion that occurs today, while

# TRANSCRIPT

providing the bicycle and pedestrian amenities that are much needed at that interchange. The recommended solution has a round-about at the 280 southbound ramps and a signalized intersection at the I-280 northbound ramps as well as a signalized intersection at Old Page Mill Road to provide access to the community that's located in the northeast quadrant of the interchange. The plan includes a number of bicycle and pedestrian elements. That's the highlight of the plan. These include a shared-use path on the north side of the roadway, which would allow pedestrians and cyclists not to have to travel on the roadway. They'd be able to travel in a separate shared-use path that would pass beneath the off ramps from 280 to avoid any conflict with the vehicles exiting and entering 280 there. This also includes improving the bike lanes on Page Mill Road for those more advanced cyclists and a shared-use path that extends to the east from the interchange. Marching east a little bit. Between the interchange and Foothill Expressway, the proposal is to widen the six lanes. Generally that would be within the existing right-of-way. By using the median area, there would not be too significant a right-of-way increase. The only associated right-of-way is tied to the shared-use path that would be provided between Deer Creek Road and the interchange. Right now the existing shared-use path deviates away from Page Mill Road west of Deer Creek. We would extend that between Deer Creek and the interchange, which would provide a continuous bicycle connection both on the north side along Old Page Mill Road and on the south side from Foothill Expressway to the interchange. Regarding the grade separation, three alternatives were evaluated, looking at different configurations at Page Mill Road through-traffic relative to Foothill, whether it goes up or under or whether there's some adjustment to both Foothill and Page Mill. The conclusion was that all three would be carried forward into further analysis, environmental analysis and design evaluation at a later date. All three would still be on the table. As Dawn mentioned, some improvements were proposed for Page Mill Road and Hanover Street to provide some through bicycle connections and improve the level of service to that intersection. Some improvements were proposed at Page Mill and El Camino Real to improve some of the queuing issues that occur at that intersection today. We did an evaluation of all these improvements. Put together, what does that do to travel time in the corridor? Looking at existing conditions, you can see that benefits are substantial. It's extremely congested, very severe congestion current conditions. By widening and improving the interchange and extending an additional through-lane through Foothill, we're able to achieve a 60 percent travel time reduction in the morning, 45 percent in the P.M. Very substantial benefits. You can see those improvements hold up out to year 2025, particularly in the morning. The 2025 baseline includes the widening of Page Mill Road. That's why you see that significant improvement in travel time in 2025. Looking at the roadway itself, you can see the existing conditions.

# TRANSCRIPT

The roadway is at Level of Service E or F for the full extent out to Birch Street. It's exceeding capacity west of Foothill Expressway. With the widening, with the other interchange spot improvements, we can get rid of all the Level of Service F segments and west of Robles Way where it's Level of Service D or better. Since these improvements are likely to take some time, there's some costs associated with them. A lot of further design is needed. Detailed environmental review is needed. One of our charges was to look at whether there's a way to provide interim improvements at the interchange for cyclists. It's such a poor environment for cyclists today, the idea was to look at whether there's a way to do low cost, not acquiring right-of-way, basically striping through the interchange. We came up with an improvement to do some treatments similar to what's been done at I-280 and Alpine where there's some green paint through the conflict areas and some buffers on the bike lanes to separate them from vehicles. We laid out a concept for the interchange. It must be heavily noted that Caltrans has not reviewed this concept. This is their right-of-way, so they will have to approve any improvement. We've developed a concept that we would take to Caltrans and get their approval. One critical aspect of this project is the phasing. There's a lot of different improvements going on. Our analysis determined that they need to be done in the right order in order to solve the problem in the best way possible. As I mentioned, the interim improvement would be to focus on the interchange and improve bicycle circulation. The next step that we identified was the widening of Page Mill Road. If you do the interchange improvements, the round-about and that sort of thing, before you widen Page Mill Road, you're going to be dumping more cars onto an already congested roadway. You're not going to get anybody anywhere any faster. With the widening of Page Mill Road, that needs to proceed first to free up some capacity to the east of the interchange. As you improve the ability to get off of 280 and head to the east toward Palo Alto, there'll be some capacity downstream that you can utilize. The first major infrastructure step would be the widening of Page Mill, and then we'd look at the interchange improvements. Phase 3, a very long-term improvement would be the grade separation of Foothill Expressway. We showed that some at-grade improvement would help address some of the issues with Foothill for at least the next few years or so, the next decade or so. The grade separation could be a longer term improvement as traffic continues to grow there. That would be a more long-term Phase 3. The next slide documents what I was just describing. The intersection improvements east of Foothill Expressway can be done as funding is available. Those aren't tied to the issues that occur west of Foothill Expressway. The cost of all these improvements total \$98 million. I must emphasize that more than half of that amount, \$50 million, is associated with the grade separation of Foothill Expressway, which I said was the Phase 3 long-term improvement. More than half the cost would be a long-term improvement; the other would be

# TRANSCRIPT

hopefully implemented in a near-term fashion. With that, I'll turn it back over to Dawn.

Ms. Cameron: As Adam was talking about the cost of the improvements, this next slide talks about potential funding sources. As is true for most projects in the Expressway Study, which is a planning document, the projects listed there typically do not have full funding. They have to get in line, try to find funding. The first step we do is identify the need for the project. In this case, the interim bicycle improvements, which are estimated to cost about \$200,000, do have a potential funding source. It is hopeful that we can work with Caltrans, get their approval, and move forward. Widening Page Mill, making the I-280 interchange improvements, we'd need to seek funding. Caltrans did have some money set aside to add signals at that interchange. The community did not like those signals. We're hoping we can convince Caltrans to move that funding to the round-about concept. The intersection improvements between Foothill and El Camino, we hope that developer impact fees, developer mitigations could help provide some of that, because it is specifically designed to help serve the employment center through that area. You'll see the grade separation isn't listed here. We consider the grade separation to be a long-term project; we're not seeking funding for it right now. These projects listed here are proposed for what's called Tier 1 in the Expressway Plan, which is the highest priority for which we would seek funding. The grade separation is in Tier 3. There's a part of us that hopes that through changes in travel patterns and travel behaviors and so on, maybe there's a way to avoid that grade separation in the future. We've identified what's possible to do with it. It'd be in the long-term plan, but we are not proposing to actively pursue it right now. Let's talk about next steps. We have put this report on our website. We visited Los Altos Hills Town Council last Thursday. We're visiting you tonight. We're visiting your Planning and Transportation Commission on Wednesday. We are taking comments through our email address and through other methods through August 7th, at which time we'll take a look and see if there's any tweaks we want to do in the document itself and respond to comments. The key thing is incorporating these projects in Expressway Plan 2040. We've already put them in. It's easier for us to take projects out than to put them in. We'll take projects out if we hear from the cities that are being served and so on that it's not a project they wish to be pursued. We will have to work with Caltrans for anything happening at El Camino and the interchange and work through their processes which can be pretty lengthy. However, for all the other work that is outside Caltrans' right-of-way, we would pursue them as soon as funding is available. This is a concept study. These projects are not even at 5 percent design at this point. It's what's feasible, what could happen, what could be the right-of-way impacts, that type of thing. When funding is available, they will have to go into design and

# TRANSCRIPT

environmental review. Through that process, alternatives have to be looked at again. A more thorough look has to be done, and more extensive community outreach. This is Step 1 of what could be a fairly long, intensive process. That's where we're at today. Thank you.

Council Member Filseth: I had one question regarding the widening of Page Mill between Foothill Expressway and 280. For the outbound traffic in the afternoon, very clear that'll help a lot. For the inbound traffic in the morning, doesn't that push the problem to the Page Mill/El Camino intersection? Are there enough cars that get diverted onto Foothill Expressway that they go down Page Mill towards El Camino? If you could comment on that.

Ms. Cameron: You're right. Once you hit Foothill Expressway and Junipero Serra Boulevard, you start to see traffic exiting Page Mill. You have more traffic exiting as you continue up Page Mill. By the time you get to El Camino Real, the traffic volumes are greatly reduced. By the time you get to Oregon Expressway, the traffic volumes are well within the capacity of Oregon Expressway.

Council Member Filseth: Looks like you lose about a quarter after passing Foothill Expressway. Do I read that right?

Ms. Cameron: That's about right, yeah. Yes. That was our attempt to make it understandable by the general public of what's happening. You lose 100 cars at Deer Creek, then you lose 750 cars at Foothill/JSB. By the time you get to what looks like Hanover, we're losing 500 more cars. They're going to their job sites; that's their destinations, so they start to peel off the Expressway.

Vice Mayor Schmid: Thanks very much for the information you passed along and the details. I can see that you were dealing with a problem out in 280 and the flow of traffic into the prospering Palo Alto and have step-by-step identified some things that you can do. Tonight you're talking to Palo Alto, so it probably would be most beneficial to talk about what this means for us. How do we interpret the data and react to it effectively? Over the last couple of weeks, we have had detailed discussions over two development projects, one at 2555 Park, one at 411 Page Mill, both office complexes. Part of our analysis was a traffic analysis. We used as our base information for the traffic analysis the same model you did, the VTA/MTA/ABAG model. They did identify, just as you have, that the intersection at Page Mill and El Camino is a real trouble spot. It is deteriorating over time when you look at 2000 to 2013 or from 2013 to your dates of 2025 or the dates they use of 2040, where it became Level of Service F. The model was used to examine



# TRANSCRIPT

cumulative impacts. As we do each development project, we want to look at not just this project, but all other projects and does this have a significant impact. By using the cumulative numbers that the VTA model generates, there is no project in Palo Alto that will ever have a significant impact. I noticed that with some of the Stanford projects. Each one we go through, the issue is there is so much traffic there to 2025 or 2040, that this little project would not make a significant difference. In essence, we've come to find that cumulative traffic doesn't exist in the process that we play through. You give us a chance to look not at an individual project, but the wider traffic that is coming to town. Just the numbers you have given show that, if you look at the number of cars, they do decline as you get closer to El Camino. There's a significant increase in the numbers of cars between the base case, 2013, and 2025. As a matter of fact, with your improvements, the numbers go up because more cars can get down that road. The same happens with the level of service. If you look at the El Camino/Page Mill intersection, there's a decline in level of service or an increase in delays. It grows as you get closer to the El Camino interchange. You're asking what Palo Alto thinks about the improvements you make. You asked the question who benefits from these improvements. Certainly 280 benefits if you can get those cars out of the main lanes. Certainly, as you point out in your data, the Stanford Research Park benefits tremendously. You can get many more cars into the Research Park. The consequences to El Camino and the developments that we deal with along El Camino are negative, because there are more cars coming to us. The Research Park is not taking them all. The dilemma grows when you talk about your budget figures. You say, "Why doesn't Palo Alto pay for everything east of Foothill? You have lots of money. You have these traffic impact fees." As your report points out, Stanford is relatively exempt from traffic impact fees. They have a GUP that dates from 2000 that says they're not causing any new trips. As you point out in your study, the Research Park has already paid off all their impact fees. As they increase employment, increase traffic, there's no new impact fees coming from them. What you're doing is asking us to use our impact fees from the developments on El Camino or other parts of town to mitigate what you're doing on Foothill and 280, to mitigate what is an increase in traffic and a decline in performance at the intersection that's most important to us. Two dilemmas from Palo Alto's perspective. Number one, you have identified increasing flows of traffic on the roadways and the intersections that are an important measure of how we're doing. You give us the dilemma of choosing. Shall we stop growing so we don't make traffic any worse or go through this process of saying, "It's going to be so bad at that intersection that there's no new project we could approve that would have a significant impact on that"? That's one dilemma. How do we get a traffic model that helps us rather than shrugs it off? Number two, who pays? We have traffic impact fees, but we're not getting any new impact fees from either Stanford

# TRANSCRIPT

or the business park. That's who's going to get the real benefit from your increasing traffic. Jobs, we already have three jobs for every employed residence in town. New jobs don't necessarily help us. New businesses, if you look at our property taxes, each year the share paid by nonresidents goes down by one percentage point. As I think through the financial impacts, I don't get it. I don't get why you're asking us. You say, "What we're doing at I-280 and even at Foothill is going to be paid maybe by sales taxes or some other tax form." That's the sales tax that maybe would help us with undergrounding Caltrain. Why should we be spending it at 280, filling up the business park and our own highways with more cars? There are three dilemmas we have that you are challenging us with. I'd like to hear if you have some answers to any of that.

Ms. Cameron: Generally we're going to take this mostly as comments and concerns that you're expressing. That's part of why we're here tonight. We're not asking for any decisions from you tonight, but more to have a discussion and hear your concerns. At this point, we've identified potential funding sources for at least partial funding. We understood that you did have some traffic impact fees that were specifically related to El Camino Real as well as Hanover. If you don't, you don't. We are planning to submit for the sales tax and the VTA call for projects all the Tier 1 Expressway projects. That includes the project on Hanover. That includes the El Camino Real. We're going to put all of that in the hopper and see what can become available. We're willing to do that if it's something Palo Alto wants to see us do. In terms of who the improvements are serving, I have to fall back on one thing. The County simply operates the Expressway. We operate it to the best of ability in terms of the demand that happens on the Expressway. The cities make the land use decisions. It's the land use decisions that generate the trips. We will work with you in partnership to the best of our ability to help you meet your goals of how we operate Page Mill.

Vice Mayor Schmid: I believe Stanford is directly working with the County, so maybe you could help us with Stanford and the existing GUP.

Ms. Cameron: That's covering Stanford University only, as you know, the Stanford lands that are not within the City of Palo Alto. As you said, the County has an actual General Plan, Community Plan goal for Stanford that it will generate no net new commute trips in the peak period. That was the foundation of the approved GUP and would continue to be looked at seriously for GUP amendments and changes.

Robert Neff: Thank you, Mayor Holman. I'm Robert Neff. I've bicycled in and around Palo Alto for pleasure and recreation and transportation for a long time. I've been a member of the Palo Alto Bike Advisory Committee for

# TRANSCRIPT

about the last five years. First, between Foothill and Highway 280, Palo Alto's current Bike and Pedestrian Plan envisions a Bay to Hills route along Old Page Mill Road. Have any of you walked or biked on Old Page Mill Road? It's a charming road. It's minimal traffic. It's got shade, tranquility. It's along Matadero Creek, has no hills on it. It's also outside the Palo Alto city limits; it's a County road. The plan we're considering addresses pedestrian and cycling needs along the Page Mill Corridor by proposing a bike/pedestrian path next to a six-lane expressway, and the path travels over a 100-foot tall hill. This is just the opposite of Old Page Mill Road. The new proposed \$6 million path from Deer Creek down to 280 will be dirty, hilly, strenuous and noisy. It will improve a connection that would otherwise be made on the shoulder by advanced bicyclists who would want to take it, but I predict few will take advantage of the new proposed multiuse path. Nearly every potential user will find a more attractive route. That's just the nature of six-lane expressways. It's a bit of a waste of money to go ahead and put that much money into that project. Council, I'd like you to ask the County to look at other ways to improve the route by taking advantage of Old Page Mill Road. The same County staff that works on expressways also works on the County roads, so please ask them to expand the scope to include Old Page Mill in their work. For example, the shoulders could be widened on Old Page Mill as a pedestrian improvement. It can be made one-way only for motor vehicles with the speed limit lowered. If the proposed signal is installed at Coyote Hill Road, it should include a pedestrian connection across the Expressway and a pedestrian path back to Old Page Mill, so walkers using the new Coyote Hill parking area could access Old Page Mill more easily. Second, as a recreation bicyclist, I often ride through the west side of 280 at the Page Mill interchange going from Arastradero to Page Mill. That works fine right now. The proposed two-lane round-about would require three or four merges into faster moving traffic. Even for me as an experienced cyclist, that sounds dangerous and worrisome. The proposed pathway alternative is inadequate for higher speed recreational cyclists. I hope the County can reconsider Alternatives 1 and 2 on the west side and combine the tunnel in Alternative 3 with the signalization in Alternatives 1 or 2. Finally, the improvements at the bottom of Page Mill for Hanover and near El Camino Real will be welcomed by our bicyclists, especially on Hanover which will improve the connection from Barron Park across to College Terrace. It's a gap that's been there for a long time.

Adina Levin: Good evening, Council Members. Adina Levin with Friends of Caltrain. The presentation tonight about the changes to the Expressway System focusing on Page Mill has \$90-\$100 million worth of projects to expand the capacity on Page Mill and its intersections to deal with increasing demand for driving, which as this picture shows is largely to Stanford

# TRANSCRIPT

Research Park. Stanford Research Park is a very large employment center with tens of thousands of employees and with one of the highest driving rates of the employment centers in Palo Alto. Stanford Research Park is somewhere between 70 and 80, I can't remember where it is, but quite high in contrast to Stanford which has a drive-alone rate of well under 50 percent and Google and Facebook which have drive-alone rates near 50 percent. Google and Facebook run long distance shuttles, taking people home where clusters of employees live. Stanford offers GoPasses for Caltrain and connecting first and last mile shuttles. Another impressive thing that Google has just disclosed is that 20 percent of its employees who live within a 5-mile radius bicycle to work today, 20 percent today. Their goal is improving that to 40 percent by improving the network within that 5 miles. We're looking at spending this \$50-\$100 million to accommodate growth in car traffic and existing level of car traffic. In Palo Alto's current strategy focusing on the Downtown, we're looking at Transportation Demand Management and strategies of reducing car trips, reducing traffic. I am wondering if we are looking at what can be done to relieve traffic and congestion on Page Mill. Is it possible to look at programs, first and last mile shuttles, long-distance shuttles, bicycle improvements for that 5-mile radius not just on Page Mill, to be able to get that driving rate down and, therefore, relieve the congestion? If a large proportion of these projects are being submitted to the VTA ballot measure, can we not look at other categories rather than the Expressway pot to be able to make those investments to address the congestion by reducing driving which would also be compatible with the City's sustainability goals? The City is going through a major Sustainability Plan. Planning to accommodate the current level and increase in driving is at cross purposes with the Sustainability Plan. The alternatives would support that plan.

Herb Borock: Mayor Holman and Council Members. Last year you approved Staff's recommendation to use some traffic impact mitigation funds to pay \$100,000 as part of this study. The presentation you heard this evening from the County essentially repeated that statement of fact. However, if you go to the first page of the executive summary, you will see that it's really three separate studies. The money from the City was for the second one which is the conceptual plan line study. In fact, if you look at your Staff Report, the agenda item refers to the agenda item being the entire report, but the summary is that it's the plan line review. The attachment to the Staff Report isn't there. It says that the concept plan line will be provided at a later date. This evening you have a copy of the report, but it stops at the body of the text and it omits all of the appendixes which include the appendixes relating to the concept plan line study. The mitigation fees that were used were to mitigate the impacts of the development that paid those fees. Those mitigation fees were not for the purpose of expanding the

# TRANSCRIPT

capacity for future development. As a previous speaker indicated, that is what the study shows by widening the number of lanes and having grade separations. Finally, County staff has said that the purpose of this meeting and the meeting before the Planning and Transportation Commission on Wednesday is to receive your input, essentially treating it as a community meeting where they hear each individual person's comments and go away. You have another meeting next week. The Planning and Transportation Commission agenda item could have been a recommendation to you that you can then act on collectively so that the County staff would not have individual comments, where your comment is no different from mine, but it would be the official comment of the City Council as a whole as input to this stage of the process.

