

CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Regular Meeting August 17, 2015

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

Present: Berman, Burt, DuBois, Filseth, Holman, Kniss, Schmid, Wolbach

Absent: Scharff

Mayor Holman: This evening I'd like to dedicate this meeting to Scott Carey who passed away August 11th. Scott Carey, from 1975 to 1979, served on the Palo Alto City Council including a term as Mayor. He was considered an establishment member of the Council. He was instrumental in the Council winning support for the \$7.5 million acquisition of 500 acres in the lower Foothills which is now the core of the Enid Pearson-Arastradero Open Space Preserve. In 1968 he joined the residential real estate brokerage firm of Cornish and Carey. During his many years at the company, he served as president, CEO and later chairman. In addition, he served as organizer and attorney for the Economic Opportunity Council of Northern Santa Clara County, a member of the Santa Clara County Land Use Commission, and a member of the Board of Woodside Priory School as he was later a resident of Portola Valley. I would like to dedicate this meeting in his honor and wish his family all our best wishes and condolences.

Study Session

 Update on Integrated Parking Strategy for Downtown: Parking Management, Parking Supply and Transportation Demand Management.

Jessica Sullivan, Transportation Manager: Thank you, Mayor Holman. Good evening, Council. We do have a presentation, and hopefully it won't take very long since we've only got an hour this evening. Tonight we're going to give pretty much an update on what we call the Integrated Parking Strategy for Downtown. I think this is really kind of like a preview of coming attractions, because we will be coming back to Council probably within the next three to six months for the majority of these items for some action and some more detailed discussion. This is really an overview of all of the

parking strategies we've been working on for the last six to twelve months. We are excited to give you an update. Again, we're kind of still working with this familiar diagram here that most of you have seen, this three-pronged strategy, parking management, transportation demand management and parking supply measures as they relate to Downtown parking conditions and traffic conditions. We're going to go through at a high level kind of where we are with all these projects tonight. First and foremost the Downtown RPP, probably the most notorious of all the programs. The Residential Preferential Parking Permit sales kicked off this weekend on Saturday. The website to purchase permits is live at cityofpaloalto.org/parking if any of you have checked out the website. The signage installation has also been going up. Most of you probably noticed the signs with little plastic tags are coming up around the neighborhoods. We're on schedule to complete the signage installation by the end of August and starting enforcement hopefully the second week of September. We will be giving a two or three-week warning period before actually issuing citations. As far as the Phase 1 schedule for that program, we're targeting to come back to Council in December. We'll have collected three months of data of the kind of changing parking habits in the neighborhoods as well as the number of employee and resident permits that have been sold, which will help us sort of set the parameters for the Phase 2 permit program. The target for Phase 2 is to begin in March 2016. We have received some feedback from the community that a lot of folks don't have access to computers. Since the RPP permit sales are being sold online, we are giving some opportunities for folks to work with Staff to get their permits purchased. We do have some dates here on the slide. We've been publishing these on our website and other materials for folks to come to the Downtown Library to purchase permits. We're also working with Avenidas and Channing House to set up dates for permit sales. there's four weeks left to purchase the permits, and the enforcement will begin in the middle of September. At that point, we will also have the Parking Citation Manager at City Hall for a few hours every week in case people have guestions about contested citations. Next I want to talk guickly about parking technology. This specifically relates to the technology we're looking at integrating into our Downtown lots and garages. There's really kind of two kind of big buckets of technology. The first is parking access and revenue controls, otherwise known as PARCS. Basically, this is technology that allows us to time stamp vehicles entering garages and provides the infrastructure to support eventual paid parking strategies in the garages. This technology will provide a platform to support whatever sort of technology and strategy we end up going forward with. It's sort of the baseline systems. The other component of this technology is APGS or

automatic parking guidance systems. The intent of this piece is to collect real-time occupancy data to give us information that will better inform our ability to make decisions in the garages and to maximize the efficiency and utilization of the existing supply. We have been working with a nationally recognized parking consultant to develop some design specifications for each of these systems. We have a draft preliminary recommendations report. We will be meeting with our stakeholder committee next Monday, the 24th we have a stakeholder committee which includes members of the Downtown parking committee as well as others from the community—to talk about the implications of some of the technology and what the pros and cons are. There are pros and cons for the idea of having gates and not having gates as well as multi-space meters versus single-space meters and that sort of We will target coming back to Council probably in October or November of this year with a final recommendation on the type of technology that we would want to move forward for in the garages before we could ultimately go out to bid for that project. Right now this project is only budgeted for design and not for construction. Parking wayfinding is kind of next on the list here. It aligns very closely with the garage technology we just discussed. The idea behind wayfinding was that we could develop a signage and branding system to help people move more effectively through the Downtown and find parking more guickly than they are currently able to. Our consultant has been working on some different signage typologies which you can see there on the slide. The idea of having directional signage which point people to where the parking exists, lot banners which kind of provide a parking signifier at lots, same with garage IDs and then some sort of statuesque-type marker signage as well and then the rules and regulations signage. The preliminary recommendations are We have a consultant working on kind of updating this. I know Council Member DuBois had a comment about the wayfinding directional signage on Lytton, and certainly we can add that. This is a draft, and we're still in the stages of developing the design. We have gone to ARB to show the preliminary designs. I want to share with you some of what has been The feedback has been positive as far as the design shown the ARB. concepts and the direction. As you can see, the consultant's working to develop a parking brand using the City of Palo Alto logo as well as the sort of nationally recognized "P" for parking, and then taking the logo and kind of silk screening the tree in the back of the "P" for kind of a more modern look. I'll just share two of the concepts that have been looked at and that gained some support from the ARB and from the stakeholder committees that have been looking at this. This is Concept 1 which uses kind of the traditional Palo Alto green color on the banners and the signage with the different

signage typologies. Another concept which actually uses a totally different color, a blue color. We did get some feedback that it may be difficult to read the green signs against the green trees, so we wanted to investigate another color as well. We will be bringing these to formal ARB and then also back to you probably by the end of the year for some direction on the design and the types of signage that would be bid for construction. The next piece that I want to go over is the paid parking study. Talking about moving forward with infrastructure to support parking management changes, we also need to discuss what the parking management policies are. We are putting out to bid an RFP for a consultant to do a comprehensive paid parking analysis. The idea here would be the consultant could help us collect data on not just occupancy, which we do have some data on occupancy, but turnover and make recommendations on what sort of policies would be appropriate for Downtown. We expect to come back to Council to discuss recommendations made here early next year. Also, the last piece in the parking management kind of silo is the new parking website. If any of you have tried to log on to purchase RPP permits this weekend, you probably ran into this website. Right now this website actually has all of the data that exists on the existing parking websites in a what we hope is a much more easily navigable format. Our goal will be to update information as it becomes available with our new programs in the next few months. Moving right along to the transportation demand management piece. This silo or this piece of the program is really about developing programs that can help incentivize people to use alternative forms of transportation. I think the big project here, as most of you know, is the Transportation Management Association or the Downtown TMA, which is a third-party nonprofit group that will ultimately develop, market and manage transportation programs for Downtown. There is a steering committee for this group which is comprised of small business leaders and representatives as well as larger stakeholders. They have met regularly since January. Actually, I think the only month they haven't met is August. They've been very busy. There's also a Palo Alto TMA website if anyone's interested at paloaltotma.org. One of the biggest projects that the TMA decided was imperative to move forward with before doing any sort of more project development was a commute survey. The consultant team hired EMC Research to conduct a statistically random and valid survey of the Downtown employees. About 2,900 actual employees were surveyed, and we received 1,170 responses, which is about a 44 percent response rate if you look at the businesses out of the Downtown who are represented. EMC used to support this analysis a scientific telephone sample which is a company that basically has databases of employees. They also crosscorrelated that data with data from the steering committee as well as that

from the Business Registry. Using that data, we had calculated there are about 9,700 employees in the Downtown. The results of the survey show that about 12 percent of those employees actually responded to the survey. We felt that this survey gave us some significant insight into the travel habits of the employees Downtown based on the parameters. I don't show all of the components here obviously, but one of the major findings was that of the sample that was surveyed about 75 percent of the employees that come Downtown are coming from the Peninsula, from Palo Alto and from the South Bay. This helped us sort of think about what sort of strategies we might want to move forward with to support getting those employees to Downtown. Given the results of the survey and some immediate feedback from the steering committee, there are kind of four different tracks that the TMA is heading down. We anticipate bringing kind of more detail to Council probably early next year to discuss these projects in more detail. Quickly, just highlighting, some ideas have been that we pilot some parking pricing concepts. One of the things that some of the steering committee members have noticed is that the daily parking price in the garage at \$17.50 a day is obviously quite significant when you look at comparing that to the annual rate of parking in the garage as well as how much it costs to park in the neighborhood. An idea was actually to get the garages full by doing a sort of daily parking rate in the garage of \$2 or \$3 to help incentivize folks to get out of the neighborhoods and into the garages while RPP rolls out. Another idea that gained a lot of support was personalized trip planning for employees of Downtown companies. A lot of folks, while they recognize that there are websites and apps that can help them plan trips to get out of their car and to come to work in a more sustainable mode, they really like the option of having more handholding and actually talking to a real person on the phone to help them do it. We will be engaging in some of that activity as well. Marketing also came up as a sort of major request. People felt that they wanted more comprehensive information about transit in Palo Alto, in and around Palo Alto as well as the parking programs. The last piece is rideshare pilots. The steering committee has met with a number of rideshare companies, some of the more popular ones like Lyft and some of the newer ones as well. We will be entertaining some proposals from the rideshare companies on how we might partner to develop some first mile solutions to help folks get to Caltrain. There's a lot in the works for the TMA. Again, our hope is to come back early next year with an update on these programs and pilots. Next on the list is what I'm calling the shuttle revisioning. You probably remember we came, I think, last October to kind of talk about some plans for expanding the existing shuttle routes. Currently, we have three existing routes for the shuttle, which do very well

for the ridership that they serve. We had planned a fourth route which we were trying to gain some private company support for. Unfortunately we have not been able to gain support for that fourth route. One of the things that came up in some of the conversations around that route was that we really should have a sort of more comprehensive vision for who the shuttle is serving and how we would develop a plan to serve that population, and we agreed. What we are engaging in now is the development of sort of a fiveyear shuttle plan. Taking a step back and looking at who we're serving with the shuttle, whether there's an opportunity to expand that customer base and what are the gaps, where are the areas where the shuttle could be much more effective than it currently is. Our goal is to develop that comprehensive plan in the next couple of months and bring that back to Council for review. This we feel would give us a sort of comprehensive strategy in designing a shuttle rather than kind of bringing forward piecemeal routes. Our goal really is to make the shuttle a really important part of our mobility services here in Palo Alto. The last piece that I want to mention is pilot employee programs, talking about how do we incentivize our own employees to not drive to work. Right now the City is sponsoring a Caltrain Go Pass program which has, at last count, 117 participants, most of whom are using the Go Pass four or five days a week, which is significant. We are going to continue to investigate a provision for parking cash-out and other incentives to help employees choose Go Pass and other sustainable options. Now I quickly want to go through the parking supply measures. As most of you know, we have just finished our first year trial of the Lot R valet-assist program which has allowed us to sell significantly more permits at the Lot R garage down here at the sort of southwest end of Downtown. We will be rolling out the valet program at the other garages as well as we start to roll out the RPP program. This will allow us to park at least 180 more cars in the three garages combined. Most likely it will be more than that, because that's the actual number of spots that's opened up. Typically we sell more permits than we have spots. We will be getting ready to roll that out as well. We are going to send communication to folks who park at all those garages to let them know of the changes in the operation of the garage. Satellite parking, I wanted to give an update on this investigation. Last year we took to Council the idea of potentially designing a satellite parking lot for this stretch of Embarcadero Road east of Highway 101. The idea was that we would take a look at this stretch of road and see whether it made any sort of sense to implement a parking lot on the north side of the road here. We did the investigation. One of the things that has come up as interesting is that the traffic impact analysis which we performed and the traffic volume counts have changed significantly since we began the study

and we ended the study. There's a huge amount of tenant population sort of down in this area that wasn't there when we began the study. The truth is if we implemented satellite parking here, the parking could probably be used very easily to support the existing tenants without really providing much use for us as satellite parking. We would be interested in investigating that if Council thought it was feasible to look at sort of implementing more of an integrated bike/pedestrian path here with more landscaping and vegetation and striping this area for parking to serve the tenants, but not necessarily to use as a satellite lot. The other component here to consider is that the commute survey data tells us that potentially first mile solutions are going to be more effective for us in Palo Alto than last mile. In other words, if we get people to Caltrain, that may be a more effective use of our time and energy rather than developing a sort of scenario like this, which is really a last mile solution. The last piece which we'll be coming to Council very quickly here in the next few weeks. Looking at new garage potential scope of work is going to be coming to Council on September 14th. Our Public Works Department will be bringing that scope. I expect some more discussion on that garage at that meeting. As I mentioned, this is kind of a preview of coming attractions. You can see there's a huge amount of work we're doing to roll out all these programs. Our goal is to bring some pretty important updates to you in the next three to six months on how all of them are going to roll out. 2015, we're pretty busy right now obviously rolling out Phase 1 of the RPP program and looking at how we would design a Phase 2 program, implementing the valet program, launching the TMA pilots and looking at our own employee commute programs, then targeting early next year to come back to Council with how we would recommend implementing parking technology, launching Phase 2 and then the design of the Lot D garage. We also think early next year come back to talk about parking, pricing and management strategies. That is our update. We appreciate comments and questions. Thank you.

Mayor Holman: Thank you very much, Jessica. As usual a complete and clear presentation. Just a couple of quick comments here. We've come a long way from where we started. It's gone slower than anybody wants, but it's also been a lot to accomplish and a lot to take on and a lot of different parties to gather input from and a lot of data to try to collect and such. Congratulations to Staff and to the public for participating in this. It's hard work on the part of everybody. Let's keep that in mind going forward.

M.R. Beasley: I have to start with a little bit of a joke, just because levity is never bad. When Jessica came out and put the sign in front of my house for the RPP program, they ruptured the line in my irrigation system. Instead of

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suing the City, I'm going to fix it myself because I'm so appreciative of the program. Yeah, but. Yeah, right, you knew it was coming. Members of the Council, as we approach Phase 1 of the RPP, it is of course important to address its implementation. Jessica has done that and even more this evening. That's one of the tasks for this evening. Let me say kudos should go to Jessica and Sue-Ellen for getting us as far as we've come. I know others are involved, but they are really there on the line. I just think it's worth mentioning Staff. It's equally important to address the issues downstream. Phase 2 will be established in December, and we need to have more public discussion about what Phase 2 will be. The data gathered in Phase 1 will help of course, but these data only quantify the problem. Moreover, they only quantify the problem as it exists today. They do not look to the future examining development projects in the pipeline or those on the not-so-distant horizon. The Phase 1 data cannot define what is consistent with the Comprehensive Plan which we all know encourages development but not at the expense of the City's neighborhoods. For this, Council must establish quantitative standards regarding the amount of parking intrusion that is fair and reasonable. We need to know where we are going even if initially our problems are too great to honor the standard. It is a simple matter of trust. Indeed, I submit it is the absence of such Council-approved standards in the past that has surely played a large role in getting us into the present crisis. I urge Council to exercise its fiduciary responsibility and begin now to address this fundamental issue. Thank you.

Norman Beamer: I have two quick comments. First, the issue of satellite parking. I'm disappointed that Staff is recommending that that be put off or I think it's a crucial component of the overall indefinitely postponed. There's just no way that the RPP or the parking garage or the transportation demand management is going to handle this situation. Satellite parking is another hopeful possibility. I was kind of dismayed to hear that during the time it took to start the study and to finish the study that the influx of new parking demand in that area has obsoleted the study. I mean that's just symbolic of the whole City and the phenomena that's going on in Downtown with all the parking demand that's coming down the pike. I mean if that causes people to give up, what's going to happen with RPP when all this new parking comes into play? Anyway, I would urge that Staff be asked to go back and try to figure out how to do satellite parking with shuttles. I think that's an important aspect of this. Related to that is the RPP program and the problem that I indicated in a letter that I just sent The neighborhoods adjacent to the district are very concerned about the inevitable spillover once the RPP goes into effect. I'm hoping that administrative regulations are put into place as soon as possible to allow for

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adjacent blocks to opt in on a resident-only basis similar to College Terrace. It's just not fair for areas that have never had this problem to suddenly be inundated with it. Thanks.

Hello, Council Members and Staff. Adina Levin. serving on the advisory committee for the TMA. Having been doing that, I have two comments about one item in this plan that is important and tactical and one piece that is potentially important and strategic as a next phase. It's good to see the City moving forward on all the different fronts, the three-legged stool, more efficient parking, RPP, transportation demand management, parking supply. I think that was four things, but at any rate. One of the items in here was the suggestion of a lower priced daily pass. Looking at what's being discussed in the transportation management association is a potentially very valuable thing for three different reasons. The first is having that \$17 daily pass. If you've got somebody who would really want to be using Caltrain but maybe needs to drive one day a week, that person right now would be making a rational decision to purchase a monthly parking pass and never take Caltrain. The monthly pass is \$39 to \$49. Four single days, and they're already buying a monthly pass and never taking transit. That will help take transit. It will be of help for part-time, low-income workers. There's a price point being created for a permit for low-income workers. Still, if somebody has a part-time job and doesn't do enough driving and parking for that full outlay, that will help them. The other way that it will help is to not encourage people to use Caltrain's lots which are priced at \$5 and to park there instead of the garage. Caltrain lot is \$5, people are going to park at the \$5 Caltrain lot. strategic element, I would love to use the time here. One of the elephants in the room in talking about the transportation management association is how are we going to fund not only the pilot programs but the full-fledged implementation to get a large number of people out of cars. There's a piece of financial analysis. One structured parking spot, the annualized cost is \$300 per month if you look over the 30-year lifespan of the project. \$300 per month will purchase a Cadillac/BMW/Tesla-quality transportation demand management program. If we are able to utilize some of the funding, the in-lieu fees, tax fees, that are designed to improve access, we can use some of that access funding to create excellent programs to reduce driving. Strategically, it would help to do a long-term forecast about what mix of new parking supply versus if we freed up that money to use it to reduce trips. Could we potentially never have to build some of those parking spaces or structures at all? Thank you.

Eric Rosenblum: I'm Eric Rosenblum. I'm a resident of Downtown North. I'm on the Planning and Transportation Commission, but I'm here speaking as a resident and in my individual capacity. I'm so excited you guys are in this Study Session. This is my favorite. My only issue is to encourage you to really look hard at pricing with regards to parking in particular. Parking is so expensive. Adina came up and gave her figure of \$300 per month per parking place for 30 years. Those numbers are correct, and it is enormous. I think reducing it to the monthly cost almost understates or makes it less impactful. The \$60,000 per space constructed, it's just mind boggling what you can do with that kind of money. More specifically, we currently price parking in a way that just subsidizes driving. If it really is \$300 a month per space, if you actually said to someone, "Your new permit is going to cost you over \$3,000 per year," using Adina's figures, that seems insane. That is the market rate of what it costs the City to build each space. Yet it seems crazy that we'd actually charge someone market rate for something that we want to normally discourage. We want fewer cars if possible. Yet, as residents, we're all subsidizing parking. When I worked in San Mateo, I think I paid full rate. I paid for a two-zone Caltrain pass, which cost me personally \$1,215 per year for me to go to San Mateo. My building had to have sufficient parking, so my building had free parking for me. I have free parking at home. I was foolish for having bought this pass to go back and forth by paying full freight myself. We've essentially subsidized me to drive, and I was the sucker for paying over \$1,000 out-of-pocket to get myself on Caltrain every day. There's a lot of money in parking. There are two things in terms of pricing. The first is that we believe that we should make parking essentially free. The tariff program for my neighborhood's RPP program does make that point very clear. We're charged almost nothing for this expensive asset. The message is it really should be free. That doesn't seem right. The second is we encourage high parking minimums for building. I've heard Council Members talk about maybe the density of employees per space has increased. It's really density times mode share. When you look at the survey that was just done by the TMA—I think that you guys will crunch the numbers—it comes out to something like 200, 250 square feet per worker. That is more dense than previous estimates. However, the mode share is much lower. The actual number of square foot per car required is between 300 and 350 square foot, based on my calculations. I'm sure someone here will do a much better job of that. My point is by getting buildings to have to invest in parking that is overabundant, that's another subsidy. You're causing a developer to invest in this asset that they then give away to their building. All this money could be going towards subsidizing transit. Thank you.

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Richard Brand: Good evening, Council Members and Staff. Welcome back. Everybody looks like they had a good summer vacation. I do want to thank the Staff and Sue-Ellen, who's back there, Jessica, Hillary for working hard on this project. I know it's been a real grunt. In fact, Mr. Beasley must be the lucky one. While you may have had Jessica out there wielding a posthold digger, I had two guys and a truck that were there. I didn't see Jessica wielding the post-hole digger. I will say though that these guys were really good, because they were flexible. In fact, I told them there were some utilities in the area where it was marked off, and they moved. Nice job on having that placed well. That was a good job with the consultants. In terms of the activity, I think you've seen my email. I won't go into too much. I will say I am one of the RPP stakeholders. I actually call the phase we're in now the DPP which is the developer promoted parking program. because it was proposed by a developer who's not a resident of Palo Alto that we have this Phase 1 program. What I'm asking Council to do and Staff to put on the accelerator and get into Phase 2. The Phase 1 won't really provide any parking relief for residents. It really gets us some data; that was the whole idea. We know that anybody can get a parking permit, any of the workers. I encourage you to walk into Flipboard on Homer, see the number of people that are shoe-horned into that building. There's a lot of people working in the area. Phase 2 work, let's get the stakeholders back together again, get that scheduled. I guess the other thing is thank you for your efforts. We'll be meeting soon.

Mayor Holman: This is a complex item, and there was only an hour allocated for this. It's a symptom of having a summer break and then coming back and trying to accomplish a lot in a short time. What I'd like to do is if we need to do second rounds, which is very likely, then that's fine, but if we could try to do 5-minute rounds at least, and see where we can get with that.

Council Member Kniss: See if I can do it shorter than that, if you want to be done by 7:00. Thank you both of you. I know this has been long and arduous. I know the stakeholders have put a huge amount of time in it. I'm also reminded that Richard Brand was at a kickoff that I had for my race in 2012, which seems to be a while back at this point. Coming back to this. The piece that I'd like to ask about is the technology piece. It's on page 4. It talks about the group that we are using which is Walker Parking. I'm going to presume—you just cannot on this, if you would—that recommendations listed at the beginning of page 4, that you would choose between those or that you would evaluate each of those and so forth. Here's my frustration. We traveled a lot during the break. I am fascinated

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by how many different kinds of parking there are. The most common one is the sensors. The most common one is in Santa Monica for their community college. It lists exactly the number of spaces open. You drive in, and you do have to look for a space. We did go to a garage somewhere else where not only did you not have to look for a space, it told you where the space was. I am wondering in this valley of heart's delight that turned into Silicon Valley what's up with that. Because this is a Study Session, let me just hang it out there, Mayor Holman, and just say it seems like we could do better with this kind of issue. I know there will be lots of other comments tonight. That's my frustration; it was my frustration a year and a half ago. Thanks.

Mayor Holman: Does Staff want to respond to that at all or do you want to accumulate comments and questions for the end? It sounded like a question.

Ms. Sullivan: Thank you, Council Member Kniss. I think I understand you correctly. The consultant has moved forward with a recommendation for doing exactly what I think you are referencing, which is the individual sensored spaces, red light/green light. We didn't ...

Council Member Kniss: It's the second recommendation I would call it.

Ms. Sullivan: Yes. Again, there's two major types of technology. There's the parking access and revenue control, which is not really related to that. There's the actual red light/green light, count the number of spaces that everybody gets excited about. We are going to be discussing both of the main recommendations with the stakeholders, I think, before we come back with the recommendation. There obviously is a significant cost for the red light/green light system versus a more simple loop system. We want to look at costs as well.

Mayor Holman: To be clear, this is a combination of questions and comments.

Vice Mayor Schmid: Just a couple of comments. I remember that we have been trying to deal with the Downtown parking issue for at least a decade. Experiments, trials, discussions and lots of frustration. Last December, the Council finally voted to say, "Let's do the RPP program. Let's set a date on it, September 15th." Here we are in the middle of August with the signage contract in place, with the permit sales under way, with an enforcement contractor signed up, with the citation processing under work. I think we've done a marvelous job, a great accomplishment after a decade of talking, to

set a date and get there. I think it's incumbent on the Council to recognize that there's another date set, the middle of December, where you will come back with data, and some critical decisions have to be made about numbers and pricing. I guess the Council should acknowledge tonight that we are ready to do that, looking forward to that December date. This means that Phase 2, where we actually allocate places, will be in place by March of next Congratulations on that. Second comment. In order to make effective decisions in December, we have to have good data. Let me just raise a couple of questions about some of the data we have. The EMC survey gives us a sense that single occupancy vehicles are 55 percent of the A couple of questions on that. We had a Downtown Development Cap Study last year that talked about two different surveys. One, the American Community Survey, and the other an intercept survey and they came up with numbers. The intercept survey said under 50 percent of people were single occupancy vehicle. The American Community Survey said between 70 and 75 percent. Now that's a very wide spectrum. You want your survey to be good data that we can act on. I guestion the I guess we did not get enough information to really make a It seemed as though they had identified judgment on the sample. companies that reflected the size of companies where large companies were much more likely to reach the 40-45 percent single occupancy vehicle, smaller companies were likely to have numbers in the 70s. Two questions immediately came up. There was a little note in the text that the City had achieved levels of somewhere between 10 and 15 percent of non-single occupancy or Go Passes. Now, they are the largest employer in the Downtown, so it's hard to see that number being consistent with the large employers in the survey being at 41 percent. A question about the survey: is the survey a good, quality survey? Random sample means that every actor has an equal chance of participating in the survey. It seems to me by allocating the survey by size of companies, leaving out the biggest employer, is not necessarily going to give us good, quality data. A question about the survey and what we can act on when we come back in December. The second question I would have about the data is who pays. I noticed going through there that most of the money spent on signage, enforcement, TMA start-up, shuttle expansion is based on the 2016 general budget. think as we move forward, we should make sure that we move from an RPP program to a CPP program, from a Resident Preferential Parking to a Commercial Property Parking Payment program. Two issues as we move forward. Thank you.

Council Member DuBois: This is a really well-timed Study Session. I'm hopeful that we're doing a lot of things. Hopefully, we're going to move

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swiftly with the roll out and get the data and go into Phase 2. It's really great work, and it's exciting to see all this. Thank you. I particularly appreciated the MC Research; I think it's fantastic. I would ask, maybe just as a matter of course, if whenever we have a survey from whatever project, I think a methodology page would be great to understand what was the sampling, what's the statistical accuracy if any. I ask questions every time on every survey. If you just gave me that data, that'd be awesome. With this statistically represented data, which I understand the survey is, I think it gives us a good blueprint for our next round of projects, part of which we're going to talk about later tonight. It's pretty clear that I think high tech workers from San Francisco are not the problem. 70 percent of them are taking Caltrain. We need to apply this data and I think get more sophisticated in our discussions about transportation, parking. In terms of congestion relief, it's clear most of the traffic, single occupancy vehicles are coming from the South Bay, from the Peninsula, perhaps locations where Caltrain isn't, and probably a little bit too far for bikes. I'm convinced that we need to talk about a balanced transportation plan that focuses on all modes, bikes and transit, but also our freeways and expressways. I think we're planning to move forward on at least one garage Downtown and Cal. Ave. I think those are going to be needed based on this data. Let's see. On the wayfinding signs, I did ask the question about Lytton. directional signs on University and Hamilton and nothing on Lytton. It just seemed very striking to me. All that traffic from the north cuts down Willow to Middlefield and shoots down Lytton, and there's no sign. Why was that? Was Lytton not considered a major street for commuters?

Ms. Sullivan: Thank you, Council Member DuBois. Again, I mean this was a preliminary kind of take. Our consultant spent about a day kind of observing the traffic flow. It could have been potentially the time of day that they were observing. It was later in the afternoon, so it was less of the morning commute. I did relay them that feedback, that we could use some more of the signs. We have no problem integrating that.

Council Member DuBois: I think Lytton is considered a major arterial or collector street. The website looks great. I'm just curious if you guys have a list of bugs or if you feel like it's in really good shape at this point.

Ms. Sullivan: Thank you. The parking website I think functionally, the way it looks and feels is going to be consistent. We're going to continue to add information to it. The permit sales website, certainly there's some bugs. We kind of go through and find things that need to be tweaked. As of about 1:00 today, we'd had about 400 residents and employees create accounts

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for permits successfully. We did kind of uncover some issues that we were able to fix. As with anything, there's bugs, but we're working on it.

James Keene, City Manager: I just went on and registered while we were talking here. I didn't see that there are any bugs. I think that there are sort of user-friendly kind of directions that make it just as intuitive as possible. We'll make some of those changes.

Council Member DuBois: The next step will be actually payment processing and that kind of stuff. Will day passes be purchase-able online? I did look at the site, and it said you have to go to City Hall.

Ms. Sullivan: Yes, all the passes will be online.

Council Member Dubois: I had a question about the working group in Phase 2. Is there any thought given to maybe expanding the RPP group as we move into the next phase or do you think the group is working the way it is?

Ms. Sullivan: I think that it'll be great to have some new faces in the group. There's a sort of core group that's been there, and I expect they'll continue to participate. We've also had some sort of shake up. Folks have left for personal reasons and for business reasons. I think that we could certainly entertain that.

Council Member Dubois: It's kind of my impression and I expect, as you roll it out more, people are going to start paying attention. With the addition of the revenue control systems in the garages, is that going to free up enforcement personnel to cover other areas potentially?

Ms. Sullivan: That is going to be something we discuss. Depending on what sort of access control you give, you can tie with enforcement. There are some considerations when that happens, which we need to discuss with the group. That is on the table, but we're not there yet.

Council Member DuBois: You won't be able to get out of the garage unless you pay, right? The gates will be down so ...

Ms. Sullivan: Or you get out of the garage and you end up with a citation in the mail five weeks later, which nobody likes.

Council Member DuBois: Right. I just have a few more if I could continue.

Mayor Holman: Why don't we ...

Council Member DuBois: Actually, I have one more if that's all right.

Mayor Holman: Yeah.

Council Member DuBois: It sounds like primarily Google wasn't interested in the west shuttle route. Just some ideas. I'd love to investigate routes maybe to the business park and also routes to school during the morning. Over the summer, I saw an interesting article. I think it was the Napa bus system, where they run fixed routes during commuting hours. Then they actually shift to a point-to-point shuttle during the day. I have been concerned that our shuttles are nearly empty in the middle of the day. I thought that was an interesting idea. Thanks.

Council Member Filseth: First of all, this is very welcome. Thank you very much, Hillary and Jessica and the Staff, for doing this. What I'd say is it's been almost ten years since the Professorville neighborhood started calling for relief on this issue. Please don't slip. Two comments, sort of fundamental here. First is that the Downtown neighborhoods are not the only impacted place in the City. I urge the team to accelerate as much as possible the expansion of this to other impacted neighborhoods around town, some of which are anxiously awaiting the ability to implement this there. The second is—and it comes back to Phase 2—the crucial remaining issue will be how many permits are sold and to whom. I urge the team and the City to base this decision on neighborhood quality and not on external demand. External demand is really a transportation and economic development issue. As a City, we need to manage that as a separate focus. Whereas, neighborhood quality should be the determinant of how many permits we sell. Thanks very much.