Andrew Boone: Good evening. My name is Andrew Boone; I live on Woodland Avenue in East Palo Alto and serve on that city's Planning Commission as of recently, a month or two ago. I am concerned to see in plans that you or any other city in the County is reviewing so much money put into increasing the ability of car traffic to move during rush hour. This seems totally inappropriate for Palo Alto, totally inconsistent with your General Plan, totally in conflict with Senate Bill 375 which mandates reductions in greenhouse gas emissions, not increases in greenhouse gas emissions which will result from widening Page Mill Road to six lanes and from increasing the rush hour traffic capacity of the interchange or anything else that allows more cars to go through any point in an hour. This isn't the way to deal with traffic congestion in the year 2015, when we're facing serious climate change, very serious sea level rise right in our own backyard. We need to be investing money in Transportation Demand Management, as Ms. Levin was describing. It's definitely possible. Stanford University and many other large companies have been doing it for quite some time. \$90 million is a lot of money. That could pay for buses. That could pay for lots of TDM programs. This isn't just Palo Alto that I'm concerned with. This approach of dealing with traffic congestion by adding more cars to our roadways and expressways is applied to the County. You are going to be asked in less than 17 months to approve over \$900 million for such projects. Widen Lawrence Expressway, put it underground, under the streets so more cars can get through it. This isn't good for any community in the County. I would like to hear your opinion about it. I would like you to direct County staff to remove these types of projects from the County Expressway Plan. Definitely the widening to six lanes is a bad idea for Palo Alto. It brings traffic right into the center of the City, instead of investing in options that give people a choice. Can I take the bus to work? Can I ride my bike to work? Is it safe? Those are the choices we don't have in Palo Alto or even less so in the rest of the County.

# TRANSCRIPT

David Coale: Thank you very much. My name is David Coale. I'm a resident of Barron Park. I agree very much with the first two speakers and the last speaker, so I won't go into those a lot. A potential solution would be to go with the interim bike improvements, striping on that area which would probably have to be adjusted a little bit. I agree with Robert that the use of Old Page Mill Road is a great idea. Every time I see somebody on the Expressway going over that hill, I say, "They're from out of town." What we need and what was alluded to is a Traffic Demand Management District that includes all of the Stanford Research Park and California Avenue. This is the type of solution that we need to work toward before any other County widening projects go forward. Give this a couple of years before we do this, because the reduction of car trips, as was mentioned, is the primary problem here. We can still move people in and out. We can still do jobs. We can do everything else. We just have to reduce the number of cars, and that'll help the situation overall with the greenhouse gas reductions, the Sustainability Plan and the world. Let's not lose sight of what the real problem is. Probably the real solution is the reduction of car trips.

Council Member Wolbach: I have a number of concerns. I agree with a lot of the comments we just heard from members of the public. I do have a couple of questions to start, and then I'll share some comments for you to consider as you continue to work on this and other projects. How much does the Santa Clara County Roads and Airports Department coordinate with Stanford, employers, TMAs like the TMA that we're now starting in Downtown Palo Alto, and VTA?

Ms. Cameron: Because the County has no land use decision making authority whatsoever, once the expressway enters into the incorporated areas, the people we coordinate with are the cities. When a city has a development come in that's going to either front on an expressway or create tremendous new potential traffic demand on the expressway, we work with the city. If the city wants to mitigate that impact through intersection improvements, contributing to a widening project, we're happy to work with them. If the city says, "No. We want to try something different, and we're okay with a lot of congestion. We're okay if, County, you cannot make traffic flow smoothly given your lane configuration, given what's going on," then the County will operate the expressway per those parameters that the city has established. Working with VTA, if VTA wants to put additional transit service, buses and so on, and needs a bus stop or so on, we happily work with VTA to make that happen. We do not work directly with employers because we have no authority with the employers. In our Expressway Plan, we encourage the cities to require good TDM programs at the employers to help reduce trips. We like the direction that many of the cities are going, that we saw with Apple Campus, with Google. Cities are

# TRANSCRIPT

setting very aggressive targets and requiring that monitoring happen. If those employers do not meet those targets, there are some kind of penalties or remedies that would be involved. We think that is the future. That's one of the reasons that the Expressway Plan is only focused on trying to improve existing conditions, because these are existing developments out there. These are existing homes. This is the existing traffic. The Expressway Plan looks forward just a few years to 2025 even though we call it Expressway Plan 2040. We ran the model for 2040. The whole Expressway System goes into a sea of red; 50 intersections fail. We hope, because that's long term, that these new policies, these new ways that cities are approving land use developments, the new requirements the cities are putting in will reduce the future demand on the expressways. We purposely design our expressway projects to try to deal with only existing and very near term conditions. We know it can take a lot of years to make some of the transitions that are being discussed.

Council Member Wolbach: I'm trying to figure out how all the puzzle pieces fit together.

Ms. Cameron: I understand. I want to emphasize that the improvements we're laying out here were focused on dealing with your existing conditions out there.

Council Member Wolbach: Another question for both County and City Staff. Can we talk more about how this intersects with the ballot measure that's being discussed for the fall? In particular, I believe it was last week the City Manager mentioned some discussions about extending the timeline for submitting requests for projects so we can have more opportunity to have a broader, contextual conversation instead of looking at just one project in isolation, but maybe have a chance to look at different projects and prioritize where we want to place our emphasis both financially and in advocacy among various projects that'll directly impact Palo Alto. How's the status of that discussion going?

James Keene, City Manager: Let me start off and then I'll turn it over to County staff, and then maybe we can talk again. VTA has agreed to—I don't have the exact date on it. The call for project submissions has been extended from the July 10th date to the end of August. In working with the Mayor this morning on planning the tentative agenda, our thought was to schedule for the August 17th meeting, when the Council comes back, your discussion or decision on the project submissions that the City would be providing to VTA as part of the Vision 2040 program. While that certainly has important relationships with a potential ballot measure, it's not exactly going to play out to be one-for-one. We do have some time to look at that.

# TRANSCRIPT

I understand where your question's going. It would be helpful for the County staff to help us both see if it's a total responsiveness and total deferral to a city if it says it wants a project in or doesn't want a project in the County Expressway Plan. If I could add to your question. Obviously the County plan is enhanced by it being as systematic as possible. Pieces of it dropping out have a multiplier effect. There will be polling done on what works. There may be information that shows having a bunch of funding for roadway projects may have a positive benefit as far as polling. It would be important for us to know how much flexibility or even fungibility a city could see to move proposed funding out of one area to another to be more in line with our particular needs.

Ms. Cameron: Picking up on your City Manager's question. Typically, when an expressway is traveling through a city area, if the city tells us they don't want the project, we don't pursue it or we throw it into a low tier so that it's just there, but not what's going to be pursued. For most expressways, that works out quite well. Page Mill presents an interesting challenge for us. The section of Page Mill we're talking about widening is within the County unincorporated area and connects Los Altos Hill area to Palo Alto. It's going to be a little more difficult for us on how to move forward. It's not us. We'll have the Expressway Policy Advisory Board weigh in on this and make a recommendation to the Board of Supervisors. Last Thursday, the Town of Los Altos Hills Council made an interim recommendation. They're still looking at most of the parts of the report. One of the things they said is they are in support and they want that widening to happen, because the backups that are happening onto 280 are affecting their community ability to get on Page Mill if they want to travel into Palo Alto. It is sending traffic down Arastradero Road, avoiding Page Mill and other problems. They're seeing diverted traffic that is causing them problems. It will be an interesting situation. You should still take whatever position you would like to take. This is one case where we might have two cities giving us a different preference for a single project. We'll have to work it out.

Council Member Wolbach: The use of level of service as the primary metric for determining need, priority and predicting whether a project will be effective, I've been critical of this. A lot of people have been critical of this. The State's probably moving away from it. My hope is that Palo Alto will move away from it. This proposal relies heavily on level of service as a key metric. Is that what you're required to do based on how the County operates? Any thoughts on that?

Ms. Cameron: In this case, level of service was not the sole determinant of projects that made it into Tier 1 for the Expressway System. Congestion relief was one aspect, but we also did safety in looking at collision history



# TRANSCRIPT

and so on. We gave extra points to the projects that had a great bicycle or pedestrian and/or transit path and even more if it had multiple ones. Many of our expressway projects have significant bike and ped improvements built into them, including this one. We had a few other factors we looked at. Yes, level of service is being moved away from looking at in terms of determining impacts through CEQA. It is still a way to see how the road is operating. It is our best way of showing you when demand is outstripping capacity. That's what we're telling you. When you see the red line, we're saying there's more demand out there than there is capacity. We're not making a judgment about it. We can fix it by widening it. If you don't want us to fix it that way, we won't do that. It's just a way for us to show you how it's operating and from there, decisions can be made.

Council Member Wolbach: So I'm clear and so that colleagues and the public are clear as well. Level of service identifies when you have a problem at a peak time, what's the worst congestion in the course of the day. Correct?

Ms. Cameron: Yes, level of service can be presented as the worst of peak hour. Sometimes it can be spread over the peak period. One of the things we do start to watch is how much the peak period starts to spread. Traffic has two ways to react. It's like water, we like to say. It will either find other routes, if you can't get them out of their cars, or they will change the time that they choose to drive. Sometimes you'll find your period of peak congestion gets longer.

Council Member Wolbach: They spread spatially or temporally. It's important that, as we're making decisions about where we want to focus our advocacy priorities and our financial priorities, we should focus on things that are going to have long-term positive impacts. They're going to be transformative for how Palo Altans get around and how people come to Palo Alto, even if they don't live here. More commuters and single occupancy vehicle cars clog up the roads for the rest of us as well. Right now I'm looking at this and thinking it's a Band-aid. It's a really expensive Band-aid. It's probably going to have short-term positive impacts that would last from when the project's done, which will be after a couple of years of headache. By 2025, it'll start to run out of efficacy. It'll buy us maybe seven or eight years of minor improvement along the one stretch. \$90-\$100 million could probably be spent better elsewhere. There are specific elements of this plan that are interesting and important. Improving signalization at Page Mill and El Camino is important. Improving signalization at Hanover and bike lanes, especially between Foothill and El Camino, are important. Speaking only for myself, I would be willing to consider removing some medians and even removing some landscaping if it got us high occupancy vehicle lanes and

# TRANSCRIPT

protected bike lanes. I would be open to at least considering that. I wouldn't rule that out preemptively. I'd like to look at the options before knowing they're dismissed. As was mentioned before by some members of the public, Stanford has done a very good job with TDM. Workers in Downtown Palo Alto, at least for some of our larger employers in Downtown Palo Alto, do a pretty good job of not driving. Stanford Research Park, not so great. The emphasis for all of us needs to be on SOV, reducing single-occupancy vehicle trips. The question shouldn't be how do we fit more cars. The question is how do we get more people to work. When this comes back on August 17 or whenever we have a chance to talk about this, I'd like to think about this project in context with other possibilities. If we're talking about \$100 million, that would be a big chunk toward grade separating Caltrain, which would have a much more significant long-term impact for Palo Alto. This is primarily going to benefit people who don't live in Palo Alto but who commute here. If I was somebody living far away from Palo Alto and coming to Palo Alto every day for would, would I be really excited that Page Mill got expanded by a couple of lanes, that weren't dedicated for HOV? Maybe. Maybe not because I'd be still stuck in traffic on 85. I'd still be stuck in traffic on 280. I'd probably be much more excited if my employer told me, "Because of help from the County, we're now able to buy you a Caltrain pass. We've got a shuttle that runs from Caltrain to our office in Stanford Research Park. Or we're going to give you a bonus if you carpool." Those things would be much more enticing to me if I were commuting to Palo Alto. I would encourage us all to look for those solutions, rather than expanding the lanes. Among the comments that were mentioned, I do appreciate the comments and concerns about bike safety and convenience. I hope you'll take those under serious consideration.

Council Member Burt: I want to express appreciation for the County staff for treating this as a collaboration with the City. For my colleagues who didn't have this presentation last year or weren't present at it, hearing that the consideration of adding lanes between Foothill and El Camino has been pulled back is a good concept. The entire expression of the approach that the County staff is taking makes me feel that this is something that they're collaborating with us on. Thank you. We look forward to doing that going forward. I want to acknowledge the validity of your comment that the County isn't responsible for cities' land use decisions, whether it's Palo Alto or other cities. We own those. Over the last year since you last visited us, we've moved further in the direction of seeing our future transportation in the City centered around Transportation Demand Management. We've begun a Transportation Management Authority, but we're also looking at a comprehensive set of measures. Stanford Research Park was excluded at this time from our office development cap under an understanding that they are going to be expanding the Transportation Demand Management within

# TRANSCRIPT

the Research Park. My notion for the Research Park is that there will not be more car trips for the Research Park going forward. That has to be ultimately implemented. If we start from that standpoint, then the anticipation of future capacity needs may be getting changed as a result of that approach. If the problem was only what we might face in 10 or 20 years, we might have one set of actions. We already have a problem. On the additional lanes between 280 and Foothill, my first reaction was I'm skeptical about moving in that direction. Upon thinking more about the high occupancy vehicle lane possibility, I would be willing to consider that. We have all experienced HOVs on the freeway. Between low-emission vehicles getting passes and vehicles with two passengers getting to use them, they don't move much faster than the other lanes anymore. If we did consider an HOV, I'd want it to be foremost for buses and second for three-passenger types of vehicles. We'd create something that would be a great efficiency advantage for taking a bus. It's different in this circumstance compared to El Camino where we were looking at taking away a lane for Bus Rapid Transit and having no place for those cars to go. In this case we're talking about adding one if it was specifically for transit or overwhelmingly for transit. The path on the south side that you're talking about, going over the hill, we should look at enhancing Old Page Mill. It is a great bikeway. I've often thought of the same concepts that Robert Neff spoke about, which is the potential to make it a one-way 15 mile an hour roadway for that mile. It already is a right-turn only coming out of that. It's a hybrid right now where certain sections are de facto one-way. I'm also intrigued by this shared path on the north side through that whole intersection at 280. That seems like an intriguing alternative. The round-about that you're talking about at 280, is that a two-lane round-about? I couldn't quite tell. It looked like it from the map.

Ms. Cameron: It's a 1 3/4 lane. A portion of it is two-lane.

Council Member Burt: I'd be interested later in understanding that design more. I'm familiar with round-abouts. Have you looked at round-abouts for Foothill and Page Mill and Hanover and Page Mill?

Ms. Cameron: We did not look at round-abouts for those locations. Round-abouts are very right-of-way intensive. That would be a challenge in both locations.

Council Member Burt: I was looking at Google Maps while we're sitting here. Unlike almost all the other intersections in our City, those do have a lot of real estate surrounding that intersection. Up at Foothill and Page Mill, there's only one corner that has development. Down at Hanover, because

# TRANSCRIPT

the Research Park has these large landscape areas, it appears that we may have enough space for roundabouts there.

Ms. Cameron: We'll be happy to work with the City especially in terms of Hanover if that's the direction the City wants to explore in the future. Like I said, every project would require more design work and consideration. My primary concern with Foothill and Page Mill is the traffic volumes on both expressways are incredibly high. You would end up with quite a multi-lane roundabout to be able to handle all the travel going through there.

Council Member Burt: My understanding is if you have a two-lane roundabout, you're going to have a greater capacity than we presently have at that signalized intersection. I'd be very interested in seeing the number crunching on that capacity with a two-lane roundabout. People may have apprehension about speed, but in reality we have times where we have a 50 mile an hour speed limit going over that hump, which is almost a mile. When the traffic is unimpeded, people are going 55 miles an hour over a winding surface, and it's dangerous. It's dangerous in particular for bikes who come out on that Old Page Mill area. I would like to see a serious consideration of dropping the overall speed to 45 over that hump. We're shouldered at 35 miles an hour on either end. A short-term measure that I'd really like to see is look at where the signage is, not only the speed. If you're coming from 280 and you come down over the hill, you're warned that there's a 35 zone ahead as you approach Foothill. On the other side of Foothill is a 35 mile an hour sign. According to the signage, the speed limit through that intersection is 50 miles an hour. When you're coming over the side toward 280, right before all the bikes are coming off Old Page Mill, there's a sign that there's a slower speed zone ahead. We're basically still 55 miles an hour as bikes are trying to cross those lanes. If you look at the math and the amount of time savings that someone gets by going an extra 5 or 10 miles an hour over that hump for 3/4 mile, it inconsequential. I'd like to see some of those short-term improvements, some of those things that we could do in the near term, which would be minimal cost for these kinds of things. You already touched on this, but we want to look at the transportation tax and what we could do to expand not only our local shuttles from what's going to be an electrified Caltrain at Cal. Ave.. We're going to bleed off a lot of this 280 traffic if we have a great local shuttle system between a frequent stop Cal. Ave. which is now once an hour most of the day to regular stops. And Long distance shuttles or buses that feed into the Research Park from 101 and 280. If we get that coordination with VTA, the Research Park, the City and yourselves and do modeling about what would be the car capacity and demand, how many trips we would generate if we did a series of significant steps on transit and then we can see what our real future demands are going to be. Your modeling is correct

# TRANSCRIPT

for how we've been doing things traditionally. We're at a tipping point right now of our commitment, the Research Park commitment, and hopefully collaboration with VTA and you. We can do a significant transformation. Those would be my inputs. I'd be interested in my colleagues' thoughts on that.

Council Member Scharff: Thank you to County staff. I appreciate all the hard work you guys put into this. It's a lot of hours and it's not just this. This is one segment on our side. I appreciate that. What we're doing with the Research Park, what we're planning on doing in terms of going forward on TDM is the right model to think about this. My hope is we would do these improvements. They're good improvements and we should do them. We don't let it get worse because we've done the improvements with the TDM. As part of this, I'd like to see a model of how many cars we need to take out of the Research Park in terms of getting them out of single vehicle occupancy lanes, what that would look like for it not to get any worse and to have solved that problem long term. I don't know if that modeling is possible. If we do the new lane, I'd like to know what it looks like if those were HOV lanes. We need the flexibility when go ahead and do a TDM program of how are we going to do a TDM program. The assumption is that we're going to have the employers bring people in buses and also use Caltrain. To make the bus system work and make it convenient, an HOV lane for buses seems to be the way to solve that problem. I agree with my colleagues in the notion that if the extra lane becomes an HOV lane with priorities for buses, shuttles and all of that, that moves people around, that seems to work the best. If we don't have that HOV lane, I'm not sure we get the buses through there the way it currently is that makes any incentive for people to use those buses. That would be something I'd like to see us move to. One of the big issues from a regional perspective is the backup on 280. You drive down 280, you get to that, it impedes traffic region-wide on 280. We need to make sure we solve that issue and solve it long term. I don't think it's useful if seven years later it's back to being that. We're lucky that Stanford owns the Research Park. With our ability to put in significant TDM measures with teeth that say all employers need to have a certain reduction in trips over time, we can achieve that, but we need the tools of an extra lane to figure out how to make that work. I don't know if the County can do some planning in terms of what it would take, what we should be telling Stanford we should be doing, like we want X number of trips not to occur, we want to reduce this number of trips, we want you to run buses and vans that get that done. We have a shuttle system that runs the other direction from Caltrain to the Research Park and how that looks in terms of using the Expressway System. I assume it's reverse commute if you come from the Caltrain Station and go up, so it should be okay. We should at least think about that. This is one of the few times where I saw not just

# TRANSCRIPT

level of service, but I did see reduction in travel time. That's helpful in terms of understanding the actual effects, what the travel time has reduced instead of just level of service. I like to see both of those; that was great. If we don't do this, what does that mean for Arastradero? What does that mean for the connector streets? As you put it, traffic has to figure out how to get there, so where does it go? If we don't do this, it's not just this, but what do the rest of the streets look like. I assume Sand Hill gets impacted. I assume Arastradero gets impacted. I assume a lot of those side streets start filling. What does that look like? Do people come down Arastradero and then come up Alma, for instance, to other places? If it's not just Research Park traffic and you were going to go all the way through, do those people think about how else they're going to go? All of that information is helpful. The last thing we want to do is take the traffic that can't, if we don't do this, get on Page Mill and come down and wants to go through beyond the Research Park. We need to figure out are they cutting through our neighborhoods. Where are they going? That would be helpful. The bike improvements, the sooner the better. I liked those. Overall, thanks for the hard work you've done. If you could get that information in terms of what it looks like, not just on here—I don't know if you have that modeling or the capacity, but that would be helpful.