Council Member Wolbach: Let me echo the comments particularly by my Colleagues DuBois and Filseth. A lot of their questions and suggestions I really appreciate and will just second that. Also, thank you for amazing work, excellent work, and for bringing this to us. Very timely indeed, especially given some of the later discussions on our agenda this evening. This couldn't be better timed. I do have a few comments and questions and thoughts to consider as we move forward, both on the parking side and also on the shuttles and larger transportation side. First, I want to echo the points brought up by Adina Levin regarding first the daily parking passes. I think we should definitely look very carefully at perhaps reducing the daily parking price to match the Caltrain daily price, which I think is \$5. Besides

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encouraging people who might sometimes take Caltrain and sometimes drive to take Caltrain and not necessarily buy the monthly pass, as Adina mentioned. Also to provide some relief for low-wage workers to move into our parking garages as they move out of the neighborhoods. A lot of the people who park in the neighborhoods now, it looks like it's people working in service industry and hospitality industry. A lot of those people are not the highest paid people in Palo Alto. We want to make sure they have somewhere to park. Also, just to discourage the cheating of people just parking and trying not to get caught parking in the Caltrain parking lots and then filling up those lots and forcing people who are trying to use Caltrain to park in the neighborhoods. For a lot of reasons, I think that's worth carefully exploring. We should also make sure to look at long-term funding for the TMA. That's something we might want to talk about later in this evening's agenda, whether that's money from VTA or wherever. We do need to think about the long-term sustainability of the TMA if we want it to be Regarding just getting the bang for our buck, as was mentioned again earlier, \$300 a month. If we're going to build parking spaces in an expensive parking garage or if we're going to spend that money some other place, I'm agnostic about which policies are the best solutions. It really comes down to making sure that the numbers pencil out. If we're going to spend \$300 a month, let's make sure we're getting the bang for our buck. Keeping in mind, as Council Member Filseth said, the emphasis should be on quality of life for our residents. I would also add making sure that there are places for us to park when we go to Downtown to enjoy shopping, using restaurants and when our friends come to visit us from out of town, and to make sure that our retail businesses and their customers have enough places for people to park. A couple of other things. Just kind of a contextual thing. I always think it's worth just a guick mention. I'll probably change after we have the RPP go into place, but right now we don't really have a lack of parking spaces. We have poor use of our parking spaces. If anyone goes to the top floor of the Webster-Cowper garage pretty much any time of day—that's the one right across the street from II Fornaio-- you will find it almost entirely empty. I think I've seen at most three cars there on my several visits there in the middle of business days. There are spaces, so the question is how do we use them efficiently. We're moving in that direction. One of my questions is what can you tell us about what we're going to do to make it easier to transfer passes among employees. A business could buy a few passes, whether they're door hangers or log-in license plate numbers into the system in the future and then we have license plate readers at the garage entrances to check how many total cars from a particular company are parking anywhere in Downtown at any given time, what kinds of things

are we looking at to make sure that rather than it being just up to the employee to decide whether to purchase or not, that the business could purchase a chunk and then pass them around, especially for businesses that have employees working different shifts. Anything you want to tell us about that or any thoughts to consider or should I just leave it out there for future discussion?

Ms. Sullivan: I think you're thinking about all the same things we are. I think the question is just how do we most effectively implement it. One of the reasons we want to move forward with a sort of larger parking analysis is because we tend to look at things sort of piecemeal. Our focus here is really to look at this as an ecosystem. We're selling several types of permits now. We've got permits for garages and permits for the neighborhood. We want to look at how those permits kind of work together to create the ecosystem that we're looking for. All of this is really good feedback and fodder for kind of moving that discussion forward and making some changes in how we manage the permits at the garages.

Council Member Wolbach: I see that my time is up. If the Mayor will yield me one additional minute, I think I can wrap up all of my comments. I'll make it quick. Regarding the TMA's communication with private point-topoint transit providers such Uber and Lyft, I'd also suggest that you might want to talk to VTA that is implementing a pilot dynamic transit service in the Tasman area in San Jose. They're considering other potential pilot We might want to talk to them about whether that would be locations. something to consider. Just another option to keep on the table. Also I really want to say thank you for the five-year shuttle plan that's coming up. I would strongly encourage communicating with Stanford, VTA, Palo Alto Unified School District, the TMA and businesses both in and adjacent to Palo Alto, including the one that was mentioned earlier that turned down the one shuttle option. I think it's important to bring all of these parties together, have them all be stakeholders in a long-range plan so that we can coordinate, share resources and maybe even consider merging our efforts into a singular effort. The last comment is I tend to think that the full word "parking" is better than just a "P," particularly for out of town or out of country visitors looking for parking. Thanks.

Council Member Berman: Thank you very much, and thank you to Staff for a lot of the hard work that you've done. Let me just say I agree with probably 90 percent of my colleagues' comments. I'll try not to repeat them all. I think Council Member Schmid's absolutely right that we've gotten a lot of work done in the policy approval and planning phases over the last 2 1/2

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years. Now is the most exciting time; it's the execution time. I'm glad to hear that so far things are going pretty well in terms of the website and folks registering for permits or at least registering accounts. I think word is really getting out there. I was at my barbershop last week. When I wasn't lamenting the growing bald spot that started about 2 1/2 years ago when I got elected to Council, we were talking about the RPP. A progression of that was first you have to register in the Business Registry, which he also hadn't done yet and now has. I even gave him my card, and he sent me an email the next morning saying, "Hey. I'm on this website trying to register on the Business Registry. I can't figure it out. Help me out." Four hours later he sent me a follow-up email saying, "Alarm over. I got it handled." Hopefully this will generate the results that we were hoping for with the Business Registry, getting that information that we need to make strategic decisions. Along those lines, the survey results I think are just fascinating in terms of aiding us in our ability to target our resources and our time towards areas that'll generate the biggest results. I wasn't surprised that 33 percent of employees are coming from the South Bay. I was surprised that only 7 percent are coming from the East Bay. I kind of thought that would have been higher, so that was pretty interesting. I think as we have the conversation later on today about the possible sales tax measure, during the conversation tonight I've really realized how important it could be. Not only do 33 percent of people come from the South Bay, but 65 percent of those people drive in single occupancy vehicles. I don't think it was in the data you gave us but, diving even deeper, of the people in the South Bay and of the 65 percent of single occupancy vehicle drivers that come from the South Bay, how open those people would be to a mode shift if it were easier. I know you guys have higher level numbers for those data points further on, but it doesn't break it out to that subset. That could help the VTA and others really determine how best to utilize the billions of dollars we're going to be raising and spending on transportation that ironically may be money spent in San Jose or further south, could actually benefit us because that's cars that aren't driving into Palo Alto. That could be a real win for everybody involved. I'm very interested in lowering the cost of daily permits. I think that's right on. We need to move down that path. I'm very interested in the idea of sustainable funding for the TMA coming from sources like the parking fund. I know that that might be controversial at first, but I think if you look at it from a policy standpoint, it makes a lot of sense. It could probably be a better use of that money than on concrete parking spaces. I'd be curious if having gates at parking garages, which I think I support also, would allow for us to identify whose permits have gone dormant. Are people getting permits on July 1st, but they get a different job

somewhere else in the middle of September, and they keep that permit for 2 1/2 months and it goes wasted. All of a sudden, we can know that and maybe get that permit back and use it for somebody who really wants one. That was another conversation I had with my barber. We were talking about parking in the neighborhood. I said, "It costs the same to park in the neighborhood as it would to buy a permit in one of these lots." He said, "That makes more sense." Hopefully this will incentivize more people, to Council Member Wolbach's point, to utilize the parking spots that aren't Buying daily passes online, I think Council Member utilized right now. DuBois I think asked about that. Was the answer yes, people can do that? That's great I think. I think that covers most of the comments I had. Let's definitely utilize this data, data that we get from the Business Registry, to target the areas where we're going to get the biggest bang for our buck in terms of getting people off the road. I was fascinated for instance, one last point, that something like only 33 percent of tech workers drive in single occupancy vehicles. I don't know how representative that is of the entire tech workforce Downtown. 33 percent single occupancy vehicles, 31 percent Caltrain, and 26 percent walk or bike was a lot more even than I was expecting that to be. Restaurants, retail, hospitality, I mean those are areas where we can make a lot of gains. Thank you, guys, very much.

Council Member Burt: I'm also appreciative of both the comprehensive program that is occurring and just really starting to kick in. It's striking that no matter how many meetings we've had on this and how much we've tried to make the public and the press aware, I saw a local columnist in the last week have a column that basically indicated that the Council and the City has been doing nothing comprehensively and isn't even aware of this Having said that, one of the things that struck me was the progress that we've made. I think it said 117 City Hall workers are now regularly taking Caltrain. That's a really great impact, even if that's only three to four times a week. That's the effect of probably 80 parking spaces being freed up in City Hall. What reminded me again of something that I've been pushing for a year and a half now is whether we should have a parallel effort at promoting use of the VTA bus pass system, which is a fraction of the cost of Caltrain and of course serves South Bay. A question. survey, when we say Peninsula, is that north of Palo Alto? Is that how we're defining Peninsula? Does it go south of Palo Alto according to this? Physically it would include at least Mountain View and Sunnyvale, but I wasn't clear on that. I have a sense that they may have used a different definition.

Unknown: (inaudible).

Council Member Burt: Okay. I'm trying to interpret. I can't see from the map the green area and where it goes down to.

Ms. Sullivan: Yeah, sorry. My map happens to be in black and white, so I can't see it either. I can follow up and get that information. I think the Peninsula area is basically—I think they're sort of including between San Mateo and like Mountain View. I can't recall though.

Council Member Burt: The reason I asked is trying to get a handle on what portion of these workers for Downtown might be candidates for VTA passes. I thought we were going to do some kind of a survey of at least those workers that we really have a handle on, which is our City Hall employees. Have we done any kind of a survey on both where they live and whether they might be candidates for using VTA Eco Passes?

Ms. Sullivan: From the same EMC survey, we do have the ZIP Code data from City Hall employees as well as from the other employers that participated in the survey. The Eco Pass discussion has mostly been focused at the level of the TMA versus focus on City Staff. Because we're looking down this path of doing personalized trip planning, we have been in discussions with VTA about potentially getting discount bulk passes for TMA steering committee members and their employees which would include City Staff.

Council Member Burt: Good. I didn't see that in the TMA report at all. That's why I'm probing on it. Can we receive some kind of a follow-up as to what's happening there, a brief summary or informational report?

Ms. Sullivan: Sure.

Council Member Burt: Great. I did want to talk about the high likelihood that we're going to have two different steps of disruption that'll occur at each phase of the RPP program. I think it's inevitable. We simply don't know how many people will come out of parking in the neighborhoods, even in Phase 1 where we're not selling to Stanford and employees, people who don't work Downtown and businesses who don't register for the Business Registry; although, I think they'd choose to quickly do that. We'll have that disruption. When we reduce the number of passes further in the second phase, we'll have another disruption. I think we simply need to anticipate that. Then the adjustments to that will occur at two levels: things that we can do once we understand the degree of the problem and where it lies, and adjustments hopefully that will be made by those workers that will reduce

car trips and parking Downtown. I think we need to just make it clear that we're not going to be surprised that disruptions occur. Otherwise, there'll be this accusation that "why didn't we anticipate that." We can't know exactly what they're going to be. That's going to be one of the most valuable things in how quickly we can respond to that. I did want to speak briefly about how we are anticipating those disruptions around this daily parking rate. It seems that \$17 a day is high and \$3 a day is too low. I'm apprehensive about—even among those who have been under the correct mantra of the problem of free parking and the problems created—we'd be creating very low cost parking there. I'm not sure that we should go that far in that direction. Some adjustment is appropriate. It's important to recall that one of the primary tenets of the RPP program is that low-income workers Downtown are going to have discounted availability of neighborhood passes. Correct? Yeah. I think that got lost in people's minds, so that they're being accommodated to a degree that way. Now, we'll see whether there's even additional problems. You want to do another round or just try and wrap it up?

Mayor Holman: I think everybody's complete. I think. Except for you, so if you've got a little more.

Council Member Burt: Yeah. I just have a couple more then. I did want to concur that we are having this comprehensive TDM program of which the Transportation Management Agency or TMA is an important part of it, but it's not everything that we do. We are building a significant funding obligation and an expanding one to address our traffic and parking problems. In my mind, we will need to spend even more to solve these problems. I have a real concern that we're doing that in a flush economic time and creating a long-term General Fund obligation. I think we need to get on the agenda an ongoing funding source dedicated toward our Citywide transportation problems and solving them. The one I want to bring forward for consideration is a business license tax with all those funds plowed back into mitigating the traffic and parking problems created by those businesses predominantly. I think that that's something we need to begin the process of a community-wide discussion. When you look at the economics of that, we talked about the \$300 a space. It is incredibly low what we might charge per employee and maybe a premium for those businesses who are packing in extra employees, so they'd have even greater impacts and would be forced to mitigate it even more. It's a very low cost compared to the benefits they're deriving from putting extra employees in. It's something that we should dive into and have a serious discussion sooner rather than later. Those are my main questions and comments.

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Mayor Holman: As Council Member Berman said, I think I won't repeat the comments. I don't think I heard anything I disagree with. We'll keep it simple in that regard. There were a couple or three things that I did want to point out though. I especially do want to concur though with a couple of things. The comments of Council Member DuBois about the Lytton signage, because we get emails about how much traffic goes down Lytton. I really want to kind of punctuate that one. Council Member Filseth's comments about neighborhood quality and Council Member Burt's comment about, however we end up doing it, the financial burden that we're putting on the City in the long-term. We want to make sure we have a long-term financial plan on that. I know it's not going to be a part of this Phase 1, but I just don't want us to lose sight of this. I've harped on this for years. Council Member Klein became an advocate for this too. We talk about parking capacity, do not forget we have quite a number of under-utilized private parking lots. Other communities utilize them. There's really no real reason, from my perspective, why we shouldn't be using those rather than even maybe building more parking structures at great expense. In addition to Uber and Lyft, there's a company that has not made it to the West Coast, called Via. I don't know when they're coming this direction, but just be aware of them. Also, we have a lot of individuals and small companies that own cabs. Cab companies are going to have to adapt. I hope when you are reaching out to these various entities that you're including them, so they can be aware of what's going on and not be kind of left in the dark because it's not what they're doing now. They're just going to have to adapt. One other thing which I think may be, two other things. Places like the Woman's Club that have kind of sporadic but intense demand, I'm sure you're mindful of those entities. What we do in Phase 1 and what might be workable for them in an ongoing manner would be great to be able to track. Signage. Thank you for providing these examples. It really does help to be able to visualize these. From the graphics world, black type on a lighter background is much easier to read. There's a lot of copy on some of this signage, a lot of copy. My suggestion would be to go with a brighter yellow that's on the green side, and then have black graphics on that. You could even divide it so there's a top half and a bottom half. I don't want to design it here. There's a fair amount of copy on some of this, and you're going to get comments—I just can't imagine you won't—about how the white copy reversed out is just really difficult to read. The blue I couldn't support, because it doesn't relate to anything really that we've done that I can think of. I agree with comments about the green against the trees. That's why I'm suggesting that we look at something else. Anyway, we can talk about that more if you want, but that's the designer coming out. Does Staff feel like you're pretty

clear on Council Member comments? Do you think there's any reason for trying to do any kind of straw polls on anything? Are you pretty clear? I think you've gotten pretty much a majority opinion on things.

Hillary Gitelman, Planning and Community Environment Director: Thank you, Mayor Holman. I think we got what we hoped for this evening. As Jessica indicated, we'll be coming back with all of these items for direction in the next three to six months.

Mayor Holman: Great. Thank you to colleagues as well. I think we did a good job on this, given the complexity of the issues.

Mr. Keene: I just want to thank the Council for recognizing Jessica and Sue-Ellen's and the Staff's efforts here. We're all well aware of the range of subjects that they're all working on and their responsiveness. It's nice to come back from break and have them be acknowledged. Thank you.

Special Orders of the Day

2. Proclamation Recognizing "Palo Alto Perry" as the Unofficial Goodwill Ambassador of the City of Palo Alto.

Mayor Holman: Just a comment on that while we're waiting for something to come up on the screen. We work very hard here, and Staff works very hard. I think it's really important that we take some time sometimes to have some fun. Palo Alto Perry has brought joy to an awful lot of people in this community. Appreciate all the efforts that have gone towards his success.

Ali Williams, Professional Special Events Producer: Thank you, Mayor Holman and Council Members, for the opportunity to present Palo Alto Perry and his travels around the City. Palo Alto Perry was conceived out of the workshop "For the Love of Palo Alto" led by Peter Kageyama, author of *Love Where You Live*. At the end of the event, we were challenged to come up with something to bring the community together, and Palo Alto Perry was born. He's a facsimile of the real donkey Pericles and his friend Niner, who lives in Barron Park. Perry's travels have embodied the City's community spirit reflecting the neighborhoods, organizations and people who have made up this diverse and vibrant community. The slide show is a testament to how much and how far he has traveled. Our project garnered ten media hits including TV, radio and print. KTVU and the *Palo Alto Weekly* did a full segment on Perry and his upcoming travels. KPIX was concerned that the weather wouldn't be good enough for him at the May Fete Parade. NBC Bay

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Area posted photos of Chief Nickel and Perry celebrating the 40th anniversary of the Emergency Medical Services. On social media, Perry garnered 346 Facebook likes and 142 Twitter followers from places as far away as Canada and Europe. Overall, Perry visited five elementary schools, two middle schools and one high school, two community centers, 15 parks, two libraries, 31 ambassador families, Tesla, Stanford Flying Club, two block parties, eight Public Art Commission installations, ten restaurants, Canopy, Avenidas, Palo Alto Medical Foundation and the linkAges TimeBank, Midpen Media Center where the host from West Coast Songwriters wrote a song for Perry, the Lucile Packard Children's Hospital Foundation Summer Scamper, the Stanford Federal Credit Union, Play Fest, Downtown farmers market and 20 independent businesses. In addition, Perry also visited the Mayor's office, the City Clerk's office, Santa Clara County (inaudible) exercises, the Art Center, a police ride along, Animal Services and of course the Community Services where Perry began his excursion at the May Fete Parade and ended his travels at the Annual Chili Cook Off. Without exception, Perry has visited almost every corner of Palo Alto. Before his tour, Perry visited Dr. DeHovitz for a health check and later Dr. Woo for a dental check. He was given a certificate of health which you can see on the board over there, pending a visit to Animal Services for his immunizations. Once he was cleared, he was introduced at the May Fete Parade, riding with Mayor Holman. Everyone who hosted Perry was enthusiastic. opened their homes and hearts and fed him, took care of him and put him to He visited schools, summer camps and after school bed each night. activities including baseball and soccer games, Irish dancing and swimming tournaments. He was cuddled, kissed and adorned with bling at every place Businesses and organizations invited Perry to show their commitment to the community. Perry visited restaurants, independent shops and professionals and got his annual taxes prepared where the lovable creature category was ten out of ten. Perry's invitations transcended into some once in a lifetime opportunities. He sang with the Addison Noon Chorus at the San Francisco Giants game, had the kids' night menu written in his honor at Hobee's and enjoyed special treatment at the Summer Scamper. He was invited by the Sundance Flying Club for a private flight above Palo Alto. Tesla let him spend the day and see their cars. Chef Charlie Ayers from Calafia offered to cook with Perry, something he has never offered to Sergey Brin or James Franco. Some of the most poignant comments that I received during his travels were: "My children cried when they had to say goodbye." "I love sharing my favorite places. It's so much fun." "There were so many places to take Perry, where should I start?" "I have learned so much about Palo Alto that I didn't know." From one mother

in particular, "This is so important for Palo Alto. It's time we all stop and remember to have some fun. We've forgotten how to do this with all the stress and living in the area." The biggest comment of all though is "Where will Perry go after this project is finished?" In the end, Palo Alto Perry brought the community together in no other way possible. As he wandered down the streets, people would shout out, "Is that Palo Alto Perry? Can I take a photo with him?" Residents submitted notes describing what they loved most about Palo Alto. Of those, 37 were community spirit, 24 were for Perry, 21 for the schools, 19 for the neighborhoods, 8 for the City overseeing the Palo Alto Airport, 17 for the environmental programs, 26 for the parks, 10 for small independent business, 8 for safety and security and 7 for Avenidas. The trees were mentioned almost every time I asked what people loved. These comments represent only a fraction of the feedback that I received. The people who signed up to take Perry deserve the credit for this venture as they showed him all that they loved. They have provided this community joy and laughter as is evident from these photos and videos. I'd like to thank Mayor Holman and City Manager Keene for having the vision to champion this campaign and allow Perry to be sworn in to his official duties. I would also like to personally thank all the wonderful ambassadors that have taken him around town. Finally, Perry would like to thank everyone for their generosity and encourage everyone of you to visit his real-life counterparts in Barron Park. Thank you. [video presentation]

Council Member Filseth read the Proclamation into the record.

Ms. Williams: Staff has a question. Where is he going?

Council Member Burt: You're not going to put him out to pasture are you?

Ms. Williams: Not the glue factory either.

Mayor Holman: Enough can't be said about Ali Williams who's idea this was. Peter Kageyama inspires this kind of work in communities because of his book, For the Love of Cities. It was really Ali's idea that sparked this and has brought so much joy and so much fun. Seeing people, not just kids but seeing adults just holding onto Perry and hugging him and loving him was really wonderful to see. Do Council Members have any further questions for Palo Alto Perry? Other than where he is going. Maybe there could be a response from either Palo Alto Perry or from Ali about where he's going. He's in semi-retirement.

Ms. Williams: He's in semi-retirement. Some people have asked to have him join block parties and other events that are going on around town. We'll probably let him go and do whatever he wants.

3. Selection of Applicants to Interview on August 26, 2015 for the Utilities Advisory Commission.

Mayor Holman: Do I have a motion?

Council Member Berman: I'll move that we interview all of the applicants for the Utilities Advisory Commission.

Mayor Holman: Do we have a second?

Council Member DuBois: I'll second that.

Mayor Holman: Motion by Council Member Berman, seconded by Council Member DuBois.

MOTION: Council Member Berman moved, seconded by Council Member DuBois to interview all applicants for the Utilities Advisory Commission.

Mayor Holman: Council Member Kniss, do you have a question?

Council Member Kniss: Because I'm voting no, I should explain why. We have just appointed someone who resigned almost instantly. This is another whole set of candidates. I would have been slightly more selective, but thank you, Council Member Berman.

Mayor Holman: Vote on the board please. That passes on a 7-1 vote with Council Member Kniss voting no per her comments.

MOTION PASSED: 7-1 Kniss no, Scharff absent

Agenda Changes, Additions and Deletions

Mayor Holman: We have none.

James Keene, City Manager: Madam Mayor, the only one I might point out is Item Number 28 under Legislative Matters. We have a short item related to the special legislative session on transportation and infrastructure funding. We thought we might combine that when you're discussing the VTA in Item Number 24 and just dispense with that item at that time. I think it'll be very short at the end of that particular item. Then we can let the Staff

who are all around here for transportation items go and not have to stay here when we get into the Comp Plan discussion.

Vice Mayor Schmid: I move that we change Item 28 to Item 24B.

Mayor Holman: I'll second that.

MOTION: Vice Mayor Schmid moved, seconded by Mayor Holman to move forward Agenda Item Number 28- Authorization for the Mayor to Sign a Letter Regarding Palo Alto's Position... to be heard concurrently with Agenda Item Number 24- Proposed Response to the Santa Clara Valley Transportation Authority's (VTA's)...

Mayor Holman: Vote on the board please. That passes unanimously with an 8-0 vote.

MOTION PASSED: 8-0 Scharff absent

City Manager Comments

James Keene, City Manager: Thank you, Madam Mayor. Council Members. Actually I don't have as many as you would think after you coming back on recess. We'll pick up steam I'm sure as time goes on. I'm so glad we're all back together. Monday nights were very unusual. First of all, they ended before the light came up. El Camino Park, we did want to give the Council a brief update. Our project to restore and improve El Camino Park following the completion of the utilities water reservoir project is about 70 percent complete and is scheduled to be finished this November, on time and within budget. The 12-acre, \$4 1/2 million park restoration project will create a new recreational area and outdoor athletic center with many sustainable New amenities include a Class 1 bike path, pervious concrete parking spaces, decomposed granite perimeter pathways, enhancement of natural areas, field and park lighting, synthetic turf for soccer and lacrosse, a natural grass softball field and restrooms. synthetic turf is unique in the United States that we're using, meeting strict environmental standards chosen by Palo Alto. In response to the drought, the City used construction contingency funding to substitute recycled water for site grading, compaction and dust control that would otherwise have used about 250,000 gallons of potable water. Thanks to our Staff for that focus on sustainability. A drought update. Cumulatively since June 1st, Palo Alto's water savings are about 33 percent compared to 2013 levels, the year established for benchmarking water use reduction targets within our state. Palo Alto must achieve a Citywide 24 percent water use reduction from June

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through the end of next February. Since it will be most difficult to save water during the winter months when landscape irrigation is at its lowest, it's especially important that we work hard and continue during the summer to drive up our water savings to carry us through the end of the reporting period. Our Staff hosted a public meeting last Wednesday, August 12th, to provide our community with an overview of our current drought conditions, water efficiency resources, answer questions and solicit feedback on innovative ways to help the City meet its water reduction goals. We also hosted a free water conversation workshop to provide residents with information on how to check for leaks, manage home water use, fine tune irrigation systems for efficiency and take advantage of free resources and rebate opportunities. I do want to acknowledge Council Members and members of our community who have been pretty darn vigilant about identifying leaks or water wasting potentially projects around the City. We continue to every week be following up on those. Good news. We are pleased to announce the appointment of the City's new Chief Transportation Official, Joshua Mehlem, who will be joining us in mid-September. served as the Assistant Director of Planning and Transportation in the City of Atlanta between 2010 and 2014 and directly supervised the Transportation Division which had responsibility for the development and implementation of the city's comprehensive transportation plan and all associated projects and studies. Before that, he worked in Wilmington, North Carolina, and in the Since early 2014, he's been a senior associate with Alta Boston area. Planning and Design in Sacramento, where he was partly involved in some of our ongoing bicycle boulevard projects and developed a familiarity with many of the transportation issues we face as a community. Congratulations to Hillary and her team for bringing on an accomplished professional who I've met and I think will do a good job of fitting in with the culture of our community. We look forward to his tenure with the Planning and Community Environment Department. The City Clerk asked that I issue another reminder that the Clerk's office is currently recruiting for several vacancies on the Architectural Review Board, the Parks and Recreation Commission as well as the Planning and Transportation Commission. The deadline to apply is August 26 by 5:30 P.M. We'd encourage community members to contact the City Clerk's office at 650-329-2571 or email Deputy City Clerk David Carnahan at david.carnahan@cityofpaloalto.org. just a reminder that the Staff has distributed the Fiscal Year 2016 Adopted Budget documents, the Municipal Fee Schedule as well as the Budget in Brief document, which summarizes that last document, summarizes the most important facts about the City's budget. All of these documents are available on the City website at cityofpaloalto.org/budget. We've updated

the City's open budget platform as well. On behalf of Walter, the OMB Staff and Lalo and all the folks in finance and ASD, we want to thank Council for your engagement and guidance during the Fiscal Year 2016 Budget hearings. That's the end of my report. Thank you.

Oral Communications

William Landgraf: Members of the City Council and City Manager, several weeks ago I saw a City-sponsored program which should be considered for future use. A group of tree trimmers worked their way through lines of trees on Stone Lane and then to Ross Road. The effort was well done and completed in short time, approximately five to six hours for both sides of the street. Congratulations to the City Council for outsourcing a much needed job and saving money. How many jobs can be similarly outsourced, thereby saving Palo Alto time and money? We have a City Manager who has a salary of \$433,482 and two assistants totaling approximately \$700,000 a year. With our City Manager's salary being twice that of any neighboring city in the valley and twice as much as any U.S. governor, governor I state, do our executives provide twice the quality or effort corresponding to such salaries? Do the City of Palo Alto's self-esteem arise from a close proximity to Stanford and it's world class excellence in teaching and resource? Food for thought. Some additional outsourcing needs to be considered now. Can we implement other City-sponsored work programs which might be used elsewhere in the City of Palo Alto offices? Months ago I experienced a quad muscle rupture here in Palo Alto requiring major surgical repair. It resulted from a bungled City building inspection. I feel the lasting effects of this mishap when we consider to do outsourcing for such inspectors in our Building Department. Many folks more frequently street repair using thick steel covering plates. These City ramps are poorly designed to minimize Drivers have submitted claims for such auto frequent damage to cars. damages. When City lawyers responded to such claims, they stated the damage was not their fault. There was no prior review of the related street sites or corresponding auto damage. If these legal persons had focused on a suggested Stanford site which I gave them, they would see how Stanford's contractor avoids such damage by using an extended transition ramp for those street repairs. It's obvious that we need an objective person, better than our lawyers, to carefully examine such damages and related claims. Here's an excellent opportunity for Palo Alto to employ a more objective individual thorough outsourcing for such employees from a pool of outside, talented people. Our sourcing of such jobs will help Palo Alto recoup its excessive salary and benefits package for City employees, thereby helping to focus on a more balanced budget. Thank you.

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Consent Calendar

Gary Lindgren spoke regarding Agenda Item Number 18: I was unable to get some people to back me up, but I will go through this very guickly. I have a lot of information. I went through the Staff Report, and I found a lot of problems with it. This does address only the operational costs of heat pump operation. In calculating the operating cost, there was no examples of how the costs were calculated with actual appliances that were on the market. Palo Alto is not an island unto itself. We import almost all of our electricity. There's no power plants. Electricity that comes to Palo Alto is not marked for Palo Alto only. It is carbon neutral. What if all of California was encouraged to switch to electrical appliances for water heating and space heating? There would be all sorts of power plants that would be required. The efficiency for these power plants are like only 40 percent. Compare that to a water heater; a good high efficiency water heater is 82 percent. Space heating, the furnace is 95 percent. Greenhouse gases would greatly increase if this was to happen. Electricity and natural gas each have their own optimum uses. For electricity, we've got motors, electronics, all your TVs, PCs, radios, etc., lighting, cooking and of course EV charging. heating water, space heating, cooking and vehicle fuel. In fact, the garbage trucks in Palo Alto are operated on natural gas I believe. Note that both electricity and natural gas have uses for cooking. I prefer electricity. Check out the YouTube video that I put together. It shows me when I changed out a flat plate cooking and changed it to induction cooking. I think the new cook top has got finer control than a gas stove. Energy costs. I don't have time to go through all the numbers there. At the end there, electricity costs 4.4 times that of natural gas. I've got actual data from a very high efficient heat pump water heater. You can find out if you go to the website there. You can find out what it is. This is a 50-gallon. The energy factor there is 2.45, but only 8,700 BTUs come from the heat pump. That's like 28 percent of what it would be in a hybrid mode. To heat up 50 gallons of water with 90 degrees would cost \$1.73. In the pure heat pump mode, it would cost 78 cents for heating 50 gallons. This is bad news. Natural gas, it takes 52 cents. A water heater conclusion, it takes 1 1/2 times more for cost compared to natural gas or electricity. With the hybrid mode, 3.3 times. With heat pump space heating, it costs \$1.13 for an hour of heating at 47 degrees. At 17 degrees, it costs \$2.28. Natural gas space I suggest the Staff Report be rewritten with heating costs 96 cents. calculations for real electrical appliances and not use the faulty assumptions that the report uses now. The report should emphasize efficiency at both the power plant and in the home. The goal should be to use less electricity not more, suggest switching to LEDs for lighting, add dimmers and use less

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electricity and not more. Strip out any goals, this is very important, of having the community meetings and tell residents they should switch to electrical water heaters and electrical space heating. I'll skip that last paragraph.

Council Member DuBois: I hate to do this, but I messaged with the City Attorney. I think on Item Number 19, which is the Minutes, we inadvertently deleted Section d which was just a step to approve Minutes. This was raised by Herb Borock. It seemed to make a lot of sense. The City Attorney and I think the City Clerk talked to the City Attorney. We could quickly fix this next week if I could get two votes to take this off Consent. We'd stick with Action Minutes, but we'd also have a step to review and approve Minutes, which has actually been struck from the Ordinance.

Male: I will second that.

Mayor Holman: We have a second. I will ...

Molly Stump, City Attorney: Mayor Holman?

Mayor Holman: Yes, ma'am.

Ms. Stump: May I actually suggest a slight refinement from what we discussed earlier? Instead of pulling it from Consent, which under our rules would place it on action, I don't think that's necessary if Council wants to make this minor change. If you could just have a majority vote to continue the item to next week, we'll bring it back on Consent with that change.

Council Member DuBois: I'd move to continue this item until next week.

Council Member Kniss: Second.

MOTION: Council Member DuBois moved, seconded by Council Member Kniss to remove Agenda Item Number 19- Adoption of an Ordinance Amending Section 2.040.160 (City Council Minutes) of Chapter 2.04 (Council Organization and Procedure) of the Palo Alto Municipal Code to Require Action Minutes and a Verbatim Transcript of All Council and Council Standing Committee Meetings, and to direct Staff to bring this Agenda Item back on August 24, 2015 on the Consent Calendar, with the change that the City Clerk will bring Action Minutes to Council for approval.

Mayor Holman: Can we vote on the board on that motion please, to continue this item to next week? That passes unanimously on an 8-0 vote with Council Member Scharff absent.

MOTION PASSED: 8-0 Scharff absent

Mayor Holman: We return to the rest of the Consent Calendar. I need a

motion.

Council Member Kniss: So moved.

Mayor Holman: Council Member Kniss ...

Vice Mayor Schmid: Second.

Mayor Holman: And second by Vice Mayor Schmid.

Council Member Kniss: (inaudible)

Mayor Holman: Second by the Vice Mayor, yes.

MOTION: Council Member Kniss moved, seconded by Vice Mayor Schmid to approve Agenda Item Numbers 4-18 and 20-21.