Council Member Berman: Thank you guys very much for the presentation and for coming down and hearing us today. I'm sympathetic to your argument that you guys control the roadway, and we control the zoning and land use and TDM programs and that kind of thing. My concern is that what we do with the roadway impacts our ability to enact robust TDM measures and encourages fewer single occupancy vehicle drivers. We do want to encourage Stanford Research Park, and a lot of us have had conversations with Stanford University about this to enact robust TDM programs. It's ripe for that. It's an area where that should be successful. Our ability to encourage those TDM programs is helped by employees in the Research Park who have trouble getting to work in a reasonable time. If employees are stuck in traffic and can't drive to their place of employment quickly in a single occupancy vehicle, they're like to complain to their employers. That's likely to become a problem for employers in their hiring decision. That creates the system where employers are likely to take TDM programs more seriously. If we add another lane on Page Mill for all cars, your model shows that will make it easier for them to get to work faster. That encourages them to continue driving in single occupancy vehicles. The comments from my colleagues and the members of the public talking about if we're going to expand Page Mill, it being an HOV lane is important. As we look longer term and the City being asked to pay for certain things, I'd rather the City pay for things like an expanded shuttle if we can't get the employers in Stanford Research Park to do it. Things like that that encourage those employees to

# TRANSCRIPT

take Caltrain or take public transportation or create a system that can have long-distance buses rather than millions of dollars to short-term fixes to the roads. I'm sympathetic to the idea of adding a lane if it's for HOV purposes. I'd have a lot of problems with it if it weren't for HOV. Your current plan involves keeping the medians. Did you guys look at an idea of removing the median, like they do on the Golden Gate Bridge, and in the morning you add a lane one direction and you switch it in the afternoon? Essentially one lane, but dual purpose.

Ms. Cameron: We've been asked about that on other expressways. That is a very expensive system to operate and maintain. The County does not have that kind of operating funds. We're running in deficit right now for operating and improving the expressways. We do not have enough funding to do it today.

Council Member Berman: That would be more expensive than adding two separate lanes.

Ms. Cameron: It would be, that changing out a lane each way.

Council Member Berman: I have no idea how that works; I wonder about it but didn't realize it's as expensive as it is. I don't know how you'd model it, but have you thought about what impact driverless cars and new technology will have in the future?

Ms. Cameron: Right now that has not been modeled. We are watching it with great interest. There are two theories, which could end up canceling each other out. One theory is driverless cars will automatically increase the capacity of the road without doing anything to the road, because they can travel closer together in packs and safer and so on. At the same time, they open up owning cars by folks who cannot drive today, prefer not to drive. You could see an increase in the number of vehicles on the road.

Council Member Berman: People might live further away. I understand there's a lot of different speculation.

Ms. Cameron: There's a lot of speculation right now. In the end, the benefits in terms of congestion relief could cancel it out; we don't know. One thing we all feel very optimistic about is they can overall improve safety.

Council Member DuBois: Thank you for the report. I went to the community meeting you held at SAP. I saw you held that at many locations throughout the County. You did a great job of community outreach. I liked how you ran the session. You did a great job of capturing all the issues, listening to

# TRANSCRIPT

community feedback. I could see how the plans have evolved. You're hearing sometimes opposing viewpoints. This is a nicely balanced approach that captures a lot of different elements. Overall, I'm in favor of your proposals. We need to pay attention to car traffic. This is a major thoroughfare for getting workers into Palo Alto. The backup on 280 is a dangerous situation that needs to be fixed. It's pretty scary when you're tooling along the freeway and you see people stopped, trying to exit at Palo Alto. I do like the dedicated bike path portion. I like the idea of improving Old Page Mill. I had a question about the interim lane reduction for the bicycles. What are the impacts of that reduction? That's one of the on ramps onto 280.

Ms. Cameron: What you're referring to is one of the ways to improve bicycle traffic through the area. They do not have to cross two lanes of traffic flowing onto I-280 southbound. We're suggesting trying to reduce that to one lane and, when it's on the ramp, expand back out to two lanes. Additional traffic analysis is going to be necessary, but on the surface of it we thought it could work.

Council Member DuBois: We don't expect to see backups during that interim period?

Mr. Dankberg: We modeled it, and it does show that it works. Right now there's only two lanes feeding the interchange. You're not affecting a vehicle's ability to approach the interchange. As long as we widen the ramps to two lanes getting on the freeway, we still achieve most of the benefits.

Council Member DuBois: It makes sense for safety. We had a similar situation on 101 with a lane reduction, and it shows how close to capacity we are, to snarl traffic with a minor change. There was a letter from the head of the neighborhood association in Palo Alto Hills, who largely agreed with the report. That carries a lot of weight with me since it impacts their community. There was a question about the lights. There are two lights there. One of the questions was could the northbound 280 ramp light only be active during rush hour and a blinking light in other time periods. Is that something you guys have looked at yet?

Ms. Cameron: I believe that comment came in in the last day or two, so no, we have not had a chance to look at that.

Council Member DuBois: The other comment was could the two lights be merged. I thought you had scenarios where Old Page Mill was extended so there was only one light instead of two.



# TRANSCRIPT

Ms. Cameron: A couple of things to note. Between Foothill and the easterly entrance to Old Page Mill, we would want to improve that trail, that shared use path, to widen it to make it easy for bi-directional bike travel. That would provide a much better connection to Old Page Mill Road for people going west or even going east, either way. At the other end, we're looking at signaling that and creating a frontage road for Gerth and Christopher Lane and all those folks coming out of there that get trapped because it's almost impossible for them to make a left turn onto Page Mill to go where they want. By doing that and directing them all to that signal, it also provides a signal that can be used by bicyclists wanting to turn on and off Old Page Mill Road, unless they want to use the multiuse path that continues along the north side.

Council Member DuBois: You're going to have those two lights relatively close to each other.

Ms. Cameron: They would be closely coordinated. We would advocate with Caltrans that, even though they're in the right-of-way, the County operate those lights. We have done that with Caltrans in other locations where they let us operate the lights. We pretty much have state of the art traffic signal management. We're confident that with the volumes that you're looking at in terms of making turns we could do a job good of coordinating those signals.

Council Member DuBois: As long as they're synchronized, it would be fine. Grade separation with Foothill also makes a lot of sense. You're connecting two expressways. Those are the places where we should be improving vehicle traffic. I don't subscribe to the idea that we make traffic so bad that people get out of their cars. This is about existing conditions. You're not telling us you're building a bunch of excess capacity for the future. It's something we need to fix.

Mayor Holman: Thank you for your study and consideration of this and the improvements you're proposing. Did you consider just one lane addition? If you look at the existing conditions, it's the A.M. peak that's so much worse than the P.M. peak. Why a two-lane addition as opposed to a one-lane addition that would deal with the primary impacts?

Ms. Cameron: We looked at that as a phasing strategy for the eastbound direction, but make sure that it's built in such a way that doesn't preclude adding a lane in the westbound. You're right, the travel is more spread out during the P.M. peak, but it does have problems. We are concerned about future growth. We did look at that, and that can be considered further

# TRANSCRIPT

should the project proceed into design and additional alternatives to be looked at.

Mayor Holman: I agree with some of the speakers. I'm not tantalized by lane expansion. As was indicated, it's a temporary fix. It is contrary to our Comprehensive Plan. It has impacts in terms of vegetation removal, potentially impacting habitat as Stanford's letter referenced. If we look at lane addition, I would rather see an eastbound lane addition only and it dedicated to HOV. If this gets included, when we propose projects for the sales tax, you should not reduce the number of dollars it takes by the amount of money that Palo Alto has in impact fees. We have other utilizations for that money that we could use to also reduce transit. I'm making up a number. If it costs \$10 million and Palo Alto has \$3 million to contribute, I don't want the cost of the project to go forward as \$7 million. You got what I'm saying?

Ms. Cameron: Yes.

Mayor Holman: For my colleagues, I'm glad that the VTA projects deadline has been extended to the end of August. As the City Manager knows, we had asked for the middle of September. Most of the cities are on Council break during the month of July. It puts pressure on all of us. If there's any opportunity to push for a mid-September extension, that would be most helpful. You mentioned this, Dawn, in your comments, not in quite the same way, but there is the saying that water will find its level. Traffic will too. That's what we're experiencing. I support my colleagues and members of the public who have talked about Old Page Mill Road for bike improvements. I'm a big supporter of any time we can separate bikes from vehicular traffic. Having to do with the roadway expansion, I concur with Council Member Berman's comments. We don't want people to suffer through bad circumstances. If it seems easy enough to get to work, which is a temporary fix based on the analysis, are people going to be motivated to look for alternative ways to get to work? There's a balance. I don't know where it would be, but did you look at any possibility for expanding the Park and Ride either at the current location or someplace else nearby?

Ms. Cameron: That took most of the time with Los Altos Hills last week as you can imagine. That community's very concerned about the Park and Ride. The plan shows an option for moving the Park and Ride lot, if Caltrans will agree to an interchange loop that would allow expanding it by up to 30 spaces and could reduce the impact that Park and Ride lot has on the local residences in that vicinity. After that, what appears should be looked at, because the demand seems to be so great, is other Park and Ride lot locations along 280. You're getting those big private-sector buses coming in

# TRANSCRIPT

and they're coming off the freeway, picking up and getting back on the freeway. They need various points where they can stop along the way. We did write in the report that it would be good if VTA, Caltrans and San Mateo County would work to see if there's other places. It's not something the County can do, because we just do the expressways. We do think it needs to be looked at.

Mayor Holman: The round-abouts. Your indication was it takes a lot of real estate. The lane widenings do too. If we can widen lanes, we can create round-abouts and use them to the greatest effect possible. I'm not a fan of eliminating LOS. I appreciate the time that it takes to travel a roadway. I appreciate travel times as part of the measurement for how we move people. LOS in concert with that is a meaningful way to measure traffic. LOS is a real thing, and it is where pollution happens, as cars are stopped and idling. I'm not in favor of using one versus the other; I'm in favor of using both.

Ms. Cameron: As we've said, we're accepting comments through August 7th. If you choose to put it on your agenda to take any kind of official position for the City of Palo Alto, we welcome that as well. We leave that as your choice.

Mayor Holman: Our typical process is something like this would go to the Planning Commission and then come to Council. We're doing it absolutely backwards. We won't have the advantage of Planning Commissioner comments for this.

Council Member Wolbach: We're not going to be taking up consideration of this until August 17 in context with other projects that might be part of the ballot measure. You need comments by August 7th. How are we going to get that to work?

Ms. Cameron: We will work with that and we'll consider any action you take August 17th.

Mr. Keene: We will be focusing on the project submissions that we would be submitting to VTA and not directly related, at this point, to a ballot measure. Just so we're clear.

## Agenda Changes, Additions and Deletions

Mayor Holman: I'm aware of none.

# TRANSCRIPT

## City Manager Comments

James Keene, City Manager: A couple of items to report. I want to update the Council on the status of the Middlefield repaving contract. We have an at-places Staff memo to Council responding to some citizen concerns that you had received. Since it got here so late, I thought it was worthwhile for me to repeat it. You received some emails, particularly one from a citizen, John Guisun, who lives on Middlefield Road. Staff, at my request, prepared responses to the concerns, which in my view responds satisfactorily to almost all the concerns. There were questions raised about the driveway aprons impact. We want to make it clear that the contract for this project does include installing new wider driveway aprons for all residents on Middlefield affected by the project who might be interested. Most residents have been in favor of this change for their driveways. Any residents who wish to have their driveway replaced to match the current narrow driveway configuration will be able to do so. That clarifies that concern. There were questions about Saturday paving work. The contract includes doing the primary milling and paving work on Middlefield on Saturdays, but that is expected to take two Saturdays. However, the base repairs to the road, significant concrete work for driveways, curbs and gutters and asphalt paving around corner areas will and must precede the milling and paving. That will take place on weekdays from 9:00 a.m. to 4:00 p.m. We anticipate that the work on the weekdays will take place over about a six-week period. Staff had talked to the resident about this. I don't think we got full satisfaction on the two Saturday days. Staff has assured me this is the most effective and least impactful approach to take on the paving and milling work which would be restricted to those two days. There were also questions about the pathway near the Menlo Park border. The scope of the project does include new pavement for the pathway from Palo Alto Avenue to the Menlo Park border. The pathway width will remain the same as it currently is, 3 1/2-4 feet wide. The vegetation on the creek side of the pathway will be trimmed back. Given concerns raised about vegetation, Public Works will also investigate increasing the frequency for regular trimming of vegetation in this area. There was concern about adequate sidewalk repair as part of the project. The contract does include 7,200 square feet of sidewalk replacement. The project will replace all lifted or broken sidewalk within the work area. That's a satisfactory clarification to the majority of concerns. You might have noticed outside in King Plaza some signs that Public Works put up around the plaza. We're in the process of beginning some landscape improvements on the plaza, with a goal of reducing irrigation. The work will continue through the end of July. The plaza will remain open during construction. The project includes replacing the turf with two planted areas underneath the magnolia trees in front of City Hall; removal of the ivy at the garage entry planters and replacing it

# TRANSCRIPT

with drought-tolerant access planting; retrofitting the existing irrigation system to increase watering efficiency; leveling the decomposed granite areas under the magnolia trees; and putting in some new tables and chairs. One other little step on City properties in response to the drought. On that subject, I did want to provide Council with an update on the drought and our community's response related to the emergency drought conditions. We have been enforcing new water use restrictions that were approved by the City Council in May. As you remember, Palo Alto must meet a State-mandated 24 percent water use reduction for the period June 1, 2015 through February 28, 2016 compared to our 2013 calendar year water usage. To monitor our progress, Staff is closely tracking water use and posting updates online at [cityofpaloalto.org/water](http://cityofpaloalto.org/water). Since the beginning of 2015, we have reduced Citywide water consumption close to 20 percent. If we can hit that additional 4 percent over the rest of the year, we certainly have hit those targets. Of course, we're moving into a period where we typically have a lot of irrigation use, so strict enforcement of our water regulations out to help us do this. We are focusing on additional educational efforts about water use and drought and offering free community workshops, making presentations at neighborhood and business groups meetings, doing our advertising in the utility bill inserts and in local media, as well as encouraging citizens to report incidents of water waste through the Palo Alto 311 mobile app. We've also set up recently a new drought email address, [drought@cityofpaloalto.org](mailto:drought@cityofpaloalto.org), to enhance communication with the public and for us to hear from folks. We'll also be at a number of community outreach events including the Chili Cook-Off at the 4th of July, the Lockheed Water Fair, the worm composting workshop and the mulch give away on July 25th to provide information on drought regulations and water efficiency resources as well as hands-on laundry to landscape gray water workshops in the fall. The Palo Alto Children's Theatre opened the 2015 summer hotdog season with a performance of *Sleeping Beauty* featuring a youth cast and crew with more than 2,200 community members attending the sold-out performances. The 2015 Twilight Concert Series opened last Saturday at Mitchell Park with the twice Grammy-nominated Wayne Wallace Latin Jazz Quintet. More than 600 people in attendance and enjoying the music. The next stop is the youth musicians' concert featuring local youth choirs and orchestras which will take place this Saturday, June 27th, in the Mitchell Park Community Center courtyard. All of the concerts run from 6:30 p.m. to 8:00 and are free to the public. The Palo Alto Fire Department was recently acknowledged by the National Fire Protection Association, NFPA, and the National Institute of Standards in Technology with our Fire Chief Eric Nickel as a co-author of *Smart Firefighting Where Big Data and Fire Service Unite* technical journal. Our Staff is doing a lot of work, both the fire service and emergency responders, from newly emerging technologies. I want to thank the leadership of Chief

# TRANSCRIPT

Nickel. I wanted to let the Council know that we participated in another session at Stanford University on a follow-up to a water policy issue that we did with the Bill Lane Center for the American West. Bruce Cain who had been the director of governmental studies at Berkeley is now at Stanford. They did a lot of support work for us related to the San Francisquito Creek project and the role of the Regional Water Quality Control Board and continue to do some work. These annual events have been an effort to primarily pull in the City Managers of the Peninsula, both Santa Clara and San Mateo Counties, along with Stanford faculty, in the sense of enhancing our understanding on issues and generating the potential for new additional research. This Friday we had a fascinating discussion on the subject of "The Road Less Traveled: Advancing Tomorrow's Transportation and Mobility Solutions." We had some great speakers: Stefan Heck, who is the director of Energy Transformation Collaborative at the Stanford Precourt Institute for Energy, gave a great talk. I told him that I would mention this to the Council and see about having him come to a work session to give this presentation on both emergent transportation alternatives and a series of pilots that they're running with Stanford and some other folks. It could be very informative to our Comp Plan work. We also had Gabe Metcalf, the president and CEO of SPUR speak on "The Road Too Traveled: the Peninsula Commute." An employer's perspective on regional transportation from Google and their folks who are leading their TDM programs and other things. A leading-edge discussion and conversation. I'll report more fully on it to the Council and look at setting up a work session with Stefan Heck, which I think you'll find very informative.

Mayor Holman: World Music Day was yesterday. I was not able to attend, but maybe you have something to offer on that, if you were able to go.

Mr. Keene: I did run into Council Member Berman. We both got to World Music Festival a little bit early, before it started. I'd say there were a lot of cellos this year in World Music Day, which was a little different. There was a nice turnout. Everything from opera to some steel drum bands to folk singers and pop up folks all along University Avenue.

## Oral Communications

Robert Moss: Last Friday there was an interesting community session at NASA Ames about sea level rise. Council Member Scharff mediated one of the discussion sessions. This is creeping up on us, and people tend to ignore it. Most of the discussion was naturally about the impacts on Mountain View. Mountain View is taking some action to try to mitigate it, putting in levees and marshland, especially around Moffett Field. Unfortunately, one of the things that will do is divert a lot of the sea level increase to Palo Alto. I

# TRANSCRIPT

know we're looking at it in general. One of the problems mentioned at the seminar was the dozens of agencies, cities and various groups that are involved in this are not talking to each other. Coordinating is a very important issue. Another thing that's important is most people don't realize the impacts that are potentially going to happen. I don't think very many people realize what Palo Alto looked like 120 years ago. I happen to have a USGS map. A significant portion of Palo Alto, almost all the way down to Middlefield, certainly down to Newell, was marshland. That was filled in over the years. That area is very susceptible to flooding from sea level rise, especially if there's also a storm. If we have a storm during high tide, literally thousands of buildings will be damaged by the increase in water. It would be a good idea for Palo Alto to have a seminar similar to the one that was held in Mountain View last week, sometime this fall. Get the people involved and informed, have the Santa Clara Valley Water District, EPA, some of the other government agencies that are working on this. You can get people from Mountain View who are working on it. Inform the public that we have an issue and we shouldn't ignore it, even though it's going to take years before it becomes serious. It is going to become serious if we do nothing. We should be informing the public about the potential damage. There is an article about it in *The Mercury* today. If you missed it, you might want to pick it up and take a look at it. It's something we should be considering and acting on.

Kerry Yarkim: I met a lot of you at the Summit. I'm here to speak about quality of life issues. Palo Alto, if you read about it online, in terms of quality of life they talk about leafy, older, quaint neighborhoods, schools, parks, walking, biking everywhere and into Stanford. Unfortunately, as we are now the main arrival's expressway into San Francisco airport with over 200 planes a day, that quality of life is threatened and is fact disappearing. I want to give you a snapshot of my life in terms of the planes. I live near Lewis on Clara Drive, which is a very quiet, quaint, leafy street. I get woken up at 4:30 a.m. almost every day by a United flight from Honolulu to San Francisco airport. I go back to sleep. Around 7:00, there's another deluge of airplanes coming over my house. I live in an older house that my parents bought 60 years ago. It's still fine to live in. I go about my day. I get the newspaper; there's a plane overhead. A lot of them are low flying. I'm at the intersection of two routes: Oceanic which is the Asian flights and Surfer 1 which is all the planes from LA, San Diego, Orange County. They all come and do the tear drop over Palo Alto. There's another line coming down from Point Reyes which is the north site. I have a map. I'm going to go through what happens when I chauffer my kids. I've got the planes, and then I start to chauffer my kids. We go over to Barron Park School, and there are very low-flying planes over there. In fact at the graduation ceremony, the principal told 100-plus children to stop the graduation if a plane comes over,

# TRANSCRIPT

so that they'll be able to hear when the names are called. All the kids know that planes are always going over their school. I also spend time at my daughter's friend on La Para. Nixon School, La Para, Crescent Park, I'm around there all the time. It's a deluge; it's dumping of planes all over Palo Alto. The quality of life is fast disappearing. I also have a letter for all of you, a three-page letter from the County Supervisors in Santa Cruz, what they're doing. They've come together to stop some of the next gen things and come up with other solutions. I hope you can all read it. I've highlighted a few parts. They're actively trying to get some solutions and restore some quality of life for Santa Cruz County.

Rachel Kellerman: Thank you for hearing me this evening. My name is Rachel Kellerman, and I live in Professorville. I'm currently on break from my job as the teacher librarian at Palo Alto High School. I'm finding it difficult to work and sleep in the home that I have lived in since 1992. These problems are due to the incessant airplane noise that is now plaguing our City, due to the FAA's new metroplex next gen program. I did some research in order to illustrate this problem for you this evening. Noise pollution from jets is measured in terms of decibel peak, length of noise event and frequency of noise event. According to a British aviation site, the British Airways flight that flew over my house at 3,200 feet at 5:00 p.m. today was firing between 65 and 70 decibels. This is approximately the decibel level of a vacuum cleaner. Think of a vacuum cleaner going on and off, on and off from 5:00 to 5:30 every few minutes, and you will get a snapshot of the magnitude of the noise pollution problem just about every evening in our City. We aren't the only community dealing with the FAA's flawed metroplex problem. An article in the *New York Times* today about many communities in the New York area dealing with this problem. They talk about the competing interests, which we're all well aware of, safety, commerce, private enterprise and public good. I submit that the public good in this community has been ignored by the FAA. I am looking to you, my City Council, to rectify this problem. I'm willing to work with you and any member of this community to try and repair the damage.

Jennifer Landesmann: My name is Jennifer Landesmann, and I'm here on behalf of the Palo Alto Sky Posse, who you may know are residents concerned with correcting the blight of low-flying airplane noise pollution over our City and neighboring communities. We very much appreciated the consideration the Policy and Services Committee gave us a few months ago and the engagement with City Staff. We're pleased to report that the draft scope of an independent study of air traffic impacts over Palo Alto is being finalized within the next days. We also wanted to let you know that we obtained through a Freedom of Information Act request the data that will fuel the study; more than 11 years of complete flight data for a 35-mile



# TRANSCRIPT

radius around SFO. The FAA Office that processed our request shared that it's the largest request they have received. Our request was further facilitated thanks to the attention of our Congresswoman Anna Eshoo. We are doing some preliminary analysis of this data and would like to share it with you. We look forward to contacting each of you and hope that you will be able to meet with our group as we move forward to work together on fixing the problem of low-flying aircraft noise pollution over our City.

Nancy Kropp: Nancy Kropp here. I'm here on behalf of the Sixth District PTA which serves all of Santa Clara County. I'm also here tonight on behalf of the Palo Alto PTA Council which includes all 17 schools in Palo Alto. I'm also here as a resident of Barron Park and a neighbor of the Buena Vista Mobile Home Park. Both of these organizations, the Sixth District and the Palo Alto Council, I'm sure you're aware, have passed resolutions supporting our students. There's over 100 of them living in the mobile home park. I'm here today because you may be aware of it, but I wanted to comment that tomorrow morning the Santa Clara County Board of Supervisors is going to discuss and vote on releasing another \$6.5 million to purchase the Buena Vista Mobile Home Park land. Their vote is contingent on a match from you, a match from the City of Palo Alto of another \$6.5 million. I'm here on behalf of both the Sixth District PTA and your local Palo Alto PTA Council asking you to please do that match, come up with another \$6.5 million. I'm also told that we have that \$6.5 million in an affordable housing fund that we've collected from developers. I don't know, but I'm told we have the money. This vote is coming tomorrow morning before the Santa Clara County Board of Supervisors. We're hoping for a positive vote. On behalf of our students in our schools and their families, I'm hoping that you will take this under consideration, discuss it thoroughly and vote to match that release. Our community does work and wrestle hard to raise thriving youth. We've adopted developmental assets; there's 41 developmental assets. I've brought a copy that I will leave with you today. If you go through these, when we're talking about why we're doing this for our community, you'll find central in these developmental assets community, caring, teaching our children to care about each other, to care about their neighborhoods. As a City, we can't just talk; we have to walk the walk. This is a unique opportunity to walk the walk, teach the children in our schools this is how we care for each other, this how we maintain our community, our neighborhoods, you are valued, your neighbors are valued. It's an important message. Children in our schools are very aware of this issue. It's their classmates; it's their friends; it's their neighbors. I'm asking you again on behalf of these PTA organizations to please release those funds. You will be doing a tremendous service for our community and teaching valuable lessons for the children in our schools about what it means to be a community and help each other.

# TRANSCRIPT

Mayor Holman: Senator Simitian has communicated the agenda for tomorrow's meeting. In working with the City Manager, we have agendized a Buena Vista item for next Monday. You might want to follow that.

Leland Francois: My name is Leland Francois. I'm from the East Palo Alto jurisdiction, not really the East Palo Alto municipal jurisdiction. I want to go back a little bit further and touch on the name East Palo Alto. Prior to East Palo Alto, it was the town of Ravenswood. A lot of you have been around a while, we're historically tied to Palo Alto through the Mayfield era. I want to bring some information to you tonight, offline information, information that you probably will not find on Facebook, Twitter, YouTube or whatever. As a sole proprietor business operator, I haven't had the opportunity to put a lot of my innovative ideas online yet. I'm here to discuss Ravenswood Gardening Products and the Free or Less Gardening Club. I've spent the past 24 years developing a line of consumer green-themed office, desktop furniture items. I must say this 22nd day of June that I am fabricating and manufacturing these items now within the Ravenswood Industrial Park area, at least that's the direction I'm headed for. I'm putting out the word right now. I brought my current flyers to distribute to you as well as to the public. My whole idea behind that for some reason, Ravenswood is historically connected by way of agriculture to the whole mid-Peninsula region. I won't touch on that too much. To let you know that some of the products I put on the market are such names as the Peachy Café, the Pumpkin Factory, Strawberry Inn, Banana Bar. Those describe the names of particular planters. They're somewhat educational. Even though I'm trying to design some items along with other desktop furniture pieces that would accommodate professional office inventory. I want to let you know that the mission statement of Ravenswood Gardening Products and the Free or Less Gardening Club is to address some of the social safety concerns within the at-risk community, not only locally but across the country. I must touch on Charleston, South Carolina. Today is just not a day after Juneteenth. That was tragic, what took place in South Carolina on the East Coast. Ravenswood Gardening Products and the Free or Less Gardening Club, we want to do something special for the people on the East Coast. That's why I'm coming before you tonight. To request of my friends in Palo Alto as well as neighboring vicinities to work with me. I've contacted the local University AME Zion Church as well as the St. Marks AME Church in East Palo Alto to find out what we can do to send a special message of condolence to our friends over there. I'm inviting the people of Palo Alto to assist me. If you're interested, I can be contacted by way of my personal telephone number at 471-3403, office number 461-4029.

# TRANSCRIPT

## Consent Calendar

John Guisun spoke regarding Agenda Item Number 2: I'm John Guisun. I live on what we call Middlefield North, a section of Middlefield between University and the Menlo Park border. The City Manager just spoke to the issue that I want to address, but I want to give you the residents' perspective. We read the City Staff Report about what the repaving would do to Middlefield. As far as the driveway aprons, the Staff Report said it would replace them as needed. During our more than a year discussion with City Staff, we had been told that would be a resident choice. As it turns out, if you dig into it and talk to Staff, they will clarify that and tell you it is a resident choice. As far as the sidewalk area to Menlo Park, that was also promised to be fixed when the road was repaved. The last news I have this afternoon is that we don't own that walk. It's part of Menlo Park; not part of Palo Alto. We cannot repave it without Menlo Park's permission. That seems to be something we might have looked into before we have the contract signed, but at least we're looking into it now. Finally the sidewalk buckling repair, that was also something we had talked about and were told it would be taken care of. The Staff Report leaves that out entirely. When we read the Staff Report, we were a little bit excited about it, because it didn't have all the elements that we expected. After maybe five days of back and forth with Staff, we've gotten some of that cleared up. The remaining item that concerns us is the Staff Report says the grinding of the cement core will take place on Saturdays. That's probably the most noisy and dirty part of the job. The reason the Staff Report gives for doing this on Saturday is "it will minimize inconvenience to the traveling public." I hope that City Staff feels that the residents are a priority over the traveling public. We're going to have to deal with this construction for six weeks, every day. Now we're going to have to deal with it for a few more days, maybe two days. Construction tends to run overtime, so maybe it'll be more than two Saturdays. Maybe it'll be three or four Saturdays. That's not the right approach. The other part that's irritating is that we've reached out to the City for the past 15 months to talk about improving Middlefield's safety. It's congested. We have the highest accident rate for any four blocks in the City. It's dangerous to wait on the sidewalks. The crashes end up with cars on our sidewalks on front lawns. This repaving is not addressing any of that. It's just repaving a bad design, a bad configuration. It's not going to address the accidents. We had hoped that, by talking to the City 15 months ago, they would consider that when the repaving would take place; that has not happened. At a minimum, I would ask you to go back to Staff and see if they can, at least, not make us endure Saturday grinding of cement cores along with the six to eight weeks of construction.

Mayor Holman: Looking for a motion regarding the Consent Calendar.

# TRANSCRIPT

Council Member Scharff: I'll move the Consent Calendar.

Council Member Kniss: Second.

Mayor Holman: Motion by Council Member Scharff, second by Council Member Kniss. Note for the record that Council Member Kniss has joined us.

**MOTION:** Council Member Scharff moved, seconded by Council Member Kniss to approve Agenda Item Numbers 2-6.

2. Approval of a Contract With O'Grady Paving Inc. in the Amount of \$1,901,151 for the FY 2015 Alma Street and Middlefield Road Paving Project, the 3rd of Three Contracts in the FY2015 Street Maintenance Program Project (CIP PE-86070).
3. Resolution 9529 Entitled, "Resolution of the Council of the City of Palo Alto Amending the 2014-2017 Limited Hourly Employee Compensation Plan to Implement Sick Leave Accrual."
4. Authorization for Palo Alto Housing Corporation to Sell the Property They Own at 1259 Pine Street and to Provide Funding for the Rehabilitation and Preservation of Affordable Units at 110-130 El Dorado Avenue, Along With Approval of an Associated Budget Amendment Ordinance 5331 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto."
5. Resolution 9530 Entitled, "Resolution of the Council of the City of Palo Alto Approving a Professional Services Agreement Between the Northern California Power Agency and the Cities of Alameda, Palo Alto, Santa Clara and Oakland, Acting by and Through its Board of Port Commissioners, for Electric Transmission, Generation and Regulatory Consulting Services for a One Year Contract Term."
6. Approval of a Memorandum of Understanding With the Silicon Valley Regional Interoperability Authority for Participation in the Regional Radio System, and Adoption of the Associated Budget Amendment Ordinance 5332 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto Ordinance for \$1 Million."

Mayor Holman: Vote on the board please. The Consent Calendar passes unanimously.

**MOTION PASSED:** 9-0

# TRANSCRIPT

## Action Items

7. PUBLIC HEARING: Adoption of a Resolution 9531 Entitled, "Resolution of the Council of the City of Palo Alto Confirming Weed Abatement Report and Ordering Cost of Abatement to be a Special Assessment on the Respective Properties Described Therein."

Mayor Holman: This is the time and place set for a public hearing on a resolution confirming the County Weed Abatement Report for Palo Alto and ordering costs of abatement to be a special assessment on the respective properties described therein. The public hearing is now open.

Public Hearing opened and closed without public comment at 8:21 P.M.

Mayor Holman: Has the Clerk received any objections?

Beth Minor, City Clerk: No, I have not.

Mayor Holman: Let the public record show that no persons appeared or filed written objections against these weed abatement proceedings. Any resolution passed by the Council on this matter will reflect this finding. I'll now entertain a motion to adopt the resolution and overruling objections, which have not appeared, confirming the report and ordering the abatement costs to be a special assessment against the listed properties. Are there any motions?

Vice Mayor Schmid: So moved.

Council Member Kniss: Second.

Mayor Holman: Vice Mayor Schmid moves, and second by Council Member Kniss.

**MOTION:** Vice Mayor Schmid moved, seconded by Council Member Kniss to adopt a Resolution overruling objections, confirming the report and ordering the abatement of costs to be a Special Assessment against the listed properties.

Vice Mayor Schmid: This is not a matter of aesthetics that we're dealing with. It's part of our required Code and safety.

Mayor Holman: Vote on the board please. That passes unanimously with all nine present.

**MOTION PASSED:** 9-0

# TRANSCRIPT

## Inter-Governmental Legislative Affairs

8. Legislative Update, Review and Approval of the Draft Fall 2015 Semi-Annual Legislative Strategic Initiatives.

Richard Hackmann, Management Analyst: I will kick things off and then hand it over. Tonight we have with us our state legislative advocate, Niccolo De Luca of Townsend Public Affairs, and Thane Young and Steve Palmer, our federal legislative advocates, of Van Scoyoc Associates. As you've seen from the Council packet, you have the draft Fall 2015 Semi-Annual Legislative Strategic Initiatives. This document will guide us for the next six months in our legislative process. It was vetted by Policy and Services Committee on May 12th and approved on a 4-0 vote. This is intended to help us both react to legislation and legislative policy that comes before us and also to help form policy as we move forward. Niccolo De Luca will do a brief presentation followed by our federal legislative advocates, and then we can take it in whatever direction the Mayor directs us.

Niccolo De Luca, Townsend Public Affairs: My name is Niccolo De Luca. I am a senior director at Townsend Public Affairs. I want to thank the City Council, City Manager and Staff for your confidence and faith in us as we represent the City in Sacramento. The memo that we submitted is in your packet on page 196. I was going to do a quick overview on where things stand in Sacramento, and then answer any questions that you have. In the State, we're in a good spot. The budget continues to get better. The Legislature met on Friday, and they've got a budget presented to the Governor. They are awaiting his signature. It's a general framework. It is not balanced on the back of local government, which is great news for the City. There are some upcoming funding opportunities from the budget, which is also great news for the City. There is some drought relief. There is some natural resources funding that will be coming available. The Legislature continues to work closely with the Governor. The Governor has made it very clear what his priorities are. From a policy topic, the Governor's top focus is the drought followed by more drought. There's some additional trailer bills—I don't want to get into too much detail—that need to be resolved. They don't have an impact on the City. It's the trailer bill on redevelopment. There was some good news recently that we passed onto the City. Due to State revenues hitting a certain amount and a higher mark, there was funding coming from the State to the City, a little bit under \$1 million, to pay you back for pre-2004 mandates. That's some good news that's coming. When we presented to the Policy Committee, one topic that was raised was transportation and transportation funding. Obviously there was a presentation earlier in the Council meeting about transportation funding. The Governor has called a special session—it has not yet been

# TRANSCRIPT

set—to talk specifically about transportation. This is about infrastructure and funding that will go to counties and cities. It's to address some of our highways and freeways, and also to address some local roads. That date has not yet been set. The Governor has heard clearly from the Legislature that this is a high topic and a matter of concern. It also dovetails with what Senator Bell has, which is a proposal to increase the gas tax and other funding opportunities. That is a priority to the City. We will keep you closely updated on what goes on. As soon as the hearing dates are set and the information's made available, we will pass it onto City Manager Staff for the Council. Moving forward on legislation, there are a couple of bills that the City has weighed in on in support. Once the City takes a position, we make sure that Senator Hill is aware of the City's position, Assembly Member Gordon, committee staff and others. In committee, we testify on the City's position. A couple of quick bills to note. Something that has been presented that is along the lines of the City's priorities is Senate Constitutional Amendment 5 from Senator Hancock. That's to close the loophole of commercial property owners. When Prop 13 went forward, there was a loophole that commercial owners have been taking advantage of. This Constitutional Amendment proposed to close that loophole. Constitutional Amendments need two-thirds in both houses, and then it goes to the voters for the next general election. If this does not make it through the Legislature, there will still be a signature gathering initiative. We will keep you updated on that. Another topic that came up when we presented to the Committee was Senate Bill 661 from Senator Hill about how airlines are assessed. That bill is on hold, which means it is not moving forward this legislative session. The bill proposed to take the assessment authority away from County Assessors and give it to the Board of Equalization. There was some concern about that bill and the impact on cities; however, that bill is not moving forward this year. I mentioned Senator Bell's transportation bill. That's being folded into the special session that the Governor's proposing. There was also another bill of note, Assembly Bill 888 from Assembly Member Bloom which regulates microplastics. That bill's moving forward. It's gotten through the Assembly, and it's now on the Senate side. There's additional updates that I won't get into, unless you'd like me to. That's in the memo. I will happily answer each and every one of your questions.

Council Member Burt: Thank you for the update, Niccolo, and for your discussion with us at the Policy and Services Committee. There's one item that has come to my mind since we had our review of the plan at the Policy and Services Committee. That's around what seemed to be at least an oddity in the State conflict of interest laws. It seems like every couple of years there's a legislative update. Are you aware of any on the horizon and who's carrying that legislation, if there is one?

# TRANSCRIPT

Mr. De Luca: With regards to conflict of interest? There is something out now with regards to conflict of interest, and it impacts members of Water Boards. There was also a bill from Assembly Member Gomez with regards to disclosure on campaign matters. That was something we were watching for the City last year. This year's version is a little bit watered down. I can also do another search, but those are the first two that come to mind.

Council Member Burt: Let me bring up the issue, see if my colleagues have an interest in requesting that we pursue this as another piece of legislation broadly on the topic. We've had this issue in Palo Alto for a long while. Council Members whose spouses are employed in some way by Stanford University are deemed to be conflicted on not just issues directly related to Stanford University, but also issues related to Stanford commercial property. Just a week ago, Council Member DuBois had to recuse himself because of an office development cap that specifically did not include Stanford University property. Because it could potentially impact some value of their property and Council Member DuBois' wife works in mechanical engineering at Stanford, there's some perceived or under law some conflict of interest. There's no materiality that we can construe. Previously, Council Member Klein, whose wife was an emeritus professor in the education department, was as immune from any impact from the University as you can be, but he had a similar conflict. This has been with us in Palo Alto for a long while. I don't have the specific language, but we can certainly describe this as the intent, which is to pursue modification to conflict of interest laws where there would be a requirement of materiality for there to actually be a conflict. I'm interested in whether colleagues think this is something we'd like to have pursued. It's been an issue in Palo Alto for a long while.

Council Member Wolbach: I would be open to at least considering more of that. Happy to hear what other colleagues think. SCA 5, Hancock's bill about Prop 13. What do you think it's chances are of getting two-thirds?

Mr. De Luca: The Republicans right away said, "Good luck getting our support." There's also some whispering within the hallways of the Capitol of this is the strategy: threaten legislation but at the same time get signatures. It was announced on Tuesday of last week. By Wednesday morning, Senator Huff's press release said, "You don't have our members." Needing two-thirds, it's going to be an up-hill battle.

Council Member Wolbach: Slim to none.

Mr. De Luca: Definitely an up-hill battle.

Council Member Wolbach: As you know, we're on break starting July until the middle of August. IF there are any gut and amends that come up that



# TRANSCRIPT

you think are important enough for us to weigh in on, I'm sure you'll be in touch with our Staff right away so that we can address those once we get back from break.

Mr. De Luca: Absolutely. Part of our communication with the City Manager's office is weekly updates. As you know, something that happens towards the end of the legislative session in the midnight hours is a gut and amend. You take a good bill and you amend it, gut it and put it into something else. The past couple of years, CEQA has been a topic of gut and amend. The Governor and the Legislature addressed that last year by making legacy projects, where they've lightened CEQA somewhat, if you meet a certain threshold for construction projects. That's one of the benefits of having us in Sacramento. Our eyes and ears all over to hear what's going on. If anything pops up, we'll let the City know right away and take effective action.