- 4. Approval to Award Contract Number C15158600 to Rutherford & Chekene in the Amount of \$129,432 for Identification of Potentially Seismically Vulnerable Buildings and Adoption of <u>Budget Amendment Ordinance 5337</u> Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto Amending the Budget for Fiscal Year 2016 by Transferring \$29,432 From the General Fund Budget Stabilization Reserve to the Planning and Community Environment Department for a Seismic Inventory Study."
- 5. Resolution 9536 Entitled, "Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Execute and Amend as Necessary a New Interconnection Agreement With the Northern California Power Agency and Pacific Gas and Electric Company for Electric Related Transmission Services."
- 6. Policy and Services Committee Recommendation to Accept the Auditor's Office Quarterly Report as of March 31, 2015.
- 7. Policy and Services Committee Recommendation to Accept the City Auditor's Office Fiscal Year 2016 Proposed Work Plan.

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- 8. Resolution 9537 Entitled, "Resolution of the Council of the City of Palo Alto Establishing Fiscal Year 2015-16 Property Tax Levy of \$14.77 Per \$100,000 of Secured and \$15.94 Per \$100,000 of Unsecured Assessed Valuations for the City's General Obligation Bond Indebtedness (Measure N Library Projects)."
- 9. Adoption of a Park Improvement Ordinance for the Pilot Batting Cages Project at Former PASCO Site at the Baylands Athletic Center.
- 10. Adoption of a Park Improvement Ordinance for Improvements at Monroe Park.
- 11. Adoption of a Park Improvement Ordinance for the Byxbee Park Hills Interim Park Concepts.
- 12. Approval of Amendment Number One to Contract Number S15155738 With American Reprographics Company, LLC (ARC) for an Archiving and Information Management Solution in a Total Amount Not to Exceed \$433,235.
- 13. Policy and Services Committee Recommendation to Council on Project Safety Net Community Collaborative Update and Recommendation for Next Steps.
- 14. Approval of Amendment Number 4 to Contract Number C10131396 With CDM Smith in the Amount of \$14,500 for a Total Compensation Not to Exceed \$6,363,152 for the El Camino Park Reservoir Project, WS-08002 and the El Camino Park Restoration Project, PE-13016.
- 15. <u>Budget Amendment Ordinance 5338</u> Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto Amending the Budget for Fiscal Year 2016 to Increase Revenue Estimates for Grants in the Planning and Community Environment Department by \$37,000 With a Corresponding Increase to the Expenditure Allocation for the Planning and Community Environment Department of \$37,000 in the General Fund."
- 16. Approval and Authorization for the City Manager or His Designee to Execute the Off-Taker Generation Percentage Protection Amendment to the City's Power Purchase Agreement With Iberdrola Renewables, LLC.

- 17. Resolution 9538 Entitled, "Resolution of the City Council of the City of Palo Alto Authorizing the City Manager to Accept a Grant of Funds for Fiscal Year 2016 in the Amount of \$41,053 from the California Department of Alcoholic Beverage Control for Increased Education and Enforcement Efforts."; and Budget Amendment Ordinance 5339 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto Amending the Budget for Fiscal Year 2016 to Increase Revenue Estimates for Increased Education and Enforcement of Overservice/Overconsumption of Alcohol from the State of California Department of Alcoholic Beverage Control (ABC) in The General Fund by \$41,053 With a Corresponding Increase to the Overtime Expenditure Allocation for the Police Department of \$41,053 in the General Fund."
- 18. Utilities Advisory Commission Recommendation to Approve Work Plan to Evaluate and Implement Greenhouse Gas Reduction Strategies by Reducing Natural Gas and Gasoline use Through Electrification.
- 19. Adoption of an Ordinance Amending Section 2.040.160 (City Council Minutes) of Chapter 2.04 (Council Organization and Procedure) of the Palo Alto Municipal Code to Require Action Minutes and a Verbatim Transcript of All Council and Council Standing Committee Meetings, and Delete the Requirement for Sense Minutes.
- 20. Approval and Authorization of the City Manager to Execute a Contract with Lewis & Tibbetts, Inc. and Purchase Related Materials in the Amount of \$4,250,000 for Trenching and Substructure Installation and 10 Percent Contingency of \$425,000 for Related but Unforeseen Work, for a Total Authorized Amount of \$4,675,000.
- 21. Clerical Changes to Ordinance 5326 Amending and Restating Chapter 16.17 of the Palo Alto Municipal Code, California Energy Code, 2013 Edition, and Local Amendments and Related Findings and Repealing Chapter 16.18 of the Palo Alto Municipal Code.

James Keene, City Manager: Madam Mayor, we got a number of questions late on the Consent Calendar and were not able to get them to the Council until after 5:00. I would be happy to read the questions and answers if you feel that that would be necessary. If not, I will defer to your judgment.

Mayor Holman: Council Members, would your votes be dependent on what the responses to questions were? Seeing not, thank you for the offer and

for bringing that up, City Manager. It looks like we are ready for a vote on the Consent Calendar with Item Number 19 continued to next week still on Consent. Vote on the board please. That passes also unanimously on an 8-0 vote with Council Member Scharff absent.

MOTION FOR AGENDA ITEM NUMBERS 4-18 AND 20-21 PASSED: 8-0 Scharff absent

Action Items

22. TEFRA HEARING: Regarding Conduit Financing for the Colorado Park Apartments Project Located at 1141 Colorado Avenue, Palo Alto, and Resolution 9540 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Issuance of California Municipal Finance Authority Revenue Bonds in an Aggregate Principal Amount Not to Exceed Purpose of Financing \$25,000,000 for the the Improvement Equipping Rehabilitation, and of an Affordable Multifamily Rental Housing Facility and Certain Other Matters Relating Thereto."

Joe Saccio, Administrative Services Assistant Director: Joe Saccio, Assistant Director of Administrative Services. I think the Council's familiar with the reasons for having a TEFRA hearing. Very briefly, they're required by Federal law in order for a nonprofit or an organization to issue tax-exempt bonds. As in the past, the City is under no obligation, legally, morally, financially, for these bonds. They're the responsibility of the issuer. If Council Members have any questions, I'm here as well as a representative from the financing authority as well as from the borrower. Thank you.

Council Member Filseth: Can I ask a question here? I noticed in this—it all looks fairly routine—the low income restriction is for 55 years. In 55 years, it can revert to market rate housing. Do I understand that right?

Mr. Saccio: Let me have the representative answer that question.

Anthony Stubbs, California Municipal Finance Authority: Anthony Stubbs with the California Municipal Finance Authority. That is correct; it could. These things, we usually refinance every 15 years. That's why they can get new tax credits and equity investors in there. The possibility of it going to market rate are very slim.

Mayor Holman: Do we have a motion?

Council Member Kniss: (inaudible)

Mayor Holman: Council Member Kniss moves approval of this item. I will second that.

MOTION: Council Member Kniss moved, seconded by Mayor Holman to Adopt a Resolution approving the issuance of the bonds by the California Municipal Finance Authority (CMFA) for the benefit of Colorado Park, LP (Borrower).

Mayor Holman: We shall vote on the board. That passes on an 8-0 vote with Council Member Scharff absent.

MOTION PASSED: 8-0 Scharff absent

23. PUBLIC HEARING AND PROPOSITION 218 HEARING: Finance Committee Recommendation That the City Council Adopt Two Resolutions: 1) Resolution 9541 Entitled, "Resolution of the Council of the City of Palo Alto Amending Rate Schedules W-1 (General Residential Water Service), W-2 (Water Service From Fire Hydrants), W-3 (Fire Service Connections), W-4 (Residential Master-Metered and General Non-Residential Water Service), and W-7 (Non-Residential Irrigation Water Service) to Increase Water Rates 4% and Add Drought Surcharges; "2) Resolution 9542 Entitled, "Resolution of the Council of the City of Palo Alto Activating Drought Surcharges at the 20% Reduction Level in Response to Mandatory Potable Water Use Restrictions Imposed by the State Water Resources Control Board."

Valerie Fong, Utilities Director: Thank you very much, Mayor Holman. Valerie Fong, Utilities Director. I am here with—he's kind of in a dual role. For purposes of this presentation, he's the Senior Resource Planner and Rates Manager, Jon Abendschein. I don't see Jane Ratchye, Assistant Director, but she's also very actively involved in this. I think she'll show up shortly.

Jon Abendschein, Utilities Operations Manager: Good evening, Council Members. Jon Abendschein, Senior Resource Planner. I'll just be very brief. Tonight we're asking you to approve two Resolutions that are intended to achieve three objectives. First, we're asking you to raise rates by 4 percent which completes an overall 12 percent rate increase for the year as recommended by the UAC and Finance Committee. We're also asking you to modify the water rate schedules to include drought surcharges. These drought surcharges would be on the rate schedules and available for use

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during a drought, but would not necessarily have to be activated. Since we are in a drought, we're also recommending that you activate the drought surcharges at the 20 percent level to recover some of the lost revenue that we've been experiencing. These are the rates that would be in effect if you were to pass the 4 percent rate increase. These are the drought surcharges we're asking you to add to the rate schedules. You can see if you adopt them, they can be activated at three different levels. We're recommending that you activate them at the middle level, at the 20 percent reduction. That refers to the amount of water use reduction rather than anything If you were to activate these at the 20 percent related to the price. reduction level, if you want to see an example of how this works, in addition to these base rates that you're seeing up here, residential customers would pay a 39 cent surcharge on their Tier 1 usage, which is any usage up to 6 ccf on every unit, and \$1.14 surcharge on every unit over 6 ccf. The surcharges would apply to all consumption, but customers who conserve would see a lower impact than customers who don't conserve, because they're using less water. The other thing that's important to note here is that these rates are not intended to recover any additional revenue. They're only intended to recover the revenue that we need to run the distribution system, that is currently not being recovered because of the drought. Up until now, we have been avoiding drought surcharges by drawing down reserves, and we've also had some delays in capital improvement projects maintenance that have allowed us to continue without drought surcharges. The drought has gone on long enough, though, and the reductions are deep enough that we need to recover at least some of that revenue through the use of drought surcharges. As for the 20 percent, 20 percent is roughly in line with the Governor's mandate which is why we're recommending it. It doesn't recover 100 percent of the revenue. We can afford to draw down reserves just a little bit more, which is why we're recommending at the 20 rather than 25 percent level. City Manager Keene sent some responses to some questions earlier today. I think we've covered most of the issues that we discussed there. I think one point to mention here is that a conserving customer as we're talking about is really not a term of art; it doesn't have a specific definition. We've assumed that a conserving customer is cutting 9-12 percent to the indoor usage and making the remaining cuts in outdoor usage. If you have any questions, I'm available. Thank you.

Mayor Holman: I don't think I've ever had the opportunity to say this before, but we can't overlook the elephant in the room. A portion of this hearing will relate to changes in water rates, and this portion of the hearing is governed by Proposition 218. Before we begin the hearing, the City Attorney will provide some background on Prop 218. City Attorney.

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Molly Stump, City Attorney: Thank you, Mayor Holman, Council Members. Proposition 218 is an amendment to our California Constitution that allows property-related fees and ratepayers an opportunity to have knowledge of and participate in an objection procedure with respect to increase of property-related rates. Our California Supreme Court has said that water rates are subject to these procedures, and so this evening you will have a majority dispute proceeding, a public hearing. Then the rates can be considered by the Council after that subject to that process. Thank you.

Mayor Holman: Vice Mayor Schmid, you had just a couple of comments to make as Chair of the Finance Committee.

Vice Mayor Schmid: The Finance Committee reviewed the proposed rate changes and the 4 percent very clearly was something we had discussed over the last year. It's the water charges that come from the San Francisco Utility for the Hetch Hetchy seismic upgrade that we committed to. This was divided into two pieces, and we're approving the second piece now. The 20 percent drought charge was a little bit more of an issue with the Committee.

Mr. Abendschein: Can I clarify that a little bit?

Vice Mayor Schmid: Yeah.

Mr. Abendschein: Just to be really clear, it's not a 20 percent surcharge, but a surcharge associated with a 20 percent reduction. We're recovering about half of the revenue loss associated with the—but no additional revenue.

Ms. Fong: That 20 percent reduction is comparable to, in a sense, you would look at it the same way you look at the Governor's mandated 24 percent reduction.

Vice Mayor Schmid: I think there was agreement among the Committee that the presentation to the public is very important on this. Many customers look at their bill and say, "We're saving money, and then you charge us more for the money that's been saved." I would note, I guess, a couple of sets of data that are important in understanding this. On packet page 792, you have a nice example of the 20 percent ...

Mayor Holman: Vice Mayor Schmid, if you're making comments about the Finance Committee, that's one thing. If you're going into your own personal comments, then that's something different. That's for later.

Vice Mayor Schmid: Okay.

Mayor Holman: If you're presenting for the Finance Committee, this is the time to do that.

Vice Mayor Schmid: I guess I'm trying to explain why amongst the Finance Committee there was a number of comments, both from the public and the Finance Committee, about understanding.

Mayor Holman: Fair enough.

Vice Mayor Schmid: On packet page 852, the Staff has presented what is expected to happen with the 20 percent surcharge. The reductions are most likely to occur, the savings, from those who are at the higher tiers of expenditure, where their savings is likely to be three times as high as the homeowner who is conserving currently. I think it's important to understand that as a background to the message that the public gets.

Mayor Holman: Before we begin the hearing, I'll explain the process of the Prop 218 portion of the hearing. All residents and other interested persons will have an opportunity to provide testimony this evening on the water To be valid, protests to the proposed rate increases must be in writing, signed and submitted to the City Clerk before the close of this The protest must also identify the parcel and the rate being protested. Although the water increases are being considered together in one public hearing, the presence or absence of a majority protest will be calculated separately for each rate. The City Clerk will accept written protests until the public hearing on this matter is closed. At the conclusion of this public hearing, the City Clerk will count the number of written protests against the proposed rate increases and the Council will determine whether a majority protest exists for each rate. If a majority of customers and property owners have not submitted protests by the close of the public hearing tonight, the City Council may adopt the new water rate schedules as part of the Ordinance adopting the budget for Fiscal Year 2016. Now at this time, we will open the public hearing on the Proposition 218 changes to water rates.

Public Hearing opened and closed without public comment at 8:19 P.M.

Mayor Holman: We'll close the public hearing on that portion of the item. Before we turn to Council questions and discussion, we'll first tabulate the written protests pursuant to Prop 218. City Clerk.

Beth Minor, City Clerk: We have 11 protests.

Mayor Holman: Eleven protests. There are 19,493 property owners and water customers subject to the rate changes, meaning that 9,747 protests are needed to create a majority. The City Clerk has provided the number of written protests received against the proposed water rate which is 11. The total number received, 11, is not higher than 50 percent. Since there is no majority protest on water rates, the water rate changes and drought surcharges may be adopted tonight. Now we will discuss the water rates.

Council Member DuBois: We're just asking general questions here?

Mayor Holman: Yes.

Council Member DuBois: I mostly want to focus on this drought surcharge. I appreciate you guys did provide some answers. I saw in the Minutes, I guess, of the Finance Committee, there's a plan to communicate this in the bill, I think, to consumers. I just hope the communication is clear. I read through a lot of this stuff, and it was still, I think, confusing. I think it's really important we communicate that clearly. I'm still not clear over the timeframe that a conserving consumer will be defined. If we implement this drought surcharge in September, yeah September, are we just comparing August usage to September usage?

Mr. Abendschein: We will not be tracking individual customer's usage and adjusting charges based on that, I mean except to the extent that we're billing them based on their usage. There's no formal definition of a conserving customer. These were simply customers who conserve versus customers who don't conserve and how their bills with the drought surcharges will compare to their bills in a non-drought year.

Council Member DuBois: Again, I'm still having trouble understanding that. Is it not individualized based on, say, my address' usage in a ...

Mr. Abendschein: No, absolutely not.

Council Member DuBois: It's an absolute number?

Mr. Abendschein: It's very simple. There's a 39 cent surcharge on every unit of consumption up to 6 ccf and \$1.14 surcharge on every unit afterwards. That's a ...

Council Member DuBois: It's a total volume of use. If you have a large household and you're using a lot of water and you cut back, you'll still pay a drought surcharge.

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Mr. Abendschein: Exactly. Everybody pays a drought surcharge.

Council Member DuBois: Thank you for explaining that.

Mr. Abendschein: Just to make it clear, the use of the surcharge is specifically to collect revenue to pay for our operations. It is not to collect extra revenue, and it is not to send a price signal.

Council Member DuBois: If we activate this in September and we get heavy rains in November, does the drought surcharge remain in place until we recoup those costs or is it tied to water?

Mr. Abendschein: It stays in place until the Council chooses to remove it.

Council Member DuBois: I am concerned that we raise rates 12 percent and we're adding this drought surcharge which could be another 8 percent on an average non-conserving household. I did read the Minutes, the Finance. You guys had a pretty good discussion about that. I am concerned basically if people who are conserving and see this charge—I will leave it at that and see if any of my colleagues share that concern.

Council Member Wolbach: Is there any discount or voucher either provided by the City or that we can make accessible for people who are of lower income, for people who are on fixed income or lower income? I am concerned that this might have a pretty serious impact.

Ms. Stump: Council Member Wolbach, Utilities Director Fong is taking a look at me, because there are legal issues with those types of rate subsidy programs, which were quite common in California before Prop 218. Since that time, the courts have indicated that it is not appropriate for rate-making agencies to shift costs even for a very laudable and traditional policy goal such as supporting low income or senior basic utility usage. The constitutional requirement is that rates be set proportional to the cost of providing service to the customer. We are no longer able to provide those kinds of traditional rate support mechanisms from the rate base itself.

Ms. Fong: If you don't mind, could I just add briefly?

Mayor Holman: Of course.

Ms. Fong: We don't have those traditional collections that we can make from the general rate base. We do have a voluntary program. It's called Project Pledge. Customers can apply for the voluntarily contributed dollars

that customers might identify on their bills. They might identify \$1 a month or something. We have a small, little pot of money that we can use to help defray costs for people who demonstrate some need.

Council Member Filseth: This is going to be a comment that goes on the direction of all this actually. As I understand, we talked about this at the Finance Committee. Fundamentally, the issue is we're amortizing fixed costs over a smaller volume of gallons of water. I'm not going to suggest a rate change from this at this point, but my understanding is that we're actually mitigating some of the impact of that by burning down reserves. I hope if we get in this position next year we'll be reluctant to do that. The cost is what it is. I think trying to isolate that from consumers by burning down reserves isn't really a good long-term kind of thing to do. I hope we'll be reluctant to do that if we get into another position. I realize that means, in fact, that if you did that right now, you'd be talking about even higher rates, but it is what it is. Thanks.

Council Member Burt: A couple of questions and a comment. First, a followon to Council Member DuBois' question about when the surcharge would be prompted to be removed. The response was it's in place until the Council chooses to remove it. I think at the heart of his question was what change in circumstances would eliminate the need for the surcharge, which would then trigger a Council action to remove it.

Mr. Abendschein: We're going to have to follow what happens with the water year and what impact that's having on the drought. That's something you may not know until well into the spring, especially given how deep a drought we've been in. It'll be a matter of looking at a lot of things, not just the water that falls in Palo Alto, but the water that's falling up in the Hetch Hetchy reservoir. It's not something you'll be able to determine by rainfall starting in November or December. We'll also have to pay attention to what the Governor does and what the SFPUC does as far as declaring water use restrictions loosened. It's going to be a combination of all those things. We're coming to you with regular updates.

Council Member Burt: I would encourage that set of circumstances to be included in the communication, not just where we are now, but when and what will cause this to go away. If we have an El Nino year and we get heavy rains and we're inundated with water in December and January and February, people are going to start raising issues of "I'm paying a drought surcharge in the middle of a deluge." That's going to be real hard for people to understand. I think we have to explain from the outset those

circumstances that you just described and that this is why we're all stuck with this set of circumstances. We all know that we had this last year, where through mid-December it looked like we were having a wet year and we were all starting to take our foot off the pedal on the conservation efforts or think that we maybe had that on the horizon, and things went dry. I just think that's part of the communication that we're going to have to do at the outset. If and when those rains hit heavy this year, we're going to have to come forward and be real forthright with everybody about "here's the circumstance and this is what we said at the beginning and here's what we're waiting on to know whether we can remove this." The second thing that I think is really important to communicate and is often misconceived by the ratepayers every time we have efficiencies, whether it's in conservation on water, electricity or whatever, we hear from ratepayers a claim that "I reduced my amount, and you're charging more." Basically, the implication is that I'm paying more as a penalty for having conserved. We have to do a simple communication on, one, it's not a penalty, that this is the result of the cost recovery. Second, that they're not paying more, they're paying a higher rate. This is what I'd like to see in simple dollars. If I'm an average ratepayer and I conserve my water use by 25 or 30 percent, so that the gross amount of water I'm using is down that much, and my rate goes up by a smaller amount, does my bill go up or down? The answer is it's going to That's not what we're hearing from the public. looking at the bill, and we have to help them see those numbers clearly. Yes, the rate per gallon is going to go up for the following reasons, but your conservation more than offsets that. I think that's pretty much the case in most any circumstance where people are conserving. Is that correct?

Mr. Abendschein: Yes, it's correct. Although, the tricky part of our communication right now is that our rates continue to go up for reasons entirely unrelated to conservation. It's the Hetch Hetchy, and so it's tough for people to see both of those factors at the same time.

Council Member Burt: I think that's part of what we have to lay out in clear numbers and graphics and say, "If there was no drought and no drought surcharge, because of the rebuild of the Hetch Hetchy system, this is how much your bill was going to up, not just your rate. Here's the impact of the surcharge. You cut back 25 percent, and your rates due to the drought went up single digits depending on how much you use." Those are real clear communications that we're going to have to break down. I think examples are the best way. If you're a low volume user, here's what happens. If you're a medium, here's what happens. If you're a higher one, here's what happens. Put it into not just percentages, but the average bill. The final

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thing is—I'll add a little bit more under Council Member comments, but it is appropriate to share here. Council Member DuBois and I were appointed by the Mayor, and we had our first meeting with the Santa Clara Valley Water District and three of their Board Members on future potable water recycling potentials. Potentially a large amount of dollars over a long period of time would come to the Palo Alto-managed wastewater treatment plant, which serves six different agencies. One of the takeaways that tentatively looks to be the case is that if we go in the future—this is not going to be in a few years. It's going to be a good number of years. It's a big project. toured the San Jose potable water recycling facility, and it's a big, efficient operation. A huge facility with two people operating it. It's a really amazing thing. The bottom line is that the cost of producing that potable water from recycled water is significantly lower—certainly on an operating level, it appears to be including amortizing the cost of the capital investment—than is our Hetch Hetchy water today. It's a lot less than what we're going to be paying for Hetch Hetchy water in the future. The long term, not only that we create a sustainable water system by having this in the future, but it would reduce the cost to our ratepayers. It's a really interesting potential. We'll be continuing to report to the Council as this gets studied more and we have real numbers that start emerging and policy discussions. I wanted to put that out there, because we've had nothing but our costs of water going up as the Hetch Hetchy system's been getting rebuilt. It's very interesting that going toward a good percentage of recycled water potentially will actually reduce the cost of our water.

Mayor Holman: I think I may have overlooked Staff who wanted to respond to Council Member Wolbach's question earlier. No?

Mr. Abendschein: My only point there was as far as impacts to low-income consumers, low-income consumers while they're not exclusively low users, they trend more toward low users. If you look at the structure of the surcharges, it's a cost-based structure but the surcharges for the first 6 ccf are a lot smaller than for higher ccf. The impacts are a lot less for lower users. That will help as well.

Council Member DuBois: Following up on Council Member Burt's. Is it possible to show individual users on their bill this is what you would pay and maybe take their highest month, so that you would actually show savings with the drought or are we limited by our billing system? Is our billing system archaic?

Ms. Fong: Yeah, it's a fairly cumbersome billing system. We don't have that capability. Although, I think we do have for residential customers—what do you call it? The home water report. They do get some information that's more individualized.

Council Member DuBois: I just think if there was a way to do that, if you showed their high water use and you said, "With all the increases, this is what you would be paying. Your conservation efforts are paying off, even though your bill might have gone up slightly."

Ms. Fong: Our billing system isn't that flexible. We are talking 20,000 customers or so. It's not going to be doable manually.

Council Member DuBois: Again, we can see if there's much outrage from the community. Even if you did it outside of the billing system, maybe one time as a mailing. I just think it would be compelling to show people that they're actually saving money.

Ms. Fong: 20,000 customers doing individualized bills manually might pretty much use all our resources. That would be the only ...

Council Member DuBois: I'm not suggesting manually. I'm suggesting an export into another system that can do that. That's just an idea. I think you're hearing from us our concern about how people react to this.

Mayor Holman: Ms. Ratchye had joined us, so you were acknowledged earlier. At this time, I'd like to ask for a motion to approve Staff recommendation to adopt the water rates.

Vice Mayor Schmid: So moved.

Council Member Kniss: Second.

Mayor Holman: Vice Mayor Schmid moved, and seconded by Council Member Kniss.

MOTION: Vice Mayor Schmid moved, seconded by Council Member Kniss to:

A. Adopt a Resolution amending Rate Schedules: W-1 (General Residential Water Service), W-2 (Water Service from Fire Hydrants), W-3 (Fire Service Connections), W-4 (Residential Master-Metered and General Non-Residential Water Service), and W-7 (Non-Residential

Irrigation Water Service) to increase rates 4 percent and add drought surcharges effective September 1, 2015; and

B. Adopt a Resolution activating the drought surcharges at the 20 percent reduction level effective September 1, 2015.

Council Member Kniss: I would only add to that I hear the frustration of many of my Council Members. I know how hard it is to think that if I use less it's going to cost more and why. That's a difficult concept for many reasons. I think Tom made some good suggestions as to perhaps you could label slightly differently, maybe we could explain it somewhat differently. I know it's a puzzle, and I know everyone of us who happens to get one of those bills saying "You're the bad, bad neighbor. Everybody else in your area is just fine, but you're not very good." I think it's great that we keep people on their toes and understanding that. Maybe as Tom said, some more explanation might help. Water is precious. Having the water that we have is an absolute gift. Other parts of the country and the world do not have the water that we have. We're lucky to have it, but at the same time we have come to take it somewhat for granted.

Ms. Fong: Can I just quickly say? Jon and I did a quick caucus for both Council Members Burt and DuBois. We agree that we could do some representative examples of what usage might be and what the bill might look like under different scenarios. We'll work on that.

Mayor Holman: The one comment that I will make is along the lines of what's been discussed. There's a basic tenet in public relations that don't ever let somebody else tell your story. I think communication on this and the clarity of it is really critical. You've heard the comments by colleagues, and I think those comments and concerns are shared by many of us. Shall we vote on the board to approve the Staff recommendation to adopt the water rates? That passes unanimously with an 8-0 vote with Council Member Scharff absent.

MOTION PASSED: 8-0 Scharff absent

James Keene, City Manager: Madam Mayor, just real quickly. Thanks to our Utilities Staff on this. I did want to give a shout out to Molly Stump, City Attorney, and her Staff for helping our folks kind of navigate through these rate issues. Thank you.

24. Proposed Response to the Santa Clara Valley Transportation Authority's (VTA's) "Call for Projects" for Inclusion in the Countywide

Long-Range Transportation Plan (VTP 2040) and Discussion of the Potential Envision Silicon Valley 2016 Transportation Tax Measure.

28. Authorization for the Mayor to Sign a Letter Regarding Palo Alto's Position on New Funding for State and Local Transportation Infrastructure.

Ed Shikada, Assistant City Manager: Thank you, Mayor, Members of the Ed Shikada, Assistant City Manager. I got the nod to be the spokesperson for the Staff team that's been working on this particular issue. Got actually quite a bit of information to go through. Perhaps in the interest of facilitating the Council discussion, I'll go through it quickly, and we can use some of the slides as may be necessary, identifying the individual projects as a reference for the Council discussion. That said, let's see. I'll jump in. Great. As noted, the item before you relates to the VTA's Call for Projects which is an update to the Valley Transportation Plan 2040 as well as input to the Regional Transportation Plan led by the Metropolitan Transportation Commission. The Call for Projects is an important step in this process, also in the context of ongoing discussions of a 2016 transportation sales tax measure. At its most simplistic level, we are simply responding to this Call for Projects. It is inclusion into a process that has been initiated by VTA that's known as Envision Silicon Valley Community Engagement Program related to this potential sales tax measure in 2016. As a follow-on to that effort, VTA has put an invitation out to agencies and also to the general public to submit projects identifying transportation needs. update to the VTP, the Transportation Plan, also creates interest in ensuring that our submittal is comprehensive. As a result, some have referred to it as a bit of a wish list. The packet also includes a draft letter developed in consultation with a number of representatives from cities in the North County and West Valley in order to propose to VTA and propose a coordinated request for an integrated systems approach, ultimately resulting in a more integrated funding plan for the tax measure. As such, the Staff Report you received is recommending Council approve participation in this joint letter as well as we've identified a number of potential guiding principles for advocacy with VTA and other actors over the next several months. With respect to the Call for Projects, the VTA has established a very structured process for the submittal of the projects starting with the existing VTP document as well as the opportunity to add new projects with specific criteria for inclusion, both in terms of the format as well as the basic categories of projects. What we have here is the first of several slides that itemize the projects that are proposed for inclusion in our submittal. I won't go through them individually, but perhaps just for the purpose of identifying

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some of the key categories of projects that have been included. projects list is in some ways a place-saver, reflecting both the specific projects listed as well as the priority areas that are obviously important to Palo Alto. Jim Lightbody, to my right, has pulled together this project list by reviewing existing documentation and studies meeting VTA's criteria. indicated in this slide projects related to Caltrain, both operational and capital improvements, as well as local transit improvements are a key part of our list. Also showing local street reconfigurations, notably not including street widening as a priority, would also be submitted, specifically El Camino Real and, on the next slide, Charleston-Arastradero. We also note that our project list does not include street rehabilitation needs. With a majority of the trips that have been discussed in an earlier item occurring on the street system, we recognize this will continue to be a backbone of the transportation system, but again rehabilitation needs have not been specifically called out in our projects list. On this slide we've got what are really the highest cost projects on our list, the Caltrain grade separations at Charleston, Meadow and Churchill again, on a following slide, related to our Caltrain safety needs. The next three slides reflect bicycle or bikeway and pedestrian improvements. Note that for the purpose of a county-wide sales tax, this might be a good point to pause and note that individual projects such as bikeway projects are not likely to be itemized over a county-wide measure that could be spanning a 30-year horizon. Earlier I noted that some of these are in a way placeholders, place-savers. Perhaps these are best examples as an expression of need and projects that are in the works, but where there could be multiple ways in which funding is set aside for projects like this either through a dollar amount set aside in a county-wide measure with periodic competition in which specific projects would be proposed and a selection process could be handled, potentially centralized at VTA or through some administering agency. A second approach would be a return to source, as you'll see in a subsequent slide, strategy in which a dollar allocation is identified for individual cities. Funding would be used on I would note that to date the only specific purpose or eligible projects. eligible use for a return to source that we've heard at Staff level would be for maintenance funding on streets. There has been some suggestion that if local street conditions are maintained at a minimum standard, a PCI, Pavement Condition Index, that those funds could be used for other transportation uses. This also opens the door to other funding sources such as grants. Finally, other bicycle-pedestrian projects here on the California Avenue, Palo Alto Transit Center, University Avenue and south to East Meadow. We also have a number of additional bicycle and support projects. Finally, on the City's list a number of system operational including traffic

signal improvements as well as potentially parking management projects and programs such as relating to the Study Session discussion earlier this Recognizing that Palo Alto's travel needs are dependent on systems and operations by our neighbors and through the regional transportation system, we've also included a number of projects that would be led by other agencies. This includes projects led by Caltrain as well as Caltrans for both operational and capacity improvements on the Caltrain system as well as traffic congestion or operational projects with Caltrans. Also following on this slide and including county expressways, noting the Council's recent discussion on Page Mill, we've noted a recommendation and communication that HOV priority be expressed as an important criteria for selection and ultimate refinement of any project along Page Mill. back to the upcoming discussion of a sales tax or other funding measures. We'd acknowledge once again this effort branded as Envision Silicon Valley that VTA is undertaking. There has been discussion of a number of potential levels of sales tax, whether it be a half cent or a quarter cent. Most recently in discussions the City Managers have had and presentations, a suggestion that attention is focusing around the half cent measure. It's notable here on the third bullet here that approximately 6.5 percent of the county sales tax is generated in Palo Alto in contrast to the less 4 percent of the population that the City represents and the importance of a return to source element as a part of any measure, presuming that type of allocation is considered. Finally, a note on schedule. In terms of the submittal, as has been described by VTA, the deadline for submittal of our City's project list is the end of this month, of August. Through the remainder of the calendar year, VTA will be compiling and beginning their evaluation of the projects. It will be really early next calendar year that there will be drafts and refinement of expenditure plans that would then translate into potential VTA consideration of a final expenditure plan that would go into a ballot measure in the fall of 2016. In terms of some of the specific projects regionally, clearly there's been public discussion of BART, an extension to San Jose and possibly Santa Clara as a key element of the discussion of the Silicon Valley Leadership Group. We have tentatively calendared for the Council a presentation and discussion with Carl Guardino, the CEO of the Silicon Valley Leadership Group, on September 15 at your Council meeting to be able to dive a little deeper into how these projects have reflected themselves in the polling that the Leadership Group has done on the prospective measure. Finally, we've identified a number of potential principles that could guide follow-up Staff work in discussion both with the Leadership Group, with other cities and with VTA on how the development of the actual funding plan, expenditure plan, comes together. I would note, as the City Manager mentioned, the earlier

reference in the agenda Item 28, which is the reference to the legislature's special session on transportation, that many of the principles that have been proposed in the letter on Item 28 are all very well aligned with the types of priorities that Palo Alto has expressed to VTA and here in this recommendation on priorities, clearly focus on innovation in methods for transportation, first mile/last mile, a focus on non-single occupant vehicle strategies and the like. Largely again, focusing and based upon the ongoing discussion of the Comprehensive Plan, which is again another parallel path. I won't go through the individual proposed principles we have here. We've got them over the next few slides. They're here as reference points should the Council want to dive into those individually. Last slide here, in terms of the final recommendations, note that in thinking about the complexity of the various conversations and the various venues in which the issue of transportation funding is currently being discussed, the image of multilevel chess comes to mind. Many moves at many levels happening somewhat simultaneously. The projects list is again at its most simplistic level the move we are needing to take in order to stay in sync with VTA's calendar. At the same time, we recognize that the funding programs and how the individual projects are rolled up, what that leads to in terms of being specifically identified in the measure, whether the county measure is in the best interests of the City of Palo Alto and how that all fits together. Finally, Number 1 on our recommendations list is the potential for regional partnerships where in coordination and partnership with our neighboring cities, the potential to identify the common interests to ensure that North County and potentially beyond the county boundary travel needs are met. With that, Mayor, Council Members.