Council Member Scharff: One of the things I thought we should include in our support is AB 327, which is the public works volunteers bill by Assembly Member Gordon. That one extends the sunset date in Labor Code § 1720.4, which enables local governments to use volunteer labor on public works projects until January 1, 2024. This means tree planting in Palo Alto. This is allowing our people to go out and do that. It allows people to pull invasive species. It allows people to plant new plants. It allows the public to participate in those kinds of things which, otherwise, would be prohibited by these Labor Codes. Are we going to make motions to include things? I would make a motion that Palo Alto support our Assembly Member Gordon on AB 327.

Council Member Berman: Second.

**MOTION:** Council Member Scharff moved, seconded by Council Member Berman to support Assembly Member Gordon on AB 327- Prevailing Wage: Volunteer Exemption.

Council Member Scharff: This is something that is good and has local control and flexibility. It's all the things that we believe in. It allows our citizens to participate. It allows them to participate in the canopy days that we often have and tree planting and stuff like that. It would be a real shame if it wasn't extended.

Council Member Berman: Council Member Scharff's absolutely right. If this isn't passed, it has the possible impact of precluding people from being able to volunteer on these projects. That'd be a shame. It's great that this is removing the impediment to that. We should support it.

# TRANSCRIPT

Mayor Holman: Shall we vote on the board please. That passes unanimously with nine present.

**MOTION PASSED:** 9-0

Vice Mayor Schmid: Thanks very much for the update and for the description of what's going on. On packet page 182, you have a list of our strategic initiatives, the things we are most concerned about and involved with. It's very important that we confirm that those seven things identified are our critical initiatives. Number one is Prop 13. That continues to be up there with the most important issues. "G" identifies sea level rise as important, and that certainly is. It seems to me that the water and drought issue is of equal importance. In the recent month or so, there's been a couple of decisions in Sacramento about the protection of water rights pre-1914. It would be important to have you monitoring that issue. If you do find anything, to pass on early warnings to us.

Mr. De Luca: Certainly.

Council Member Berman: Following up on Council Member Scharff, I'd like to make a motion that the City of Palo Alto support SB 16, which is Senator Bell's transportation funding initiative. I can speak more to it, if I get a second.

Council Member Scharff: I'll second that.

**MOTION:** Council Member Berman moved, seconded by Council Member Scharff to support SB 16- Transportation Funding.

Council Member Berman: We in Palo Alto have prioritized street maintenance over the past five or six years. We've had a lot of success on that. There are efforts in Sacramento to change the way that funding for street maintenance is determined, but those won't be implemented for five years, I think is the time horizon expected. SB 16, Senator Bell's bill, would provide interim measures to increase funding for street maintenance over the next five years through a variety of means, to stop the backlog and stop roads from deteriorating even more which costs even more to repair.

Council Member Scharff: We've focused on infrastructure in our community. Senator Bell is taking it statewide and trying to address the backlog of street improvements and transportation funding. We should support this too. It's on packet page 198. We have it under watch. Was there any particular reason we had it under watch? Was there a reason why we shouldn't support it?

# TRANSCRIPT

Mr. De Luca: The reason it was on watch is we were waiting to see how it moved. Initially, when the Senator introduced it, he gave overtures that it was going to part of the budget. It wasn't folded into budget discussions, so we were trying to see what the fate was going to be. Now that the budget is resolved, now's the perfect time to take action.

Council Member Scharff: Now is the time to take action.

Mr. De Luca: My recommendation would be, with the special session on transportation being called, we support SB 16. However, I'd also like to outline specific Palo Alto priorities that we'd like to see part of any major transportation package.

Council Member Scharff: Do you have any suggestions for those?

Mr. De Luca: Backlog of maintenance. Not just major transportation projects, but filling potholes. Alternatives such as slurry seal or what have you. Use of some of the funds that go to the county; maybe a higher percentage goes directly to cities. Things of that nature. We can have actual policy topics in case SB 16 gets rolled into another piece of legislation.

Council Member Scharff: Can I ask Richard if he has any thoughts on this? I know you track this stuff.

Mr. Hackmann: I echo the statements made by Niccolo.

Council Member Burt: Overall, I'd be supportive of additional transportation funding. It's hard for me to know, based on the description, how these funds would be allocated for different purposes in transportation and how it would affect Palo Alto potentially. Niccolo, any idea?

Mr. De Luca: That's still up in the air, percentages and how it gets divided. We had a discussion this afternoon about do these funds also include EV stations or other types of transportation. That's still nebulous as to what it would do specifically. There has been a tremendous amount of pressure in a good way from local governments and others saying, "Our backlog on our repaving is 80 years, 90 years." Whether you want to do development fee or what have you, how do you pay for this? It's clear from the locals, we're talking local roads. The State is also talking at times freeways. How does that get decided?

Council Member Burt: Is this all to further car transportation or is it broader than that?

# TRANSCRIPT

Mr. De Luca: This is definitely for cars. This is not Amtrak or Caltrain or anything like that. There is going to be funding for that through Cap and Trade.

Council Member Burt: I'm a little apprehensive that we don't know enough about this bill to know whether it's the right bill for addressing the transportation concerns we have. I'm not opposed to it based on what I know. I don't know enough to support it either. I don't know if there's a different means for us to have this continue on watch. What's our process? If we have at this point in time a bill that, by the time it moves through the Legislature, we might fully endorse but we don't know tonight, what's our process for being able to make those decisions?

Mr. Hackmann: To give a hypothetical in a situation like this where we have it listed as a watch. As it progresses through the Legislature, if it turns out to be a bill that's promoting only single occupancy vehicle trips, it's something we would obviously be unlikely to support. However, as it works through the Legislature, if elements are added to promote high occupancy vehicle trips, high occupancy vehicle lanes, mass transit, those sorts of things, that's when it moves towards the support position. The ambiguity of the bill right now was the reason it's listed as a watch. It would likely bring benefits, but ...

James Keene, City Manager: There's one or two options. If we have an existing policy that was clear enough and we were in a deadline crunch, then we could draft a letter for the Mayor's signature. This is the reason, for the most part, that we have during the legislative season a standing agenda item on legislative matters. We could put something on a Council agenda pretty quickly to bring it to the Council for discussion and specific direction when we've gotten a particular item. Other than those two approaches, we don't have any other formalized process right now.

Council Member Burt: I would prefer that we hold off on a decision on this particular bill until we know more about it. It may be something we do want to support.

Council Member Wolbach: I would be supportive of making this contingent upon the bill including more than just single occupancy vehicle infrastructure. I would propose a friendly amendment to that effect, that we would support SB 16 contingent upon it including support for mass transit, high occupancy vehicles and efforts to reduce single occupancy vehicle trips.

**AMENDMENT:** Council Member Wolbach moved, seconded by Council Member XX to support SB 16- Transportation Funding contingent on the bill

# TRANSCRIPT

including support for mass transit and efforts to reduce single occupancy vehicle trips.

Mayor Holman: Council Member Berman?

Council Member Berman: Sure.

Mayor Holman: Council Member Scharff?

Council Member Scharff: I'm being won over by Council Member Burt. I understood this was doing what we're doing in Palo Alto, which is repaving the streets and providing communities that don't have the money to repave to do that. I would have too much concern about us adding this without a better context of where the bill's going. I couldn't accept this amendment. The right thing to do would probably be go to Policy and Services in a timely way and have us watch this bill. I'd like us not to forget the status of this, but to go to Policy and Services as soon as we have some parameters and have you guys vet it. That's what I'd like to see.

Mayor Holman: Council Member Wolbach, do you want to offer your amendment as a freestanding amendment?

Council Member Wolbach: My concern is timeline. The legislative session ends at the end of August, right?

Mr. De Luca: Correct. However, since this is called in a special session, some of those deadlines are off.

Council Member Wolbach: I'll retract my motion for now.

## **AMENDMENT WITHDRAWN BY THE MAKER**

Mr. De Luca: Another option could also be on behalf of the City of Palo Alto support if amended to include certain things.

Council Member Wolbach: That's what I was suggesting, but it doesn't sound like my colleagues are going to go down that road. I'll retract my amendment.

Council Member Scharff: I wanted to suggest that maybe we could closely track SB 16 and as soon as the outlines are a little clearer, go to Policy and Services as soon as possible.

Mayor Holman: You're offering that as a substitute motion?

# TRANSCRIPT

Council Member Scharff: I was offering it as an amendment to Council Member Berman. I don't know how he feels about it.

Council Member Berman: I'd like to ask our lobbyist a follow-up question on a comment he has made, before I do that. You mentioned that the timelines won't pertain to a special session. This stuff could go past the end of August or it could happen sooner than that?

Mr. De Luca: It won't happen sooner. It could go past August. It could roll into September. Obviously you'd have to make sure the Legislature stays in session. The point of calling a special session is it gives you more flexibility on timelines. You don't have the shot clock, like they refer to, constantly ticking.

Council Member Berman: You don't think this will be acted on before the end of August?

Mr. De Luca: There will be something in print that's up for debate before (crosstalk).

Council Member Berman: Which is helpful for our purposes of having more context.

Mr. De Luca: My concern is the budget is finally being resolved, and this was not part of the budget. This is a standalone item which means more attention is going to be paid to it. There's going to be more discussion, more give and take. What's in print now very well could be the framework, but there could be pieces taken or added.

Council Member Berman: I accept Council Member Scharff's amendment.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "to closely track SB 16-Transportation Funding and as soon as the outlines are more clear, refer this item to the Policy and Services Committee."

Vice Mayor Schmid: I was going to make the same suggestion. It makes sense to go to Policy and Services for a hard look at what we have and their recommendation would be important.

Council Member Kniss: As a point of information, the Cities Association, which includes Council Member Scharff, has fully supported this bill. A letter has gone in. I'd be delighted to read the letter if you're interested. That is where our Cities Association—are you the vice president, Council Member Scharff?

# TRANSCRIPT

Council Member Scharff: I am.

Council Member Kniss: There's pretty strong support for this. It goes into some details why the cities are supporting it.

Mayor Holman: Council Member Kniss, the Cities Association has fully supported ...

Council Member Kniss: I'd be glad to read it to you. I can guarantee you it fully supported it and why. They feel very ...

Mayor Holman: It might be helpful if you read the salient portions of it, not the whole letter.

Council Member Scharff: We all have the email.

Council Member Berman: We got the email today.

Mayor Holman: I haven't seen today's email of this.

Council Member Kniss: This talks a great deal about regular maintenance, cost of repairs increases. Exponentially it would expressly address the backlog of maintenance needs, estimated to generate just what we said. 5 percent of the revenues would be set aside to incentivize counties currently without a local transportation funding measure to approve such a measure. It sounds to me as though this very much is about maintenance, particularly for counties that don't have this. We may not be reading this exactly right. This just came today. If others haven't seen it, I could understand why.

Mayor Holman: I had not seen it.

Council Member Berman: I'm perfectly happy with going to P&S. For information for my colleagues, on the sender's website it says this bill guarantees that the revenue will be used exclusively for road, street, bridge repairs and improving freight mobility at ports. It says that in addition to the State receiving funding for state roads, Santa Clara County will receive \$26 million. Cities in Santa Clara County will receive \$36.6 million. Some money will come to cities. It's not going to be a boatload. It will be some. I don't know if that was annually or over the five years of the bill. We can talk more about it at P&S if that's where this is going.

Mayor Holman: The motion on the floor is to closely watch SB 16 and as soon as further details are available, refer this item to Policy and Services Committee. Vote on the board please. That passes unanimously.

**MOTION AS AMENDED PASSED: 9-0**

# TRANSCRIPT

Herb Borock: The legislative priorities include one to reduce airplane noise and its impact on the public. You had some speakers earlier this evening on that. I think of that issue as one dealing with a regulatory agency. It might be helpful to hear from lobbyists or members of the Committee who included that on the legislative priority to see what they expect could happen or what might be in process. The conflict issue that was raised by Council Member Burt. The regulations for conflict of interest already include materiality as one of the criteria. In this case, it's not a question of what the regulations or the law says, but rather the behavior of individual Council Members. I recall when Council Member Klein was on the dais, there were times when Stanford issues came up that other people thought might be a conflict. He was very clear that it didn't meet the materiality standard, and he participated. You raised an issue, Council Member Burt, where it seemed that he had raised an issue that he said he was in conflict with, that didn't seem to do that. There is a procedure to be protected against any liability for participating in something by getting written advice from the Fair Political Practices Commission that protects an elected official from any civil or criminal liability. If they say you can participate, you can. It's up to the individual Council Member to decide whether to seek that advice. If a Council Member decides not to participate on something you think the Council Member should be able to participate, that's something among the Council Member's behavior as opposed to a legislative issue. I don't think that's a legislative issue. The existing law is sufficient to deal with the issue of materiality. It's a question of somebody choosing not to participate without raising that issue with the FPPC and getting something in writing from them.

Council Member Burt: I want to turn to the City Attorney on this. I know that you had sought a clarification from the FPPC on these related matters. Can you clarify for us what is the current FPPC interpretation as it pertains to what we received in the most recent letter and any recommendations you would have on language that would redress what seems to be an interpretation where they determine a conflict where there's no material impact.

Molly Stump, City Attorney: City Attorney Molly Stump. There are two layers of regulation. There's the State law, the Political Reform Act, and then there is a detailed set of administrative regulations that interpret and apply that law and provide more specificity and specific examples. Those regulations are drafted and noticed by the Fair Political Practices Commission, and then adopted by that body. They do become regulatory law that is required to be followed. As I understand your comments tonight, you are suggesting what would need to be an amendment to the statute itself, which would add a materiality element to the impact on the city



# TRANSCRIPT

official. The law already includes an extensive set of questions and a structure for analyzing the materiality of the impact of a governmental decision on the financial interest itself. It is something that's worth a lot more detailed conversation if the Council wishes to pursue it. This seems to be a suggestion of materiality in terms of the impact on the elected official, of an indirect impact on the financial interest itself. In this particular case, the conflict that you referred to, we had made a written request for quite a number of Council Member financial interests, both real property and income interest related to the potential growth cap. We also did some similar requests for retail preservation and some specific projects that the Council has recently faced. The FPPC has provided written guidance. They did state that Council Member DuBois does have a conflict and should recuse himself from the growth cap item, with respect to a potential growth cap that would include the Stanford Research Park and one that would exclude the Research Park but include most or all of the rest of the commercial and R&D property in Palo Alto. That level of written opinion has already been provided. Is that helpful?

Council Member Burt: Yes, thank you. I would like to make a motion that we request our legislative advocate to pursue legislative opportunities that would include a requirement of materiality of impact on the elected official for a conflict of interest to exist.

Mayor Holman: Looking for a second. I would second that.

**MOTION:** Council Member Burt moved, seconded by Mayor Holman to request the legislative advocate investigate legislative opportunities that would include a requirement of materiality of impact on the elected official on the conflict of interest.

Mayor Holman: I have a procedural question for the City Attorney. Because it's been referenced, can Council Member DuBois participate in this discussion or vote?

Ms. Stump: Yes, this is general policy. It's a question about direction to the legislative advocates. For the Council's consideration, the Fair Political Practices Commission has had a project that's been underway for several years, looking at all of its regulations. They are lengthy and complex. They have been revising them in a series of phased decisions. I believe they are close to the end of that process or perhaps at the end of that process. I mention that to note that this is a very complex area of law. There has been a lot of attention recently to these rules. It may be the view, particularly of the regulatory agency, that they've done a refresh of the rules and they are coming close to the end of that process. I note that for the Council.

# TRANSCRIPT

Council Member Burt: If that is the case, it sounds like whether they might have looked at this or they might yet look at this, we may want to pursue advocacy to the FPPC as they're redoing their administrative regs, other than a legislative change. Do they take input from the public and agencies?

Ms. Stump: They absolutely do. They publish in advanced time proposed changes to the regulatory provisions. Then they take both written comments and public comments before making a final decision. From time to time, they do make changes. The cities, through the League of Cities and specifically through the City Attorney's department of the League of Cities, have a very active monitoring role in that process and participate in all the meetings and seek to advance issues that cities have in common towards clearer rules that provide guidance that can be (crosstalk).

Council Member Burt: If we wanted to pursue that avenue as well, would it be through your office and the City Attorneys Association or through what means would we pursue the correction at the FPPC level?

Ms. Stump: We could start by inquiring whether the issue has been raised, analyzed and dealt with by the FPPC, and how that was done and in what context. It'd be helpful to the Council to know that.

Council Member Burt: That would be through your office?

Ms. Stump: I'm happy to do that. I can do that for you.

Council Member Burt: In that case, I'd like to modify the motion by adding "and request our City Attorney to pursue regulatory changes along the same lines." I don't know what language would be better.

Ms. Stump: It might be most productive to, first, do some research to determine whether this type of issue has been raised and addressed and in what way that was raised. Then to return perhaps to Policy and Services for more specific direction about what the Council is interested in doing. Again, the topic is a broad one.

Council Member Burt: Rather than "pursue," should I say "investigate"?

Ms. Stump: I like that better.

Council Member Burt: "And return to Policy and Services."

Mr. De Luca: I'd like to insert ourselves in that process. There's a lot of committee staff I'd like to talk to to get some background, to get some history, to hear what else has been proposed in the past, how it moved, why it didn't move. We can also talk to folks at the FPPC. We've got some great

# TRANSCRIPT

contacts there. If we decide this is something we want to do, by all means. This is a vast topic. It can scare people at first, because it's a big topic. We would reach out to other cities and other organizations to get them onboard, shop it for an author, and then get it introduced. We can talk afterwards.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "request the City Attorney investigate regulatory changes along the same lines and report to Policy and Services Committee."

Mayor Holman: I had seconded this motion. For the maker of the motion, I believe you're also asking for the legislative advocate to investigate the legislative ...

Council Member Burt: Yeah, at this time that's adequate.

Mayor Holman: Perhaps it's a little bit clearer if we break this into two parts. Not for separate votes, but one for the legislative advocate and two is for the City Attorney. If that's agreeable to the maker, just for clarity.

Ms. Stump: Perhaps it would be most productive for the two of us to work together as opposed to being on parallel tracks.

Mr. De Lucca: Definitely.

Mayor Holman: It's direction to both of you. That's not to say you shouldn't be working together. It does not preclude that.

Council Member Scharff: We're putting the cart before the horse. If we want to pursue this, we should have the City Attorney investigate along those same lines. Go to Policy and Services. Policy and Services should then understand what the current rules are. What does this exactly mean? This is a complex area of the law. Material impact, what does that mean? I don't think we should be going to the legislative advocate and requesting him to investigate legislative opportunities until after we've gone to Policy and Services to understand this. Investigate legislative opportunities means we want him to include it in some sort of a bill. Until we got to Policy and Services and say, "This is the actual change. This is what we're advocating for and this is going to be the effect of that," we shouldn't be doing that until Policy and Services and Council says, "This is what we're trying to achieve and this is the changes in the law we want." If we do that, then I could easily support this. I'd like to see it go to Policy and Services. Policy and Services ...

Mayor Holman: Are you offering an amendment?

# TRANSCRIPT

Council Member Scharff: Yeah, I'll offer that as an amendment.

Mayor Holman: Specifically state your amendment if you would please.

Council Member Scharff: The amendment would be to request the City Attorney investigate regulatory changes along the lines of requiring a material impact on the elected officials on the conflict of interest and then report back to Policy and Services, at which time Policy and Services will suggest to Council whether or not we should engage our legislative advocate to seek legislative or regulatory changes on this issue.

Mayor Holman: You're amending the motion to eliminate (a), because Policy and Services does report and make recommendations to the Council. You're eliminating (a).

Council Member Scharff: I think (a) comes after we make the decision to move forward and what the decision should be on.

Mayor Holman: Council Member Burt, do you accept that amendment?

Council Member Burt: No.

Council Member Berman: I'll second it.

Mayor Holman: You have an amendment by Council Member Scharff, second by Council Member Berman.

**AMENDMENT:** Council Member Scharff moved, seconded by Council Member Berman to replace in the Motion, "request the City Attorney investigate regulatory changes along the same lines and report to Policy and Services Committee" with "to direct the City Attorney to investigate regulatory or legislative opportunities that would include a requirement of material impact on the elected official on the conflict of interest and report to the Policy and Services Committee."