James Keene, City Manager: If I just might. Thank you, Ed, for that comprehensive and still simple, I think, relatively simple presentation. You have a lot on your agenda tonight. I imagine this will be an involved conversation. You've got a number of people who want to speak. I would just, leaving the recommendations up there, remind the Council that Recommendation Number 2 is, in many ways, the driving component for this item being on your agenda tonight. Harkening back to the fact that we all sort of got an extension from VTA 'til the end of this month for the submission of projects, clearly we need to have our project list put together. That's not the list for the tax measure, but certainly the sense is what comes out of the tax measure will be negotiated, arm twisting, whatever takes place, based on what are in the project lists that are submitted and what the policies are that we're advocating for. Item 2, Item 3 and of course Item 1 really incorporate some policies itself and, as Ed says, gives a little bit of a move towards partnership in the northern/western portion of the county

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which is really a bit of a counterweight to San Jose tonight. You will have time, and I'm sure we'll be having ongoing discussions with the Council in September, October, November or whatever, as the move towards a tax measure is put forward. While you may get into those discussions tonight, I don't think you have to feel you've got to arrive at those, particularly if we're dealing with clock management. You'll have other opportunities for that. Thank you.

Mayor Holman: There was a little bit of discussion about the third part of the recommendation could possibly be moved forward, if need be, if the first two take a long time.

Shannon McEntee: It didn't occur to me to wear a costume. Maybe next Mayor Holman and Council Members, I want to start by just saying thank you for the many ways you serve the City. You are civic heroes. I'm here today to urge you to help preserve the quality of life in Palo Alto. How can you help preserve the quality of life in Palo Alto? I'm going to ask you to consider some bold, brave ways that you can do that. It'll probably mean taking some heat, but I hope you have your ears open. I know that change is really hard. First, I want to urge you to embrace the Bus Rapid Transit. None of our traffic, parking, noise and pollution issues are going away until we introduce major changes, and they're going to be hard. BRT is one such major change. Controversial, yes. Where it's been adopted in other cities, it has worked magic. Many residents can only imagine disastrous results. Will it be hard at first? Probably. We have to start somewhere and get people out of their cars. Just like getting rid of plastic bags and charging for paper bags, many people complained, but they adjusted once the changes were in place. When buses are fast, reliable, frequent and comfortable, you can bet that people will love them. I'd love to hop on the BRT and go to Castro Street to see TheatreWorks or go to San Jose for dinner or a museum. My only option now is to drive, and that's pathetic. Caltrain, I would love to take Caltrain or a BRT all the way to San Francisco, but at night the train only goes once every hour, and the last train out of the city is around midnight. That makes getting home late at night really too tricky. I drive for 30-plus minutes to Millbrae and park there. We need to have frequent Caltrain service and both earlier and later every day, and not just for me but Such improvements would serve workers and also for our workers. residents who want to travel the corridor rapidly. Airport service. We used to have the 7F bus, later rebranded to be the KX line. While it took a little more time than driving, it was cheap and it worked just fine stopping at every terminal at the airport. Then San Mateo dropped it in January 2014. Palo Alto needs to get regular transportation organized for the airports, on

our own or coordinating with other cities in San Mateo County, whatever. We need to provide fast and reliable service to our airports. Bikes. Thank you for the progress you're making on making biking safer and easier in Palo Alto. We need to continue investing in bikeways to make it easier for people to surrender their car keys. Lastly, I just say don't widen Page Mill Road. That just invites more traffic to come in. We really have to solve it by providing transportation opportunities not in cars. Thank you so much.

Robert Neff: Thanks, Council. First, I support the work done by City Staff. I think it's important to identify the full spectrum of transportation needs for Palo Alto and this northwest part of Santa Clara County. I'm glad to see the focus on collaboration with neighboring cities. There are transportation projects that exist across our cities, like an improved bus network in this part of the county, last mile shuttle networks and improved low-stress bike lanes not just in our City but also connecting to Mountain View, connecting to Menlo Park, connecting to Sunnyvale. comments. First, as I observe this process, it is apparent that VTA is well prepared to spend all of this money on BART and expressway projects that have been planned in anticipation of this source of new transportation funds. In comparison, many of the other projects are less well developed. I think it's important to have something like the return to source funding flexibility that City Staff mentioned so that, as we see new projects that we want to do in the future, we have a way of getting those into the plans with this large amount of money. I commend City Staff in Planning and Transportation on bringing forward our Bike and Pedestrian Plan to the point where we have identified projects to improve our bike and pedestrian networks. I'm glad to see we've identified millions of dollars for specific bike network improvements. We should recognize the foresight that Jaime Rodriguez had in developing these plans in anticipation of this kind of funding. Finally, I'm glad to see Staff focus on grade separation of Caltrain throughout the county. It'll be a big step forward. I'm encouraged by your work to make sure this tax is wisely spent throughout the county. Thank you.

Gary Wesley: My name is Gary Wesley. I'm from Mountain View which is south of here, towards San Jose, the power center of the entire county where they issue the orders and everybody else obeys. They, of course, control the VTA. I saw them in action last week, and there were some folks there to protest what they were doing to Highway 85, which is to add toll lanes that would disappear at Highway 280 and create a bottle neck. What the VTA Board did was to form an advisory committee to hear from those people about their concerns, but at the same time voted to go forward with the project. Hearing concerns and counseling are about the same thing for

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the VTA power brokers. You've noticed already that there is an elephant in the room. That is the VTA's plan for bus-only lanes on El Camino Real. It isn't mentioned in the editorial this week in the Palo Alto Weekly. You can condition your support for any ballot measure not only on the basis of what's in it for you, but also on the basis of what is excluded for your benefit. Were you to decide correctly that bus-only lanes on El Camino wouldn't be in Palo Alto's best interests, then you could withhold support unless in a ballot measure there is a provision which outlaws it not only for the new sales tax revenue, but for the organization completely. As the Weekly pointed out, this is the point in time when you have some leverage. If they need a twothirds and they're opposed by City Councils, they're not going to get it. If they need 50 percent, we'll see how they play these cards. It'll be more complicated. This is the time to take a hard look at bus lanes on El Camino, because one bus will come along every ten minutes. That's every three miles, and the rest of the time that lane will be empty. That's the center lane. There'll be a station every mile for people to try to board those buses in the middle of the road, and the remaining two lanes will be clogged and crossing even El Camino will be difficult. I would urge you to take this opportunity to, yourselves at 4 percent of the population, become power brokers and get what you want. Thanks so much.

Cherie Jensen: Palo Alto Council, thanks for this opportunity to speak before you. I sent you a letter so that I have outlined a number of things that I have been concerned about. Primarily, we have a transportation agency that has spent 86 percent of its money in the city that has 53 percent of the population. They have ignored the North County; they have ignored the West Valley. This means, to me, when I get on 280 to go tend my little granddaughter in San Francisco, I have waited as much as an hour to get from 85 to 280 going north to San Francisco. Now, this is absurd. Nobody from VTA cares a hoot about the West Valley or the North Valley. We have to deal with this issue, because we have been ignored. Highway 85 is a complete standstill in the mornings in a whole lot of ways. We need new interchanges. What they call the braided interchange from 85 to 280 has four different sets of traffic crossing each other. How we ever get by without having multiple accidents every day I don't know. We need to be strong about this. San Jose has now taken the money that we would use for light rail on 85 and put it from Alum Rock to Eastridge. Now the amount of people going from Alum Rock to Eastridge, I could get on a jitney bus once a day. There's no jobs except a few people who are in sales at Eastridge. There's no jobs centered there at all. This is not a charity. Transportation is essential for this economy to function. Please, we have to have rail or some kind of a real transit system in the land that's available on Highway 85. If

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they put a highway and just one more lane of a highway, we will lose the opportunity forever of getting that system. Please stand with us in the West Valley who are looking to this. San Jose has as many people as Saratoga and Los Gatos together planned for the other end of 85. We already can't move on 85. We have to have transit. In your list, please add that into your list. As far as the bus way on El Camino, I think it's too late. It's too late for a bus way. El Camino is already full.

Bob Moss: Thank you, Mayor Holman and Council Members. As you know, this is not a new problem. It's been going on for decades. Any of you ever hear of the Transportation 2000 project? I was involved in that in the early '80s, and we had the same problems and we had the same hope to solve them and nothing has happened. As you know, Supervisor Simitian pointed out that very little of the money that North County pays in for transportation is actually used for transportation here. That's got to stop. We should be getting far more money to solve our transit problems than we have been. I think that just putting a list of problems down without emphasizing details is not the way to do it. We should be talking specifically about why we need these things, where we have to do them, how they should be done and why North County needs more transit options. For example, we should be talking about having local buses that go to shopping centers, employment areas and transit centers. Another thing that should be done, we have organizations in this area that have excellent TDM systems. Stanford University, Facebook, Google, SurveyMonkey. Those organizations have buses that sit just parked on the street during midday. They bring the people in from all around the Bay Area during the morning, and they take them home in the evening. Otherwise, the buses sit. Why not go and talk to those companies and say, "Maybe you can have those buses do local transit during the day." union contract says the bus drivers have to get paid for a full day anyway, even if they're just sitting parked for eight hours. Go and talk to them and see if you can get those organizations to also serve some local cities and local communities. Another thing you should be looking at is how can we make people take transit if the transit isn't available. We should have small cars, small limousines, that go through Palo Alto. It'll take people from residential areas to shopping areas, to Downtown, to California Avenue. We Maybe you want something that's kind of a can do that sort of thing. mixture between VTA and Uber, where we have people allowed to call up, get transit and take it where they need to go. Once upon a time we had that here in Palo Alto. My oldest daughter was the first one to get a ride on a local bus, where she just called up and said, "I need to get to school," and a bus came in ten minutes and took her to school. We should be doing that sort of thing again. We should be using a variety of options, and not just

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looking at getting VTA to help us out. VTA has demonstrated over the years they don't care about Palo Alto.

Greg Conlon: Thank you. Gregory Conlon. I'm speaking as a resident of Atherton, which is a little farther north of here. I've been involved in following the rail component of transportation for the last ten years. I was president of the California Public Utility Commission for two years, and I served as a Commissioner on the California Public Utility Commission for six years. I served on the California Transportation Commission for three years. I've been immersed in a lot of detail and a lot of situations. disappointing time was when I was president of the California PUC. In that year, 20 people were killed on Caltrain's tracks. I think this year will be the first that exceeds that amount. That's my primary concern is safety. I think you've been unfortunate in that a lot of the fatalities have been caused and occurred in your jurisdiction. I know you've reacted, and you've acted very well. I don't want in any way to criticize what you've done to date, but I want to encourage you in your projects. I believe the one project for \$527 million was the three intersections at Churchill, whatever they are. I know you've got some guards out there now. I think you're trenching from Sand Hill to Embarcadero. If you trench from Embarcadero to University, I think you've really solved your problem at least for fatalities. I think it would put a lot of pressure on Menlo, because they have a problem at Ravenswood that is unsolvable. I know Atherton would be glad to—just from my personal knowledge of the individuals that are making the decision—would be supportive of doing something in Atherton. If you had a trench from Sand Hill Road all the way to Fifth Avenue, I think if you could do the section from Sand Hill to University, that would be a major step. I just support your doing that, and I encourage you to do that. I know Pat has worked on it for many years. He and I have spent a lot of hours and days focusing on this, so I know he understands the issues that I'm addressing. I had a couple others that are not as significant. I think Dumbarton Bridge has somehow fallen off the tracks, so to speak. I think you set aside some money—it was in one of the newspapers this morning—\$40 million. Somehow it wound up at MTC. No, I think it was more. I think it was \$90 million that MTC loaned BART to do the tunneling on Warm Springs. I think they forgave the \$90 million. Even though you were the entity that got the money, \$40 million, I don't know why you haven't sued MTC for no jurisdiction to take your money and spend it someplace else. I'll leave you with that thought. The other issue I had is from the State transportation money, I mean Silicon Valley creates the wealth of California. Without Silicon Valley, you've got grease. You are entitled to a lot of that State money. I'd be glad to testify in your behalf. Thank you.

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Jeralyn Moran: Good evening. My name's Jeralyn Moran. I'm a Palo Alto resident. First, I need to convey the spirit of why I'm standing in front of you. That is because I'm very concerned about the moral imperative that we have, all of us and you as decision-makers, about this climate change issue. You represent our City, and so you have an opportunity to really lead the way in terms of the transportation arena. I'm really hoping with this long list of projects that you have to consider to offer to VTA and also potential projects for this tax proposal, this tax measure in 2016, that you'll keep in mind that I hope you'll steer clear of projects that encourage single occupancy vehicles and any accommodation to fossil fuel uses. It's really important that we move away from that. I guess the widening of Page Mill would be an example that I encourage you to steer clear of. We just can't afford to waste the time and the money when we could redirect all of it towards a really healthier and strong public transportation structure, especially down El Camino. Obviously it should have happened many, many years ago, but it's imperative now. It's only going to become worse. We need to do something with the El Camino corridor. The rapid transit concept will use the existing roads, but if those dedicated lanes are shared with the Google buses and emergency vehicles and other high occupancy vehicles, it will be actually a quite cost-effective option and something that's doable on El Camino. Including safe bike passage on El Camino is very important too. We're trying to move away from a fossil fuel world. You have an opportunity to lead the way. As a person trained in wildlife habitat management and wildlife rehabilitation, I have strong feelings about the welfare of our native wildlife. Of course, the colossal problems that we have caused and continue to cause the natural world with our activities—what I'm thinking about right now especially is climate change. Anything we can do, it's our responsibility to move away from fossil fuel dependence. In summary, I implore you to consider my thoughts when you decide on the projects that go into these two categories. Thank you very much.

Omar Chatty: My name's Omar Chatty. I live in San Jose. I commuted to Palo Alto for 17 years, working in high tech. I worked in high tech for 35 years. I'll just make my comments as quick as I can. I hope you'll adapt your letter, which looks really good, except where you say, "Via such systems as Caltrain or BART," "and/or BART," however you want to put it. Put BART in there, because that's the integrated system for the Bay Area. That ties excellently into your document. I want to decry the yellow journalism of the *Daily Post*, which is not unusual for them, as much as I like them sometimes. They forgot to mention that in 2000 70 percent of the county voted for BART. 2008, 67 percent of Palo Altans voted for BART. Palo Altans, the most educated community in the county with the highest

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degrees, voted for BART. They understand the importance. We have 30 miles to go to close the gap between Millbrae and the coming Santa Clara University. That's all, 30 miles. I told you before that I think the cost is going to be roughly the same if they don't do Dumbarton Rail. Another street-level, killer train, what a stupid thing. We need to take down the pylons on Dumbarton, so that we can return the South Bay to its natural state it hasn't seen since 1910. It is time to be environmentally sensitive. BART also has no congestion. You'll meet your greenhouse gas objectives and carbon reduction objectives. That is the answer I really would ask you to look and ask to be considered. Now, remember the Hetch Hetchy system or the renewable electrical distribution systems or I-280 when it was coming down? Palo Alto didn't spend money for all that right away. You could use the same arguments that this silly paper used. Joe Simitian, I'm ashamed of him for doing the 80 percent thing. No, you can't get Hetch Hetchy here unless you get it here. It takes a lot of money to do it. The same with Every dollar being spent on BART to bring it closer to Palo Alto, whether from the south or the north, is benefiting Palo Alto. You will get people off the streets. BART carries 430,000 people a day. It is safer by half of Caltrain. Two hundred twenty-seven people have died since Liz was elected and Joe was elected originally. Sixteen have died this year. We've got to stop this madness. We need to do something safe. BART is elevated. Seven have died on BART, even though it's much more frequent and has more stops. I want to thank you for this. Please do consider this. Try to be objective. This demagoguery is not appropriate. I'll see what else I had. BART has so many advantages over the little engine that can't, which is Caltrain. BART is the engine that can. Like I said, you've got 30 miles to go, about the same cost. You get united; we can do what they're doing in New York where they're doing the east extension for \$16 billion. We only need about \$12 billion, only. Together we can do that. Thank you.

John McAlister, Mountain View Mayor: Good evening, everyone. As the Mayor said, I am the Mayor of the great City of Mountain View. We're here to ask that you go ahead and authorize the Mayor to sign a joint letter. We've been working on this letter diligently for the last couple of months along with your City Staff to come to the ability so that we could take 11 North County cities and West Valley cities and present a unified front to make sure that we get a plan that is larger than any of these issues that we're bringing up. We need to have a transportation system that includes the Peninsula, the East Bay, the Valley, South County. We need to do it now, because we only have this opportunity because in decades it's too late. This is a time that we need to stand together. You've heard many of your residents say we need to stand together. With this opportunity, who knows

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that we're going to have this opportunity again in ten years to have a ballot measure or whatever. This ask that we're proposing to you is bigger than a ballot measure. It's bigger than individual cities. We need to have an integrated city. We need to have integrated programs that combine all of this. If we don't have this ask or where we have this system, we don't know how to fill it in. All we're doing is filling this ask for potholes or this, but we need to go above, we need to go to what's next. If they put a transit lane in, then what's next once that's clogged? We need to know about when it happens, if we take the Dumbarton Bridge and integrate that into a system, that alleviates traffic. My residents, your residents, all complain about the traffic that are coming down 85. They take off 85, and they take off 280, and they go down Foothill Expressway, and they turn down Page Mill, and they turn down all your auxiliary streets, because they can't get down 85. It's too busy. We need to go above it. I hope you appreciate all that's being asked right now. I think we can accomplish a great deal. Please authorize the Mayor to sign it. I'll be out of here before the light comes up. I like this. I don't know if we can use it, but I like it. Thank you so much.

Bruce McHenry: Good evening. I'm pleased to be back in California. I was away for about 20 years. I used to live up on top of Skyline, where we certainly didn't use Caltrain. I started studying innovative transportation about 15 years ago with Professor Jerry Schneider, Professor Emeritus at the University of Washington, who should be brought in to consult on anything in this space about disruptive change. Particularly, I was studying with a group of entrepreneurs who were looking at guideway-based systems which are very infrastructure intensive, but allow things like offline stations. In the last 200 years of train development, we still haven't seen a single system anywhere in the world of heavy rail that's got offline stations. BART doesn't have it. Caltrain certainly doesn't have it. It's absolutely remarkable. expertise since 2006 or so has been an evangelist for making vehicles that mechanically couple to each other and form trains on the roads and then also eventually in the subway tracks and on the rails as a dual-mode type vehicle. Although this is a long-term plan, there are short-term aspects like the creation of BRT lanes that also do HOT on the El Caminos. These will be a tremendous incentive to get people to start to use those empty seats that we see riding around. 1.2 passengers per vehicle is the average. There's a lot of empty capacity running around. In fact, ridesharing alone could double very quickly the number of passengers per vehicle and halve the number of vehicles on the road. Road trains actually then increase the factor by about five. In fact, existing roads have got a capacity ten times Any plan that looks out and thinks about larger than we're using. submerging the Caltrain tracks without thinking about what if we could

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actually provide acceleration tracks and have the trains run at a maximum speed of 30 miles an hour which would still give you the same time except for rush hour when you still want the express trains. The same time to destination as you're getting right now. I mean these are technological discontinuities that are often not considered at all by the professionals in the field, because there are no vendors currently. The vendors will arise. Like I said, watch out for ridesharing, because it could do to Uber what Uber's been doing to the taxi companies. It could dramatically improve our rush hour congestion problems by reducing vehicle count. It could happen very, very quickly and very suddenly. Thank you.

Good evening. My name is Andrew Boone. Andrew Boone: I live on Woodland Avenue in East Palo Alto and serve on that city's Planning Commission. I have been following the VTA sales tax pretty closely, because it's not very often you are going to make a decision how to spend \$6 billion on transportation in the county. Every 15 or 20 years this comes up, so this is the big one. I am glad to see that in your report is reflected definitely that you see the future as being greater investments in transit, greater improvements in bicycling, creating a real bicycle network, creating an effective transit network. What is definitely missing from the project list is anything to do with VTA's bus network. There's a lot of projects listed in your Staff Report, that you would like to see a transit agency, Caltrain, that isn't funded by the City to make improvements to. There hasn't been anything in there about what are we going to do to make the bus system better, the transit system that everyone can actually use. Caltrain's too expensive for people on low incomes to use every day for commuting; it's just not an option. If you're requesting improvements from another transit agency, Caltrain that serves this City, please don't ignore the other one, VTA buses. El Camino is the obvious, greatest improvement that we could have with the Bus Rapid Transit system, but there are many routes we don't have. For example, I'm a student at Foothill College right now. I can't go from Palo Alto to Foothill College directly. I have to first go to downtown Mountain View. There's just not routes, and they're just not frequent enough. I think that the other big issue that I haven't seen discussion about is this funding of the expressway network. This City Council and the Planning Commission were very clear that expansions in capacity for cars at rush hour is not the right direction to go. It's the direction we know we need to not go. We need to reduce trips. What is happening in the rest of the county? We don't live in a bubble, where people just drive around and walk around inside Palo Alto. If the County puts Lawrence Expressway a level down like Central is, that impacts people who live in Palo Alto. That impacts people who visit Palo Alto. If there's a whole bunch more cars on Lawrence

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Expressway, because those don't just disappear when they get to the border with Palo Alto. Please comment on why are we funding a \$1 billion expansion of the expressway system and why should we not care if this happens somewhere else in the county. We're all connected. I think the effort to have cities in this part of the county work together and say something to VTA is definitely the right thing to be doing. That alternatives analysis that's described in the letter, definitely the scope needs to include what could we pay for if we don't buy expansions for more car traffic, literally alternatives. We have \$6 billion to spend; what are we going to expend it on? All of the cities are analyzing this problem separately. It's kind of a mess at this point. A comprehensive study about what's the best transit system, what's the best bicycle and pedestrian network we can come up with that amount money is the right thing to do. Thank you.

David Choale: Thank you, City Council and Mayor. I read over the proposal list that you are going to submit to VTA. I was very happy to see all the bike and transit options in there. I also read the joint letter that's going to go to the VTA. There's two things that are missing in my mind that play into all of what you've been doing here in Palo Alto for quite a while. That's the carbon reduction and the greenhouse gas reductions that we need to achieve. We've spoken to it a little bit this evening. With regard to the Mayor from Mountain View, there needs to be language in that letter from the North County cities talking about reduction of greenhouse gases, setting a specific goal and another specific goal stating reduction of single vehicle Without those two goals in the letters, that letter means nothing. There's nothing measureable to act on. There's no way to measure what's going to happen. In looking both at the State level, County and all those things, there's hardly any mention of carbon reduction or greenhouse gas reductions in there. That's the major key thing that's coming up with the Comp Plan, with the S Cap, with the fuel switching that you passed by so nicely with the Consent Calendar. To ignore transportation, which is the largest piece of the pie in California for greenhouse gas emissions, in this transportation tax which has been said many times is only going to come up once every few decades, is a real huge missed opportunity that Palo Alto should not miss this. To that point, the funding of the expressway expansion and other expressway expansions are not a part of this plan if those other things are part of your plan. You've already said that they are. I would ask that you, one, reject the widening of the lanes on Page Mill Road. I know the Council said they'd like the VOT lanes on there. Also, you need to get those other parameters for reduction of single vehicle trips and greenhouse gases in the letter to the County. Thank you.

Mark Nadim: Mark Nadim, Palo Alto resident. We need to prioritize the list of projects that we need to submit to VTA. On top of this list, we need to have grade separation, bike lanes and more frequent first and last mile buses. That will help elevate the issues that we have. We also need to limit the BART system to San Jose. We cannot have a duplicate system to go to Santa Clara between Caltrain and BART. We also need to resuscitate the Dumbarton Bridge rail corridor. That will bring a lot more people across the Bay from the East Bay. We can't add more lanes to Page Mill; that's not going to solve the problem. That is going to only be a Band-Aid. We need buses that bring workers from other counties, East Bay, San Mateo, whatever. These cars that are coming from 280 are not mainly from Santa Clara County. They're coming from other counties. We need to have a fixed budget for Caltrain. Caltrain's capacity is going to double ridership in a decade. We will need longer platforms and longer trains. We should ask for more than our fair share. I mean we generate 6 1/2 percent of the tax for the past 16, 17 years; we've been paying and getting nothing out of it, so we need more than the 6 1/2 percent. That's basically what we pay in this City. Thank you.

Lenny Siegel, Mountain View Council Member: I'm Lenny Siegel. member of the Mountain View City Council. I'm here tonight not only to support our Mayor, but to talk more about cooperation among our cities, two kinds of cooperation. First, there's the simple cooperation of linking up our bike lanes and working together on Caltrain. In fact, some of our city commissions want to see us have bike lanes along Caltrain. That's something that we can work together on. The more challenging form of cooperation is the political cooperation that's discussed in the letter. I think the root of the problem is we don't have a transit system in this county that serves our existing commute patterns. Mountain View recently did a count of the number of commuters that go into North Bayshore where Google's headquartered. Every day between 7:00 and 10:00 A.M., there are roughly 21,000 people making that commute. Sixty-two of them are on VTA. We are not being served by the county transportation system. A study of our transportation needs throughout the county and beyond is something that has to come out of this current process. It's not parochial. I know people feel, in Mountain View and in Palo Alto, that we aren't getting the money back that we put into the system. In fact, the system is not serving the people who live in San Jose and work up here. We need a study that looks at our transportation needs in terms of where people are driving every day to get as many of those people off the road and out of single occupancy vehicles. I urge you to support that form of regional cooperation as well. I support what people have said about limiting the widening of expressways.

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\$1 billion for that. That doesn't relieve traffic; that increases traffic. The Leadership Group did some polling. They said, "Would you support widening the expressways for traffic relief? Would you support widening the expressways to increase dramatically the number of cars on the road?" It just depends upon how you ask the question. I would urge you to take a position not just supporting the things in your Staff Report, but saying the Finally, getting back to the regional kinds of things you don't want. cooperation, its' really great. A lot of us from the Councils have been talking to people from our neighboring cities. One of the cities we talked to was Cupertino. Cupertino has a common situation with Mountain View. We've got the 85 corridor, just as Mountain View and Palo Alto have. The Caltrain corridor. Cupertino very likely tomorrow night will take a position in support of funding for Caltrain. On behalf of them, I ask you not to come up with a specific number, but to take a position supporting the cities along the 85 That's one of the major commute routes in the county, and we need to support transit there. Thank you.

Good evening, Council Members and Staff. Adina Levin: Adina Levin. Friends of Caltrain. I would like to echo what Mark Nadim said about the investments needed in terms of increasing Caltrain capacity. If the City follows its transportation demand management strategy and wants to get cars off the road, we're going to need Caltrain to carry more people as well as using money in the ballot measure to lock down that annual paying Caltrain's bills so we don't have implosion like we've seen in the past. would like to talk a little bit about the grade separation funding that is being proposed and to support the recommendation to do this in a way that is like San Mateo County's, where there's a large pot of funding that gets allocated as cities apply for projects. What that lets cities do, like Mountain View that has some very different types of projects that they could do downtown by Castro or Palo Alto where there's still this issue about how to do the project. Rather than letting a Staff person at VTA decide that right now, let's take some money and over time figure out what the best project is and how to fund that. Regarding transportation demand management, two big points. One, VTA has a brand new program that Friends of Caltrain and SPUR and other nonprofits have been working on to provide matching funds for transportation management associations and TDM programs, not only for shuttles which are being asked for but a spectrum of programs including potentially new bus routes. The goal is both to get supplementary startup matching funds as well as to much better align what VTA service can do. Speaking of TDM, Stanford's transportation program does now have the responsibility for improving vehicle trip reduction into Stanford Research Park as the City Council is asking them to do. I talked to the person who is

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leading that program and cannot speak for him in any way. They don't have any results; they expect to have results about what they can do later. You do have a letter in your packet from Stanford starting with the fact that widening Page Mill and widening expressways doesn't do what people think it will do in terms of solving a congestion problem. The congestion problem is real. I would urge you to look at that letter and check with Stanford about if they had \$100 million to spend, how much would they prefer to have that be road widening and HOV versus transportation demand management. The way that I read that letter that says, "If you have to widen the road, give us the HOV lane. Really we would rather use that money and reduce the trips." Verify with Stanford and take the effective approach. Thank you.

Good evening. Chris Lepe, Senior Community Planner with TransForm. TransForm's a nonprofit organization, the largest transportation advocacy organization in California. We analyze public policy, advance new models and engage local communities in transportation, land use and housing policy. We're involved with funding measures across the Bay Area. We were involved with the Measure BB in Alameda County and that successful effort to get that passed. We're also part of a growing alliance of community-based organizations called the Transit Justice Alliance including labor, environmental and community groups such as Sacred Heart Community Service and People Acting in Communities Together. I just wanted to reference the letter; hopefully you received the letter we sent a few days ago, highlighting some of the key recommendations and priorities we feel particularly coming from Palo Alto residents including Adam Stern, Adina Levin, Bruce Hodge, Debbie Mitells, Gail Price, Jeralyn Moran, Mark Nadim, Robert Neff, Sandra Slater, Vanessa Warheit and Yoriko Kishimoto. One of the main, I think, sort of messages in that letter was that we really need to prioritize. I think Palo Alto's done a great job in terms of stating a whole host of different transportation measures and strategies. I think it's important to send a clear message to VTA as to what the priorities are for One of those priorities we feel should be moving people more efficiently in order to preserve the quality of life in Palo Alto as well as surrounding cities. With our population growing—we're going to grow by two times the size of the City of Sunnyvale in the next 15 years—we cannot afford to waste time nor money in investments that don't move the needle in that regard. Also one of the key components of the letter was the rapid transit plan. We think that's great that the Cities of Mountain View, Palo Alto, Cupertino and other North and West County cities are proposing this plan. The main thing I would say with that is yes, we need it. We don't currently have a plan on the books for rapid transit in Silicon Valley. We need significant funding. The \$100-\$150 million recommended currently

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from the City, I would highly suggest substantially more, somewhere in the ball park of \$800 million or maybe even \$1 billion for rapid transit to really get us to where we need to go. Finally, the bus network which has been mentioned by some of the speakers today, it's absolutely critical. Just with the speed of the system, it reduces by 2 percent a year. With all the traffic congestion that's taking place, we really need to make sure that we're making it an effective option for the future by speeding it up, make it more reliable, convenient by providing more service frequency and getting the buses out of traffic. I'll leave it at that. Thank you so much for your attention today.