Council Member Scharff: I don't understand what our legislative advocate would be asking legislators to carry. What changes would they be making and why? This has been an issue in Palo Alto for ten years. If we're going to discuss it with our legislators, we should understand the existing legislation, what needs to be changed, why it needs to be changed and why they should spend their time on this. Go out and investigate legislative opportunities is a waste of time. We want to know as a Council what we're advocating for. We want to know what the regulatory scheme is and what we would like to be different and how we would change it. Just to say a requirement of material impact, they may tell us that there's currently a

# TRANSCRIPT

requirement of material impact or they may tell there isn't one. I don't think we understand the law as we sit here right now. That's the purpose of Policy and Services, to vet something like this. I don't see any reason why we need to engage our legislative advocate right now and why it can't go to Policy and Services first.

Council Member Berman: I agree with Council Member Scharff. It makes a lot more sense to vet this and hone it down to better understand how this impacts Palo Alto and know specifically what changes need to be made as opposed to having something so broad. I imagine it would be very difficult to get any legislator's attention to this without it being much more specific as to the change that we're seeking. It makes a lot more sense to go to P&S, just like other items are vetted to get a better understanding of what's happening in Sacramento and what changes we're trying to make. Then ask our legislative advocate to see if there are any opportunities at that point.

Council Member Wolbach: It sounds like colleagues are talking past each other a little bit. There may be some confusion about what this language on the screen means prior to the amendment. My reading of this was not that we were instructing our legislative advocate to do advocacy. Following what was suggested by City Attorney, the City Attorney and our legislative advocate would work together, each separately investigating but also in coordination, to determine the status quo and whether changes are needed. Then to come to Policy and Services. That was my understanding of the motion prior to the amendment. I'm comfortable with that, because my understanding was it's going to come to Policy and Services. It's right there. I don't see the need for the amendment. Policy and Services is already kept in the loop. That was the intention of the maker. He's nodding his head. I'm not going to support the amendment. It's clear enough. I do agree with the points made by the maker and seconder of the amendment. When we do go to our legislators or other legislators and do advocacy, of course we should have our ducks in a row. I don't think this is putting the cart before the horse.

Council Member Burt: I agree with Council Member Wolbach. Our City Attorney understands the nature of the problem and would be able to work with the legislative advocate. Part a had been modified. The maker and the seconder of the amendment seem to be speaking to language that's not in (a). It's not pursuing legislation. That was changed. It's investigate opportunities. To look at whether there is legislation that's moving forward or on the horizon, where we might be able to insert the language that we're seeking. That's what it'd be doing.

# TRANSCRIPT

Vice Mayor Schmid: We seem to be talking about the Brown Act. The Brown Act deals with transparency in making public decisions. It's not just having a material impact, but perceptions of the public of what we're up to. It's tied to that statement of material impact. The whole purpose of the conflict area is here's potentially a material impact. In order to be as transparent as possible for the public, we are recognizing the possibility of that. It's a very tricky issue. I would feel more comfortable with the legal team taking a first cut on what are the definitional issues, and then have a discussion in the Policy and Services Committee about what is that. Then going to a legislative advocate about how would we deal with something like this. It's a legal issue that should be examined, and it's a policy issue that the Policy and Services Committee should look at next.

Council Member Scharff: If we don't have the amendment, it's unclear what the legislative advocate would do. I don't think it makes sense for him to spend time at the legal stuff that our City Attorney would look at or to look at opportunities and bills until we know what we want to put in that bill. I don't quite see how that would work. I don't think it would be a good use of his time.

Council Member Kniss: I was surprised to hear the Vice Mayor comment on the Brown Act, because that had been my exact comment. I'm intrigued by it. If I can be flip for just a moment. For heaven's sakes, why are we required to be under the Brown Act and the Legislature isn't? I'm not attempting to be funny. It serves the public so poorly. We are tied to that Brown Act. If you listen to any of the Senate or Assembly, they will tell you they've talked to every member there in order to get their bill passed. Truly, is that justice? Hardly. The Vice Mayor's comments were apt.

Mayor Holman: Council Members, the amendment on the floor that we'll be voting on is to direct City Attorney to investigate regulatory or legislative opportunities that would include a requirement of material impact on the elected official on the conflict of interest and report to Policy and Services Committee. That amendment fails on a 5-4 vote with Council Members Berman, Scharff, Schmid and Kniss supporting.

**AMENDMENT FAILED:** 4-5 Berman, Kniss, Scharff, Schmid yes

Mayor Holman: We return to the original motion, the main motion, which is to request the legislative advocate investigate legislative opportunities that would include requirement of material impact on the elected official on the conflict of interest and that we would also request the City Attorney to investigate regulatory changes along the same lines and report to Policy and

# TRANSCRIPT

Services Committee. Vote on the board please. That passes on a 6-3 vote with Council Members Berman, Scharff and Kniss voting no.

**MOTION AS AMENDED PASSED:** 6-3 Berman, Kniss, Scharff no

Council Member Kniss: I would love it at some point we would pursue the Brown Act. I doubt that it's ever going to happen. It's something we've all talked about in elected office for years. I find it offensive and continue to do so and will speak out whenever I have a chance.

Mayor Holman: I have a question about Prop 13 advocacy that is referenced there. My concern has been and continues to be about that reform. I certainly appreciate there needs to be some reform. My concern is if there's anything in there that protects property owners who rent to retail space. My concern is that there is a carry forward of the increased property tax, such that there would be a negative impact on retail, especially local independent businesses. I'm wondering if there's anything included in that legislation at this point in time that preserves and protects a lower rent base rather than a carry forward.

Mr. De Luca: I will check that. I understand where you're coming from. I do know that SCA 5 is more along the lines of protecting residential property owners and was directed more towards the Disneylands or the Chevrons. Let me check that on the smaller retail establishments.

Mayor Holman: When it comes to a vote on these, I will have a qualified positive vote on that. That is a major concern of mine, because so many of the leases include a carry forward of all the costs. At this second, I'm forgetting what they're called. Triple net leases which carry forward all of those costs that the property owner bears, and they carry them forward to the tenant. I'll make a motion here. Our legislative advocate promote or advocate for protections for retail tenancy related to Prop 13 commercial property reform. Looking for a second to that, as we have just passed our Urgency Ordinance to protect retail. I see no second.

Council Member DuBois: I'm not sure I understand that. Can you explain a little bit further?

Mayor Holman: I've seen nothing in this reform that gives any kind of Prop 13 reform window, if you will, that would allow the increased property taxes to consider what the use is in a commercial building. Most of the leases that I'm aware of in commercial properties are triple net. If there's an increase in property taxes as a result of this legislation, my concern is that those increased property taxes are going to be carried forward and impact retail

# TRANSCRIPT

occupants, making it further difficult for retailers to occupy space. I have no second.

**MOTION:** Mayor Holman moved, seconded by Council Member XX to direct the Legislative Advocate to promote protections for retail tenancy related to Proposition 13 commercial reform.

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

Council Member Wolbach: The reason I haven't seconded it yet is it seems a little bit broad. I'm not sure if Walmart or IKEA or Target or Safeway need that carve out. That's why I haven't seconded it yet.

Council Member Burt: It would affect all retailers equally. This is getting into too much sculpting of this particular legislation from the dais.

Mayor Holman: I had one other one having to do with CalPERS. The City Manager can probably speak to this as well as anybody else. The latitude that cities need to have in relation to CalPERS in order to be able to retain a viable workforce and balance budgets, especially as healthcare costs continue to rise and the limited scope cities have in affecting employee compensation. Maybe City Manager can speak to this.

Mr. Keene: The draft policies, even as it relates to the fall legislative program, has a number of recommendations relating to employee relations that give us general latitude to work in this arena and have enough direction. That being said, there are lots of regulations and interpretations that operate through the CalPERS and ancillary systems that do lock cities into some pretty stuck positions, as far as being flexible about providing the services we need to provide with a workforce of the future. At this point, the policies are in pretty good shape. One of the things that we want to be doing on our legislative strategy is having some follow-up conversations about how we take this to the next level as it relates to ongoing legislative engagement and activity and coalition building over time. Obviously we're not going to have any success in this arena as a single city. We're not going to accomplish anything near what we want to accomplish in any one single year. The implications of this, not only on the cost side, but in the quality of the services long term we can provide to our employees, we've got to get more flexibility in this arena. It's a predicament shared by lots of other folks. I would like to be thinking, as we have some ongoing discussions with Policy and Services around our legislative program, how we start to build some sort of campaign and coalition working on this issue in particular.

Mayor Holman: Agreed.



# TRANSCRIPT

Vice Mayor Schmid: I'd like to reiterate the importance of this issue. Under public employee and benefit strategic initiatives, we have nine that deal with various aspects of it, including three or four that deal directly with CalPERS and being able to do that. I certainly do support having this as an important strategic policy of the City.

Council Member Burt: The other thing I would like to get on the record is this discussion about the Brown Act. I would like to see the Legislature function more transparently, so the public gets to understand and have full visibility of how legislation is being made. I don't think the fact that they don't have to function under the Brown Act is a basis to advocate that we should not. The Brown Act, as imperfect and challenging as it can be, is about providing greater transparency to the public and openness to our democracy. It's been a hallmark of open local government in California for many decades. It may from time to time need to have modifications, but I am not in favor of disbanding it or any other wholesale changes to it.

Thane Young, Van Scoyoc Associates: Thank you very much, Madam Mayor and Members of the Council, for having us here this evening. In a minute my colleague, Steve Palmer, is going to come up and talk about some of the issues. I wanted to cover some things first. My name is Thane Young, and I'm a vice president at Van Scoyoc Associates. It's been our pleasure to work for the City for the last several years. I'm happy to say that we've seen some progress on some of the priorities that have been laid out by the Council over those years. I'd like to talk about three issues in particular within the context of the appropriations bills. Congress this year is making some fairly good progress on the appropriations bills, passing them in regular order. The House has acted on half of the annual appropriations bills. The seventh bill is going to be considered this week. The Senate is moving ahead with bills, but only up through the committee level. The Democrats in the Senate are concerned about two major aspects of the appropriations bills, and that is the spending caps, the funding levels in those bills, and riders. These are policy riders that the Legislators are putting in bills to influence regulatory actions that Congress is not happy about. I haven't counted them, but I think we're probably getting close to the 100 rider range. One bill alone has 20 riders in it, the Interior and Environment Appropriations Bill. It's a problem that Congress is going to have to deal with. What this means is we're going to see all these appropriations bills get to a certain point and stop. At the end of the year, we'll be dealing with an omnibus appropriations bill, similar to what we've dealt with in years past. Two of the issues the City is concerned about are the subject of these riders in these appropriations bills. One of them is the Waters of the US regulation. The City sent a very strong letter to EPA and the Corps of Engineers expressing concerns about that rule. That rule has

# TRANSCRIPT

now been published in final. It's my understanding it was published on Friday. It'll take effect 60 days after the publication date, if it was on Friday. The concern here is the cost implications it'll have on the City's storm water management program, on water recycling programs and on water delivery systems in California and throughout the country. Congress has included a rider in the appropriations bill to stop that rule from taking effect. I'm not saying that that's going to happen, but there's a lot of concern in Congress about that rule. The other rider that's an issue and the City has expressed interest in has to do with floodplain management requirements. The President issued an executive order that took effect immediately at the end of March, I believe it was, empowering the federal agencies to come up with their own interpretations of what a floodplain is and where a floodplain lies, and then directed them to come up with restrictions on any grants, loans, loan guarantees, any federal action affecting those floodplains. We're concerned about that because the City has to adopt very specific ordinances that are tied to the floodplain identified by FEMA. It becomes an administrative nightmare for the City to have to deal with multiple federal agencies that might have different interpretations of where that floodplain is. The City sent comments to FEMA on that. The executive action is final. There was comment solicited on some implementation guidelines, and that's what the City submitted comments on. One other matter that I wanted to mention is the San Francisquito Creek project. We've seen tremendous progress on this issue over the last couple of years, as Council Member Kniss well knows given her long history with this project. It's been a very painful process to get this to the point where we are now. Funding for that study is included in the Energy and Water Development Appropriations bill in both the House and Senate versions of those bills. \$331,000 to fund that study to completion. There are other regulatory issues we'll be working on with respect to that project to enable the local sponsor, the JPA, to advance funds, certain construction phases of that project. We have a way to go on that issue. I'm happy to answer questions that you might have on any of those issues. Before I do that, I want to have Steve come up and talk about transportation and some other issues.

Steve Palmer, Van Scoyoc Associates: Madam Mayor and Members of the Council Member, my name is Steve Palmer, also a vice president at Van Scoyoc Associates. I want to touch on two issues. One is the Surface Transportation Policy Bill which is starting to move through the Congress. The other you've heard quite a bit about tonight, and that is airport noise. First on surface transportation. Normally, Congress every five to six years passes a bill that sets the policy and the overall spending levels for highways, transit, bridges and safety. The last bill was MAP-21 in 2012. That bill has now expired, and we're on our second extension that runs through the end of July. The issue and the reason we're having these short-

# TRANSCRIPT

term extensions is there's not enough revenue coming from the federal gas tax to cover all the existing costs. Not raise spending, but to cover existing spending. Congress is grappling in real time with trying to figure out how to come up with that revenue. Do they try to raise the gas tax? Very unlikely. Do they, as the President proposed, force a repatriation of some corporate taxes parked overseas? Possible but yet to be determined. There are many options, but the most extreme is to turn it all back to the states and say, "You pay for it. We're going to stop collecting federal gas except for the interstate system." It's real time because there were hearings last week, there were hearings this week about where the revenue should come from. We have been advocating over this period of time primarily for this on behalf of the City to try to sustain if not increase funding for bicycle and pedestrian programs. Funding for those programs were cut in MAP-21. We've been working with Senator Boxer and her staff to try to at least preserve the 3 percent of overall funding going for these programs. Wednesday morning, the Senate Environment and Public Works Committee has a markup, and they're going to consider a six-year bill. There's no revenue, there's no funding levels in it, but we're hopeful that those policy bills will include the preservation of those bike and pedestrian funding programs. The second issue I mentioned, and you've heard from a number of speakers tonight, is about airport noise. In February when Mayor Holman and Council Member Kniss were in Washington, we facilitated a meeting with the FAA, the people who are involved in the metroplex air space redesign in northern California. Since that time we've been in communication with City Staff, with Congresswoman Eshoo's office. The Congresswoman has been reaching out to the FAA Administrator, trying to open lines of communication about what can be done. We're trying to support that and work with the Quiet Skies caucus and the Congress, trying to help build whatever relationships and communicate the City's concerns to these officials. There are many things beyond our control that could affect everything we do in Washington. To give you a good example, any day the Supreme Court could announce what they're going to do about the exchanges and the subsidies for the Affordable Care Act, whether that's preserved or struck down. That will create a flurry in Congress no matter what happens. As Thane talked about the appropriations process, we could face a government shut down on October 1st. Congress has to raise the debt limit sometime this fall. As we talk about priorities, they have to fit into the context of these overall dilemmas or crises or whatever you want to call them. That's something we try to work through all the time on behalf of the City. Thane and I are happy to answer any questions.

Mayor Holman: I will ask one about airport noise. Our City's been in communication with Phoenix; that's one of the communities that's been negatively impacted by airport noise. Going to a couple of other events, I've

# TRANSCRIPT

heard, not with clarity about what communities, other communities have had some level of success in terms of getting some kind of relaxation of revised routes. What do you know about what other communities have had in terms of success?

Mr. Palmer: Madam Mayor, that's a difficult question, because I haven't done a complete survey of that. When the FAA tried to redesign the airspace over New York and New Jersey a number of years ago, there was quite a bit of litigation. The FAA had to work several times through different iterations. I don't know to this day if they've finalized what their airspace will look like. You're right about the Phoenix metroplex redesign. Whereas the northern California process is near completion, the Phoenix metroplex process is at the very early stages. I don't know the complete details. The FAA did something in terms of changing flights last year that was outside the scope of this metroplex process or this airspace redesign, and that caused a lot of the concerns you're hearing about. It led to an amendment being accepted on the House floor last week about blocking the FAA from spending any money to continue that airspace redesign in Phoenix. The FAA Administrator has said, and a number of his staff have said publicly, they need to come back and start working better with communities. They realize their big effort is a process of trying to make the airspace more efficient so they can handle more aircraft and do it more effectively, efficiently and safely. They're admitting that unless they communicate better with communities, they're going to lose control of that process, and it's going to fail. Collectively, communities are having an impact on the FAA that the FAA have not in the past always listened to communities. They're starting to more and more.

Mayor Holman: If we're in the latter stages of that or almost complete, will it come back to reconsidering communities like ours?

Mr. Palmer: I don't have a specific answer for you. I don't know what the FAA will do. In my prior life, I worked a lot with the FAA, both when I was at the Department of Transportation and a Congressional staffer. I was head of the aviation subcommittee in the Senate. The FAA has a terrible "not invented here" syndrome. If they didn't think of it, they don't like to listen to what other people have to say. They're not exactly coming forward quickly and trying to change their mind. They have to be dragged into those kinds of things.

Mayor Holman: Along these lines, what do you hear about—let me say what I hear besides comments, concerns and frustration if not complaints about aircraft noise. I'm also hearing that there's not good pilot training. One of the speakers tonight referred to this. There's speeding up and slowing down

# TRANSCRIPT

and speeding up and slowing down in terms of approaches to airports. That's not gas efficiency. That's not fuel efficiency, which is the reason for the rerouting. Is that being addressed in terms of pilot training?

Mr. Palmer: The FAA will tell you that they're working through these procedures primarily for safety. They will say safety and efficiency, which then falls under your comments. They would deny necessarily that they're doing anything for any other reason. A lot of these things happen behind the scenes. They're not necessarily playing in public, because they're between the agency that is obviously regulating the safety of the airspace and the airlines and the unions. That's not something we necessarily see on a day-to-day basis. Unfortunately, I can't answer your question.

Mayor Holman: What would you like from this Council in order to find out what success there has been in other communities that maybe are as far along in the process as ours is?

Mr. Palmer: With the City Staff, we've started a good dialog in terms of working together and trying to identify what we can do to help address the situation in northern California. Since your visit to Washington in February, we've tried to get more engaged with the other communities and understand what is working effectively. Is it litigation? Is it public appeals? Is it legislation? Is it studies? We're trying to develop that information in working with the City. We've been working with Congresswoman Eshoo's office. I don't know if we need anything right now to be able to help identify what other communities are doing. At that point in time, hopefully we'll give that information back to you and to the City. That'll help you formulate your next steps.

Vice Mayor Schmid: I noticed that you have on your list of grant opportunities desalination. That's seems particularly appropriate for California at the current time. Is there anything going on in the Bay Area that is connected to that?

Mr. Young: I can't speak to specific projects in the Bay Area, but I do know that this issue is gaining a lot of support in Washington. Senator Feinstein is, we hope, nearing completion of her drought response legislation, which she has been trying to negotiate with her counterparts in the House. She has indicated the desalination is a major component of her legislation as well as enhancing storage capacity and generally building more flexibility into the delivery system. In the coming weeks, I've got some meetings scheduled on behalf of some water districts I do some work for, that are large proponents of desal, to take a look at changing some Bureau of Reclamation authorization programs as well as programs within the Corps of Engineers to

# TRANSCRIPT

encourage more desalination. That is very much in discussion now, primarily because of the drought.

Vice Mayor Schmid: It certainly would be helpful to be kept up to date on that.

Mayor Holman: Thane, do you have anything to add? Steve? City Staff, any questions or comments? No, okay.

Council Member Wolbach: I'll move the Staff recommendation as amended.

Mayor Holman: There's no amendment. The Staff recommendation is what the Policy and Services Committee referred to us. There's no as amended.

Council Member Wolbach: We made some amendments this evening.

Mayor Holman: Those were separate motions.

Council Member Wolbach: All right.