Good evening, Madam Mayor, Council Members. Stefan Heck: longtime Palo Alto resident, since 1982, and a consulting professor at I also see you have a startup company here focused on transportation issues. I applaud you for taking a stance towards our future planning. As many people have wished to preserve the best of Palo Alto and to go back to the good old times, I want to take you back to 1910 when we actually had an electric railway that ran from Palo Alto through Los Altos to Cupertino and to San Jose, that had higher frequency than Caltrain does off peak today. Yes, let's preserve the best of the past and make that happen again. How about our current transportation systems? I would argue we have four today. Two of them are working well, and two of them are horribly broken. Which two work well? Caltrain actually is one of the best railways in terms of being very balanced and in terms of actually running through population centers and getting us across county lines in a way that doesn't reflect the government jurisdictions. We also have a private bus system put in by Google and others that actually is working guite well. That's an example of a good transit system that we could build here. We have two that are utterly broken. Our bus system, which has very infrequent coverage—a point I'll return to in a moment—and also is highly balkanized. It's very difficult to get from San Mateo to Santa Clara County to do any real commute routes. Typical routes actually have three to fourhour duration, half of which is layover time. We have cars, which as you just heard are increasingly inefficient. We have only 1.2 people per car, and we're stuck in congestion. If we're worried about Caltrain deaths, we kill 2,800 people in this state through car transportation. We haven't done it well. How do we fix this? I applaud you for not kicking the can down the road and simply saying, "Let's widen the expressways." That's about five years of pain to build it for about four years of benefit until the lanes are again taken up with traffic. I'm not sure that equation works. Let's learn from the best in the world. That's what we do in Silicon Valley; we take the best ideas and make them better. Transportation works in many other parts

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of the world, whether you look at Europe, you look at New York, you look at Portland. It's three things. A network, so we can't be talking about west, south, north. We need the entire system to actually work. We need frequency. The international standard is very clear, seven-minute intervals. We can probably live with ten, but many of our systems have 20-minute, 40-minute intervals. That doesn't work as a business tool for getting around. We need to solve the last mile problem. I think the good news there is there's a lot of very innovative solutions coming from Uber to the bike lanes that you're advocating. We really need to think about that as an integral part of the system for planning our future and to keep this area vibrant and competitive. Thank you very much.

Richard Brand: Good evening again. Richard Brand, 281 Addison, Palo Alto. I'm a citizen who was very curious about where my sales tax dollars were going. After Mr. Guardino from the lobby group, the special interest group Silicon Valley Leadership Group, came in and talked to the Council and couldn't answer a lot of really good questions that were posed to him, I went to Joe Simitian. I said, "Joe, where's our money going?" Joe then went out, and the rest is history. You've seen what he did. It took six months for the County to get all the numbers together, but indeed they did. Now we know that the money—Joe has told me this personally. He thought the money may have been going to the greater County. As we've now found it, it was going to the City of San Jose for BART, the BART connection from Alameda County to the City of San Jose. I sent you an email; you've seen my specific things. I voted for Measure A back in 2000. There was a promise in Measure A to fund an east-west commuter connection rail line that's already owned by San Mateo County called Dumbarton Rail. \$40 million were committed to that from VTA. They actually agreed to sit on the Board. Council Member Kniss has been through this, so I can see she said, "Yes, I've seen all this before, this movie." In fact, the money was taken back. Now VTA doesn't even attend the meetings that still go on in San Mateo County. Even though Menlo Park has now started a new look at how do they re-fund the renovation of Dumbarton Rail with Facebook over there. Any of you who have seen the backups on University Avenue, Willow Road, Marsh Road, 237, traffic coming from the east to the west, Jim, I don't know how EMC came up with 7 percent coming from the East Bay. That backup in the afternoon, even on Middlefield Road, is horrendous. We've got a problem. It affects us regionally and not just as a City. I'm running out of time though. I really support the idea of Item Number 1. We need a study to determine how do we get some support that we haven't had in the past from VTA. I ask you to sign that letter and also stand up for the North County for funding. Thank you.

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Joe Hirsch: Mayor Holman and Council Members. First, my apologies. I had not planned to speak tonight. I'm not very well scripted or versed in the topics that have been discussed tonight, but I felt compelled to make at least one statement. We definitely need transportation improvement. I was at Syntex in the 1980s when we talked about transportation, the demand management programs. They didn't work. They were tried for a while, and they simply didn't work. We have an overabundance of cars for one simple reason: they are the most flexible form of transportation we have. They are there when you want your car. It will take you where you want to go, and it will bring you back in the right amount of time. I noticed when I walked in tonight that those spaces that are reserved for Council Members downstairs in the garage somehow happened to be filled. You probably all drove here. The real problem with transportation that you may be talking about is maybe you can improve it in a north-south direction. You simply cannot improve it in an east-west direction. There is no effective coupling of transportation when people might get off the train in some places or more likely these single bus lanes on El Camino, which I believe is a pipedream. It will just force cars off El Camino onto other streets and make them more congested. We love our cars. We have them. We use them. I think we need to be very careful about the concept of bus-only lanes on El Camino. I've talked with a lot of people; they're not just my generation, they're younger. They can't envision losing two lanes on El Camino. They have no idea how they will drive around that, because they simply will not be getting out of their cars because there is no effective transportation throughout the area from where they live to El Camino and then from El Camino to where they want to go. Thank you.

Elaine Uang: Good evening, welcome back everybody. I wasn't actually planning to speak tonight either, but I did want to highlight a couple of things with respect to this package and this wish list that I think that might have some implications for the TMA, the Transportation Management Association, that we have kicked off. It was interesting to note that when they released the commute survey into the Downtown area that I think it was something like 33 percent of the folks who are commuting into Palo Alto, the Downtown area that is, are coming from the South Bay. Of those 33 percent, I think that segment had one of the highest SOV rates coming in, something like 75 percent. Whereas, San Francisco might only have 11 percent of the people coming on, but I think something like 45 percent of those folks were taking the train. I think highlighting the fact that this lack of network and regional connectivity in Santa Clara County and the South Bay area has some serious implications for the ask in the package for VTA's Call for Projects. I think some other speakers have already highlighted this,

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but it's the network. It's creating opportunities where we previously haven't seen routes, service, frequency, what have you. The other thing is a few folks have mentioned last mile/first mile connections. We all know that that's a really difficult nut to crack given our land use patterns. I think that there are some really interesting pilots that are happening. There's an opportunity with this package to ask for more of that type of innovation. It's partnerships with Lyft, with other ride-hail services, and managing it in a dynamic way. At off peak hours, shoulder hours for something like Caltrain service where—by shoulders I guess I mean 9:00, 10:00, 11:00 and then 3:00, 4:00, 5:00. I think the Tasman area in Sunnyvale is starting to pilot that. If we could see a series of other pilots throughout the county, again feeding into the regional network and starting here in Palo Alto, I think that can help us crack some of the difficult commute nuts that are heading our way. Thank you very much.

Mayor Holman: Council Members, it is for all practical purposes 10:00, which is when we do a check-in to see what we're going to accomplish. As part of Item 24 and 28, Number 1 and 2 on the screen that you see need to be done tonight. Number 3 does not. Number 28 does. Also, we have Item 27 which has to be done tonight but should be a quick one. My question for Council Members is Item 25—there are people here to speak to this—if we can quickly dispatch that, I would suggest we go ahead and do that so we will not be keeping people here waiting for that item, if it can quickly be dispatched. I see no disagreement to that. Item 26, just letting us know that it's 10:00 and just weighing in. I know there is a lot of interest in expediting that item as well, but it means we'll be here late. Just want to make sure we're all committed to doing that.

Mr. Keene: Madam Mayor?

Mayor Holman: Yes, sir.

Mr. Keene: I don' want to confuse things. We often make decisions at 10:00 that at midnight suddenly, "Maybe we underestimated." I'm not saying you want to do this, but if you do look at next week you have an Action Item on minimum wage. You have two very short grand jury responses. You have a public hearing on the PC Ordinance. That is a public hearing. You have to open it, but it is not time sensitive to the same degree. I would just say whether you want to end up punting anything at all over to the 24th, that is a possibility to just keep in mind if somehow the evening unfolds more slowly than we think.

Mayor Holman: Understood. City Attorney, do I need a motion to move Item Number 25 forward and table this item?

Molly Stump, City Attorney: Just ask for a quick motion. I'm sure you'll get it. You're not moving any item off the agenda at this point.

Mayor Holman: Not at this point.

Ms. Stump: You're just changing the order.

Mayor Holman: Yes.

Council Member Kniss: Madam Mayor, I move (inaudible).

Council Member Wolbach: Second.

Mayor Holman: We have a motion to move by Council Member Kniss, and second by Council Member Wolbach, to move Item Number 25 into the agenda now and table Item Number 24 until after 25 is dispatched.

MOTION: Council Member Kniss moved, seconded by Council Member Wolbach to move Agenda Item Number 25- Adoption of a Resolution Amending the Affordable Housing Guidelines to Permit Use of the Commercial Housing Fund for Preservation of Existing Units forward to be heard now.

Mr. Keene: If I might state the obvious. Obviously the move to do this quickly would be so that the Council could endorse and support the recommendations on Number 25 most likely.

Mayor Holman: It looks as though it's going to be a quick one, so yes. Vote on the board please. There we go. That passes unanimously on an 8-0 vote with Council Member Scharff absent.

MOTION PASSED: 8-0 Scharff absent

Mayor Holman: We will be taking up Item Number 25.

25. <u>Resolution 9539</u> Entitled, "Resolution of the Council of the City of Palo Alto Amending and Updating the Housing Reserve Guidelines as the Affordable Housing Fund Guidelines."

James Keene, City Manager: I think the report is clear. We're here to answer questions if you need it.

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Hillary Gitelman, Planning and Community Environment Director: Mayor Holman, if I can make a short statement.

Mayor Holman: Okay. You do after all.

Ms. Gitelman: Hillary Gitelman, the Planning Director. I'll be brief. This is an item that Council requested we bring back to you on June 29th, and it would make changes to the guidelines we use to expend affordable housing funds. I do have one clarifying amendment to the tracked changes version of the document that you received prior to this evening's meeting. It's on page 4. We want to change a sentence of the text under the heading of Commercial Fund to match a sentence that we use later on the document. Just to be very clear that an acceptable use of the Commercial Fund is for the preservation of existing housing whose long-term affordability will be protected through deed restriction or other mechanism. Again, it's a clarification to make two different sections of the material match.

Mayor Holman: Could you indicate what a packet page number might be on that please?

Ms. Gitelman: The easiest way to find it is in the memo that we provided you on August 17th. I'm sorry. It came to you last week. It's the memo that contains the tracked changes version of the guidelines. On page 4 of that tracked changes version under Section 2, Eligible Projects and Activities for Each Fund, the heading is Commercial Housing. There's a sentence at the beginning of the second paragraph that we're making match a similar thought later in the guidelines.

Mayor Holman: Could you provide the wording again please? I'm sorry.

Ms. Gitelman: Yes. The Commercial Fund: by Council policy all costs must be directed related to the development of new housing units or to the preservation of existing housing whose long-term affordability will be protected through deed restriction or other mechanism.

Mayor Holman: Remember we are trying to dispatch this quickly.

Bob Moss: Thank you, Mayor Holman and Council Members. I urge you to adopt the recommendation to amend the guidelines for the use of housing funds from contributions from developers to allow preservation, not just construction of new affordable housing. It's been said that when the money was paid in, it was supposed to go for new housing and, therefore, it could not be used for existing housing. That's not correct. You can use it for

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existing housing, and I'll give you an example. This is quite a ways back. About 20 or 25 years ago, there was a housing project on Alma near Colorado. It was six townhouses. The Housing Corporation was interested in retaining those. They'd be low-income housing. The property owner was threatening to convert those to market rate, for sale housing. The City put money in from the Housing Fund to purchase the development, those six units, and turned them over to the Housing Corporation as rental units. That was done, so it's been done before. There's no reason why you can't do this again to preserve Buena Vista. The intent of the funding from development projects, from the developer for housing, the basic concept is to have low-income housing in a city which has the most expensive housing in the entire country. The latest figures for the median housing price in Palo Alto is more than \$2.6 million. Using the funds which you've gotten from developers, commercial developers, for preserving housing is just as effective as building new housing, and it's more cost effective. cheaper per unit to preserve existing housing than to buy the same number of new units. I think there's nothing wrong with doing this. There's nothing illegal about doing this. There's precedent for doing it. It's the right thing. I'd like to see you proceed. Thank you.

Winter Dellenbach: Hi. First of all, thank you for everybody that showed up at the Buena Vista Thanks Supporter picnic. Really appreciate it. It was a great picnic. More elected officials and appointed officials in one spot than I've ever seen before. I want to speak to this item briefly. Back in the end of June, we were all here. We brought the troops; didn't bring them tonight out of kindness to you. We know you have a huge, packed schedule. Thought it would be better not to have everyone here. You know the support we have. The work you did at the end of June won't be fulfilled unless you make these amendments, alterations, to how the Commercial Housing Fund is used to include preexisting housing, saving it. We urge you to do that. As you know, I sent this out. The Wall Street Journal front page Saturday, huge article on Buena Vista in their national edition and online, breaking the news that an offer has been made through Caritas to the owners of Buena Vista. There is at least a preliminary offer in writing to them. We need you guys to come through, because if something should break and should happen, we're going to need access to those funds. We need you to vote on this, approve it tonight and make those funds accessible ASAP. Thank you.

Mary Kear: Hello, Council Members and Mayor Holman. My name is Mary Kear. I'm the Vice President of the Buena Vista Residents Association Board. We the residents of Buena Vista are relying on you to approve these changes

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to the Housing Fund so that the money you approved for purchase of Buena Vista can be freed up. Thank you for your time.

Council Member DuBois: A couple of quick questions. I guess a question for City Attorney. There was a letter from Herb Borock raising questions about potential lawsuits by changing the use of this money. Could you comment on that letter?

Molly Stump, City Attorney: Thank you, Council Member DuBois. We looked at the nexus study that supports the fund and the previous guidelines and State and local law. We're confident that the change that's before you on today is lawful. It's a lawful expansion of the guidelines in a limited way that would be supported. I would note that the nexus study that established the fee in the initial instance in 1993, which was updated in 2001, noted that the City needed flexibility to either rehabilitate existing units or build new ones. The nexus study did support the existence of the fee for either of those two purposes.

Council Member DuBois: I guess kind of a related question was should we limit the revisions to only preservation of mobile home parks or do we want this to be more broad for preservation of (crosstalk).

Ms. Stump: The Planning Director might want to speak to this. All you're doing today is establishing guidelines that would create a permissible use of the funds that the Council would make decisions about later. You're not making any funding decisions tonight. You're not approving any projects tonight.

Council Member DuBois: I understand that. I'm just saying if you're sure there's no legal risk, is there any benefit to making it more narrow versus more broad?

Ms. Gitelman: Thank you, Council Member DuBois. Hillary Gitelman again. I think that's a policy question for the Council. We do have two funds, residential and commercial funds, and we have a lot of housing need for both new construction and for preserving existing affordable units. The way we've crafted this it would apply to all existing units that are subsequently deed restricted as affordable. You could make that more narrow by describing one particular subset of existing units, if you like.

Council Member DuBois: You're actually anticipating wanting to use it more broadly?

Ms. Gitelman: It certainly gives the City more flexibility. We would have the ability to bring more projects forward to the Council. As the City Attorney indicated, you would have the final say on whether that would be an appropriate use in other instances.

Vice Mayor Schmid: Quick question. Will the City be titleholder?

Ms. Stump: There is no project before you tonight, Vice Mayor Schmid. The only question before you is the permissible use of the Commercial In-Lieu Housing Fund. There is no project about which I can answer that question. I assume you're asking about a specific project, and we don't have a specific proposal in front of us, so we're not able to comment on that.

Mayor Holman: Council Members, motions? Any additional questions or motions?

Council Member Berman: I'll move that we adopt the attached Resolution amending the City's Affordable Housing Guidelines so that the Commercial Housing Fund may be used to support the preservation of existing housing as well as construction of new affordable housing with the changes noted by Director Gitelman earlier.

Council Member Wolbach: Second.

Council Member Berman: If those changes are necessary to be noted.

Mayor Holman: Motion by Council Member Berman, second by Council Member Wolbach.

MOTION: Council Member Berman moved, seconded by Council Member Wolbach to adopt a Resolution amending the City's Affordable Housing Guidelines to allow the Commercial Housing Fund to be used to support the preservation of existing housing as well as construction of new affordable housing including changes provided in the At Place Memorandum from Staff.

Council Member Wolbach: First, for City Attorney and also for the rest of Staff. I did hear some concerns from the community, though they were not very specific, that some of the language here might be problematic. I think that the changes that we've seen address those concerns. I would just encourage you to keep your eyes open for anything we might have missed, dotting I's and crossing T's regarding this specific language just to avoid any unintended consequences. Again, I think the changes proposed address all of the concerns that I've heard. Also, just kind of a very short commentary

just for all of us, Staff, community and Council. The unanimity with which the community and the City Council have supported taking great steps to prevent displacement at Buena Vista in the broader context of lots of displacement from other housing in Palo Alto suggests that at some point we need to have a much more serious and broader discussion about what we're going to do to prevent loss of affordable housing in general in Palo Alto and to protect tenants from displacement throughout Palo Alto.

Mayor Holman: The motion before us is the Staff recommendation, that the Commercial Housing Fund would be used to support the preservation of existing housing as well as construction of new affordable housing with the amendment that Director Gitelman has entered into the record. Vote on the board please. That passes also unanimously on an 8-0 vote, Council Member Scharff absent.

MOTION PASSED: 8-0 Scharff absent

Agenda Item Numbers 24 and 28 continued at this point in the meeting.

- 24. Proposed Response to the Santa Clara Valley Transportation Authority's (VTA's) "Call for Projects" for Inclusion in the Countywide Long-Range Transportation Plan (VTP 2040) & Discussion of the Potential Envision Silicon Valley 2016 Transportation Tax Measure.
- 28. Authorization for the Mayor to Sign a Letter Regarding Palo Alto's Position on New Funding for State and Local Transportation Infrastructure.

Mayor Holman: We do need to do Item Number 1 and 2 this evening and the recommendation from Staff, and we need to do Number 28, that letter as well. We could do Number 1 first and try to parse that out. If you think we need to do "1" and "2" together, I'm amenable to either one. Shall we try to do Item Number 1? Okay.

Vice Mayor Schmid: I move that we authorize the Mayor to sign the joint letter to the Santa Clara Valley Transportation Authority from up to 11 North County and West Valley cities.

Council Member Kniss: Is that just Number 1?

Vice Mayor Schmid: yes.

Mayor Holman: That's just Number 1.

Council Member Kniss: Second.

MOTION: Vice Mayor Schmid moved, seconded by Council Member Kniss to authorize the Mayor to sign onto a joint letter to the Santa Clara Valley Transportation Authority (VTA) from up to eleven North County and West Valley cities.

Vice Mayor Schmid: I think cooperating with our neighboring cities makes a lot of sense. There was a lot of convincing evidence tonight that the 85 corridor is especially sensitive. Our responsibilities include two Stanford parcels, the Research Park and the hospital area, which have approximately 50,000 employees and no housing, so must be part of a regional network. I heard a lot of input tonight that the County lacks transit service along the 85 corridor where a good portion of commuters come from. This makes sense, that we set out to work cooperatively with our neighbors and try and find a common interest in that corridor that would make sense for Palo Alto. I enthusiastically support it.

Council Member Kniss: I would certainly agree with the Vice Mayor about our enthusiasm for this. I would feel uncomfortable if I didn't say this I know John knows this and others in the audience. becomes a measure and if it does pass, I hope that we will put measurements in this, which I have heard Pat Burt talk about any number of times. If not, here is where this goes in the end. VTA—I served on VTA—is dominated by San Jose. There is no question. I sat there for my first two years trying desperately to get money into North County and away from BART. It is extraordinarily difficult. I'm not saying it's impossible, but I am saying that if we get to the point where we can draft something and it is a measurable something particularly for the North County cities that we've been talking about tonight, that will make a great difference. Otherwise, when it goes back down to VTA, they will again make decisions that very much support that 53 percent of the county. For one more stat, if you look at our county as a whole with five districts, this district, District 5, delivers 26 percent of the votes in the county. District 1, which is the south part, includes the south part of San Jose which is a more affluent part, has 25 percent. The middle section, which is District 2, has 12 percent. This is their average turnout. You can check it and find out. I want us to be really clear, because I think we'll put a lot of time, energy and effort into this. Know that without some measurement and facts—the TransForm group and I were discussing this earlier—without that measurement, without some way to be sure it comes to us, I have grave, long-term concerns. Still glad to second the motion.

Thank you very much. Council Member Berman: This is kind of an overarching comment that will apply to the other elements that we'll discuss also, but I'll just get out of the way with this. Transportation is a really tricky thing. It's a tricky thing for cities themselves to have a big impact on. It's been mentioned a lot about how we could stop all growth in Palo Alto completely, 100 percent moratorium on anything, and transportation will still increase in Palo Alto, because we're part of a surrounding region. It's so important for there to be more networking and regional connectivity when dealing with transportation issues. We have a really unique opportunity to have that conversation with our surrounding cities. Thanks to the Mayor from Mountain View and his colleague, who I think might have wised up and taken off. It's really long overdue that we start having those conversations and start leveraging the power of the whole that we have with the cities that have similar interests. I do the reverse commute every day, down 101, 85, 280, to work at Meridian and 280. I've felt terrible every day for the fact that I have no traffic, and everybody else coming north is just in bumper-to-It's the reverse when I go home. When we saw in the conversation we had earlier today with the survey results how important it is for us to be taking into account not just what's happening in our city, but where our workers are coming from and how we can make it easier for them to take mass transit which will get them out of single occupancy vehicles which will make our life better. This is the first step towards that. I think we are lucky. It's been mentioned earlier. This is a probably once in a 20year opportunity, because the last half cent increase passed in 2000 but kicked in in 2006 and will last until 2036. If this passes, it'll last until 2045 We really need to make sure that we take advantage of this opportunity and the time we have before the election late next year to band together as cities and really try to come up with a more regional approach to transportation in Santa Clara County. I think it's fantastic. I'll try not to repeat those comments later on. I'm glad that this is happening. I support it wholeheartedly.

Mayor Holman: I should point out that Mayor McAlister has shown the wisdom to stay. Also, I want to point out that this letter makes no reference to a ballot measure. That's intentional and specifically intentional. The focus really is on the study and systems approaches. Just so we're clear on that.

Council Member Filseth: I'm going to comment on the letter here, which I support. I think the letter's a good letter. It calls for the right perspective, which is an integrated system view of transportation needs in the whole region. This is a summary of the 2004 San Mateo County tax measure

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transportation plan. It has some of that kind of view in it; provisions for transit, expressways, local streets, grade separations, even bicycles, and how those should all work together to move people around the county. The Envision Silicon Valley measure doesn't really feel like that. It feels more like a single point project wrapped together with some scaffolding designed by political pull to make it more likely to pass a public vote. Now, we all know there's a political reality to big public infrastructure projects. The fact is the San Mateo plan is better work. There's no reason that our county plan can't be better work too. That's what this letter calls for. I support the letter. I think we should vote for it. I think the County should internalize it.

Council Member Wolbach: This might hint a little bit at Item 3. A couple of framing ideas about goals of transportation, and these are the reasons why I support this letter. I think this letter is starting to hint at these. I want to support the comments that were made by my colleagues already. The way I see it, the goal of the work in transportation should be to reduce single occupancy vehicle trips; to reduce greenhouse gas emissions from transportation in Santa Clara County; to provide speedy and smooth intracounty or subregional movement regardless of income or mobility status; and to provide speedy and smooth inter-county or regional movement, again regardless of income or mobility status. Very often an agency that provides modes of transportation focuses more on getting people onto their modes of transportation than addressing what should be the real goals. It's important that we continue to press VTA to recognize that the goal isn't to get people onto VTA shuttles, onto VTA buses or onto VTA light rail. The goal is to reduce transportation greenhouse gases, reduce SOV trips and make sure people can get around.

Council Member Burt: I'd just like to make two quick comments. One is I'd also like to say thanks to the Mountain View Council representatives who came tonight. I'm very encouraged by the current Mountain View Council's interest in working together with Palo Alto. It's frankly something that a number of us had been seeking for a number of years. We're really glad to see that the Mountain View Council is real interested in doing so. We look forward to cooperating. The other thing is a point that one or two of the speakers made. We have a strong argument that based on our population, we are getting a far disproportionate share of the dollars from these past measures. That actually understates the issue. Those dollars should not be so much supporting residents, but they're supporting people getting to and from their jobs principally. The North County supports more of those jobs. The dollars to support the residents of San Jose should be shifted more to the North County to support those people going to their jobs. That's an

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even greater tilt. It's not a rationale that's been discussed historically, and I think it needs to be brought to the forefront. It's about supporting residents and those residents going to and from their work. That would argue for even a greater percentage of these dollars going to North County. If we're going to try to adjust for the past deficiencies, which include dollars that were allocated previously toward both Dumbarton Rail and the Palo Alto Intermodal Transit Center which not only has the train traffic that we have, but has approximately 1,000 bus stops per day. It is a number that is mindboggling, and very few people including myself had historically appreciated it was anywhere near that. It is a subregional intermodal center, and needs to be supported that way. It's the tail-end of the VTA bus routes. It's the SamTrans terminus, and it's east-west as well. It is a really vital center. We had dollars allocated toward it in the prior measure, and those dollars also never showed up. I just wanted to add those additional points.

Mayor Holman: Looks like thank you for the support for this letter. It's been a pleasure working with Mayor McAlister and all the other Mayors and City Managers and smattering of transportation people from 11 cities on this. It did require some back and forth, but we got there. I really do need to mention Assistant City Manager Shikada and City Manager Keene, who also have been very instrumental in some drafting and editing of this document.

James Keene, City Manager: Thank you, Madam Mayor. If I could just probably state the obvious. In the collaborative and the study itself, it talks about integrating future mass transit investments via such systems as Caltrain as well as community-level systems and first/last mile strategies. All of which are things that are very directly relevant to our City. I mean Caltrain is not a static, established, fully performing corridor. investments that we need to have in Caltrain were something in the course of the meetings that we did talk about a lot. I would just say the-so that there's no confusion—idea again of the study's initial focus should be on Highway 85, U.S. 101, State Route 237, Interstate 280 corridors. That isn't at all intended to mean, as the folks spoke on 85, that we're thinking about roadway improvements in those corridors, but actually how to make the system work better by not just relying on them as roadway corridors, but realizing there have got to be transit alternatives through a network that have got to be better developed. I think that's really important for us to think about. We still will have some challenges as to how we look at how we would knit together future transit investments in some of these corridors with Caltrain itself and how we kind of close some of those linkages. Those

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will be challenges that are not exactly spoken to here, but I do think were acknowledged by all of the parties when we were working on the drafting. That's it.

Mayor Holman: With that, the motion by Vice Mayor Schmid and second by Council Member Kniss is to authorize the Mayor to sign onto a joint letter to the Santa Clara Valley Transportation Authority for up to 11 North County and West Valley cities. Vote on the board please. That passes again on an 8-0-1 vote with Council Member Scharff absent.

MOTION PASSED: 8-0 Scharff absent

Mayor Holman: We now move to Recommendation Number 2, which is review and authorize a response to VTA Call for Projects consisting of the attached list of proposed transportation projects.

Council Member DuBois: I was going to suggest and make a motion on Number 28, if we could approve that letter right now as well.

Mayor Holman: We can do that. We can take that.

Council Member DuBois: Just while we're on letters. Get the letters done.

Mayor Holman: Would you care to do that?

Council Member DuBois: Yeah. I'll make the motion that the Mayor sign a letter regarding the City of Palo Alto's position on new funding for State and local transportation infrastructure.

Council Member Kniss: Second. (inaudible)

Mayor Holman: Motion by Council Member DuBois, second by Council Member Kniss to authorize the Mayor to sign a letter regarding the City of Palo Alto's position on new funding for State and local transportation infrastructure.

MOTION: Council Member DuBois moved, seconded by Council Member Kniss to authorize the Mayor to sign a letter regarding the City of Palo Alto's position on new funding for state and local transportation infrastructure.

Council Member DuBois: I'll just say I think it's important that we also get some State funding, particularly for some of these regional projects we're talking about, like Caltrain. Yeah, I definitely support this letter.

Council Member Kniss: I align my position with Council Member DuBois'.

Mayor Holman: Do we have any other Council Member comments? With that, vote on the board please. That passes unanimously with an 8-0 vote with Council Member Scharff absent.

MOTION PASSED: 8-0 Scharff absent

Mayor Holman: Now we return to Number 2 of Item 24, which is the Call for Projects.

Council Member Kniss: Could I simply ask a question? All of those projects seem to have merit. If we were going to divide them by need, merit, whatever it might be, I'd probably be instantly drawn to our grade separations. I need to know what the Staff—are you throwing it all against the wall and hoping something sticks, or have you got your top five for example?

Mr. Keene: You guys rescue me if I don't say this exactly right. I think the intention is to really get the range and scope of any project that has potential interest or viability for Palo Alto into the project list group. Clearly we would have priorities. At this point we don't think that there's any necessity to identify those and sharpen those. I think as we move particularly to the transportation tax measure, then we're going to want to get very clear about what our priorities are. Now, the Council may look at some of these things and say—I mean we've got some projects in there, for example, in which we have identified some existing funding already. We've got the pedestrian bridge even though our cost is kind of going up and we've got a gap. We've got our Bike and Pedestrian Plan in there, and some of those things. As was mentioned, there are some projects here included, the widening of Page Mill Road, some of the expressway stuff, you may ultimately say, "Are those things you want to really advocate for as much as Caltrain and some other issues?" The thought was let's not have anything outside the circle, because somebody could, when we get to the next stage, say, "I'm sorry. We had this Call for Projects, and you should have had it in the project list." That was the thinking.

Council Member Kniss: I think that sort of guides our conversation though. Unless we are going to go through project by project tonight or unless there's something we really do not want in there, we should probably look at all the projects. That's not making a motion yet, but I would probably move to put this forth intact. I want to hear what the rest of you have to say.

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First, thank you, Council Member Kniss, for Council Member Wolbach: allowing me to attend as your alternate to the VTA Policy Advisory Committee meeting last week, at which I had the opportunity to ask VTA Staff a couple of questions directly related to this. How do we proceed? It was good timing right before this meeting. I asked VTA Staff if it would be useful to have a "kitchen sink" approach, where we include everything we might possibly want. They said affirmatively yes. I asked if that would include items for which funding has already been identified. They said, "Yes. Still include those." I also asked would it be useful for us to identify priorities among those. They said affirmatively yes. The more information the better. In that context, I'd like to talk a little bit about some of the priorities that I have as well. I'm also not ready to make a motion, but I'd like to mention a couple of things that I think are worth serious consideration. First, actually I'd like to say thank you to Council Member Burt for your comments in pointing out how many people from other parts of Santa Clara County come to Palo Alto, and thank Staff for helping us get the research to support that. This is really important politically when we're talking to Supervisors or Council Members representing San Jose. I've heard asked out loud, "What does Palo Alto need?" What we need is to work together so that—talking to somebody from San Jose—when your constituents come to work, they have an easy time getting here, and they have an easy time getting home. They can spend more time with their family and less time stuck in traffic and have a better quality of life. It really is not just about our own residents, improving transportation to and from and within Palo Alto and north Santa Clara County. It really does benefit people from throughout Santa Clara County. I think that's really important to remember throughout our negotiations and conversations with others in the county including our friends at the Leadership Group and from San Jose. First, actually I'll mention something that I think we should not include. That is Page Mill Road widening. I am not 100 percent opposed to the widening of Page Mill Road maybe at some point with appropriate study. However, the idea of doing a very expensive widening of Page Mill Road, when we haven't really done a full study of the alternatives, I can't support, I don't think we should be supporting. If it were a project that were funded with Federal funding, my understanding is that a better alternative study would have been required as just due course, because the Federal government doesn't want to waste money without making sure it's the best way to spend money. Because there isn't Federal money earmarked for that project, the Page Mill Road study did not look at the alternatives very effectively. Remember that Stanford Research Park is really a huge chunk of the traffic that goes down Page Mill Road leading to the admittedly terrible

congestion on Page Mill Road. Stanford, from what I'm hearing, is interested in working with us to do some serious TDM measures on the Research Park. They've done effective TDM measures with Stanford proper. Now's the time to work proactively with Stanford to reduce single occupancy vehicle trips to the Research Park. There are a lot of ways to do that, and that's the kind of study we need to do before we decide to spend years of construction, close to \$100 million to widen Page Mill Road. It might turn out that widening Page Mill Road and in making that widened road an HOV lane, at least for a couple of hours a day, might be the best alternative. Until we've done the study, I can't support it. Moving on from that, but also kind of connected to that and connected to Caltrain. We have very poor Caltrain service to South County including south San Jose, Morgan Hill and Gilroy. We also have poor Caltrain service to the California Avenue Caltrain Station. I think as we talk about improvements to Caltrain, we really need to talk about connecting south Santa Clara County to Cal. Ave. From what I've heard, a lot of Stanford Research Park employees actually live in South County. We want to make sure that those people can get here without having to drive their car, add to parking and traffic problems. The easy way to do that is let them take Caltrain. With infrequent service to South County, infrequent service to Cal. Ave., it's not even worth adding more shuttles to connect Cal. Ave. to the Research Park. As far as things that I would really support with Caltrain, one, increasing that service to South County and Cal. Ave.; two, grade separations and tying that to the capacity improvements such as level boarding. A second big area that I would support, we might break this up, in general is SOV trip reduction. VTA should be increasingly focused on SOV trip reduction through a variety of partnerships or in-house measures, but partnerships with TMAs like Palo Alto's TMA, Mountain View's TMA, partnership with Stanford and the Marguerite shuttle, and also in-house projects like what they're piloting as I mentioned during our Study Session earlier today, their dynamic service model. Projects like that are very important. I understand that VTA is actually already submitting this as a project themselves, but we should be vocal in supporting it, setting up funding and a mission to support TMAs and other TDM measures as they get off the ground. VTA can't necessarily provide every bus and every shuttle throughout the county, but at least they can help provide best practices, provide guidance, provide some seed money and maybe even some ongoing funding as well. The third big area I think is important is funding for a really good study of comprehensive transportation throughout the county, but especially West and North County. The letter we just authorized the Mayor to sign supports that. Fourth, bike and pedestrian planning and coordination

including Class 4 bike lanes on El Camino Real. Five, in-house VTA bus improvements.

Council Member Burt: I'd like to hit a few different topics. One is that one of the most cost effective approaches and essential ones is to improve what's described as first and last mile. That's really an antiquated concept, because it's not so much a distance as a time to get to that transportation. We use that term nevertheless. We have a number of programs in our list that address that. I think we really want to emphasize it, and perhaps in that context of prioritization. It often gets given a lower priority than big, expensive, glamorous projects. It's really what feeds the transit system. Second, just in response to the concern over increased California Avenue services, I really don't think that's very much a topic under this discussion. It's an important one. We had as a Rail Committee, I think it was two to three years ago, that Caltrain was increasing trains. One of the real discussions was which stops got that additional service. As a Rail Committee, we had this discussion with Caltrain, and it was illuminating. The responses were, "We just added an additional stop to University Avenue. That's what Palo Alto gets in additional service." We tried to push back and say, "We have 60-plus thousand employees in a short distance to the Cal. Ave. Station. We have lots of shuttle buses that go from University into the Research Park, because they don't have Cal. Ave. service." Caltrain explained that they have essentially political pressures that drive their service level as much as demand. We really got heavy push-back on this. It's something that has to be discussed at a deeper level in terms of what are the subjectives of Caltrain of serving their political constituents, meaning the member agencies along the line versus where the demand really lies. Moving back to really more specifically this area, I would also want to look at a couple of things. One that isn't in here at all, and that is—I saw on Middlefield for instance there was a program to add bus and other transportation improvements there. There's nothing on Alma. something that was brought up when we were looking at our shuttle system, expanding a shuttle onto El Camino when we have this great VTA bus system with great headways on El Camino and no bus service on Alma in part because there are no good, established bus turnouts, in particular going southbound. This is something that I think we need to look at the physical layout of Alma and create that. Long term that is a major corridor for Palo Alto, and it has no transit. Another thing is the prioritization of the grade separations for pedestrians. We have three listed, and two are redoing the ones in north Palo Alto at Cal. Ave. I'm trying to remember which was the other one that was listed there. I was glad to see that there is a south Palo Alto pedestrian grade separation, but south Palo Alto has no pedestrian

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grade separations. Cal. Ave., I take it every day. I would love to see it improved, but there's a greater need for one to be established in south Palo Alto than to improve the one, for instance, at Cal. Ave. I think we should prioritize. The other thing that I want to add, and it's not specifically in the VTA list. Something for us to be really cognizant of as we have discussions on the sales tax measure with the VTA and the Leadership Group, which is that the Leadership Group had expressed a year ago that for whatever dollars are allocated for grade separations in Santa Clara County, their notion was the cities that have projects and plans that are farthest along, most mature, that's where those dollars would go. It wasn't based upon the needs; it was based upon who had the project farthest along in a pipeline. That really needs to change, in part because there are cities and grade seps further south in the county where they don't have the very complex, contentious issues of our grade seps. They can make those decisions and stand in line and say, "Yeah, give us a grade sep as soon as there is It needs to be evenly distributed. There are nine at-grade money." crossings in the county. Four of them are in Palo Alto. We need to have a different prioritization for whatever dollars get allocated for that. It's a big deal for us. Finally, I really want to see a greater emphasis on looking at whatever may be able to be done to improve cross-bay transit, whether that's Dumbarton Rail per se or other means to improve that. For those of you who haven't really witnessed the tech patterns, when we had the dot com boom, the east-west transit toward the latter half of that boom, more and more of the trips were coming from east to west because of the jobs/housing imbalance being compounded as the heating up of the economy occurred. Same thing in the '06-'07 period. I expect that in the next one to three years that's where we're going to see great growth in trips again. This is going to become more important again in the long term. Long term, we need solutions. I don't want to tonight try to determine exactly what that solution would be. Once again, it needs to be dollars allocated to addressing a problem as opposed to dollars allocated for a specific design for that. That's part of the problem too. This is structured in a way that it's supposed to be around saying what your solution is and exactly how you're going to spend the dollars as opposed to in some of these cases we may not have the best solution identified yet. We should allocate the dollars toward a problem as opposed to a specific solution to that problem. Those would be my comments.

Council Member DuBois: I spent a little time this summer trying to educate myself a bit on transportation. I did attend an Envision Silicon Valley meeting. I wanted to share with Council Members some of the details. There's a deadline of August 30th. If we don't prioritize tonight, then they're

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not going to get prioritized. VTA has agreed to these seven goals. They've actually developed evaluation criteria against those goals. I think they're going to use those to score the projects, and it's going to be fairly quantitative. Then there'll be probably a balancing process on top of that. It was pretty clear, I think to me, that if we don't submit projects that score well, we're not going to see a lot of our projects funded. They also did professional polling on how to get the measure passed. I think it's very clear they're going to go for half a cent and raise \$6 billion. expecting requests for \$15 billion from all the cities. They talked a lot about unfunded road maintenance. I think after BART, just basic maintenance, a regional freeway, some local road money is definitely going to get funded. It's going to be part of how the ballot measure is sold. I think we need to keep that context in mind when we think about our projects. Based on the goals and the projects I heard at that meeting, we're a little bit in left field. Not to say that we can't get some of that money for those projects. Just a little context. On the project list, I really think we need to prioritize and focus. I'd like to see us send fewer projects. I'm not sure if we can do that tonight. I think we have to be pretty hard-nosed. I really did appreciate Joe Simitian's letter and focus. I would support a move by North County cities to dedicate a portion of the sales tax to the source city. I think that might be one way that we can just guarantee a certain number of funds come back to us. The other thing I spent some time thinking about is really the major transit lines are set up around San Francisco, Oakland, San Jose. believe the data we just saw, we only have about 7 percent of people from the East Bay trying to get to Palo Alto. I think it's a real strategic decision if we do want to focus on Dumbarton or not. I think that would have the effect of bringing more people to Palo Alto, maybe worsening our jobs/housing imbalance. It's this idea, does Palo Alto want to be the fourth metroplex or do we want to kind of support the three and really focus maybe on improving Caltrain along that corridor between San Jose and San Francisco? I think it's just something to think about, like what are we really trying to do. I hope we can use some of this data to help guide our decisions there.

Council Member Kniss: Tom, you're saying this was the Envision meeting?

Council Member DuBois: This next part is no longer the Envision meeting. This is me.

Council Member Kniss: Would you just say a little about that committee?

Council Member DuBois: It was just an ad hoc group, again ...

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Council Member Kniss: (crosstalk) make up of it.

Council Member DuBois: Yeah, this was the ad hoc group. It's a bunch of, I think, different transportation interest groups across the entire county. It seemed to be a pretty diverse group. Again, they were working through details, and so they worked through evaluation criteria tied to the goals. Again, I think VTA Staff is expecting so many projects they need to score them. I'm trying to keep guick here. I also think we should keep in mind that making San Jose attractive to business is not necessarily a bad thing for Palo Alto, so finishing BART seemed reasonable. I think we should try to focus on reducing local congestion at the same time. For me, my Number 1 priority is trenching Caltrain. I'd like to see that be a very strong priority. I know it's a big project with a long timeline, but I think it has the opportunity to improve Palo Alto in a way that no other option really offers. I think we need to really recognize that and really sell both visions. If we do nothing, we're going to see more frequent trains. We're going to possibly see High Speed Rail on the Peninsula. We're going to see 30-40 foot poles for electrification. It's kind of one scenario. The other scenario is we create this regional Silicon Valley trench, really improve the quality of life for a number of cities along the Peninsula, eliminate train safety issues, eliminate train noise. I think possibly selling air rights for development over the trench. I think this is the time to get started really asking for a large amount of money from the sales tax to be for the trench. Again, Eric had the San I think it's a very simple plan. I like how they allocated percentages to different transportation modes. To me, it was balanced. I don't think a lot of these are either/or questions. I think we need to be balanced and put some money against every mode of transportation including freeways and expressways, personally. I think ours is a little bit of a hodgepodge. It's clear we've spent a lot of time on bike planning. I'm not anti-bike, but I think we just threw that in the list. If you total up the dollars, it seems a little out of balance. On our list, I think we have 7 1/2 percent of the money going to bikes. If we look at data and users, is that a reasonable percentage? I'm not sure, but it feels heavy. Relative to the number of users, it feels like too much. Again, we just can't ignore congestion. Our freeways handle many more people than Caltrain will even with these capacity improvements. I appreciated the elephant in the room tonight, and I do not want to see BRT added to our list. For me, trench is Number 1 and I think we need a summarized plan and we need to use hard data. I'll stop there and we can make another round of comments later.

Council Member Berman: I want to follow up on comments made by both Council Members Burt and DuBois. I guess the problem that I have with this

whole thing is kind of a disagreement with the process as it's set up. We've talked about the San Mateo County model. I have concerns that the way the system is currently set up puts Palo Alto kind of behind the eight ball in the sense that there are bigger, more expensive projects that are more fully baked and ready for money to be deployed. Therefore, if the way that we're allocating that \$6 billion is project by project, then we're in a worse off place If we're allocating the \$6 billion by bucket, than other communities. whether it's mode share or general transportation efforts, grade seps countywide or whatever, then I think that gives a little more time and flexibility for the upfront analysis that needs to be done that I think was the point of the motion that just passed and then being able, once we have that data, to deploy the resources in a more intelligent way to solve the regional It's probably too late to fight back transportation issues that we have. before August 31st, or 30th or whenever this is due. I think after that there should be a concerted effort to say to VTA that we just disagree with the entire process and that this isn't the most intelligent way to go about doing it and other communities have done it in a more strategic fashion and that we think that that's how we should proceed. I totally agree that this is a really unique opportunity to make huge headway on trenching Caltrain. One question that I had was in the list of projects we have trenching Caltrain for Meadow and Charleston, but then we have Churchill being depressed below Caltrain for the Churchill grade separation. I thought when we looked at this earlier this year or late last year-I can't remember when it was-that we kind of decided as a Council that the amount of takings that would involve would probably prohibit it. I didn't look back to the Staff report and the study, but if we were to depress Caltrain at Churchill under the Caltrain tracks, wouldn't we need to use eminent domain to take a lot of those properties for that project? Am I misremembering?

Mr. Keene: No, that was my recollection.

Hillary Gitelman, Planning and Community Environment Director: Thank you, Council Member Berman. Hillary Gitelman. This is not my area of expertise, but I think we selected the option to put on the list of projects that had the least amount of takings of the two different options that were looked at for Churchill. It involves depressing Alma rather than trying to do it with Alma at its current grade. Alma would go down to meet Churchill. It is complicated. There's no doubt that it needs a lot more study and analysis. Of the options that were analyzed, this was the least invasive in terms of needing additional right-of-way.

Council Member Berman: Just to refresh my memory. Did we analyze trenching Caltrain through Churchill as well or was that not ...

Ms. Gitelman: I'm afraid I'm going to have to go back to the whole study.

Council Member DuBois: I have the report here. It was 33 homes.

Council Member Berman: With this?

Council Member DuBois: Yeah.

Council Member Berman: That just further emphasizes why I don't think this is the right process, and why there should be large amounts of money for certain general efforts that would be determined project-by-project later on. I also think, to Council Member DuBois' point, we need to have the follow-up conversation to that conversation we had. Council Member DuBois, do you know what was the date of that Staff Report?

Council Member DuBois: It was December last year I think.

Council Member Berman: I think we need to come up with a City policy on what our plan is, and then really start attacking it. I agree that last mile/first mile, whatever that really means, is an area in Palo Alto and across the county that should get a lot more attention and a lot more resources. That was further emphasized by the study that we saw earlier. I was looking at that. We've got the statistics. It says among the 50 percent of single occupancy vehicle drivers who would prefer not to drive but feel they have no other good options, 59 percent said they would take transit if it was easier to get to a stop. You also need more frequency and a better schedule to support that. That just shows that there is willingness, there is interest. It's just they need the ability to get to the stop and to get from the stop to work. I think those are for the most part the comments that I had for now. I agree with prioritizing. Given the rules that exist, I guess I'm okay with us submitting the list of projects, but I really think that we should push back on the fact that this is not the best process.

Council Member Filseth: I think per se for us here, I think, rail separation including trenching as one option to that, I would lean towards that as a top priority as well. All of us have this discomfort about what you described as the process, which is that if we submit a list of projects to VTA by the end of the month, are we inherently buying into a flawed process that's loaded against us. I think we're all sort of grappling with that. I think we owe a debt of gratitude to Joe Simitian for his analysis on this. If I do my

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arithmetic based on his numbers, then just between the last two measures, since the year 2000, Palo Alto has already spent \$240 million on bringing BART to San Jose. The current measure, which from Palo Alto if it's a half cent, is going to raise \$390 million over the next 30 years. Assuming twothirds of that goes to BART, then by the end of this we'll be into BART in San Jose for \$0.5 billion from Palo Alto subsidizing BART to San Jose. Part of the irony is the Peninsula is a 30 or 40-mile long linear column. Mass transit on the Peninsula, in the mid-Peninsula region, is Caltrain or it's a train. Somebody suggested maybe it's a different train than Caltrain someday, but it's Caltrain. It makes sense for the midregion here to invest in Caltrain How much of the county transportation measures since 2000 contributed to that? I don't think any. Yet, the defining risk to the Peninsula city is that grade-level Caltrain capacity increases are essentially going to cut our towns in half, especially Palo Alto, which is a potentially existential scale problem. We have the irony that a chunk of Palo Alto's \$0.5 billion investment in BART is going to be used to underground BART trains in San Jose, but at the same time we're stuck with high speed grade level trains in Palo Alto. It's just not reasonable. It doesn't really fit the format, but if I had to pick one project to be top priority actually above grade separation, it would be return to source. The right answer is we keep our Actually Council Member Burt here has an interesting argument why we should we get some of the \$0.25 billion back. It's not that BART in San Jose is a bad idea, but we've already spent \$0.25 billion on it. It's enough. I'm divided, and I think we're all divided. On the one hand, I think rail separation ought to be our top priority. On the other hand, I'm deeply skeptical about the whole process. If there's a field for return to source being the top priority project, I'd put that in.

Vice Mayor Schmid: Let me start by asking the Mayor the question. We started out by wanting to do a wish list of all the things we might possibly want, but a lot of people have been talking about prioritizing. I guess if we're going to prioritize, it's 11:30 at night. We have scheduled in the next few weeks a discussion of the Transportation Element of the Comp Plan with visions and goals and policies and programs. It seems to me if we're going to do a serious job on prioritizing, we ought to go through that discussion before we do so. I think people have made the case though that putting a wish list out might get us onto the table, but it allows whoever is there to pick our least favorite choice and say, "This is what they want. This will satisfy them." There's a danger of doing the wish list. The question is what is the most effective use of our time.

I'll speak to it, and then come to the City Manager. A couple or three things here. I'll keep this as brief as possible. I mentioned earlier that the letter that the 11 cities are signing onto made no reference to a ballot measure. That was specific and intentional because, as Council Member Berman has said, the process is a really bad one. It's a really, really, really bad one. There was strong emphasis placed on a study. They have it seems like support enough now to get a ballot initiative on the ballot and passed. It focuses a lot on pothole repair, which all the cities in the room acknowledge is not going to solve any kind of major transportation issues. It'll get somebody to punch the card the way that they want it to, but it's not going to solve transportation issues. Again, that's why the prioritization for the study on that. I can anticipate that there would be more cooperation and other communications with the other cities. One of the things that's on the presentation and elsewhere too, Slide 19, is "September 2015 establish evaluation criteria for Envision ballot measure." That also is like when do we get to weigh in on that, because so much of the money is spent. I've gotten various comments on this from various people with various levels of expertise and authority. A lot of the money, depending on who you listen to, is going to be determined based on housing density. We don't have housing density; we have jobs density, which is a very effective way of mass transit getting people moved toward and away from the jobs. Not just the housing. Prioritization, I agree that probably our top priority ought to be trenching Caltrain. If you look at the dollars associated with that, are the high dollar amounts for that trenching going to just automatically like bounce this out of consideration depending on how the prioritization is done. Just to pick a number, it's like \$1 million to underground one crossing, to do one grade crossing. If we put that out there, is that either the only thing we're going to get or we won't get anything that's our prioritization because of how much it costs. could be more positive, but it's actually a negative perspective I have on this whole thing. Does that really leave us at putting everything we want in the pot and then coming back later? Council Member Wolbach, you were at that VTA meeting. Is there an opportunity to come back later and prioritize our projects? That's not seeming to be what we can do, but it would be certainly preferable. City Manager, you had something else to say?

Mr. Keene: Yes. I'm certainly sympathetic to the thrust of the Council's comments. I mean I think there's no doubt in a lot of ways that we're being forced to play a game in which the cards have been stacked against us in a lot of ways. Even the whole process of the way the one group does the polling and structures the questions and uses the data, and then potentially puts together a package, it sort of is expedient and made to politically work.

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Yet, it doesn't really address the real system transportation needs that we have. I think Council Member Berman's comments were right on. I still think that we're forced to stay in the game right now and submit projects, even if we can complain about the process and being sort of—no pun intended—railroaded, so to speak. We do have to then turn our attention to how we do sharpen what our strategy is and what our message is and what I was hearing the Council comments tonight about our options are. prioritization a little bit more like in the vein of a Study Session, where you're publicly getting out concerns and we're not necessarily having to drive to the specific priorities tonight. As Vice Mayor Schmid was saying, you're going to have another discussion on transportation goals that ought to link with this. Very quickly we need to focus these things. Since I'm speaking, I think the return to source point is a good default sort of position. The alternative to that, if that doesn't work, is how we explore our own There's nothing that precludes the City itself from potential options. pursuing its own half cent sales tax. You made enough case that we certainly haven't gotten a return on what our folks have put into it. Certainly to be sort of begging for how our funding would be spent to the benefit of our community isn't a position that we want to be in. I've already asked the Staff to look at just some of the logistics on those issues and everything, just so that you have the full array of options ultimately available to us. I mean I think we want to pursue, as your letter did, and a plan and a systems solution, but we're kind of racing against the clock here too really. I mean November 2016 is just around the corner, given what the schedule is.

Mayor Holman: I've got just a couple of things to add to that quickly. The reason I mentioned other communications from the other cities in the West and North County is because they're having pretty much the same feelings as we are for the most part. They also didn't get the money that went to BART. I think we have some good, strong partners there. How much common ground can we identify, in terms of projects specifically, we don't know yet. We're also talking to Menlo Park, East Palo Alto and maybe Redwood City about are they more our affinity group, and roll Mountain View into that. Maybe that's more of an affinity group, because of Dumbarton Rail and the north/south connection along that spur as well as Caltrain. We have all kinds of options in front us, and I think only a little bit of time is going to tell where we end up with this. We do our due diligence, and in the meantime keep our minds open to any number of options.

Vice Mayor Schmid: Maybe if I could finish my comments. Let me suggest then a motion that we accept the list we have in front of us as a list that we

can send to VTA for their initial look and come back after we have done our Comp Plan Update on the transportation plan and see if we want to prioritize those items in a different way for forwarding to the VTA.

Council Member Kniss: (inaudible) I want to make sure I understand what you're saying, Greg. You're saying send this proposed list forward. Am I correct? As it exists now, and then consider what our follow-up should be, because we have a fairly limited amount of time right now. Send it forward, and then I think doing a Study Session is actually a really good idea. We would get to the point of saying, "Where's our leverage?" I think we might have some very interesting leverage here. We should explore that. Having our own tax, wouldn't that be interesting? Have our own tax, so you don't support their tax. How interesting.

Vice Mayor Schmid: And a chance to talk to regional parties about it.

Council Member Kniss: It's late now; it's hard to explore these things with as much precision when we get to 11:00 or 11:30. Now I've spoken to my second inadvertently. Yes, I second it.

MOTION: Vice Mayor Schmid moved, seconded by Council Member Kniss to authorize a response to the VTA "Call for Projects" consisting of the lists of proposed transportation projects and come back after Council discussions of the Comprehensive Plan Update on the Transportation Element to further prioritize projects.

Mayor Holman: Can I ask a clarification please on the motion? As it's put up on the screen, after the Comprehensive Plan Update on the Transportation Element is "complete to further prioritize projects." I don't think that's what you intended. That could be ...

Vice Mayor Schmid: That's right. I guess I meant after our discussions of the Transportation Element, which I believe is scheduled in the next six weeks for both us and the CAC.

Mayor Holman: I believe it's even sooner than that, is it not?

Mr. Keene: On August 31st (crosstalk).

Vice Mayor Schmid: Our discussion. The CAC has a follow-up discussion.

Mayor Holman: Just to get this clear as I try to capture your intention here. Come back after Council discussions of the Comprehensive Plan Update on the Transportation Element.

Vice Mayor Schmid: Yeah, that's good.

Mayor Holman: Take out "is complete" and then say "to further prioritize projects." Keep that. "Discussions of the City Council"—excuse me. After Council discussion, "Comprehensive Plan Update on the Transportation Element to further prioritize projects." Does that capture what your intention is?

Vice Mayor Schmid: Yeah.

Council Member Kniss: Yes. What you're saying is you're allowing that discussion to inform our prioritization as it goes forward.

Vice Mayor Schmid: Yeah.

Council Member Wolbach: I think this is a good start, but I think we need to send some priorities along with this. I don't think that this is good enough for tonight. I think we are ready to identify a couple of priorities. In that first round, we did treat it a little bit like a Study Session. We treated it like a first round. We aired our concerns. I think there's enough overlap that we can ID a couple. Given the good Study Session we had earlier tonight and the discussion we've already had on this topic, I do not think we can nor should wait for a future discussion before we say, "Caltrain grade separation is Palo Alto's top transportation priority." We don't have to necessarily identify what kind of grade separation it is; we can leave that open-ended for now. I think that probably as far as the kind of project we'd be asking for, it would be giving us the flexibility to decide, but dedicating a pot of money from Envision, from the ballot measure, dedicating a pot of money to grade separations either for North County or more specifically for Palo Alto that we then could determine how we wanted to use along with our own matching funds. Of course, the ballot measure is not going to cover the entire cost, and we have to acknowledge that.

Mayor Holman: Sorry to interrupt, but do you have an amendment that you want to offer here? It's late. Do you have an amendment?

Council Member Wolbach: Yes, Yes, I do. I wanted to provide the context for it, however. I think that there are also a couple of things that we've heard. Enough of us identified that we should include primarily support for

bikes and support for first and last mile service. Connecting with that, improving partnerships with transportation demand management programs.

Council Member Kniss: Did you make that an amendment?

Council Member Wolbach: I will.

Council Member Burt: He said he was going to.

Council Member Wolbach: I just wanted to lay it out, so you guys know what's coming before I start getting into ...

Council Member Kniss: I didn't hear you (inaudible).

Council Member Wolbach: No, I won't. I'd propose a friendly amendment that we highlight four priorities. Our distinct top priority is a dedicated fund of money for Caltrain grade separations for use in Palo Alto and/or north Santa Clara County. Secondly, bicycle and pedestrian system improvements including Class 4 bike lanes on El Camino Real that's physically separated.

Council Member Burt: I'm not going to support that (inaudible).

Council Member Wolbach: Okay. Let's scratch that one. Let's just keep it bicycle and pedestrian improvements. Three, better first and last mile service particularly in north Santa Clara County. Fourth, I hate to be redundant but to support VTA's plan to support transportation management associations and other TDM efforts. Actually, let's make a change to Item 1. I think we should probably link that with other Caltrain capacity improvements. Let's say that this is in descending order of priority. We want to highlight that Caltrain is the Number 1 issue.

Mayor Holman: The first question is, Vice Mayor, do you accept the amendment?

Vice Mayor Schmid: I think it's best the full Council have a vote on this, so I would not.

Council Member Kniss: What did you say, Greg, yes or no?

Vice Mayor Schmid: No.

Council Member Kniss: I don't, and I'll tell you why, Cory.

Council Member DuBois: I second.

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Mayor Holman: If Greg doesn't, you don't get to weigh in on that.

Council Member Wolbach: It's now an unfriendly amendment with a second.

Mayor Holman: It's an independent amendment. You're looking for a second.

Council Member DuBois: Yeah, I would second it.

Mayor Holman: Seconded by Council Member DuBois.

AMENDMENT: Council Member Wolbach moved, seconded by Council Member DuBois to highlight four priorities in descending order of priority:

- A. Dedicated funding for Caltrain grade separations in Palo Alto or North Santa Clara County and other Caltrain capacity improvements; and
- B. Bicycle and pedestrian improvements; and
- C. Better first and last mile service particularly in North Santa Clara County; and
- D. Support VTA's plan to support transportation management associations and other transportation demand management measures.

Council Member DuBois: When I heard you read it, you were clear that Number 1 was the top priority. I guess I would ask for maybe a friendly clarification there that not only are these the top four, but that Number 1 is kind of the real top.

Council Member Wolbach: Yeah. City Clerk, if we could add maybe the language "in descending order of priority."

Council Member DuBois: Real quick, I am supporting the amendment. You said a couple of things that I was wanting to say. I think creating the pool money for trenching without specifying the amount, I think, that's what Measure A in San Mateo County did very successfully. I think it's a good blueprint. I'm a little bit concerned about like Number 4, TMAs, TDMs. I think those are fine, I just don't think they're as capital intensive, and so I'm not sure in terms of the relative amount of money, if that's actually enough money to make it a priority. We have a huge list of these other projects. Again, I would like to say that you're clear that the Caltrain trench is the Number 1 priority. I'll support the amendment.

Council Member Wolbach: I'm also very open to friendly amendments to this.

Council Member Filseth: I'm not going to support it. I think the original motion only makes sense as a Plan B or C anyway, with Plan A being we're going to go figure out how to try to get a better process than the one they're going through now. This seems like too much engineering on this. I could live with Priority 1 being Caltrain grade separation. The others sort of seem like we're sort of getting into "laundry list" territory. I've even got a couple of questions about some of these (inaudible). I mean this is not to argue against bicycle improvements, but I don't see why the County should be the guys—go to the County and ask should we put a bike lane on Cowper Street first or on South Court. It doesn't make sense, so I'm not going to support it.

Council Member Burt: I support this set of priorities. I want to comment on a context for how we should prioritize. I think a big portion of it is the bang for the buck. What measures will have the greatest impact at reducing congestion and car trips and, for that matter, locally reducing parking problems and demands for the dollars expended. I think that the Caltrain issue is a tremendously important long-term necessity for our community. The bike and pedestrian improvements and the last mile service and, for that matter, the lower cost of TMAs and other TDM measures are probably going to have greater impact in aggregate than—certainly from a trip reduction standpoint—than improving Caltrain. Now the grade separations have other community benefits besides the trip reduction. We have to weigh that. I would prefer to omit the section of "in descending order of priority." I will offer that as an amendment to the makers and request that support.

Council Member Wolbach: Would you be open to removing that, but in some way otherwise identifying the Caltrain issue as still our Number 1 and the others all equal a second tier? Again, I am worried that this was mentioned by colleagues.

Council Member Burt: I will say that I don't think there's any ambiguity of my adamant and long-term support for addressing this Caltrain issue. I don't think it should be a greater priority than the other three. It's an equal priority. Now, if they're equal priorities and Caltrain consumes the overwhelming share of the dollars, in one sense that has made it the highest dollar priority. I don't think it should be both the highest dollar priority and called the greatest importance when these other measures would have tremendous impacts themselves. We have currently on commute a 10

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percent mode share of bikes. We do not have that Citywide for Caltrain. Yet, the bike investment which we're making our greatest investment since the 1960s and '70s. We're in the period of a big investment. It has had a very small investment to have that high of a mode share with an opportunity to perhaps have a 50 or 100 percent increase in the coming years. I just don't think that should be a second priority.

Council Member Wolbach: I'm like 90 percent of the way towards accepting your friendly amendment. I'm just clarifying that my concern is that VTA might say, "We're going to give you pennies for these other ones, because they're much cheaper," and completely ignore the first one. That's my concern.

Council Member Burt: We're going to have those battles to do. I just think it's not wise and a correct allocation to give it both the overwhelming dollars and say that the other things that are probably more cost effective, almost certainly are, are second priorities. I'd advocate that by having it there, it has de facto become the highest priority, but I don't want to make the others subordinate to it.

Council Member Wolbach: I'd be open to accepting a friendly amendment, but I want to hear from Tom first on that.

Council Member DuBois: If I can just throw in a quick comment?

Mayor Holman: You either need to accept it or not, and then Tom gets to accept it or not.

Council Member Wolbach: All right. I'll accept the friendly amendment.

Mayor Holman: Council Member DuBois, do you accept it as well?

Council Member DuBois: Yeah.

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Amendment, "in descending order of priority."

Council Member DuBois: I just want to make a quick comment. I do accept it. A comment actually for Council Member Filseth as well. I guess the way I'm viewing this is kind of staying in the game with the VTA process whether we agree with it or not. We send these priorities as a placeholder. It's not necessarily long-term. I still think part of the original amendment, that we

come back and discuss other strategies and other things, that continues as well separately. The way I'm looking at this is what are the priorities we're submitting by August 30th. Listening to Council Member Burt, that makes sense. Let's submit these four priorities, but then let's also continue to work on other strategies. We're not locked into this. This is a year away, or more. I hope Council Members will consider that.

Council Member Burt: Let me, second, respond to Council Member Filseth on this argument that it shouldn't be a County issue to put bike lanes on Cowper or whatever. That's not what this is about. This is not principally or even to any significant degree about the improved bike lanes on some of our residential streets. The programs, when we look at the list, are essentially about creating what I might call bike arterials. They're major bike routes that would move high volumes of bicyclists to and from the City and from one section of the City to another. To characterize it as painting bike lanes on Cowper, I think, is not accurate in terms of what these programs are about. I also want to make a comment that we need to lay out there for the community that trenching will in all likelihood require a significant local contribution to make up the difference between grade separations and Maybe not all of it, but we need to be forthright with the community, and that's going to be a big community discussion. We don't have to tackle it tonight, but I think we want to make sure that its transparent that that's what we're anticipating. I'd just like to add also that I would advocate that we include—I'm trying to think of where we would put it—this additional concept that we want adopted which is that the measures and the criteria should look at not merely proportionate to populations within the county, but to supporting the transportation of workers in the county I think that that should be part of what we're and where they work. advocating as not just our priorities, but how the County sets their priorities. I would add maybe as a summation statement that the VTA prioritization process should reflect a proportionate support for the employees and their transportation needs to their employment locations.

Mr. Keene: Madam Mayor, might I make a comment? First of all, I was kind of hoping you guys weren't going to do what you're doing right now, which is trying to get an amendment with the priorities when it's not necessary exactly at this moment. What Pat is bringing up really bleeds into this other requirement that we have which is this adopt principles to guide our advocacy for projects and programs. It seems that framing these in some of these that are about mobility and direction and all of those things are really crucial. They're really an impactful way of nesting our priorities within something like that that we shouldn't be doing just tonight in final. Maybe

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we get them out now and you say, "This is sort of a draft. Let's sleep on them and we'll come back and we're going to have the transportation discussion." You're getting it out. This is something we ought to have a unanimous vote of the Council on. I'm not sure everybody is quite there yet on it anyway. As much as anything you're trying to really finely tune your message back to VTA and folks about this. I just think is there a way to do the first part and then adopt these as a first draft and then ...

Council Member Burt: If this is real contentious on this final thing, I'd be fine to defer it. If it's not, and I suspect it probably won't be, then we could put it in there as a framing with an understanding that we're going to put more meat on this later.