Mayor Holman: If I have it correctly, motion by Council Member Wolbach to approve the Staff recommendation. Council Member Kniss, did I hear a second? Okay.

**MOTION:** Council Member Wolbach moved, seconded by Council Member Kniss to approve the Draft Fall 2015 Semi-Annual Legislative Strategic Initiatives.

Mayor Holman: The motion is to approve the draft Fall 2015 Semi-Annual Legislative Strategic Initiatives document. That is for our current legislative environments in Sacramento and Washington, DC. That is found in the Staff Report on packet pages 182-187. Noting that I'll have a qualified yea on the Prop 13 reform. Vote on the board please. That passes on a 9-0 vote.

**MOTION PASSED:** 9-0

Council Member Kniss: Mayor Holman, could I make a brief comment to that second?

Mayor Holman: Of course. I'm so sorry.

Council Member Kniss: I wanted to say how much I appreciate both our federal lobbyists coming and our state lobbyist. It's very helpful to hear that and to hear it from the "horse's mouth." Just hear exactly what's happening in Washington as well as in Sacramento. I'm glad that we have the practice.

# TRANSCRIPT

## Action Items (Continued)

9. Review of a Draft Scope of Work for the Fry's Master Plan and Adoption of a Resolution Regarding the Use of Regional Transportation Funding (Continued from June 8, 2015).

Council took a break from 9:49 P.M. to 9:58 P.M

Hillary Gitelman, Planning and Community Environment Director: Mayor Holman, Members of the Council, I'm Hillary Gitelman, the Planning Director. We have a presentation this evening on the Fry's Master Plan and a question for you about a grant that we've been awarded. Some background to start with. Early last year, you received a transmittal from the Planning and Transportation Commission of a draft concept plan for the California Avenue area that had been many years in the making. It had received a bunch of community input along the way. At the time it was brought to the Council, Council authorized us to pursue a grant for further planning related to the Fry's site. We've since received notice that we've received the grant. We've been working towards grant acceptance with the VTA, which was the original granting authority. Recently through a number of changes, it now appears that the grant will be coming to us through Caltrans and requires approval of a resolution for MTC. Rather than working with the VTA as the granting agency, we're working with MTC. The money would come to us through Caltrans. We wouldn't have to use a consultant selected by the VTA; we could select our own consultant. There's some benefits to this recent change. Just a reminder. Fry's is probably one of our largest under-developed sites in Palo Alto. It's about 15 acres, currently occupied with a mix of uses. It is on our housing inventory in our Housing Element, because it's zoned for multifamily residential housing. We have a realistic capacity in our Housing Element of 221 units; although, it's zoned for more than that. The draft California Avenue concept plan, which has not been adopted and, therefore, does not constitute City policy at this point, is proposed for inclusion in the Comprehensive Plan Update that's underway. It presents a proposed vision for three different subareas including California Avenue, Park Boulevard and Fry's. The focus in the concept plan is on pedestrian and bicycle access and safety, allowing change while preserving the quality of life in what is seen as a transit-accessible part of Palo Alto. The Fry's subarea is identified in the draft concept plan as an opportunity to create a walkable, mixed-use neighborhood if and when Fry's relocates or downsizes. We understand from the property owner that Fry's current lease or current

# TRANSCRIPT

arrangement is through the year 2019. That's still a few years away. The draft scope of work that would be funded by the grant envisions a community planning process to develop a coordinated area plan. As we've discussed with the Council previously, coordinated area plan is the City of Palo Alto's terminology for what is called in State law a specific plan and in other communities called a precise plan. The draft scope of work envisions an 18-month process, barring unforeseen circumstances, and five principle tasks. To initiate the process, we would issue an RFP for planning consultants to take the lead in this process with Staff direction. There's a lot of community engagement envisioned as part of this process including establishment of a citizens working group which is called for in the section of our Municipal Code about coordinated area plans. In addition, we would of course require and only be successful with significant property owner participation. This evening we're asking for your review of the draft scope of work and adoption of the proposed resolution that we would forward to MTC if you choose to move forward with the grant and the planning effort. Should you wish to proceed, we would issue a Request for Proposals to planning consultants and start work this fall. My understanding is that we would have to obligate the funds by January 2017, essentially 18 months for this project. Should you wish not to proceed this evening, we would have to tell the funders no thanks, and we'd ultimately have to support this planning effort with General Fund dollars and/or with participation from the property owner. Happy to answer any questions. We'd be delighted to get public comments as well as comments and questions from the Council.

Robert Moss: [no audio]

Herb Borock: I don't believe that you should adopt this recommendation. This 15-acre site is part of a larger California concept area of 115 acres which you previously included as part of the Comprehensive Plan adoption. That hasn't happened yet. The Staff Report indicates the limited resources of the Planning Department. The main thing it should focus on is finishing the Comprehensive Plan, which next year will be the tenth anniversary of its start, prior to the time of our current City Manager. Sometimes it's mentioned as a comparison with the South of Forest area plan, but it's quite different. SOFA is a subarea of University Avenue/Downtown, but we weren't doing an entire concept plan for University Avenue/Downtown. We were just doing the South of Forest Avenue area. The impetus for SOFA was the fact that the Palo Alto Medical Foundation was relocating to El Camino Real. Fry's is not relocating. You have draft language in a plan that hasn't been adopted that says in case it does relocate, we should do something. The last Comprehensive Plan that was adopted in 1998 was adopted before the SOFA working group brought its recommendations to the Council in 1999. It was a more efficient Comprehensive Plan adoption process. In



# TRANSCRIPT

regards to the money of grant funds, there have been two grant cycles; the one we originally applied for and now another one. In both cases they were undersubscribed. That is, the money that was available could have had more applications funded. When it comes time to seek funds for this subarea study, after we have adopted a Comprehensive Plan that includes the adoption of a California Avenue area concept plan that includes the draft language that says we should do a study, that would be an appropriate time to apply for funds. If the needs for funding throughout the area are the same as they have been, there will be funding available for a grant. I would urge you to place the Planning Department's focus on finishing the Comprehensive Plan. Only after you have adopted this draft language or whatever language is finally appropriate for policy and programs, that's the time to do an area study for Fry's.

Council Member Filseth: What I'd like to do is make motion. Am I premature in doing that?

Mayor Holman: Why don't we do a quick round? Do Council Members have many questions? Why don't we take questions first?

Council Member Kniss: Director Gitelman spoke about this. This is a big part of our Housing Element. Right now it's RM-30, which is 15 acres of RM-30 which is substantial. How would that alter the Housing Element that we just adopted at the end of last year? If we look at this in a different light and look at it from fashioning retail/office/housing, how would that alter the Element?

Ms. Gitelman: The current draft of the California Avenue area concept plan envisions this as a mixed-use site with quite a bit of housing. Our thought is that the planning process we would be undertaking would not be incompatible with the number of housing units that we've assumed on this site. We would find a way to perpetuate and keep this site on our housing inventory.

Council Member Kniss: With that same number? That's a pretty substantial number.

Ms. Gitelman: Yes.

Council Member Kniss: That's doesn't compute very well, but I'll take that as your answer.

Ms. Gitelman: The current assumption is 220-something units in the Housing Element, which is significantly less than its actual zoned capacity at

# TRANSCRIPT

RM-30. That's part of the reason we feel comfortable that it would be compatible with our planning process going forward.

Mayor Holman: It might be helpful if you could indicate if it were built out at RM-30, how many units that might generate.

Council Member DuBois: As shown in your presentation, it's pretty much the Fry's area. I'm wondering if we could still qualify for the grant by expanding the boundaries a bit to look at that whole area between Oregon and Lambert and Park and El Camino. If we're going to do a specific plan, that slightly larger area might make more sense.

Ms. Gitelman: We had always anticipated that we would talk to property owners in the area and invite any who were willing to be part of the study. I don't think there's anything in our grant application that we submitted, which is Attachment A, that would preclude us from slightly enlarging the geographic focus. I'll scan through it quickly.

Council Member DuBois: We've had several new projects that we've approved in that area. There's not that much additional space to consider. The other question was brought up by the audience. It's timing. If we committed to take the funds now, could we start this process but have it go in parallel with the Comp Plan and maybe let the Comp Plan lead the discussion? How will that timing work?

Ms. Gitelman: That's the million dollar question for this evening. We would be trying to walk and chew gum at the same time; doing our long range planning effort with the policy framework and doing site-specific planning with a more specific look at this area. The question is whether the Council is comfortable with that kind of parallel approach, given the availability of these transportation dollars or whether you'd like to say no to the transportation dollars and fund this later with other funds.

Council Member DuBois: Can we take the dollars, start the process, but complete the Comp Plan first, so this would take a longer period of time? Is there a limit to how long it could take?

Ms. Gitelman: There's always the possibility that this would take longer than we anticipate. There is some expectation, if we accept the grant, that we would obligate the funds in about 18 months. We could certainly start the process. If it took longer, we'd have to deal with that if and when the end of the 18 months came.

Council Member DuBois: I'm interested in taking the funds, but having it play into the Comp Plan process. It seems like a little bit of the rush is off,

# TRANSCRIPT

because the Fry's lease was renewed. We don't want to wait and get caught having to rush again. The pressure to complete it is off a little bit.

Council Member Burt: One follow-up on this issue of obligating the funds by, you said, January 2017. "Obligating the funds," does that mean signing the contract? What does "obligating the funds" mean?

Ms. Gitelman: I don't have a lot of experience working with this funding program, so we would have to investigate that with the granting agency. We'd have to call them up and ask them how they view that.

Council Member Burt: There's nothing in the grant that says you have to complete the project within a certain timeframe? We gave an estimate?

Ms. Gitelman: If this turns into a large planning effort and takes longer than the 18 months, it would probably also cost more than this grant that we'd be receiving. There's a potential that we could use the grant funds early in the process, and then supplement that as needed if the process continued. To be more specific about the terms of this grant, I'd have to do more research with the granting agency that I haven't done.

Council Member Burt: The current zoning of the 30 units per acre on housing, does that in any way prevent us from restricting average unit sizes as part of the Master Plan for this area?

Ms. Gitelman: I don't believe so.

Council Member Berman: Is there somebody from Sobrato here? No? That's unfortunate. You are? Does Fry's have any other options after 2019 on the property?

Tim Steele, Sobrato: Mayor and City Council, Tim Steele, Senior Vice President of Real Estate at Sobrato. Their lease expires in early 2020. There are no additional options beyond that. A few of the other leases within the property extend beyond that, but there's rights for us to terminate those leases co-terminus with the Fry's expiration.

Council Member Berman: My understanding is you guys would prefer to have this process happen closer to the termination of the Fry's lease. Would you guys be willing to match or backfill the funding that the City would be passing up from not accepting the VTA grant?

Mr. Steele: We actually approached the City before they applied for the VTA grant. As the Planning Commission was making their recommendation to Council to do a Master Plan, we approached them before Fry's was exercising

# TRANSCRIPT

their option. We were interested in promoting that Master Plan process and funding it. We talked to Staff about the appropriate vehicle to fund it. We were circling around the concept of a development fund, so the funds could be advanced by the City and then recovered when we come forward with a project.

Council Member Berman: Was there any discussion of up to what amount that would be?

Mr. Steele: No, we didn't get that far in the conversation. We would be willing to commit to the \$300,000 range in the right environment, to match it if the VTA grant wasn't exercised today and this was deferred to a later date and we still did it together.

Council Member Berman: Would that scenario be sufficient for the City's purposes in terms of going through a process like this a little bit later?

Ms. Gitelman: The answer is yes. \$300,000 tomorrow would be like ...

Council Member Berman: I would think so too. It seems like we'd have more flexibility and that kind of thing.

Ms. Gitelman: The process could still take a little longer than we've laid out in the scope. It could cost a little more than we've articulated in the scope. Backfilling the funds would be terrific.

Council Member Scharff: When I read the resolution, some things jumped out at me. One would be that the project will be implemented as described in the completed application. The application says the goal would be to generate densities that would support substantial use of public transportation. In several other places, it talks about the goal would be to encourage development at the higher range. Does this limit what we can do in terms of a plan in good faith, if we're promising at the outset to develop it at a higher density?

Ms. Gitelman: The only thing I don't follow you on is commitment to develop at a higher density. We're committing to the way we've described the project. We talk about the Fry's site as a "rare opportunity within this City for true transit-oriented mixed use." We talk about the purpose of the plan is to identify land use and transportation opportunities for a well-planned and designed mixed use of residential, commercial, office and retail uses. When we asked for these funds, it was knowing that they were transportation dollars. It was part of the regional sustainable community strategy that Palo Alto designated this site as a PDA, priority development

# TRANSCRIPT

area. We were going to have to write a proposal that was consistent with those ideas.

Council Member Scharff: Let me walk you through what I'm saying. I am looking at packet page 214, which is Attachment A, our application for the grant. Our application for the grant says things like the goal would be to generate densities that would support substantial use of public transportation; a significant portion of the large (inaudible) is being zoned Pedestrian Transit Oriented Development. It says the success will be measured in terms of the increased number of housing units and nonresidential square footage. It says the goal would be to encourage development at the higher range while also ensuring that negative impacts would be avoided. That's what we've promised under the application. The resolution that we adopt says that the project will be implemented as described in the completed application. That is what we're promising to MTC. I wanted to get your take on that. I'm assuming we're supposed to be acting in good faith. If we say this is what we're going to do and we take this money, that's the outcome that we are agreeing to do upfront.

Ms. Gitelman: It is true that when we decided to apply for the funds, when we put together the grant application, we knew it was transportation dollars. We knew it was to implement the sustainable community strategy. This was our priority development area. This is probably one of the few sites in Palo Alto where there's an opportunity for and zoning for high density housing in addition to some commercial uses on the site. There was an opportunity for mixed use near the train station. That's what the grant application reflects. That's the policy choice before the Council. If you want to accept the funds, it's to further the grant application that was submitted. If we don't want to do that, it gives us more flexibility in terms of timing and the objectives of the planning process.

Council Member Scharff: I was confused in how the CEQA process goes. Do we start the CEQA process immediately? How does that tie into the Comprehensive Plan? What does this mean, "we tier off of it"? I don't understand how this works.

Ms. Gitelman: The draft scope of work we put together envisions doing quite a bit of the planning process in advance of the CEQA effort. Towards the end of the planning process, we'd initiate a CEQA review. Presumably by that time, we'd be far enough along in the Comp Plan EIR that we could tier off of that document. We think that process will work. It becomes a question of timing.

# TRANSCRIPT

Council Member Scharff: If things like traffic studies are normally part of the CEQA process, traffic and that kind of stuff are likely to be some of the big scenarios here. Are we planning on doing the planning process without being informed of things like having a traffic study, if we're going to start the environmental review after we do the planning? I'm confused about that sequence and how we have information for the planning process.

Ms. Gitelman: We've laid out a scope of work where one of the initial tasks is a data collection and analysis phase. We wouldn't want to start a planning process without spending some time gathering information that's already available and doing any additional analysis that's needed to form the basis of that. That can be separate from and supportive of a CEQA process.

Vice Mayor Schmid: On packet page 210 under policy implications. It says development of a Fry's Master Plan would implement the California Avenue concept plan. We don't have a California Avenue Master Plan. How could this implement that? How do you coordinate the two inside the Comp Plan Update? Would this take us astray? Instead of doing the work on a California Avenue concept plan, we would be spending Staff time doing this. How would it implement the larger California Avenue plan?

Ms. Gitelman: This is the question we're asking of the Council this evening. We have a draft California Avenue concept plan. It's been presented to the public and provided to the Council. That draft plan calls for precisely this kind of site-specific or precise planning effort around the Fry's site. The question we're asking the Council is would you like to start that now and take the money provided by transportation agencies or would you like to defer that and use alternate funding at a later date. We're looking for your guidance on that.

Vice Mayor Schmid: Money means resources. You'll be allocating the time of key Staff. Because the funding is here, you'd use that funding on the Fry's plan. Does that mean they would not be coordinating and working with the larger California Avenue concept plan?

Ms. Gitelman: I'm not sure I understand your question. We would have to allocate Staff resources to manage this project, which would involve a consultant team. They would be engaged specifically for the scope of work. It's our belief that we could do that simultaneously with the Comprehensive Plan Update. It becomes a preference or policy choice for the Council. Whether you'd like us to do it simultaneously or defer until a later date.

Vice Mayor Schmid: Let me go a step further. We had a debate the other night about 411. PTOD came up. That looked at one of the alternatives. Hold on just a second. 2555 Park, the PTOD issue came up. They looked at

# TRANSCRIPT

that as one of the alternatives. The Council in the final motion voted that the PTOD was infeasible. There was a statement made in the PTC discussion that the applicant deemed the PTOD was not feasible. The PTOD was a statement by the Council that they would like to see mixed use in the California Avenue area. It's not in the Fry's area, but it's on the street next to it. All the applications we're looking at on Park Avenue and Page Mill are in a PTOD district. It seems the applicant has a veto over PTOD. That changes how we think about this. The Council made an assertion that we would like to see some mixed use, but it's not working. How do we deal with questions like that on the Fry's site, when we have applications on the streets surrounding Fry's making important decisions that are part of the California Avenue Master Plan concept? Where do we get the guidance, the guiding points, in the California Avenue Master Plan that we could use in making decisions and choices on the Fry's Master Plan? That's an example of the types of interactions that would be important.

Ms. Gitelman: We have a draft concept plan which the Council could refer to. You could choose to ignore it because it hasn't been adopted, and rely on the Comprehensive Plan that exists and the zoning. That's a Council prerogative, whether you want to give weight to the draft plan that has not yet been adopted. Entirely up to you.

Mayor Holman: We're working on the Comprehensive Plan Update. The direction to Staff has been to incorporate the California Avenue concept plan as a part of that Comprehensive Plan Update. How could we do that without including the Fry's site? Clearly the Staff Report says, and we remember from the past, that the California Avenue concept plan area includes Park Boulevard, California Avenue and the Fry's site. How could we delay working on this? Wouldn't we work on it all at once?

Ms. Gitelman: The question is to what level of detail. The concept plan and the Comprehensive Plan we're working on are policy framework. They're policy and they don't get to the level of zoning or development standards. Whereas, a coordinated plan, as you know from your work on SOFA, includes policy language but it also includes development standards and design guidelines that get very specific. The question is whether we can get to that level of specificity now. Whether we should take the grant to do that planning and get to that level of specificity now or whether we should defer that until after the draft policy framework that we have in place is adopted.

Mayor Holman: How would it work? There's been a fair amount of work done on the draft concept plan. How would it work if we treated the whole California Avenue area as a concept plan area, like the SOFA area? Council

# TRANSCRIPT

Member Burt and I have commented how there needed to be zoning changes to the California Avenue area anyway. That is granular already.

Ms. Gitelman: The California Avenue area as defined in the concept plan is quite a bit larger than the Fry's site. It's not just incrementally larger. It's ten times the size; I'm looking for the exact size. A 115-acre California Avenue plan area. It would be a significant challenge and planning effort to do a coordinated area plan with that level of specificity for the entire area. I'm not saying we couldn't do it, but that's envisioning a much larger planning effort than we've laid out here, the 18 months and the \$300,000. That would be more than a notion, to get down to the level of specificity, development standards, design guidelines for 115 acres instead of 15.

Mayor Holman: How does Staff envision the coordinated area plan, let's say, for the Fry's site in the context of the California Avenue area and the Comprehensive Plan Update?

Ms. Gitelman: The coordinated area plan tries to take a broad policy framework that would be articulated in the Comprehensive Plan and the concept plan, and build upon that to create more specific development standards and design guidelines, a fiscal analysis, a whole lot more site-specific work than can be done at a policy level. The two are complementary. The question we have for the Council this evening is about the timing or sequencing of this. Jim asked me, "What do you feel about doing it now versus doing it later?" I had to confess I'm agnostic. This is the classic policy choice. Do we do it now? Then we're trying to do a bunch of things at one time. In one sense, that stretches our resources. In another sense, that means we're very well coordinated. Do we defer it to later and say goodbye to the transportation funding? That's our question for you this evening.