Mr. Keene: We have to revisit it and nest it within the whole setup, guiding principles.

Council Member Burt: Let me ask the maker and the seconder whether adding that framing is an acceptable amendment.

Council Member Wolbach: I'm just worried that it's too prescriptive. If there's a way to ...

Council Member Burt; I don't think it's very prescriptive. I think it's a principal.

Council Member Wolbach: I'm worried that proportional will be looked to be strictly quantitative, and that that will discourage support for this.

Council Member Burt: I don't know how else you'd say it.

Council Member Wolbach: That's why I'm struggling with myself.

Council Member Burt: I think proportional, it's not saying—it's a proportional factor. I mean it's not saying that it has to be a strict formula. Tom was pointing out to me that it's actually there are some programs or—what do they call them? Evaluation criteria ...

Council Member DuBois: Criteria.

Council Member Burt: ... that actually are somewhat consistent with this. They seem to be moving in that direction.

Council Member DuBois: My concern is the other direction in that ...

Mayor Holman: Council Members, please. What we have is we have an amendment on the floor which was accepted by the maker and seconder, Council Members Wolbach and DuBois. Then there's been an amendment added to that or a change added to that that has not been accepted by the maker and the seconder. Could I suggest this, that we hold the final amendment that is offered here, the additional language of the VTA prioritization, hold that. We need to address the amendment that was accepted by the maker and seconder.

Council Member Burt: No, we don't need to address it. They've accepted it. It's in the motion. There's no other discussion; it's in the motion.

Council Member Wolbach: Actually, no.

Mayor Holman: There are additional comments like on it.

Council Member Wolbach: My amendment was not yet accepted, so we ...

Council Member Berman: It's still an amendment.

Council Member Wolbach: It's still an amendment, so we would need to vote on that. I would actually support doing that.

Molly Stump, City Attorney: Mayor Holman, you need to work backwards from the most recent issue. You want to deal with the unaccepted, which is the new amendment. Then you go back and deal with the original motion ...

Mayor Holman: You're right.

Ms. Stump: ... as amended by the ...

Mayor Holman: You're right. This is why we don't do these things at midnight.

Council Member Burt: As I stated before, if this final framing part, if it's contentious, I'm okay to defer it. It sounds like if the maker and the seconder don't want to accept it, then that's contentious enough that I'll be willing to withdraw it even though I think it should be there.

Mayor Holman: (inaudible) second it.

Council Member Burt: You did? I didn't hear that.

Mayor Holman: I would.

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Council Member Burt: Oh, you would. I see. So be it then.

Council Member Wolbach: Though I'm not accepting it as an amendment, I

. . .

Mayor Holman: No. Council Member Wolbach, you were not called on. The process is—I'm sorry, but it's late and we've got to get through this. You didn't accept it. Council Member Burt ...

Council Member Burt: It's out there, good enough.

Mayor Holman: ... if you offered it as a separate amendment, I will second it.

Council Member Burt: Okay.

Mayor Holman: Then the discussion is about that. I'm sorry to be rude, but we've got to get through this. People can't just chime in.

AMENDMENT TO THE AMENDMENT: Council Member Burt moved, seconded by Mayor Holman to add to the Amendment, "The VTA prioritization process should support proportional support for workers and their needs to reach their employment locations."

Council Member DuBois: Don't we get a chance to turn it down first?

Council Member Burt: No, you (crosstalk).

Mayor Holman: You get to comment on this amendment, yes.

Council Member Kniss: Mayor, just before we vote though, how does this change what Cory did?

Council Member Berman: It will be an add-on to that.

Mayor Holman: Yes.

Council Member Kniss: An add-on in what way?

Mayor Holman: it would become a part of that amendment.

Council Member Kniss: it simply becomes an addendum to what we send in as our priorities?

Mayor Holman: Yes, yes.

Unknown: (inaudible)

Mayor Holman: Now the public's chiming in. Please.

Council Member Berman: I'm fine with it in theory. I just wonder—I've got lots of other thoughts also, but I'll stick to this—if we should just be also submitting a follow-up letter to the VTA, a little more comprehensive of a letter, that includes this but also includes the problems that we have with the process. I mean kind of that we're submitting this under protest almost or duress. Maybe if that would be an easier way to add this element. Maybe ask the Mayor to work with Staff to draft that and come back to us, or something like that to send it. I don't know if the maker and the seconder of the amendment are open to that kind of process.

Council Member DuBois: Again, I think this is great for the third discussion of principles. I'm concerned that if we go down this route, there's a large number of criteria. If we're going to add this, why don't add accessibility for seniors, why don't we add travel efficiency. I'm not opposed to it. I just think it's not well placed here right now. We could do something like Council Member Berman suggested. If we have a bunch of criteria or guiding principles, let's put those together and send them in. I don't think this is the only principle.

Council Member Kniss: I gather we're thinking we really do know what the community wants, and that this would be their very highest priority. I'm not going to be comfortable until that group meets on what our Transportation Element should be to predict exactly what it is that we want as a community. I'm troubled about this practice. We've been asked tonight to provide a list of projects; it didn't even indicate prioritizing. We have now taken it several steps further without much input from the public tonight. I don't feel comfortable supporting it.

Council Member Wolbach: I would also probably support this as an independent amendment or as an independent motion. I think Council Member DuBois is right on the money that this is moving into Item 3 on our recommendations. I was considering my amendment to be in the motion that I'm trying to amend by Schmid to be really dealing with Item 2. I think it's just a little bit cleaner if we separate them and vote on them separately in that way. I'd ask that we come back to this issue, vote on the amendment and then vote on that, that main motion.

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Mayor Holman: As the City Attorney already described, we have to vote on Amendment Number 2 first.

Council Member Wolbach: We could also delay it and come back to it before the end of the Action Item.

Mayor Holman: We have to vote on it. Just vote on ...

Council Member Wolbach: Can I just ask one clarifying question? Is it an amendment to the motion or an amendment to the amendment.

Mayor Holman: The amendment to the amendment, which is an independent amendment, which we're voting on separately now. That amendment fails on a 4-4 vote.

AMENDMENT TO THE AMENDMENT FAILED: 4-4 Berman, Filseth, DuBois, Kniss no, Scharff absent

Council Member Berman: A couple of amendments. If you could scroll back down. Sorry, guys. I know you're trying to do eight things at once. These are contradictory amendments actually. I'd offer the first amendment is to remove "or North County" from Number 1. I'll offer it as an amendment first. It would be "dedicated funding for Caltrain grade separations in Palo Alto and other Caltrain capacity improvements."

Mayor Holman: Is that accepted by the maker?

Council Member Wolbach: Give me five seconds to think about that.

Council Member Berman: I guess I should have prefaced it with my reasoning first. Got to get better at that.

Council Member Wolbach: Can I defer to the suggester of the friendly amendment to hear his reasoning?

Council Member Berman: Sure. The reasoning is this is Palo Alto's projects. Grade separation is something that we really do focus on in Palo Alto. I'll offer a different amendment actually in a second for Number 3. I think it's really important that we get funding for grade separations in Palo Alto and that that be Palo Alto's priority, not that we prioritize North County for this one issue.

Council Member Wolbach: I'll accept that.

Mayor Holman: If you can scroll down, I can't remember who-was it

Council Member DuBois? Did you second this?

Council Member DuBois: Yeah, I accept that as well.

Mayor Holman: That's accepted by both.

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Amendment in Part A, "or North Santa Clara County."

Council Member Berman: I should say I've got nothing against grade separations in any other parts of the place, but this is our priorities. We should prioritize us. My amendment for Number 3 would be to actually delete "particularly in North Santa Clara County." The reason for that is because we saw from earlier tonight with the percentage of workers that we have coming in from South County that the first and last mile service is something that no matter where it's implemented, it will hopefully have a positive effect on Palo Alto.

Council Member Wolbach: I would accept that friendly amendment as well.

Council Member DuBois: Yes.

Mayor Holman: That's accepted as well.

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Amendment in Part C, "particularly in North Santa Clara County."

Vice Mayor Schmid: I agree with a lot of what Council Member Burt said. There's some sophisticated numbers in here that are important about things like what value do we get for dollars, how many dollars per rider, what's the mode share, what's the potential for growth, how much share dollars there might be in each of these things, patterns of commute that might change and call for different things. We're making assumptions on all those now rather than saying, "Let's think about this, get some data and all have a chance to think for a while about those issues." Also, if you look down the list, it's not a bad list because it covers almost everything that's on the original list. The only things left out really are signalization, parking supply, maybe local bus shuttle service that isn't commuter-oriented. There are some things we're missing. The question is do we want to leave those off the list. That's just an argument for saying, "This is not a bad start, but

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should we be setting our priorities at 10 to 12:00 without having a chance to think through numbers and the implications of some of this."

Mayor Holman: Vice Mayor Schmid hit on the amendment. Actually, Council Member Berman made the couple of amendments I was going to make. Thank you for that. Vice Mayor Schmid just referenced the other one that if we could add a Number 5.

Council Member Kniss: Point of information on this. This is still on Amendment Number 1, correct?

Mayor Holman: Correct. I'm not going to try wordsmith this. Number 5 is the bucket that includes everything that isn't already included in "1," "2," "3," "4." The reason for that is because ...

Council Member Wolbach: That's (inaudible) had that.

Mayor Holman: It's not the words. It's really just everything that's not included in Items 1 through 4.

Council Member Burt: Then it nullifies the rest of the motion. This is about priorities.

Council Member DuBois: Are we going to submit the whole list?

Council Member Burt: Yeah, we're submitting the whole list.

Council Member Wolbach: It's already there in the primary motion.

Council Member Kniss: Too bad, because I really like it.

Council Member Wolbach: Can we scroll up a little and see the main motion, because it includes that.

Mayor Holman: To highlight four priorities. It does, doesn't it?

Council Member Kniss: (inaudible) actually support it.

Mayor Holman: I'm a little uncomfortable about leaving those other things off the list, because of what we heard earlier.

Council Member Burt: (crosstalk) left off. The whole list is (inaudible). The whole list is going to go. We're just saying the priorities within the list.

Mayor Holman: Let me read this again then.

Council Member Burt: Highlight, not eliminate the others. It's just highlight.

Mayor Holman: Okay. That makes me interpret it differently then. It wasn't clear to me that the intention—I think Vice Mayor's interpretation also is that we weren't sending the whole list. Is there a way to clarify that then?

Council Member Burt: It's clear. Consisting of the attached list.

Mayor Holman: At least to two of us. I don't need Number 5 then. Vice Mayor Schmid and I had the same interpretation.

AMENDMENT TO THE AMENDMENT: Mayor Holman moved, seconded by Council Member XX to add to the Amendment, "Include projects not included in Sections A-D."

AMENDMENT TO THE AMENDMENT WITHDRAWN BY THE MAKER

Council Member Wolbach: Very quickly I just wanted to address—I think it was a very important point that Council Member Filseth mentioned earlier—the emphasis on how bad this process is. In hope of earning his vote for my amendment to the motion, I would highlight that if our priorities are ignored and if the process does not seem to be recognizing the importance of providing funding for Palo Alto's priorities, as the City Manager pointed out, we may be open to exploring other options in the future. This keeps us in the game, but doesn't mean that we have to keep playing the game forever. It just allows us to keep playing for now.

Council Member Kniss: I just need clarity again. We're sending in this priority list and with it we say, "We want to highlight four priorities over funding everything else." Correct? Over, that says fund these before you fund anything else. Am I correct?

Council Member Burt: (inaudible) highest priority.

Council Member Kniss: Highest priority means it's going to get the most funding.

Council Member Wolbach: Yeah. I think these would get funding in advance of the other.

Council Member Kniss: Instead of others.

Council Member Wolbach: Right. That's why we're having these priorities.

Council Member Kniss: That's why I can't support it. I'm back to where I was before on this. Once again it is almost midnight. We're making this decision. Hardly anyone here has had a chance to speak to what our priorities are. Should it be Caltrain? It would be my priority, but I'm very hesitant to go forward without listening to what the new Comprehensive Plan study group has said and to what the public would say. If we tossed this open to the public at some point and said, "Let's discuss transportation," would this be where they would come out? While we were elected to make decisions for them, this is a big one and the first time for this Call for Projects. I would be far more comfortable if we put this in and then had an opportunity to fine point it later. I think "no" should be explained, and that's why I'm voting no on this one.

Mayor Holman: Before us then—we're ready to vote—is a motion by Vice Mayor Schmid and Council Member Kniss ...

Council Member Wolbach: (inaudible)

Mayor Holman: You are right, you are right. I am getting tired. Voting on the amendment which is Council Member Wolbach, seconded by Council Member DuBois, to highlight four priorities: dedicated funding for Caltrain grade separations in Palo Alto and other Caltrain capacity improvements, bicycle-pedestrian improvements, first and last mile service, and support VTA's plan to support TMAs and other TDM measures. All those in favor, vote on the board, or opposed. That amendment passes on a 5-3 vote. Council Members Kniss, Filseth and Vice Mayor Schmid voting no, Council Member Scharff absent. That motion passes on a 5-3.

AMENDMENT AS AMENDED PASSED: 5-3 Filseth, Kniss, Schmid, No, Scharff absent

Mayor Holman: We return to the main motion, which I tried to do prematurely. If we can scroll back up to that. The main motion which Vice Mayor moved and seconded by Council Member Kniss to authorize a response to the VTA Call for Projects consisting of the attached list of proposed transportation projects and come back after Council discussions of the Comprehensive Plan Update on the Transportation Element to further prioritize projects. Vote on the board please. That passes unanimously, 8-0 vote, Council Member Scharff absent.

MOTION AS AMENDED PASSED: 8-0 Scharff absent

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Mayor Holman: I believe we have completed this item except for Number 3, which we are kicking down the road.

Mr. Keene: I just think we'll be having a discussion on the 31st. The Council may then decide you want to schedule some other discussions in September to start to define our guiding principles. You may want to add to or sharpen your message then as to how you want to communicate with the powers that be on this. The main thing is my understanding is Jim Lightbody will have to be sitting in front of a computer entering these projects into some arcane software that probably will take ten days to do literally. That's the process.

Council Member Berman: One quick question I have is it clear. Have we given direction to Staff to send a letter along with this list of projects saying "We disagree with this entire process anyhow" or does that need to be explicit?

Mayor Holman: We didn't move that. City Manager, do you think you have clear enough intention by the Council?

Mr. Keene: Would it be okay to try to exercise some diplomacy but still make our points? Including the fact that you also adopted this letter with these other jurisdictions where you want to see collaboration and planning, you're being rushed, we're sort of under duress submitting this because these are deadlines that have been imposed.

Council Member Berman: All of that and we don't agree with this process and we think San Mateo County did it better.

Mayor Holman: And concerns about prioritization as the motion that Council Member Burt had made too.

Mr. Keene: We've got it. The Mayor would be signing it.

Mayor Holman: Are Council Members okay with that, entrusting that language and drafting to Staff? Good.

26. Discussion of Possible Adjustments to the Comprehensive Plan Update Community Advisory Committee (CAC).

Council Member Kniss left the meeting at 12:00 A.M.

James Keene, City Manager: Let me do this in a very summary fashion, given the hour. We put this item on the Council's agenda during the break, hearing some commentary about some questions or concern about the full makeup of the Community Advisory Committee. The item was crafted in such a way that it would allow the Council to have a discussion both on the makeup of the Committee and leave it pretty open-ended to you as to what direction you would want to either give Staff or give to yourselves about adding members. We made some suggestions, but the Council isn't bound by those suggestions. You could direct the Manager to reopen applications and make appointments based upon any additional criteria you would want. The Council could go ahead and do that work directly yourself. We're here to sort of respond to questions in that regard. We also though agendized a discussion for you really about the process and schedule for this CAC, both the timeline and the interface with the Council that in some way probably is a bigger discussion than the first item. On that latter point, I would say that we recognize as Staff that the process is constrained by an assumption that the Council needed to be in a position to adopt a new Comprehensive Plan by the end of 2016. That really is 15 months roughly from where we are right now. Obviously if the Council accepts a longer timeframe, then there's the opportunity for more direction as to how the Community Advisory Committee you'd like to see it work or some of the structures or how to report back. I think it's fair to say we're not locked into anything other than ultimately the goal of achieving a Comprehensive Plan Update that you all can really wholeheartedly adopt and that you feel it represents the best interests of the community as you see it and not just in the moment, but obviously kind of looking forward into the future, which is what a Comp Plan is supposed to do. I would guess that you all are pretty versed with what the pieces of the Plan are. We're here to answer questions and let you hear from the public and that sort of thing. Thank you.

Fred Balin: Good evening. I've sent three emails to the City Council. In the first one, I voiced my agreement with the ten remedies in the PAN/PASZ joint letter. I talked about the importance of having the reflection of the Committee be equivalent to the prevailing sentiment of the community at this point. I sent two more emails with regard to vacancies that I hope will appear on the Committee, which I will address now and a few comments. I spent a lot of time thinking about this. On one matter, I do not see how a resident, no matter how educated and informed but who is a contractor for a regional planning authority that creates policies and goals that are at odds with both the City Council and the public at large and that that individual is the person who is creating or is using the metric that determines how that allocation is assigned. I do not see how that cannot be a problem to have

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that person as a voting member on the Citizens Advisory Committee. With regard to the second matter, that I also thought about at length, I take no good feeling for my research, education, thought process and writing on this topic, but I felt it had to be done. I believe that what happened was there was a swaying from professional duties to going forth and advocating for a project and a very significant incident or issue that had widespread impact on the community and is not forgotten. This was not the only incident of kind of stretching things in the 27 University Avenue process. There are many factors at work that swayed Council Members, Staff and others to do things that we now know should not have happened. We've had a Council apologize for what happened. We've had changes in the way Staff operates. We have more transparency. If we had a ten-day window for packets, I don't think we would have gotten off the ground on the wrong foot like we did last time. The public does not have support for this specific individual to be on the Committee at this time in any capacity. The best thing would be, the easiest route would be to step down and then we can move on. Thank you.

Becky Sanders: Thank you very much. I really appreciate your service to our City. I'm Becky, and I live in Ventura. I'm one of the signatories to the letter sent to the Council by the Palo Alto Neighborhood Association. I'm not going to repeat what was said in that letter or what has been said this evening by my colleague. I agree with most of what Fred said. Although, I want to reiterate my support for this sentiment, and here's why. I'm a firm believer in the process. It is most important that the Citizens Advisory Council be given every opportunity to succeed. As it is now, it will operate under a cloud, and it can't end well. We the people want to have faith in our elected leaders and in our appointed leaders. The current makeup of the CAC, the way in which its members were selected and the lack of transparency does not inspire confidence in the process. I think it is better to admit and correct than to barrel forward with a flawed Committee. Therefore, I respectfully request that Council require a more balanced makeup of the Committee as outlined in the letter. Thank you very much. Appreciate it.

Adina Levin: Good evening, Council Members. Two different thoughts on this item that I really wasn't expecting to talk to except for the fact that there are not very many people left here. One actually has to do with the way that the Brown Act is being interpreted in Palo Alto with regard to the CAC and what members of the CAC can and cannot do. I serve on four different Brown Act bodies and watch a lot of different local governments. Palo Alto's interpretation of the Brown Act for the CAC is the strictest I've

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seen in this region anywhere. Supervisor Scott Wiener is obviously a Brown Act member. He is active on Twitter, and he blogs on policy issues that are important to the community in terms of his being able to communicate to his constituents. There are a couple of BART Board Members that are active on Twitter and on social media and on engaging the public. When you have a body that part of their role is that they're interacting with the public, my concern is that the Brown Act is being interpreted not just to prevent people from talking to a majority of members on something that they're going to advise on, which is critical. That's the role of the Brown Act. That's one thing on a Brown Act body that we do not do, but is also keeping people from playing their role in having a broader discussion in that community. I think that is stricter than anybody else and would hope that Palo Alto would find a way to restrict the use of the Brown Act to allow people to participate in community discussion in a way that is Brown Act compatible, in a way that's interpreted everywhere else that I see. Secondly, I'm glad to see the Staff approach in terms of broadening the community in watching many of our local governments. Cross-expertise, someone who is a Staff member here being a planning commissioner in some other jurisdiction is something that's incredibly common. We in the Bay Area with smart people are able to leverage that expertise across jurisdictions without that being considered a conflict of interest and without being considered as a way of leveraging the value and the professional skills that we have in our community. I hope that Palo Alto sees that in the same way that many of our other communities see in respecting the expertise and the commitment of our community volunteers and using their knowledge and skills in their home community. Thank you.

Joe Hirsch: Good morning. Along with others, I signed my name to a letter that is in your packet tonight. I want to focus on one paragraph in that letter, Item 10 about the makeup of the Committee. unbalanced, having more than twice as many neighborhood representatives from north of Oregon Expressway as south, 12 versus 5. There are ten neighborhoods south of Oregon Expressway with no members at all, while three neighborhoods have two representatives each. Such neighborhoods are north of Oregon Expressway. The Committee has an excessive number of people definitely leaning in favor of more high-density development. For example, there are three steering committee members from Palo Alto Forward versus only one from Palo Altans for Sensible Zoning. Lilienstein, a strong and outspoken advocate for sensible zoning, applied but was not selected nor was Terry Holzemer. This brief analysis summarizes our view that the Committee selection process was not sufficiently impartial. Palo Alto north is very heavily favored as is Palo Alto Forward. In contrast, it

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was people in south Palo Alto who were instrumental in bringing about the significant results of the last two elections. The last two elections have clearly shown that residents are extremely concerned about high-density development with all of its undesirable consequences. Cheryl and I personally walked a good part of Palo Alto in the 2013 referendum election and the 2014 general election. We met and talked with many people in all areas of Palo Alto who share our concerns as reflected in the results of those More office development and more high-density residential two elections. development will bring about more traffic to streets and intersections already sufficiently suffering from too many cars and long waits in heavy traffic. We simply should not be proposing more high-density development as that will only make matters worse and residents simply don't want that. We had hoped, maybe a bit naively, that City Staff would have gotten the message. It seems they have not as the Committee selection process in our opinion has clearly shown. I and others are deeply concerned that the results of the Committee's deliberations will reflect the makeup of the Committee. This needs to be corrected by reforming the Committee so that all areas of town are properly represented and pro development advocates are not in the majority. Otherwise, the recommendations of the Committee will be suspect when they are finalized. Please reform the Committee, reopen the application process to make the Committee more balanced and, if need be, ask some people to step aside in favor of others so the Committee does not get too large. Thank you.

Elaine Meyer: Mr. Garber's history with the City of Palo Alto includes he and his firm being the architects for the 27 University project. Rather than go into all the details of that dreadful, dreadful project with four tall office buildings and a large theater, rather than go into his conflicts of interest on that project, I just would like to remind you that the project subsequently became the subject of a County Grand Jury investigation. The Grand Jury report strongly criticized the City's backroom dealings with the developer without the Council's knowledge or the public's, of course, which violates open government requirements. This report casts an embarrassing stain on the reputation of our City. While not too many people mention that report, we all know it took place. By resigning quietly, Mr. Garber and Mr. Levy can spare themselves the embarrassment of having their conflicts aired in public again and again. It would spare the Committee from the criticism it will surely receive if they are active as leaders. It would save the City from unnecessary discussions and reports. If the Comprehensive Plan discussions are to have even the appearance of representing residents, these developertainted individuals cannot be part of its leadership. There are many others on that Committee that already represent their views. Thank you.

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Vice Mayor Schmid: Council voted to have the City Manager be responsible for the Committee. I guess the City Manager is now coming back to the Council saying, "There's political reasons. Do you want to rethink anything?" It seems to me the most basic question a politician would ask about a committee or anything to do with democracy is what would a politician do or say. The first thing a politician does in thinking about getting elected is to sit down with a map of the city and draw lines. Where are the voters? In Palo Alto, it's fairly straightforward. Oregon/Page Mill divides the City in two parts, equal number of voters on both parts. You would expect a committee that is political in nature should have equal representation. It is somewhat surprising to find a committee representing the people that has 12 on one side and 5 on the other. You asked for a recommendation. I guess I would say it would make sense to add say four members to the Committee, all of whom would reside in the southern part of town to not quite right the balance, but to bring a better balance. I would note that in our Citizen Survey, one of the questions where there was significant difference between attitudes in the north and the south were around the guestion, "the job Palo Alto government does at welcoming citizen involvement" is much less in the south. I would think it's a significant issue for people who live in the south and a significant issue for a politician who wants to appeal to voters across town to try and right that balance. I would be in favor of adding four new members to the Commission, all of whom come from the southern part of I guess just to make sure that the confidence of the Committee remains high, right now it is established where the vast majority, 90 percent of the issues are probably going to be resolved on a consensus issue where most people would form consensus. There's probably something like 5 percent of issues that would be contentious in nature. depending on a vote for what to present to the Council, I'd recommend you put in a process that says any four members of the Committee could write an independent assessment of anything they agree with when there's a contentious issue. I note, for example, that the Committee's going to have responsibility to deal with the growth limit of 3.249 million square feet is going to be done by the CAC. Now, there's likely to be a division whether the 3.249 is the right number or not. It would be good if there's not a consensus, if a relatively small group was large enough to have an impact, has the right to write an independent disagreement with the majority to be presented to the Council. I think those two things would assure that the CAC can play its role with having confidence with the Council and the public.

Council Member DuBois: I want to comment quickly on three areas I guess: composition, schedule and process. On composition, I think it's been said it's critical that the community trust this group. I've received over 100

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emails. All my months on Council, it's been the item I've gotten the most emails on. I do think we need to adjust. One of the PTC Commissioners sent in a letter that made a great point that Council directed a set of criteria to try to achieve that balance. We had a lot of criteria. We had two discussions I think here at Council. We were definitely concerned about striking a balance. Unfortunately I don't think that happened. majority of any one group on the CAC is not good. I think the balance of the neighborhoods wasn't achieved. Just a guick comment on blogging, because it was an interesting point. I think if eight or nine people out of seventeen are from one group, there's a sensitivity to blogging because it's likely that other members of that group are going to see it. I think that's very different than an elected official blogging to a broad constituency. It seems more similar to me emailing the other Council Members. I think it does make sense to have a little sensitivity to that. In regards to the CAC, I would support an accelerated process for Council to directly appoint five more specifically focused on neighborhoods south members of Oregon Expressway, with a focus on neighborhood association involvement though it be open to anyone to apply. I'd like to see a process where maybe it comes back to Council in two weeks, and we could vote and get people seated as quickly as possible. If other Council Members have ideas on removing members that might have conflicts, I'd be interested in hearing that. terms of the schedule, I believe we do need to extend the schedule. There's some meetings where I think two Elements are being addressed, a second round on one Element, a first round on a second. I think that might be too much. I would just emphasize I think it should be quality-based scheduling, not time-based. If you don't complete an Element, it should continue at the next meeting. There needs to be some time for deliberation and discussion. I'm not sure that's there in that schedule. I'd like Staff to propose an extended timeline. In terms of process, I have several thoughts. I think we should clearly start with the current Comp Plan just for simplicity and clarity for everybody involved. We should note redlines, additions and deletions that pull from the PTC version. Rather than kind of leave it open which version we're going to use for each Element, I just think for simplicity let's just pick one and go forward as a starting point. I think we need a method to prioritize and cut programs. Hillary, I think the process you have is particularly additive. If you could back with some ideas on other processes that the group could use, that would actually maybe force tradeoffs or have the exercise of trying to cut down the number of programs, that would be useful. It would be useful for Council to understand what's a reasonable number that can be accomplished in the timeframe of the Comp Plan; also, I guess what has strong and weak support from the CAC. I would also

support this idea of a minority opinion, so that again the Council can see what are broadly shared and what are issues that are dividing people and kind of identify hot spots for us. I can kind of summarize that in a motion. Since everybody else hasn't spoken, I'll wait. Thank you.

Council Member Wolbach: I noticed a couple of things in the letter that's received a lot of support that I agree with. I do like the idea of changing the CAC chair and vice chair to co-chairs. I understand that the chair that was elected by the group has agreed to that notion. I think that's a great idea. If we need to take any action to support that change, that'd be great. That has my support. Item 4 in their letter about the outcome of each meeting needing more transparency, I think that's worth exploring. Public comments being allowed at the beginning of a meeting, absolutely. Public comments before every vote, that might be really time consuming. I'm open to colleagues' thoughts about that one. Item 6 of the letter from PASZ and PAN lists what I think were three good questions about distinguishing between Palo Alto residents and nonresidents, duplicating comments and also unique commenters being identified in online comments. I think those are all really good questions. I also agree with Item 7. Items 1 and 2 and 10, I take strong issue with. I'd like to hear from other colleagues before I get into those. I think that those really raise questions about how we want to encourage citizen participation in Palo Alto. Also, I want to emphasize that if anyone in Palo Alto has a problem with something the City of Palo Alto does, please don't attack each other. Please don't attack citizen volunteers. Please don't attack Commission members, Committee members or Staff. If you want to attack somebody, attack us, attack the people on this dais. We're the ones you elect. The buck stops here. We're responsible for the things you like and the things you don't like from the City government of Palo Alto. I think that the conflicts of interest claims are baseless and unfair. Actually I'm just going to say it now instead of waiting for colleagues. Regarding somebody being a member of an organization that's involved in studying and encouraging conversations about planning and land use issues, to see that as a negative, to see that as a black mark, whether they're a member of Palo Alto Forward, Palo Altans for Sensible Zoning, the League of Women Voters, the League of Conservation Voters, the Sierra Club, the idea that being a member of any of those organizations is a bad thing, I think is absurd. There is a concern that's been raised about a cloud that the CAC will be under. As a Council, we made a very conscious, deliberate and explicit choice not to create a politicized CAC, to defer to Staff the selection of the CAC so that it would not carry the cloud of being politicized. If we are going to change our minds about that, we should be very clear that that is what we are doing, that we have decided that actually a politicized CAC

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would be an improvement. Also, the notion that pro-housing residents don't represent the residents of Palo Alto, but anti-housing residents do represent Palo Alto residents, also baseless. Our own Citizen Survey shows that about—if I remember correctly—about a third of Palo Altans think we have too much housing, about a third think we don't have enough. It's pretty evenly split. I certainly don't recall a checkbox on the application that says, "Are you a pro-growth fanatic?" I have a couple of questions for Staff. Of the voting members of the CAC as currently composed, how many are renters? I understand renters compose just under about half of Palo Alto.

Mr. Keene: There's two renters in the mix.

Council Member Wolbach: Of the voting members?

Hillary Gitelman, Planning and Community Environment Director: I think there's only one (inaudible).

Mr. Keene: Only one now?

Ms. Gitelman: One of the members just moved into a ...

Mr. Keene: There were two when we appointed them. One has now moved into their own home.

Council Member Wolbach: We have one renter, and renters represent approximately half of Palo Alto, about 45-48 percent I believe.

Mr. Keene: Yeah. I would state that the fact that we had two didn't reflect an ownership bias on our part as the Staff. We were looking at multiple factors when we were making recommendations. Some of them were as simple as how engaged was somebody in the application that they put in, for example.

Council Member Wolbach: I appreciate that.

Mr. Keene: We kind of scrambled at the last minute to bring somebody in who we didn't know, and then did an interview because they were a renter.

Council Member Wolbach: Also, how many people under the age of 35 are voting members of the CAC?

Mr. Keene: We didn't ask people for their ages. I would be reluctant to try to judge how old they are by their looks.

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Council Member Wolbach: My understanding is that it's a very small number, somewhere between one and three. There are a lot of ways to slice this, if we decide we want to add people by direct appointment or by opening up new categories that we ask the City Manager to fill. I think we should be very thoughtful about how we proceed this evening. I'm not going to make a recommendation right now. If we want to go down the road of opening up new slots for Staff to fill, we should be really thoughtful. I think it's worth noting that when you have 10, 20, 30, even 100 people representing what? 68,000, 69,000 people in Palo Alto and 150,000 opinions in Palo Alto, there's only so much you can do and you have to look for people who are capable of working together, of being open-minded, who have demonstrated an ability to be open-minded, who have demonstrated an ability to work on a group, and even if they don't look or have the exact same background as somebody else, can still pay respects to their thoughts. Actually I would support the comment that was made earlier that if a minority of the CAC has a dissenting opinion that they'd like to write and formally submit, that differs from the majority input of the CAC, I think that would be a benefit to the Council. I think that would be a very useful thing to have.

Ms. Gitelman: Mayor Holman, if I can just interject on that point. We have committed to the Council and it's in the CAC rules that we'll be preparing meeting summaries that include not just affirmative votes that are taken, but minority opinions.

Council Member Wolbach: Thank you very much. Already ahead of me.

Council Member Burt: I anticipate that when Council Member DuBois makes his motion, I would want to support it and second it. Having said that, I want to talk a little more about the process and the aspect of it that he referred to in terms of basically focusing on getting it right foremost and what does that mean. I still want us to proceed with an aggressive timeline. I don't think getting it right and an aggressive timeline are mutually exclusive. There may be some tension between them, but it's not one or the other. I think getting it right means that we'd have a Plan that would be embraced by the community over a 15-year horizon. If part of the concern was getting the Plan back to this Council for adoption while this Council is still in office, as much as I'd like to be able to vote on it, I won't be in office after the end of 2016. I think it's more important that it's a Plan that basically has worked hard to try to achieve consensus. We don't want a Plan that is going to be representing a particular perspective that may move in or out of a majority politically. We need a Plan that's going to have worked

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toward resolving issues and is closer to consensus and that will withstand the test of time over 15 years. Otherwise, it's really going to be harmful to the community if we just have something that a new group comes in a majority on the Council and they want to redo the Comp Plan suddenly. That doesn't work. That's not what we had in the past Plan. That doesn't mean it's a perfect Plan. You still have some things that have tension. I've worked over a long period of time on diverse stakeholder groups that started with greater diversity of perspective than what we have in this community right now and what we have on this Committee. You work through it. It's surprising the degree to which opinions can move toward a consensus and then bridge that difference through a compromise even if they don't see things identically. That's what we really did with the '98 Comp Plan as well. It wasn't all Kumbaya. We may have more tension today on some of these topics than we did then, but I think this is the goal. How do you do that? Right now we have it set up as a design that each section of the Plan would have one meeting that is essentially a brainstorming meeting and then a second meeting that is a decision on recommendations. I don't understand where in that process you have these other essential elements which are the people who are addressing those issues have a deep dive and obtain a deeper knowledge on the subjects then discourse. That discourse means they're listening to each other, they're debating amongst each other. Then moving toward a consensus. Those are struggling process steps. I think that has to be part of the process. I also don't think that you can do that effectively with a group of 20 people, what's more 25 people. What all this leads toward is that I think that to be effective the group will need to have subcommittees, like our last Comp Plan used very effectively in subcommittees, to work through these various sections and have different people volunteer to essentially specialize and spend more time on a given section. They can have additional meetings in between the monthly meetings of the full Committee. They'd be reducing the amount of work that would be done as a full Committee. I've gone into this in a bit more detail, because I think it's crucial to the success of the Plan to get the process right. I'm glad that, I think, Staff heard from several people that what we were trying out on the first section of Community Services was being viewed as a trial to look and see what adjustments need to be made. I think these are really important adjustments that need to be made to move down this path. Finally, we frankly gave direction and the Staff placed in their criteria to have diversity including an important element that was stated was neighborhood diversity. We didn't really guite achieve that well enough. In particular, we didn't achieve it with having south Palo Alto neighborhoods represented well enough. I think that's a very important adjustment. We

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do have a dilemma of having the applicants who represent these different things. I don't think we had many applicants who were renters or under 35. Interestingly, we did have 27 applicants, as I count them, from south Palo Alto and 29 from north Palo Alto. We selected 6 from south Palo Alto and 11 from north Palo Alto. We weren't very successful in that, but we did have the applicants there. Frankly, I went into it thinking, "Maybe we didn't get so many applicants from south Palo Alto," but we did. I think it's correctible. I've heard from members of the community who I think would be very good additional candidates who are now interested in participating. I think we'll see other people come forward if we reframe this and say we're going to add some Committee members. If it is at the selection of the Council, I think that's fine. The intention will be to give greater diversity to south Palo Alto neighborhood representation. Great. I do disagree with the characterization that this is really a political decision predominantly. I'm certainly not doing it. I'm not running for reelection. My concern is not for political and voteseeking or any of that. I simply want to do it to have a good process, to have it being diverse and representative of the community as a whole and to get a good Comp Plan. That's my objective, not political ones. I just want to say I don't buy into that characterization.

Council Member Berman: I agree that I very much like the idea of these minority opinions. I also like the idea of the subcommittees. We did both of those on the Infrastructure Blue Ribbon Commission. We actually had two sets of subcommittees on the Infrastructure Blue Ribbon Commission over a period of 18 months. Four that initially dealt with four issues. As we dug in more, we identified other issues that we did a whole other set of subcommittees. It was a good way to have more robust dialog with a subset of colleagues on the committee, get a certain level of expertise, and then come back together and hash those out in the bigger group, that I thought was really valuable. The first thing I want to say is we're adding more work onto Staff's plate, I'm sure, with making this process more thorough than we'd initially promised. I'm cognizant of that and know that Staff will let us know the repercussions of that which are other things that you guys won't be able to work on. We do need to make sure, if we've got the Committee and we've got the process, let's make sure that it's one that is deemed valuable at the end and that everybody feels good about. minority opinions are good. I think the subcommittee idea is a good one. I also think that if we do open this up to a new round of applications, I know that I will be encouraging younger renters from south Palo Alto to apply. I think that the lack of age diversity on the CAC for the development of a document that's meant to be forward looking for 15 years is unfortunate. It may well be that not enough young people applied the first time. I know

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that I and probably others will make sure to encourage younger people to apply moving forward. The same thing applies more so for renters who represent at least 45 percent of our community and frankly are getting more negatively impacted by the policies that are occurring region-wide than homeowners, much more negatively impacted by the policies that are happening. Those will be two criteria. I agree that it could use more people from south Palo Alto. I will be very much looking for that unicorn of a 26year-old renter from Barron Park, let's say. I very much appreciate Council Member Wolbach's comments on the concerns that he has about the negative kind of accusations and insults that are being hurled at people who are offering to volunteer for their community. I think that has a chilling effect on people volunteering for their community. I think that's a very unfortunate thing. I hope that as we tweak and improve the Committee the politicization of things and the personal attacks settle down a little bit. What I loved was the Comp Plan Summit that we had, where we had 300 people of totally different opinions that all came together, broke into subgroups and had remarkably civil conversations about what they think is the best path for Palo Alto moving forward. I think that we should encourage more of that discourse and more of the negativity and insults that have been occurring.

Mayor Holman: Before we turn to Council Member DuBois for a motion, just a handful of comments here that hopefully will, at least of some of them, play into your motion. One point I think it's important to note, the vision statements are going to be coming to the Council in order for them to be confirmed or edited, revised I should say probably, before the CAC takes them up. Is that correct? Or takes up those items.

Ms. Gitelman: Thank you, Mayor Holman. Currently the process we've suggested would have the Council acting on the structure, vision and goals of each Element, and relegating to the CAC the policies and programs to implement those goals.

Mayor Holman: Thank you for that clarity. Subcommittees, I think, are a great idea and practical with this size group that's likely about to get larger. How the subcommittees meet, there's an issue that's come up too about transparency about how subcommittees meet. I don't see any reason why the subcommittees can't meet in public places, and those subcommittee meetings be noticed as well. How they're staffed or not, I'm looking for suggestions and recommendations from Staff when this comes back. I agree with what Council Member DuBois said already. The current Comp Plan is the basis. You've got to start with something, and that's I think what we've talked about. It probably doesn't need all that much, but does need

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some certainly, updating. It makes sense to have that as the basis. Also, that the PTC versions, if those are redlined, it shows then what the change is. If you can catch that. If the PTC versions are redlined, then it's easier for people to track and follow and see what's changed or not. Those surely exist from the PTC records. They don't?

Ms. Gitelman: Thank you, Mayor Holman. We can talk about this more on the 31st. The PTC recommended such dramatic changes in organization that the crosswalk between the two is a little more complicated than just a track changes version. We can go into that in some detail on the 31st.

Mayor Holman: There needs to be clarification around what the Brown Act does and doesn't allow. I mean I had somebody contact me who had applied and decided didn't want to be appointed because of the limitations of the Brown Act. When it was explained to me what you couldn't do from that person's perspective because of the Brown Act, it was totally inaccurate. What my understanding is that the members have been given a very, very simplistic description of what the Brown Act does or doesn't allow. I think there maybe needs to be some more information disseminated to the group. I've heard some comments that—I wasn't able to attend the last meeting because of other commitments—microphones are necessary for the speakers, because people can't hear each other. Video recordings of the meetings would be great. If there are Minutes, because so far there's only Action Minutes, so what actions are being taken and what conversation got people there. You've already talked about a minority opinion, which is great. Having to do with the Brown Act too, Council Member DuBois mentioned blogging. I think it's fine. I appreciated the benefit to have expertise on the I think what gets to be a little dicey is where somebody with expertise or no expertise is blogging to a large section of people about things that the group's going to be working on. It gets to be a little bit of a concern regarding the Brown Act. One other thing is my understanding is that people are allowed to comment on the work upcoming of the CAC anonymously. Is that accurate?

Ms. Gitelman: No, that's not accurate. The CAC considered and adopted some rules which, as you've indicated, are—I'm sorry I'm inarticulate at this hour—kind of a broad interpretation of the Brown Act. It was intended to be a very practical way to ensure that Committee members would stay in conformance with the Brown Act. Among the rules we suggested for the CAC that they adopted was this restriction on participating in social media and blogging around, as you indicate, issues that will be discussed by the Committee. The Comp Plans are broad. They involve lots of land use,

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transportation and other issues. That is a pretty broad restriction as you note. We did not carve out something that says you can do it if it's anonymous. That was not our intention.

Mayor Holman: I didn't mean specifically regarding blogging. I just meant anybody who sent in comments too. Those are not anonymous?

Ms. Gitelman: If you're asking whether we encourage people or said that it was okay for them to violate the Brown Act as long as they did it anonymously, the answer is no.

Mayor Holman: No, no. I'm sorry. People who are not members of the Committee sending in comments.

Ms. Gitelman: People can comment on our digital commenter, the platform we've created for receiving comments. They can comment anonymously. They're not treated in the same way as comments that are attributed. They won't be shared with other members of the public. They just come to Staff, and we put them in the file. The digital commenter is a platform that we've designed, that we want people to actually sign their comments.

Mayor Holman: When Council Member DuBois makes his motion—because that's my last comment—I hope that we wouldn't allow anonymous comments. I can't imagine why anybody wouldn't feel free to comment on the Comp Plan and have to have the veil of anonymity. I appreciate your trying to get people to participate, but I think that's not a positive aspect of this.

Council Member DuBois: I emailed it to you, David. I kind of like the idea of the buck stops with us, which is why I'm proposing that we do this ourselves directly, so that we're responsible. I'd also like to note just quickly when we had those two conversations about criteria, age wasn't a criteria we agreed on. I don't even remember it coming up. Here's my motion. For Council to directly appoint five CAC members using criteria specifically focused on increased involvement of more neighborhoods south of Oregon Expressway, with a focus on neighborhood association involvement. Anyone can apply using the previous application form. I'm happy to wordsmith some of this. The timeline proposed is accept applications through September 25th, have it come back to Council in two weeks. We would vote ...

Council Member Burt: September 25th (inaudible)?

Council Member DuBois: I'm sorry, August 25th. It is late. With the idea that we would vote just based on those written applications in two weeks, so that new members are seated as quickly as possible. The second, to direct Staff to reevaluate the schedule and propose an extended timeline, to add a process for minority opinion, and that the CAC meetings would have written Minutes and video recordings.

Council Member Burt: Second.

MOTION: Council Member DuBois moved, seconded by Council Member Burt:

- A. For Council to directly appoint five Citizen Advisory Committee for the Comprehensive Plan Update (CAC) Members, using criteria specifically focused on increased involvement of more neighborhoods south of Oregon Expressway, with a focus on neighborhood association involvement. Anyone can apply, using the previous application form. Timeline proposes accepting applications through August 25, with voting by Council in two weeks based on the written applications, so that new members are seated as quickly as possible; and
- B. To direct Staff to re-evaluate the schedule and propose an extended timeline; and
- C. To add a process for four CAC Members to submit a minority opinion if they desire; and
- D. The CAC meetings will have written minutes and video recordings.

Council Member DuBois: I was listening to your comments. I didn't speak about Minutes and video, but I do think that's an important addition just to make it more accessible.

Council Member Burt: Just to throw in one other follow-up to your comments about how does the PTC version get utilized. I think one of the things that's missing from it is the rationale that they used for whatever changes they made. We look at it and we may interpret things or try to interpret it based on the change, but we have no explanation. Fortunately, the co-chairs of the committee were both PTC members. I look to them to help explain to the Committee and, where appropriate, to the Council if there's kind of a confusion as to what was the intent, then they'll fill in the blanks. That was just one thing I wanted to throw in. Other than that, I'm

fine with the motion. See if there's any other changes that people want to make.

Mayor Holman: If I could throw one thing out there which is that co-chairs we already have. That was, I think, determined at the last meeting, or at least there's agreement by both chair and vice chair—are you already co-chairs?

Male: We did not take action (inaudible).

Mayor Holman: That will be agendized. I think both chair and vice chair have agreed to be co-chairs. That, I think, is taken care of.

Council Member Berman: I'd just like to offer two quick amendments. Thank you, Council Member DuBois, for putting this together ahead of time. Using criteria specifically focused on increasing involvement of more neighborhoods south of Oregon Expressway, my amendment would be "with a focus on neighborhood association involvement, greater age diversity, and better renter/homeowner balance."

Council Member DuBois: I'm just going to say no, because I think I'd like to have us vote on that one.

Council Member Berman: I'm sorry.

Council Member DuBois: I'd like to have us vote on that separately, as a separate amendment.

Council Member Berman: Then I'll need a second.

Council Member Wolbach: Second.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion at the end of Part A, sentence one "greater age diversity, and better renter/homeowner balance."

Council Member Berman: It's been pointed out that there are a couple of inadequacies with the current composition of the CAC. Frankly, I think the two biggest ones are the fact that there is at most 3 out of 20 people on there who are 35 years old or younger, and that's at most; and that there's at most one renter. I didn't look at my demographic data before the meeting, but I'm pretty sure that residents under 35 make up more than 15 percent of the community. I know that renters make up a lot more than 5

percent of the community. I think if we're looking at having a diversity of opinions and experiences on the CAC, to omit those two would pretty much defeat our goals of having greater diversity of opinions in the groups, especially for a group that would now have 25 members.

Council Member Wolbach: I'd like to address the comment that was raised earlier by Council Member DuBois. Age was mentioned. In looking at a proposal for May 18th, it says members will also be appointed to represent the interests of homeowners, renters, seniors, the disabled, businesses, Palo Alto parents and youth. Renters and seniors, I think there's also a dearth of people over the age of 70 or 75 on the group as well as youth are mentioned, so seniors and youth. Age was clearly one of the intents of the criteria as was renters. I will be supporting this amendment, and then I'll make my own later.

Council Member Burt: Two thoughts on this. One is when we did have those criteria, it was to have those perspectives, assure that they were being represented within stakeholders. It wasn't necessarily a proportionality to whatever they are in the population. Having said that, if we're starting from scratch, I would also support having a greater proportion of both renters and I still lean in that direction, but then I think this younger people. necessitates bringing the elephant in the room, which is we have 17 members on this committee, eight are affiliated with a group that is one particular branch or wing of a political position in this town right now, Palo Alto Forward. I didn't want to have this Committee being divided between these camps of paths and Palo Alto Forward at all. I wanted to see a Committee that had those representatives of those perspectives, but not a near majority of one of them. We've got a problem, because it's right now got eight of those members already on a Committee that has a very strong political orientation and intentions. If we're going to open it up to these other greater diversity concerns, we stand a good chance of not correcting an imbalance that's there right now and maybe exacerbating it. This creates Does this mean we have to come back and reconstruct this Committee and remove people to get the sort of balance that we think is appropriate? That's the dilemma that I'm facing right now. You can go after trying to get this there, but we have to figure out how to address what has become a political imbalance on the Committee. I was hoping that we wouldn't have to focus on really laying that on the table. I think this amendment forces that discussion.

Council Member Berman: I think the motion forces that discussion frankly. I think it's a little disingenuous to accuse the amendment of doing that. I

never insinuated that it should be to proportionality. We couldn't get to proportionality of renters to homeowners with five new additions. I also never said that it should be Palo Alto Forward members. I think absolutely the fact that this is coming to Council means that we will all use our different criteria, our different personal criteria to determine who we're going to vote I would not encourage there to be more Palo Alto Forward people appointed. That's not my goal at all. I think if what you acknowledged is there is a desire to balance it out between Palo Alto Forward and other groups, I'd also say there's a lot of disagreement within Palo Alto Forward. I don't go to a lot of the meetings, but I know enough of the people to know that they have very different opinions on different contentious issues in the community. I don't think it's fair to claim that they all think alike and would vote alike. Without a doubt, I think we're all cognizant of the fact that there's an imbalance of group affiliation of the current CAC members. speak for myself in saying that I'm not interested in exacerbating that. I don't that that should be a litmus test, and I don't think that we should just automatically go and appoint five members from a different group. I do think that there is a lack of age diversity and renter/homeowner diversity on the group. That's frankly what I'm interested in addressing. I would go out and personally seek out people who have never heard of Palo Alto Forward to hopefully apply for the Commission.

Council Member Wolbach: I do have to disagree with Council Member Burt that the currently proposed amendment forces a discussion about Palo Alto Forward or Palo Altans for Sensible Zoning or PAN or any other group affiliation. I think that age diversity and renter/homeowner balance, those are both things that were originally intended, not necessarily proportionality, Again, neighborhood diversity was just like neighborhood diversity. mentioned in the original motion. Neighborhood diversity was mentioned in the original direction to Staff, not with the expectation of perfect proportionality, but it was recognized as important variables. In the original directions to Staff, we did not talk about political leanings. We did not talk about group affiliations. We did call for—actually we might have talked a little bit about group affiliations, but certainly not to the point of proportionality. We certainly didn't say that membership in any particular group would be a black mark. To be clear, if the supposed imbalance were the other way around and the current number of Palo Altans for Sensible Zoning members was eight and the number of Palo Alto Forward members was three, I would have the same position. I don't want this to be politicized in any sense. I think it's also important to note that Palo Altans for Sensible Zoning is a PAC. Palo Alto Forward, I do not believe is a PAC. From what I've seen of the two groups, one is certainly more of a big

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(inaudible) than the other. Not to defend one group or the other, because again I don't want us to decide membership of the CAC based on affiliation or non-affiliation of any of those groups. If we do think it's important to add to this group to have better diversity that's more representative of Palo Alto, I do think that north and south balance should be sought. I do think that something close to renter/homeowner balance should be sought. The same thing with age diversity.

Council Member Filseth: I just want to ask for a clarification on the amendment. What exactly is the guidance of the amendment? Is it to say that if there's a choice between a 28-year-old renter in Downtown North versus a 45-year-old homeowner in Adobe Meadows, then it should go one way or the other? What are we guiding here? What does it mean?

Council Member Berman: That's a great question. I'm not trying to prescribe a certain percentage to any of the different criteria. We're talking about the fact that we feel like the Committee isn't as diverse as it should be. I'm pointing out in the amendment that here are two areas where we're lacking in diversity on the Committee. It would be a hope that of the five members that we appoint, at the end of that they create better diversity for all of these issues, I guess is what my hope would be. It wouldn't be that there are three different criteria here. To your hypothetical, if Person A has two of the three and Person B has one of three, you automatically choose the one who has two of the three. It's just considerations for us to take into account. As we go and try to encourage more people to apply, that we seek out folks that aren't currently represented on the Committee. I don't know if that answers your question at all. Intentionally so.

Mayor Holman: Just quickly. I appreciate the intention. Yet, I'm not going to support it because it says "with a focus on." Then it says "greater age diversity and better renter/homeowner balance."

Council Member Berman: The "focus on" was from the original motion. If you think that there's ...

Mayor Holman: Yes, but you're adding—excuse me for interrupting. I'm sorry. It says "with a focus on neighborhood association involvement, greater age diversity and better renter/homeowner balance." The focus is still on those things that you've added.

Council Member Berman: The focus is on all of them.

Mayor Holman: Yes. It goes to Council Member Filseth's question about what is the balance and what is the criteria that we are using to determine ...

Council Member Berman: Then in the current motion, would that mean that we only prioritize people from south Palo Alto who are involved in neighborhood associations? If somebody is from south Palo Alto who isn't involved in a neighborhood association, we don't consider—I'm having trouble with the—I mean you can vote however you want to vote, but wow.

Mayor Holman: I'm actually going to offer an amendment to that.

Council Member Burt: Can I offer a potential compromise? If Council Member Berman's amendment was essentially a subset of what we have in "a" above, so it would be "from more neighborhoods south of Oregon Expressway with a focus on neighborhood association involvement." It says "focus on.: It doesn't say exclusively that they all have to be—"including greater age diversity and better renter/homeowner balance." Within that framework of "a," we would also be seeking some candidates who would hopefully offer the two things you are seeking.

Council Member Wolbach: That was the amendment.

Council Member Berman: I see where you're going with that. Yeah, I still have concerns, because I have concerns that younger people and renters aren't as involved in neighborhood associations as older people and homeowners. I do appreciate the compromise. I'd go with that with my concern stated that ...

Council Member DuBois: I think so.

Mayor Holman: Can I offer an amendment to the original motion which might address this. I was going to suggest that we eliminate the word "association," because people can be involved in neighborhoods any number of ways without being a part of the neighborhood association. Not every neighborhood has an association. If we just eliminate the word.

Council Member DuBois: I think both of those amendments are acceptable.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion in Part A, "including" after "neighborhood association involvement."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion Part A, "association."

Council Member DuBois: Is Staff okay with the timeline of a week for applications?

Ms. Gitelman: I actually wanted to clarify that. I'm a little concerned that in a week we're not going to get an applicant pool. Would the Council like us to bring back the original applicants that were not appointed? I mean particularly because we've heard—apparently being appointed to this Committee leaves you open to personal attacks. I don't think people are going to be rushing in a week to fill in applications and put their names forward. We'd be happy to either extend that time or really try and market this or to bring back the applications that were already submitted in the prior period, which as you know would give you another, I don't know, 40-something applications if those folks are still interested.

Mr. Keene: Maybe 30. I think you need to do some targeted outreach. Your criteria said neighborhood diversity, and we did try to get someone from every neighborhood. I think there was one neighborhood, Leland Manor, where we didn't appoint somebody. There were a number of neighborhoods that didn't have any representatives, a number of them in the south. You need to find a way to get the word out to really encourage people to apply. I'd look at the map at where you see the gaps not just in the south, but you also wanted neighborhood diversity. We didn't have anybody from Greenmeadow apply, for example, and some other pretty prominent neighborhoods.

Mayor Holman: Does it help if instead of the 25th—the Staff Report, I think, could be written without the names of applicants, it would seem. If the application period was left open, it wouldn't be in the packet. If it was left open until the 27th, is that additional couple of days helpful?

Council Member Berman: I think you'd probably need another week.

Council Member Burt: Can I speak to this issue?

Mayor Holman: Yeah.

Council Member Burt: In response to Director's question of should we include everybody who wasn't appointed, I think it would be fairly unmanageable if we're trying to select as a Council from a list of 40 applicants or 50 applicants by then. Many of those applicants are basically

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excluded from this new set of criteria. I think what would be more appropriate would be to give notice to any of those applicants who were not appointed that we're going to have a second round that is appointments by the Council but based on this set of objectives. If they wish to have their application considered by the Council, then they just simply have to notify you. They don't have to fill out another application. It would be an opt-in rather than an opt-out. They'd understand if they're from outside this set of criteria that they probably shouldn't bother to opt-in.

Council Member Wolbach: Two hopefully friendly amendments. One, the word "including" before "greater age diversity," I don't know why we need the word "including." I would suggest removing that if the maker and seconder would be okay with that.

Council Member Burt: I can answer why I asked for it.

Council Member Wolbach: Help me understand.

Council Member Burt: I wanted to make it clear that it wasn't either/or.

Council Member Wolbach: That's fine.

AMENDMENT: Council Member Wolbach moved, seconded by Council Member XX to replace in the Motion, "For the City Manager" with "For Council."

AMENDMENT WITHDRAWN BY THE MAKER

Council Member Wolbach: Also, I'm guessing that one's unlikely to be friendly, but I'm going to offer it anyway. I'd like to offer an amendment. Instead of "for Council to directly appoint," I would like to see that changed to "for City Manager to appoint five additional Citizen Advisory Committee ...

Mayor Holman: Council Member DuBois as maker?

Council Member Wolbach: I thought it would not be accepted.

Mr. Keene: I would respectfully decline.

Council Member Burt: Remember on the "who owns it" thing too, we're going to own it this way.

Mayor Holman: I had just a couple of quick things. There's no reference here to subcommittees. Council Member DuBois.

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Council Member DuBois: (inaudible)

Mayor Holman: I'm sorry.

Council Member Wolbach: Does it need to be?

Council Member DuBois: I'm open to an amendment. I kind of took that as a comment to Hillary to consider among other things. If you want to propose something.

Mayor Holman: It provides greater clarity if we add it. An "e" would be "utilize subcommittees as a part of the Comp Plan work." I don't think we need to get more specific than that. "Subcommittee meetings would be noticed and open to the public."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion at the end of Part B, "including utilization of sub-committees as a part of the Comprehensive Plan Update work, and sub-committee meetings would be noticed and open to the public."

Ms. Gitelman: Mayor Holman, if I can interject something there. I think we would like an opportunity to consider just how much that adds in terms of work and time to the schedule. Once we start having multiple subcommittees and noticing them as Brown Act meetings and staffing them, we're talking about a significant increase in staffing and consultant support. We're already working on a contract amendment to give our consultant more resources to staff the CAC. If we need their support for subcommittees, that will be an additional ask. I also wanted to make the observation that Council Member DuBois and Council Member Burt have articulated two slightly different views of how the schedule might be amended. I like how the motion suggests that we should come back for further discussion of that issue and perhaps this issue of subcommittees. How extensive they are, how long their duration is, how they're noticed and staffed could be part of that subsequent discussion about schedule.

Council Member Burt: I have one question that might (inaudible). My question is—this is more for the City Attorney—noticing them publicly doesn't necessarily mean that they're Brown Acted committees, right? We can have publicly noticed meetings and it doesn't have to be governed by Brown Act rules. I don't think there's anything in the law that requires that they be Brown Act. We simply want them to be open to the public. That may reduce the complexity of it.

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Ms. Stump: I think it makes sense to be clear about if there isn't a legal requirement for them to behave as Brown Act bodies, then as a policy matter you can pick the elements you want. I think it might be helpful to be clear with the Staff which elements you are preferring. I am hearing a preference for transparency, but also for ease. Where is that (crosstalk)?

Council Member Burt: I think the intention was simply to have them open to the public, not governed by Brown Act rules.

Ms. Stump: For example, there would not be a requirement for an agenda in advance, that they wouldn't have to stick to the agenda, that there wouldn't be a requirement for public comment?

Council Member Burt: Yeah. I mean they could opt to do that, but on an informal basis. Basically, we just simply want them to be able to be open to the public, but they're going to function in a less formal manner. The public should be able to sit in. It shouldn't be done behind closed doors. That's all. I think that's simple. Mayor, is that your intention as well?

Mayor Holman: Yes, it is. To satisfy the thing that, Hillary, you brought up, if we take "e" and put it up with "b," does that solve the situation here? "Including utilization of subcommittees." Coming back with all of that, those things that would affect timeline and staffing.

Ms. Gitelman: Yeah, we'd be happy to do that.

Mayor Holman: Is that okay with ...

Council Member Burt: As the seconder, I just want to say that I don't see any way that we can have an effective process by trying to have 25 people debate every issue as a big body. I don't see a way around it.

Ms. Gitelman: Thank you. I'm sure we can figure out a way to do the subcommittees and the process. We had always expected that there would be committees of limited duration. We'll take another look at the schedule and how we can incorporate the work of subcommittees into the whole program. Again, I think we've gotten different direction from Council Member DuBois and Council Member Burt about exactly what they anticipate in terms of changes to the schedule, so we're going to have to work through that. Maybe we'll have to bring you two options on the 31st.

Council Member Burt: I think the direction may not be as different as you're perceiving. I didn't make any statement that it has to hold to the current

schedule. I simply said that I think we should continue to have an aggressive schedule and that the subcommittee process would not necessarily be additive to the timeline. It doesn't mean it wouldn't add anything, but it's not like it's going to ultimately drive a major extension of the timeline necessarily. What I heard from Council Member DuBois is that he assumes it will add something. I don't think we're very far apart on that.

Ms. Gitelman: Mayor Holman, just since we're deep into this already, if I could ask another question? I heard from Council Member DuBois the idea that where currently our schedule shows two topics being discussed in a meeting, we would split that apart. We'd end up adding some meetings and extending the schedule that way.

Council Member DuBois: Yeah.

Ms. Gitelman: What I heard from Council Member Burt is that we really want to do a much deeper dive and have longer time for deliberation in addition to the use of subcommittees on many of the topics being discussed. To me, that sounds like a slightly different and expanded version.

Council Member Burt: My comments around the deliberation were focused on having the subcommittees do the bulk of the deliberation. The subcommittee will have roughly representative of the diversity of the Committee as a whole. They'll have vetted these things and have greater knowledge that they obtained because this was a group that dove into a given subject matter. They wade through it in a smaller group more efficiently, and come to the main Committee and say, "Here's what we've come up with." The Committee may have some places where they'll disagree, but in all likelihood the bulk of the times that subcommittee work will streamline the work of the main Committee. That's my point about it not all being additive. The work of the subcommittee will also reduce time from the primary Committee.

Council Member Berman: I'll be quick. One thing, Director Gitelman, I'd encourage you to do is reach out to the Staff who were in charge of the IBRC and get their thoughts on how they did the subcommittee process. I thought it worked pretty well, and we did it pretty quickly. The Committee members have to do more work, but it's worth it. Following up on your point, I just want to ask my colleagues in whatever we lose by appointing these members a week or two later, do we gain more by having the application process open until August 30th, a Sunday, an extra week to give people time to apply versus the week from tonight? If people aren't

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concerned about it, then it's nothing I'm falling on a sword about. Just throwing it out there as do we want to give folks more time to apply.

Council Member DuBois: I just think we should try it. We're talking about five people. There just seems to be a lot of focus in the community, so I wouldn't be surprised if we get a bunch of applications.

Vice Mayor Schmid: Move the question.

CALL THE QUESTION: Vice Mayor Schmid moved, seconded by Mayor Holman to call the question.

Mayor Holman: Vote on the board please.

Male: He's moving the vote?

Mayor Holman: Yes, we're voting on whether to vote.

Council Member DuBois: (inaudible) the question.

Council Member Berman: (inaudible)

Mayor Holman: That motion does not require a second. Correct? Yeah. That's right; Liz isn't here. That passed on a 7-0-2 vote.

CALL THE QUESTION PASSED: 7-0 Kniss, Scharff absent

Mayor Holman: Now we'll be voting on the motion, which is scrolled up so I won't repeat it. That passes on a 7-0-2 vote with Council Members Scharff and Kniss absent.

MOTION AS AMENDED PASSED: 7-0 Kniss, Scharff absent

27. Designation of Voting Delegates and Alternates for the League of California Cities Annual 2015 Conference.

Mayor Holman: Do I have a motion?

Male: I'm not voting (inaudible)

Mayor Holman: In the Staff Report, the City Council should designate Council Members Pat Burt, Tom DuBois or Council Member Cory Wolbach as voting delegate and up to two as alternate delegates for the 2013 League of Cities Annual Conference.

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Vice Mayor Schmid: I move that the Member with the most years of experience on the Council be the voting member.

Council Member Berman: Second.

Mayor Holman: Would you repeat that? I'm sorry.

Vice Mayor Schmid: Of the three, the Member who is the longest serving Member on the Council be the voting representative.

Mayor Holman: What about alternates?

Council Member Berman: I thought we can both be alternates, right?

Mayor Holman: Yeah. Both the others can be alternates.

Vice Mayor Schmid: Yes.

Mayor Holman: Council Members DuBois and Wolbach as alternates. Who

seconded that?

Council Member Berman: I did.

Mayor Holman: Council Member Berman.

MOTION: Vice Mayor Schmid moved, seconded by Council Member Berman to designate Council Member Burt as the Voting Delegate and Council Members DuBois and Wolbach as Alternates for the League of California Cities Annual Conference.

Mayor Holman: That is simple. Vote on the board please. That passes also on a 7-0-2 vote, Council Members Kniss and Scharff absent.

MOTION PASSED: 7-0 Kniss, Scharff absent

Inter-Governmental Legislative Affairs

28. Authorization for the Mayor to Sign a Letter Regarding Palo Alto's Position on New Funding for State and Local Transportation Infrastructure.

Council Member Questions, Comments and Announcements

Mayor Holman: There were going to be a couple of reports. David, do you have our image? There were going to be a couple of reports, but if you don't mind, we could hold those until next time. This seemed to be an appropriate way to end tonight's meeting. Although, it's a little late now to try to do this.

Adjournment: The meeting was adjourned at 1:29 A.M.

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