Mayor Holman: The Fry's site is 15 acres. For the time being, let's set aside the context and the California Avenue area and the development that we've seen coming down the pike. On that 15 acres, Fry's has an extended lease at this point in time. That doesn't occupy 15 acres. Is there any assurance or any communication with the property owner that they don't plan to do anything with the rest of the site until Fry's is no longer present? Are we foreclosing opportunities if we don't carry forward with a plan for the site? We're leaving the site vulnerable.

James Keene, City Manager: I don't think either of the alternatives, which are sounding somewhat nuanced, would say we would end up in a situation where we would not have a detailed plan applicable to the Fry's site. The question is when do you want to have that. I had a conversation with the



# TRANSCRIPT

Sobrato folks where they were indicating that their plans for the main part of the site are four or five years off potentially. That's what they say. I'm a little bit different from Hillary. I'm not agnostic on this. I have an opinion, but I'm also supportive of whichever way the Council goes. We've gotten to where we are by a couple of main drivers that may not be quite as strong right now as they were a year, 18, 24 months ago. One was this grant funding, and we had a PTOD district. We go, "A PTOD district, grant funding. There's a match to get some funding." Secondly, concern about a potential urgent development application on the Fry's site and the need to have a more detailed foundation for consideration of that application pushed us to this point. The more logical process and probably more manageable one is to try to focus on the Comp Plan Update and refining the policy guidance in the larger Cal. Avenue plan. As we're going through that, if suddenly you feel we've got to dive in deeper and faster and more specifically on the Fry's site, then we do that or we take our time and move through that methodically and let those overall policies drive the Fry's site project. The downside to that is most likely you would be saying we would forego the grant or there could be some potential risk. In my view, if we were designing this from scratch, that's the approach we would take. The real question is, is there the same sense of urgency right now, as it relates to the funding or as it relates to the development pressure, to move away from that more logical, thoughtful process to something that's a little more of an intervention. In my view, I would opt for that methodical process. Again, I'm supportive of whichever direction the Council would want to go. One of the things that we were talking about was, are there ways to secure a postponement of any potential development application from the owners. Our conclusion was that's pretty difficult to do, because that site right now is a key part of our certified Housing Element. Having the appearance or reality of removing something from our Housing Element creates its own problem. We backed off looking at memorializing something like that.

Mayor Holman: In a perfect world, I would agree with your scenario. The question remains if we don't proceed with this, because the Fry's portion of this site is only a portion of the 15 acres, there isn't anything to preclude the owner from coming forward with a project on the rest of the site. Is that correct?

Ms. Gitelman: Other than the existing leases that were referred to by the owner's representative, there would be nothing in the City Code or nothing we could do that would prevent an application from coming forward. Any application that came forward obviously would have to conform to our zoning and setback requirements. There are a lot of existing buildings on the site, which is going to constrain what portions of the site could be developed in the short term.

# TRANSCRIPT

Mayor Holman: The other leases on the site go how long? Maybe Staff knows that already.

Mr. Steele: The main building Fry's is located in is over 200,000 square feet, of which Fry's occupies the middle section of that one building. The remaining leases are predominantly office uses. Those leases, the shortest term is co-terminus with Fry's lease. A few of them extend beyond, but give us the right to cancel with a fee penalty. The main building, which is the heart of the site, is over 200,000 square feet. If Fry's were to go away early, as an example, we'd still be left with the remaining leases that go out to 2020 or beyond. It'd be hard for us to piecemeal the heart of it. You might be referring to the small piece that's out on El Camino, which is a different conversation because there are no structures with the exception of Mike's Bikes that fronts on Olive and El Camino.

Mayor Holman: The commercial buildings or office buildings are on the southern edge of that site. Are those also long-term and extended leases?

Mr. Steele: The southern edge of ... Are you talking about the Mercedes parts parcel?

Mayor Holman: No, I'm talking about the former owner's office building. I'm trying to think of their names.

Mr. Steele: Wheatley.

Mayor Holman: Those are on the same site, are they not?

Mr. Steele: Yes, they are. They lease that from us.

Mayor Holman: Are those also long-term leases?

Mr. Steele: They are co-terminus with the Fry's deal.

Mayor Holman: That also is co-terminus with the main building?

Mr. Steele: I would consider that to be in the heart of this site. The only piece that I see being different would be the piece along El Camino, which is the finger. When the Planning Commission identified the Fry's site, the finger was not part of the Fry's site because we didn't own it at that time.

Council Member Filseth: I'll throw this out and see if it leads the discussion in a good way or not. I'm going to move that we defer taking up this project until after we at least finish and adopt the California Avenue concept area plan.

# TRANSCRIPT

Council Member Berman: Second.

**MOTION:** Council Member Filseth moved, seconded by Council Member Berman to defer taking up the Fry's Master Plan until adoption of the California Avenue Area Concept Plan.

Council Member Filseth: The City Manager laid out the case articulately, why we ought to do that. We're putting the cart before the horse unless we do it this way. What the City Manager described is the logical progression. A year ago, we found ourselves in a sticky situation. There was a possibility that Fry's would move out immediately, and we'd have this piece of land sitting there with no plan on what to do with it. We were in scramble mode. At this point with the Fry's lease extended through 2020, we're not in that situation anymore and we have time to figure out how to do it right. The VTA grant is not an insignificant amount of money. This is a big deal. This is a 15-acre piece of land and the whole area is a 115-acre piece of land. I don't think it should be driven by the short-term grant. The 15 acres in that area has to be worth at least \$100 million. We shouldn't have a \$200,000 tail wagging a \$100 million dog. There's lots of open questions. The property owner isn't enthusiastic that we take it up right now. It's not just the money. We're going to do a significant amount of public work and outreach. You wouldn't want to do that and then go a different direction. The draft Cal. Ave. plan still has questions and multiple alternatives on things that we have to choose between. What we ought to do is focus on the Cal Ave. area plan and get that done, and then revisit this project. Hopefully we can get some funding for it. Maybe we can work with the applicant or maybe there's other ways. Worst case, at least we will have done it right.

Council Member Berman: Council Member Filseth's right. I wanted to say it before he left, but I'll say it anyway. It's not often that I agree with everything Herb Borock says. This is an opportunity. We've added a lot onto our plate this year. We've added a lot on Staff's plate this year. This is an opportunity not only to remove something from the plate, but also to remove something that logically belongs later on in the timeline. It would be complicated to do both of these processes at the same time. It would be a heavier burden on Staff. It would also be getting a lot of community members involved. It makes more sense to focus on the Cal. Ave. concept plan and finishing the Comprehensive Plan Update. That leaves us time to move forward on the Fry's site before the lease runs out. That's the most logical process and timeline for these different projects.

Council Member Kniss: I would agree. This is probably, from this standpoint, the cart before the horse. What really sealed it was Mr. Steele

# TRANSCRIPT

mentioning that they would be willing to help fund a study when it needs to be done. I'm going to presume that's a gentlemen's agreement and it's on record now. You have said yes to it. As Hillary said, she's agnostic about it. I was initially, but I was persuaded by Herb's letter. It was good and it was well put. I understand the frustration of not having this in a plan as yet. With the Comp Plan up and running and a new committee just about ready to get started, we need to honor that and that process, go forward with it and then fold this in when the time comes. As I hear you talk tonight, Mr. Steele, you're indicating there's at least four years before anything can happen under your current leases. There's a good amount of time before this is going to need that final specific plan.

Council Member DuBois: Conceptually what you guys are saying makes sense, but I'm worried practically. If we don't start moving the planning process forward now, I'm afraid we're going to hit 2020. SOFA took about four years. If we get the money in January 2016, we're probably going to be done about 2020. That's a real concern. Council Member Burt asked the question, what are we obligated to do. If we go forward with this, can we sign a consulting agreement this year that would start late in 2016? We secure the funds, but don't start spending them right away so that we could get moving on our Comp Plan and sequence this. I'm worried that if we say we're not going to do it now, it's going to take a year to come back to us and we're going to run out of time.

Council Member Burt: In general I agree with not commencing on this right away, but I want to throw in a few things. When we do come back to this, we want to reexamine the geographic area that would be covered by this coordinated area plan. There are quite a few parallels with the SOFA plan. We had a SOFA I and II. I misspoke to Council Member DuBois earlier; it was four years for SOFA I and II combined. SOFA I, which was the greater PAMF area, was two to three years, something like that. It still took too long. I think of this as akin to SOFA I. It's a lot more rational to look at not just the Fry's site per se, but that section that is perhaps bordered by the tracks and El Camino, Page Mill and Lambert. Whereas previously Staff broke up Park as the third California Avenue section, I'm thinking of the California Avenue concept plan more as two, one north of Page Mill and one south of Page Mill. There's a lot more in common to the south of Page Mill properties. They're not identical. We have a R-1 residential, a couple of blocks in there. We have what's along Page Mill. We have Park. Part of the opportunity and the need is to look at how those different components to that neighborhood work with one another. How should they work with another? If we look at the Fry's site, that 15 acres, in isolation, we're not going to work at integrating those things which is the great opportunity. I assume that if we do this just like it was with the SOFA plan, the focus of

# TRANSCRIPT

SOFA I was the actual PAMF property, because that was the one we knew was going to go into redevelopment right away. The plan guided a larger geographic area. In terms of not making a decision tonight, but thinking tentatively about when we might commence this, the SOFA plan preceded the formal adoption of the Comp Plan, but we were already seeing what was in it. The Comp Plan committee had come with their drafts, and it had given a lot of guidance on this. The one informed the other. I'm not sure that we have to wait until we get done with the Comp Plan to kick this off. We should be further along than we are right now with the California area concept plan and the Comp Plan. The Comp Plan itself could, even at a higher level, inform the direction of this coordinated area plan. One of the critical things of SOFA was the full and active participation of Palo Alto Medical Foundation. They were not only the primary property owner, but they would have to buy into a coordinated plan that affected their property. We could do whatever we wanted in zoning, but it didn't mean it would get built unless they bought into it. I'm very encouraged that Sobrato is committed to the coordinated area plan process. That's critical for this going forward. It's a leap of faith by everybody. It's a leap of faith by them because they're opening up to a public process to guide the direction of what's going to happen on a large property that they own. If we park this for now, we don't necessarily park it until two years from now. We should be revisiting this in less than 12 months. That doesn't mean we have to make the action at that time, but we should update, look at it, where are we in the Comp Plan, where are we in the Cal. Ave. concept plan, is now the right time to begin this process. We don't want to get jammed up and rush this at the end. At that time, we should expand the geographic area. We need to be informed by Staff on the terms of these grant dollars. I'm not sure they've slipped away. If the Planning Director's term of "obligating the funds" by January 2017 is what I take it to mean, then that sounds like it's signing a contract by then. It doesn't mean we have to expend them. If that's the case, then we've got some time to act on that grant. We need to hear that. Maybe we could get that back in an informational report without having a full Council discussion. Us learning what flexibility we have doesn't mean we have to act on it at the time we get the information. We're moving this in a more constructive direction.

Mayor Holman: Were you intending any amendment as to timing? You didn't offer any amendments. Are your comments just comments?

Council Member Burt: I would recommend that we have this return to Council for consideration of commencement within one year, if that's acceptable. It doesn't obligate us to commence; I'm saying for consideration.

# TRANSCRIPT

Council Member Filseth: You want to schedule a review a year from now?

Council Member Burt: Not longer than a year from now it comes back for us to take another look at when to start.

Council Member Filseth: I'd accept that.

Council Member Berman: I'm okay with that. I'm assuming that means stripping out "until adoption of the California Avenue area concept plan" and replacing it with ...

Council Member Burt: Should we say "whichever comes first"?

Council Member Filseth: Yeah, whichever comes first.

Council Member Berman: Sure, sure. Yeah. That's another way to handle it. I'm fine with that.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add at the end of the Motion, "or one year, whichever comes first."

Council Member Wolbach: There are a few issues. The timing and the pace, the ordering and coordination, the money, the scope, cooperation, Staff resources, vision. Knock off money. I appreciate the gentleperson's agreement offered by the property owner to backfill the funding if we don't accept the MTC/VTA grant. I don't want to throw away the money, but Council Member Filseth is right. Even without that, this is such an important thing that that amount of money should not drive rushing the process. On scope, I'm not sure if Council Member Burt meant it this way, but it sounded like there were a couple of options. One is splitting the Cal. Ave. area into two concept area plans. Another might be the expansion of this coordinated area plan to be a larger area, to be the northwest end of Ventura, not just the Fry's site. Interesting ideas. I'm interested in exploring more in the future. On the timing and the pace, if we can learn to do coordinated area plans faster than we did SOFA, great. I've made no secret of the fact that I've a vision of Palo Alto's planning process relying heavily on coordinated area plans in the future. It puts the community front and center, puts the community in the driver's seat. That's very important. Because I've been such an advocate for coordinated area plans, it pains me to say that I'm willing to agree that we should not rush on this one. I do agree that the order of having the Comprehensive Plan moving and taking clear shape in the Cal. Ave. area before we move forward on this coordinated area plan makes sense. I'm a big advocate for coordinated area plans, but I want to make sure we do them right and that we have Staff and the community

# TRANSCRIPT

resources available to focus on them. The cooperation between Staff, community and property owner is going to make this work. We can do that if we do it in the right order and the right way. I'm still optimistic about how this will turn out. I do want to be respectful of Staff resources in particular as we move forward. I will be supporting the motion.

Vice Mayor Schmid: I enthusiastically support the amendment, especially Council Member Burt's perspective on it. The goal is to think strategically about the whole area. If you look historically, that's what Council's been doing. In 2006 they called for a California Avenue concept plan. In 2009, they imposed a PTOD overlay area on it. They did the Rail Corridor Study which had a big impact on thinking about California Avenue. The Housing Element specifically called for a new look at the California Avenue area. We don't need every single detail of the concept plan finished, but we need clear guidance on critical strategic issues. That would include how much mixed use belongs in the area, what is the Housing Element areas that we could identify in the area, what do we mean by PTOD and what kind of enforcement does it have, how do we think about traffic and allocate the traffic studies, how do we think about a transportation area in here. If we could give those guidelines from the California Avenue plan, it would be appropriate to go to work on the Fry's. I see no reason, given we are aiming for early next year to have the Comprehensive Plan draft done, that six to eight months wouldn't be a reasonable time to come back and say we have enough information to move ahead on Fry's. Just an idea of timing, can we move ahead swiftly? The real question behind that is can we do the Comp Plan by midyear next year. These things fit together if we can focus sequentially on the steps that are necessary. Any thoughts on the Staff side of a timing issue like that?

Ms. Gitelman: If your question is about timing of the Comprehensive Plan Update, we're working on a schedule that incorporates the monthly meetings of the citizens advisory committee with periodic check-ins with the Council. It's realistically going to take the committee a while to find their sea legs and get the Council a revised draft. Our thought is it would be towards the middle of next year.

Vice Mayor Schmid: I was saying that the California Avenue concept plan piece of that, the critical elements could be finished in six months. Is that a reasonable goal?

Ms. Gitelman: Presently we're thinking of working on the Comprehensive Plan as a whole, as a piece in a logical sequence. We weren't talking about isolating this portion of the draft plan and advancing it in advance. That's a decision the Council could make. When the committee gets to discuss the

# TRANSCRIPT

land use and community design element, they could take up the Cal. Ave. concept plan and the other concept plan and consider those as a piece.

Vice Mayor Schmid: Over the last four, five, six years we have identified a number of critical elements already with the California Avenue plan. Mixed use, housing, traffic issues, transportation alternatives. In the corridor study we had some of these issues. Could they be made concrete enough to be the drivers behind the Fry's?

Mr. Keene: First of all, the way the motion's worded right now anticipates either adoption of the Cal. Ave. concept plan within a year or revisiting this issue with the Council. It's artfully stated to try to drive us towards a solution but to keep your options open. That's one point. I'd be reluctant for us to grab a timeframe out of the air, since we are going to have a public process. The opposite is true. I personally think that breaking pieces off the Comp Plan interferes and slows down the ability to do the Comp Plan more than doing it in this orderly fashion. You and the public process will determine that. It can be distracting to be thinking we've got to pull this piece out and deal with it right now. It makes it even harder to get to it.

Vice Mayor Schmid: The way the motion is stated, it says the California area concept plan is adopted. That implies that it's separate. You're saying that it's the whole Comp Plan that will be adopted?

Mr. Keene: Hillary's talking about this piece unfolding in a nested way in conjunction with the Comp Plan. You have specifically asked us if this could be done in advance. It's too early to tell that. Doing it this way, there's more likelihood of adopting the Comp Plan, adopting the California Avenue concept plan and ultimately getting a specific area plan for this in the most expeditious way by the direction you're taking it right now.

Mayor Holman: When I came, I was leaning towards going ahead with the area plan for the Fry's site. Given some more clarification for the leases that are in place and the amendment and the motion, I feel much more comfortable with this. As Council Member Burt indicated, the SOFA plan wasn't absolutely tracking with the Comp Plan. Enough had been done that we could move forward with that with good confidence. The SOFA plan took a great deal of time because we had a strange circumstance of having three different Planning Directors in a short period of time. We can do something like this much more quickly. I have one minutiae question to ask. There is a creek that runs across the site. I'm wondering if we might ask the Parks and Rec Commission to see if that creek might be naturalized with Santa Clara Valley Water District funding. Council Member Scharff and I have had conversations in the past about renaturalizing some of our creeks. It would



# TRANSCRIPT

take a long time to have any discovery on that. If Parks and Rec might look into that and have some communication with the property owner as well, it could enhance this site if that is possible. The motion on the floor is to defer taking up the Fry's Master Plan until either adoption of the California Avenue concept plan or one year, whichever comes first.

Mr. Keene: I want to be clear. The intent seems to be holding out the possibility of the grant availability tracking with this motion over time. That being said, it's uncertain. Council Member Burt asked for an informational item. One concern we have is they could say we should have adopted a resolution of some sort by the end of this month in order to be eligible for something we read as "obligating funds" a year or so from now. We're going to do our best to stay alive with the funding in parallel with what you want to do. If MTC or somebody closes the door, we recognize that the requirements they might have imposed on us were worth this risk.

Mayor Holman: Voting on the board please. That motion passes unanimously with all nine participating.

**MOTION AS AMENDED PASSED: 9-0**

## Council Member Questions, Comments and Announcements

Council Member Wolbach: I attended the summit on climate change hosted by Congresswoman Anna Eshoo and Assembly Member Rich Gordon held at NASA on Friday. Council Member Scharff did a great job moderating a panel. I also saw Council Member Kniss there and counterparts from several other Councils in the region. It was informative on some of the specifics. For me, there was nothing shocking. I was already aware of the urgency of the issue. This is one of the greatest threats facing the world, but also one of the greatest threats facing the economy and homes of Palo Alto. I'm glad to know that I'm in good company prioritizing that issue.

Council Member Scharff: I also attended the sea level rise conference. I'll adopt my colleague's comments, since they were so nice. I attended World Music Day. I had a great time at World Music Day. It was fun. People were having a good time. It's great that we have those kind of events in Palo Alto. We should close University Avenue on a trial basis every Sunday and see how that goes. That would be a fun thing for the community without impacting anybody except in a positive way.

Council Member Kniss: Next Monday night I'll be able to report that the Mayor, the City Manager and I—I don't know if anyone else is going to Monterrey, Tom—are going to Monterrey for the first conference they've had for Mayor and Council Members since 2009 and the big recession. That'll be

# TRANSCRIPT

fun and interesting and a great chance to mix it up with people from all over the state. After we got done at 1:00 last week, I know that Greg was back up at 6:30 to drive to Sacramento to lobby for NCPA. You deserve at least a kudo or two for doing that. It was great that you were willing to do that. Thanks.

Mayor Holman: Council Member Scharff, thank you on our behalf. I did not make it to World Music Day, because I was attending in San Francisco the U.S. Conference of Mayors. I'll have more to share on that at a later time. One of the real pleasures that I had at that conference was getting to meet Ambassador Andrew Young and spending a little bit of time with him.

Adjournment: The meeting was adjourned in memory of all Charleston shooting victims at 11:19 P.M.